Banking Financial

India has a large number of banks, public, private and foreign owned.

Public sector banks account for a lion's share of the country's deposits and loans.

Indian Financial Services Sector

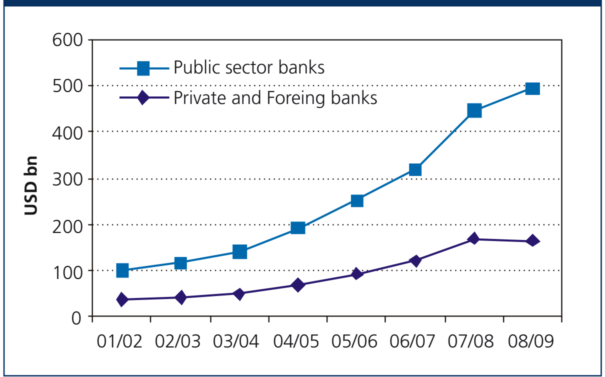
The financial services sector in India comprises financial institutions, markets, instruments and services. Financial institutions can be classified as banking and non-banking entities. Banking entities include commercial banks (in the public and private sectors), cooperative banks, regional rural banks and development banks. Non-banking financial institutions include finance and leasing companies and institutions such as LIC, GIC, mutual funds, provident funds, and post office banks. This section provides a brief overview of the banking industry, the performance of non-banking financial institutions and the stock broking industry in India.

1. Banking Industry – An Overview

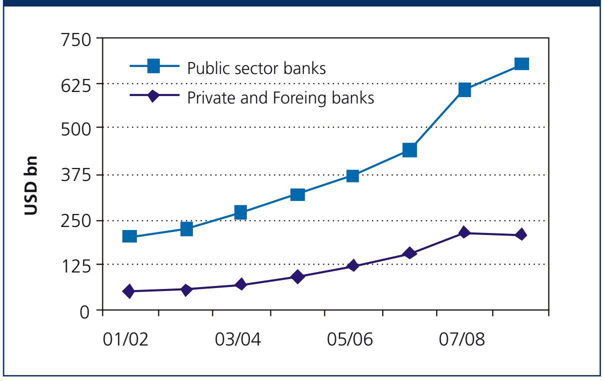
The Indian banking industry comprised 80 scheduled commercial banks (SCBs)–27 public sector banks, 22 private banks (7 new; 15 old) and 31 foreign banks–as of March-end 2009, and 86 regional rural banks (RRBs) and 4 local area banks (LABs) at the end of March 2008. Together, these banks had 64,608 branches and 43,651 Automated Teller Machines (ATMs) at the end of March 2009. Towards the end of March 2009, the Indian banking industry held assets worth USD 947.8bn, with deposits aggregating USD 742.5bn. The CAGR in loans disbursed is expected to be 18% during 2009–14, while deposits are likely to expand at a CAGR of 19% over the same period. Based on the anticipated growth in loans and deposits, total assets of the commercial banking sector are expected to increase at a CAGR of 16%[1].

Public sector banks, already in a leading position in the Indian banking sector, assumed a more dominant role during the financial crisis in 2008-09. These banks accounted for 72.6% of aggregate advances and 73.9% of the total deposits at the end of March 2008. As private and foreign banks withdrew from some segments of the market, the share of public banks in total advances rose, touching 75.3% at the end of March 2009. A similar trend was seen in deposits, with the contribution of public banks to total deposits increasing to 76.6%.

Loans and Advances, March 2002-2009 (USD bn)

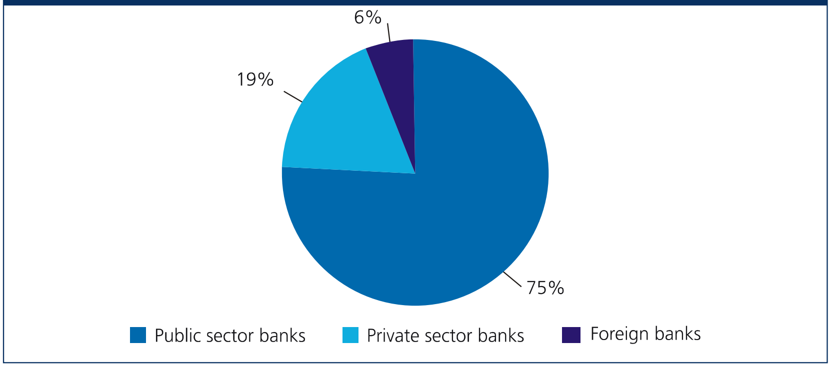


Deposits, March 2002-2009 (USD bn)



Source: Trend and Progress of Banking in India (2002 to 2009), Reserve Bank of India

Share of loans and advances as of March 2009



Source: Trend and Progress of Banking in India (2009), Reserve Bank of India

Foreign banks continue to see India as a growing opportunity. As stated by the RBI, India issues a single class of banking licence to foreign banks, unlike most other countries, where foreign banks are required to graduate from a lower to a higher category of banking over the years. India has not placed any restriction on the business that can be routed through the branches of foreign banks, unlike most countries. During July 2008–June 2009, foreign banks opened 12 branches in India. Although these banks adopted a prudent lending approach in 2008-09, they are expected to open up lending again as the economic environment improves.

Aiming to tap the fast-growing NRI and corporate financing business overseas, a host of Indian banking majors are enhancing their presence in overseas. Bank of Baroda has the largest network abroad with over 46 offices (including administrative) outside India as of March 2009. State Bank of India (SBI) and Bank of India also have a large network abroad with 37 and 23 offices, respectively. Among private banks, ICICI Bank has the biggest operations abroad with seven offices outside India.

To meet the challenges of going global, the Indian banking sector is implementing internationally-followed prudential accounting norms for asset classification, income recognition and loan loss provisioning. Indian banks are expected to become Basel II-compliant by the end of 2010. This is expected to increase disclosure and transparency in line with international practices. India has complied with the Three Pillars of Effective Banking Supervision of the Basel Committee:

- Pillar 1 states the minimum capital ratio and requires allocation of regulatory capital for credit, market and operational risks.
- Pillar 2 gives the Supervisory Review Process and addresses the comprehensive risk domain of banks.
- Pillar 3 focuses on Market Discipline and the effective public disclosures to be made by banks.

The sector is ripe for consolidation as there are a large number of small banks.

Consolidation is expected to remain a key theme in the coming decade. The Indian banking industry needs to consolidate for transforming from the current scenario of a large number of small- and medium-sized banks to one with a small number of large-sized banks. Although there were a number of prominent deals, including the merger of United Western Bank with IDBI in September 2006 and ICICI Bank's acquisition of Sangli Bank in May 2007, consolidation in the public banking sphere has largely been disappointing. However, in the coming years, managers of public sector banks are expected to drive M&A as they compete with their private sector and foreign peers. The SBI, for example, intends to eventually merge all associate banks (State Bank of Patiala, State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Travancore, State Bank of Indore, State Bank of Saurashtra and State Bank of Mysore) with itself. The bank has already acquired the State Bank of Saurashtra and received government approval for acquiring the State Bank of Indore in December 2009. Similarly, rumours of a merger between the Union Bank of India and Bank of India have regularly done the rounds. Furthermore, private and foreign banks are expected to use mergers to expand their network and market share.

Growth drivers

- **Strong economic growth** –

  India's banking sector is benefiting from the country's resilient economy. Economic growth in the past five years has resulted in loans expanding at a CAGR of 27% and deposits at a CAGR of 22%. The Indian economy is expected to grow faster post 2009 after registering two years of slow growth. As per the World Economic Outlook, October 2009, the country's real GDP is projected to grow 5.4% in 2009, 6.4% in 2010 and 7.3% in 2011. Since Indian economy is witnessing strong growth in the coming years the demand for banking services, especially retail banking, mortgages and investment services are expected to be strong.

