

(b) and (c). The 50th Session of the Economic and Social Commission for Asia and the Pacific (5-13 April, 1994) deliberated on the recent economic and social developments in the ESCAP region and their impact. Besides, the theme topic for the Session "Infrastructure Development as key to Economic Growth and Regional Economic Cooperation" was also discussed in details. The Session deliberated on subjects falling within the scope of the thematic areas of Regional Economic Corporation, Environment and Sustainable Development and poverty Alleviation through Economic Growth and Social Development. Issues relating to transport and communications, least developed, land locked and Island developing countries, ESCAP regional institutions and selected regional projects, cooperation between ESCAP and other organisations in the promotion of economic and social development in the region, reports of regional inter-governmental bodies and other such related subjects also came up for discussion.

The Commission adopted nine resolutions on subjects related with the social and economic development of the ESCAP region, including "Delhi Declaration on Strengthening Regional Economic Cooperation in Asia and the Pacific towards the 21st Century", which was sponsored by India and co-sponsored by 23 other countries and was thereupon adopted by consensus. India's strong support for the promotion of economic cooperation in the ESCAP region in keeping with the spirit of multilateralism, as also our call for strengthening of ESCAP for achieving this end, were duly reflected in the Delhi Declaration.

The deliberations concluded with the adoption of a Report covering the issues discussed.

### **Air Taxi Operations**

\*485. SHRI VILASRAO NAGNATHRAO GUNDEWAR: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether the Government have allowed foreign equity participation in air taxi operations;

(b) if so, the reasons and the terms and conditions thereof; and

(c) the likely effect of such equity arrangement on the operations and revenue of the public sector Indian Airlines and Air India?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) and (b). Yes, Sir. Foreign equity participation under the Air Taxi Scheme is permitted upto a ceiling of 40%. This would enable the air taxi operators to have a larger capital base. The permission is to be granted on a case to case basis on merits.

(c) No specific effect on operations and revenues of Indian Airlines and Air India is likely to occur due to foreign equity arrangements.

[*Translation*]

### **Small Road Transport Operators**

\*488. SHRI RAM TAHAL CHOUDHARY: Will the Minister of FINANCE be pleased to state:

(a) whether the regional rural banks provide cent percent financing facility to the small road transport operators;

(b) if so, the details thereof and the procedure laid down in this regard; and

(c) the number of such operators who were given financial assistance during the last two years, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Regional Rural Banks (RRBs) are not providing cent percent financing facility to the Small Road Transport Operator (SRTO). The borrowers are required to bear at least 15 per cent cost of the vehicle and RRBs provide 85 percent or less of such cost. National Bank for Agriculture and Rural Development (NABARD) however provides 100 percent refinance facility to RRBs for loans granted to Small Road Transport Operator. The broad terms and conditions governing the scheme of loans to Small Road Transport Operator are given in the attached *Statement*.

(c) NABARD has reported that the details of State-wise number of beneficiaries are not available. However, NABARD has disbursed refinance of Rs. 5.55 crores during the year 1992-93 and Rs. 4.94 crores during the year 1993-94 to RRBs.

#### STATEMENT

*The terms and conditions prescribed by NABARD for refinance, assistance to RRBs for financing the Small Road Transport Operators*

#### Beneficiary:

- (i) Individuals, 'groups of individuals' including partnership/proprietary firms and cooperative enterprises would be eli-

gible for assistance under the Scheme. The borrower should reside in the rural area and must utilise the vehicle for transport of rural farm/industrial produce only.

- (ii) The borrower should possess experience in the transport line as a driver or alternatively should employ or associate an experienced driver. Such borrower or employee should have a valid licence and a permit to operate the vehicle.

#### The Vehicle:

- (i) The transport vehicle should not have a pay load exceeding 3 tonnes and will include three wheelers like tempos, vans and autorickshaws. The assistance would be available for acquisition of new vehicles only.
- (ii) Under the scheme, refinance will be restricted to financing the purchase of one vehicle only.
- (iii) The vehicle should be eligible for being registered under the MV Act, 1989 and the Bank's charge should be registered in the Registration Certificate issued by the Regional Transport Authority (RTA). It should be registered as a goods-carrying vehicle.

#### Terms of Refinance:

- (i) The rate of interest applicable on the bank of loan and refinance will be as fixed by the

RBI/National Bank from time to time.

- (ii) A minimum margin of 15 per cent of the cost of the vehicle will have to be provided by the borrower. Banks may keep on record the details about the cost of various types of vehicle eligible for assistance.
- (iii) Loan will be released under the Automatic Refinance Scheme.
- (iv) The loan is repayable within 5 years with a moratorium period of 6 months.
- (v) The National Bank will provide 100 per cent refinance to the financing banks.

#### **Security and Insurance:**

- (i) The loan will be advanced against the hypothecation of the vehicle in favour of the financing institution which should be registered with the RTA.
- (ii) The vehicle should be comprehensively insured for the full value covering all risks and the policy may either be in the joint names of the borrowers and the banks or assigned in favour of the latter. The vehicle should be adequately insured at all times without any break.

#### **Other Safeguards:**

- (i) The disbursements of the loan should be made directly to the

supplier of the chassis to ensure the end-use of the loan. The loan components may include the cost of chassis, body building expenses, initial taxes and insurance.

- (ii) The vehicle should be inspected periodically by the financing bank atleast once in a quarter to ensure the end-use, proper maintenance, etc.

#### **Prohibitions:**

- (i) The loans granted for the acquisition of vehicles to be run on purely contract/carriage/commission/chartered basis, without permitting the beneficiary to operate the vehicle will not be admissible for refinance. The loans granted for acquisition of vehicles by merchants, building contractors, etc., in connection with their own business will not be eligible. The vehicles meant for passengers' transport would not be permitted.
- (ii) Loans for purchase of second-hand vehicles are also not eligible.

#### **Hawala Trade**

\*489. SHRI SANTOSH KUMAR GANGWAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have got success in combating the Hawala transactions under the liberalised economic policies;