



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 14, 2025

RBI imposes monetary penalty on Sarvodaya Commercial Cooperative Bank Ltd., Dist. Mehsana, Gujarat

The Reserve Bank of India (RBI) has, by an order dated August 08, 2025, imposed a monetary penalty of ₹5 lakh (Rupees Five Lakh only) on Sarvodaya Commercial Cooperative Bank Ltd., Dist. Mehsana, Gujarat (the bank) for non-compliance with certain directions issued by RBI on 'Donations / Contributions for public / charitable purposes out of profits of UCBs', 'Financial Statements – Presentation and Disclosures', 'Inspection & Audit Systems in Primary (Urban) Co- operative Banks', 'Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs', and '[Know Your Customer \(KYC\)](#)'. 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 the RBI with reference to its financial position as on March 31, 2024. 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 and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

The bank had:

- i. made donations to trusts in excess of prescribed regulatory ceiling;
- ii. failed to present the true and fair picture of its profits and assets in profit and loss statement and balance sheet respectively;
- iii. conducted concurrent audit monthly instead of conducting simultaneous check of the transactions and reports were submitted with delays;
- iv. failed to categorise certain Non-Performing Assets (NPAs) in the appropriate NPA sub-category; and
- v. failed to carry out periodic review of risk categorisation of accounts with such periodicity being at least once in six months.

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.