- **Improving industrial performance** –

  Increased industrial activity and improved corporate profitability drive lending to the industrial sector. The expansion in the manufacturing sector in the past five years has boosted demand for credit. Growth in gross credit to the industrial segment fell to 21.6% in 2008-09 from 24.3% in 2007-08 due to the economic slowdown.[2] Industrial activity is picking up as demand for manufactured goods, especially consumer goods, is rising. Industrial output grew 3.8% in Q1 FY10 and 9.2% in Q2 FY10. Factory production increased 10.3% in October 2009 and 11.7% in November 2009, giving a boost to the economy. Reviving industrial activity, therefore, bodes well for lending.

- **Momentum in credit disbursement** – Credit growth slowed in the past two years as banks curbed lending and demand fell due to global economic uncertainty. Indian banks' loan book expanded 21% y-o-y for the year ended March 2009 relative to the last four year's average of 30%.[3] With the economy now expected to be back on track, banks are likely to start lending aggressively again aided by their strong financial health.

- **Expanding network to support growth** –

  The RBI is pushing banks to expand their network in a bid to improve financial inclusion. The central bank has asked all banks to chalk up concrete plans to take banking services to rural India, whether through branches, ATMs or mobile phones. Greater financial inclusion offers immense opportunities to the banking sector, considering the estimates that just 40% of Indians have bank accounts, 13% have debit cards and 2% use credit cards. According to Business Monitor index report, the current India's loandebt-to-GDP ratio stands at around 52.2%, indicating much room for growth compared to US(53.1%), UK(54%), China (112.9%), Malaysia (111%), Singapore(112.8%) and South Korea (103.4%).

- **Rural banking expected to be the next wave of growth** –

  There is significant opportunity to be tapped in India's rural markets. Several factors, including growing awareness, expanding branch network, and implementation of rural employment schemes, could provide an impetus to rural banking in India in the long term.

Key challenges

- **Rising competition** –

  The ongoing deregulation of the economy, liberalisation of forex norms, and healthy credit offtake have increased India's attractiveness to foreign banks. This has intensified competition among domestic banks. The Ministry of Finance and Reserve Bank of India have agreed to allow foreign banks to open 20 branches a year against 12 earlier. Foreign banks can also acquire up to 74% stake in private banks. Although this is expected to create more value for customers, it could also increase competition in the Indian banking sector.

- **Higher NPA provision coverage** – The RBI has mandated all banks to maintain NPA provision coverage of at least 70%; banks are to become compliant by September 2010. This move has hit the near-term profits of Indian banks.

- **Basel II norms, increasing reserve requirements** –

  Under the tight monetary policy of the RBI, reserve requirements in India went up significantly last year, causing banks to set aside higher reserves. Also, under the upcoming Basel II norms, banks are required to include operational risk in their overall risk assessment. This is expected to raise the Capital Adequacy Ratio (CAR) requirement to 9% from 8% under the currently applicable Basel I norms. Therefore, to comply with the new Basel II regulations, banks will have to set aside more capital, which could affect their ability to lend. The new norms seem to favor the large banks that have better risk management and measurement expertise, who also have better capital adequacy ratios and geographically diversified portfolios. The smaller banks are likely to be hurt by the rise in weightage of inter-bank loans that will effectively price them out of the market. Another biggest challenge is re-structuring the assets of some of the banks would be a tedious process, since most of the banks have poor asset quality leading to significant proportion of NPA. This also may lead to Mergers & Acquisitions, which itself would be loss of capital to entire system. Moreover Implementation of the Basel II will require huge investments in technology. According to estimates, Indian banks, especially those with a sizeable branch network, will need to spend well over USD 50-70 mn. on this.

- **Technology Adoption**:

  The technology infrastructure in terms of computerization is still in a nascent stage in most Indian banks. Computerization of branches, especially for those banks, which have their network spread out in far-flung areas, will be a daunting task. Penetration of information technology in banking has been successful in the urban areas, unlike in the rural areas where it is insignificant

NBFCs play an important role as an organised alternative to commercial banking.

NBFC numbers have declined as regulation has improved and the banking sector has grown.

Major companies

State Bank of India, HDFC Bank Limited, ICICI Bank Limited, IDBI Bank, Punjab National Bank, Bank of India, and Indian Overseas Bank are some of the major banks in India. Among foreign banks, the important players are Standard Chartered Bank, Citibank and HSBC.

Outlook

Growth in economic activity, including industrial production, demand for consumer loans, and increase in rural banking are expected to boost demand for banking services considerably. Aided by strong balance sheets, banks are expected to increase lending. Consequently.

2. Non-Banking Financial Companies

Non-Banking Financial Companies (NBFCs) play a crucial role in terms of improving access to financial services, enhancing competition and diversifying services in the financial sector. Besides commercial banks and cooperative institutions (urban and rural), the financial system in India includes a wide variety of NBFCs, primary dealers and capital market intermediaries such as mutual funds. The industry can be broadly classified into non-banking finance companies (NBFCs) and housing finance companies (HFCs). Typically, NBFCs finance vehicles (cars, commercial vehicles and two-wheelers), consumer durables and plant and machinery. NBFCs are registered with Reserve Bank of India (RBI) and HFCs with National Housing Bank (NHB). NBFCs are actively engaged in lease finance, hire purchase finance, investment in securities, grant of loans, including bills discounting, insurance, stock broking, merchant banking and housing finance. NBFCs in India mainly consist of deposit taking NBFCs (NBFCs-D), Residuary Non-Banking Companies (RNBCs)[4], Mutual Benefit Companies (MBCs)[5], Miscellaneous Non-Banking Companies (MNBCs)[6], and "Nidhi" companies[7],. As a whole, this segment accounts for 9.1% of the financial system's assets. The number of NBFCs registered with the RBI has been declining since 2002; it fell from 12,809 at the end of June 2008 to 12,740 in June 2009.

Currently, 100% foreign direct investment (FDI) is permitted in NBFCs. Foreign equity investments are allowed across 19 categories. These include merchant banking, stock broking, venture capital, housing finance, foreign exchange broking, leasing and finance, and financial consultancy. This has improved the outlook for the segment.

Non-Banking Finance Companies (NBFCs) in India were severely impacted due to economic slowdown coupled with fall in demand for financing as several businesses deferred their expansion plan, the asset quality suffered as well. But, players in secured lending business did well as the risk of non-performing assets (NPAs) is much lesser in this segment. These companies include housing finance companies like Housing Development Finance Corp (HDFC) and LIC Housing Finance. However, the housing finance business was not left unscathed by the tightening liquidity; many borrowers postponed buying due to high interest rates. Apart from housing finance companies, NBFCs in power financing—Rural Electrification Corp (REC) and Power Finance Corp (PFC)—also performed well. As India has a power deficit, the demand for power finance is expected to remain high in coming years. Infrastructure financing companies like Infrastructure Development Finance Corp (IDFC) and SREI Infrastructure Finance, faced slowing infrastructure spending. As infrastructure remains a long-term growth story and it is expected that companies providing finance for such projects will do well in future. Apart from consumer finance, a segment which was particularly hit by the slowdown was commercial vehicle (CV) financing. Companies like Cholamandalam DBS Finance and Sundaram Finance. Within vehicle financing, Shriram Transport Finance did exceedingly well. This is because the company is involved in second hand CV financing, which does not depend upon capacity addition.

Financial performance

Public deposits are moving from NBFCs to the banking sector.

- **Decline in deposits with NBFCs** –

  The total deposits with NBFCs fell 11.7% y-o-y to USD 4.7bn as of 31 March 2009 due to the shift of depositors' funds to commercial banks. Deposits of NBFCs as a ratio of aggregate deposits of commercial banks declined to 0.53% as of March 2009 from 0.73% as of March 2008.

- **RNBCs pull down growth** –

  In terms of activity, hire purchase accounted for the largest share (47.2%) of the total assets of NBFCs at the end of March 2009. Loans and investments accounted for 27.9% and 19.6%, respectively. NBFCs' assets totalled USD 20.9bn as of 31 March 2009, down 3.3% y-o-y, due to a decline in the assets of RNBCs.

- **Fall in asset quality in the past year** –

  Gross NPAs as a percentage of gross advances worsened from 2.1% at the end of March 2008 to 2.7% at the end of March 2009. The deterioration was due to the lower asset quality of asset finance and hire purchase companies. Net NPA, however, was negative as NBFCs maintained provisions higher than NPAs. The number of NBFCs with less than the minimum regulatory Capital-to-Risk-weighted-Assets Ratio (CRAR) of 12% declined to 9 at the end of March 2009 from 47 as of March 2008.

Net profits grew in 2008-09 due to higher fee income and lower taxes.

- **Improvement in financial performance of NBFCs in 2008-09** –

  Income grew 17.5% y-o-y during the year ended March 2009 due to higher fund-based and fee-based income. However, a higher cost-to-income ratio (74.1% in 2008-09 versus 68.9% in 2007-08) led to a 2.2% decline in operating profits. Nevertheless, net profit grew 7.5% owing to lower tax provisioning expenses.

Issues and challenges

- **Growing competition from banks** –

  NBFCs face stiff competition from commercial banks which has negatively affected the profitability of these companies as well as demand for their services. This is mainly because banks offer better returns than NBFCs as they have an inherent cost advantage resulting from access to low-cost funds such as savings and current account deposits, and dominant market positions.

- **Multiple regulations by RBI** –

  The implementation of regulations since 1997, especially the one making obtaining the certificate of registration from RBI mandatory, has brought down the number of NBFCs. Approval from the RBI is also compulsory for the merger of an NBFC with a bank. Moreover, a non-deposit taking NBFC with assets above USD 25mn cannot borrow more than 10 times its net owned funds. These NBFCs are also required to maintain the minimum CAR at 10% compared to 8% for banks.

Outlook

Increasing competition and inability to compete with banks in terms of size are negatively affecting the profitability of NBFCs. However, in order to improve core profitability, these companies are targeting high-yield business lines such as personal loans, tyre finance and refinancing for used vehicles. NBFCs are increasing focus on fee-based income by servicing business process outsourcing (BPO) requirements in transaction processing and software product development. Buoyancy in capital markets and enhanced focus on the high-margin retail segment are likely to improve profitability in the medium term.

3. Stock Broking

Stock broking, a highly fragmented industry, is benefiting from the growing equity and derivatives trading markets.

The broking industry remained fragmented until the mid-1990s, with over 5,000 brokers operating across India's 22 exchanges. However, consolidation has gained momentum in the industry over the past 10 years. During the year ended March 2009, the top five brokers accounted for approximately 13.6% of the NSE's turnover, while the top 100 accounted for 75.42%. Encouraged by the booming stock markets and growing retail interest in equity and equity-related investments, Indian stock broking firms are expanding their networks.

For the past few years, growth in the industry has largely been driven by busy primary markets, improvement in regulations, implementation of screen-based trading with automated electronic matching of trades (that lowers costs and increases transparency), and reduction in settlement cycles through the dematerialisation of securities.

The sector's growth has attracted investors, though the falling 2008-09 market led to some losses.

The stock broking industry in India is attracting significant interest from foreign investors. Large deals in the past five years include Citigroup Venture Capital International (CVCI)'s 19% stake purchase in Anand Rathi Securities in April 2007 for an undisclosed amount and an 85% stake purchase in retail brokerage firm Sharekhan for roughly USD 162.5mn on 19 May 2007. However, not all deals have turned out to be successful for the investor. Oriental Global is reported to have exited its India Infoline investment in August 2009 at nearly a 50% loss. The company had acquired 6.48% stake in India Infoline in December 2007 for USD 138.75mn.

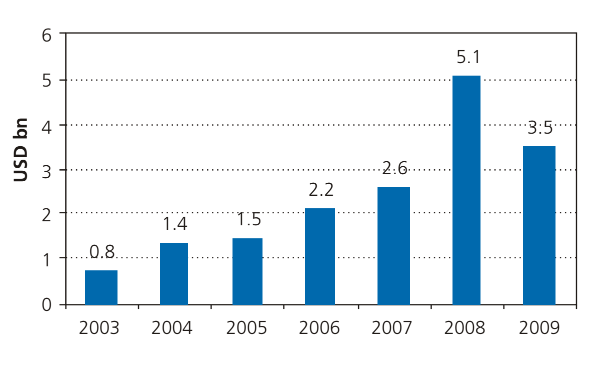
While in the past this growing interest was reflected in equity investments in Indian brokerage houses, in the coming years, it is expected to manifest in the form of direct entry by international players, especially in the institutional stock broking segment. Several international firms, including Barclays, DBS (Singapore), Yuanta (Taiwan), Samsung Securities (Korea), and Societe Generale, have expressed interest in the market.

Growth drivers

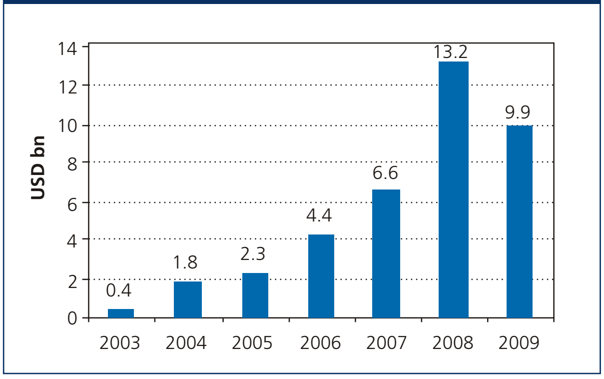
- **Significant increase in trading activity in India** –

  Trading activity in the Indian financial market has been the major driver for the country's broking industry. However, the pull back in financial markets the world over in 2008 and early 2009 impacted the Indian market as well. Trading activity in both the cash and derivatives segments decreased. With the Indian market recovering, this scenario is expected to reverse.

Average daily cash volumes (USD bn)



Average daily commodities volumes (USD bn)

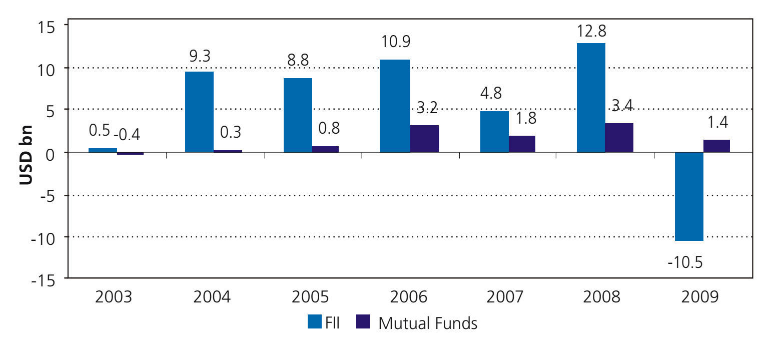


For year ending 31 March

- **Growing institutional investor interest** –

  The Indian stock market continues to attract FIIs and other institutional investors such as mutual funds. The Indian broking industry is estimated to have collected around USD 580.95mn in institutional broking fees during the year ended March 2009[8]. Except the year ended March 2009, investment by FIIs and mutual funds in equities has been in the positive territory. In fact, mutual funds continued to flow money into Indian equities even in 2008-09. With a revival in institutional trading, institutional broking fees are expected to have grown to more than USD 753.0mn during the eight months ended November 2009[9].

FII and Mutual Funds Inflow (Outflow) (USD bn)

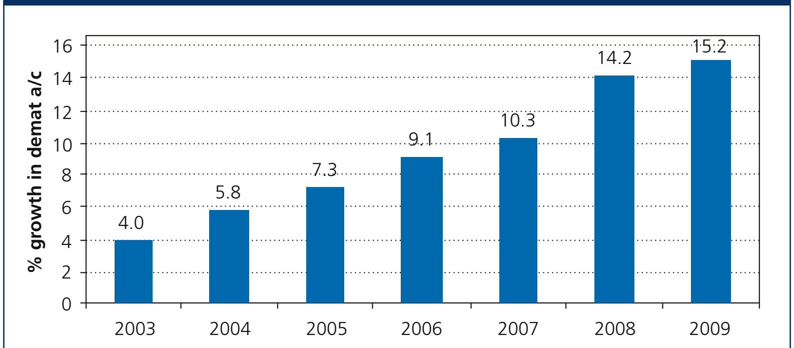


For year ending 31 March
Source: Motilal Oswal. NSE, BSE, Aranca

- **Growing retail participation** –

  The changing consumer savings profile reflects the broking industry's significant growth potential. Historically, due to the increased interest rates on deposits, continued volatility and lack of transparency in capital markets, a major part of household savings was deposited in banks and other traditional savings instruments. However, the trend has changed over the past few years. Due to the relatively unattractive interest rates on bank deposits and improved performance of the stock market in India, demand for equities, mutual funds and insurance has increased, giving a boost to the brokerage industry.

Growth in Demat accounts (%)



For year ending 31 March
Source: Motilal Oswal. NSE, BSE, Aranca

There are 44 insurance companies operational in India, half of which offer life insurance.

- E-broking is gaining ground in India due to growing Internet usage, faster telecom connectivity, and increasing ease of web-based transactions. The rapid rise in retail investor participation and acceptance of electronic trading platforms have increased internet-based trading.
- Since the equity broking business is cyclical in nature, several companies are venturing into new areas such as commodity broking and distribution of mutual fund products and insurance schemes. This would help them hedge against any decline in stock markets.

Issues and challenges

- On a slightly negative note, competition is stiff in the highly-fragmented broking industry, which comprises many companies.
- Issues such as cyclicality and volatility in the Indian stock market pose major risks to the industry.
- Achieving a critical scale of operations to sustain profitability even in a prolonged dull phase.
- Regulatory risk which could impact the earning profile and bring structural changes in the industry.
- Limited financial flexibility as banks have capital market exposure limits and mutual fund houses are very selective in taking exposure to brokerage houses.
- Continue upgrading the risk management systems and monitoring policies to mitigate associated risks, especially during periods of extreme market volatility.
- Moving towards value added services like wealth management, portfolio management, research etc. Intense competition expected from FII brokerage houses.

Major players

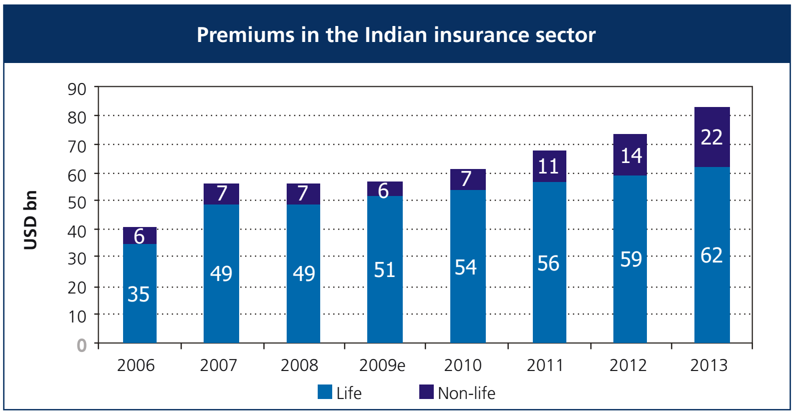
Major players in the stock broking industry are Kotak Securities, ICICI Direct, India Infoline, Motilal Oswal Securities Ltd, Indiabulls, Angel Broking Ltd, and IL&FS.

Outlook

Factors such as the booming domestic stock market, increasing retail investor participation, growing preference for equities (as investment instruments) and a buoyant Indian economy indicate a bright outlook for the country's brokerage industry.

4. Insurance

The insurance sector in India comprises both the life insurance as well as non-life insurance segments. As of May 2009, the Insurance Regulatory and Development Authority (IRDA) recognized 44 participants in India's insurance sector: 22 in the life insurance segment, 21 non-life insurers and one re-insurer. The total premiums in the industry (including life and non-life) are expected to have grown 11.5% y-o-y to USD 56.7bn in 2009. Life insurance is a major part of the Indian insurance industry, with premiums from the segment accounting for 90.2% of the total premiums in the sector[10]. In 2009, the life insurance segment is expected to have grown 15.2%, more than offsetting the 14.0% decline in non-life premiums. Total premiums are expected to expand at a CAGR of 6% between 2009 and 2013 to USD 96.3bn. Life insurance premiums are projected to grow 3% on a compounded basis to USD 64.5bn, while non-life premiums are likely to increase at a CAGR of 22% to USD 31.8bn over the same period.



