

# **Deposit Insurance and Credit Guarantee Corporation**

Press Release

## **DICGC (Amendment) Act, 2021 – Section 18 A – Payment to Insured Banks under All Inclusive Directions – Rupee Co-operative Bank Ltd., Pune**

Reference is invited to the press release dated September 21, 2021 on the proposed payment by the Deposit Insurance and Credit Guarantee Corporation (the Corporation) in terms of the DICGC Act, 1961 (as amended by DICGC (Amendment) Act, 2021). In respect of the banks listed in the Annex to the said press release, the Corporation is liable to make payment to the depositors under Section 18 A of the Act within 90 days from September 1, 2021.

In terms of Section 18 A (7) (a) of the Act, where the Reserve Bank finds it expedient in the interest of finalising a scheme of amalgamation/compromise/arrangement or reconstruction in respect of insured banks, the date on which the Corporation shall become liable to pay the depositors of such insured banks may be extended by a period not exceeding ninety days. It has been advised by Reserve Bank of India that in the case of Rupee Co-operative Bank Ltd, Pune, the date on which DICGC shall become liable to pay every depositor of the bank may be extended by a period of three months in terms of Section 18 A (7) (a) of the Act. In view of the same and in terms of Sec 18 A (7) of the Act, it is advised that the effective date for the purpose of reckoning the deposit insurance liability of the Corporation will now be November 29, 2021 (i.e., extended by 90 days under the provisions of the amended Act).

The bank will be required to submit its claim list by January 12, 2022 as per the timelines stipulated in the amended Act and DICGC will be liable to pay the claim on February 26, 2022 (90 days) as per the relevant provisions of the Act, if the merger proposal, as advised by RBI, is not approved. Accordingly, the claim settlement procedure is being kept in abeyance.