

**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

April 03, 2023

**RBI imposes monetary penalty on The Jamnagar People's Co-operative Bank Ltd.,  
Jamnagar (Gujarat)**

The Reserve Bank of India (RBI) has, by an order dated March 29, 2023, imposed a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on The Jamnagar people's Co-operative Bank Ltd., Jamnagar (Gujarat) (the bank) for contravention of directions issued by RBI on 'Income Recognition, Asset Classification and Provisioning Norms for Loans and Advances' and '[Reserve Bank of India \(Co-operative Banks - Interest Rate on Deposits\) Directions, 2016](#)'. This penalty has been imposed in exercise of powers vested in the RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

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.

**Background**

The statutory inspection of the bank conducted by RBI with reference to the bank's financial position as on March 31, 2022, and examination of the Inspection Report and Risk Assessment Report pertaining thereto and all related correspondence pertaining to the same revealed, inter alia, that the bank had not identified its assets as Non-Performing Assets (NPAs) on an on-going basis and had failed to pay interest to overdue term deposits from the date of maturity till the date of repayment at the rate applicable to saving deposits or at the contracted rate of interest, whichever is lower. 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 aforesaid directions issued by RBI.

After considering the bank's reply to the notice and oral submissions made during the personal hearing, the RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.