Source: Business Monitor International

Growth drivers

- **Low penetration of insurance sector in India** –

  India's insurance sector offers huge potential for growth. Although awareness of insurance is increasing, the market remains underpenetrated. Life insurance premiums account for just 3.7% of India's GDP compared to 7.5% in Singapore and 9.1% in South Korea.

- **Increasing participation** –

  The significant potential of the insurance sector has attracted a number of players to it. Many banks are now entering into joint ventures and tapping the insurance industry in India. Recent entrants include Shriram Life Insurance and Bharti Axa Life. On the non-life insurance front, Allahabad Bank, Karnataka Bank, Indian Overseas Bank, Dabur Investment Corporation and Sompo Japan Insurance Inc have joined hands to form a non-life insurance firm. On the flipside, although increasing participation of companies is likely to benefit end customers, players could face pricing pressures due to growing competition.

- **Reforms in insurance** –

  The IRDA took a few important steps to introduce reforms in the insurance industry in 2007. It announced the removal of all pricing controls on general insurance products beginning 2008, permitted LIC to launch health policies and banned actuarial-funded unit linked products in India. These reforms have strengthened the industry.

- **Opportunities in micro insurance** –

  The IRDA now recognizes Non-Government Organizations (NGOs), Micro Finance Institutions (MFIs) and Self Help Groups (SHGs) as micro insurance agents to spread the reach of insurance products in rural India. This is likely to improve the access of insurance products in the rural sector and create demand for them.

- **Innovative distribution measures** –

  Apart from the tried and tested insurance agent-based distribution network, insurance companies are looking at innovative ways to reach out to customers. Banks offering insurance through joint ventures market policies through their existing branch network. A similar model is the 'Mallassurance' (new channel of insurance distribution which involves selling insurance to shoppers frequenting malls) delivery channel. Future Generali Insurance sells its life and general insurance policies through Future Group's retail outlets. Online sales of insurance are also growing, with ICICI Lombard being among the most active insurers online.

Issues and challenges

- **Lack of political will hampering FDI potential** –

  The slow pace of reforms is likely to limit growth in the sector. Although the government intended to raise the FDI cap from 26% to 49%, none of its efforts have borne fruit yet.

- **Service tax holding back micro insurance sector** –

  While the IRDA encourages micro insurance, the government levies a 10.3% service tax on micro insurance products. Moreover, its universal health scheme exempts public sector companies from this tax. Revoking the service tax on micro-insurance products would give a boost to insurance in the rural market.

4.2. Major players

LIC continues to lead the insurance market in India, accounting for 74.3% of the total premium earned. The LIC's large distribution network and brand recall have proven to be huge barriers for private insurance companies. Other major players in India are ICICI Prudential Life Insurance Company, HDFC Standard and Bajaj Allianz. ICICI Lombard, Bajaj Allianz and New India Assurance Company dominate the non-life insurance sector.

4.3 Outlook

India's insurance sector is expected to see strong growth in premiums earned as competition stimulates product innovation, insurance penetration improves, and new markets such as the rural segment are tapped.

[1] RBI's Trend and Progress of Banking in India 2009

[2] RBI's Trend and Progress of Banking in India 2009

[3] RBI's Trend and Progress of Banking in India 2009

[4] Residuary Non-Banking Company is a class of NBFC which is a company and has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner and not being Investment, Leasing, Hire-Purchase, Loan Company.

[5] Miscellaneous Non-Banking Companies It is a company which collects from specified number of subscribers periodically and in turn distributes the same as prizes amongst them. Any other form of chit is also included in this category.

[6] Mutual Benefit Finance Company- It means any company which is notified by the central government under section 620A of the Companies Act, 1956.

[7] Nidhi company is a non-banking finance company doing the business of lending and borrowing with its members or shareholders

[8] More foreign broking cos queue up for India entry " Economic Times, 26 November 2009

[9] More foreign broking cos queue up for India entry " Economic Times, 26 November 2009

[10] India Insurance Report, Q1 2010 Business Monitor International

Important Notice