

**भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

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**RBI imposes monetary penalty on Surat National Co-operative Bank Ltd.,  
Surat, Gujarat**

The Reserve Bank of India (RBI) has, by an order dated September 18, 2023, imposed a monetary penalty of ₹6.00 lakh (Rupees Six lakh only) on Surat National Co-operative Bank Ltd., Surat, Gujarat (the bank) for contravention of directions issued by RBI on '[Co-operative Banks - Interest Rate on Deposits](#)' and 'Customer Protection - Limiting Liability of Customers of Co-operative Banks in Unauthorised Electronic Banking Transactions'. 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 deficiencies 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, 2022, and examination of the Inspection Report, Risk Assessment Report and all correspondence related thereto revealed, *inter alia*, that the bank had (i) not paid interest on matured term deposits from the date of maturity till the date of their repayment at the applicable rate and (ii) not provided the facility to customers to respond by 'Reply' to the electronic banking transactions related SMSs and email alerts sent by the bank, for instantly reporting unauthorised transactions. 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 directions, as stated therein.

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