



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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December 23, 2024

RBI imposes monetary penalty on Shree Laxmi Mahila Sahakari Bank Limited, Mehsana, Gujarat

The Reserve Bank of India (RBI) has, by an order dated December 13, 2024, imposed a monetary penalty of ₹1.60 lakh (Rupees One Lakh Sixty Thousand only) on Shree Laxmi Mahila Sahakari Bank Limited, Mehsana, Gujarat (the bank) for non-compliance with certain directions issued by RBI on 'Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks (UCBs)', '[Know Your Customer \(KYC\)](#)' and 'Membership of Credit Information Companies (CICs) by Co-operative Banks'. 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 and Section 25 of the Credit Information Companies (Regulation) Act, 2005.

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 and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

The bank had failed to:

- i) adhere to the prudential inter-bank counterparty exposure limit;
- ii) carry out customer due diligence in certain accounts;
- iii) upload the KYC records of customers onto Central KYC Records Registry (CKYCR) within the prescribed timeline; and
- iv) submit credit information of its borrowers to any of the four CICs.

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.