



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 30, 2025

RBI imposes monetary penalty on Shree Kadi Nagarik Sahakari Bank Ltd., Dist. Mehsana, Gujarat

The Reserve Bank of India (RBI) has, by an order dated June 26, 2025, imposed a monetary penalty of ₹14.30 lakh (Rupees Fourteen Lakh Thirty Thousand only) on Shree Kadi Nagarik Sahakari Bank Ltd., Dist. Mehsana, Gujarat (the bank) for non-compliance with the certain directions issued by RBI on 'Donations to Trusts and Institutions where Directors, their relatives hold position or are interested' and 'Management of Advances - UCBs' 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, oral submissions made during the personal hearing and 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:

- donated certain amount to a trust in which the bank's director's relative was interested; and
- failed to ensure end-use of funds with respect to certain loans sanctioned by it.

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.