

Deposit Insurance Guarantee Corporation

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Vision

To be recognised as one of the most efficient and effective deposit insurance providers, responsive to the needs of its stakeholders.

Mission

To contribute to financial stability by securing public confidence in the banking system through the provision of deposit insurance, particularly for the benefit of the small depositors.

Legal Framework/ Objective

- The functions of the DICGC are governed by the provisions of 'The Deposit Insurance and Credit Guarantee Corporation Act, 1961' (DICGC Act) and 'The Deposit Insurance and Credit Guarantee Corporation General Regulations, 1961' framed by the Reserve Bank of India in the exercise of the powers conferred by sub-section (3) of Section 50 of the said Act.
- The preamble of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 states that it is an Act to provide for the establishment of a Corporation for the purpose of insurance of deposits and guaranteeing of credit facilities and for other matters connected therewith or incidental thereto.

Types of Deposits Covered

DICGC insures all bank deposits, such as saving, fixed,

current, recurring, etc. except the following types of deposits.

- Deposits of foreign Governments;
- Deposits of Central/State Governments;
- Inter-bank deposits
- Deposits of the State Land Development Banks with the State co-operative banks;
- Any amount due on account of and deposit received outside India
- Any amount which has been specifically exempted by the corporation with the previous approval of the RBI.

Banks covered by Deposit Insurance Scheme

- All commercial banks including the branches of foreign banks functioning in India, Local Area Banks and Regional Rural Banks.
- Co-operative Banks – All eligible co-operative banks as defined in Section 2(gg) of the DICGC Act are covered by the Deposit Insurance Scheme. All State, Central and Primary co-operative banks functioning in the States/Union Territories which have amended their Co-operative Societies Act as required under the DICGC Act, 1961, empowering RBI to order the Registrar of Co-operative Societies of the respective States/Union Territories to wind up a co-operative bank or to supersede its committee of management and requiring the Registrar not to take any action for winding up, amalgamation or reconstruction of a co-operative bank without prior sanction in writing from the RBI, are treated as eligible banks. At present all Co-operative banks are covered by the Scheme. The Union Territories of Lakshadweep and Dadra and Nagar Haveli do not have Co-operative Banks.

Management

- The authorized capital of the Corporation is 50 crore, which is fully issued and subscribed by the Reserve Bank of India (RBI). The management of the Corporation vests with its Board of Directors, of which a Deputy Governor of the RBI is the Chairman.
- As per the DICGC Act, the Board shall consist of, besides the Chairman,
 1. One Officer (normally in the rank of Executive Director) of the RBI
 2. One Officer from the Central Government
 3. five Directors nominated by the Central Government in consultation with the RBI, three of whom are persons having special knowledge of commercial banking, insurance, commerce, industry or finance and two of whom shall be persons having special knowledge of, or experience in co-operative banking or co-operative movement and none of the directors should be an employee of the Central Government