



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

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August 17, 2023

RBI imposes monetary penalty on Ordnance Equipment Factory Prarambhik Sahkari Bank Ltd., Kanpur

The Reserve Bank of India (RBI) has imposed, by an order dated August 08, 2023, a monetary penalty of ₹3.00 lakh (Rupees Three Lakh only) on Ordnance Equipment Factory Prarambhik Sahkari Bank Ltd., Kanpur (the bank) for non-compliance with specific directions issued by RBI under Supervisory Action Framework (SAF). 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 statutory inspection report of the bank based on its financial position as on March 31, 2022 revealed, *inter-alia*, that the bank had offered interest rate on deposits more than those offered by State Bank of India in violation of specific directions issued under SAF. 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 failure to comply with the directions, as stated therein.

After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI came to the conclusion that the aforementioned charge of non-compliance with RBI directions was substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager