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Bombay Mercantile Co-operative Bank Ltd.

(Scheduled Bank)

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**Eid al-Adha
Mubarak**

**Download Your E-Copy of NEWSLETTER Vol. IX Issue 4 dated 10th June, 2024 from
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Welcome to June 2024 edition of Newsletter. The Newsletter, as you all know, is a trusted and reliable source to enhance your knowledge and keep you abreast with the latest developments. The recently concluded General Election 2024 in our country was one of the major exercise in democracy. India has played its role as one of the greatest democratic nation and seen many changes in the government without a bullet being fired. It is commendable exercise done by Election Commission of India which has conducted free and fair election and we wish the new Government to lift the Indian economy in the world. Our country is 5th largest economy in the world and aspire to be 3rd largest economy in the coming years and we are dreaming of Viksit Bharath. I am pleased to welcome Mr. Barkat Ali, former Chief General Manager of SBI, Mr. A K Sinha former General Manager of SBI and Chairman of RRB and Mr. Arshad Khan, Former General Manager of Bank of Baroda in our BMC Bank family. With the induction of these stalwarts in our family I am confident that the current financial year would witness a sea of change in our bank. Our bank shall be in uptrend mode in respect of profitability, growth in advances and deposits, recovery of NPA, marketing of digital banking products, increase in fee based income in the form of Insurance and Mutual funds. As we have celebrated 2nd June as our Foundation day, a small get together was held on 1st June 2024 at Mumbai and the occasion was graced by none other than our Chairman Mr. Avan Kumar Singh, Directors, Managing Director, Chief General Manager, Chief Operating Officer and other Executives. All the staffs assured that they will work unitedly for the progress of the bank. I also appreciate the excellent work done by our Foreign Exchange departments and branches for arranging Saudi Riyals for Hajj pilgrims. I wish all the staff a great future and sound health for them and their family. On the sacred occasion of Eid ul Adha, I would like to wish all the staff and their family a very happy Eid and pray that this symbol of sacrifice will cultivate spirituality to deliver their best in life.



ZEESHAN MEHDI

PHOTO GALLERY

**We welcome Mr. Barkat Ali, Chief General Manager, Mr. A. K. Sinha,
Chief Operating Officer and Mr. Arshad Khan, General Manager**



Mr. Barkat Ali
Chief General Manager



Mr. A K Sinha
Chief Operating Officer



Mr. Arshad Khan
General Manager

GLIMPSES OF CELEBRATION OF 86th FOUNDATION DAY (2nd June 1939) OF OUR BANK AT P D MELLO ROAD BRANCH, MUMBAI ON 1st June 2024.



Ms. Leena Shah, Manager and Mr. Jonathan Linn, Head of Marketing Division from Habib American Bank, New York, USA visited our Bank. Seen in the picture is our Managing Director and other Executives of the bank.

RBI NEWS

RBI imposed 281 penalties aggregating Rs 86.1cr in FY 23-24: Report

During the 2023-24 financial year, the Reserve Bank of India imposed 215 penalties totaling Rs 12.07 crore on cooperative banks on various acts of omission and commission. Earlier i.e. 2022-23, the RBI imposed 176 penalties worth Rs 14.04 crore. Besides, the apex bank cancelled the license of 21 co-operative banks during the said FY.

During 2023-24, the Department undertook enforcement action against Regulated Entity and imposed 281 penalties aggregating Rs 86.1 crore for contraventions/non-compliance with provisions of statutes and certain directions issued by the Reserve Bank from time to time.

During the year, the RBI imposed 16 and 12 penalties worth Rs 23.68 crore and Rs 24.90 crore on Public Sector Banks and Private Sector Banks respectively. In its analysis, the Indian Cooperative team found that during the 2023-24 financial year, 35 cooperative banks were fined in October 2023, which is the highest number of banks fined in the FY. In August and December, 22 and 28 cooperative banks were fined for breaching the RBI norms respectively.

The penalties on these cooperative banks have been imposed on several grounds in which most common charges related to Loans & advances to Directors or their relatives, KYC Norms, Placement of Deposits with Other Banks and many other things.

The RBI cancelled the license of the Adoor Cooperative Urban Bank, Faiz Mercantile Cooperative Bank, Shankarrao Pujari Nutan Nagari Sahakari Bank, Lucknow Urban Cooperative Bank, Jai Prakash Narayan Nagarik Sahakari Bank and others.

During the year, RBI also extended the period of directions on more than seventy cooperative banks for a further period. A few cooperative banks including Vaishali Shahri Vikas Cooperative Bank, Seva Vikas Cooperative Bank, Kandala Service Cooperative Bank, Vizag Cooperative Bank and others were in the news for irregularities.

RBI meets compliance heads of UCBs; briefs them on risk management

The Reserve Bank of India organized a conference in Mumbai at the Taj Mahal Palace Hotel for the heads of assurance functions, including Chief Compliance Officers, Chief Risk Officers, and Heads of Internal Audit from select Urban Co-operative Banks (UCBs).

