



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 022- 22660502

June 29, 2021

RBI imposes monetary penalty on SVC Co-operative Bank Ltd., Mumbai

The Reserve Bank of India (RBI) has, by an order dated June 28, 2021, imposed a monetary penalty of ₹37.50 lakh (Rupees thirty-seven lakh and fifty thousand only) on SVC Co-operative Bank Ltd., Mumbai (the bank) for non-compliance with directions issued by RBI contained in [Master Directions on 'Interest Rate on Deposits'](#) and Circular on 'Frauds Monitoring and Reporting Mechanism'. This penalty has been imposed in exercise of powers vested in RBI under section 47A(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 the RBI with reference to the bank's financial position as on March 31, 2019 and the Inspection Report (IR) pertaining thereto, and examination of all related correspondence revealed, *inter alia*, non-compliance with aforesaid directions issued by RBI. 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 directions issued by RBI. After considering the bank's reply to the notice, oral submissions made in the personal hearings and additional submissions, RBI came to the conclusion that the aforesaid charges were substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager