



বন্ধন ব্যাঙ্ক এল বাংলায়

এই সময়: অবশেষে বাঙালির নিজস্ব ব্যাঙ্ক পেতে চলেছে কলকাতা। কলকাতার মাইক্রোফিন্যান্স সংস্থা বন্ধন ফিন্যান্সিয়াল সার্ভিসেসকে ব্যাঙ্ক খোলার প্রাথমিক অনুমতি দিয়েছে রিজার্ভ ব্যাঙ্ক। মঙ্গলবার নির্বাচন কমিশনের সম্মতি পাওয়ার পরেই বুধবার কলকাতার বন্ধন ফিন্যান্সিয়াল সার্ভিসেস ও মুম্বইয়ের ইন্ডাস্ট্রিয়াল ডেভেলপমেন্ট ফিন্যান্সিয়াল কর্পোরেশনকে (আইডিএফসি) ব্যাঙ্ক খোলার অনুমতি দিল আরবিআই। প্রথম দফায় নতুন ব্যাঙ্ক লাইসেন্স দিতে রিজার্ভ ব্যাঙ্কের হাই লেভেল অ্যাডভাইজরি কমিটি অনিল আশ্বানির রিলায়েন্স, আদিত্য বিড়লা এবং বাজাজের মতো নামজাদা গোষ্ঠীর পরিবর্তে (এইচএলএসই) বেছে নিয়েছে চন্দ্রশেখর ঘোষের প্রতিষ্ঠান বন্ধন ফিন্যান্সিয়ালকেই। এর ফলে ব্যাঙ্কিং ব্যবসায় হাত গৌরব ফিরে পেতে চলেছে কলকাতা।

ভারতীয় স্টেট ব্যাঙ্ক এবং রিজার্ভ ব্যাঙ্কের জন্ম এই কলকাতাতেই। কিন্তু, কোনওটিরই সদর দপ্তর আর কলকাতায় নেই। যে তিনটি ব্যাঙ্কের সদর দপ্তর এখনও এই শহরে রয়েছে সেগুলি সবই রাষ্ট্রায়ত্ত্ব - ইউনাইটেড ব্যাঙ্ক অফ ইন্ডিয়া, এলাহাবাদ ব্যাঙ্ক ও ইউকো ব্যাঙ্ক। সেই দিক থেকে বিচার করলে, বন্ধনই প্রথম বেসরকারি ব্যাঙ্ক যার সদর দপ্তর কলকাতায় হবে।

ব্যাঙ্ক চালু করার অনুমতি পাওয়ার কেমন লাগছে জানতে চাওয়া হলে বন্ধন গোষ্ঠীর প্রতিষ্ঠাতা চন্দ্রশেখর ঘোষ 'এই সময়'কে বলেন, 'স্বপ্ন বাস্তবায়নের সবে শুরু। এবার আমরা গরিব মানুষকে পুরোমাত্রায় ব্যাঙ্ক পরিষেবা দিতে পারব।'

কী নাম দেবেন নতুন ব্যাঙ্কের? 'বন্ধন ব্যাঙ্ক,' চটজলদি উত্তর ঘোষের। 'নতুন ব্যাঙ্কে সব ধরনের পরিষেবাই পাওয়া যাবে। আমাদের মাইক্রোফিন্যান্স সংস্থা, বন্ধন ফিন্যান্সিয়াল সার্ভিসেসকে মিশিয়ে দেওয়া হবে ব্যাঙ্ক ব্যবসার সঙ্গে। মাইক্রোফিন্যান্স গ্রাহকরাই হবেন ব্যাঙ্কের গ্রাহক,' তিনি বলেন।

রিজার্ভ ব্যাঙ্ক অবশ্য বলেছে, প্রাথমিক অনুমতি পাওয়ার ১৮ মাসের মধ্যে নির্ধারিত শর্তগুলি মানতে হবে বন্ধন এবং আইডিএফসিকে। ব্যাঙ্ক লাইসেন্সের জন্য আবেদনকারী সংস্থাগুলি ওই শর্ত পূরণ করলে এবং এ বিষয়ে রিজার্ভ ব্যাঙ্ক সন্তুষ্ট হলে তবেই তাদের নিয়মিত লাইসেন্স দেওয়া হবে। নিয়মিত লাইসেন্স না পাওয়া পর্যন্ত ব্যাঙ্ক ব্যবসা শুরু করতে পারবে না বন্ধন বা আইডিএফসি কেউ।

