



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

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

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March 08, 2018

**Reserve Bank of India imposes monetary penalty on  
Equitas Small Finance Bank Limited**

The Reserve Bank of India (RBI) has imposed, on March 01, 2018, a monetary penalty of ₹ one million on Equitas Small Finance Bank Limited (the bank) for non-compliance with one of the licensing conditions stipulated by RBI. 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 Banking Regulation Act, 1949.

This action is based on 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 bank reported having undertaken the activity of rolling out Mutual Fund units, Pension products, Insurance products and portfolio management services without obtaining prior approval of RBI. Based on the information received and other relevant documents, a Notice, dated January 18, 2018, was issued to the bank advising it to show cause as to why penalty should not be imposed on it for non-compliance with the licensing conditions stipulated by the Reserve Bank of India at the time of issuing banking license to the bank. After considering the bank's reply and oral submissions during the personal hearing, RBI came to the conclusion that the aforesaid charge of non-compliance with one of the licensing conditions stipulated by RBI was substantiated and warranted imposition of monetary penalty.

**Press Release : 2017-2018/2395**

**Jose J. Kattoor**  
Chief General Manager