



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

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August 17, 2023

**RBI Imposes Monetary Penalty on Vishwanathrao Patil Murgud Sahakari Bank Ltd.,  
Murgud (Maharashtra)**

The Reserve Bank of India (RBI) has imposed, by an order dated August 08, 2023, a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on Vishwanathrao Patil Murgud Sahakari Bank Ltd., Murgud, Maharashtra (the bank) for non-compliance with the directions issued by RBI on 'Exposure Norms and Statutory/Other Restrictions - UCBs'. 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.

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, 2022, revealed, *inter alia*, that the bank had sanctioned loans to its nominal members for purpose other than the prescribed under aforesaid directions issued by RBI. 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 failure to comply with the directions, as stated therein.

After considering the bank's reply to the notice, RBI came to the conclusion that the aforementioned charge of non-compliance with RBI directions was substantiated and warranted imposition of monetary penalty.

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**(Yogesh Dayal)**  
Chief General Manager