'রিজার্ভ ব্যাঙ্ক থেকে ওই শর্তাবলী এখনও হাতে পাইনি। তবে, মনে হয় না সেই সব শর্ত পূরণে আমাদের খুব একটা অসুবিধা হবে। আমাদের শেয়ার মূলধন বর্তমানে ১১০০ কোটি টাকা, দু'হাজারের বেশি শাখা রয়েছে ২২টি রাজ্যে,' ঘোষ জানান। এ ছাড়া মার্চেরি রূপান্তর অযোগ্য ডিবেঞ্চার ইস্যু করে ১০০ কোটি টাকা তুলেছে প্রতিষ্ঠানটি। ঘোষ জানান, 'সাত বছরের জন্য স্বল্প সুদে ১৬০ কোটি টাকা ঋণ অনুমোদন করেছে বিশ্ব ব্যাঙ্কের শাখা সংস্থা, আইএফসি। এক সপ্তাহের মধ্যেই ওই টাকা আমাদের হাতে চলে আসবে।'

ব্যাঙ্ক লাইসেন্সের জন্য প্রথমে ২৭টি সংস্থা আবেদন করলেও টাটা ও ভিডিওকন গোষ্ঠী পরে আবেদন প্রত্যাহার করে নেয়।

<http://www.anandabazar.com/business/%E0%A6%AC-%E0%A6%AF-%E0%A6%99-%E0%A6%95-%E0%A6%B2-%E0%A6%87-%E0%A6%B8-%E0%A6%A8-%E0%A6%B8-%E0%A6%86-%E0%A6%87-%E0%A6%A1-%E0%A6%8F-%E0%A6%AB-%E0%A6%B8-%E0%A6%B6-%E0%A6%B9-%E0%A6%B0-%E0%A6%B0-%E0%A6%95-%E0%A6%B7-%E0%A6%A6-%E0%A6%B0-%E0%A6%8B-%E0%A6%A3-%E0%A6%B8-%E0%A6%B8-%E0%A6%A5-%E0%A6%AC-%E0%A6%A8-%E0%A6%A7-%E0%A6%A8-%E0%A6%95-1.17610>

আনন্দবাজার পত্রিকা

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ব্যাক্সিং লাইসেন্স আইডিএফসি, শহরের ক্ষুদ্র-ঋণ সংস্থা বন্ধনকে

নিজস্ব প্রতিবেদন

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রাজীব বি লাল ও চন্দ্রশেখর ঘোষ

চালু হতে চলেছে আরও একটি কলকাতা ভিত্তিক বাণিজ্যিক ব্যাঙ্ক। নির্বাচন কমিশন নতুন ব্যাঙ্ক খোলার জন্য লাইসেন্স মঞ্জুর করতে আরবিআইকে সবুজ সঙ্কেত দেওয়ার এক দিনের মধ্যেই মঙ্গলবার লাইসেন্স পেল রাজ্যের ক্ষুদ্র-ঋণ সংস্থা বন্ধন। একইসঙ্গে রিজার্ভ ব্যাঙ্ক পরিকাঠামো উন্নয়ন সংক্রান্ত ঋণদাতা সংস্থা আইডিএফসিকে ব্যাঙ্ক লাইসেন্স দেওয়ার কথা ঘোষণা করে। এই নীতিগত সম্মতি পাওয়ার পর আগামী ১৮ মাসের মধ্যে তাদের ব্যাঙ্কিং পরিষেবা চালু করতে বলেছে রিজার্ভ ব্যাঙ্ক। দেশের মধ্যে বন্ধনই প্রথম ক্ষুদ্র-ঋণ সংস্থা, যারা ব্যাঙ্ক চালু করার অনুমতি পেল।

লোকসভা নির্বাচন নতুন ব্যাঙ্ক লাইসেন্স মঞ্জুর করার ব্যাপারে কোনও বাধা হবে না বলে মঙ্গলবার নির্বাচন কমিশন ঘোষণা করে। রিজার্ভ ব্যাঙ্কের কাছে ২৫টি বেসরকারি সংস্থা ব্যাঙ্ক খোলার অনুমতি চেয়ে আবেদন করেছে। আপাতত তার মধ্যে দুটি সংস্থা লাইসেন্স পেল।

