

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:2509  
ANSWERED ON:07.03.2003  
INDUSTRIAL HOUSES TO FLOAT BANKS  
UMMAREDDY VENKATESWARLU

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether the Government propose to allow industrial houses to float banks;
- (b) if so, the details thereof; and
- (c) the steps proposed to be taken to safeguard the depositors of banks floated by industrial sector?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

- (a) No, Sir. As per existing guidelines of Reserve Bank of India on entry of new banks in private sector, large industrial houses are not permitted to set up banks.
- (b) and (c) Do not arise.