

"Guidelines for Licensing of New Banks in the Private Sector

Definitions**I. Promoter**

Promoter means, the person who together with his relatives (as defined in Section 6 of the Companies Act, 1956), by virtue of his ownership of voting equity shares, is in effective control of the NOFHC, and includes, wherever applicable, all entities which form part of the Promoter Group.

II. Promoter Group

"Promoter Group" includes :

- (i) the promoter;
- (ii) relatives of the promoter as defined in Section 6 of Companies Act 1956;
and
- (iii) in case promoter is a body corporate :
 - (A) a subsidiary or holding company of such body corporate;
 - (B) any body corporate in which the promoter holds ten per cent or more of the equity share capital or which holds ten per cent or more of the equity share capital of the promoter;
 - (C) any body corporate in which a group of individuals or companies or combinations thereof which hold twenty per cent or more of the equity share capital in that body corporate also holds twenty per cent or more of the equity share capital of the promoter;
 - (D) Joint venture (as defined in terms of AS 23) with the promoter;
 - (E) Associate (as defined in terms of AS 27) of the promoter;
 - (F) Related party (as defined in terms of AS 18) of the promoter; and

- (iv) in case the promoter is an individual :
 - (A) any body corporate in which ten per cent or more of the equity share capital is held by the promoter or a relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member;
 - (B) any body corporate in which a body corporate as provided in (A) above holds ten per cent or more, of the equity share capital;
 - (C) any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten per cent of the total; and
- (v) all persons whose shareholding is aggregated for the purpose of disclosing in the prospectus²¹ under the heading "shareholding of the promoter group";
- (vi) Entities sharing a common brand name with entities discussed in A, B, C, D E, F where the promoter is a body corporate and A, B, C where the promoter is an individual;

Provided that a financial institution, scheduled bank, foreign institutional investor or mutual fund shall not be deemed to be promoter group merely by virtue of the fact that ten per cent or more of the equity share capital of the promoter is held by such institution.