प्रेस प्रकाशनी **PRESS RELEASE**

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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October 27, 2025

RBI imposes monetary penalty on The Arantangi Co-operative Town Bank Limited, Tamil Nadu

The Reserve Bank of India (RBI) has, by an order dated October 22, 2025, imposed a monetary penalty of ₹50,000/- (Rupees Fifty Thousand only) on The Arantangi Co-operative Town Bank Limited, Tamil Nadu (the bank) for non-compliance with certain directions issued by RBI on 'Declaration of dividend by 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, 2024. 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 paid dividend from accumulated profits of previous years.

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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