RBI imposes monetary penalty on Muthoot Housing Finance Company

The **Reserve Bank of India (RBI)** vide its **Press Release dated April 24, 2026**, has imposed a monetary penalty of Rs. 80,000 on Muthoot Housing Finance Company Limited for non-compliance with RBI directions on the Fair Practice Code. The penalty was imposed by an order dated April 21, 2026. The action follows a statutory inspection conducted by the National Housing Bank with reference to the company's financial position as of March 31, 2025, which revealed regulatory lapses.

RBI found that the company had failed to disclose the approach for gradation of risk and the rationale for charging different rates of interest to different categories of borrowers in application forms and sanction letters. The regulator clarified that the penalty is based on deficiencies in regulatory compliance and does not affect the validity of any transactions or agreements entered into by the company with its customers.