

**CIRCULAR No. 171/2007/BC/PMD-31**  
**17<sup>th</sup> August, 2007**

**Settlement of Claims under Section 16(1) of DICGC Act 1961 –  
Interpretation of the Provisions relating to Deposits held in the  
Same Capacity and in the Same Right**

According to the provision under Section 16(1) of the DICGC Act 1961, the total amount payable to any one depositor in respect of his deposit held in the bank in the same capacity and the same right shall not exceed Rs 1.00 lakh. So far the practice followed by the DICGC was to interpret the accounts held in the names of two depositors in the nomenclature of A&B and B&A to be aggregated for the purpose of arriving at the amount of claim payable. As such if husband and wife maintain different joint accounts having first name of husband in some accounts and having wife's name as the first name in some other accounts in the same bank, then the claim payable by the Corporation was restricted to the extent of Rs 1.00 lakh only, even though joint accounts are opened merely for the purpose of operational convenience.

Now it has been decided by DICGC that for the purpose of settlement of claims, the amount will be aggregated from those joint accounts only, which are held exactly in the same nomenclature, and having names in same order with different branches of the same bank. Therefore joint accounts in the name of A and B will be treated in a different capacity and right as compared to a deposit held in the joint name of B and A. Similarly, if there are three joint account holders (say X, Y and Z) then the accounts held in the joint names of X, Y and Z will also be considered different than the accounts held in the names of Y, Z and X, or Z, X and Y.

All branches shall take note of the above changes. A copy of this Circular may be exhibited in the Notice Board for information of the depositors.



**(C.T. FRANCIS)**  
Dy. GENERAL MANAGER (HRD & Compliance)

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To: All Offices

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