



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

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February 29, 2024

**RBI imposes monetary penalty on Shikshak Sahakari Bank Limited, Nagpur**

The Reserve Bank of India (RBI) has, by an order dated February 22, 2024, imposed a monetary penalty of ₹23.30 lakh (Rupees Twenty-three lakh and Thirty thousand only) on Shikshak Sahakari Bank Limited, Nagpur (the bank) for non-compliance with operational instructions issued by RBI, *vide* letter dated January 24, 2020, under 'Supervisory Action Framework for Primary (Urban) Co-operative Banks (UCBs)'. This penalty has been imposed in exercise of powers conferred on RBI under section 47A(1)(c) read with sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

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, 2021, and examination of the Risk Assessment Report, Inspection Report and all correspondence related thereto revealed, *inter alia*, that the bank had sanctioned certain fresh loans and advances carrying risk weight of more than 100%, during the financial year 2020-21. Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the RBI directions, as stated therein.

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