

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:165
ANSWERED ON:09.03.2007
LICENCES FOR INDIAN BANKS IN UK
Rao Shri Sambasiva Rayapati

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has sought more branch licences for its banks to expand their presence in the United Kingdom as reported in the Hindu Business Line dated January 19, 2007;
- (b) if so, the details thereof;
- (c) whether any assessment of profitability of the banks has been made;
- (d) if so, the details thereof: and
- (e) the time by which these branches are likely to be opened?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.165 FOR 9TH MARCH, 2007 REGARDING LICENCES FOR INDIAN BANKS IN UK TABLED BY SHRI RAYAPATI SAMBASIVA RAO

(a) to (e) : Opening branches overseas is a commercial decision taken by the Board of Directors of a bank. However, before commencing operations the bank is required to obtain sanction of the Reserve Bank of India and the host regulator(s). Presently, five Indian banks have 22 branches in United Kingdom (UK). The branches are reported to be profitable. In the meeting of Indo-UK Economic and Financial Dialogue held on 18 January, 2007 in New Delhi, both sides agreed to improve co-operation on economic and financial issues and to develop open, healthy and competitive financial sectors.