



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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March 21, 2024

RBI imposes monetary penalty on Janata Co-operative Bank Limited, Malegaon, Nashik, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated February 27, 2024 imposed a monetary penalty of ₹5.00 lakh (Rupees Five lakh only) on Janata Co-operative Bank Limited, Malegaon, Nashik, Maharashtra (the bank) for non-compliance with RBI directions on 'Management of Advances-UCBs' and 'Exposure Norms and Statutory/Other Restrictions-UCBs'. This penalty has been imposed in exercise of powers vested in RBI, conferred under provisions of section 47 A (1) (c) read with section 46 (4) (i) and section 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, 2022. 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, oral submissions made by it during personal hearing and additional submission made thereafter, RBI found, *inter alia*, that the following charges were sustained, warranting imposition of monetary penalty. The bank had (i) sanctioned gold loans beyond prescribed regulatory limit under bullet repayment scheme, and (ii) sanctioned loans to its nominal members beyond prescribed regulatory limit.

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.

Press Release: 2023-2024/2092

(Yogesh Dayal)
Chief General Manager