

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2374  
ANSWERED ON:23.07.2004  
INVESTMENT BY BANKS IN BIHAR  
Vijay Krishna Shri

**Will the Minister of FINANCE be pleased to state:**

- (a) the guidelines of the RBI for banks & other institutions to make investment in the States;
- (b) whether the quantum of investment made by the banks and other institution in Bihar are as per the guidelines of RBI;
- (c) if so, the details thereof;
- (d) whether loan facilities available from the banks to the people of Bihar is far to less;and
- (e) if so.the steps taken by the Government to increase the investment and to give loans to more number of people in Bihar?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a) RBI has reported that it has not issued any specific guideline to the commercial banks and other institutions about investment in States.
- (b)& (c) RBI has reported that the commercial banks had invested Rs.452449 lakhs, Rs.506592 lakhs and Rs.530617 lakhs as on 31st March of 2001,2002 and 2003 respectively, in the State Govt. Securities and State Government Guaranteed Securities in the State of Bihar.
- (d)&(e) RBI has reported that the per capita credit for the State of Bihar was Rs. 770 in 2002 and Rs.689 in 2003, which is considered low.