



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 04, 2026

RBI imposes monetary penalty on Nagar Sahkari Bank Ltd., Maharajganj (U.P.)

The Reserve Bank of India (RBI) has, by an order dated May 26, 2026, imposed a monetary penalty of ₹14.25 lakh (Rupees Fourteen Lakh Twenty Five Thousand only) on Nagar Sahkari Bank Ltd., Maharajganj (Uttar Pradesh) (the bank) for non-compliance with certain directions issued by RBI on 'Income Recognition, Asset Classification and Provisioning and Other Related Matters', 'Exposure Norms and Statutory / Other Restrictions', 'Membership of Credit Information Companies (CICs)' and 'Management of Advances'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 56 of the Banking Regulation Act, 1949 and under the provisions of Section 25 read with Section 23 of Credit Information Companies (Regulation) Act, 2005.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2025. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

The bank:

- (i) did not :(a) classify credit facilities of certain borrowers as non-performing assets (NPAs), (b) correctly classify certain NPAs, and (c) identify NPAs on an on-going basis;
- (ii) breached prescribed regulatory ceilings on unsecured advances at individual and aggregate level;
- (iii) did not upload credit information of its borrowers to Credit Information Companies; and
- (iv) did not take suitable precautions to avoid deficiencies in certain credit sanctions.

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. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.