



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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**RBI imposes monetary penalty on The Irinjalakuda Town
Co-operative Bank Ltd. No.55, Irinjalakuda, Thrissur District, Kerala**

The Reserve Bank of India (RBI) has imposed, by an order dated March 17, 2021, a monetary penalty of ₹50.00 lakh (Rupees fifty lakh only) on The Irinjalakuda Town Co-operative Bank Ltd. No.55, Irinjalakuda, Thrissur District, Kerala (the bank) for contravention of/non-compliance with the directions issued by RBI on "Income Recognition and Asset Classification" and on "Management of Advances – UCBs". The penalty has been imposed on the bank in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949 (AACS) taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

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 inspection report of the bank based on its financial position as on March 31, 2019, revealed, *inter alia*, contravention of/non-compliance with the directions issued by Reserve Bank of India (RBI) on "Income Recognition, Asset Classification, Provisioning and Other related matters" and on "Management of Advances - UCBs". Based on the same, a Notice was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the directions.

After considering the bank's written reply and the oral submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI directions were substantiated and warranted imposition of monetary penalty.