



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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January 24, 2022

**Reserve Bank of India imposes monetary penalty on
M/s Bhadradi Co-operative Urban Bank Ltd., Khammam, Telangana**

The Reserve Bank of India (RBI) has imposed, by an order dated January 20, 2022, a monetary penalty of ₹2.00 lakh (Rupees two lakh only) on Bhadradi Co-operative Urban Bank Ltd., for non-compliance with directions issued by RBI on 'Exposure Norms and Statutory / Other Restrictions-UCBs' and 'Management of Advances – UCBs'. 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 (AACs).

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 inspection report of the bank based on its financial position as on March 31, 2020 revealed inter alia, instances of sanction of loans/ making of investments in breach of exposure norms applicable and grant of gold loans in excess of permissible limit under bullet repayment scheme. Based on the same 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 aforesaid directions, as stated therein.

After considering the bank's reply and oral submissions during the personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)
Chief General Manager