



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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August 14, 2026

RBI imposes monetary penalty on Muthoot MCred Limited

The Reserve Bank of India (RBI) has, by an order dated August 14, 2026, imposed a monetary penalty of ₹3.10 lakh (Rupees Three Lakh Ten Thousand only) on Muthoot MCred Limited (Formerly Known as Muthoottu Mini Financiers Limited) (the company) for non-compliance with certain provisions of the directions issued by RBI on 'Asset Classification'. This penalty has been imposed in exercise of powers conferred on RBI under section 58G(1)(b) read with section 58B(5)(aa) of the Reserve Bank of India Act, 1934.

The statutory inspection of the company was conducted by RBI with reference to its financial position as on March 31, 2025. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the company advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions.

After considering the company's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found that the following charge against the company was sustained, warranting imposition of monetary penalty:

The company upgraded certain loan accounts which were 'non-performing assets' as 'Standard', without repayment of entire arrears of interest and principal pertaining to all the credit facilities.

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 company with its customers. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the company.

Press Release: 2026-2027/895

(Brij Raj)
Chief General Manager