



**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, एस.बी.एस.मार्ग, मुंबई-400001

Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 022- 22660502

March 30, 2021

## **Reserve Bank of India imposes monetary penalty on Shri Janata Sahakari Bank Ltd., Halol (Gujarat)**

The Reserve Bank of India (RBI) has imposed, by an order dated March 26, 2021, a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on Shri Janata Sahakari Bank Ltd., Halol (Gujarat) (the bank) for contravention of directions issued by RBI on 'Loans and advances to directors, relatives and firms /concerns in which they are interested' and 'Loans and advances to directors etc. – directors as surety/guarantors – Clarification'. This penalty has been imposed in exercise of powers vested in 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 based on its financial position as on March 31, 2019, revealed, *inter alia*, contravention of/ non-compliance with the directions issued by RBI on 'Loans and advances to directors, relatives and firms /concerns in which they are interested', 'Loans and advances to directors etc. – directors as surety/guarantors – Clarification' and Reporting of 'Advances Granted to Directors and their Relatives by the Primary (Urban) Co-operative Banks' to RBI. Based on 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.

After considering the bank's reply and oral submissions made during the personal hearing, RBI came to the conclusion that the charges regarding non-compliance with "RBI directions on 'Loans and advances to directors, relatives and firms /concerns in which they are interested' and 'Loans and advances to directors etc. – directors as surety/guarantors – Clarification'", were substantiated and warranted imposition of monetary penalty.