



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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**RBI imposes Monetary Penalty on M/s Kosamattam Finance Ltd.**

The Reserve Bank of India (RBI) has imposed a monetary penalty of ₹ 5 lakh on M/s Kosamattam Finance Ltd. (the company) under section 58G(1)(b) read with sub-section 5(aa) of section 58B of the RBI Act, 1934 for violation of directions/orders issued by Reserve Bank of India from time to time.

**Background**

An inspection of the books and accounts of the company was conducted under section 45N of Reserve Bank of India Act, 1934 (the RBI Act, 1934) during August, 2016. It was observed that the company has violated provisions of the Bank's KYC guidelines. Accordingly, the company was issued a Show Cause Notice (SCN) on April 28, 2017 for imposition of penalty. The company's response to the SCN was not found to be satisfactory. The company was also accorded a personal hearing by RBI under section 58G (2) of the RBI Act, 1934 on May 3, 2018. After considering the facts of the case and the company's reply, as also, personal submissions made during the hearing, RBI came to the conclusion that the violations as observed during the inspection were substantiated which warranted imposition of monetary penalty on the company. Accordingly, a penalty of ₹ 5 lakh has been imposed on the company.

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