

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1115

ANSWERED ON:24.11.2000

ENTRANCE OF SBI IN INSURANCE SECTOR

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Will the Minister of FINANCE be pleased to state:

- (a) whether State Bank of India has been given permission by RBI to enter into the Insurance Sector;
- (b) if so, the details in this regard;
- (c) whether SBI is in search of a Foreign joint venture for the purpose;
- (d) if so, the details thereof;
- (e) the names of the other Banks/Financial Institutions and Companies which have been given permission/licence to enter in Insurance Sector; and
- (f) the time by which these Companies are likely to start their business?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH):

- (a) and (b) Reserve Bank of India (RBI) has reported that it has given `in-principle` approval to State Bank of India (SBI) for entering into insurance business on risk participation basis through a subsidiary in which it will hold 74% of the paid-up capital,
- (c) and (d) SBI has advised RBI that it has engaged the services of M/s Morgan Guaranty Trust Company, New York to identify a suitable joint venture partner.
- (e) and (f) The information is being collected and will be laid on the Table of the House to the extent available.