



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

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September 26, 2024

RBI imposes monetary penalty on The Surat People's Co-operative Bank Limited, Surat

The Reserve Bank of India (RBI) has, by an order dated September 23, 2024, imposed a monetary penalty of ₹61.60 lakh (Rupees Sixty one lakh and sixty thousand only) on The Surat People's Co-operative Bank Limited, Surat (the bank), for non-compliance with certain directions issued by RBI on 'Income Recognition, Asset Classification, Provisioning and Other Related Matters', 'Loans and advances to directors and their relatives, and firms/concerns in which they are interested', 'Maintenance of Deposit Accounts' and 'Customer Service'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2022 and March 31, 2023. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions.

After considering the bank's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty.

The bank had:

- (i) not classified loan accounts of certain borrowers as non-performing assets;
- (ii) sanctioned/renewed certain director-related loans;
- (iii) levied and recovered penal charges from certain inoperative savings bank/current accounts for non-maintenance of minimum balances in those accounts; and
- (iv) levied charges on certain customers for sending SMS alerts despite not having mobile numbers of such customers on record.

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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

(Puneet Pancholy)

Chief General Manager

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