



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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April 17, 2025

RBI imposes monetary penalty on Kotak Mahindra Bank Limited

The Reserve Bank of India (RBI) has, by an order dated April 11, 2025, imposed a monetary penalty of ₹61.40 lakh (Rupees Sixty One Lakh Forty Thousand only) on Kotak Mahindra Bank Limited (the bank) for non-compliance with certain directions issued by RBI on 'Guidelines on Loan System for Delivery of Bank Credit' and 'Loans and Advances – Statutory and Other Restrictions'. 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 the 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:

- i) The bank failed to ensure that the outstanding 'loan component' was at least the specified percentage of the sanctioned fund based working capital limit for certain borrowers.
- ii) The bank did not comply with the margin requirements for intra-day limits to certain stock-brokers.

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.