



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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September 18, 2023

**RBI imposes monetary penalty on The National Co-operative Bank Ltd.,
Mumbai, Maharashtra**

The Reserve Bank of India (RBI) has imposed, by an order dated August 14, 2023, a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on The National Co-operative Bank Ltd., Mumbai, Maharashtra (the bank) for non-compliance with the 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 under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949.

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 correspondence related thereto revealed, *inter alia*, that the bank had not conducted annual review of inoperative accounts. 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, as stated therein.

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