



**भारतीय रिज़र्व बैंक**

**RESERVE BANK OF INDIA**

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July 17, 2013

**Reserve Bank of India penalizes  
The Nasik Merchants' Co-operative Bank Ltd., Nasik, Maharashtra**

The Reserve Bank of India has imposed a monetary penalty of ₹5.00 lakh (Rupees Five Lakh Only) on The Nasik Merchants' Co-operative Bank Ltd., Nasik, Maharashtra, in exercise of the powers vested in it under the provisions of Section 46(4) read with Section 47A(1)(a) of the Banking Regulation Act, 1949(As Applicable to Co-operative Societies), for violation of instructions/guidelines of the Reserve Bank of India.

Inspection of the bank with reference to its position as on March 31, 2012 revealed that the bank had persistently violated section 6(1) (j) of the banking Regulation Act 1949 (AACS) as it had set up a trust in the name and style of NAMCO Charitable Trust and the trust had seven Trustees who were also Directors of the bank and the purpose of the trust was to run a medical college cum hospital for general public. Thus there was evidence of recurrence of violation of section 6(1) (j) of the Banking Regulation Act 1949 (AACS)

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and bank's reply in the matter, the Reserve Bank of India came to the conclusion that the violations were substantiated and classified as 'Major' which warranted imposition of penalty.

**Press Release : 2013-2014/122**

**Ajit Prasad**  
Assistant General Manager