

concerned. Loan granted in each academic year may be treated as a separate loan account for determining rate of interest, security etc. (Bank's assistance should be available to the student for the entire duration of the course subject to the student continuing to fulfil the eligibility criteria and he being allowed to keep the terms according to the rules of the University concerned. The student will not be required to submit a fresh application for loan every year but will only submit to the bank, proof of his continuing to fulfil the eligibility criteria).

*Interest:* The rate of interest charged under the scheme will in no event exceed of 12% per annum.

*Security:* The advances in this case will be on clean basis.

*Repayment:* Repayment will commence immediately after 2 years of completion of the course the student is studying in or six months after the student borrower has secured employment and starts earning whichever is earlier. Total period of repayment including the above period of two years or six months as the case may be, should not exceed 5 years from the date of completion of the course by student. A bond undertaking to repay the loan amount in the stipulated manner will have to be executed by the student (and in case the student is minor, by his father/mother or the guardian).

*Review and Revision:* The above scheme may be reviewed and revised from time to time by Reserve Bank of India, if necessary.

#### **M.S. Verma Committee Report on Rehabilitation of Sick Banks**

141. SHRI AMAR SINGH:

SMT: JAYAPRADA NAHATA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that M.S. Verma Committee in its report submitted to Government has suggested Rs. 5500 crore rehabilitation package for the sick banks;

(b) if so, the details thereof; and

(c) what action Government have taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) In its Report submitted

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RAJYA SABHA

to the Reserve Bank of India, a Working Group headed by Shri M.S. Verma has recommended a rehabilitation package of Rs. 5500 crore for three weak public sector banks.

(b) The rehabilitation package recommended by the Working Group contains the following components:

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|-----------------------------|----------------------|
| (i) For capital adequacy    | Rs. 3000 crores      |
| (ii) NPA buyout             | Rs. 1000 crores      |
| (iii) Voluntary Retirement  | Rs. 1000-1200 crores |
| (iv) Technology Upgradation | Rs. 300-400 crores   |

(c) Since the Working Group was set up by the RBI and the Report has been submitted by the Working Group to the RBI, the Report is under examination by RBI. Specific action on the recommendations contained in the Report at Government level will arise only after the views of the RBI are available to the Government.

#### **Target for disinvestment**

142. SHRI V.N. GADGIL: Will the Minister of FINANCE be pleased to state:

- (a) What is the target for disinvestment for 1999-2000;
- (b) the Public Sector Undertakings which would be subjected to disinvestment; and
- (c) whether the amount available from disinvestment would be earmarked for restructuring public sector undertakings?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Proceeds from disinvestment as estimated in the Budget for 1999-2000 are Rs. 10000 Crore.

(b) Disinvestment of a part of the Government shareholding in a number of PSUs, viz. VSNL, GAIL, MTNL, HTL, IPCL, BALCO, IOC, Modern Food Industries Ltd. etc. have been proposed to be undertaken during the year.

(c) The amount realised from the disinvestment is deposited in the Consolidated Fund of India.