



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

ई-मेल/email : helpdoc@rbi.org.in



संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort,
Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

February 14, 2025

RBI imposes monetary penalty on The Nainital Bank Limited

The Reserve Bank of India (RBI) has, by an order dated February 12, 2025, imposed a monetary penalty of ₹61.40 lakh (Rupees Sixty One Lakh Forty Thousand only) on The Nainital Bank Limited (the bank) for non-compliance with certain directions issued by [RBI on 'Interest Rate on Advances'](#) 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 2023) of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of 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.

After considering the bank's reply to the notice, additional submissions made by it 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 did not benchmark certain floating rate loans extended to MSMEs to an external benchmark rate; and
- The bank levied penal charges for non-maintenance of minimum balance in savings bank accounts at flat rates instead of the charges being directly proportionate to the extent of shortfall.

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