

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 3208

TO BE ANSWERED ON THE 5TH JANUARY 2018/ PAUSHA 15, 1939 (SAKA)

SBM Subsidiary in India

3208. SHRI SATAV RAJEEV:

DR. HEENA VIJAYKUMAR GAVIT:

DR. J.JAYAVARDHAN:

SHRI DHANANJAY MAHADIK:

SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:

SHRI P.R. SUNDARAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has given approval to State Bank of Mauritius (SBM) to open a wholly owned subsidiary bank in India;
- (b) if so, the details thereof;
- (c) whether the interest rates for lending and borrowing of SBM will be regulated by RBI rules, if so, the details thereof;
- (d) whether any other foreign bank has approached RBI for clearance regarding opening local unit in India, if so, the details thereof;
- (e) the purpose behind allowing foreign banks to operate from India; and
- (f) the steps taken by the Government to safeguard citizen privacy in the international market as a result of this step?

ANSWER

The Minister of State in the Ministry of Finance
(SHRI SHIV PRATAP SHUKLA)

- (a) and (b): Reserve Bank of India (RBI) has informed that licence was issued to the Wholly Owned Subsidiary (WOS), SBM Bank (India) Limited on December 6, 2017, to carry on banking business in India, whereby the branches of SBM Bank (Mauritius) Limited (formerly State Bank of Mauritius Limited) will be merged to operate as a WOS, subject to regulatory guidelines as applicable to other domestic banks in India, with restrictions on opening branches in some sensitive areas.
- (c): All operations of SBM Bank (Mauritius) Ltd. in India, including lending and borrowing, are regulated by RBI rules.
- (d): Details of the applications of foreign banks currently under examination is at Annex.
- (e): Allowing foreign banks to set up presence in India facilitates trade and investment between India and the home countries of foreign banks.
- (f): RBI has issued a circular on secrecy obligations relating to furnishing of data which indicates that the scope of the secrecy law in India has generally followed the common law principles based on implied contract. Foreign banks operating in India are required to follow the same.

Lok Sabha Unstarred Question No. 3208 for 5.1.2018, regarding “SBM Subsidiary in India”

Applications of foreign banks under examination

Sl. No.	Bank	Country of incorporation	Request
1	Industrial and Commercial Bank of China	China	Application for second branch in New Delhi
2	Bank of China	China	Application for maiden branch in India
3	Bank Pasargad	Iran	Application for maiden branch in India
4	Parsian Bank	Iran	Application for maiden branch in India
5	Saman Bank	Iran	Application for setting up a representative office in India
6	Kookmin Bank	South Korea	Application for maiden branch in India
7	KEB Hana Bank	South Korea	Application for second branch in India
8	Nonghyup Bank	South Korea	Application for maiden branch in India
9	Woori Bank	South Korea	Application for setting up a Wholly Owned Subsidiary (WOS) in India by converting its existing branches in India into a WOS
10	Bank of Ceylon	Sri Lanka	Application for second branch in India
11	Maybank	Malaysia	Application for reconsideration of Government's decision to reject its application for maiden branch in India
12	ING Bank	Netherlands	Application for setting up a representative office in India
13	Cooperative Rabobank UA	Netherlands	Application for second branch in India
14	PPF Bank a.s.	Czech Republic	Application for setting up a Wholly Owned Subsidiary in India
