



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 20, 2023

RBI imposes monetary penalty on Noble Co-operative Bank Ltd., Noida

The Reserve Bank of India (RBI) has imposed, by an Order dated March 16, 2023, a monetary penalty of ₹2.00 lakh (Rupees Two lakh only) on the Noble Co-operative Bank Ltd., Noida (the bank) for contravention of Section 35 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.

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, contravention of Section 35 A read with Section 56 of the Banking Regulation Act, 1949. The bank had failed to adhere to RBI directions regarding Fraud Classification and Reporting, when it had not classified the transactions as fraud and reported to RBI under FMR- 1 within stipulated timeline. 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 RBI directions regarding Fraud Classification and Reporting.

After considering the bank's reply and oral submissions made during personal hearing, RBI came to the conclusion that the aforesaid charges of non-adherence with Section 35A read with Section 56 of the Banking Regulation Act, 1949 were substantiated and warranted imposition of monetary penalty.