

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 3474**

TO BE ANSWERED ON THE 20<sup>TH</sup> DECEMBER 2021/ AGRAHAYANA 29, 1943 (SAKA)

**Banking Licenses to Corporates**

3474. PROF. SOUGATA RAY:

Will the Minister of FINANCE be pleased to state:

- (a) the details of private corporates having banking licenses in the country;
- (b) whether the Government has any mechanism to monitor their functions closely;
- (c) if so, the details thereof;
- (d) whether more business groups have applied for banking licenses; and
- (e) if so, the details thereof?

**ANSWER**

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

(a) to (e): The Reserve Bank of India (RBI) grants license to a banking company for carrying out banking business in India under section 22 of the Banking Regulation Act, 1949. RBI has informed that license is granted as per its extant guidelines for 'on tap' licensing of Universal Banks, dated 1.8.2016 and its guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector, dated 5.12.2019. RBI has further informed that as per the guidelines, the entities or groups with total assets of Rs. 5,000 crore or more, with the non-financial business of the group accounting for 40% or more in terms of total assets or gross income, are not eligible to promote a Universal Bank or a Small Finance Bank. RBI has also informed that it has not received any proposal from such entities or groups for setting up a bank under these guidelines.

Further, as per RBI's guidelines for licensing of Payment Banks, dated 27.11.2014, the eligible promoters may include, *inter alia*, companies, and RBI has informed that banking licenses for Payments Banks were granted to Reliance Industries Limited and Bharti Airtel Limited, and Jio Payments Bank Limited and Airtel Payments Bank Limited respectively were set up.

With regards to mechanism to monitor their functions, RBI has apprised that compliance to its guidelines issued to banks is examined on sample basis during the supervisory assessment of the banks and any non-compliance observed are taken up with banks for rectification apart from initiating supervisory / enforcement action against the banks, as deemed fit.

Further, RBI has informed that a total of 10 applications for banking licences (comprising 4 for Universal Banks and 6 for Small Finance Banks), as per the list annexed, were received by the RBI from date of issue of respective 'on tap' licensing guidelines for Universal Banks and Small Finance Banks *i.e.* from 1.8.2016 and 5.12.2019 respectively to 31.8.2021.

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**Lok Sabha Unstarred Question no. 3474 for 20.12.2021 regarding “Banking Licenses to Corporates”**

**List of applicants for banking licences, category-wise, received by the RBI**

<b>S. No.</b>	<b>Universal Bank (from 1.8.2016 to 31.8.2021)</b>
1	UAE Exchange and Financial Services Limited
2	The Repatriates Cooperative Finance and Development Bank Limited (REPCO Bank)
3	Chaitanya India Fin Credit Private Limited
4	Shri Pankaj Vaish and others

<b>S. No.</b>	<b>Small Finance Bank (from 5.12.2019 to 31.8.2021)</b>
1	VSoft Technologies Private Limited
2	Calicut City Service Co-operative Bank Limited
3	Shri Akhil Kumar Gupta
4	Dvara Kshetriya Gramin Financial Services Private Limited
5	Cosmea Financial Holdings Private Limited
6	Tally Solutions Private Limited

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