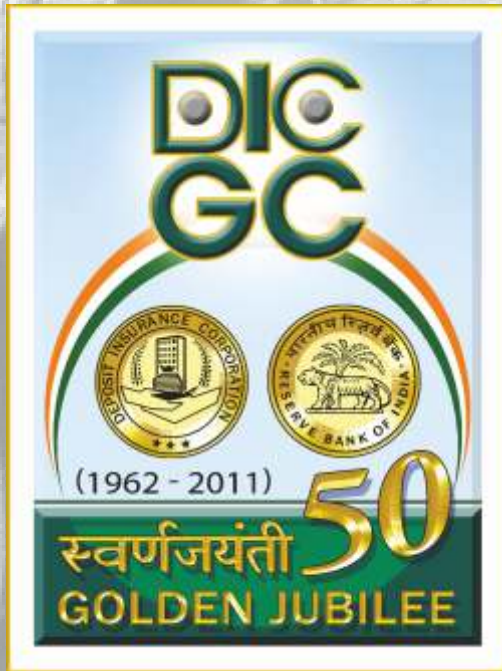




निक्षेप बीमा
और
प्रत्यय गारंटी
निगम

DEPOSIT
INSURANCE
AND
CREDIT
GUARANTEE
CORPORATION



वार्षिक रिपोर्ट
ANNUAL REPORT
2010-11



DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION

(Wholly owned subsidiary of the Reserve Bank of India)



49th Annual Report of the Board of Directors
Balance Sheet and Accounts
for the year ended
31st March 2011

Mission

To contribute to financial stability by securing public confidence in the banking system through provision of deposit insurance, particularly for the benefit of the small depositors.

Vision

To be recognised as one of the most efficient and effective deposit insurance providers, responsive to the needs of its stakeholders.

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निक्षेप बीमा और प्रत्यय गारंटी निगम

DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION

(भारतीय रिज़र्व बैंक की संपूर्ण स्वामित्ववाली सहयोगी Wholly owned subsidiary of the Reserve Bank of India)

www.dicgc.org.in

DICGC/SD/8184/01.01.016 /2011-12

June 28, 2011

LETTER OF TRANSMITTAL
(To the Reserve Bank of India)

The Chief General Manager and Secretary
Secretary's Department
Reserve Bank of India
Central Office
Central Office Building
Shahid Bhagat Singh Road
Mumbai - 400 001

Dear Madam,

**Balance Sheet, Accounts and Report on the Working
of the Corporation for the year ended March 31, 2011**

In pursuance of the provisions of Section 32 (1) of the Deposit Insurance and Credit Guarantee Corporation Act, 1961, I am directed by the Board of Directors to forward herewith a signed copy each of:

- (i) the Balance Sheet and Accounts of the Corporation for the year ended March 31, 2011 together with the Auditors' Report, and
 - (ii) the Report of the Board of Directors on the working of the Corporation for the year ended March 31, 2011.
2. The printed copies of the Annual Report of the Corporation will be sent to you shortly.

Yours faithfully,

(Kumudini Hajra)
Secretary

Encls: As above

निगम हिन्दी में पत्राचार का स्वागत करता है।

भारतीय रिज़र्व बैंक बिल्डिंग, दूसरी मंज़िल, मुंबई सेंट्रल रेल्वे स्टेशन के सामने, मुंबई सेंट्रल, मुंबई-400008.
टेलिफोन सं.: +91.22.2301 1991 फ़ैक्स: +91.22.2301 8155, 2301 5662, 2302 1131 ई-मेल: dicgc@rbi.org.in

Reserve Bank of India Building, Second Floor, Opp. Mumbai Central Railway Station, Mumbai Central, Mumbai-400 008.
Tel: +91.22.2301 1991 Fax: +91.22.2301 8155, 2301 5662, 2302 1131 e-mail: dicgc@rbi.org.in



निक्षेप बीमा और प्रत्यय गारंटी निगम

DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION

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www.dicgc.org.in

DICGC/SD/8185/01.01.16/2011-12

June 28, 2011

LETTER OF TRANSMITTAL
(To the Government of India)

The Secretary to the Government of India
Ministry of Finance
Department of Economic Affairs (Banking Division)
Jeevan Deep Building, Parliament Street
New Delhi-110 001

Dear Sir,

**Balance Sheet, Accounts and Report on the Working
of the Corporation for the year ended March 31, 2011**

In pursuance of the provisions of Section 32 (1) of the Deposit Insurance and Credit Guarantee Corporation Act, 1961, I am directed by the Board of Directors to forward herewith a signed copy each of:

- (i) the Balance Sheets and Accounts of the Corporation for the year ended March 31, 2011 together with the Auditors' Report, and
 - (ii) the Report of the Board of Directors on the working of the Corporation for the year ended March 31, 2011.
2. Copies of the material mentioned as at (i) and (ii) above (i.e., Balance Sheets, Accounts and Report on the Working of the Corporation) have been furnished to the Reserve Bank of India. Three extra copies thereof are also sent herewith.
3. We may kindly be advised of the date/s on which the above documents are placed before each House of Parliament (*viz.*, the Lok Sabha and Rajya Sabha) under Section 32 (2) of the Act *ibid.* The printed copies of the Annual Report of the Corporation will be sent to you shortly.

Yours faithfully,

(Kumudini Hajra)
Secretary

Encls: As above

निगम हिन्दी में पत्राचार का स्वागत करता है।

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Reserve Bank of India Building, Second Floor, Opp. Mumbai Central Railway Station, Mumbai Central, Mumbai-400 008.
Tel: +91.22.2301 1991 Fax: +91.22.2301 8155, 2301 5662, 2302 1131 e-mail: dicgc@rbi.org.in

Board of Directors

CHAIRMAN

Dr. Subir V. Gokarn
Deputy Governor, Reserve Bank of India, Mumbai.

Nominated by the Reserve Bank of India under Section 6 (1) (a) of the Deposit Insurance and Credit Guarantee Corporation Act, 1961.
(from 24.11.2009)

DIRECTORS

Shri Anand Sinha
Executive Director, Reserve Bank of India, Mumbai.

Nominated by Reserve Bank of India under Section 6 (1) (b) of the Deposit Insurance and Credit Guarantee Corporation Act, 1961.
(from 6.12.2008 to 16.3.2011)

Shri G. Gopalakrishna
Executive Director, Reserve Bank of India, Mumbai.

Nominated by Reserve Bank of India under Section 6 (1) (b) of the Deposit Insurance and Credit Guarantee Corporation Act, 1961.
(from 17.3.2011)

Dr. Shashank Saksena
Director, Ministry of Finance
Department of Financial Services
Government of India, New Delhi.

Nominated by the Central Government under Section 6 (1) (c) of the Deposit Insurance and Credit Guarantee Corporation Act, 1961.
(from 12.06.2008)

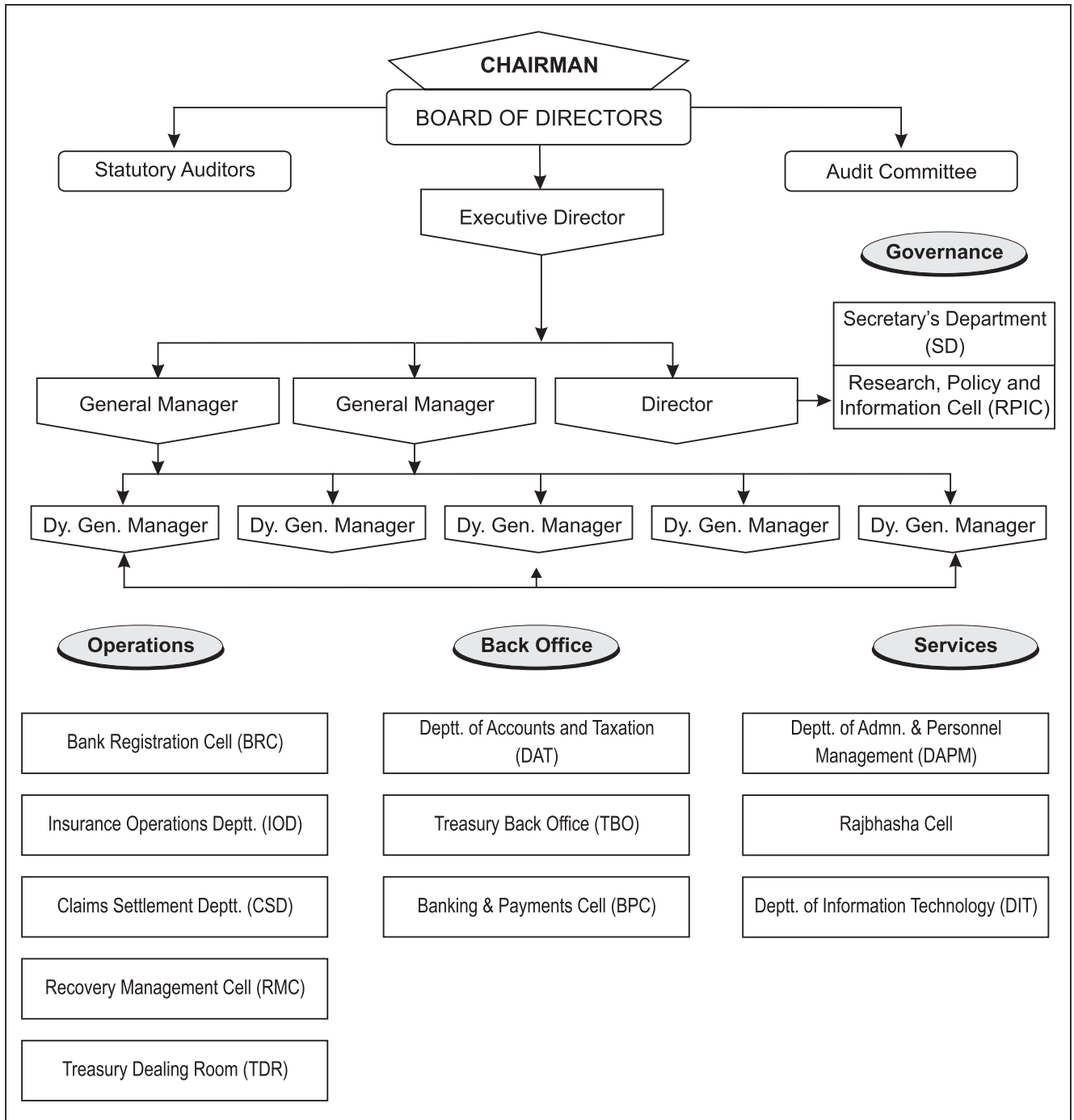
Shri Umesh Chandra Sarangi
Chairman, National Bank for Agriculture
and Rural Development, Mumbai.

Nominated by the Central Government under Section 6 (1) (d) of the Deposit Insurance and Credit Guarantee Corporation Act, 1961.
(from 11.01.2008 to 2.12.2010)

Shri M. Ramadoss
Chairman-cum-Managing Director,
New India Assurance Co. Ltd., Mumbai.

Nominated by the Central Government under Section 6 (1) (d) of the Deposit Insurance and Credit Guarantee Corporation Act, 1961.
(from 23.01.2008)

ORGANISATION CHART



CONTACT INFORMATION OF THE CORPORATION

Fax No. 022 - 2301 5662
022 - 2301 8165

Telegram CREDITGUARD

Tel.Nos.

022-2308 4121 General
022-2306 2161 Premium
022-2306 2162 Claims
022-2301 9570 RTI
022-2302 1150 Customer Care Cell

HEAD OFFICE

**Deposit Insurance and
Credit Guarantee Corporation**

Reserve Bank of India,
2nd Floor, Opp. Mumbai Central Railway Station,
Byculla, Mumbai – 400 008.
INDIA

(i) Executive Director	022-2301 9460
(ii) General Manager	022-2301 9645
(iii) Director	022-2301 9570
(iv) General Manager	022-2301 9792
(v) Deputy General Manager	022-2302 1146
(vi) Deputy General Manager	022-2302 1150
(vii) Deputy General Manager	022-2301 8840
(viii) Deputy General Manager	022-2302 1149
(ix) Deputy General Manager	022-2302 1158

Email - dicgc@rbi.org.in

Website : www.dicgc.org.in

PRINCIPAL OFFICERS OF THE CORPORATION

EXECUTIVE DIRECTOR

Shri G. Gopalakrishna

GENERAL MANAGERS

Shri M. K. Samantaray

Shri N. K. Bhatia

SECRETARY &

CENTRAL PUBLIC INFORMATION OFFICER

Smt. Kumudini Hajra

DEPUTY GENERAL MANAGERS

Shri Rajesh Kumar

Smt. Molina Chowdhury

Smt. Pratibha Raghavan

Shri Dwijaraj Sethi

Shri P.S.K. Khual

BANKERS

RESERVE BANK OF INDIA, MUMBAI

TAX CONSULTANTS

M/s. Habib & Co.
Chartered Accountants
75, Mohammed Ali Road
Mumbai - 400 003

AUDITORS

M/s.K.S. Aiyar & Co.
Chartered Accountants
F-7, Laxmi Mills, Shakti Mills Lane
(Off Dr. E. Moses Road)
Mahalaxmi, Mumbai - 400 011

ACTUARIES

M/s. K. A. Pandit
Consultants & Actuaries
2nd Floor, Churchgate House
Veer Nariman Road, Fort
Mumbai - 400 001

ABBREVIATIONS

ACB	:	Audit Committee of Board
AACS	:	As Applicable to Cooperative Societies
BCBS	:	Basel Committee on Banking Supervision
BDIC	:	Bank Deposits Insurance Corporation
CA	:	Chartered Accountant
CBS	:	Core Banking Solutions
CGCI	:	Credit Guarantee Corporation of India Ltd.
CGF	:	Credit Guarantee Fund
CGO	:	Credit Guarantee Organization
CSAA	:	Control and Self Assessment Audit
DI	:	Deposit Insurance
DIC	:	Deposit Insurance Corporation
DICGC	:	Deposit Insurance and Credit Guarantee Corporation
DIF	:	Deposit Insurance Fund
ECS	:	Electronic Clearing Service
FDIC	:	Federal Deposit Insurance Corporation (USA)
FIMMDA	:	Fixed Income Money Market and Derivatives Association of India
FSB	:	Financial Stability Board
GDP	:	Gross Domestic Product
GF	:	General Fund
GoI	:	Government of India
IADI	:	International Association of Deposit Insurers
ICMS	:	Integrated Claims Management System
IDL	:	Intra Day Liquidity
IFR	:	Investment Fluctuation Reserve
IGIDR	:	Indira Gandhi Institute for Development and Research
LABs	:	Local Area Banks
MoF	:	Ministry of Finance
NABARD	:	National Bank for Agriculture and Rural Development
NEFT	:	National Electronic Fund Transfer
ODBC	:	Open Data-Base Connectivity
RBI	:	Reserve Bank of India
RCS	:	Registrar of Co-operative Societies
RR	:	Reserve Ratio
RRBs	:	Regional Rural Banks
RTGS	:	Real Time Gross Settlement
SLCBGS	:	Small Loans (Co-operative Banks) Guarantee Scheme
SLGS	:	Small Loans Guarantee Scheme
UCBs	:	Urban Co-operative Banks
UTs	:	Union Territories

HIGHLIGHTS - I : DEPOSIT INSURANCE AT A GLANCE

(Rupees in crore)

At year-end	1962	1972	1982	1992-93	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1 CAPITAL[®]	1	1.5	15	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
2 DEPOSIT INSURANCE																			
(i) Deposit Insurance Fund**	1	25	154	312	299	2022	3107	3310	3706	4250	5514	5908	7818	9103	10979	13362	16155	20152	24704
(ii) Insured Banks (Nos.)	276	476	1683	1931	2296	2438	2583	2676	2728	2715	2629	2595	2547	2531	2392	2356	2307	2249	2217
(iii) Assessable Deposits	1895	7458	42360	244375	450674	492380	609962	704068	806260	968752	1213163	1318268	1619815	1790919	2344351	2984799	3398565	4587967*	4952427*
(iv) Insured Deposits	448	4656	31774	164527	337671	370531	439609	498558	572434	674051	828885	870940	991365	1052988	1372597	1805081	1908951	1682397*	1735800*
(v) Total number of Accounts (in lakh)	77	341	1598	3543	4351	4109	4642	4417	4462	4817	6002	5440	6495	5373	7169	10389	13489	14239	10516*
(vi) Number of Fully Protected Accounts (in lakh)	60	328	1581	3395	4273	3713	4544	4302	4325	4645	5782	5189	6195	5055	6829	9617	12040	12669	9769*
(vii) Claims paid since inception	—	1	3	178	194	196	209	225	262	677	863	1044	1485	2050	2594	2755	2984	3638	4017

[®] Under General Fund of the Corporation.

** Includes both actuarial Fund and fund surplus.

* As per new reporting format.

HIGHLIGHTS - II : CREDIT GUARANTEE AT A GLANCE

(Rupees in crore)

At year-end	1962	1972	1982	1992-93	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1. CREDIT GUARANTEE																				
(i) Credit Guarantee Fund*	-	-	89	907	1775	2926	679	758	1188	1183	1262	1393	1511	250	345	349	367	385	298	310
(ii) Guaranteed Advances																				
a) Small Borrowers	-	208	4840	26348	17261	3939	3241	278	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-
b) Small Scale Industries	-	-	3822	15503	11271	3376	2813	39	5	1	0.52	NA	NA	NA	NA	NA	NA	NA	NA	-
(iii) Claims Received (for the year)																				
a) Small Borrowers	-	-	25	883	1841	1842	184	218	219	22	-	-	-	-	-	-	-	-	-	-
b) Small Scale Industries	-	-	30	260	524	270	120	34	26	14	1	0.26	-	-	-	-	-	-	-	-
(iv) Claims Disposed off (for the year)																				
a) Small Borrowers	-	-	15	566	1031	403	401	1188	1195	171	-	-	-	-	-	-	-	-	-	-
b) Small Scale Industries	-	-	27	243	308	291	221	225	139	54	5	0.61	-	-	-	-	-	-	-	-

* Includes both actuarial and fund surplus.

NA : Not applicable since no credit institution is participating under the schemes.

OPERATIONAL HIGHLIGHTS - III : Deposit Insurance

(Rs. in crore)

PARTICULARS	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
REVENUE STATEMENTS						
Premium Income	4844.20	4154.64	3453.08	2844.39	2320.93	1973.61
Investment Income	1800.90	1512.62	1288.58	1145.08	1078.70	878.94
Net Claims	171.33	407.09	908.77	180.42	322.58	293.58
Revenue Surplus Before Tax	6145.22	3753.18	3972.56	3742.72	3047.01	2583.18
Revenue Surplus After Tax	4132.05	2892.86	2688.71	2250.69	1690.58	1184.42
BALANCE SHEET						
Fund Balance (Actuarial)	3773.60	3274.57	1816.89	1553.17	1211.30	1025.96
Fund Surplus	20930.00	16877.26	14338.59	11809.23	9767.52	8076.94
Outstanding Liability for Claims	603.29	763.90	1074.91	487.60	616.24	1260.45
PERFORMANCE METRICS						
1. Average No. of days between receipt of a claim and claim settlement@	49	54	43	53	60	67
2. Average No. of days between de-registration of a bank and claim settlement (First claims)@	388	361	825	604	625	120
3. Operating Costs as percentage of total premium income (With a sub part employee cost as percentage of total premium income)	0.35 (0.15)	0.26 (0.14)	0.30 (0.16)	0.33 (0.17)	0.38 (0.21)	0.33 * (0.16) *

@ Actual number of average days has been arrived at by weighting the number of days with the corresponding sanctioned amount involved.

* Calculated as percentage of total business.

AN OVERVIEW OF DICGC

(1) Introduction

The functions of the DICGC are governed by the provisions of 'The Deposit Insurance and Credit Guarantee Corporation Act, 1961' (DICGC Act) and 'The Deposit Insurance and Credit Guarantee Corporation General Regulations, 1961' framed by the Reserve Bank in exercise of the powers conferred by sub-section (3) of Section 50 of the said Act. As no credit institution is participating in any of the credit guarantee schemes administered by the Corporation, presently it is not operating any of the schemes and deposit insurance remains the principal function of the Corporation.

(2) Institutional Coverage

- (i) All **commercial banks** including the branches of foreign banks functioning in India, Local Area Banks and Regional Rural Banks are covered under the Deposit Insurance Scheme.
- (ii) All eligible **co-operative banks** as defined in Section 2(gg) of the DICGC Act are covered under the Deposit Insurance Scheme. All State, Central and Primary co-operative banks functioning in the States/ Union Territories, which have amended their Co-operative Societies Act, as required under the DICGC Act, 1961, empowering Reserve Bank to order the Registrar of Co-operative Societies of the respective States/Union Territories to wind up a co-operative bank or to supersede its committee of management and requiring the Registrar not to take any action for winding up, amalgamation or reconstruction of a co-operative bank without prior sanction in writing from the Reserve Bank, are treated as eligible co-operative banks. At present all co-operative banks except those in the Union Territories of Chandigarh, Lakshadweep and Dadra & Nagar Haveli are covered under the Scheme. In respect of UT of Chandigarh, the matter is

pending with the concerned Government as it is yet to introduce necessary legislative changes in its Co-operative Societies Act to enable the Corporation to extend deposit insurance cover to the co-operative banks in the UT. UTs of Lakshadweep and Dadra and Nagar Haveli do not have any co-operative bank.

(3) Registration of Banks

- (i) In terms of Section 11 of the DICGC Act, 1961, all new commercial banks are required to be registered by the Corporation soon after they are granted licence by the Reserve Bank under Section 22 of the Banking Regulation Act, 1949. All Regional Rural Banks are required to be registered with the Corporation within 30 days from the date of their establishment, in terms of Section 11A of the DICGC Act, 1961.
- (ii) A new eligible co-operative bank is required to be registered with the Corporation soon after it is granted a licence by the Reserve Bank.
- (iii) When the owned funds of a primary co-operative credit society reach the level of ₹1 lakh, it has to apply to the Reserve Bank for a licence to carry on banking business as a primary co-operative bank and is to be registered with the Corporation within 3 months from the date of its application for licence.
- (iv) A co-operative bank which has come into existence after the commencement of the Deposit Insurance Corporation (Amendment) Act, 1968, as a result of the division of any other co-operative society carrying on business as a co-operative bank, or the amalgamation of two or more co-operative societies carrying on banking business at the commencement of the Banking Laws

(Application to Co-operative Societies) Act, 1965 or at any time thereafter, is to be registered within three months of its making an application for licence. However, a co-operative bank will not be registered, if it has been informed by the Reserve Bank, in writing, that a licence cannot be granted to it.

In terms of Section 14 of the DICGC Act, after the Corporation registers a bank as an insured bank, it is required to send, within 30 days of such registration, intimation in writing to the bank to that effect. The letter of intimation, apart from the advice of registration and registration number, gives details of the requirements to be complied with by the bank, viz., the rate of premium payable to the Corporation, the manner in which the premium is to be paid, the returns to be furnished to the Corporation, etc.

(4) Insurance Coverage

Under the provisions of Section 16(1) of the DICGC Act, the insurance cover was originally limited to ₹1,500/- only per depositor for deposits held by him in "the same capacity and in the same right" at all the branches of a bank taken together. However, the Act also empowers the Corporation to raise this limit with the prior approval of the Central Government. Accordingly, the insurance limit was enhanced from time to time as follows:

Effective from	Insurance Limit (₹)
May 1, 1993	1,00,000/-
July 1, 1980	30,000/-
January 1, 1976	20,000/-
April 1, 1970	10,000/-
January 1, 1968	5,000/-

(5) Types of Deposits Covered

The Corporation insures all bank deposits, such as savings, fixed, current, recurring etc. except the (i) deposits of foreign governments; (ii) deposits of Central/State Governments; (iii) deposits of State Land Development Banks with the State co-

operative banks; (iv) inter-bank deposits; (v) deposits received outside India, and (vi) deposits specifically exempted by the Corporation with the previous approval of the Reserve Bank.

(6) Insurance Premium

The Corporation collects insurance premia from insured banks for administration of the deposit insurance system. The premia to be paid by the insured banks are computed on the basis of their assessable deposits. Insured banks pay advance insurance premia to the Corporation semi-annually within two months from the beginning of each financial half year, based on their deposits as at the end of previous half year. The premium paid by the insured banks to the Corporation is required to be borne by the banks themselves and is not passed on to the depositors. For delay in payment of premium, an insured bank is liable to pay interest at the rate of 8 per cent above the Bank Rate on the default amount from the beginning of the relevant half-year till the date of payment.

Premium Rates Per Deposit of ₹100

Date from	Premium (in ₹)
1-04-2005	0.10
1-04-2004	0.08
1-07-1993	0.05
1-10-1971	0.04
1-01-1962	0.05

(7) Cancellation of Registration

Under Section 15A of the DICGC Act, the Corporation has the power to cancel the registration of an insured bank if it fails to pay the premium for three consecutive half-year periods. However, the Corporation may restore the registration if the deregistered bank makes a request, paying all the dues in default including interest, provided the bank is otherwise eligible to be registered as an insured bank.

