

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

STARRED QUESTION NO. *157

ANSWERED ON MONDAY, MARCH 10, 2025 / /PHALGUNA 19, 1946 (SAKA)

Increase in Deposit Insurance Limits

***157. Shri Suresh Kumar Shetkar:**

Dr. K Sudhakar:

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

- (a) whether the Government is considering for raising the current limit of Rs. 5 lakh to Rs. 50 lakh for deposit insurance to protect the interests and confidence of the small investors;
- (b) if so, the details and the present status thereof and if not, the reasons therefor; and
- (c) the views of investors, local banks and States in this regard?

ANSWER

THE FINANCE MINISTER
(Smt. Nirmala Sitharaman)

(a) to (c) A Statement is laid on the Table of the House.

Statement referred in reply to Lok Sabha Starred Question No. *157 for 10.03.2025 by Shri Suresh Kumar Shetkar and Dr. K Sudhakar, MPs, regarding “Increase in Deposit Insurance Limits”

(a) to (c) Total deposit insurance cover in terms of section 16(1) of the Deposit Insurance and Credit Guarantee Corporation (DICGC) Act is upto ₹5 Lakh per depositor for deposits held by the account holder in “the same capacity and the same right” of all the deposits such as savings, fixed, current, recurring etc. kept at all the branches of a bank taken together. As per section 16(1) of the DICGC Act, 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 aforesaid deposit insurance limit. Consequently, deposit insurance coverage limit was raised from ₹1 Lakh to ₹5 Lakh with effect from 04.02.2020. DICGC considers its financial position and the interest of financial system of the country to make a suitable proposal to Government for enhancing the deposit insurance limit as per section 16(1) of the DICGC Act. All commercial banks, small finance banks, payment banks, regional rural banks and local area banks and all co-operative banks, namely, primary (urban) co-operative banks, state co-operative banks and district central co-operative banks are covered under the deposit insurance scheme.
