

The Government of India has made it clear that virtual currencies are not legal tender, and the RBI and Ministry of Finance have both cautioned against investing in these currencies.

Kotak Mahindra Bank, being very focused on the financial security and well-being of its customers, has decided to disallow Credit, Debit, or prepaid cards for purchasing or trading in Bitcoins, crypto-currencies, or virtual currencies. If the bank were to receive instructions from the authorities, it would have to close any account that transacts in virtual currencies, possibly without any intimation, and would not be able to provide assistance in case of any losses incurred due to such dealings.