



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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July 04, 2022

RBI imposes monetary penalty on Nav Jeevan Co-operative Bank Ltd., Ulhasnagar

The Reserve Bank of India (RBI) has imposed, by an order dated June 27, 2022, a monetary penalty of ₹2.00 lakh (Rupees Two lakh only) on Nav Jeevan Co-operative Bank Ltd., Ulhasnagar (the bank) for contravention of/non-compliance with the directions issued by RBI on Exposure Norms and Statutory / Other Restrictions - UCBs. 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 the aforesaid directions issued by RBI.

The 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*, that the bank had sanctioned certain loans in breach of the ceiling on unsecured advances. 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 aforesaid direction as stated therein.

After considering the bank's written reply to the Notice, oral submissions made during the personal hearing and additional submissions made by it, RBI came to the conclusion that the aforesaid charge of non-compliance with the RBI direction was substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager