

THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

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Circular No. 2016/40

Date: 28/07/2016

Dear Comrades,

OUR MEETING WITH SHRI RAGHURAM RAJAN – GOVERNOR, RBI **INCREASE IN DEPOSIT INSURANCE COVER**

We reproduce, hereunder, the contents of Circular No. 2016/42 dated 28.07.2016, on the captioned subject issued by Com. Harvinder Singh, General Secretary, AIBOC for your information and circulation.

QUOTE: "Our members are aware that a delegation of six Directors on the Boards of Public Sector Banks representing Officers' Organisations affiliated to AIBOC had a meeting with Shri Raghuram Rajan, Governor, Reserve Bank of India on 10th June, 2016 and also submitted a detailed memorandum Ref. No. 2016/63 on the issues related to Indian Banking System and in particular the Public Sector Banks. The issues related to the policies of the regulators and the Government affecting the common masses and their confidence on Public Sector Banks were also discussed. Our submissions to the Governor, RBI were circulated to you.

The need for increase in coverage of deposits under DICGC was also discussed. On this issue our submission is once again reproduced here under:

QUOTE: Deposit Insurance and Credit Guarantee Corporation (DICGC) was established long back in 1978 to provide confidence to depositors on the Banking system but Insurance coverage is kept at a meager amount of Rs. 1 lac per depositor in case the Bank fails. Value of money has depreciated drastically and deposits in the Banking system have grown hundreds fold. There is an urgent need for increase in the coverage/claim amount to rebuild the confidence of common man which has shaken due to the policies of the Government/RBI. **UNQUOTE**

We are pleased to advise you that Reserve Bank of India has taken up our submissions with all seriousness. While they have advised us the developments taken place in this regard so far, they have assured that our issue of hike in cover is under examination. The notification dated 20.07.2016 of DICGC, a wholly owned subsidiary of RBI is enclosed for your information and records.

Our Confederation will always remain in forefront in raising not only the issues of Bank Employees but will take all possible steps to ensure that Public Sector Banks and the common man's confidence in the Public Sector Banks is not effected through any policy decisions of the Government/Regulator. We shall keep you informed about the developments in this regard."

UNQUOTE

With comradely greetings,

Comradely yours,

(HARVINDER SINGH)
GENERAL SECRETARY