प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi
Website : www.rbi.org.in
ई-मेल/email : helpdoc@rbi.org.in

**संचार विभाग,** केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

**Department of Communication**, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

March 20, 2025

**RBI imposes monetary penalty on The Karaikudi Co-operative Town Bank Ltd., Tamil Nadu**

The Reserve Bank of India (RBI) has, by an order dated March 18, 2025, imposed a monetary penalty of ₹50,000/- (Rupees Fifty Thousand only) on The Karaikudi Co-operative Town Bank Ltd., Tamil Nadu (the bank) for non-compliance with specific directions issued by RBI under 'Supervisory Action Framework (SAF)'. 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.

The statutory inspection of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. 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 charge against the bank was sustained, warranting imposition of monetary penalty:

The bank had sanctioned fresh loans and advances, in non-adherence to directions under SAF, which were (a) beyond the applicable single and group borrower exposure limits; and (b) not backed by collateral security of term deposits/NSCs/KVPs/insurance policies.

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.

**(Puneet Pancholy)**
Chief General Manager

**Press Release: 2024-2025/2425**