



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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May 21, 2024

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

The Reserve Bank of India (RBI) has, by an order dated May 14, 2024, imposed a monetary penalty of ₹2.50 lakh (Rupees Two Lakh Fifty Thousand only) on Noida Commercial Co-operative Bank Ltd., Ghaziabad, Uttar Pradesh (the bank) for contravention of the provisions of section 26 A (2) read with section 56 of the Banking Regulation Act, 1949 (BR Act) and 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 '[Master Circular on Frauds- Classification and Reporting](#)'. This penalty has been imposed in exercise of powers vested in RBI, conferred under the provisions of section 47A(1)(c) read with sections 46(4)(i) and 56 of the BR Act.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2022. Based on supervisory findings of non-compliance with statutory provision/ RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said provision/directions.

After considering the bank's reply to the notice and oral submissions made by it during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty to the extent of non-compliance. The bank had (i) not transferred eligible amounts to the Depositor Education and Awareness Fund within the prescribed period, (ii) sanctioned a director related loan, and (iii) not classified and reported a fraud.

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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

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(Puneet Pancholy)  
Chief General Manager