

**Sub.: Summary of Order-in-Original No. 11/DIR/FIU-IND/2019 in the matter of Nagarik Sahakari Bank Ltd., Bhiwandi -reg.**

In order to assess the compliance of **Nagarik Sahakari Bank Ltd., Bhiwandi** (the Bank) with regard to its obligations under the Prevention of Money Laundering Act, 2002 (the Act) and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (the Rules, 2005), the Bank was issued a Show Cause Notice for its comments on the observation shared by RBI for non-reporting of 54 FICNs under CCR in terms of the provisions of the Act.

2. Vide Show Cause Notice dated August 22, 2016, the Bank was called upon as to why suitable directions including direction of imposition of penalty should not be passed against the Bank under section 13 of the Act read with section 12 of the Act and rules 3, 7 and 9 of the Rules, 2005 for several non-compliances of the provisions of the Act and the Rules.

3. The Bank submitted its reply to the SCN and in terms of the principles of natural justice, the Bank was granted opportunity of personal hearing through its authorised representatives, but the Bank showed its unwillingness to avail this opportunity.

4. After considering the submissions of the Bank, vide Order-in-Original No. 11/DIR/FIU-IND/2019 dated December 03, 2019, the Director, FIU-IND disposed of the adjudication proceedings initiated against the Bank vide the Show Cause Notice dated August 22, 2016, and in exercise of the powers conferred under section 13(2)(d) of the Act imposed monetary penalty of **Rs. Seven Lakh forty Thousand Only (Rs. 7,40,000/-)** for non-compliances of section 12 and 12A of the Act read with rules 3, 7 and 9 of the Rules, 2005 by the Bank, viz. failure to file FICNs/CCRs under the Rule 3(1) (C) of PML Rules, 2005; and failure to furnish the information called for u/s 12A of PMLA-2002

5. In terms of section 13(2)(b) of the Act, the Director, FIU-IND directed the Bank to furnish the details of FICNs which qualify to be reported and details of CCRs filed with FIU-IND since April 1, 2014 onwards within 60 days from the receipt of this penalty order. The Bank has also been advised to exercise caution in future regarding compliance with the provisions of the Prevention of Money Laundering Act, 2002 and the Rules made thereunder.

**Disclaimer: The summary of the instant Order-in-Original is only representational in nature and does not hold any legal significance or cannot be relied upon or referred to as a precedence in any other case.**