



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 21, 2021

RBI imposes monetary penalty on Mogaveera Co-operative Bank Limited, Mumbai

The Reserve Bank of India (RBI) has imposed, by an order dated June 21, 2021, a monetary penalty of ₹ 12 lakh (Rupees Twelve lakh only) on Mogaveera Co-operative Bank Limited, Mumbai (the bank) for contravention of the provisions of section 26-A read with section 56 of the Act, directions issued by the RBI on Maintenance of Deposit Accounts and [Know Your Customer \(KYC\) Directions](#). This penalty has been imposed in exercise of powers vested in the RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) and Section 56 of the Banking Regulation Act, 1949 (the Act), taking into account the failure of the bank to adhere to the aforesaid directions issued by the 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 inspection report of the bank, based on its financial position as on March 31, 2019, revealed that the bank had (i) not fully transferred unclaimed deposits to Depositor Education and Awareness (DEA) Fund (ii) not conducted annual review of inoperative accounts (iii) no system of periodic review of risk categorization of accounts and (iv) customers with multiple Unique Customer Identification Codes (UCICs) for multiple accounts and also multiple customers with same UCICs. 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 and contravention of the provisions of the Act and the directions issued under the Act, as stated therein.

After considering the bank's reply to the notice, the RBI came to the conclusion that the aforesaid charges of non-compliance with and contravention of the provisions of the Act and the directions issued under the Act were substantiated and warranted imposition of monetary penalty.