

5.6. The assets purchased with the loan may be hypothecated to the bank. In addition, in appropriate cases of loans to a homogeneous group of borrowers, group guarantees may be accepted.

5.7. Each loan is to be covered under the Credit Guarantee Scheme. The guarantee fee should be met by the banks, and not charged to the borrowers.

5.8. The cost of insurance of the assets charged to the banks, if considered necessary, should be borne by the bank.

5.9. The banks may consider some suitable initial moratorium in repayment, if so warranted.

6. **Institution.**—Following institution will be eligible for credit under the scheme.

6.1. **Orphanages and Women's Homes.**—where saleable goods are made and for which no adequate and dependable source of finance e.g. endowments or regular charities, exist.

6.2. **Institutions for physically handicapped.**—Persons pursuing a gainful occupation where some durable equipment and/or continuous supply of raw material is useful.

Note.—Institutions for physically handicapped persons, orphanages and Women's Homes will be exempted from income criteria. However, it should be ensured that these institutions utilise the funds for productive purposes only and not for meeting their normal administrative and establishment expenses. It is also necessary to verify from independent sources about the genuineness of these institutions.

7. **State Corporation for Scheduled Castes and Scheduled Tribes.**—Banks may route credit under the scheme through State Corporations for the welfare of scheduled castes and scheduled tribes subject to the beneficiaries

of the corporations meeting the eligibility criteria indicated in para 3 and other terms and conditions indicated in the scheme.

7.1. The Corporations themselves will be exempt from the income criteria.

7.2. Finances will be made available to the corporations only against specific and commercially viable schemes formulated by them. Further, the corporations will not add any service charges and the loans will flow to the beneficiaries at 4 per cent per annum rate of interest.

7.3. The corporations will be responsible for repayment of the loan on the due dates, irrespective of the state of recovery from the beneficiaries.

7.4. It will be the responsibility of the Corporations to ensure that funds are utilised for the productive purposes only for which they have been sanctioned and not for meeting their normal running expenses. The cost of establishment and other expenditure incurred for the implementation of the scheme shall be borne by the Corporations/State Governments.

7.5. Since the advances to State Corporations will not be eligible for guarantee cover from the Credit Guarantee Corporation of India Ltd., State Governments may have to provide guarantee to the lending banks.

7.6. If a Corporation fails to pay the instalments of loans, or violates any terms and conditions stipulated in the scheme, it may be liable to forfeit its right for further finance.

Airbus Purchase Deal

958. **SHRI GAURI SHANKAR RAI:** Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) the particulars of agents through whom the airbus purchase deal was finalised;

(b) were the agents wholly or partially Indian owned firm;

(c) when was the original proposal for purchase of airbus received; and

(d) when was the deal finalised?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOT-TAM KAUSHIK): (a) and (b). The purchase of three Airbus A-300B2 aircraft was finalised by Indian Airlines directly with the manufacturer, namely, Airbus Industrie, Franch and not through any agents.

(c) and (d). The initial offer for sale of Airbus A-300E2 aircraft was received by Indian Airlines in January, 1972. The purchase agreement was signed on 31st December, 1974 subject to Indian Airlines obtaining approval of the Government of India under the Air Corporations Act 1953 and making financing arrangements acceptable to the Government of India to meet the foreign exchange cost of the project. Indian Airlines on receipt of the necessary Government approval confirmed the order for purchase of three aircraft, on the 29th April, 1975.

Feasibility study for purchase of Airbus

959. SHRI GAURI SHANKAR RAI: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether any feasibility study was made before finalising the purchase of Airbus-300;

(b) whether any experts committee was appointed by the Indian Airlines or his Ministry to assess and evaluate the feasibility and suitability;

(c) who were members of such feasibility study team; and

(d) what was the opinion of the study team?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURSHOT-TAM KAUSHIK): (a) to (d). While no Export Committee as such was appointed, a team of senior officers of the Planning, Engineering, Operations, Commercial and Finance Departments of the Indian Airlines assessed and evaluated the feasibility and suitability of the Airbus A-300B2 aircraft along with other wide bodied aircraft offered to them. The team worked under the supervision of the then Chairman and Managing Director and Deputy Managing Directors of the Corporation. Purchase of three Airbus A-300B2 aircraft was recommended by the Indian Airlines on the basis of the evaluation and assessment made by the team of senior officers.

Terms, conditions and prices of Airbus

960. SHRI GAURI SHANKAR RAI: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) the original terms and price at which Airbus was offered to the Indian Airlines;

(b) the terms, conditions and prices of final purchase deal in each case of purchase;

(c) were the Finance Ministry, the Law Ministry or/and Planning Commission consulted at any stage; and

(d) what was the opinion of each of them?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURSHOTTAM KAUSHIK): (a) The original offer of Airbus Industrie for Airbus A-300B2 aircraft to Indian Airlines was at a base price of US \$15.217 million in January, 1972.

(b) The base price of each Airbus A-300B2 aircraft was fixed at US \$19.303 million as in January, 1974. This was to be escalated at an agreed formula depending upon the indices of economy prevalent in Europe and