

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2241  
ANSWERED ON:12.08.2011  
MONITORING OF PRIVATE SECTOR BANKS  
J Helen Davidson

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the services provided by various private sector banks in the country are being monitored by the Government so as to avoid any discrepancies;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

**Answer**

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

(a) to (c) In terms of Section 22 of Banking Regulation Act, 1949, no company shall carry on banking business in India unless it holds a licence issued by the Reserve Bank of India (RBI).

Further, RBI regulates and supervises all Scheduled Commercial Banks including private sector banks under the statutory provisions as prescribed in the Reserve Bank of India Act, 1934 and Banking Regulation Act, 1949 and through guidelines, directions etc. issued from time to time.