

**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, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

October 25, 2023

**RBI imposes monetary penalty on The Manjeri Co-operative Urban Bank Ltd.,  
Manjeri, Malappuram District, Kerala**

The Reserve Bank of India (RBI) has, by an order dated September 29, 2023, imposed a monetary penalty of ₹10,000/- (Rupees Ten thousand only) on The Manjeri Co-operative Urban Bank Ltd., Manjeri, Malappuram District, Kerala (the bank) for non-compliance with the directions issued by RBI on “Customer Protection - Limiting Liability of Customers of Cooperative Banks in Unauthorised Electronic Banking Transactions”, “Basic Cyber Security Framework for Primary (Urban) Co-operative Banks (UCBs)”, and “Comprehensive Cyber Security Framework for Primary (Urban) Co-operative Banks (UCBs)”. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47-A (1) (c) read with Sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949.

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**

A cyber security incident reported by the bank regarding compromise of mobile banking application of the bank by fraudsters and the subsequent Information Technology Examination (ITE) conducted by RBI revealed, *inter alia*, several lapses in the cyber security framework of the bank. Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the directions, as stated therein.

After considering the bank’s reply to the notice and oral submissions by it 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 bank.