



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 06, 2023

Reserve Bank of India imposes monetary penalty on The Nakodar Hindu Urban Cooperative Bank Ltd, Nakodar

The Reserve Bank of India (RBI) has imposed, by an order dated March 01, 2023, a monetary penalty of ₹3.00 lakh (Rupees Three Lakh only) on The Nakodar Hindu Urban Cooperative Bank Ltd, Nakodar (the bank) for contravention of Section 35A and Section 36 (1) 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 47A(1)(c) read with Section 46(4)(i) and Section 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 compliance on review report of Supervisory Action Framework (SAF) dated July 26, 2021, submitted by the bank revealed, *inter alia*, that it had offered interest rates on deposits for various durations higher than that offered by SBI in non-compliance with the SAF directions. Based on 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 contravention of the specific directions issued by RBI.

After considering the bank's reply and oral submissions made during the Personal Hearing, RBI came to the conclusion that the aforesaid charge of non-adherence with SAF directions issued under Section 35A and Section 36 (1) read with Section 56 of the Banking Regulation Act, 1949 were substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager