

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIA

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July 22, 2022

RBI imposes monetary penalty on Suryoday Small Finance Bank Ltd

The Reserve Bank of India (RBI) has, by an order dated July 20, 2022, imposed a monetary penalty of ₹57.75 lakh (Rupees Fifty-seven lakh seventy-five thousand only) on Suryoday Small Finance Bank Ltd. (the bank) for non-compliance with the '[Reserve Bank of India \(Frauds classification and reporting by commercial banks and select FIs\) directions 2016](#)' issued by RBI. This penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47 A (1) (c) read with section 46 (4) (i) of the Banking Regulation Act, 1949.

This action is based on the 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 was conducted by RBI with reference to its financial position as on March 31, 2019, and the examination of the Inspection Report (IR) and all related correspondences pertaining to the same revealed, *inter alia*, non-compliance with the aforesaid RBI directions to the extent the bank failed to (i) furnish FMR to RBI, with respect to certain cases of fraud, within three weeks of their date of detection, and (ii) refer to State Police authorities certain cases of fraud committed by its staff. 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 on it for failure to comply with the said directions, as stated therein.

After considering the bank's reply to the notice and oral submissions made in 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.