Do you think the RBI will now look at perhaps some of the issues like non-operating financial holding companies' structure issues in banks? For example, Bandhan Bank has been issued licences under this structure?

First of all, for people who came in for the same finance license or in the new bank licence, there was ample clarity that you need to come down to 15% of equity value. So I do not think those rules need to change. This was just an issue pertaining to a bank which was given a license at a time when there were not enough dilution conditions and all these conditions came in later. So there was in a sense a change in the goalpost. The **Kotak Mahindra Bank** decision is very specific under specific cases. Why I am in favour of something like this is frankly because I have always believed and said that the capitalist approach of making money and control should be two diversified things.

I do believe that the 20% voting cap does not necessarily change things in a big way because we have not seen too much precedence of shareholding activism. However, having said that, RBI has the discretion in its rule to say banks which are run well should allow a limited level of concentration of holding. A 26% shareholding where somebody has the ability to control an organisation and run it well because they have put their money into it is fine. However, there have been situations where people have been controlled and have not run their banks very well and RBI has taken appropriate steps to make sure they are not there. So, it is a very case specific, inspection related situation and the RBI in this particular case seems to have made the right decision.