



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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April 24, 2023

RBI imposes monetary penalty on Janata Sahakari Bank Ltd., Pune

The Reserve Bank of India (RBI) has, by an order dated April 13, 2023, imposed a monetary penalty of ₹13.00 lakh (Rupees Thirteen Lakh only) on Janata Sahakari Bank Ltd., Pune (the bank) for non-compliance with RBI directions on 'Interest Rate on Deposits'. This penalty has been imposed in exercise of powers vested in RBI conferred under section 47 A (1) (c) read with sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949 (BR Act).

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 RBI with reference to its financial position as on March 31, 2020, and examination of the Risk Assessment Report and all related correspondence pertaining to the same, revealed, *inter alia*, that the bank failed to make payment of applicable interest on balance amounts lying in the current accounts of deceased individual depositors / sole proprietorship concerns, at the time of repayment to the claimant. 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 non-compliance with the RBI directions, as stated therein.

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

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(Yogesh Dayal)
Chief General Manager