



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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**Reserve Bank of India imposes monetary penalty on The Jammu Central Co-operative Bank Ltd., Jammu**

The Reserve Bank of India (RBI) has imposed, by an order dated January 20, 2022, a monetary penalty of ₹1.00 lakh (Rupees One Lakh only) on The Jammu Central Co-operative Bank Ltd., Jammu (the bank) for contravention of provisions of Section 6 and Section 9 read with Section 56 of the Banking Regulation Act, 1949. 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.

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 NABARD with reference to the bank's financial position as on March 31, 2019 and the Inspection Report pertaining thereto, revealed, inter alia, contravention of provisions of Section 6 and Section 9 read with Section 56 of the Banking Regulation Act, 1949 as the bank had let out portions of its properties on rent; held immovable properties, not required for its own use, beyond the maximum permissible period; did not seek approval of RBI for such holding and did not dispose of such non-banking assets within the permissible period. 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 contravention/violation of the aforesaid provisions of Section 6 and Section 9 read with Section 56 of the Banking Regulation Act, 1949.

After considering the bank's reply, RBI came to the conclusion that the aforesaid charge of contravention/violation of provisions of Section 6 and Section 9 read with Section 56 of the Banking Regulation Act, 1949 was substantiated and warranted imposition of monetary penalty.