



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस. मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, S.B.S. Marg, Fort, Mumbai - 400 001

फोन/Phone: 022 - 2266 0502

August 29, 2022

RBI imposes monetary penalty on the National Urban Co-operative Bank Limited, Pratapgarh, Uttar Pradesh

The Reserve Bank of India (RBI) has imposed, by an order dated August 22, 2022, a monetary penalty of ₹5.00 lakh (Rupees Five Lakh only) on the National Urban Co-operative Bank Limited, Pratapgarh, Uttar Pradesh (the bank) for non-compliance with certain directions issued by RBI contained in the [Master Circular DCBR.BPD. \(PCB\) MC No.12/09.14.000/2015-16 dated July 01, 2015](#) on 'Income Recognition, Asset Classification, Provisioning and Other Related Matters – 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.

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, failure to identify certain accounts as non-performing assets. 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 to the notice and submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charge of non-adherence / violation of RBI directions was substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager