

F.No. 08/03/2019-BO.II
Ministry of Finance
Government of India
Department of Financial Services
BO.II Section

Jeevan Deep Building, 3rd Floor
Sansad Marg, New Delhi-110001
Date: 5th March, 2020

To

Shri Sunil Mehta
Chief Executive
Indian Banks' Association
Centre 1 Building, 6th Floor
World Trade Centre Complex
Cuffe Parade, Mumbai – 400 005

Subject: Publicity regarding increase in Deposit Insurance

Dear Sir,

As you are aware, the Hon'ble Finance Minister had announced in Para 92 of her Budget Speech 2020-21 that a robust mechanism is in place to monitor the health of all Scheduled Commercial Banks, that depositors' money is safe, and further that the Deposit Insurance and Credit Guarantee Corporation (DICGC) has been permitted to increase Deposit Insurance Coverage for a depositor, which was earlier **Rs. 1 lakh, to Rs. 5 lakh per depositor**. Pursuant to approval of the Government for increase in deposit insurance cover to provide a greater measure of protection to depositors in banks, the Reserve Bank of India (RBI) and DICGC have already issued a Press Release dated 04.02.2020 on the subject. DICGC has also written to all insured banks in this regard vide their Circulars dated 05.02.2020.

2. This initiative to increase the level of deposit insurance was reported widely in most prominent newspapers, and was also officially highlighted on social media vide Secretary (DFS)'s tweet from his official Twitter handle.
3. The Indian Banks' Association (IBA) is requested to kindly give adequate publicity to this initiative to protect the interest of small depositors, in coordination with member banks and send us the action taken report.

Yours faithfully,


(Raghav Bhatt)
Deputy Director
011-23748743