



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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February 26, 2026

RBI imposes monetary penalty on The Belagavi District Central Co-operative Bank Limited, Karnataka

The Reserve Bank of India (RBI) has, by an order dated February 23, 2026, imposed a monetary penalty of ₹2 lakh (Rupees Two Lakh only) on The Belagavi District Central Co-operative Bank Limited, Karnataka (the bank) for contravention of provisions of Section 20 read with Section 56 of the Banking Regulation Act, 1949 (BR Act) and non-compliance with certain directions issued by RBI on 'Gold Loan – Bullet Repayment' and 'Exposure to Commercial Real Estate'. 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, 2025. 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 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 loans;
- ii. sanctioned gold loans under bullet repayment scheme beyond the prescribed regulatory limit; and
- iii. sanctioned loan to non-residential commercial real estate project.

This action is based on deficiencies in statutory and 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.

Press Release: 2025-2026/2176

(Brij Raj)
Chief General Manager