



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस. मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, S.B.S. Marg, Fort, Mumbai - 400 001

फोन/Phone: 022 - 2266 0502

August 17, 2022

**RBI imposes monetary penalty on The Akola Urban Co-operative Bank Ltd., Akola, Maharashtra**

The Reserve Bank of India (RBI) has, by an order dated August 10, 2022, imposed a monetary penalty of ₹15.00 lakh (Rupees Fifteen lakh only) on The Akola Urban Co-operative Bank Ltd., Akola, Maharashtra (the bank) for non-compliance with RBI directions on 'Income Recognition, Asset Classification, Provisioning and Other Related Matters- UCBs' (IRAC norms). This penalty has been imposed in exercise of powers vested in RBI conferred under section 47 A (1) (c) read with sections 46 (4) (i) and 56 of the Banking Regulation Act, 1949 (BR Act).

This action is based on deficiency 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 conducted by RBI with reference to its financial position as on March 31, 2020, and examination of the Risk Assessment Report and all related correspondence pertaining to the same, revealed, *inter alia*, that the bank had failed to comply with RBI directions on IRAC norms. In furtherance to 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 RBI directions, as stated therein.

After considering the bank's reply to the notice, RBI came to the conclusion that the aforesaid charge of non-compliance with the RBI directions were substantiated and warranted imposition of monetary penalty.

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(Yogesh Dayal)  
Chief General Manager