प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 14, 2025

RBI imposes monetary penalty on Shree Bharat Co-operative Bank Ltd., Vadodara, Gujarat

The Reserve Bank of India (RBI) has, by an order dated August 08, 2025, imposed a monetary penalty of ₹2.50 lakh (Rupees Two Lakh Fifty Thousand only) on Shree Bharat Co-operative Bank Ltd., Vadodara, Gujarat (the bank) for non-compliance with certain directions issued by RBI on 'Inspection & Audit Systems in Primary (Urban) Co- operative Banks', 'Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs', and 'Know Your Customer (KYC)'. 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 failed to:

i. put in place a system of Internal Audit;

ii. put in place a system to identify Non-Performing Assets (NPAs) on an ongoing basis and classify certain loans and advances as NPAs; and

iii. carry out periodic review of risk categorisation of certain accounts, with such periodicity being at least once in six months.

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.

(Puneet Pancholy)
Chief General Manager

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