লাইসেন্স পাওয়ার খবর তাঁর কাছে পৌঁছানোর পরেই বন্ধনের চেয়ারম্যান চন্দ্রশেখর ঘোষ জানান, “গত ১৩ বছর ধরে ২২টি রাজ্যে ক্ষুদ্র-ঋণ বিলি করছি। আমাদের ৫৫ লক্ষ গ্রাহকের প্রায় সকলেই গ্রামের গরিব মানুষ। ব্যাঙ্ক খোলার অনুমতি পাওয়ায় তাঁদের আর্থিক অবস্থা ফেরানোর ব্যাপারে আরও কার্যকরী ভূমিকা বন্ধন পালন করতে পারবে বলে আমার বিশ্বাস।”

বর্তমানে সারা দেশে বন্ধনের মোট ২০১৬টি শাখা চালু আছে। এর অধিকাংশকেই তাঁদের নতুন ব্যাঙ্কের শাখা হিসাবে গড়ে তোলা হবে বলে জানান চন্দ্রশেখরবাবু। গত আর্থিক বছরে অর্থাৎ ২০১৩-১৪ সালে বন্ধন ৯১১৯ কোটি টাকার ঋণ বণ্টন করেছে বলে তাঁর দাবি।

পাশাপাশি, আইডিএফসি চেয়ারম্যান রাজীব বি লাল জানান, “নতুন দায়িত্ব পেয়ে বাড়তি পরিশ্রমের জন্য আমরা প্রস্তুত এবং এখন থেকেই তা শুরু হবে। আমরা বিশ্বব্যাপী পরিষেবার জন্যই আবেদন করেছিলাম। সে ভাবেই এগিয়ে যেতে চাই।”

এ দিকে টানা বেড়ে চলেছে শেয়ার বাজার, মঙ্গলবার যার পিছনে অন্যতম অবদান ছিল ব্যাঙ্কিং শিল্পের। দু’টি সংস্থা এ দিনই ব্যাঙ্ক খোলার অনুমতি পাওয়ায় সাধারণ ভাবে এই ক্ষেত্রের শেয়ার দর বেড়েছে, যার জেরে সেনসেক্স এক ধাক্কায়ে বেড়ে গেল ১০৫.০৫ পয়েন্ট। এর ফলে ফের নতুন রেকর্ড সৃষ্টি করে এই দিন বাজার বন্ধের সময়ে সেনসেক্স দাঁড়াল ২২,৫৫১.৪৯ অঙ্কে। স্টেট ব্যাঙ্কের শেয়ারের দাম এই দিন বেড়ে গিয়েছে ২.০৬% □ আইসিআইসিআই ব্যাঙ্কের ১.৫৩%, এইচডিএফসি ব্যাঙ্কের ১.০৯% □ ব্যাঙ্কিং লাইসেন্সের জন্য আবেদনকারী অন্য সংস্থাগুলির দরও সার্বিক ভাবে বেড়েছে ১২.৫%

আন্তর্জাতিক ক্ষেত্রের শেয়ার বাজারগুলিও এই দিন অধিকাংশই চাপা ছিল। যার প্রভাব ভারতে পড়েছে বলে বাজার সূত্রের খবর। আমেরিকায় শিল্পোৎপাদনের হার বৃদ্ধি পাওয়ার খবর বিশ্বের শেয়ার বাজারগুলিকে উৎসাহিত করেছে। তবে শেয়ার সূচকের উত্থানের মূলে এ দিনও ছিল সেই বিদেশি লগ্নিকারী সংস্থাগুলির বিনিয়োগ। সংবাদ সংস্থা পিটিআইয়ের খবর, গত কালই ওই সব সংস্থা ভারতের বাজারে ৩৮৫.৬৬ কোটি টাকার শেয়ার কিনেছে□

Mint - <http://www.livemint.com/Industry/p3CGG1Wh6WkHQ7zPy76TtN/RBI-gives-inprinciple-licences-to-IDFC-and-Bandhan.html>



03 April 2014

RBI gives in-principle approval to bank licences for IDFC, Bandhan

Approvals will be valid for 18 months; the two firms will have to comply with rules stipulated by the RBI in that time

The Election Commission on Tuesday told the RBI to go ahead with its process of issuing bank licences to set up new set of private banks. Photo: Pradeep Gaur/Mint

Mumbai: The Reserve Bank of India (RBI) on Wednesday gave in-principle approvals to infrastructure financier IDFC Ltd and microlender Bandhan Financial Services Pvt. Ltd to start new banks—only the third set of private sector lenders it would be licensing in two decades.

