



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 10, 2023

RBI imposes monetary penalty on Mangal Co-operative Bank Limited., Mumbai, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated August 03, 2023 imposed a monetary penalty of ₹1.00 lakh (Rupees One lakh only) on Mangal Co-operative Bank Limited, Mumbai (the bank) for non-compliance with the directions issued by RBI on 'Maintenance of Deposit Accounts' and 'Know Your Customer (KYC)'. This penalty has been imposed in exercise of powers conferred on RBI under section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949 (BR Act).

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 conducted by RBI with reference to its financial position as on March 31, 2022 and examination of the Risk Assessment Report and all related correspondence pertaining to the same, revealed, *inter alia*, that the bank had not conducted annual review of inoperative accounts and periodic review of risk categorisation of its existing customers. 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 failure to comply with the directions issued by RBI, as stated therein.

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

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(Yogesh Dayal)
Chief General Manager