

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:305  
ANSWERED ON:01.03.2002  
QUESTION SAFETY OF DEPOSITS IN COOPERATIVE BANKS  
PRAVEEN RASHTRAPAL

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

- (a): whether there are some laws under which the ordinary depositors' deposits in the cooperative banks are safe;
- (b): if so, the details thereof;
- (c): if not, whether the Government propose to frame laws to protect the interest of ordinary depositors; and
- (d): if so, the time by when it is likely to be done?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a),(b),(c) & (d): Reserve Bank of India (RBI) has reported that deposits of the Co-operative Banks are insured by Deposit Insurance and Credit Guarantee Corporation Ltd.(DICGC). Under the scheme, in the event of liquidation, reconstruction or amalgamation of an insured bank, every depositor of that bank is entitled to repayment of his deposits subject to a maximum of rupee one lakh as per Deposit Insurance and Credit Guarantee Corporation Act. Government also intends making appropriate legislative changes shortly to strengthen the scheme.