

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 1094**

TO BE ANSWERED ON THE 26<sup>TH</sup> JULY 2021/ SRAVANA 4, 1943 (SAKA)

**Big Corporate into Financial Sector**

1094. SHRI ANTO ANTONY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has given permission to big corporates into the banking/financial sector of the country and if so, the details thereof and the steps taken by the Government in this regard;
- (b) whether the Reserve Bank of India has expressed its anxiety over this move and if so, the details thereof and the response of the Government in this regard;
- (c) whether the Government has any statistics regarding number of institutions provided banking license to operate in the country and if so, the details thereof;
- (d) whether the Government has assessed the impact of the entry of the big corporates into the financial sector in the country and if so, the details thereof; and
- (e) whether the Government has received any representations against this move and if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(DR. BHAGWAT KARAD)

(a): No sir. According to Reserve Bank of India (RBI) guidelines for 'on tap' Licensing of Universal Banks in the Private Sector, issued on 1.8.2016, individuals and companies, directly or indirectly connected with large industrial houses, may be permitted to participate in the equity of a new private sector bank up to 10 per cent and shall not have controlling interest in the bank. The limit of 10 per cent would apply to individuals and all inter-connected companies belonging to the concerned large industrial houses on an aggregate basis.

(b): Question does not arise in view of (a) above.

(c): Details of institutions provided banking license to operate in the country, are at Annexure.

(d): RBI had constituted an Internal Working Group (IWG) on 12.6.2020, to review extant Ownership Guidelines and Corporate Structure for Indian Private Sector Banks. IWG in its report, has *inter alia* recommended:

- (i) Large corporate / industrial houses may be allowed as promoters of banks only after necessary amendments to the Banking Regulation Act, 1949 (to prevent connected lending and exposures between the banks and other financial and non-financial group entities); and strengthening of the supervisory mechanism for large conglomerates, including consolidated supervision; and
- (ii) Well run large Non-banking Financial Companies (NBFCs), with an asset size of Rs.50,000 crore and above, including those which are owned by a corporate house, may be considered for conversion into banks subject to completion of 10 years of operations and meeting due diligence criteria and compliance with additional conditions specified in this regard.

RBI has further informed that no decision has been taken on the recommendations of IWG.

(e): No sir.

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## Lok Sabha Unstarred Question no. 1094, for 26.7.2021

## Details of institutions provided banking license to operate in the country (post 1993)

S.No.	Banks	Remarks
1.	Global Trust Bank Limited	Merged with Oriental Bank of Commerce in August 2004
2.	ICICI Bank Limited	-
3.	HDFC Bank Limited	-
4.	UTI Bank Limited	Renamed as Axis Bank Limited
5.	Bank of Punjab	Merged with Centurion Bank Ltd in June 2005
6.	IndusInd Bank Limited	-
7.	Centurion Bank Limited	Merged with HDFC Bank Limited in May 2008
8.	IDBI Bank Limited	-
9.	Times Bank Limited	Merged with HDFC Bank Limited in Feb 2000
10.	DCB Bank Limited	-
11.	Kotak Mahindra Bank Limited	-
12.	Yes Bank Limited	-
13.	Bandhan Bank Limited	-
14.	IDFC FIRST Bank Limited	-
15.	Ujjivan Small Finance Bank Limited	-
16.	Jana Small Finance Bank Limited	-
17.	Equitas Small Finance Bank Limited	-
18.	AU Small Finance Bank Limited	-
19.	Capital Small Finance Bank Limited	-
20.	Fincare Small Finance Bank Limited	-
21.	ESAF Small Finance Bank Limited	-
22.	North East Small Finance Bank Limited	-
23.	Suryoday Small Finance Bank Limited	-
24.	Utkarsh Small Finance Bank Limited	-
25.	Shivalik Small Finance Bank Limited	-
26.	Aditya Birla Payments Bank Limited	Ceased to be a banking company with effect from July 28, 2020
27.	Airtel Payments Bank Limited	-
28.	India Post Payments Bank Limited	-
29.	Fino Payments Bank Limited	-
30.	Jio Payments Bank Limited	-
31.	Paytm Payments Bank Limited	-
32.	NSDL Payments Bank Limited	-

Source: RBI

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