Registration of an insured bank may be cancelled if the bank is prohibited from accepting fresh deposits; or its licence is cancelled or a licence

is refused to it by the Reserve Bank; or it is wound up either voluntarily or compulsorily; or it ceases to be a banking company or a co-operative bank within the meaning of Section 36A(2) of the Banking Regulation Act, 1949; or it has transferred all its deposit liabilities to any other institution; or it is amalgamated with any other bank or a scheme of compromise or arrangement or of reconstruction has been sanctioned by a competent authority where the said scheme does not permit acceptance of fresh deposits. In the case of a co-operative bank, its registration also gets cancelled if it ceases to be an eligible co-operative bank.

In the event of the cancellation of registration of a bank, for reasons other than default in payment of premium, deposits of the bank as on the date of cancellation remain covered by the insurance.

(8) Supervision and Inspection of Insured Banks

The Corporation is empowered to have free access to the records of an insured bank and to call for copies of such records. On Corporation's request, the Reserve Bank is required to undertake/cause the inspection/investigation of an insured bank.

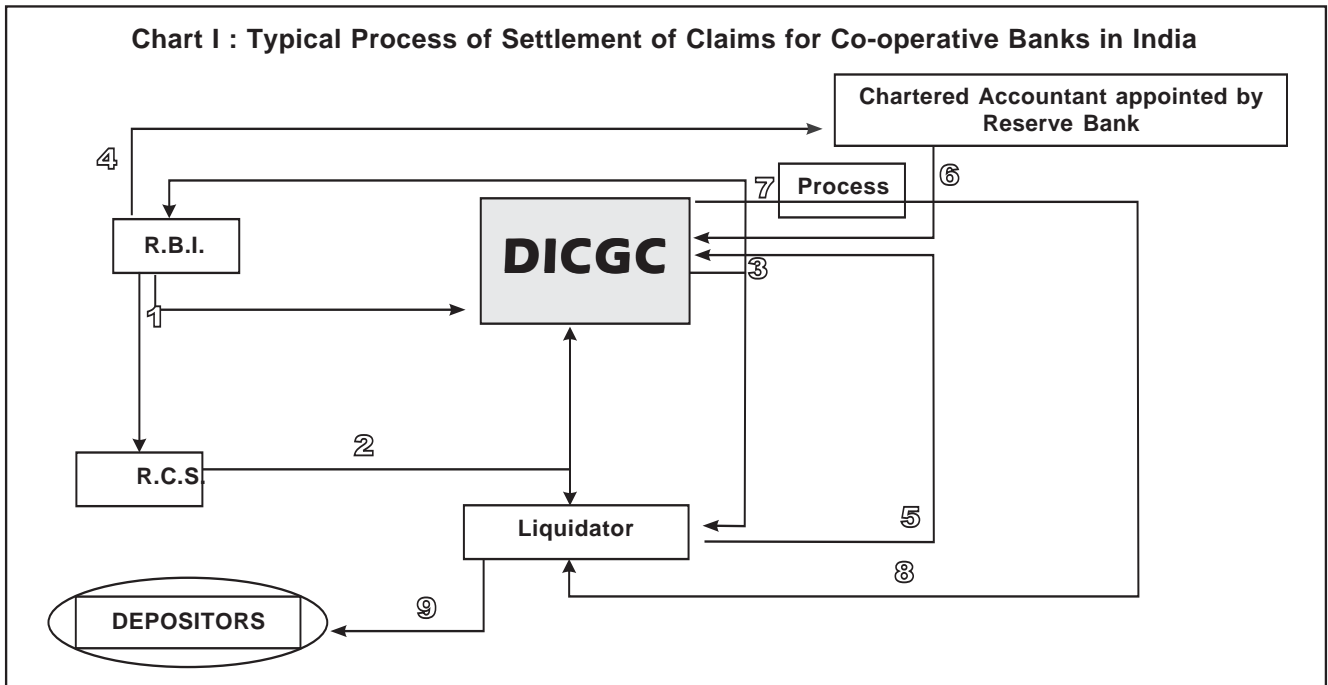
(9) Settlement of Claims

- (i) In the event of the winding up or liquidation of an insured bank, every depositor is entitled to payment of an amount equal to the deposits held by him at all the branches of that bank put together in the same capacity and in the same right, standing as on the date of cancellation of registration (i.e., the date of cancellation of licence or order for winding up or liquidation) subject to set-off of his dues to the bank, if any [Section 16(1) read with 16(3) of the DICGC Act]. However, the payment to each depositor is subject to the limit of the insurance coverage fixed from time to time.
- (ii) When a scheme of compromise or arrangement or re-construction or amalgamation is sanctioned for a bank by a competent authority, and the scheme does not entitle the depositors to get credit for the

full amount of the deposits on the date on which the scheme comes into force, the Corporation pays the difference between the full amount of deposit and the amount actually received by the depositor under the scheme or the limit of insurance cover in force at the time, whichever is less. In these cases too the amount payable to a depositor is determined in respect of all his deposits held in the same capacity and in the same right at all the branches of that bank put together subject to the set-off of his dues to the bank, if any [Section 16(2) and (3) of the DICGC Act].

- (iii) Under the provisions of Section 17(1) of the DICGC Act, the liquidator of an insured bank which has been wound up or taken into liquidation, has to submit to the Corporation a list showing separately the amount of the deposit in respect of each depositor and the amount of set off, in such a manner as may be specified by the Corporation and certified to be correct by the liquidator, within three months of his assuming charge as liquidator (Typical claim settlement process is presented in Chart 1).
- (iv) In the case of a bank/s under scheme of amalgamation/reconstruction, etc. sanctioned by competent authority, a similar list has to be submitted by the chief executive officer of the concerned transferee bank or insured bank, as the case may be, within three months from the date on which the scheme of amalgamation/reconstruction, etc. comes into effect [Section 18(1) of the DICGC Act].
- (v) The Corporation is required to pay the amount due under the provisions of the DICGC Act in respect of the deposits of each depositor within two months from the date of receipt of such lists prepared in accordance with guidelines issued by the Corporation and complete/correct in all respects. The Corporation gets the list certified by a firm of Chartered Accountants which conducts on-site verification.

Chart I : Typical Process of Settlement of Claims for Co-operative Banks in India



1. The Reserve Bank cancels the licence/rejects the application for licence of a bank and recommends its liquidation to the concerned Registrar of Co-operative Society (RCS) with endorsement to the DICGC.
2. The RCS appoints a Liquidator for the liquidated bank with endorsement to the DICGC.
3. The DICGC cancels the registration of the bank as an insured bank and issues guidelines for submission of the claim list by the liquidator within 3 months and requests Reserve Bank to appoint an external auditor [Chartered Accountant (C.A.)] for on-site verification of the list.
4. The Reserve Bank appoints C.A. and the DICGC conducts briefing and orientation session for C.A. to check the claim list.
5. The Liquidator submits the claim list for payment to the depositors (both hard and soft forms).
6. The external auditors (C.As.) submit their report on the aspects of the claim list.
7. The claim list is computer-processed and payment list is generated.
8. Consolidated payment is released to the Liquidator and further information sought on incomplete/doubtful claims. The release of claims is announced through the website of the Corporation.
9. The liquidator releases the payment to the depositors.

(vi) The Corporation generally makes payment of the eligible claim amount to the liquidator/ chief executive officer of the transferee/ insured bank, for disbursement to the depositors. However, the amounts payable to the untraceable depositors are held back till such time as the liquidator/ chief executive officer is in a position to furnish all the requisite particulars to the Corporation.

(10) Recovery of Settled Claims

In terms of Section 21(2) of the DICGC Act read with Regulation 22 of the DICGC General Regulations, the liquidator or the insured bank or the transferee bank, as the case may be, is required to repay to the Corporation out of the amounts realised from the assets of the failed bank and other

amounts in hand after making provision for the expenses incurred.

(11) Funds, Accounts and Taxation

The Corporation maintains three distinct Funds viz., (i) Deposit Insurance Fund (DIF), (ii) Credit Guarantee Fund (CGF), and (iii) General Fund (GF). The first two funds are created by accumulating the insurance premia and guarantee fees, respectively, and are applied for settlement of the respective claims. The authorised capital of the Corporation is ₹50 crore which is entirely subscribed to by the Reserve Bank. The General Fund is utilised for meeting the establishment and administrative expenses of the Corporation. The surplus balances in all the three Funds are invested in Central Government securities. Inter-Fund transfer is permissible under the Act.

The books of accounts of the Corporation are closed as on March 31 every year. The affairs of the Corporation are audited by an Auditor appointed by its Board of Directors with the previous approval of Reserve Bank. The audited accounts together with Auditor's report and a report on the working of the Corporation are required to be submitted to Reserve Bank within three months from the date on which its accounts are balanced and closed. Copies of these documents are also submitted to the Central

Government, which are laid before each House of the Parliament. The Corporation follows mercantile system of accounting and it has been adopting the system of actuarial valuations of its liabilities from the year 1987 onwards.

The Corporation has been paying income tax since the financial year 1987-88 and fringe benefit tax since 2005-06. The Corporation is assessed to Income Tax as a 'company' as defined under the Income Tax Act, 1961.

MANAGEMENT DISCUSSION AND ANALYSIS

Fifty Years of DICGC: Looking into Past and Way Forward

1. The Deposit Insurance Corporation, and with it the insurance of bank deposits in India came into existence in 1962, directly as a consequence of the crash of the Palai Central Bank in Kerala. Nevertheless, the introduction of a new concept like deposit insurance materialised after long-drawn debates and discussions among bankers in operation, banker-researchers, bureaucrats and legal experts.

2. The Shroff Committee on Finance for the Private Sector 1954 considered a deposit insurance scheme as a means to strengthen the banking system and increase public confidence in it.

3. The Deposit Insurance Corporation (DIC) Bill was introduced in Parliament on August 21, 1961. After it was passed, the Bill got the assent of the President on December 7, 1961 and the Deposit Insurance Act, 1961 came into force on January 1, 1962. The DIC was established under the aegis of the RBI, with authority to extend insurance protection up to specified amounts for the deposits of all functioning commercial banks in the country. India became the second oldest publicly funded, ongoing deposit insurance system after the US.

4. The deposit insurance scheme was initially extended to all functioning commercial banks. It, therefore, intensified fears about the adverse implications of the scheme for the deposits of cooperative banks, and a strong demand was voiced for extending similar facility to the latter's deposits. Therefore, extending deposit insurance to cooperative banks had to be preceded by extensive negotiations between the RBI, the Central Government and the State Governments, and a series of important legislative measures that included the addition of a new part (Part V) dealing with cooperative banks to the renamed Banking Regulation Act, amendments to the RBI Act, the DIC Act, and finally to the Cooperative Acts of State governments. It was only towards the end of 1965 that the RBI acquired some powers to

regulate the functioning of cooperative banks, and these banks were brought within the purview of the DIC Act in 1968.

5. In the year 1976, the Parliament passed the Regional Rural Banks Act, 1976, and with the enactment of this Act, the Regional Rural Banks (RRBs) came under the purview of the deposit insurance scheme. Similarly, the Local Area Banks (LABs) are covered under the scheme.

6. The introduction of Credit Guarantee Schemes by the erstwhile Credit Guarantee Corporation of India Ltd., was part of the measures taken in the late 1960s to encourage banks to extend credit to the priority sector. With a view to integrating the functions of deposit insurance and credit guarantee, the two organizations, viz., the DIC and the CGCI, were merged and the Deposit Insurance and Credit Guarantee Corporation (DICGC) came into existence on July 15, 1978. The Deposit Insurance Act, 1961 was thoroughly amended and it was renamed as 'The Deposit Insurance and Credit Guarantee Corporation Act, 1961'. With effect from April 1, 1981, the Corporation extended its guarantee support to credit granted to small scale industries also, after the cancellation of the Government of India's credit guarantee scheme. With effect from April 1, 1989, guarantee cover was extended to the entire priority sector advances. At present, no credit institution is participating in any of the credit guarantee schemes administered by the Corporation.

Major Features of Deposit Insurance System¹

7. The deposit insurance system is compulsory in India and no bank can remain unregistered with the Corporation except those co-operative banks where the State Governments/Union Territories are yet to pass the required legislation. The deposits mobilised by the development financial institutions, mutual funds and non-banking financial/non-financial companies do not come under the purview of the deposit insurance.

