



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 22, 2024

RBI imposes monetary penalty on Maharashtra Nagari Sahakari Bank Limited, Latur, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated August 08, 2024, imposed a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on Maharashtra Nagari Sahakari Bank Limited, Latur, Maharashtra (the bank), for non-compliance with certain directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms and contravention of provisions of section 26A read with section 56 of the Banking Regulation Act, 1949 (BR Act). This penalty has been imposed in exercise of powers conferred on RBI under provisions of section 47A(1)(c) read with sections 46(4)(i) and 56 of the BR Act.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI directions & statutory provision and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said RBI directions and provision of BR Act. After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI found, *inter alia*, that the charges of failure to classify certain loan accounts as NPA resulting into divergence in asset classification and not transferring the eligible amount to the Depositors Education and Awareness Fund within the prescribed time period were sustained, warranting imposition of monetary penalty.

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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

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(Puneet Pancholy)
Chief General Manager