



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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August 14, 2025

## **RBI imposes monetary penalty on Sardargunj Mercantile Co-operative Bank Limited, Patan, Gujarat**

The Reserve Bank of India (RBI) has, by an order dated August 08, 2025, imposed a monetary penalty of ₹1 lakh (Rupees One Lakh only) on Sardargunj Mercantile Co-operative Bank Limited, Patan, Gujarat (the bank) for non-compliance with certain directions issued by RBI on 'Co-operative Banks - Interest Rate on Deposits'. 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 charge against the bank was sustained, warranting imposition of monetary penalty:

The bank had accepted certain interest-free deposits in accounts other than current account.

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.

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**(Puneet Pancholy)**  
Chief General Manager