



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

December 15, 2020

**Reserve Bank of India imposes monetary penalty on The Urban Co-operative Bank Ltd. No.1758, Perinthalmanna, Malappuram District, Kerala**

The Reserve Bank of India (RBI) has imposed, by an order dated December 11, 2020, a monetary penalty of ₹50.00 lakh (Rupees fifty lakh only) on The Urban Co-operative Bank Ltd. No. 1758, Perinthalmanna, (the bank) for non-compliance with directions issued by RBI on Income Recognition and Asset Classification (IRAC) norms and on Management of Advances-UCBs. This 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) and Section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued thereon by RBI.

This action is based on 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, conducted by RBI, revealed, *inter alia*, that the bank had not complied with the aforesaid RBI directions. In furtherance thereto, 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 issued by RBI. After considering the bank's written reply, RBI came to the conclusion that the charge of non-compliance with aforesaid RBI directions was substantiated and warranted imposition of monetary penalty.

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**(Yogesh Dayal)**  
Chief General Manager