



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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April 22, 2024

## RBI imposes monetary penalty on The Nakodar Hindu Urban Co-operative Bank Limited, Nakodar

The Reserve Bank of India (RBI) has, by an order dated March 31, 2024, imposed a monetary penalty of ₹5.00 lakh (Rupees Five lakh only) on The Nakodar Hindu Urban Co-operative Bank Limited, Nakodar (the bank) for non-compliance with the direction issued by RBI on 'Investments by Primary (Urban) Co-operative Banks'. 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 Banking Regulation Act, 1949.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI direction 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 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 charge of breaching prudential inter-bank (gross) exposure limit was sustained, warranting imposition of monetary penalty.

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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(Yogesh Dayal)  
Chief General Manager