

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIAवेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

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Reserve Bank of India imposes monetary penalty on Mogaveera Co-operative Bank Ltd., Mumbai

The Reserve Bank of India (RBI) has imposed, by an order dated January 20, 2022, a monetary penalty of ₹2.00 lakh (Rupees Two lakh only) on Mogaveera Co-operative Bank Ltd., Mumbai (the bank) for contravention of/non-compliance with directions contained in the Supervisory Action Framework (SAF) issued to the bank and [Know Your Customers \(KYC\) Directions, 2016](#) (as updated from time to time) issued by RBI under section 36 (1) and section 35 A read with section 56 of the Banking Regulation Act, 1949 (the Act). This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Act, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

The 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.

Background

The inspection report of the bank based on its financial position as on March 31, 2020, revealed, *inter alia*, that the bank (i) continued to incur capital expenditure beyond the permitted limit without prior approval of RBI and (ii) had not completed KYC updation of its customers as per risk categorisation. Based on the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the aforesaid directions as stated therein.

After considering the bank's written reply to the show cause notice and oral submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.