“Payment of deposit insurance premium to the Deposit Insurance and Credit Guarantee Corporation (DICGC)”.

Attention of all the branches, Extension Counters and Offices is invited to the captioned subject. Prior to the amalgamation, all the 3 RRBs (RGB, SAGB, PGB) were registered as insured Banks with the DICGC. Consequent to the establishment of Andhra Pragathi Grameena Bank on 01.06.2006, by the amalgamation of erstwhile 3 RRBs – Rayalaseema Grameena Bank, Sree Anantha Grameena Bank and Pinakini Grameena Bank, the Andhra Pragathi Grameena Bank (APGB) has been registered as an insured Bank by the DICGC, in terms of Section 11 (A)-Chapter III of the Deposit Insurance and Credit Guarantee Corporation Act, 1961, with effect from 1st June 2006. The Andhra Pragathi Grameena Bank’s (APGB) registration number with the DICGC is RRB-213.

The following points/procedure should be followed by all the Branches scrupulously with regard to Deposits Insurance.

1) Rate of premium:
   The rate of premium payable to the DICGC by every insured bank is at present fixed at 10 paise per annum per Rs.100/- on the total assessable “deposits”, as defined in Section 2 (g) of the DICGC Act, 1961.

2) Payment of advance premium and submission of financial half-year end Return (DI-01):
   Under regulation 19, advance premium for each financial half-year ending viz.30th September and 31st March is payable after the commencement of the half-year, but in any event not later than the last day of the second month of that half-year (advance premium for September and March should be remitted on or before 31st May and 30th November respectively). The actual premium payable for each half-year has to be determined on the basis of the assessable deposits as on the last day of preceding financial half-year. If last day of the half-year is a public holiday under Negotiable Instrument Act, 1881(XXVI of 1881), the figures of deposits should be as at the close of business on the preceding working day.

Contd…..2
The figures of deposits under item I of the DI-01 return should be rounded off to the nearest thousand of rupees. **Example:** Deposits of Rs.2,35,467.52 should be rounded off to Rs.2,35,000/- and Rs.2,35,631.90 should be rounded off to Rs.2,36,000/-. If premium is not paid on or before the stipulated last date interest will be charged for the delayed period by the DICGC as per Regulation 20 of DICGC Act. Hence, if any Branch defaults in submission of DI-01 return within the due date as prescribed by the Head Office, such interest levied on the Bank by the DICGC will be recovered from the Branch Manager concerned.

3) **Limit of Insurance Cover:**

The limit of Insurance cover under Section 16 of DICGC Act, 1961 is Rs.1,00,000/-(Rupees one lakh only) due and payable to a depositor in respect of all his/her deposits (all branches of bank) in the same right and capacity. However, branches shall note that premium has to be paid on the total assessable deposits as stated above under point No.1 and not on the amount of insured deposits only.

4) **Submission of Annual Return (DI-02):**

In terms of provisions of Section 34(1) of the DICGC Act, 1961, each insured Bank has to submit an annual return in Form DI-02 as on the last working day of September before the end of October each year.

5) **Clarification of the term “Deposit”:**

Section 2(g) of the Deposit Insurance and Credit Guarantee Corporation Act defines the term deposit as the aggregate of the unpaid balances due to a depositor in respect of all his accounts by whatever name called, with an insured bank and excludes certain categories of deposits from the purview of the Act. It follows that in order to be deposits, the unpaid balances should be due to a depositor and should be in respect of accounts in his name or maintained by him.

a) **Items which are to be included within the category of ‘deposits’ as defined in the Act**

1. Credit balances in cash-credit accounts.
2. Margins held against letters of credit, guarantees, bills purchased etc., if these amounts are held in an account of the depositor marking merely a lien or instructions as to disposal.

*Contd.....3*
3. Deposits held as security for advances or employees’ security deposits or staff cash security.

4. Interest on fixed and other term deposits if it has accrued and become payable to the depositors. (Interest payable etc.)

5. Mail and telegraphic transfers from one deposit account to another.

6. Amount received for credit of a deposit account but held in ‘Suspense’ pending receipt of full particulars or compliance with some formalities.

7. Overdue term deposits and unclaimed deposits/balances.

8. Provident fund balances relating to the bank’s own staff.

9. Deposits of local authorities and quasi-Government bodies like Municipal Corporations, District Boards, Housing & Electricity Boards etc., which are separate legal entities.

10. Deposits of autonomous or statutory bodies, Government owned Corporations, Government companies, Life Insurance Corporation, Industrial and State Financial Corporations etc.

11. Security deposits and earnest monies held in the name of Government departments on account of constituents which are payable to the constituents, if not claimed by Government.

12. Deposits held in the individual names of Government and Embassy officials, Regimental Officers etc.,

13. Unpresented drafts and pay-orders held in the depositors’ accounts.


15. Balances held in ‘Sunday Creditors’ for the purpose of credit to depositors’ accounts.


17. Recurring deposits, which have ceased to be deposits due to non-payment by clients, pending refund.

18. Deposits of Non-Resident Rupee Accounts and FCNR Accounts.

19. Provident Fund balances relating to bank’s staff held by bank before they are transferred to Provident Fund Commissioner.

Contd…..4
21. Reserve Fund of Societies held with District/Central Co-operative Banks.
22. Surplus credited to ‘Sundry Creditors’ Account after appropriating loan due from the proceeds of Term Deposits.

23. **Public Deposits (Both Demand and Time)**
25. **Accrued interest payable (SB, CD etc.)**
26. **Deposits of Farmers Service Co-operative Society (FSCS) kept with the bank.**

**b) Items which do not fall within the scope of the definition of ‘deposit’ given in the Act**

1. Deposits received outside India.
2. Monies belonging to and deposits in the names of foreign Government, Central Government, State Governments, banking companies and co-operative banks (Inter-bank deposits), deposits of State Land Development banks held with State Co-operative Banks.
3. Outstanding Demand Drafts and telegraphic remittances other than transfers from one deposit account to another.
4. Pay-orders issued, with the exception of those representing the balance in a deposit account closed without reference to the depositor.
5. Proceeds of bills received for collection held in suspense pending remittance or compliance with certain formalities connected with the remittance.
6. Amounts held in suspense for appropriation towards any amount due to the bank. When payment has been received in respect of an advance and the same is held in suspense on account of some dispute or compliance with certain formalities, such amount would not be ‘deposit’ as it is definitely meant to be appropriated towards the amount due.
7. Collection account balances held for purpose of remittances.
8. ‘Taxes collected and held in suspense account for payment to competent authorities.

*Contd….5*
9. Security Deposits (Earnest Money) held in the name of Government or banking company.

10. Share call money, deposit for godown locks, Staff Guarantee Fund, Share Suspense Account.

11. Margins held separately for the specific purpose of appropriation in a contingency

The liability of DICGC, in respect of insured deposits, will arise in the following cases:

a) **If a bank goes into liquidation:**

   The Corporation will arrange to pay to every depositor directly or through the liquidator the amount due to him under the insurance scheme.

b) **If a bank is reconstructed or amalgamated with another bank and the scheme of reconstruction or amalgamation does not entitle a depositor to get credit for the full amount of his deposit:**

   The Corporation will arrange to pay the reconstructed bank or the amalgamated bank an amount equivalent to the shortfall between the amount due to the depositor under the insurance scheme and the amount of credit received by him under the scheme of reconstruction or amalgamation.

The following schedule is finalised for submission of DI-01(Half-yearly) and DI-02 (Yearly) Returns by the Branches to the Head Office.

a) **DI-01 Return for half-year ended September:** 12th October

b) **DI-02 Annual Return for September:** 12th October

c) **DI-01 Return for half-year ended March:** 12th April

All the Branches are advised to note the above and act accordingly without any deviation.

Clarifications required, if any, to this circular, may be sought from the Planning, Development and Stationery Department (PDSD), Head Office: Kadapa.

Yours faithfully,

(M. OBULESU)
CHAIRMAN
STATEMENT SHOWING ELIGIBLE & INELIGIBLE DEPOSITS (For calculation of Deposit Insurance Premium as per DICGC Act 1961) AS ON LAST DAY OF SEPTEMBER/MARCH 2000.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (corrected to a Rupee)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Total Deposits (as on Last Day of 2000)</td>
<td></td>
</tr>
<tr>
<td>(including NRE Deposits, Deposits of FSCS Temple deposits)</td>
<td></td>
</tr>
<tr>
<td>B) MTs in transit (pertaining to deposits)</td>
<td></td>
</tr>
<tr>
<td>(issued on the last two working days of September/March 2000 only)</td>
<td></td>
</tr>
<tr>
<td>C) Suspense account (pertaining to deposits only)</td>
<td></td>
</tr>
<tr>
<td>D) Accrued interest payable (on SB, CD/RD accounts)</td>
<td></td>
</tr>
<tr>
<td>E) Credit balance in PKCC or in any overdraft accounts, if any</td>
<td></td>
</tr>
<tr>
<td>F)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
</tr>
<tr>
<td>2. Total ineligible deposits (Last day of SEPTEMBER/MARCH 2000)</td>
<td></td>
</tr>
<tr>
<td>a) Central / State Government Deposits:</td>
<td></td>
</tr>
<tr>
<td>b) Inter Bank Deposits: (including Urban Co-op. Banks)</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
<tr>
<td>3. Total eligible (Assessable) deposits as per DICGC Act 1961 (1 – 2)</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** This statement must be submitted to reach Head Office, Planning, Development and Stationery (PDS) Department by 12th October/12th April 2000 positively. Penalty levied, if any, on the Bank by the DICGC, on account of late submission of this return by a branch, will be recovered from the Manager concerned.

Date: CLERK MANAGER
ANNUAL STATEMENT SHOWING DISTRIBUTION OF DEPOSIT ACCOUNTS ACCORDING TO THE SIZE AS ON LAST WORKING DAY OF SEPTEMBER 200.

(Amount in thousands of rupees)

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Deposits (excluding foreign, Central, State Government and Banks)</th>
<th>No.of a/cs</th>
<th>Amount of deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Upto &amp; inclusive of Rs.100000/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Over Rs.100000/- and upto Rs.150000/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Over Rs. 150000/- and upto Rs. 200000/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Over Rs. 200000/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong> *</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
</tbody>
</table>

(Amount in thousands of Rupees)

* Total amount of Deposits as shown above

ADD: a) Bank Deposits (including other Commercial Banks, Urban Co-operative Banks and R R Bs)

b) Foreign, Central, State Government Deposits

c) Exempted category of Foreign currency Deposits such as NR (NR), EEFC, RFC, FCNR(A) & FCNR (B)

TOTAL DEPOSITS as per Trial Balance for the last working day of SEPTEMBER 200

NOTE: This statement must be submitted to reach Head Office, Planning, Development and Stationery Department (PDSD) by 12th October, 200 positively. Penalty levied, if any, on the Bank by the DICGC, on account of late submission of this return by a branch, will be recovered from the Manager concerned

Date: CLERK MANAGER