



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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June 18, 2021

RBI imposes monetary penalty on The Manjeri Co-operative (Urban) Bank Ltd. No.1726, Manjeri, Malappuram District, Kerala

The Reserve Bank of India (RBI) has imposed, by an order dated June 17, 2021 a monetary penalty of ₹10.00 lakh (Rupees Ten lakh only) on The Manjeri Co-operative (Urban) Bank Ltd. No.1726, Manjeri, Malappuram District, Kerala (the bank) for contravention of / non-compliance of certain provisions of the directions issued by RBI contained in the [Master Circular- Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs dated July 1, 2015](#) and the [circular on Management of Advances – UCBs dated July 1, 2015](#). 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 statutory inspection of the bank was conducted by RBI based on its financial position as on March 31, 2020. The Inspection Report, 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 the extant RBI directions were substantiated and warranted imposition of monetary penalty.