

October 17, 2023

<b>BSE Limited</b> Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
<b>BSE Scrip Code:</b> 500247, 715026, 958687, 974396, 974682, 974924	<b>NSE Symbol:</b> KOTAKBANK, KMBL, KMB26, KMB29, KMB30

Dear Sirs,

**Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to the captioned subject, we wish to inform you that the Bank has, today, received an order dated October 17, 2023, passed by the Adjudication Committee of Executive Directors of the Reserve Bank of India ('RBI'), imposing a monetary penalty of Rs. 3.95 crore on the Bank for non-compliance with RBI Directions on 'Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks', 'Recovery Agents engaged by Banks', 'Customer Service in Banks', and 'Loans and Advances - Statutory and Other Restrictions'.

This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of Section 47A(1)(c) read with Sections 46 (4)(i) of the Banking Regulation Act, 1949 and emanates from statutory inspections and supervisory evaluation for financial years 2019-20 and 2021-22.

The Bank has already initiated / taken corrective measures, as necessary, to align the operations / procedures in line with the stipulations of the RBI.

The details of the above order, as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule III and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, are enclosed as Annexure A. Also attached is a copy of the RBI Press Release in this regard.

We request you to take the above on record and disseminate the same on your website.

Thanking you,

Yours faithfully,

**For Kotak Mahindra Bank Limited****Avan Doomasia**  
**Company Secretary**

Encl.: as above

Kotak Mahindra Bank Ltd.  
CIN: L65110MH1985PLC038137Registered Office:  
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Bandra Kurla Complex,  
Bandra (E), Mumbai 400051,  
Maharashtra, India.T +91 22 61660001  
www.kotak.com

## Annexure A

Sr. No.	Details of Events that need to be provided	Details / Information of such events(s)
1.	Name of the authority	Adjudication Committee of Executive Directors of the Reserve Bank of India ("RBI").
2.	Nature and details of the action(s) taken, initiated or order(s) passed	Imposition of monetary penalty of Rs. 3.95 crore (Rupees Three Crore Ninety Five Lakh only), in exercise of powers vested in the RBI, conferred under the provisions of Section 47A(1)(c) read with Sections 46 (4)(i) of the Banking Regulation Act, 1949, for non-compliance with RBI Directions on 'Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks', 'Recovery Agents engaged by Banks', 'Customer Service in Banks', and 'Loans and Advances - Statutory and Other Restrictions'
3.	Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority	Order of Adjudication Committee of Executive Directors of the RBI dated October 17, 2023, was received by the Bank on October 17, 2023
4.	Details of the violation(s)/contravention(s) committed or alleged to be committed	Non-compliance with RBI Directions on 'Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks', 'Recovery Agents engaged by Banks', 'Customer Service in Banks', and 'Loans and Advances - Statutory and Other Restrictions'
5.	Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	Rs. 3.95 crore (Rupees Three Crore Ninety Five Lakh only)

**भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

October 17, 2023

**RBI imposes monetary penalty on Kotak Mahindra Bank Limited**

The Reserve Bank of India (RBI) has, by an order dated October 17, 2023, imposed a monetary penalty of ₹3.95 crore (Rupees Three crore Ninety Five lakhs only) on Kotak Mahindra Bank Limited (the bank) for non-compliance with RBI Directions on “Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks”, “Recovery Agents engaged by Banks”, “Customer Service in Banks”, and “Loans and Advances - Statutory and Other Restrictions”. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of Section 47A(1)(c) read with Sections 46 (4)(i) of the Banking Regulation Act, 1949.

This action is based on the 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.

**Background**

The Statutory Inspection for Supervisory Evaluation (ISE 2022) of the bank was conducted by RBI with reference to its financial position as on March 31, 2022. The examination of certain observations of the Risk Assessment Report/Inspection Report pertaining to ISE 2022, and all related correspondence in that regard revealed, *inter alia*, non-compliance with the aforesaid directions by the bank to the extent it (i) failed to carry out annual review / due diligence of the service provider, (ii) failed to ensure that customers are not contacted after 7 pm and before 7 am, (iii) levied interest from disbursement due date instead of the actual date of disbursement, contrary to the terms & conditions of sanction, and (iv) levied foreclosure charges despite there being no clause in the loan agreement for levy of prepayment penalty on loans recalled/foreclosure initiated by the bank. Consequently, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for failure to comply with the said direction, as stated therein.

After considering the bank’s reply to the notice, additional information provided by the bank, and the oral submissions made during the personal hearing, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty on the bank.