

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3894
ANSWERED ON:22.08.2003
SBI MOU WITH MAHINDRA AND MAHINDRA LTD.
TUFANI SAROJ

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Bank of India has signed any Memorandum of Understanding with Mahindra and Mahindra Limited by the name of `SBI-Mahindra Tractor Plus`;
- (b) if so, the objective of this agreement; and
- (c) the benefit likely to accrue to State Bank of India from this agreement ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a), (b) & (c): Yes, Sir. As per the tie up made between State Bank of India (SBI) and Mahindra and Mahindra Limited the company will offer discount of Rs.3000/- to the farmers for purchase of tractors whereas bank will sanction loans at a reduced margin of 10%. The bank has also waived the upfront fees/processing charges. The above arrangement will facilitate the bank to provide credit for agricultural equipment on easier and attractive terms and will enable the bank to increase its advance portfolio.