

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIAवेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

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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 March 02, 2022, imposed a monetary penalty of ₹48.00 lakh (Rupees forty-eight lakh only) on SBPP Co-operative Bank Limited, Killa Pardi, Gujarat (the bank) for non-compliance with the directions issued by RBI on 'Interest Rate on Deposits' and '[Know Your Customer \(KYC\)](#)'. This penalty has been imposed in exercise of powers vested in RBI conferred under section 47 A (1) (c) read with sections 46 (4) (i) and 56 of Banking Regulation Act, 1949 (BR Act), taking into account failure of the bank to adhere to the aforesaid directions issued by RBI.

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 the bank's financial position as on March 31, 2019, the Inspection Report pertaining thereto and examination of all related correspondence revealed, *inter alia*, that the bank had not complied with the RBI directions on (i) payment of interest on deposits lying in the current accounts of deceased individual depositors or sole proprietorship concerns while making payment to claimants, (ii) payment of interest for Sundays/ holidays/ non-business working days on deposits matured on these days and paid on succeeding working days, (iii) periodic review of risk categorisation of customers, and (iv) assigning of Unique Customer Identification Code (UCIC) to customers. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed for contravention of the RBI directions, as stated therein.

After considering the bank's reply to the notice and oral submissions made 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, to the extent of non-compliance with such directions.