The approvals will be valid for 18 months, during which the two companies will have to comply with rules stipulated by RBI, the central bank said in a statement.

“On being satisfied that the applicants have complied with the requisite conditions laid down by the RBI as part of “in-principle” approval, they would be considered for grant of a licence for commencement of banking business under Section 22(1) of the Banking Regulation Act, 1949,” RBI said.

The new licences are being issued to widen the reach of the Rs.84 trillion banking industry in an economy where, according to a 2012 World Bank document, only 35% of adults have access to formal banking services. The plan to license new banks was announced by then finance minister [Pranab Mukherjee](#) in the 2010 budget.

The last time RBI gave bank licences was 10 years ago— to [Kotak Mahindra Bank Ltd](#) and [Yes Bank Ltd](#). The central bank licensed nine new banks and allowed one cooperative bank to convert itself into a commercial bank after opening the doors to new lenders in 1993.

Wednesday’s announcement came a day after RBI received the Election Commission’s nod to go ahead with the process of issuing new bank licences. The central bank consulted the commission after the electoral code of conduct came into effect on 5 March with the dates for the April-May general election being made public. Major policy announcements are discouraged when the code is in force.

RBI, which issued final guidelines on new bank licences in February 2013, said it was adopting a conservative approach in the current round of bank licensing.

“At a time when there is public concern about governance, and when it comes to licences for entities that are intimately trusted by the Indian public, this may well be the most appropriate stance,” it said.

Based in Kolkata, Bandhan is the largest microlender in India in terms of assets. As of 31 March 2014, Bandhan had a loan book of Rs.6,200 crore and 5.4 million borrowers. The company has 13,000 employees and 2,016 branches operating in 22 states.

Bandhan, in which the World Bank arm International Finance Corporation has a stake of 10.93%, has a capital base of Rs.1,100 crore.

“We will soon call a board meeting to decide the future course of action on setting up a bank,” said managing director [Chandra Shekhar Ghosh](#). “We hope to set up the bank within a period of one year, for which some improvement in infrastructure is required.”

IDFC is an infrastructure finance company with a loan book of Rs.54,552 crore at the end of December. IDFC had a net worth of Rs.15,250 crore as of 31 December.

“Over the next 18 months, we will be looking to execute the plan that we had prepared in anticipation of getting a banking licence,” said Vikram Limaye, managing director and chief executive officer. “We have already said that we would like to diversify beyond infrastructure and now that we have got the banking licence, it helps our case.”

The government owns 17.24% of IDFC, followed by a unit of the Malaysian sovereign fund, Sipadan Investments (Mauritius) Ltd, which has a 9.97% stake. That apart, several financial institutions hold minority stakes in it.

A total of 25 entities were in the race for new banking licences. These included [Reliance Capital Ltd](#), Bajaj Finserv Ltd, [Aditya Birla Financial Services Group](#), [L&T Finance Holdings Ltd](#), [LIC Housing Finance Ltd](#), [Muthoot Finance Ltd](#) and India Post.

On Indian Post's application, RBI said a high-level advisory committee had recommended that it consider the case "separately in consultation with the Government of India" and it had accepted the suggestion. The cabinet is yet to give the approval to India Post to go ahead with the banking plan.

A senior official at the department of posts welcomed the central bank's stance on licences. "RBI has in principle given licence to India Post subject to the approval of the government," the official said on condition of anonymity.

An Aditya Birla group spokesperson said the company will not like to comment on the issue. A Reliance Capital spokesperson too declined to comment. Bajaj Finserv, L&T Finance and LIC Housing Finance weren't immediately available for comment.

