



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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## RBI imposes monetary penalty on Bombay Mercantile Co-operative Bank Ltd, Mumbai

The Reserve Bank of India (RBI) has, by an order dated April 21, 2023, imposed a monetary penalty of ₹13 lakh (Rupees Thirteen lakh only) on Bombay Mercantile Co-operative Bank Ltd., Mumbai (the bank) for contravention of the provisions of section 26-A read with section 56 of the Banking Regulation Act, 1949 (BR Act). This penalty has been imposed in exercise of powers vested in RBI conferred under section 47 A (1) (c) read with sections 46 (4) (i) and 56 of the BR Act.

This action is based on deficiency 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 statutory inspection of the bank conducted by RBI with reference to its financial position as on March 31, 2020, and examination of the Risk Assessment Report and all related correspondence pertaining to the same, revealed, *inter alia*, contravention of the aforesaid provisions of BR Act to the extent the bank failed to transfer eligible amount to Depositor and Education and Awareness Fund (DEAF) within the prescribed period and transferred the same with delay. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed for contravention of the provisions of BR Act, as stated therein.

After considering the bank's reply to the notice, additional submissions made by it and the oral submissions made during the personal hearing, RBI came to the conclusion that the charge of contravention of the provisions of section 26-A of the BR Act was substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)  
Chief General Manager