

**भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA**वेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

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April 06, 2023

RBI imposes monetary penalty on Muthoot Money Limited, Ernakulam, Kerala

The Reserve Bank of India (RBI) has, by an order dated April 06, 2023, imposed a monetary penalty of ₹10.50 lakh (Rupees Ten lakh fifty thousand only) on Muthoot Money Limited, Ernakulam, Kerala (the company) for non-compliance with certain provisions of the '[Monitoring of Frauds in NBFCs \(Reserve Bank\) Directions, 2016](#)'. This penalty has been imposed in exercise of powers vested in RBI under the provisions of clause (b) of sub-section (1) of section 58G read with clause (aa) of sub-section (5) of section 58B 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, 2021 and examination of the Risk Assessment Report, Inspection Report, supervisory letter and all related correspondence pertaining to the same revealed, *inter alia*, non-compliance with the aforesaid RBI directions to the extent it reported certain frauds to RBI with a delay. In furtherance to the same, 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 and oral submissions made during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty on the company, to the extent of non-compliance with the directions.

Press Release: 2023-2024/29

(Yogesh Dayal)
Chief General Manager