Whether Muthoot Finance will apply again has to be decided by the board, said Padmakumar, executive director at the company. "We have to still meet and decide what we are going to do," Padmakumar said.

RBI's February guidelines require new banks to hold minimum capital of Rs.500 crore. RBI has made it mandatory for new banks to open at least 25% of branches in rural centres.

They will also have to comply with the so-called priority sector lending norms under which 40% of the money loaned by banks has to go to segments such as agriculture, small businesses, retail traders, professionals and self-employed individuals.

"The process for a banking licence has reached its logical conclusion. RBI has played it safe by avoiding giving licences to companies in the first round because henceforth the licences are going to be on tap," said Robin Roy, associate director, Pricewaterhousecoopers.

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The Times of India - [http://www.indiapress.org/gen/news.php/The Times of India/400x60/0](http://www.indiapress.org/gen/news.php/The_Times_of_India/400x60/0)



India Business

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Bandhan, IDFC bag licenses to set up banks

RBI granted approvals to IDFC and Bandhan to set up banks.

TNN | Apr 3, 2014, 05.15AM IST

MUMBAI: Twelve years after it issued its last set of bank licences, the Reserve Bank of India on Wednesday granted in-principle approvals to two completely disparate organizations - IDFC, an [infrastructure financing firm](#), and Bandhan, a [microfinance institution](#). It said it would decide on India Post's application in consultation with the government.

Marking a big change in approach, the central bank also said that instead of issuing only uniform licences, it would soon start approving new bank applications on an ongoing basis for limited purposes such as payments or lending.

TOI is the only paper to have reported, in its edition dated April 2, that [IDFC](#) and [Bandhan](#) were set to get bank licences. IDFC, which was born out of a proposal in finance minister P Chidambaram's 'Dream Budget' of 1996, has Malaysia's sovereign fund Khazanah Nasional Bhd and private equity firm Actis as investors, while Kolkata-based

Bandhan was promoted in 2001 by social entrepreneur Chandra Shekhar Ghosh and is backed by investors such as the Financial Inclusion Trust, Small Industries Development Bank and International Finance Corporation.

The two pipped 25 others to the post, including big business houses and companies such as Anil Ambani's Reliance Capital, Aditya Birla Group, and Larsen and Toubro - ending almost two years of intense speculation as to who would win the race. (Along the way, the Tatas and the Videocon group pulled out.) Kotak Mahindra Bank and Yes Bank were the last to receive licences in 2002.

Both institutions will be entering uncharted territory. IDFC, which is more like a high street investment bank, will now have to open branches in rural India and grant loans to farmers while Bandhan, which focuses on the lower income group, will have to build specialization in areas such as foreign exchange dealing and bond markets.

By RBI's own admission it has been conservative in issuing bank licences. The process started with the budget announcement for year 2010-11. "RBI's approach in this round of bank licences could well be categorised as conservative. At a time when there is public concern about governance, and when it comes to licences for entities that are intimately trusted by the Indian public, this may well be the most appropriate stance. Going forward, [RBI](#) intends to use the learning from this licensing exercise to revise the guidelines appropriately and move to give licences more regularly, that is, virtually 'on tap'. It will also frame categories of differentiated bank licences," RBI said.

The stated reason for issuing new licences is to promote financial inclusion and spread banking across the country. The government had termed it as a key reform measure to attract investor interest.

"Directionally, there are enough indications that we are moving to an on-tap licensing regime. One of the challenges with the existing licensing regime is that regulatory opportunities determine market entry rather than the business

need and preparedness of applicants. One hopes that licensing of these two banks is just the start," said Shinjini Kumar, leader, banking and capital markets, PwC India.

RBI had referred the candidates to a high-level panel headed by former RBI governor Bimal Jalan which submitted its recommendations on February 25, 2014. "The RBI assessed the quantitative and qualitative aspects of the applicants as per the criteria laid down in the Guidelines. This included analysis of the financial statements of the key entities in the group, 10-year track record of running their businesses, proposed business model for the bank as well as the applicants' demonstrated capabilities for running a bank, plan for expanding inclusion, and culture of compliance and integrity demonstrated by the applicant in its past activities. Based on all this, the RBI took a view of the "fit and proper" status of the applicant," RBI said while explaining its rationale behind selection of candidates.

