



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

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## **Reserve Bank of India imposes monetary penalty on Airtel Payments Bank Limited**

The Reserve Bank of India (RBI) has imposed, on March 07, 2018, a monetary penalty of ₹ 50 million on Airtel Payments Bank Limited (the bank) for contravening the 'Operating Guidelines for Payments Banks' and directions issued by RBI on Know Your Customer (KYC) norms. 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, taking into account failure of the bank to adhere to the aforesaid guidelines/directions issued by RBI.

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**

Based on the complaints and adverse media reports alleging that the bank had opened customer accounts without a clear/specific consent of the customers, a supervisory visit to the bank was undertaken by RBI between November 20 and 22, 2017. The supervisory visit report and other relevant documents, revealed, *inter alia*, contraventions of 'Operating Guidelines for Payments Banks' and the directions issued by RBI on Know Your Customer (KYC) norms. Based on the documents, a Notice dated January 15, 2018 was issued to the bank advising it to show cause as to why penalty should not be imposed for non-compliance with guidelines and directions issued by RBI. After considering the bank's reply and oral submissions made in the personal hearing, RBI came to the conclusion that the aforesaid charges of non-compliance with RBI guidelines/directions were substantiated and warranted imposition of monetary penalty.

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