



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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September 26, 2022

RBI imposes monetary penalty on Bhatpara-Naihati Cooperative Bank Ltd., North 24 Parganas, West Bengal

The Reserve Bank of India (RBI) has imposed, by an order dated September 22, 2022, a monetary penalty of ₹4.00 lakh (Rupees four lakh only) on Bhatpara-Naihati Cooperative Bank Ltd., North 24 Parganas, West Bengal (the bank) for contravention of/ non-adherence with the directions issued by RBI to Urban Cooperative Bank on (i) "Exposure Norms and Statutory / Other Restrictions – UCBs" and (ii) "Management of Advances – 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 reports of the bank based on its financial positions as on March 31, 2019 and March 31, 2020, revealed, inter alia, that the bank had not complied with the directions on (i) prudential inter-bank exposure both at the gross and counter party level and (ii) sanction of gold loans. 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 directions.

After considering the bank's reply, additional submissions made thereof and oral and written submissions made by it during Personal Hearing, RBI came to the conclusion that the aforementioned charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.