

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:431
ANSWERED ON:20.11.2009
WORLD BANK FUNDS FOR RECAPITALIZATION OF PSBs
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Will the Minister of FINANCE be pleased to state:

(a) whether the proposal to provide capital funds to Public Sector Banks (PSBs) through World Bank assistance has been finalised; and

(b) if so, the details thereof and if not, the reasons therefor?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b) : To enable the public sector banks (PSBs) to meet the credit requirements of the economy while maintaining a healthy and comfortable level of regulatory Capital to Risk-weighted Assets Ratio (CRAR), the Government has entered into an agreement with the International Bank for Reconstruction and Development (The World Bank) for a Banking Sector Support Loan of USD 2 billion for providing capital funds to the public sector banks.