

Penalty Scale for Microfinance Banks / Institutions

Sr. No.	Nature of Violations	Penalty Scale
a)	Violation of :-	
	i) Cash Reserve Requirement	i-a) Rs 69/- per 100,000/- or part thereof per day on the amount by which the balance with SBP falls short of the fixed <u>minimum.</u> i-b) If the shortfall continues in the subsequent week or thereafter, the penalty shall be increased to Rs 86/- per 100,000/- or part thereof per day.
	ii) Statutory Liquidity Requirement	ii) Rs.86/- per 100,000/- or part thereof per day on the amount by which the liquid assets fall short of the fixed minimum.
b)	Violation of Prudential Regulations for MFBs/MFIs	Rs.10,000/- per case and Rs.500/- per day for the period of the irregularity, and/or disciplinary action against responsible official(s).
i)	Violation of instructions regarding location, opening, shifting and closure of branches.	Rs.20,000/- per case and Rs.1000/-per day for the period of the irregularity, and/or disciplinary action against responsible officials (s).
