

Secretarial Section

Head Office, 57- V.E. Road,
Thoothukudi – 628 002.

☎: 0461-2325136

e-mail : secretarial@tmbank.in

CIN: L65110TN1921PLC001908



Ref.No.TMB.SE.172/2023-24

19.03.2024

The Manager,
National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor, Plot No. C/1,
'G' Block, Bandra - Kurla Complex,
Bandra (East), Mumbai - 400 051.

The Manager,
Bombay Stock Exchange limited,
Phiroze Jeejeebhoy Towers,
Dalal Street.
Mumbai – 400 001.

Ref: Symbol: TMB / Scrip Code: 543596

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Monetary Penalty imposed by the Reserve Bank of India

We wish to inform you that the Reserve Bank of India (RBI) vide its letter dated March 19, 2024, imposed a monetary penalty amounting to Rs.1,31,80,000/- (Rupees One Crore thirty one lakh eighty thousand only) on the Bank, for non-compliance with certain directions issued by RBI.

Based on the supervisory findings, emanated from the statutory inspections for Supervisory Evaluation (ISE) for the Financial Year 2022, the following charges against the bank were found, which warrant imposition of monetary penalty. The bank (i) failed to benchmark the interest rate on certain floating rate loans to MSMEs to an external benchmark lending rate; (ii) adopted multiple benchmarks within the same loan category; (iii) failed to price certain floating rate loans with reference to actual benchmark rate applicable to those loans and (iv) wrongly reported external rating of certain borrowers to CRILC. The press release issued by RBI is attached herewith.

This penalty has been imposed in exercise of powers vested with RBI, conferred under the provisions of Section 47A (1) (c) read with Section 46 (4) (i) of the Banking Regulations Act, 1949.

The Bank has already initiated / taken corrective measures, as necessary, to align the operations / procedures in line with the stipulations of the RBI.

The requisite disclosure as required as per the requirements of Regulation 30 read with Schedule III - Para A (20) of Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as applicable) and SEBI Circular Ref. No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 is enclosed herewith.

Kindly take the information on record.

Yours faithfully,

For Tamilnad Mercantile Bank Limited



Prakash Chandra Panda

Company Secretary and Compliance Officer

Membership No: ACS 22585

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**Information as required under Regulation 30 - Para A (20) of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

S.No.	Particulars	Description
1	Name of the authority	Adjudication Committee of Executive Directors of the Reserve Bank of India.
2	Nature and details of the action(s) taken, initiated or order(s) passed	Imposed a monetary penalty amounting to Rs.1,31,80,000/- (Rupees One Crore thirty one lakh eighty thousand only) on the Bank, in exercise of powers vested in RBI conferred under the provisions of Section 47A (1) (c) read with Section 46 (4) (i) of the Banking Regulations Act, 1949, for non-compliance with certain directions issued by RBI.
3	Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority	March 19, 2024
4	Details of the violation(s) / contravention(s) committed or alleged to be committed	Based on the supervisory findings, emanated from the statutory inspections for Supervisory Evaluation (ISE) for the Financial Year 2022, the following charges against the bank were found, which warrant imposition of monetary penalty. The bank (i) failed to benchmark the interest rate on certain floating rate loans to MSMEs to an external benchmark lending rate; (ii) adopted multiple benchmarks within the same loan category; (iii) failed to price certain floating rate loans with reference to actual benchmark rate applicable to those loans and (iv) wrongly reported external rating of certain borrowers to CRILC.
5	Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.	Rs.1,31,80,000/- (Rupees One Crore thirty one lakh eighty thousand only)



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

March 19, 2024

RBI imposes monetary penalty on Tamilnad Mercantile Bank Limited

The Reserve Bank of India (RBI) has, by an order dated March 13, 2024 imposed a monetary penalty of ₹1,31,80,000/- (Rupees One crore thirty one lakh eighty thousand only) on Tamilnad Mercantile Bank Limited (the bank) for non-compliance with certain directions issued by RBI on '[Interest Rate on Advances](#)' and 'Central Repository of Information on Large Credits (CRILC) - Revision in Reporting'. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of section 47 A (1) (c) read with section 46 (4) (i) of the Banking Regulation Act, 1949.

The Statutory Inspection for Supervisory Evaluation (ISE) of the bank was conducted by RBI with reference to its financial position as on March 31, 2022 (ISE 2022). Based on supervisory findings of non-compliance with RBI directions/statutory provisions 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 its failure to comply with the directions. After considering the bank's reply to the notice, oral submissions made during the personal hearing and examination of additional submissions made by it, RBI found *inter alia* that the following charges against the bank were sustained warranting imposition of monetary penalty. The bank (i) failed to benchmark the interest rate on certain floating rate loans to MSMEs to an external benchmark lending rate; (ii) adopted multiple benchmarks within the same loan category; (iii) failed to price certain floating rate loans with reference to actual benchmark rate applicable to those loans and (iv) wrongly reported external rating of certain borrowers to CRILC.

The action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transactions 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.

Press Release: 2023-2024/2071

(Yogesh Dayal)
Chief General Manager