



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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November 14, 2025

RBI imposes monetary penalty on Tamilnad Mercantile Bank Limited

The Reserve Bank of India (RBI) has, by an order dated November 13, 2025, imposed a monetary penalty of ₹39.60 lakh (Rupees Thirty Nine Lakh Sixty Thousand only) on Tamilnad Mercantile Bank Limited (the bank) for contravention of provisions of section 10A of Payment and Settlement Systems Act, 2007 (PSS Act) and section 26A of the Banking Regulation Act, 1949 (BR Act). This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 30(1) read with section 26(6) of the PSS Act and section 47A(1)(c) read with section 46(4)(i) of the BR Act.

The Statutory Inspection for Supervisory Evaluation (ISE 2024) of the bank was conducted by RBI with reference to its financial position as on March 31, 2024. Based on the supervisory findings of contravention of the provisions of PSS Act and BR Act 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 contravention of the provisions of the said Acts.

After considering the bank's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found that the following charges against the bank were sustained, warranting imposition of monetary penalty:

- (i) The bank had indirectly imposed charges on Basic Savings Bank Deposit (BSBD) account holders for making payment using Unified Payments Interface (UPI); and
- (ii) The bank had not transferred eligible amounts to the Depositor Education and Awareness Fund within the prescribed period.

The action is based on deficiencies in statutory 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.

(Brij Raj)

Chief General Manager

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