

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3499  
ANSWERED ON:20.08.2004  
OPENING OF FOREIGN BANKS  
Manjhi Shri Rajesh Kumar

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government is proposing to make change in the policy of opening of foreign banks;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): No, Sir.

(b): Does not arise.

(c): As per the present policy, Reserve Bank of India (RBI) examines proposals received from foreign banks for setting up offices in India. An Inter Departmental Committee of Government considers these proposals for clearance before RBI grants licences. This policy seems appropriate and is functioning well.