



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 29, 2019

Reserve Bank of India imposes monetary penalty on Bandhan Bank Limited

The Reserve Bank of India (RBI) has, by an order dated October 29, 2019, imposed a monetary penalty of ₹ One crore on Bandhan Bank Limited (the bank) for non-compliance with the guidelines on promoter holding contained in '[Guidelines for Licensing of New Banks in Private Sector](#)' dated February 22, 2013 (licensing guidelines) read with the conditions imposed by RBI in exercise of powers under section 22 of the Banking Regulation Act, 1949 (the Act) at the time of issuing banking licence to the bank. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Act, taking into account the default committed by the bank in complying with the aforesaid licensing guidelines and conditions.

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.

Background:

In terms of the aforesaid licensing guidelines read with the licensing conditions, the bank was required to bring down the shareholding of its Non-Operative Financial Holding Company in the bank in excess of 40% of the total paid-up equity capital to 40% within three years from the date of commencement of business of the bank. However, as the bank failed to comply with the said licensing guidelines, a notice (SCN) was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with the said licensing guidelines. After considering the reply received from the bank, submissions made by the bank during the personal hearing and the documents submitted by it, RBI came to the conclusion that the bank had failed to comply with the licensing guidelines read with the licensing conditions imposed by RBI and decided to impose monetary penalty on the bank.