



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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September 25, 2025

RBI imposes monetary penalty on The South Canara District Central Co-operative Bank Ltd, Karnataka

The Reserve Bank of India (RBI) has, by an order dated September 23, 2025, imposed a monetary penalty of ₹1.50 lakh (Rupees One Lakh Fifty Thousand only) on The South Canara District Central Co-operative Bank Ltd, Karnataka (the bank) for non-compliance with certain directions issued by RBI on 'Housing finance' read with 'Enhancement in Individual housing loan limits and credit to Commercial Real Estate - Residential Housing (CRE-RH)' and contravention of provisions of Section 19 read with Section 56 of the Banking Regulation Act, 1949 (BR Act). This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 56 of the BR Act.

The statutory inspection of the bank was conducted by National Bank for Agriculture and Rural Development (NABARD) with reference to its financial position as on March 31, 2024. Based on supervisory findings of contravention of statutory provisions / non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions and provisions. After considering the bank's reply to the notice and oral submissions made during the personal hearing, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

The bank had:

- i) breached the prudential exposure limits on housing finance; and
- ii) held shares in other co-operative society in contravention of B R Act.

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