

(a) whether the Reserve Bank of India (RBI) makes payment of Deposit Insurance Credit Guarantee Corporation (DICGC) insured amount to account holders and deposit holders having a limit of Rs. one lakh in city co-operative banks under liquidation process but bank liquidators are not making payment to those depositors having more than one lakh amount thereby common men are facing a lot of problems; and

(b) the necessary steps taken or likely to be taken by Government to resolve this problem?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) The Deposit Insurance and Credit Guarantee Corporation (DICGC) is a wholly owned subsidiary of Reserve Bank of India (RBI) and RBI making payment of DICGC insured amount to account holders/deposit holders does not arise. Each depositor in a bank, registered with DICGC, is insured upto a maximum of 1,00,000.00 (Rupees One Lakh only) for both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/ cancellation of bank's licence. The claim amount is paid through the liquidators of the bank appointed by Registrars of Co-op Societies of respective States. As per the provisions of DICGC Act, 1961 and DICGC General Regulations 1961, the liquidator is required to repay the amount paid by the DICGC in the manner and time prescribed in Regulation 22 of the DICGC General Regulations 1961 before making payment to creditors including depositors above one lakh.

The DICGC reviews the deposit insurance coverage limit from time to time and appropriate decision is taken wherever necessary

Setting up mortgage guarantee fund

36. SHRI A. ELAVARASAN : Will the Minister of FINANCE be pleased to state:

(a) whether Government has proposed to set up a mortgage guarantee fund to cover the risk of home loans given to the poor by banks and housing finance companies;

(b) if so, whether the fund will focus the housing shortage especially for economically weaker section and the low income group segments in the urban areas; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (c) Yes Sir. The Mortgage Risk Guarantee Fund is to encourage lending for affordable housing to Economically Weaker Section/Low Income Group Households for loans upto Rs.5 Lakh with initial corpus of Rs.1000 Crores from the Central Government. The scheme aims to provide support for shelter and basic civic and social services for slum redevelopment and creation of affordable housing stock to States that are willing to assign property rights to slum dwellers.

Tax-GDP ratio in country

37. SHRI PARIMAL NATHWANI : Will the Minister of FINANCE be pleased to state :

- (a) whether the Tax to GDP ratio may be biggest casualty of rising prices ;
- (b) if so, the trends in Tax-GDP ratio since last five years and anticipated for 2010-11;
- (c) whether this may be necessitated to improve in taxation to enhance revenue collections in the next fiscal ;
- (d) whether Government can explore mechanism in the area of international taxation to enhance revenue collection; and
- (e) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (e) On an average annual basis, the gross tax revenues grew by 16.1 per cent and the gross domestic product at current market prices (GDP at CMP) grew by 15.1 per cent in the period 2005-06 to 2009-10. The tax- GDP ratio rose from a level of 9.9 per cent in 2005-06 to 11.9 per cent in 2007-08.

Table: Tax-GDP Ratio

	(Per cent)				
	2005-06	2006-07	2007-08	2008-09	2009-10
Growth in GDP at CMP	13.9	16.3	16.1	12.0	17.3
Growth in Tax revenue	20.1	29.3	25.3	2.0	3.6
Tax -GDP Ratio	9.9	11.0	11.9	10.8	9.6