¹ The features of deposit insurance system in India are covered in detail in the Overview Section

8. Initially, the insurance cover was limited to ₹1,500 per depositor for deposits held by him in the “same right and capacity” in all the branches of a bank. This insurance limit was enhanced from time to time. Currently, the insurance limit stands at ₹1 lakh with effect from May 1, 1993. The substantial increase in deposit coverage from ₹30,000 in May 1993 to ₹1 lakh was the outcome of the review of the scheme in the background of security scam in 1992 and the subsequent liquidation of the Bank of Karad (RBI Report on Deposit Insurance Reform in India, 1999, pp.61).

9. With the spread of banking to even the remote areas of the country over the years, the number of accounts and the amount of deposits covered by deposit insurance have increased exponentially. At present, DICGC provides full protection to around 93 per cent of accounts as against 78.5 per cent in 1961. In terms of amount of deposits, around 35 per cent of deposits are being covered, up from about 23 per cent in 1961. This leaves a substantial proportion of large deposits remaining uncovered and which, therefore, remain subject to market discipline. This is in line with prevailing international best practices in ‘stable’ times. The recent global financial crisis, however, saw widespread adoption of blanket guarantees or substantial increase in coverage limits. Some countries effected such changes on a permanent basis.

10. The main source of funds for the Corporation is the premium collected from insured banks. Initially, the rate of premium was fixed at 5 paise for ₹100 of assessable deposits, which now stands at 10 paise. The DICGC Act, 1961 provides that different rates may be notified for different categories of insured banks, however, it has not been introduced in India.

11. The Corporation operates an ex-ante deposit insurance fund, which is built out of surplus generated by the Corporation. Premium collected from insured banks is the main source of funds for the Corporation. The fund ratio (ratio of surplus to insured deposits), which is normally used to assess the adequacy of fund currently stands at 1.4 per cent. The Corporation has been paying income tax since 1986, while it was exempt from payment of income tax prior to that. This is not in conformity with international practices or from social welfare point of view as a substantial part of the

premium collected from insured banks goes towards payment of income tax, as premium is included in income of the Corporation. The fund ratio has, therefore, remained low. The built-up of fund has also remained constrained on account of low rates of recovery from assets of failed banks. While the Corporation has not specified a target fund ratio, it is worthwhile to note that Federal Deposit Insurance Corporation (FDIC) of the USA targets its reserve ratio at 1.25 per cent. Some countries in the Asia-Pacific region have specified targets for reserve ratio up to 5 per cent.

12. Being a “paybox” system, DICGC does not have prudential regulatory or supervisory responsibilities or intervention powers; the latter functions are performed by the RBI. The Corporation, however, provides subvention to facilitate restructuring and merger of weak banks with a sound bank. Although in terms of the provisions of the DICGC Act, 1961, the Corporation is empowered to have free access to records of the insured banks, it does not have its own inspection machinery, but depends on the inspection reports of the RBI in the case of commercial banks and urban banks, and the NABARD for the RRBs and other co-operative banks respectively.

13. The Corporation’s liability to the depositors of an insured bank arises in the event of the liquidation of that bank or its amalgamation with another bank or its reconstruction. In the case of liquidation of an insured bank, the Corporation is liable to pay to every eligible depositor of that bank an amount equal to the amount due to him in respect of his deposit in that bank subject to a maximum limit of the insurance cover, *i.e.*, ₹1,00,000, at present. After the claim amount is disbursed, the liquidator/transferee bank is required to repay to the Corporation, out of the amount recovered from the assets of the bank in liquidation/transferor bank, such sums or sums as make up the amount paid or provided for by the Corporation in respect of deposits.

Role of Deposit Insurance in Financial Safety Net Framework

14. The banking sector in India remained largely buffered from the recent global financial crisis. Yet, the crisis has taught us some important lessons. The

financial crisis revealed the importance of effective deposit insurance system as a key element of the global financial stability framework. In response to the crisis that resulted in loss of confidence among the depositors, a number of authorities increased deposit insurance coverage levels with some even providing explicit blanket guarantee. The adoption of higher coverage levels helped prevent the panic among depositors. This underscores the effect of deposit insurance on public confidence and financial stability. The role of deposit insurance is undergoing important changes in the light of the financial crisis, leading to a rethinking of the optimal design features of the deposit insurance system. The crisis is also changing the role of the safety net and the relationship among various elements of safety net. The close coordination between the bank supervisors, the bank resolution framework and effective prudential regulation and supervision of the financial sector can help lower moral hazard and reduce excessive risk taking by private sector.

15. Traditionally, deposit insurance was limited to protecting those unable to understand or monitor risk in the system and the effectiveness of deposit insurance was seen as being limited to periods of financial stability. In situations of systemic crises, deposit insurance was considered inadequate for stabilising expectations. Therefore, full creditor guarantees and public support were needed to contain the crises. During the 2008-09 financial crisis, while asset guarantees and recapitalization policies were used to protect institutions, this was combined with policies aimed at reinforcing depositor confidence.

16. These developments suggest modifications in the deposit insurance design features that could enhance the effectiveness of deposit insurance systems. On the role of deposit insurance, the developments during the crisis suggest that deposit insurance systems needed to be a more integral part of the design of the overall safety net framework. The continuation of higher coverage levels will require a supervisory framework that focuses more aggressively on risk identification and a problem bank resolution framework that moves quickly and anticipates insolvency. The burden of ensuring financial stability, therefore, will be shared among the deposit insurer (who protects depositors), supervisors (who identify risks), and institutions for bank resolution (who remove

failed institutions). Authorities are turning to look for a consistent safety net design that is appropriate in both crisis and non-crisis times, wherein deposit insurance is an integral element.

17. The crisis also underscored the fact that deposit insurance systems must be adequately funded to maintain depositor confidence. Assurances of back-up funding also enhance depositor confidence. The review of design features of deposit insurance systems needs to also focus on the payout periods. Payout delays, particularly in a crisis, can lead to preemptive runs on banks. Shorter payout periods entail significant reforms in deposit insurance systems aimed at ensuring early access to information about failing institutions, detailed and current information about deposits, and techniques for providing rapid access to funds apart from availability of adequate funds. There is also greater recognition about need for cross-border integration while adopting policies during times of crisis.

18. The financial crisis illustrated the need for an international set of principles for effective deposit insurance systems. Accordingly, the Core Principles for Effective Deposit Insurance Systems have been developed by the Basel Committee on Banking Supervision (BCBS) and International Association of Deposit Insurer (IADI). These Principles recognise the importance of the overall safety net in judging the effectiveness of deposit insurance systems. These standards are broadly accepted as representing minimum requirements for good practice that all countries are encouraged to meet or exceed and have been added by the Financial Stability Board (FSB) to the list of key standards. The FSB has recently launched a thematic peer review on deposit insurance systems.

Need for Reform

19. Most of the issues mentioned above remain relevant in the Indian context, even though the financial crisis did not have any major direct impact on the Indian financial system. It being the fiftieth year of the functioning of the Corporation, it seems opportune to work out an agenda for reform. In fact, various committees have looked into reforms in deposit insurance system in India over the last one decade with a view to strengthening the role of DICGC, improving its operational capabilities and enhancing its fund base to make it capable of handling banking

crises even of severe magnitude. The Committees have visualised a greater role for the Corporation in bank resolution, rather than being merely a 'pay-box' system. As mentioned above, after the financial crisis, there has been renewed debate on extending the mandate of deposit insurance agencies and effective coordination between various agencies responsible for providing a financial safety net. In order to put the reform agenda for the Corporation in perspective, the recommendations made by various committees are briefly summarised below.

20. The Report of the Committee on the Financial System (Chairman: Shri M. Narasimham) led to comprehensive reforms being initiated in the financial sector in the year 1991. The need for reforming the deposit insurance system came into focus in the second phase of the financial sector reforms in India. The Narasimham Committee Report on the Banking Sector Reforms (1998) observed that deposit insurance has increased public confidence in the banking system. However, deposit insurance and the aversion to bank failures could create a moral hazard that distorts the incentives for banks and creates competitive distortion. The Committee emphasised the need for a reform of the deposit insurance scheme and suggested that there was a need to shift from the 'flat' rate premiums to 'risk based' or 'variable rate' premiums.

21. Based on the recommendations for reforming the Deposit Insurance System in India made by the Narasimham Committee, an Advisory Group was set up under the Chairmanship of Shri Jagdish Capoor, former Deputy Governor, for recommending reforms in the deposit insurance system. This was the first time a group was set up to look into the whole gamut of issues concerning the deposit insurance system in India. The Advisory / Working Group studied the features of deposit insurance systems of various countries. It looked into the following aspects in the Indian context:

- Scope and coverage of deposit insurance in terms of institutions, category of deposits and the extent of coverage;
- System of premium;

- Optimal size of the Deposit Insurance Fund and methods of financing it;
- Methods of dealing with bank failures;
- Organizational aspects and role of the reformed Deposit Insurance Agency;
- Possibility of extending deposit insurance to depositors of non-banking finance companies.

22. The recommendations made by the Advisory Group were examined by the DICGC in consultation with RBI, following which the outline of a Bill was sent to the Ministry of Finance, Government of India in September 2000. Subsequently, the then Finance Minister in his budget speech for 2002-03 announced that the DICGC would be converted into Bank Deposits Insurance Corporation (BDIC) to make it an effective instrument for dealing with distressed banks and appropriate legislative changes would be proposed for this purpose. The Ministry of Finance, Government of India decided that before proposing legislative changes, the Federal Deposit Insurance Corporation (FDIC) model² should be studied closely and a suitable model evolved for India.

23. The Study Group on BDIC Group looked into various features of the FDIC system vis-à-vis DICGC system and studied the need and the feasibility of the applicability of the FDIC system to India. Based on the Study Team's Report, an outline of the Bank Deposit Insurance Corporation Bill, 2003 to replace the DICGC Act, 1961 was submitted to MoF, GoI.

24. One of the main components of the reforms proposed by various Committees related to the introduction of risk-based differential premium system. The primary objective of differential premium system is reduction of moral hazard and introduction of greater fairness in the premium assessment process. With a view to working out a model for introduction of differential premium system in India, a Committee under the Chairmanship of Prof. D. M. Nachane of IGIDR and the then Director on the Board of the Corporation, was constituted in 2006 to formulate a credit risk model for introduction of a system of risk-

² In terms of mandate assigned to DICGC vis-à-vis FDIC, DICGC has a narrow mandate as a 'pay-box', where the role is limited to reimbursing depositors. In contrast, the FDIC has broader powers or responsibilities, such as preventive action and loss or risk-minimization/management.

adjusted premium by the Corporation. The Committee submitted its report on September 29, 2006. The Committee's recommendations for implementing risk-based premium were however, kept in abeyance as the supervisory rating system, on which most of the methodologies for developing a system of differential premium based on risk profile of banks rely, was yet to stabilise.

25. The Committee on Financial Sector Assessment (Chairman: Dr. Rakesh Mohan), constituted by the Government of India in 2008, also looked into the issues concerning deposit insurance system in India. It stressed the need for maintaining an adequate DIF for ensuring solvency of the fund and maintaining public confidence in the deposit insurance system. The Committee recommended grant of exemption to the Corporation from paying income tax.

26. The Committee on Financial Sector Reforms (Chairman: Shri Raghuram Rajan), which submitted its report in September 2008, also made certain suggestions regarding revamping the role of DICGC. The Committee recommended strengthening the capacity of DICGC to both monitor risk and resolve a failing bank, instilling a more explicit system of prompt corrective action, and making deposit insurance premia more risk-based.

Looking Forward

27. On the occasion of the fiftieth year of the functioning of the Corporation, the Corporation is looking into various aspects that would enable it to better serve the purpose for which it was established.

28. At the forefront of priorities of the Corporation is fulfilling its main objective, which is "to contribute to financial stability by securing public confidence in the banking system through provision of deposit insurance, particularly for the benefit of small depositors". For the depositors of failed banks to maintain confidence in the banking system, it is essential to provide depositors quick access to their funds. In this context, it may be mentioned that statutorily payment to depositors upon failure of a bank can extend up to five months, as the liquidators are provided up to three months to submit detailed information on depositors and the Corporation is provided up to two months to make the payment. In reality, however, the time taken for settlement is even

longer because of delays in appointment of liquidators and time taken by the liquidators for submission of information to the Corporation.

