



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

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**Reserve Bank of India imposes monetary penalty on Jaiprakash Narayan  
Nagari Sahakari Bank Ltd., Basmatnagar, Dist. Hingoli**

The Reserve Bank of India (RBI) has, by order dated January 22, 2020, imposed monetary penalty of ₹1.00 lakh on The Jaiprakash Narayan Nagari Sahakari Bank Ltd., Basmatnagar, Dist Hingoli (the bank) for non-compliance with directions issued by RBI on director related loans.

The 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 (As Applicable to Cooperative Societies), 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, 2017 was conducted by RBI, revealed, *inter alia*, non-compliance with RBI directions on director related loans. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why a monetary penalty should not be imposed for failure to comply with the aforesaid directions. After considering the bank's reply, RBI came to the conclusion that the aforesaid violations were established which warranted imposition of monetary penalty.

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**(Yogesh Dayal)**  
Chief General Manager