प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI imposes monetary penalty on The Jalgaon People's Co-operative Bank Ltd., Jalgaon, Maharashtra

The Reserve Bank of India (RBI) has, by an order dated August 26, 2021, imposed a monetary penalty of ₹20 lakh (Rupees twenty lakh only) on The Jalgaon People's Co-operative Bank Ltd., Jalgaon, Maharashtra (the bank) for non-compliance with direction issued by RBI on 'Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks (UCBs)'. This penalty has been imposed in exercise of powers vested in RBI under section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

This action is based on deficiency 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 statutory inspection of the bank conducted by the RBI with reference to the bank's financial position as on March 31, 2019 and the Inspection Report (IR) pertaining thereto, and examination of all related correspondence revealed, *inter alia*, non-compliance with aforesaid direction issued by RBI. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed for contravention of the direction issued by RBI. After considering the bank's reply to the notice and oral submissions made in the personal hearing, RBI came to the conclusion that the aforesaid charge was substantiated and warranted imposition of monetary penalty.

(Yogesh Dayal)
Chief General Manager

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