



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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## **RBI imposes monetary penalty on the Noida Commercial Co-operative Bank Ltd. Ghaziabad, Uttar Pradesh**

The Reserve Bank of India (RBI) has imposed, by an order dated July 30, 2021, a monetary penalty of ₹3.00 lakh (Rupees Three Lakh only) on the Noida Commercial Co-operative Bank Ltd., Ghaziabad, Uttar Pradesh (the bank) for contravention of sections 23 and 35 A read with section 56 of the Banking Regulation Act, 1949 and regulations on 'Exposure Norms' and norms on 'Board of Directors-UCB' in relation to director related loans. 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 provisions of the Act and directions issued thereunder 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, 2019, revealed, inter alia, that the bank failed to adhere to the provisions related to director related loans and opening of new place of business. 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, oral submissions made by the bank during the personal hearing and additional submission, 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