

**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

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December 26, 2022

**RBI imposes monetary penalty on Shri Mahila Sewa Sahakari Bank Ltd.,  
Ahmedabad (Gujarat)**

The Reserve Bank of India (RBI) has, by an Order dated December 21, 2022, imposed a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on Shri Mahila Sewa Sahakari Bank Ltd., Ahmedabad (Gujarat) (the bank) for contravention of directions issued by RBI on 'Maintenance of Statutory Reserves – Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) by Primary (Urban) Co-operative Banks'; 'Loans and advances to directors etc. – directors as surety/guarantors – clarification'; 'Loans and advances to directors, relatives, and firms/concerns in which they are interested'; 'Declaration of dividend by UCBs' and 'Depositor Education and Awareness Fund Scheme, 2014'. This penalty has been imposed in exercise of powers vested in the RBI under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

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**

A Special Scrutiny and the statutory inspection of the bank conducted by RBI with reference to the bank's financial position as on March 31, 2019, and examination of the Scrutiny Report along with Inspection Report and all related correspondence pertaining to the same revealed, *inter alia*, that the bank had not maintained minimum Cash Reserve Ratio (CRR), had sanctioned certain credit facilities to individuals where the bank's director/relatives of its directors stood as guarantor, had sanctioned certain loans to the director/relatives of its directors, had declared dividend without obtaining prior permission of RBI despite default in maintenance of CRR and had not transferred balances lying in certain accounts remaining unclaimed for more than ten years to the Depositor Education and Awareness Fund and instead booked a portion of the same as income resulting in contravention of aforesaid directions issued by RBI.

After considering the bank's reply to the notice and oral submissions made during the personal hearing, the RBI came to the conclusion that the aforesaid charges were substantiated and warranted imposition of monetary penalty.