(b) The Finance Bill, 2013 was introduced in the Lok Sabha on 28th February, 2013.

(c) Does not arise.

Funds spent on development heads

2353. SHRI ALOK TIWARI:
SHRI ARVIND KUMAR SINGH:
SHRIMATI KUSUM RAI:

Will the MINISTER OF FINANCE be pleased to state:

(a) the quantum of funds spent on development heads during each of the last three years and the current year, so far;

(b) the percentage of funds spent as grants out of the total spending on development heads during each of the last three years and the current year, so far;

(c) whether the tendency of spending major development funds as grants has increased since the last few years; and

(d) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) In Government budgeting and accounting, expenditure is classified as Plan and Non-Plan expenditure. The details of Total Plan expenditure, grants released to State and UT Governments, District Rural Development Agencies (DRDAs) and other implementing agencies and grants released to such implementing agencies as % of total Plan expenditure are as follows:

(Rs. in crore)

Year	Total Plan Expenditure	Grants released to State/UT Governments and other implementing agencies*	Grants released to State /UT Governments and implementing agencies as % of total Plan expenditure
1	2	3	4
2010-11	379029	279169	73.65

1	2	3	4
2011-12	412375	288809	70.04
2012-13 (RE)	429187	298954	69.66
2013-14 (BE)	555322	383733	69.10

* Including non Plan grants to State and UT (with legislature) Governments.

(c) and (d) As may be seen from the Table above, the grants to State and UT Governments and other implementing agencies has almost been static in percentage terms despite the increase in the total Plan expenditure of the Government.

Risk in allowing corporate houses to run banks

2354. SHRI S. THANGAVELU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that according to experts allowing corporates to run banks may be a risky move;

(b) if so, the details thereof;

(c) whether it is also a fact that Government has been warned to take a calculated risk but not excessive risk; and

(d) whether countries like the United States of America, South Korea, etc. do not allow industrial houses to establish banks in their country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) In the context of the current bank licensing policy of the Reserve Bank of India the *International Monetary Fund (IMF)* has, in its report on *"India: Financial System Stability Assessment Update"* of January, 2013 indicated that the international experience supported the prudent policy position of disallowing industrial houses from promoting and owning banks. However, the instant "Guidelines for licencing of new banks in the private Sector" issued by RBI on 22.02.2013 aim to address the concerns of "under the radar" risk transfer, concentration risk, across the group contagion risk, etc.; through appropriate prudential means. The IMF Report lists out such prudential measures as setting-up of a non-operative financial holding company (NOFHC) to hold all the financial