While announcing the approvals RBI said that the "in-principle" approval granted would be valid for a period of 18 months during which the applicants would have to comply with all requirements and fulfil the other conditions as may be stipulated by the RBI.

Sources said the decision to refer the decision on India Post to the government was because the application involved two different ministries, finance and communications.

While the business plan was from the department of posts, the money would have to come from budgetary allocation. Also if India Post used its savings for lending, it might eat into small savings which the department is mobilizing for the government.

There are 27 state-run banks and 22 in the private sector. Nearly half of households in India 1.2 billion population are out of the ambit of the banking sector. Public sector banks account for 75% of total deposits and 73% of total

credit.

The RBI and the government have been trying to get banks to fan out into the interiors of the country to meet the financial needs of small business, farmers and households.

The Hindu - <http://www.thehindu.com/business/idfc-bandhan-get-inprinciple-nod-to-set-up-banks/article5863268.ece>

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MUMBAI, April 2, 2014

Updated: April 3, 2014 01:07 IST

IDFC, Bandhan get ‘in-principle’ nod to set up banks

The Hindu A file picture of RBI Logo. Photo: V.V. Krishnan.

Both applicants will have to comply with the requirements within 18 months

The Reserve Bank of India (RBI), on Wednesday, granted ‘in-principle’ approval to two applicants, IDFC Limited and Kolkata-based Bandhan Financial Services Private Limited, to set up banks.

The RBI has also accepted the recommendation of the High-Level Advisory Committee (HLAC), set up by the RBI, to consider the application of the Department of Posts, separately in consultation with the Central Government.

The licences were issued a day after the Election Commission allowed the RBI to announce its decision on banking licences, “given that the Code of Conduct for the coming elections is in force,” the RBI said.

“The point we make is that the bank licensing in this country is a matter of trust, and you have to deserve that trust. We want to ensure that those people who can build that trust get the opportunity to get the licence,” said Raghuram Rajan, RBI Governor, while addressing a press conference on Tuesday.

These licences would be issued under the guidelines on Licensing of New Banks in the Private Sector issued on February 22, 2013 (Guidelines), said RBI in a release.

“These two applicants (IDFC and Bandhan) were also recommended as suitable for grant of “in-principle” approval by the HLAC,” it added. The “in-principle” approval granted will be valid for 18 months during which the applicants have to comply with the requirements under the guidelines and fulfil other conditions as may be stipulated by the RBI.

“On being satisfied that the applicants have complied with the requisite conditions laid down by the RBI as part of “in-principle” approval, they would be considered for grant of a licence for commencement of banking business under Section 22(1) of the Banking Regulation Act, 1949. Until a regular licence is issued, the applicants would be barred from doing banking business,” said the RBI.

After withdrawal by two applicants, 25 applications have been considered.

The RBI said that it assessed the quantitative and qualitative aspects of the applicants as per the criteria laid down in the guidelines. This included analysis of the financial statements of the key entities in the group, 10-year track record of running their businesses, proposed business model for the bank as well as the applicants’ demonstrated capabilities for running a bank, plan for expanding inclusion, and culture of compliance and

integrity demonstrated by the applicant in its past activities. “Based on all this, the RBI took a view of the “fit and proper” status of the applicant,” it added.

“RBI’s approach in this round of bank licences could well be categorised as conservative. At a time when there is public concern about governance, and when it comes to licences for entities that are intimately trusted by the Indian public, this may well be the most appropriate stance,” said the RBI.

Going forward, the RBI intends “to use the learning from this licensing exercise to revise the guidelines appropriately and move to give licences more regularly, that is, virtually ‘on tap’”.

It will also frame categories of differentiated bank licences, building on its prior discussion paper, and this will allow a wider pool of entrants into banking. The RBI believes that “some of those entities which did not qualify in this round for a full-fledged banking licence could well apply in future rounds or could apply for differentiated licences under the proposed framework.”

PTI reports:

‘Augurs well for economy’

“This is a very heartening development. After a long time, it has happened. It will pave the way for more entities to come forward and expand the banking network. It augurs well for the economy and banking sector,” Financial Services Secretary G. S. Sandhu told PTI.

Bandhan Financial Services Private, the first micro-finance firm to get a bank licence, said this was a recognition to the micro-finance sector and its hard work to reach un-banked areas and provide financial services.