29. It is relevant to quote Principle 17 of Core Principles for Effective Deposit Insurance Systems, which states that "The deposit insurance system should give depositors prompt access to their insured funds. Therefore, the deposit insurer should be notified or informed sufficiently in advance of the conditions under which a reimbursement may be required and be provided with access to depositor information in advance. Depositors should have a legal right to reimbursement up to the coverage limit and should know when and under what conditions the deposit insurer will start the payment process, the time frame over which payments will take place, whether any advance or interim payments will be made as well as the applicable coverage limits."

30. Payout delays, particularly in a crisis, can lead to preemptive runs by the depositors. Therefore, international practice is moving towards shorter and shorter payout periods. Most countries are trying to ensure that payout must be made at least within a month of bank failure. At times, practice of setoff delays depositor payoff because of the need to confirm all amounts owed to the bank and makes the payout process technically more difficult. Some countries allow the deposit insurance agency to make advanced interim payments to mitigate the impact of significant, protracted payout delays that cause hardships for depositors.

31. In the Indian context, shorter payout periods would entail significant reforms in deposit insurance system aimed at ensuring early access to information about failing institutions, detailed and current information about deposits, and techniques for providing rapid access to funds apart from availability of adequate funds. The Corporation has initiated sincere efforts in this direction. It would soon be implementing integrated claim management system that would provide an interface between the insured banks, liquidators and the Corporation. The Corporation will also be initiating steps to increase public awareness about the features of deposit insurance system in India. It would also be reviewing the coverage limit that has remained unchanged at ₹1 lakh since 1993.

32. Public confidence in the deposit insurer's ability to fulfill its objective requires that the deposit insurer has sufficient funds available to fulfill its mandate. The Corporation maintains an ex-ante fund that is made up of capital, premium collected from insured banks and income generated from investment of funds and is utilized for settling claims of depositors. For maintaining depositor confidence, the fund is required to be robust enough to meet claims arising out of routine failure of banks under normal situation. In extraordinary situation of widespread failure of banks, it is imperative that the deposit insurer is armed with unlimited and quick access to funds from the central bank and/or the government so that the financial stability is not jeopardized.

33. The main source of funds for the Corporation is premium collected from banks. However, on an average, around half of this premium is paid every year by the Corporation as income tax to the Government. As the Corporation is a non-profit organization serving social obligations of protection of small depositors and in view of the fact that the Corporation is not a company within the meaning of the Companies Act, 1956, it should be exempted from payment of tax as was the practice before December 1986. Globally, deposit insurance systems enjoy tax exemptions. In some countries, although full tax exemption is not available, the income by way of premium received by the deposit insurer is exempt from income tax. The tax exemption would enable the Corporation to build-up its fund base and it would be in a position to provide higher coverage to depositors and even pass on the benefit to insured banks by reducing rate of premium once the desired reserve ratio is attained in line with international best practices.

34. The experience of recent global financial crisis suggests that no deposit insurance system, however big, can protect the interest of depositors in case of a systemic crisis without sovereign intervention or assistance from the Central Bank and the amount of assistance required in such situations can be quite unpredictable. As per IADI guidelines, sound funding arrangements are critical to the effectiveness of a deposit insurance system. Accordingly, Principle 11 of the Core Principles for Effective Deposit Insurance Systems, inter-alia, prescribes that all funding

mechanisms necessary to ensure prompt reimbursement of depositors' claims, including a means of obtaining supplementary back up funding for liquidity purposes when required, should be in place. In the case of DICGC, back-up funding from the Reserve Bank is a meagre amount of ₹5 crore and was fixed at the time when the Act was promulgated with an insurance cover of ₹1,500. As the amounts required for maintaining depositor confidence in an extraordinary economic situation can be uncertain, it would be ideal if the availability of back-up support can be made unlimited with quick approval process. Such support would, however, be invoked by the Corporation in extraordinary circumstances.

35. One of the reasons for delay in making payments to depositors soon after a bank fails is delay in obtaining information about the balances in depositor accounts from the liquidators. Powers for appointment of liquidator and other issues relating to winding up of a bank are vested with Government of India in case of nationalized banks, High Courts / RBI in case of other commercial banks and State Governments in case of co-operative banks. In view of the dual nature of control over co-operative banks and low level of technology deployed in these banks, there are tremendous delays in receiving the information regarding depositors after clubbing of accounts and set-off for receivables by the bank from the depositors against loans taken by the latter. At times, there are delays in appointment of liquidators. DICGC has little powers over the liquidators in order to expedite collection of information.

36. The entire process can be expedited if the liquidators could provide the information with shorter timeframe. As per the provisions of DICGC Act, 1961, the liquidators are given up to three months to collect the information and submit the claims list to Corporation. With the spread of technology and core banking solutions across different categories of banks, it may be possible to expedite the process of collection of depositor information. The Corporation is looking into ways to create an interface between the Corporation, banks and liquidators. However, the real challenge would be to incorporate smaller-sized urban co-operative banks into the system, where the incidence of failure is relatively high. Progressively, it would also be beneficial to grant DICGC power to appoint and monitor liquidators.

37. The issues mentioned above also need to be examined in the context of broadening the mandate of DICGC. The recent financial crisis has evoked a rethinking on the role of deposit insurance systems and the broader safety net issues – should they play a more proactive role in regulatory frameworks with a view to early identification of bank failures and their effective resolution with a view to protecting its funds and maintain confidence. Deposit insurers with sufficiently wide mandates with adequate powers, operational independence, and assured sources of contingency funding, have turned out be more effective in building and maintaining public confidence and dealing with financial crises. It is being felt that deposit insurers having a cost minimiser mandate with prompt and extensive intervention and resolution powers can contribute to the stability of the financial system. Some countries have undertaken a review of their deposit insurance systems and resolution frameworks bringing about crucial changes in the frameworks and arrangements.

38. In India, the mandate given to DICGC is to function as a ‘pay-box’ system. It has a limited mandate to pay the claims of depositors to the extent and in the manner stipulated in the law. Internationally, pay-box system with extended powers assume significant role in resolution of troubled banks. They have access to information on risk assessment of banks and play an important role in prompt corrective action. This gives the insurer greater ability to address costs as compared to pure pay-box systems. The deposit insurers adopt a “least cost” approach for resolving a failed institution. The added responsibilities of the pay-box systems with extended powers involve closer cooperation and coordination of appropriate actions taken by safety-net participants (the government, regulatory body, central bank and deposit insurer). The benefits of granting extended mandate to DICGC in resolution of

failing banks needs to be examined from the point of view of the faster settlement to the depositor, lower costs and speed of resolution with associated benefits for the stability of the financial system.

39. It would be ideal if DICGC is involved in resolution of banks, not only as part of liquidation process, but in monitoring of banks, prompt corrective action and finding and implementing the least cost method of resolution of troubled banks. If the DICGC is to be assigned the role of liquidator / receiver, however, the DICGC Act as well as the legislation governing different categories of banks will have to be amended. Despite legislative / political bottlenecks in the way of broadening the mandate of DICGC, a beginning should be made for implementation of the suggestion. A permanent solution to the problem lies in putting in place a clearly defined bank solvency regime and a properly designed resolution process.

40. To summarise, the Corporation is facing several issues at this juncture and has many lessons to learn from the global financial crisis. To begin with, the Corporation needs to look into ways to expedite reimbursement to depositors. This requires technology upgradation and an effective interface between the Corporation and banks CBS to access depositors’ databases and adopting CBS by all UCBs. The financial position of the Corporation needs to be strengthened with appropriate arrangements for back-up funding. Broadening the mandate of the Corporation to enable it to participate in various aspects of bank resolution can be another challenging goal in the medium-term. A faster implementation of several reforms in the deposit insurance system in India would also ensure compliance with IADI-BCBS Core Principles for Effective Deposit Insurance Systems. In the Golden Jubilee year of the Corporation, it would be the endeavor of the Corporation to begin taking some steps towards these reforms.

REPORT OF THE BOARD OF DIRECTORS ON THE WORKING OF THE DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION FOR THE YEAR ENDED 31ST MARCH, 2011

(Submitted in terms of section 32(1) of the
Deposit Insurance and Credit Guarantee Corporation Act, 1961)

PART I: OPERATIONS AND WORKING

1.1 REGISTRATION / DE-REGISTRATION OF INSURED BANKS

The number of registered insured banks as on March 31, 2011 stood at 2,217 comprising 82 Commercial Banks, 82 Regional Rural Banks (RRBs), 4 Local Area Banks (LABs) and 2,049 Co-operative Banks. Year-wise and category-wise particulars showing the number of registered banks since inception of the Deposit Insurance Scheme in 1962 are furnished in **Annex I and II**. During the year 2010-11, 1 Commercial Bank and 2 Co-operative Banks were registered and 2 Commercial Banks and 33 Co-operative Banks were de-registered, the details of which are furnished in **Annex III**.

1.2 EXTENSION OF DEPOSIT INSURANCE SCHEME

At present, the deposit insurance extended by the Corporation covers all commercial banks, including LABs and RRBs, in all the States & Union Territories (UTs). All co-operative banks across the country except three UTs of Lakshadweep,

Chandigarh, and Dadra and Nagar Haveli are also covered by deposit insurance (**Annex II**). In respect of UT of Chandigarh, the matter is pending with the Government concerned as it is yet to introduce necessary legislative changes in its Co-operative Societies Act to enable the Corporation to extend deposit insurance cover to the co-operative banks in the UT. UTs of Lakshadweep and Dadra and Nagar Haveli do not have any co-operative bank.

1.3 INSURED DEPOSITS

The number of accounts and the amount of deposits insured with the Corporation as also the extent of protection accorded to depositors at the end of 2009-10 and 2010-11 are furnished in Table 1.

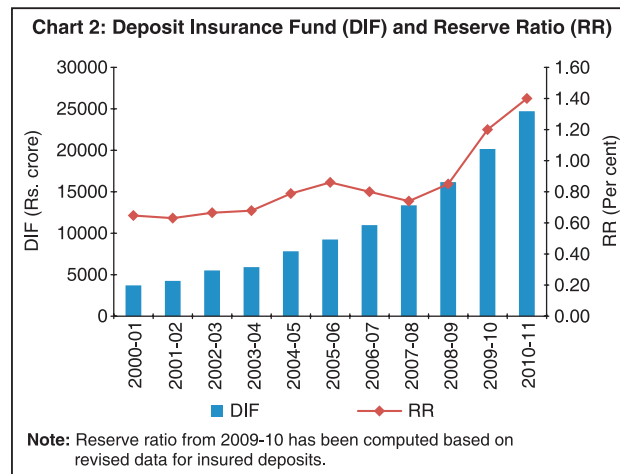
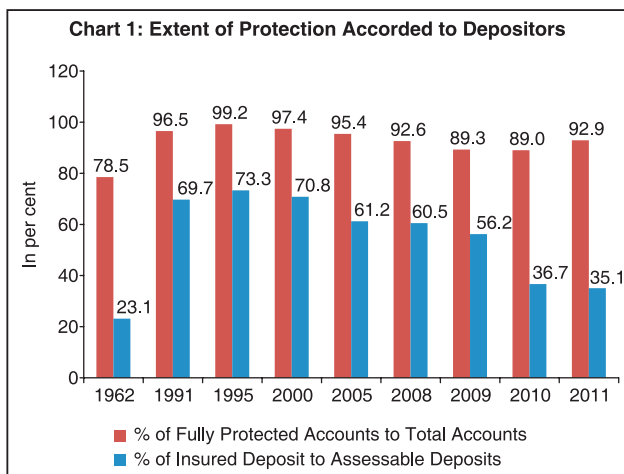
The extent of protection accorded to depositors since the introduction of deposit insurance in India in 1962 and category-wise break-up for last four years are furnished in **Annex IV and V**, respectively. Extent of protection accorded to the depositors over the years is shown in Chart 1. The current level of insurance cover at ₹ one lakh works out to 1.63 times per capita GDP as on March 31, 2011 as against the international benchmark of around 1 to 2 times per capita GDP prior to the financial crisis.

Table 1: Insured Deposits*

Particulars		As at the end of	
		2009-10	2010-11
1	Total No. of Accounts (in lakh)	14,238.57	10,516.21 @
2	Fully Protected Accounts (in lakh)	12,669.49	9,768.67 @
3	Percentage of 2 to 1	88.98	92.89
4	Assessable Deposits (Rs. crore)@	45,87,966.69	49,52,427.14
5	Insured Deposits (Rs. crore)@	16,82,396.99	17,35,800.00
6	Percentage of 5 to 4	36.67	35.05

* Based on returns as on last working day of September of the previous year.

@ Data as per new reporting format.



1.4 DEPOSIT INSURANCE PREMIUM

The bank category-wise break-up of premium (including interest on overdue premium) collected from insured banks during 2009-10 and 2010-11 is presented in Table 2. Premium received from banks increased by 16.6 per cent during the year.

