

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIAवेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

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Reserve Bank of India imposes monetary penalty on Bank of Maharashtra

The Reserve Bank of India (RBI) has imposed, by an order dated April 18, 2022, a monetary penalty of ₹1.12 Crore (Rupees One Crore and Twelve Lakh only) on Bank of Maharashtra (the bank) for non-compliance with certain directions issued by RBI on '[Reserve Bank of India \(Know Your Customer \(KYC\)\) Directions, 2016](#)' 'Creation of a Central Repository of Large Common Exposures - Across Banks' read with 'Central Repository of Information on Large Credits (CRILC) – Revision in Reporting', and 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks'. This penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47 A (1) (c) read with sections 46 (4) (i) and 51 (1) of the Banking Regulation Act, 1949 (the Act).

This action is based on the 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 for Supervisory Evaluation (ISE) of the bank was conducted by RBI with reference to its financial position as on March 31, 2020. Also, scrutinies were conducted in the matter of non-credit of customs duty to the Government Account by the bank. The examination of the Risk Assessment Report & Inspection Report pertaining to the ISE, scrutiny reports and all the correspondence related to the same, revealed, *inter-alia*, non-compliance with the aforesaid directions issued by RBI to the extent the bank (i) failed to allot Unique Customer Identification Codes (UCIC) to its individual customers, (ii) failed to ensure integrity and quality of data submitted to RBI in CRILC, and (iii) did not enter into any Service Level Agreement (SLA) and failed to review the outsourcing arrangement for one of the outsourced financial services. 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 said directions, as stated therein.

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