



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

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March 28, 2025

RBI imposes monetary penalty on The Santrampur Urban Co-operative Bank Ltd., Santrampur, dist. Mahisagar, Gujarat

The Reserve Bank of India (RBI) has, by an order dated March 27, 2025, imposed a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on The Santrampur Urban Co-operative Bank Ltd., Santrampur, Mahisagar District, Gujarat (the bank) for non-compliance with certain directions issued by RBI on 'Co-operative Banks - Interest Rate on Deposits' 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 RBI with reference to its financial position as on 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 failed to:

- i) pay the applicable interest on the maturity amount of the unpaid matured Term Deposits; and
- ii) carry out periodic review of risk categorisation of certain accounts 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.