



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Reserve Bank of India imposes monetary penalty on Noida Commercial Co-operative Bank Ltd., Ghaziabad, U.P.

The Reserve Bank of India (RBI) has imposed, by an order dated May 04, 2022, a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on the Noida Commercial Co-operative Bank Ltd., Ghaziabad (the bank) for contravention of Section 35A and section 36 (1) read with Section 56 of the Banking Regulation Act, 1949. 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 inspection report of the bank based on its financial position as on March 31, 2020, revealed, inter alia, contravention of Section 35A and section 36 (1) read with Section 56 of the Banking Regulation Act, 1949, as the bank had failed to adhere to the RBI directions prohibiting payment of dividends by the bank, when it had paid unclaimed dividends of prior periods. 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 contravention of the specific directions issued by RBI.

After considering the bank's reply, RBI came to the conclusion that the aforesaid charges of non-adherence with Section 35A and section 36 (1) read with Section 56 of the Banking Regulation Act, 1949 were substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager