



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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November 16, 2023

RBI imposes monetary penalty on Manappuram Finance Limited

The Reserve Bank of India (RBI) has, by an order dated October 31, 2023, imposed a monetary penalty of ₹42.78 lakh (Rupees Forty two lakh seventy eight thousand only) on Manappuram Finance Limited, Thrissur (the company) for non-compliance with certain provisions of the [“Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company \(Reserve Bank\) Directions, 2016”](#). This penalty has been imposed in exercise of powers conferred on RBI under the provisions of clause (b) of sub-section (1) of Section 58 G read with clause (aa) of sub-section (5) of Section 58 B of the Reserve Bank of India Act, 1934.

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 company with its customers.

Background

The statutory inspection of the company was conducted by RBI with reference to its financial position as on March 31, 2022 and examination of the Risk Assessment Report, Inspection Report, supervisory letter and all related correspondence pertaining to the same revealed, *inter alia*, the company's failure to comply with the RBI's directions on payment to certain borrowers the surplus amounts realised by auction of gold articles pledged by those borrowers during the period from April 01, 2021 to September 30, 2022. Consequently, a notice was issued to the company advising it to show cause as to why penalty should not be imposed on it for failure to comply with the RBI directions, as stated therein.

After considering the company's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions were substantiated and warranted imposition of monetary penalty.