

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3238
ANSWERED ON:22.03.2002
IDBI S DUES TO WORLD BANK
Y.S. VIVEKANANDA REDDY

Will the Minister of FINANCE be pleased to state:

- (a) whether the industrial Development Bank of India (IOBI) has approached the Government for additional funds to repay world Bank Loans worth Rs. 1,000 crore while seeking a roll-back of RBI loans worth Rs. 1,440 crore;
- (b) if so, whether the IOBI Chairman met the Banking Secretary to discuss the repayment of World Bank loan a portion of which is scheduled to mature within a few months;
- (c) if so, the details of discussions held;
- (d) whether the Government have examined the request of IOBI; and
- (e) if so, the decision taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN) :

(a) to (e) IOBI had availed of 5 IBRD Lines of Credit from the Government of India repayable between 2008-2009. As on date the outstanding balance amount is Rs. 9731 crore. IOBI, in order to strengthen its Tier-I capital had approached the Government for conversion of this loan into an instrument which may qualify for Tier-I capital. IOBI had also approached the Government for conversion of balance outstanding amount (Rs. 1110 crore) under National Industrial Credit (Long Term Operations) funds into Tier-I capital. Discussions have taken place between IOBI and Government and RBI in this regard. Government has agreed in principle for the proposed conversion.