



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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May 29, 2020

## Reserve Bank of India imposes monetary penalty on Bharat Co-operative Bank (Mumbai) Limited

The Reserve Bank of India (RBI) has imposed, by order dated May 27, 2020, a monetary penalty of ₹60 lakh on Bharat Co-operative Bank (Mumbai) Limited (the bank) for non-compliance with directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms and Frauds - classification and reporting. The 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 Banking Regulation Act, 1949, taking into account failure of the bank to adhere to the aforesaid directions issued by RBI.

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.

### Background

The statutory inspection of the bank with reference to its financial position as on March 31, 2018, conducted by RBI, revealed, *inter alia*, non-compliance with RBI directions on IRAC norms and Frauds – classification and reporting. A Notice was issued to the bank advising it to show cause as to why monetary penalty should not be imposed for non-compliance with the aforesaid directions. After considering the bank's reply, oral submissions made during the personal hearing and additional submissions made after the personal hearing, RBI came to the conclusion that the above charges were established and warranted imposition of monetary penalty.

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(Yogesh Dayal)  
Chief General Manager