



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

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February 21, 2022

**Reserve Bank of India imposes monetary penalty on The Baramulla  
Central Co-operative Bank Limited, Jammu and Kashmir**

The Reserve Bank of India (RBI) has imposed, by an order dated February 15, 2022, a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on the Baramulla Central Co-operative Bank Limited, Jammu and Kashmir (the bank) for contravention of Section 6 and Section 9 read with Section 56 of the Banking Regulation Act, 1949 and violation of RBI Directions prohibiting acceptance of fresh deposits. This 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.

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 was conducted by NABARD with reference to the bank's financial position as on March 31, 2020 and the Inspection Report pertaining thereto, revealed, inter alia, contravention of Section 6 and Section 9 read with Section 56 of the Banking Regulation Act, 1949, as the bank had let out its premise on rent; held immovable properties, not required for its own use, beyond the maximum period permissible without seeking any extension from RBI for the same. The bank had also accepted fresh deposits in contravention of specific RBI directions. 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 of RBI directions and the said sections of the Banking Regulation Act, 1949.

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