



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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October 18, 2024

## RBI imposes monetary penalty on Andhra Pragathi Grameena Bank, Andhra Pradesh

The Reserve Bank of India (RBI) has, by an order dated October 10, 2024, imposed a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on Andhra Pragathi Grameena Bank, Andhra Pradesh (the bank) for non-compliance with certain directions issued by RBI on 'Strengthening of Prudential Norms- Provisioning Asset Classification and Exposure Limit' read with 'Income Recognition, Asset Classification and Provisioning Norms-Guidelines (IRAC norms)'. This penalty has been imposed in exercise of powers vested in RBI, conferred under 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 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 and oral submissions made by it during the personal hearing, RBI found, *inter alia*, that the following charge against the bank was sustained, warranting imposition of monetary penalty.

The bank had not classified certain loan accounts as non-performing assets in accordance with the IRAC norms.

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.