



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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**Reserve Bank of India imposes monetary penalty on the
Jalgaon Peoples Co-operative Bank Ltd., Jalgaon (Maharashtra)**

The Reserve Bank of India (RBI) has imposed, by order dated October 24, 2019, monetary penalty of ₹25 lakh on the Jalgaon Peoples Co-operative Bank Ltd., Jalgaon, Maharashtra (the bank) for non-compliance with directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms and Management of Advances. The penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) and Section 56 of the Banking Regulation Act, 1949, for 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 with reference to its financial position as on March 31, 2018, conducted by RBI, revealed, *inter alia*, non-compliance with RBI directions on IRAC norms and Management of Advances. A notice was issued to the bank to show cause as to why monetary penalty should not be imposed for non-compliance with the aforesaid directions. After considering the bank's reply and oral submissions made during the personal hearing, RBI concluded that the aforesaid charges warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager