

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4722
ANSWERED ON:23.04.2010
GUIDELINES FOR BANKING LICENCE
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government / Reserve Bank of India has formulated any guidelines regarding eligibility criteria for issuing fresh banking licenses to private players as per the recent announcement made by the Government;
- (b) if so, the details thereof;
- (c) whether some proposals from the private players to enter the banking sector are pending before the Government / Reserve Bank of India (RBI);
- (d) if so, the details thereof and the action taken by the Government / RBI thereon;
- (e) whether new entrants are being required to operate on all India basis;
- (f) if so, the details thereof and reasons therefor alongwith the views of experts; and
- (g) the present status of such stipulation?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a), (b), (e) to (g): Pursuant to the Budget Speech 2010-11, the Reserve Bank of India (RBI) has initiated the process of formulating Guidelines/ eligibility criteria for issuing fresh banking licences to eligible private players.

(c) & (d): Although 'Expressions of Interests' of some private players have already been received by the RBI, they are to be processed once the Guidelines/ eligibility criteria for issuing fresh banking licences to private players are finalised.