



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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September 03, 2021

RBI imposes monetary penalty on The Akola District Central Co-operative Bank Limited, Akola (Maharashtra)

The Reserve Bank of India (RBI) has imposed, by an order dated September 03, 2021, a monetary penalty of ₹2.00 lakh (Rupees Two Lakh only) on The Akola District Central Co-operative Bank Limited, Akola, Maharashtra (the bank) for non-compliance with certain provisions of the directions issued by RBI contained in the [Reserve Bank of India – \(Know Your Customer \(KYC\)\) Direction, 2016](#). 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 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 inspection report of the bank based on its financial position as on March 31, 2019 and the Inspection Report pertaining thereto revealed, *inter alia*, that the bank had failed to put in place a robust system for throwing alerts as part of effective identification and monitoring of suspicious transactions, resulting in non-compliance with directions issued by RBI. 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 directions.

After considering the bank's replies and oral submissions made during the personal hearing, RBI came to the conclusion that the aforesaid charge of non-compliance with RBI directions was substantiated and warranted imposition of monetary penalty.