“We will be able to offer full-fledged banking services to the poor people,” Bandhan Chairman Chandra Shekhar Ghosh said.

According to IDFC Chairman Rajiv Lall, “We prepared for the hard work, which begins from now. Our application was for a universal licence, and we are going to proceed with having a universal bank.”

The Telegraph

calcutta, india

| Thursday , April 3 , 2014 |

Mumbai, April 2: The crestfallen applicants for banking licences who failed to make the cut on Wednesday need not lose hope.

The Reserve Bank of India (RBI) is all set to tweak its existing guidelines while creating a new framework for the award of “on-tap” banking licences.

The entities whose applications were rejected in this round will be allowed to apply for full-fledged banking licences or a new class of differentiated licences under which they will be permitted to offer niche or specialised banking services.

These entities will be allowed to convert themselves into full-fledged banks at a later stage.

These are the indications that came out from the central bank after it cleared the applications of two entities — IDFC Ltd and Bandhan Financial Services Pvt Ltd — to set up banks after a long-winded process that began in 2011.

However, their selection also meant disappointment for 23 other applicants, including big names such as Reliance Capital, LIC Housing Finance, L&T Finance Holdings, Aditya Birla Nuvo and Bajaj Finserv to name a few.

These entities can, however, submit their applications to the RBI once it is ready with the new framework of issuing on-tap and differentiated licences.

“The RBI believes that some of those entities who did not qualify in this round for a full-fledged banking licence could well apply in future rounds or could apply for differentiated licences under the proposed framework,” it said in a statement that announced the in-principle approval to Bandhan and IDFC.

More importantly, the central bank said it would use the learning from this licensing exercise to “revise” the guidelines appropriately and move to give licences more regularly, that is, virtually on-tap.

Banking circles do not rule out the possibility of the RBI diluting some of the tough guidelines while issuing licenses on-tap — a sort of continuous process where an entity can apply for a banking licence whenever it feels it is ready to enter the space.

It may be recalled that two of the nation’s prominent industrial houses — the Tatas and the Mahindra group — had dropped out of the race last year citing tough norms.

The Tatas had said the rigid corporate structure that the RBI had mandated for all financial services companies made it difficult for a conglomerate that had operations spread across the world to cope with some of the onerous conditions.

On the other hand, Mahindra & Mahindra Financial Services said it was not going ahead with plans to set up a bank as the RBI guidelines did not provide any flexibility for an NBFC and a bank to co-exist for a reasonable period of time.

On Tuesday, RBI governor Raghuram Rajan had elaborated on its proposed framework to dish out differentiated and on-tap licences. He had said the framework would be established over the next few months.

Rajan had then also indicated the entities that secure the differentiated licence (banks with specific activities such as payments or lending) could also apply for a full banking licence down the line.

“We hope to open the window quite soon. We may open the window first for differentiated licences, for example, payment banks, and then move on to universal banks. But the hope is to make it an ongoing process,” he said when asked to set the timeline for the new procedure.

Banking circles, however, sounded a note caution. They said the views of the next government at the Centre could have a bearing on the entire process.

It may be recalled that some leaders of the BJP had expressed their displeasure over the haste the RBI had shown in handing out the new banking licenses.

Business Standard - http://www.business-standard.com/article/specials/rbi-grants-bank-licence-to-idfc-bandhan-114040200963_1.html

Business Standard

IDFC and Bandhan make the cut for banking licences

RBI ignores corporate houses, will consider India Post's application after consultation with govt

BS Reporter | Mumbai

April 3, 2014 Last Updated at 00:59 IST

The decade-long wait for new bank licences finally ended on Wednesday, with the Reserve Bank of India ([RBI](#)) deciding to issue permits to two of the 25 applicants. The ones to make the cut were [IDFC](#), a diversified financial services firm with a special focus on infrastructure financing, and [Bandhan](#), the country's largest micro lender based in Kolkata. Industrial houses were again disappointed, as the central bank chose to ignore them.

A day after the Election Commission gave its clearance to grant of new licences, RBI's committee of central board met to deliberate on the two names placed before it and decided to give its in-principle approval. RBI will also consider the application of India Post. But that will be done through a separate process in consultation with the government.

