



# CITY UNION BANK LIMITED

CIN : L65110TN1904PLC001287

Regd. Office : 149, T.S.R. (Big) Street, Kumbakonam - 612 001, Thanjavur District, Tamil Nadu.

Telephone No : 0435 - 2402322 Fax : 0435 - 2431746

E-mail : shares@cityunionbank.com Website : www.cityunionbank.com

C.O/Shares/LR-5/2021-2022

21<sup>st</sup> May, 2021

National Stock Exchange of India Ltd.,  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No.C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (E),  
**Mumbai 400 051**

BSE Ltd.,  
DCS – CRD,  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
**Mumbai 400 001**

**Scrip Code: CUB**

**Scrip Code: 532210**

Dear Madam / Sir,

**Sub: Imposition of Penalty by the Reserve Bank of India**  
**Ref: Regulation 30 of SEBI (LODR) Regulation, 2015**

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The statutory inspection of our Bank by RBI with reference to its financial position as on March 31, 2019 and the Risk Assessment Report (RAR) pertaining thereto revealed, inter alia, certain non-compliance with the directions issued by them. In furtherance to the same, a notice was issued to our Bank advising it to show cause as to why penalty should not be imposed for failure to comply with the directions issued by RBI. After considering our Bank's replies to the notices, oral submissions and examination of additional submissions made by our Bank, Reserve Bank of India has imposed a monetary penalty of Rs.1 crore (Rupees One crore only) vide its letter dated May 20, 2021. The copy of the press release issued by RBI is enclosed herewith for your reference.

The incident of imposition of penalty has come to our knowledge on the close of business hours of 20<sup>th</sup> May 2021 and accordingly this intimation is made to the exchange.

We request you to take note of the above and disseminate to all concerned.

Yours faithfully  
for **City Union Bank Limited**

**V. Ramesh**  
**Sr. General Manager – CFO & CS**





भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

Website : [www.rbi.org.in](http://www.rbi.org.in)

ई-मेल/email: [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 022- 22660502

May 20, 2021

## Reserve Bank of India imposes monetary penalty on City Union Bank Limited

The Reserve Bank of India (RBI) has imposed, by an order dated May 19, 2021, a monetary penalty of ₹1 Crore (Rupees one Crore only) on City Union Bank Limited (the bank) for contravention of/non-compliance with certain provisions of the directions contained in the Reserve Bank of India (Lending to Micro, Small & Medium Enterprises (MSME) Sector) Directions, 2017 and the circulars on Educational Loan Scheme and Credit Flow to Agriculture – Agricultural Loans – Waiver of Margin/Security Requirements. The 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) of the Banking Regulation Act, 1949 (the Act).

This action is based on the 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 statutory inspection of the bank with reference to its financial position as on March 31, 2019 and the Risk Assessment Report (RAR) pertaining thereto revealed, *inter alia*, non-compliance with the afore-said directions issued by RBI. In furtherance to the same, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed for failure to comply with the directions issued by RBI. After considering the bank's replies to the notices, oral submissions made in the personal hearing and examination of additional submissions made by it, RBI came to the conclusion that the charges of non-compliance with the aforesaid RBI directions were substantiated and warranted imposition of monetary penalty.

Press Release: 2021-2022/245

(Yogesh Dayal)  
Chief General Manager