



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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May 27, 2024

RBI imposes monetary penalty on The Greater Bombay Co-operative Bank Limited, Mumbai

The Reserve Bank of India (RBI) has, by an order dated May 22, 2024, imposed a monetary penalty of ₹25.00 lakh (Rupees Twenty Five Lakh only) on The Greater Bombay Co-operative Bank Limited, Mumbai (the bank) for non-compliance with certain directions issued by RBI on 'Maintenance of Deposit Accounts – Primary (Urban) Co-operative Banks'. This penalty has been imposed in exercise of powers vested in RBI, conferred under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

The Statutory Inspection for Supervisory Evaluation of the bank was conducted by RBI with reference to its financial position as on March 31, 2022. 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 directions. After considering the bank's reply to the notice and oral submissions made 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 levied and recovered charges at flat rate, from savings bank deposit accounts, for non-maintenance of minimum balance, instead of the charges being directly proportionate to the extent of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening of account.

The 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. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

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(Puneet Pancholy)
Chief General Manager