The conference saw the participation of around 300 attendees representing over 120 UCBs, including prominent banks such as Saraswat Bank, SVC Co-op Bank, Cosmos Co-op Bank, TJSB Sahakari Bank, Karad Urban Cooperative Bank, Mahanagar Cooperative Bank, Bharat Cooperative Bank, NKGSB Cooperative Bank, and Kalupur Commercial Cooperative Bank, among others including Bombay Mercantile Co-operative Bank Ltd.

Deputy Governor, Shri Rao emphasized the critical role of the three assurance functions—Risk Management, Compliance, and Internal Audit—in maintaining the efficacy and independence essential for the financial system's resilience. He highlighted the importance of the Chief Risk Officers in managing and mitigating risks within banks' balance sheets, advocated for a proactive approach in the Compliance function, and stressed the need for clear communication in Internal Audit to ensure timely and effective corrective actions.

The conference included technical sessions on Risk Management, Compliance, and Internal Audit led by Chief General Managers of the RBI. There were also presentations on best practices and challenges by heads of assurance functions from select UCBs. The vote of thanks was proposed by Megha Saxena, General Manager, Department of Supervision.

REGULATORY UPDATES

Supreme Court's decision on taxability of fringe benefits

The Supreme Court has recently ruled that the interest-free or concessional loans extended by banks to their employees are "fringe benefits" and is liable to be taxed. This decision, has upheld income tax regulations regarding such benefits.

"Fringe benefits" refer to additional advantages or perks beyond an employee's regular salary. An employer usually gives 'fringe benefits' as an added incentive or reward for performance.

Employees (including bank employees) have to pay income tax on the difference between the interest rate of loans availed by them from their employer and the prime lending rate of the State Bank of India (SBI).

INDUSTRY NEWS

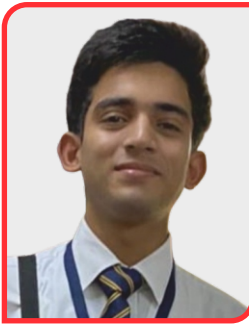
RBI's dividend to Government of India

Board of RBI has recently approved a dividend of Rs. 2.11 lakh crore for FY24 to government of India, marking a significant increase of around 141% compared to FY23. The transferable surplus for the year (2023-24) has been arrived at on the basis of the Economic Capital Framework (ECF) adopted by the Reserve Bank on August 26, 2019 as per recommendations of the Expert Committee to Review the extant Economic Capital Framework of the Reserve Bank of India (Chairman: Dr. Bimal Jalan).

During FY 2019 to 22, owing to the prevailing macroeconomic conditions and the onslaught of Covid-19 pandemic, RBI's Board had decided to maintain the Contingent Risk Buffer (CRB) at 5.50 per cent of the RBI's Balance Sheet size to support growth and overall economic activity.

With the revival in economic growth in FY 2022-23, the CRB was increased to 6.00 per cent. As the economy remains robust and resilient, the Board has decided to increase the CRB to 6.50 per cent for FY 2023-24.

CONGRATULATION TO YOUNG ACHIEVERS



Mr. Sayed Muntazir Mehdi
s/o Firdaus Faiyaz Ali Sayed,
Code No. 3847,
Accounts Department,
Head Office Secured
82.20% in
ICSE Examination, Mumbai.



Miss Sahar Fatma Syed
d/o of Syed Mahmood Asghar,
Code No. 3122 Lucknow Branch
secured **92.00%** in
12th ICSE Board Examination



Miss Sarah Fatima Rizvi
d/o Gulrez Rizvi
Code No. 3214,
Lucknow branch secured
97.00%
in 10th Examination



Mr. Syed Mohd Raza Hasnain
s/o Qamar Hasnain Mohd Kazmain,
Central Advances Dept,
scored **82%**
HSC Science

Win a prize of Rs.1000/- and a certificate of appreciation from the Managing Director for the correct answer with a beautiful slogan concerning banking activity. The slogan should not be more than 30 words. **Send your reply with slogan in sealed envelope mentioning your Name, Code No. and branch to Treasury Department, 2nd Floor, 78 Mohammedali Road, Mumbai – 400 003.**

QUESTIONNAIRES

- Q.1** RBI imposed penalties aggregating to Rs. in the FY 2023-24
(a) Rs.18.10 Cr (b) Rs.281 Cr (c) Rs.282 Cr (d) Rs.86.10 Cr
- Q.2** RBI imposed 16 penalties on private sector banks
(a) True (b) False
- Q.3** RBI organized a conference in Delhi for the Heads of assurance functions including CCO, CRO, Head of Internal Audit for UCBs.
(a) True (b) False
- Q.4** Our bank's foundation day falls on 2nd July
(a) True (b) False
- Q.5.** Board of RBI approved a dividend of Rs. Lakh crores
(a)Lakhs crores

**Your reply should reach
us on or before
26.06.2024**

Quiz result of Issue 3 VOL IX

Quiz Answer :

**1. (a) 2. (Cash deposit machine)
3. (b) 4. (b) 5. (b)**



WINNER's NAME: Ms. TANZEEL FATIMA,
Code No. 4340, A.R. Street branch, Mumbai 3

SLOGAN : YOUR FINANCIAL JOURNEY STARTS HERE.

Cash prize and Quiz Competition Certificate is ready and will be delivered to winner during staff function program or seminar by the hands of Managing Director.



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