Table 2 : Premium received

(Rs. crore)

Year	Commercial Banks including LABs & RRBs	Co-operative Banks	Total
2009-10	3,857.00	297.64	4,154.64
2010-11	4,488.39	355.81	4,844.20

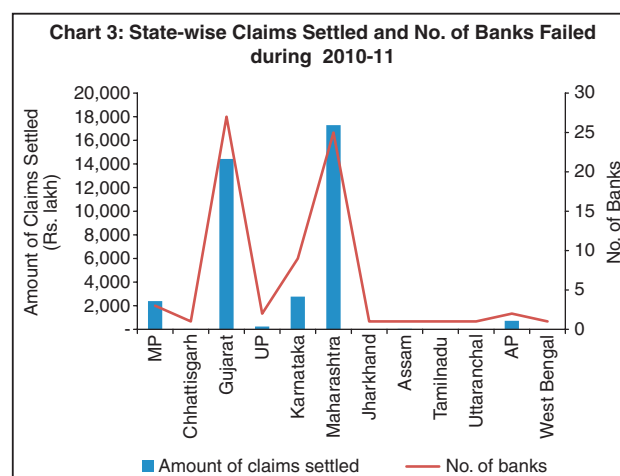
The Deposit Insurance Fund (DIF) is sourced out of the premium paid by the insured banks and the coupon income received from (and reinvested in) the Central Government securities. There is also an inflow of small amounts into this fund out of the recoveries made by the liquidators/administrators/transferee banks. Thus, the Corporation builds up its DIF through transfer of excess of income over expenditure each year. This fund is used for settlement of claims of depositors of banks taken into liquidation/reconstruction/amalgamation, etc. The size of the DIF is ₹24,703.59 crore including surplus of ₹20,929.99 crore as on March 31, 2011 implying a Reserve Ratio (ratio of Deposit Insurance Fund to Insured Deposits) of 1.4 per cent. Movement in Reserve Ratio since 2000-01 is furnished below in Chart 2.

1.5 SETTLEMENT OF DEPOSIT INSURANCE CLAIMS

During the year 2010-11, the Corporation settled aggregate claims for ₹378.99 crore in respect of one commercial bank (supplementary claim) and 73 co-operative banks (28 original claims and 45 supplementary claims) as detailed in **Annex VI**.

State-wise number of failed banks along with the amount of claims settled for the year 2010-11 is furnished in Chart 3. Majority of the claims were from banks in Maharashtra and Gujarat.

A provision of ₹712.77 crore was held towards the estimated claim liability in respect of depositors of 189 banks which are under amalgamation/liquidation and whose licence/application for licence to carry on banking business has been cancelled/rejected by the Reserve Bank of India.

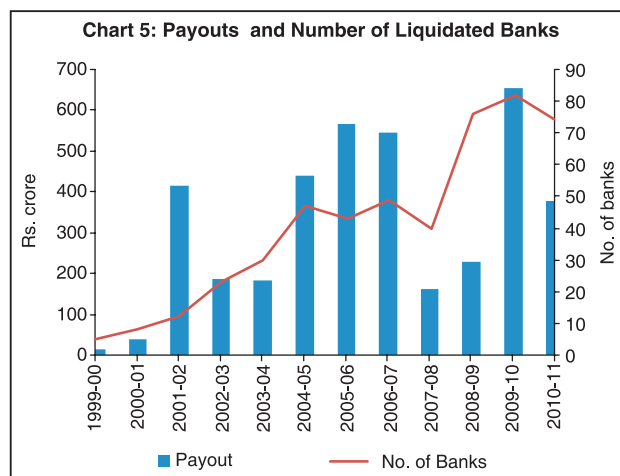


1.6 TOTAL CLAIMS SETTLED / REPAYMENTS RECEIVED

Up to March 31, 2011, a cumulative amount of ₹295.85 crore was paid towards claims, in respect of 27 commercial banks since the inception of deposit insurance (Chart 4). Cumulative repayment received in case of commercial banks from liquidators/transferee banks aggregated ₹136.82 crore (including ₹6.24 crore received during 2010-11). The cumulative amount of claims paid in respect of 284 co-operative banks since inception amounted to ₹3,721.53 crore (including ₹378.99 crore paid during the year under review). In case of co-operative banks, cumulative repayments received from the liquidators/transferee banks aggregated ₹692.65 crore (including ₹160.41 crore received during the year under review). The particulars of banks in respect of which claims have been paid and repayments received/written off till March 31, 2011 are furnished in **Annex VII**. The details of banks for which provision for settlement of claims as on March 31, 2011 is made are presented in **Annex VIII**. Number of liquidated banks along with amount of claims settled from 1999 onwards is shown in Chart 5.

1.7 COURT CASES

As on March 31, 2011, the number of court cases relating to deposit insurance activity of the



Corporation, pending in various courts stood at 201 against 174 as on March 31, 2010. Out of 201 cases, 34 were filed by the Corporation and 167 were filed against the Corporation. Court-wise break-up of cases is given in Chart 6.

There has been substantial increase in the number of court cases since the year 2001-02. The number of such cases has gone up from 10 as on March 31, 2002 to 201 as on March 31, 2011 (Table 3). This has been on account of a substantial increase in the number of banks placed under directions by RBI under Section 35A of the Banking Regulation Act, 1949 (AACs) or taken into liquidation, resulting

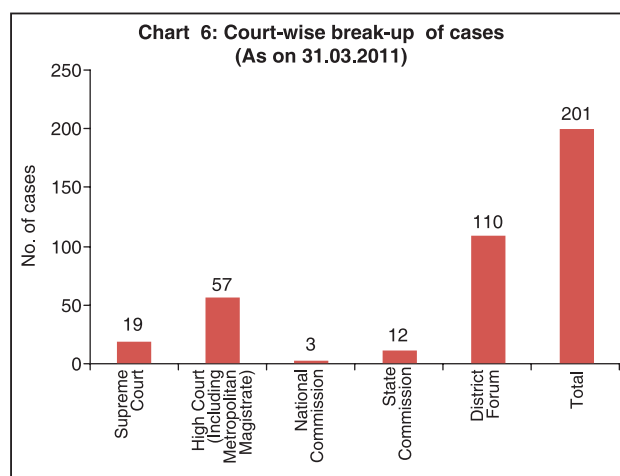
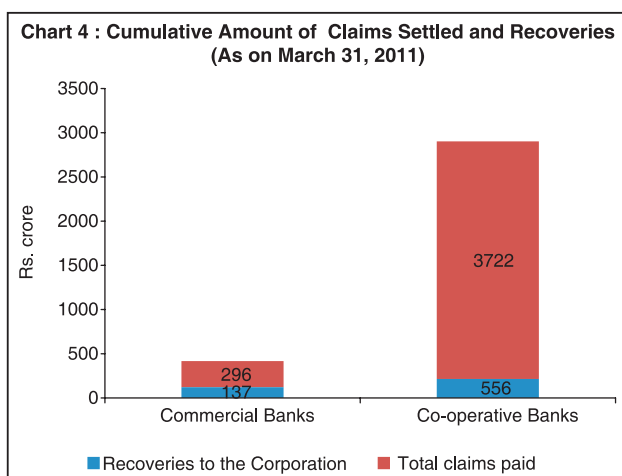


Table 3: Number of Court-Cases

As at end-March	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
No. of Cases	10	66	89	126	126	128	124	122	174	201

in restrictions on withdrawal of deposits. Aggrieved with non-payment of deposits, depositors approach Consumer Courts and implead the Corporation as one of the respondents. Sometimes, such cases have been filed before liquidation of the banks or submission of claim list by the liquidators in which the Corporation is not liable to pay any amount to the depositors. The issues raised in the cases mainly relate to payment of amounts in excess of maximum permissible limit or those inadmissible under DICGC Act, 1961, dispute over Corporation's preferential right of repayment in terms of Section 21 of DICGC Act 1961 read with Regulation 22 of DICGC General Regulations, 1961, payment of claims when a bank is placed under direction, *etc.*

All the cases pending as on March 31, 2002 were filed against the Corporation and no case was filed by the Corporation. Over the years, there has been spurt in cases not only filed against the Corporation but also filed by the Corporation. The cases filed by the Corporation relate mainly to interpretation of Section 21 of DICGC Act, 1961 read

with Regulation 22 of DICGC General Regulations, 1961 on its claim of preferential right of repayment of claim amount and intervention applications in accordance with Corporation's policy on expeditious settlement of claims, where liquidation order is challenged and claim submitted by the liquidator is settled by the Corporation during pendency of the court case.

1.8 CREDIT GUARANTEE SCHEMES

As on March 31, 2011, no credit institution was participating in any of the Credit Guarantee Schemes of the Corporation and no claim was received during the year 2010-11.

The details of guarantee fees received, guarantee claims received and claims paid during the period 1991-92 to 2003-04 are given in Table 4. Subsequent to 2003-04, no guarantee fees on guarantee claims have been received and no claims have been paid.

Table 4: Guarantee Fees / Claims Received and Claims Paid

(Rs. crore)

Year	Guarantee Fee Receipts	Guarantee Claims Received	Claims Paid	Gap (2)-(3)	Gap (2)-(4)
1	2	3	4	5	6
1991-92	565.87	627.23	462.29	(-) 61.35	103.58
1992-93	702.78	1,143.27	643.55	(-) 440.49	69.23
1993-94	846.09	1,490.76	889.99	(-) 644.67	(-) 43.90
1994-95	829.13	1,726.82	1,179.01	(-) 897.69	(-) 349.88
1995-96	704.64	2,365.23	1,042.27	(-) 1,660.59	(-) 337.63
1996-97	564.02	2,112.37	378.64	(-) 1,548.35	185.38
1997-98	164.91	497.26	371.40	(-) 332.35	(-) 206.49
1998-99	123.23	252.19	601.91	(-) 128.96	(-) 478.68
1999-00	21.99	245.49	403.13	(-) 223.50	(-) 381.14
2000-01	0.07	36.06	47.34	(-) 35.99	(-) 47.27
2001-02	0.02	1.24	1.33	(-) 1.22	(-) 1.31
2002-03	0.21	0.26	0.14	(-) 0.05	(-) 0.07
2003-04	0.02 *	-	-	-	-
2004-05 to 2010-11	-	-	-	-	-

* Guarantee Fees received after stipulated period were refunded to bank during the year 2003-04.

The scheme-wise break-up of guarantee fees received since 1991-92 is given in **Annex IX**.

1.8.1 SMALL BORROWERS' CREDIT GUARANTEE SCHEMES

The Corporation received claims for ₹10,043.03 crore up to the year ended March 2011 and settled claims amounting to ₹6,938.84 crore under (i) Small Loans Guarantee Scheme, 1971 (SLGS 1971) and (ii) Small Loans (Co-operative Banks) Guarantee Scheme, 1984 (SLCBGS 1984). The year-wise details of receipt and disposal of claims are given in **Annex X**.

Recoveries received under the Schemes during 2010-11 by virtue of Corporation's subrogation rights aggregated ₹1.83 crore as against ₹1.70 crore received during the previous year. The cumulative amount of recoveries received since the inception of the Schemes aggregated ₹2,027.26 crore forming 29.22 per cent of claims paid at ₹6,938.84 crore.

1.8.2 SMALL LOANS (SSI) GUARANTEE SCHEME, 1981

The year-wise details of claims received and disposed of from April 1, 1981 onwards are given in **Annex XI**. Recoveries made under the Scheme during 2010-11 by virtue of Corporation's right of subrogation amounted to ₹0.28 crore as compared to ₹0.32 crore received during the previous year. Cumulative recoveries since 1981 aggregated ₹267.42 crore as on March 31, 2011 forming 26.71 per cent of the total amount of claims paid at ₹1,001.13 crore.

1.8.3 CREDIT GUARANTEE SCHEME FOR SMALL SCALE INDUSTRIES, GOVERNMENT'S CREDIT GUARANTEE SCHEME (SINCE CANCELLED)

The Corporation continues to act as an agent of the Government of India to pursue with the credit institutions for recoveries in claim paid accounts under the erstwhile Government Scheme. No amount towards recoveries was received during the year ended March 31, 2011 under the Scheme.

