



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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February 13, 2026

RBI imposes monetary penalty on CSB Bank Limited

The Reserve Bank of India (RBI) has, by an order dated February 06, 2026, imposed a monetary penalty of ₹63.60 lakh (Rupees Sixty Three Lakh Sixty Thousand only) on CSB Bank Limited (the bank) for non-compliance with certain directions issued by RBI on 'Scope of activities to be undertaken of Business Correspondents (BCs)' and 'Customer Service in Banks'. 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.

The Statutory Inspection for Supervisory Evaluation (ISE 2025) 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 provisions of RBI directions.

After considering the bank's reply to the notice and additional submissions made by it, RBI found, *inter alia*, that the following charges against the bank were sustained, warranting imposition of monetary penalty:

- i) The bank entered into an arrangement with BCs for undertaking activities, which are not covered within the scope of activities that can be undertaken by BCs; and
- ii) The bank levied charges in certain savings bank accounts without ensuring that customers were made aware of such charges upfront.

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