



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 14, 2022

**RBI imposes monetary penalty on United India Co-operative
Bank Limited, Nagina, UP**

The Reserve Bank of India (RBI) has imposed, by an order dated March 09, 2022, a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on the United India Co-operative Bank Limited, Nagina, UP (the bank) for contravention of section 20 and 35A 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, taking into account the failure of the bank to adhere to the aforesaid sections and 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, 2020, revealed, inter alia, non-adherence/violation of section 20 and 35A read with section 56 of the Banking Regulation Act, 1949 as the bank sanctioned unsecured housing loan to a director and failed to adhere to the requirement of submission of return on connected lending. 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 violation of the said directions.

After considering the bank's reply, RBI came to the conclusion that the aforesaid charge of non-adherence/violation of RBI directions was substantiated and warranted imposition of monetary penalty.