

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 4640**

TO BE ANSWERED ON MONDAY, MARCH 23, 2020/ CHAITRA 3, 1942 (SAKA)

**HIGHER DEPOSIT COVER**

**4640. SHRI MUNISWAMY:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any plan to provide higher deposit cover for bank deposits;
- (b) if so, the details thereof including the maximum deposit coverage and the criteria therefor; and
- (c) the basis on which the higher coverage is to be fixed and the time by which it is likely to be implemented?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

**(a) and (b):** With a view to providing a greater measure of protection to depositors in banks, the Deposit Insurance and Credit Guarantee Corporation (DICGC), a wholly owned subsidiary of the Reserve Bank of India (RBI), has raised the limit of insurance cover for depositors in insured banks from Rs. 1 lakh to Rs. 5 lakh per depositor with effect from 04.02.2020, with the approval of the Government of India.

**(c):** The proposal to raise the limit of insurance cover for depositors in insured banks from Rs. 1 lakh to Rs. 5 lakh was received by the Government of India from DICGC. DICGC reviews the deposit insurance cover in terms of the provisions of Section 16 (1) of the DICGC Act, 1961 which provides that the DICGC may, from time to time, having regard to its financial position and to the interest of the banking system of the country as a whole, raise, with the previous approval of the Central Government, the financial limit of the total amount payable to one depositor in respect of his deposit at all the branches of a bank taken together.

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