



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on SBPP Co-operative Bank Limited, Killa Pardi, Gujarat

The Reserve Bank of India (RBI) has, by an order dated September 28, 2023, imposed a monetary penalty of ₹13 lakh (Rupees Thirteen lakh only) on SBPP Co-operative Bank Limited, Killa Pardi, Gujarat (the bank) for non-compliance with directions issued by RBI on '[Interest Rate on Deposits](#)'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949.

This action is based on deficiency in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.

Background

The statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2021, and examination of the Risk Assessment Report and all correspondence related thereto revealed, *inter alia*, that the bank had opened savings deposit accounts of trusts, whose entire income was not exempt from payment of income-tax under the Income Tax Act, 1961. Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the RBI directions, as stated therein.

After considering the bank's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charge of non-compliance with the RBI directions was substantiated and warranted imposition of monetary penalty.