



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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August 21, 2023

**RBI imposes monetary penalty on Shree Co-operative Bank Limited,  
Vadodara (Gujarat)**

The Reserve Bank of India (RBI) has imposed, by an Order dated August 11, 2023, a monetary penalty of ₹50,000/- (Rupees Fifty Thousand only) on Shree Co-operative Bank Limited, Vadodara, Gujarat (the bank) for non-compliance with direction issued by RBI on 'Loans and advances to directors, relatives, firms/concerns in which they are interested'. 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.

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**

The statutory inspection of the bank conducted by RBI with reference to the bank's financial position as on March 31, 2022, and examination of the Inspection Report, Risk Assessment Report pertaining thereto and all related correspondence pertaining to the same revealed, *inter-alia*, that the bank had sanctioned loan wherein spouse of one of the bank's directors stood as surety/guarantor. 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 directions stated therein.

After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charge of non-compliance with RBI direction was substantiated and warranted imposition of monetary penalty.

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**(Yogesh Dayal)**  
Chief General Manager