



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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October 03, 2025

### **RBI imposes monetary penalty on The Bagalkot District Central Co-operative Bank Limited, Bagalkot, Karnataka**

The Reserve Bank of India (RBI) has, by an order dated September 29, 2025, imposed a monetary penalty of ₹5.50 lakh (Rupees Five Lakh Fifty Thousand only) on The Bagalkot District Central Co-operative Bank Limited, Bagalkot, Karnataka (the bank) for contravention of provisions of Sections 20 read with Section 56 of the Banking Regulation Act, 1949 (BR Act) and non-compliance with certain directions issued by National Bank for Agriculture and Rural Development (NABARD) on 'Offsite Surveillance System – Revision of Due dates for submission of OSS/FMS Returns'. 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 NABARD with reference to its financial position as on March 31, 2024. Based on supervisory findings of contravention of statutory provisions / non-compliance with NABARD 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 provisions and directions. 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) sanctioned director related loan; and
- ii) failed to submit the certain statutory returns to NABARD within the prescribed timeline.

This action is based on deficiencies in statutory 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.