



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 08, 2024

RBI imposes monetary penalty on Nidhi Co-operative Bank Ltd., Ahmedabad, Gujarat

The Reserve Bank of India (RBI) has, by an order dated August 05, 2024, imposed a monetary penalty of ₹50,000/- (Rupees Fifty thousand only) on Nidhi Co-operative Bank Ltd., Ahmedabad, Gujarat (the bank) for non-compliance with the directions issued by RBI on 'Loans and Advances to directors, relatives and firms/concerns in which they are Interested'. 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 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 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 sanctioning of loans wherein relatives of its directors stood as guarantors 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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(Puneet Pancholy)
Chief General Manager