



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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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 February 25, 2021, a monetary penalty of ₹2 crore on Bank of Maharashtra (the bank) for contravention of / non-compliance with certain provisions of the directions contained in Reserve Bank of India (Frauds classification and reporting by commercial banks and select FIs) directions 2016 and the circulars on Concurrent Audit System in Commercial Banks - Revision of RBI's Guidelines, Disclosure of customer complaints and unreconciled balances on account of ATM transactions, and Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances. 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 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 of the bank with reference to its financial position as on March 31, 2018 and March 31, 2019 and the Risk Assessment Reports (RARs) pertaining thereto revealed, *inter alia*, non-compliance with the aforesaid directions issued by RBI. In furtherance to the same, notices were issued to the bank advising it to show cause as to why penalty should not be imposed for failure to comply with the directions issued by RBI. After considering the bank's replies to the notices, oral submissions made in the personal hearing and examination of additional submissions made by it, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)  
Chief General Manager