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RESERVE BANK OF INDIA

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RBI grants “In-principle” Approval to Shivalik Mercantile Co-operative Bank Limited for transition into a Small Finance Bank

The Reserve Bank of India (RBI) has today granted “in-principle” approval to Shivalik Mercantile Co-operative Bank Limited (the applicant) for transition into a Small Finance Bank (SFB) under the “Scheme on voluntary transition of Urban Co-operative Bank into a Small Finance Bank” (the [Scheme](#)) issued on September 27, 2018.

The “in-principle” approval granted will be valid for 18 months to enable the applicant to comply with the requirements under the Scheme, the [Guidelines for ‘on tap’ Licensing of Small Finance Banks in the Private Sector dated December 5, 2019](#) and fulfil other conditions as stipulated by the RBI. On being satisfied that the applicant has complied with the requisite conditions laid down by it as part of “in-principle” approval, the RBI would consider granting it a licence for commencement of banking business under Section 22 (1) of the Banking Regulation Act, 1949 as a SFB.

Background

It may be recalled that in the [Statement on Developmental and Regulatory Policies, dated June 06, 2018](#), the RBI had announced that it would allow voluntary transition of UCBs which meet certain conditions into SFBs, in pursuance of the recommendations of [High Powered Committee on UCBs \(2015\)](#), chaired by Shri R Gandhi. Accordingly, Scheme on voluntary transition of UCB into a SFB was issued on September 27, 2018.

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(Yogesh Dayal)
Chief General Manager