

**भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

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**RBI imposes monetary penalty on HCBL Co-operative Bank Ltd., Lucknow, Uttar Pradesh**

The Reserve Bank of India (RBI) has imposed, by an order dated August 30, 2023, a monetary penalty of ₹11.00 lakh (Rupees Eleven Lakh only) on HCBL Co-operative Bank Ltd., Lucknow, Uttar Pradesh (the bank) for non-compliance with the directions issued by RBI on 'Loans and Advances to Directors, their Relatives, and Firms / Concerns in which they are Interested' and specific directions issued by RBI under the 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 Sections 46 (4) (i) and 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 of the bank conducted by RBI with reference to its financial position as on March 31, 2021, and examination of the Inspection Report, Risk Assessment Report revealed, *inter-alia*, that the bank had (i) granted loans/advances to its director and their relatives and (ii) sanctioned fresh loans and advances to single borrowers in excess of 50% of applicable regularity limits and offered interest rates on deposits more than those offered by State Bank of India in violation of specific directions issued under SAF. In furtherance to 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 non-compliance with the directions, as stated therein.

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