

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4679
ANSWERED ON:07.08.2009
SETTING UP OF HOLDING COMPANY BY BANKS
Sethi Shri Arjun Charan

Will the Minister of FINANCE be pleased to state:

(a) whether the ICICI Bank and State Bank of India (SBI) propose to set up a holding company, which in turn can set up banks or other financial services companies; and

(b) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Reserve Bank of India (RBI) has received proposals from State Bank of India (SBI) and ICICI Bank Ltd. for setting up holding companies. As the issue of allowing banks to set up holding companies has wide ranging implications, a discussion paper on holding companies in Banking Groups has been placed on 27th August, 2007 on the website of RBI for public comments. A Committee was formed to examine these responses from legal and prudential perspectives. The Committee has since submitted its Report. However, no policy decision has been taken by RBI in the matter.