प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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November 13, 2025

RBI imposes monetary penalty on The Mettupalayam Co-operative Urban Bank Limited, Tamil Nadu

The Reserve Bank of India (RBI) has, by an order dated November 11, 2025, imposed a monetary penalty of ₹1.50 lakh (Rupees One Lakh Fifty Thousand only) on The Mettupalayam Co-operative Urban Bank Limited, Tamil Nadu (the bank) for non-compliance with certain directions issued by RBI on 'Loans and advances to directors, their relatives, and firms /concerns in which they are interested' and 'Exposure Norms and Statutory / Other Restrictions – UCBs'. 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, 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 had:

i) sanctioned director related loan; and
ii) sanctioned loans to nominal members more than the prescribed regulatory limit.

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.

(Brij Raj)
Chief General Manager

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