

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1022

ANSWERED ON:29.07.2005

MERGER OF ASSOCIATE BANKS OF SBI

Angadi Shri Suresh Chanabasappa;Khan Shri Mohammad Tahir;Kushwaha Shri Narendra Kumar;Munshiram Shri ;Nayak Shri Ananta;Shahid Shri Mohammed;Shiwankar Shri Maha Deo Rao;Singh Shri Dushyant

Will the Minister of FINANCE be pleased to state:

- (a) the details of the associate banks of the State Bank of India;
- (b) whether the Government has drawn any scheme for merger of these associate banks with State Bank of India (SBI);
- (c) if so, the details and reasons therefor;
- (d) whether the Government is contemplating to reduce the number of banks particularly in rural areas;
- (e) if so, the reasons therefor; and
- (f) the steps taken by the Government to safeguard the interest of employees and also to expand the banking facilities in rural, hilly and remote areas?

Answer

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

(a) The details of associate banks of State Bank of India are given below:-

(i) State Bank of Bikaner & Jaipur
(v) State Bank of Patiala

(ii) State Bank of Hyderabad
(vi) State Bank of Saurashtra

(iii) State Bank of Indore
(vii) State Bank of Travancore

(iv) State Bank of Mysore

(b), (c) & (f) : Any such proposal for merger of a bank with another bank has to come from the management of the banks concerned with Govt. playing a supportive role as the common shareholder. No directive on consolidation has been issued by Govt. or RBI. The Boards of Banks have to take a decision in this regard based on the synergy levels of merging / consolidating entities. While supporting any merger proposal, Government will ensure that the interests of the stakeholders and employees of merging banks is adequately protected.

(d) No, Sir.

(e) Does not arise.