



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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May 02, 2023

**RBI imposes monetary penalty on the National Urban Co-operative Bank Limited, Pratapgarh (UP)**

The Reserve Bank of India (RBI) has, by an order dated April 27, 2023, imposed a monetary penalty of ₹10.00 lakh (Rupees Ten Lakh only) on the National Urban Co-operative Bank Limited, Pratapgarh (UP)(the bank) for contravention of section 35A and section 36 (1) (a) read with section 56 of the Banking Regulation Act, 1949. This penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47 A (1) (c) read with section 46 (4) (i) and section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to specific directions issued by RBI.

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 Inspection Report of the bank based on its financial position as on March 31, 2021, revealed, inter alia, non-compliance with specific directions, relating to sanction of fresh loan and advances despite directions to stop sanction / disbursement of such loans and advances, issued by RBI under a Supervisory Action Framework (SAF). Based on the same, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the said directions.

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

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**(Yogesh Dayal)**  
Chief General Manager