PART II: RECENT POLICY INITIATIVES

2.1 EXPEDITIOUS SETTLEMENT OF DEPOSIT INSURANCE CLAIMS

The Corporation has been adhering to the statutory requirement of settling deposit insurance claims within two months of submission of claim list by liquidators. However, it has been observed that at times the liquidators are not submitting the claim list within the stipulated period of three months in terms of Section 17 (1) of DICGC Act, 1961 despite follow-up with RBI / RCS / liquidator concerned. Reasons for delay in settlement of deposit insurance claims included:

- Books of accounts of the banks not being audited for one or more years
- Liquidation not effected due to cases pending before various appellate authorities challenging cancellation of licence of the bank
- The books and records of the bank being seized by investigating authorities /police and the claim list not compiled and
- Lack of co-ordination between liquidator, bank's statutory auditor, RCS and the bank's staff, etc.

With a view to expediting disposal of the old claims, the Board of the Corporation considered the issues involved and laid down a procedure in its Board Meeting held in December 2010.

As a result, 2 claims that were more than 16 years old and 3 others more than 7 years old were settled (Table 5). The comparative position of pending claims is given in Table 6 with bank-wise details in **Annex VIII**. It may be observed that the total number of pending claims has come down from 53 as on March 31, 2010 to 38 as on March 31, 2011.

Table 5: Disposal of Old Claims during 2010-11

Time Bucket	No. of Banks	Amount (Rs. crore)
More than 16 years old	2	0.02
More than 7 years old	3	4.23
Total	5	4.25

Table 6: Age-wise Break-up of Pending Claims

Pending Cases	Age-wise break-up				
	More than 10 years old	5-10 years old	1-5 years old	Less than 1 year old	Total
As on March 2010	4	14	8	27	53
As on March 2011	2	12	13	11	38

With a view to reducing hardship to small depositors of failed banks, the Corporation has been taking various steps to ensure settlement of deposit insurance claims of banks which have not submitted the claim lists for a long time. The number of claims settled over the years has been steadily increasing as can be seen from Chart 7.

Out of 28 main claims settled during 2010-11, 2 claims were more than 17 years old, 2 claim were more than 7 years old, and 2 claims were more than 4 years old, as on the date of settlement of claims. The average period for settlement of claims came down from 54 days to 49 days during this year indicating the increased sensitivity of the Corporation towards reducing the hardship of the small depositors of failed banks (Table 7).

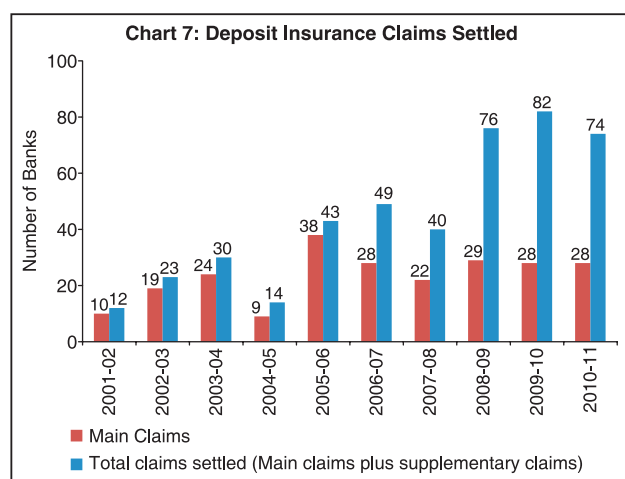


Table 7: Average period for settlement of claims

Financial Year	Average Number of days for claim settlement
2006-07	60
2007-08	53
2008-09	43
2009-10	54
2010-11	49

2.2 INTEGRATED CLAIMS MANAGEMENT SYSTEM

Keeping the depositors' interest in view, the Corporation has undertaken an ambitious project of Integrated Claims Management System (ICMS) with the following objectives:

- Minimise the time required to process the claim-list.
- Minimise, to the extent possible, the need for visual checking / reconciliation.
- Extend technical support to the liquidated banks to prepare error-free claim list – either by data entry / validation process or directly from their computer systems with ODBC / off-line uploading.
- Put in place a system for maintaining a life-cycle history of depositor-wise claim for future reference / re-processing with amendments (retrospectively), etc.

The ICMS will have the capability:

- to make payments directly to large number of depositors through physical or electronic mode such as ECS / NEFT etc. with payment history / audit trails for each transaction,
- of off-site uploading of claim list, and
- of using depositor database of a functioning bank for simulating the size of the insured deposits, likely liability of the Corporation on a particular date and other data useful for policy formulation.

ICMS will drastically reduce the claim process cycle by coalescing the two stages of preparation of claim list (by liquidator) and processing thereof (by DICGC), as also ensuring data integrity from the source.

During 2010-11, the Corporation has completed all formalities of issuing the Request For Proposal of ICMS Project to all shortlisted vendors. In addition, the receipt of Technical Bid as well as e-Auction Based Reverse Commercial Bidding Process have also been completed. Based on the evaluation method adopted, the lowest bidder has been finalised and the Project is expected to take off during the current year.

2.3 RATIONALISATION OF DI RETURNS

The insured banks were hitherto required to submit a *half-yearly DI-01 Return* giving the assessable deposits and the amount of premium payable to the Corporation. They were also required to submit an *annual DI-02 return* giving the distribution of deposit accounts according to the size of deposits for the purpose of computation of insured deposits.

With a view to reducing the number of returns to be submitted by the insured banks and to obtain timely and accurate data on insured deposits, the erstwhile DI-02 return was merged with DI-01 return and a consolidated statement named as *half-yearly Rationalized Deposit Insurance (DI) Return* was introduced from the half-year beginning October 1, 2010.

The Corporation has since received the Rationalised DI Returns for the half-year ended March 2011 from 2,049 banks out of 2,217 banks (*i.e.*, 92.42 per cent as compared with 73.0 per cent for the year ended March 2010). This has resulted in more accurate computation of insured deposits for the year 2010-11.

PART III: STATEMENT OF ACCOUNTS¹

3.1 INSURANCE LIABILITIES

(a) During the year 2010-11, an amount of ₹378.95 crore (₹654.65 crore) was paid towards insurance claims connoting about 42 per cent decrease. The ascertained liabilities

towards deposit insurance claims outstanding as on March 31, 2011 have been estimated at ₹561.57 crore (₹763.90 crore), representing about 27 per cent fall over previous year and are fully provided for.

- (b) The **Balance of Fund (*i.e.*, actuarial liability)** as at the end of the year under review stood at ₹3,773.60 crore (₹3,274.57 crore) as per assessment by approved Actuaries M/s. K. A. Pandit & Co.
- (c) There is no likely claim liability in respect of the Credit Guarantee Fund.

3.2 REVENUE DURING THE YEAR

- (a) The pre-tax **revenue surplus in the DIF** during the year 2010-11 increased by ₹2,392.03 crore from ₹3,753.18 crore to ₹6,145.21 crore, *i.e.*, by about 64 per cent. This increase was principally brought about by increase in premium receipt by ₹689.55 crore, increase in investment earnings by ₹288.29 crore, decrease in claims by ₹235.75 crore, decrease in depreciation in investments by ₹222.42 crore, and decrease in differential actuarial liability by ₹958.65 crore.
- (b) The pre-tax **revenue surplus in the CGF** during 2010-11 decreased by ₹73.50 crore, *i.e.*, by about 80 per cent over the previous year from ₹92.12 crore to ₹18.62 crore. This decrease is mainly due to decrease in interest on tax refunds by ₹48.09 crore, and investment earnings by ₹20.48 crore.
- (c) The **General Fund** registered a pre-tax **revenue surplus** of ₹16.15 crore during 2010-11 as against a deficit of ₹29.38 crore during the previous year. This increase is brought about mainly by increase in investment earnings by ₹18.20 crore, and decrease in investment depreciations by ₹37.00 crore.

¹ Figures in bracket pertain to the previous year

3.3 ACCUMULATED SURPLUS

As on March 31, 2011, the accumulated surpluses/reserves (post tax) in the DIF, CGF and GF stood at ₹20,929.99 crore (₹16,877.26 crore), ₹310.33 crore (₹297.91 crore), and ₹438.27 crore (₹427.53 crore), respectively.

3.4 INVESTMENTS

The book (at cost) value of investments of the three Funds, viz., DIF, CGF and GF stood at ₹26,581.66 crore (₹21,532.25 crore), ₹359.22 crore (₹337.07 crore) and ₹531.09 crore (₹521.34 crore), respectively, as at the end of year. The accumulated depreciation in the value of dated securities in the above three Funds at ₹867.55 crore (₹712.16 crore); ₹39.82 crore (₹32.44 crore); ₹51.96 crore (₹48.58 crore), respectively, on that date have been fully provided for under Investment Reserve.

3.5 TAXATION

During the year, the Corporation paid a total amount of ₹2,156.70 crore (₹1,830.35 crore) towards advance tax for the current year. The Corporation also received income tax refunds amounting to ₹854.34 crore (₹760.38 crore) during the year. Further, the Corporation provided for ₹2,052.90 crore (₹1,307.42 crore) towards current year's income tax liability and wrote back ₹28.13 crore (₹570.48 crore) for earlier years.

PART IV: ORGANISATIONAL MATTERS

4.1 BOARD OF DIRECTORS

The general superintendence, direction and the management of the affairs and business of the Corporation vest in a Board of Directors which exercises all powers and does all acts and things which may be exercised or done by the Corporation.

4.1.1 In terms of Regulation 6 of the DICGC General Regulations, 1961, the Board of Directors of the Corporation is required to meet ordinarily once in a quarter. During the year ended March 31, 2011 four meetings of the Board were held.

4.1.2 RETIREMENT OF DIRECTOR

A Director (Shri Umesh Chandra Sarangi) [also member of Audit Committee of Board (ACB)] nominated on January 11, 2008 under Section 6 (1) (d) of DICGC Act, 1961 retired from the Board of the Corporation after completion of his term of appointment on December 2, 2010.

Another Director Shri Anand Sinha, nominated on December 6, 2008 under Section 6 (1) (b) of DICGC Act, 1961 retired from the Board of the Corporation after his appointment as Deputy Governor, Reserve Bank of India. In his place, Shri G. Gopalakrishna, Executive Director, RBI has been nominated as Director on March 17, 2011 under Section 6 (1) (b) of DICGC Act, 1961.

4.2 AUDIT COMMITTEE OF THE BOARD

Consequent upon retirement of Shri Umesh Chandra Sarangi after completion of his term of appointment on December 2, 2010, the present constitution of ACB is as follows:

1. Shri. M. Ramadoss
Chairman
2. Dr. Shashank Saxena
GOI nominee Director
3. Shri B. Srinivas
Member Secretary

During the year ended March 31, 2011 four meetings of the Audit Committee of the Board were held.

4.3 INTERNAL CONTROLS

4.3.1 BUDGETARY CONTROL

The Corporation has devised a system of exercising control over revenue and expenditure under its three Funds viz., Deposit Insurance Fund (DIF), Credit Guarantee Fund (CGF) and General Fund (GF). The yearly budget for the expenditure under DIF and GF are prepared by the Corporation, based on various parameters, viz., cancellation of licence / liquidation of insured banks, staff and establishment related payments etc. The budget is

approved by the Board before commencement of each accounting year. Estimates of receipts under the three funds, viz., premium receipts, recoveries and investment income are also included in the budget. The budgeted expenditure and receipts *vis-a-vis* actual expenditure / receipt is reviewed at quarterly interval.

4.3.2 MANAGEMENT AUDIT AND SYSTEMS INSPECTION BY RBI

Management Audit and Systems Inspection, 2011 was conducted by Inspection Department of Reserve Bank of India between January 24 and February 15, 2011. The observations of Inspection Team categorised 3 paragraphs as 'Major', of which 2 have been complied with. Out of 101 'Other' paragraphs, 36 paragraphs have been complied with.

4.3.3 CONCURRENT AUDIT

The Corporation has introduced a system of concurrent audit (on site) of all its operations by a firm of Chartered Accountants since the year 2004-05. The monthly audit findings are placed before the Audit Committee of the Board.

4.3.4 CONTROL AND SELF ASSESSMENT AUDITS (CSAA)

The Corporation has additionally put in place a Control and Self Assessment Audit (CSAA) format (peer review) whereby officers of the Corporation are required to conduct audit of areas with which they are not functionally associated and submit report to the Chief Executive Officer/Chief

General Manager.

4.4 TRAINING AND SKILL ENHANCEMENT

In order to upgrade the skills of its human resources, the Corporation deposes its staff to various training programmes conducted by various training establishments of RBI and external training institutes, conferences, seminars and workshops, both in India and abroad. During 2010-11, 68 employees comprising 45 officers, 18 class III staff and 5 class IV staff were deputed to RBI training establishments and external training institutes in India. Four officers were deputed for IADI sponsored training / conference organized by other Deposit Insurance Corporations.

