



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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May 22, 2026

RBI imposes monetary penalty on City Union Bank Limited

The Reserve Bank of India (RBI) has, by an order dated May 20, 2026, imposed a monetary penalty of ₹10.10 lakh (Rupees Ten Lakh Ten Thousand only) on City Union Bank Limited (the bank) for non-compliance with certain provisions of directions issued by RBI on 'Priority Sector Loan accounts' and 'Reporting of Self Help Group (SHG) member level data to Credit Information Companies (CICs)'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of section 47A(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949 and section 25(1)(iii) read with section 23(4) of the Credit Information Companies (Regulation) Act, 2005.

The Statutory Inspection for Supervisory Evaluation of the bank was conducted by RBI with reference to its financial position as on March 31, 2025. Based on supervisory findings of non-compliance with the provisions of 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 RBI 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:

- i. The bank levied loan related charges on certain agriculture priority sector loans up to ₹25,000/-.
- ii. The bank did not report Self Help Group member level data to Credit Information Companies.

The 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 monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.