



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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## RBI imposes monetary penalty on Odisha Gramya Bank, Odisha

The Reserve Bank of India (RBI) has, by an order dated April 09, 2024, imposed a monetary penalty of ₹1,50,000/- (Rupees One lakh Fifty Thousand only) on Odisha Gramya Bank (the bank) for non-compliance with the directions issued by RBI on 'Strengthening of Prudential Norms - Provisioning, Asset Classification and Exposure Limit' and 'Regional Rural Banks - Income Recognition, Asset Classification and Provisioning Norms - Non-Performing Assets (NPAs)'. This penalty has been imposed in exercise of powers vested in RBI, conferred under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949.

The statutory inspection of the bank was conducted by National Bank for Agriculture and Rural Development (NABARD) with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI directions 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 directions.

After considering the bank's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found, inter alia, that the charge of failure to classify certain loan accounts as NPA resulting into divergence in asset classification of loan accounts was 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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(Yogesh Dayal)  
Chief General Manager