

rural areas and units producing important substitution items.

Statement

SALIENT FEATURES OF STATE BANK OF INDIA'S EQUITY FUND SCHEME FOR SMALL SCALE INDUSTRIAL UNITS

1. Objective:

The objective of the Scheme is to assist new Small Scale Industrial Units in need of equity support, through interest free funds repayable on a long term basis.

2. Eligibility Criteria:

(i) It should be a new unit and the applicant should devote his direct and full attention to the unit. The entire borrowings of the unit should be confined to the bank only.

(ii) The applicant's project should be eligible for assistance under bank's Entrepreneur Scheme.

(iii) The total cost of the project should be above Rs. 25,000/-.

(iv) The unit should not be engaged in activities advances in respect of which are not eligible for cover under the Credit Guarantee Scheme.

3. Extent of assistance:

Assistance under the Equity Fund Scheme will be between a minimum of Rs. 5,000/- and a maximum of Rs. 50,000/-, relaxations in the upper limit being considered on individual merits.

4. Minimum equity contribution by the Applicant

The minimum requirement of the applicant's own equity contribution should be as under:—

(a) Nil in the case of units considered under bank's Entrepreneur Scheme.

(b) 10 per cent of the project cost in the case of units considered under bank's Liberalised Scheme.

(c) 5 per cent of the project cost in the case of applicants who have undergone the bank's Entrepreneurial Development Programme and are financed under bank's Liberalised Scheme.

5. Repayment:

There will be no repayment of the Equity Fund Scheme assistance during an initial period of 5 to 7 years. Thereafter it will be repaid over a period of 5 to 7 years through monthly/quarterly/half-yearly instalments.

6. Interest:

Funds lent under the Equity Fund Scheme will bear no interest; other loans sanctioned to the unit will carry interest as per bank's usual rates.

Opening of Branches of State Bank of India in Karnataka

5552. SHRI A. R. BADRINARAYAN: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether it is a fact that State Bank of India has one branch or sub-office almost at a distance of every 10 miles in Tamil Nadu;

(b) if so, whether it is a fact that even some of the district headquarters in Karnataka are without a branch of State Bank of India;

(c) whether it is also a fact that although Karnataka has large area and population than in Tamil Nadu it has only 142 branches of State Bank whereas in Tamil Nadu it has 345 branch offices;

(d) if so, what are the main reasons for this; and

(e) whether Union Government have asked the State Bank to open more branches in the Karnataka State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) The infor-

mation system of the Reserve Bank of India in respect of the spread of commercial bank branches does not provide information regarding distance between a bank's different branches.

(b) The Reserve Bank of India have reported that all the district headquarters in Karnataka except Chickmagalur and Kolar, have a branch of State Bank of India.

(c) As at the end of December, 1978, there were 157 and 348 offices of the State Bank of India functioning in Karnataka and Tamil Nadu respectively.

(d) In deciding its Branch Expansion programme, the State Bank of India takes into account, *inter alia*, the spread of the branch network of its Associate Banks also, particularly in their ethnic areas of operation. State Bank of Mysore—an associate of the State Bank—has a large branch network in Karnataka. Thus, for the S.B.I. Group as a whole there were 534 offices in Karnataka as against 413 offices in Tamil Nadu as at the end of December 1978.

(e) No specific instructions have been issued to the State Bank of India in this regard. However, under the new branch licensing policy State Bank of India will endeavour to open more branches in the underbanked districts of Bidar and Gulbarga where it has the lead responsibility.

Proposal for exempting Small Tractors from Levy of Excise

5553. SHRI DURGA CHAND: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to exempt small tractors from levy of excise;

(b) if so, what are the details thereof; and

(c) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) Tractors of Draw Bar Horse Power 12 and below have been completely exempt from payment of central excise duty vide Notification No. 335/77-Central Excises, dated the 2nd December, 1977.

(b) and (c). Does not arise.

Separate Circle Head Office of State Bank of India

5554. SHRI A. R. BADRINARAYAN: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether it is a fact that Karnataka State has urged the Centre to have a separate circle Head Office of State Bank of India at Bangalore;

(b) if so, whether Union Government have accepted the request;

(c) when the same is likely to be set up;

(d) whether Karnataka Government has agreed to give all facilities in this regard to them; and

(e) if not, the main reasons for not accepting the request?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) No representation has been received by the State Bank from the Karnataka State Government for opening of a local Head Office at Bangalore. However, some Members of Parliament and Members of the Karnataka Legislative Assembly have impressed upon Government the need for opening of such a Local Head Office.

(b), (c) and (e). For opening a Local Head Office many factors such as the bank's branch network existing and projected, size of operations, lead responsibilities, credit: deposit ratio.