



निक्षेप बीमा और प्रत्यय गारंटी निगम
DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION

(भारतीय रिज़र्व बैंक की संपूर्ण स्वामित्ववाली सहयोग
A wholly owned subsidiary of Reserve Bank of India)

www.dicgc.org.in

Ref DICGC.RMC No/ **266** /11.02.997/2020-21

July 30, 2020

The Central Registrar of the Cooperative Societies (CRCS)
The Registrar of the Cooperative Societies (RCS)
All States

Dear Sir,

**Fraud in accounts opened in name of Liquidators of banks under Liquidation-
Instructions regarding opening of account**

As you are aware that the Liquidators appointed for the Urban Cooperative Banks placed under liquidation by the CRCS/RCS, discharges their duties as per the provisions of the DICGC Act. DICGC has been disbursing claims as per sanctions through a nationalized bank for smooth disbursement of insured deposits to the beneficiary's bank accounts. The liquidators are expected to make repayment out of liquid funds generated through recoveries/sale of assets, etc. to the DICGC on a priority which is being monitored by DICGC/RBI through quarterly returns. The Liquidator is expected to complete the liquidation process as per the Act provisions.

2. Recently, we have come across with two incidents of frauds in the FD/Current accounts opened by the Liquidators with the two Public Sector Banks (PSBs). Large amounts reported to have been siphoned off by the culprits through the fake FD receipts/Current accounts opened by the Liquidators. The Liquidators, instead of making repayments to DICGC had opened FD/Current accounts without obtaining permissions from the RCS/DICGC and purpose of opening such accounts was also not clear. In the circumstances, the role of liquidators needs to be monitored vigilantly to ensure that the funds generated through the recoveries/sale of assets are adequately protected and liquidation process is completed after making full repayment to DICGC.

3. In view of the above, the Office of the RCS/CRCS is requested to examine the issue and advise all the liquidators falling under the jurisdiction to not to open any savings/current/FD account without the permission of the RCS/NOC from DICGC. The Liquidators may also be advised to periodically verify their FDs/Investments with the banks concerned and obtain balance confirmation. The Liquidators may also be advised to submit a Trial Balance as on March 31, every year to DICGC with a certificate of balances confirmations.

4. We request the CRCS/RCS to kindly issue suitable instructions to all the liquidators in the matter, with a copy endorsed to us.

Yours faithfully,

(D.K. Nalband)
Deputy General Manager