



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 23, 2021

RBI imposes monetary penalty on Dhanlaxmi Bank Ltd., Thrissur, Kerala

The Reserve Bank of India (RBI) has imposed, by an order dated August 23, 2021, a monetary penalty of ₹27.50 lakh (Rupees Twenty Seven Lakh and Fifty Thousand only) on Dhanlaxmi Bank Ltd., Thrissur, Kerala (the bank) for contravention of sub-section (2) of section 26A of the Banking Regulation Act, 1949 (the Act) read with paragraph 3 of The Depositor Education and Awareness Fund Scheme, 2014 (the scheme) enclosed with [RBI Circular on 'The Depositor Education and Awareness Fund Scheme, 2014 - Section 26A of Banking Regulation Act, 1949-Operational Guidelines' dated May 27, 2014](#). 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) of the Act.

This action is based on the 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 for Supervisory Evaluation (ISE) of the bank was conducted by RBI with reference to its financial position as on March 31, 2020, and the examination of the Risk Assessment Report and Inspection Report pertaining to the same, revealed, *inter-alia*, contravention of above-mentioned provisions of the Act read with the scheme. 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 on it for contravention of the provisions of the Act read with the scheme, as stated therein.

After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of contravention of aforesaid provisions of the Act read with the scheme was substantiated and warranted imposition of monetary penalty on the bank.