IDFC and Bandhan will get a year and a half to begin operations, failing which their licences could be cancelled.

“The ‘in-principle’ approval granted will be valid for 18 months, during which the applicants have to comply with the requirements under the guidelines and fulfil the other conditions as may be stipulated by the RBI,” the banking regulator said in a statement, adding that licences for commencement of banking operations will be given after the entities have fully complied with the norms. “Until a regular licence is issued, the applicants would be barred from doing banking business,” the RBI said.

The statement also said that some entities that did not qualify for a full-fledged [banking licence](#) in this round could again apply in future rounds or apply for differentiated licences under the proposed framework.

The process to issue bank licences was started in February 2010, after a Budget announcement by the then finance minister (now President) Pranab Mukherjee, with the objective of promoting financial inclusion. Three years later, the RBI released the final licensing guidelines in February 2013. The deadline for filing applications was July 1, 2013.

A total of 27 entities applied for licences. These included conglomerates like the Birlas, the Anil Ambani group, Larsen & Toubro and the Bajaj group, as well as non-banking financial companies like LIC Housing Finance and Edelweiss. Another micro lender, Janalakshmi, had also applied. While the Tata group withdrew its application citing stringent norms that stipulated a non-operative financial holding company structure, Videocon Group-promoted Value Industries also dropped out.

The central bank's decision to issue licences came despite stiff resistance from the country's main Opposition party, the Bharatiya Janata Party, which had recently said the RBI should wait till the new government took charge after election results next month.

The RBI had set up a high-level advisory committee under former central bank governor Bimal Jalan to screen the 25 applications. According to the panel's suggestion, the applicants that were under the glare of investigative agencies in connection with scams were dropped from contention.

In the previous round of licensing, two entities — Kotak and YES Bank — had been allowed to enter the banking sector in 2003-04.

The RBI has already said, from now, the issuance of bank licences will not be a once-in-a-decade affair. It will fine-tune the guidelines and licences will be given on tap. There will also be differentiated licensing for entities, like payment banks, which are different from universal banks.

Timeline on bank licensing in India:

Past Experience:

1947-1969: Following a spate of mergers and amalgamations, the number of commercial banks in the country decreased from 640 in 1947 to 85 in 1969.

July, 1969: 14 major commercial banks were nationalised with the basic objective of ensuring credit flow to priority sectors of the economy.

April, 1980: Six more commercial banks were nationalised.

January, 1993: Reserve Bank of India (RBI) released guidelines for licensing of [new banks](#) in the private sector. 10 new banks were formed on the basis of these guidelines. These were Global Trust Bank, ICICI Bank, HDFC Bank, Axis Bank, Bank of Punjab, IndusInd Bank, Centurion Bank, IDBI Bank, Times Bank and Development Credit Bank.

January, 2001: RBI revised the guidelines for new bank licences. Two new banks – Kotak Mahindra Bank and YES Bank – were formed.

Current Affair:

February 26, 2010: Former finance minister and now president Pranab Mukherjee announces in his budget speech (for 2010-11) that companies and business houses will be allowed to set up new banks.

August 11, 2010: RBI releases discussion paper on entry of new banks in the private sector.

December 23, 2010: RBI releases gist of comments from the feedback on the discussion paper.

August 29, 2011: RBI releases draft guidelines for licensing of new banks in the private sector.

July 10, 2012: RBI releases gist of comments from the feedback on the draft guidelines.

February 22, 2013: RBI releases guidelines for licensing of new banks.

July 1, 2013: Last date for submitting applications for new banking licence. RBI discloses names of 26 applicants for new banking licence – two of them drop out while one new player gets added to the list later.

September 4, 2013: RBI governor Raghuram Rajan announces setting up of a committee headed by Bimal Jalan to screen the applications.

November 1, 2013: Bimal Jalan committee holds its first meeting.

February 25, 2014: Bimal Jalan committee submits its report to RBI.

March 12, 2014: RBI seeks Election Commission's permission to issue in-principle approvals for banking licence.

April 1, 2014: Election Commission allows RBI to issue new bank licences.

April 2, 2014: RBI grants in-principle approval to IDFC and Bandhan Financial Services to set up banks. The in-principle approval will be valid for 18 months.