

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1663
ANSWERED ON:01.12.2006
FOREIGN BANKS
Saradgi Shri Iqbal Ahmed

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has considered the proposal to open 100 branches of foreign banks in the country,
- (b) if so, the details thereof;
- (c) whether the Government has suggested that half of these branches must come up in rural areas;
- (d) if so, whether according to RBI norms and the WTO binding, foreign banks can open 12 branches a year and both have suggested for allowing 20 branches in a year now; and
- (e) the extent to which the Government has agreed to allow foreign banks to operate in India?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

- (a) & (b) As per India's Revised Offer under the on-going negotiations of General Agreement on Trade in Services of the World Trade Organisation (WTO), it has been offered to raise the number of new licences for foreign bank branches to 20 per year.
- (c): No, Sir.
- (d) & (e) : In the 'Road Map for presence of foreign the banks in India' issued by RBI on 28.02.2005, it is proposed to go beyond the existing WTO commitment of 12 branches in a year for new and existing foreign banks and to follow a more liberal policy for under-banked areas.