

Expansion Plans of Foreign Banks

1415. DR. NAUNIHAL SINGH: Will the Minister of FINANCE be pleased to state :

(a) what are the details of foreign Banks in India which have approached Government for approval of their expansion plans;

(b) whether Government have decided to reject such plans ; if so, the reasons thereof;

(c);whether there is a demand in the country to close the foreign banks completely ; if so, the reasons thereof; and

(d) whether Government are considering a proposal/proposals to encourage private banks in the country; if so the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) According to Reserve Bank of India (RBI) the following foreign banks have approached them for opening additional branches in the country:—

1. Hongkong Bank
2. Bank of America
3. Credit Lyonnaise
4. British Bank of Middle East
5. Banque Nationale De Paris
6. Abu Dhabi Commercial Bank Ltd.
7. ANZ Grindlays Bank
8. ABN Amro Bank
9. Standard Chartered Bank
10. Citibank
11. American Express Bank
12. Deutsche Bank
13. Bank of Nova Scotia
14. Societe Generale
15. Bank of Bahrain and Kuwait B.S.C.
16. Oman International Bank
17. Mashreq Bank PSC
18. Barclays Bank

(b)No, Sir. The applications' Of foreign banks are at various stages of processing by RBI. In certain oases licences have been issued. white in some other cases'is princi-ple' approvals have been gives. The rest are under process,

(c) RBI have not received any such demand.

(a) The Committee on Financial Systerh had stated inter-alia that there should be no bar to the setting up of new private rector banks provided they conform to the start up capital and other requirements as may be prescribed by RBI. The recommendation of the Committee has been considered' by RBI and detailed guidelines have been issued by them in this regard in January, 1993.

Foreign Companies Operating in India

1416. SHRI S. MADHAVAN : MI the Minister of FINANCE be pleased to state:

(a) how many foreign companies are operating in the country as on 30th September, 1993 and what is their total investment;

(b) the details of credit facilities granted to these foreign companies by the banks and other financial institutions; and

(c) what are the export earnings through these foreign companies ?

THE MINISTER OF STATE IN THE MINISTR^ OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMET))): (a) The number ,of FERA Companies as on 30th June, 1991,, was 103. Consequent upon the amendment of FERA, the distinction between a FERA Company and an Indian Company stands diluted. Hence defers of FERA-Companies are no longer available as a special cite,-. gory in the post liberalisation period.

(b) All Companies irrespective of ownership are subject to the same cradia regime and regulations of Reserve Bank of India.