



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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January 23, 2023

**RBI imposes monetary penalty on Samarth Sahakari Bank Ltd.,  
Solapur (Maharashtra)**

The Reserve Bank of India (RBI) has imposed, by an order dated January 16, 2023, a monetary penalty of ₹1.50 lakh (Rupees One lakh and Fifty Thousand only) on Samarth Sahakari Bank Ltd., Solapur (Maharashtra) (the bank) for contravention of/non-compliance with the directions issued by RBI to Urban Cooperative Banks on Income Recognition and Asset Classification (IRAC). This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

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 inspection report of the bank based on its financial position as on March 31, 2020, revealed, *inter alia*, that the bank had not classified certain accounts as per IRAC norms and had not made provisions, as stipulated. Based on 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 non-compliance with the aforesaid directions.

After considering the bank's replies and oral submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charge of non-compliance with the RBI directions on IRAC norms was substantiated and warranted imposition of monetary penalty.