

<http://www.livemint.com/Politics/FRU82bOeVp8yHFo3jEwKUM/RBI-to-issue-bank-licence-guidelines-this-year.html>

RBI norms on differentiated banking this fiscal year The guidelines would pave the way for banks that would undertake specific banking activities in India

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Mumbai: The stage is almost set for the entry of differentiated banking regime in India, or banks that would undertake specific banking activities, with the Reserve Bank of India (RBI) planning to issue guidelines on this in fiscal year 2015. The RBI is planning to issue norms on such banks in the current fiscal, Bloomberg reported on Friday, citing RBI deputy governor R. Gandhi. In April, while issuing in-principle approval for IDFC Ltd and Bandhan Financial Services Pvt. Ltd to set up commercial banks, RBI governor Raghuram Rajan had indicated that the central bank would kick off the process of issuing differentiated banking licences soon. The apex bank will also issue licences on a continuous basis to qualified aspirants instead of opening the licensing window after long intervals, Rajan had said. The Idea of differentiated banks was first mooted in a discussion paper on banking structure reforms early last year. Differentiated banks exist in developed markets, wherein they undertake specific banking activities such as retail, infrastructure financing and rural banking etc, depending on the core expertise of the organization. The firms that failed to get licences from the central bank in April can apply for differentiated, on-tap licences. A total of 25 companies were in the race for new banking licences. Recently, RBI had also announced its plans to permit payments banks or banks that deal with small deposits and offer transaction services but not credit. Payments banks, which will bring financial services to unbanked areas of the country, can start operations with a capital of just Rs.50 crore, since all their money will be invested in safe government securities. In contrast, a full-service bank requires an entry capital of Rs.500 crore. They will be required to comply with all RBI guidelines for commercial banks. The concept of payments banks was first proposed by a Reserve Bank of India (RBI) committee led by board member Nachiket Mor.

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http://www.business-standard.com/article/economy-policy/india-post-can-apply-again-for-bank-licence-under-new-norms-114051401105_1.html

India Post can apply again for bank licence under new norms'

India Post had applied for a bank license under RBI guidelines issued in February 22, 2013

The finance ministry has said [India Post](#) could again apply for a [bank licence](#) under new guidelines being prepared by the Reserve Bank of India ([RBI](#)).

“RBI is in the process of preparing fresh guidelines based on which applications on new bank licences are to be considered. India Post will be free to apply under these guidelines,” said a ministry statement, in response to a report published in Business Standard.

India Post had applied for a bank licence under RBI guidelines issued on February 22, 2013. The [Bimal Jalan](#) committee, which screened the applications, had suggested that RBI should discuss India Post’s application with the finance ministry before taking a final decision on it.

Of the 25 applicants, RBI had given in-principle approval to only two entities – IDFC and Bandhan Financial Services. “India Post was not considered under these guidelines due to its special nature,” the finance ministry said.

On the issue of capitalisation of India Post, no view has been taken by the ministry nor has the communication been sent to RBI, stated. India Post requires Rs 1,800 crore to start banking operations. It had sought an initial capital of Rs 623 crore from the finance ministry, while the rest it planned to raise from other sources.