



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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May 15, 2018

**RBI imposed penalty on
The Vriddhachalam Co-operative Urban Bank Ltd. (No.E 81),
64 South Fort Street, Vriddhachalam, 606001**

The Reserve Bank of India has imposed a monetary penalty of ₹ 2.00 lakh (Rupees two lakh) on The Vriddhachalam Co-operative Urban Bank Ltd. (No.E 81), 64 South Fort Street, Vriddhachalam, 606001, in exercise of the powers vested in it under the provisions of Section 47A(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies), for violation of the directive of the Reserve Bank prohibiting extension of loans and advances to Directors/their relatives as provided in Para 5 of [Master Circular UBD.CO.BPD.MC.No.8/12.05.001/2013-14 dated July 1, 2013](#).

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply in the matter, the Reserve Bank came to the conclusion that the violation was substantiated and warranted imposition of penalty.

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