

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:783
ANSWERED ON:12.11.2010
LICENCE TO PRIVATE SECTOR BANKS
Rajesh Shri M. B.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposal for taking over of Regional Grameen Banks by the Private players;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has proposed to review of the working of private sector banks;
- (d) if so, the details thereof and if not, the reasons therefor alongwith the details of the criterion set by the Government for issuing licence to new private sector banks; and
- (e) the other steps taken / being taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) & (b): There is no such proposal for taking over of Regional Grameen Banks by the private players with Government of India or the Reserve Bank of India.

(c) to (e): The Hon`ble Finance Minister in his budget speech 2010-11 had mentioned that RBI would be considering giving some additional licenses to private sector players. Accordingly, RBI studied the international practices and examined their experience with licensing of 12 new private sector banks consequent to guidelines issued in 1993 and 2001. Based on the above study, RBI prepared and placed a discussion paper on its website inviting comments / feedback on certain aspects from the stake holders and public on 11.08.2010. Discussions with stakeholders were held on October 7 & 8; 2010. The comments / suggestions received and views of the stakeholders are being examined by RBI after which final guidelines would be issued.