4.5 STAFF STRENGTH

The entire staff of the Corporation is from Reserve Bank of India. The Staff strength of the Corporation as on March 31, 2011 was 93. Category-wise position of staff is as under:

Of the total staff, 53.76 per cent were in Class I, 21.51 per cent in Class III and the remaining 24.73 per cent in Class IV. Of the total staff, 16.13 per cent belonged to Scheduled Castes and 11.83 per cent belonged to Scheduled Tribes as on March 31, 2011 (Table 8).

4.6 THE RIGHT TO INFORMATION ACT, 2005

The Government of India enacted the Right to Information Act, 2005 on June 15, 2005. The Act came into effect from October 12, 2005. The

Table 8: Category-wise Position of Staff

Category	Number	of which		Percentage	
		SC	ST	SC	ST
1	2	3	4	5	6
Class I	50	7	6	14.00	12.00
Class III	20	2	2	10.00	10.00
Class IV	23	6	3	26.09	13.04
Total	93	15	11	16.13	11.83

SC: Scheduled Castes ST: Scheduled Tribes

Corporation, as a public authority, as defined in the Act is obliged to provide information to the members of public. During the year 2010-11, total 49 requests were resolved including 4 cases under Appellate Authority.

4.7 PROGRESSIVE USE OF HINDI

During the year 2010-11, the Corporation continued with its efforts to promote the use of Hindi in its working. The Corporation ensures compliance of Section 3 (3) of the Official Languages Implementation Act. The Head Office of the Corporation has been notified under Rule 10(4) of the Official Languages Rules, 1976. The Corporation prepares quarterly progress reports on use of Hindi. The Corporation also organizes 'Hindi Fortnight' every year. Many programmes including competitions were conducted at the time of Hindi fortnight observed in the second fortnight of September 2010. The Official Languages implementation Committee meets regularly once a quarter to monitor and promote the use of Hindi in the day-to-day functioning of the Corporation.

4.8 CUSTOMER CARE CELL IN THE CORPORATION

The Corporation is a public institution and its main function is to settle the claims of depositors of failed insured banks. The Corporation has set up a customer care cell for prompt redressal of complaints from the members of public against the Corporation.

4.9 FIELD TEST OF ASSESSMENT METHODOLOGY FOR CORE PRINCIPLES FOR EFFECTIVE DEPOSIT INSURANCE SYSTEMS

An Assessment Team comprising representatives of IADI and IMF visited DICGC in end-September 2010 to undertake a field test of the Draft Assessment Methodology for the Core

Principles for Effective Deposit Insurance Systems. According to the report of the team, DICGC is compliant or largely compliant with about half of the eighteen Core Principles for Effective Deposit Insurance Systems. In its "paybox" function, the DICGC is fully or largely compliant on all core principles. However, weaknesses in the overall insolvency framework that are outside the control of the DICGC makes overall compliance with many core principles limited. The Report made several recommendations such as removing insolvent co-operative banks from the system, obtaining deposit-specific information from banks in a standard format, executing MoUs by DICGC with other deposit insurers whose banks have a presence in India, granting DICGC an access to a "fast-track" source of funding from either RBI or Ministry of Finance (MOF) to provide funds needed for prompt depositor reimbursement, developing a formal public awareness program and establishing a reasonable target reserve fund by DICGC. The Working Group on Reforms in Deposit Insurance, including Amendments to DICGC Act, would be looking into recommendations of the field test team.

4.10 GOLDEN JUBILEE YEAR OF THE CORPORATION

DICGC entered its Golden Jubilee year on January 1, 2011. On the eve of the Golden Jubilee, an address from Chairman was placed on DICGC website. The Corporation has initiated measures to enhance public awareness on deposit insurance through printing of brochures and posters, and communication to the insured banks to spread awareness by displaying information about DICGC in all bank branches. It is planned to host a technical seminar in collaboration with IADI during the year on the theme 'Role of Deposit Insurance in Bank Resolution Framework – Lessons from the Financial Crisis'. The Corporation is also trying to roll-out of depositor-centric tools such as ICMS for capturing more accurate and up-to-date information on deposits that would aid in faster settlement of claims.

4.11 AUDITORS

In terms of Section 29(1) of the DICGC Act, 1961, M/s. K.S. Aiyer & Co., Chartered Accountants, Mumbai were appointed as Auditors of the Corporation for the year 2010-11 with approval of the Reserve Bank.

The Board appreciates the efforts put in by the staff of the Corporation for maintaining its operational efficiency.

For and on behalf of Board of Directors

**DEPOSIT INSURANCE AND
CREDIT GUARANTEE
CORPORATION, MUMBAI**



(S. V. Gokarn)

Chairman

Dated: **June 17, 2011**

ANNEX – I

NUMBER OF BANKS COVERED UNDER THE DEPOSIT INSURANCE SCHEME SINCE 1962

Year / Period	At the beginning of the year / period	Registered during the year / period	De-registered during the year / period where Corporation's Liability			At the end of the year / period (2+3-6)
			was attracted	was not attracted	Total (4+5)	
1	2	3	4	5	6	7
1962	287	0	2	9	11	276
1963 to 1965	276	1	7	161	168	109
1966 to 1970	109	1	5	22	27	83
1971 to 1975	83	544	0	16	16	611
1976 to 1980	611	995	9	15	24	1,582
1981 to 1985	1582	280	8	17	25	1837
1986 to 1990	1837	102	8	10	18	1921
1990-91	1921	8	5	2	7	1922
1991-92	1922	14	2	3	5	1931
1992-93	1931	3	2	1	3	1931
1993-94	1931	63	1	3	4	1990
1994-95	1990	36	0	1	1	2025
1995-96	2025	99	1	1	2	2122
1996-97	2122	176	1	1	2	2296
1997-98	2296	145	1	2	3	2438
1998-99	2438	149	4	0	4	2583
1999-2000	2583	103	8	2	10	2676
2000-01	2676	62	9	1	10	2728
2001-02	2728	15	18	10	28	2715
2002-03	2715	10	29	7	36	*2629
2003-04	2629	9	39	4	43	2595
2004-05	2595	3	47	4	51	2547
2005-06	2547	3	17	2	19	2531
2006-07	2531	46	24	161	185	2392
2007-08	2392	10	18	28	46	2356
2008-09	2356	13	33	29	62	2307
2009-10	2307	10	26	42	68	2249
2010-11	2249	3	22	13	35	2217

* Net of 60 banks deregistered in past years, but not reckoned in the respective years.

ANNEX - II

A. CATEGORY-WISE BREAK-UP OF INSURED BANKS

Year (As at end-March)	No. of Insured Banks				
	Commercial Banks	RRBs	LABs	Co-operative Banks	Total
2008-09	80	86	4	2137	2307
2009-10	83	82	4	2080	2249
2010-11	82	82	4	2049	2217

RRBs : Regional Rural Banks.

LABs : Local Area Banks.

**B. STATE WISE BREAK-UP OF INSURED CO-OPERATIVE BANKS
(AS AT END-MARCH 2011)**

Sr. No.	State	Apex	Central	Primary	Total
1	Andhra Pradesh	1	22	106	129
2	Assam	1	0	8	9
3	Arunachal Pradesh	1	0	0	1
4	Bihar	1	21	3	25
5	Chhattisgarh	1	6	11	18
6	Goa	1	0	6	7
7	Gujarat	1	18	245	264
8	Haryana	1	19	7	27
9	Himachal Pradesh	1	2	5	8
10	Jammu & Kashmir	1	3	4	8
11	Jharkhand	0	8	2	10
12	Karnataka	1	21	268	290
13	Kerala	1	14	60	75
14	Madhya Pradesh	1	38	54	93
15	Maharashtra	1	31	541	573
16	Manipur	1	0	2	3
17	Meghalaya	1	-	3	4
18	Mizoram	1	-	1	2
19	Nagaland	1	-	-	1
20	Orissa	1	17	12	30
21	Punjab	1	20	4	25
22	Rajasthan	1	29	39	69
23	Sikkim	1	0	1	2
24	Tamil Nadu	1	24	129	154
25	Tripura	1	0	1	2
26	Uttar Pradesh	1	50	68	119
27	Uttarakhand	1	10	7	18
28	West Bengal	1	17	46	64
Union Territory					
1	NCT Delhi	1	0	15	16
2	Andaman & Nicobar Islands	1	0	0	1
3	Daman & Diu	0	0	0	0
4	Puducherry	1	0	1	2
TOTAL		30	370	1649	2049

ANNEX - III

BANKS REGISTERED AND DE-REGISTERED DURING THE YEAR 2010-11

Bank Type / State	Sr. No.	Name of the Bank
A. REGISTERED (3)		
Commercial Banks (1)	1.	Credit Suisse AG
Co-operative Banks (2)		
Meghalaya (2)	1.	Meghalaya Co-op. Apex Bank Ltd.
	2.	Tura Urban Co-op. Bank Ltd.
Regional Rural Banks (0)	Nil	
B. DE-REGISTERED (35)		
Commercial Banks (2)	1.	Bank of Rajasthan Ltd. (Amalgamated with ICICI Bank Ltd.)
	2.	State Bank of Indore (Amalgamated with State Bank of India)
Co-operative Banks (33)		
Andhra Pradesh (4)	1.	National Co-op. Bank Ltd.
	2.	Apna Co-op. Urban Bank Ltd. (Amalgamated with Shamrao Vithal Co-op. Urban Bank Ltd.)
	3.	The Vizianagaram Co-op. Urban Bank Ltd.
	4.	The Kalinga Co-op. Urban Bank Ltd., Hyderabad (Amalgamated with Adarsh Co-op. Urban Bank Ltd.)
Assam (1)	1.	The Golaghat Urban Co-op. Bank Ltd.
Chhattisgarh (1)	1.	Bilasa Mahila Nagrik Sahakari Bank Maryadit, Bilaspur (Amalgamated with Laxmi Mahila Nagrik Sahakari Bank Ltd., Raipur)
Gujarat (5)	1.	Bahadarpur Urban Co-op. Bank Ltd.
	2.	The Anyonya Co-op. Bank Ltd., Vadodara
	3.	The Boriavi People Co-op. Bank Ltd., Raopura
	4.	Vaso Co-op. Bank Ltd., Vaso (Amalgamated with Co-op. Bank of Rajkot Ltd.)
	5.	Sidhpur Nagarik Sahakari Bank Ltd.
Karnataka (3)	1.	Chetana Sahakari Bank Ltd., Sirsi (Amalgamated with Punjab & Maharashtra Co-op. Bank Ltd.)
	2.	Belgaum Catholic Co-op. Bank Ltd.
	3.	Abhinandan Sahakari Bank Niyamith, Hubli (Amalgamated with Vikas Souharda Co-op. Bank Ltd.)
Maharashtra (16)	1.	The Samata Sahakari Bank Ltd., Nagpur
	2.	Rahuri People's Co-op. Bank Ltd., Ahmednagar
	3.	Hina Shahin Co-op. Urban Bank Ltd., Beed, Nagpur

ANNEX - III (Concl.)

Bank Type / State	Sr. No.	Name of the Bank
	4.	Champavati Urban Co-op. Bank Ltd.
	5.	Dhanashri Mahila Sahakari Bank Ltd.
	6.	Shri Mahesh Sahakari Bank Ltd., Jalgaon
	7.	Vidarbha Urban Co-op.Bank Ltd., Akola
	8.	Parmatma Ek Sewak Nagrik Sahakari Bank Ltd.
	9.	Rajeshwar Yuvak Vikas Sahakari Bank Ltd., Satara
	10.	Sushilkumar Nahata Urban Co-op. Bank Ltd.,Bhusawal (Amalgamated with Cosmos Co-op. Bank Ltd.)
	11.	Dhule Urban Co-op.Bank Ltd., Dhule (Amalgamated with Jalgaon People's Co-op. Bank Ltd.)
	12.	Ichalkaranji Mahila Sahakari Bank Ltd. (Amalgamated with Gopinath Patil Parsik Janata Sahakari Bank Ltd., Kalwa,Thane)
	13.	Dadasaheb Rawal Co-op. Bank of Dondaicha Ltd.
	14.	Dadasaheb Dr.N.M.Kabre Nagarik Sahakari Bank Ltd.
	15.	Shri Jyotiba Sahakari Bank Ltd., Pimpri, Pune
	16.	The Ashta Urban Co-op.Bank Ltd.,Sangli (Amalgamated with the Apna Sahakari Bank Ltd.)
Orissa (1)	1.	Dhenkanal Urban Co-op. Bank Ltd. (Rejection of application for licence to carry on banking business)
Uttar Pradesh (1)	1.	Garhwal Co-op. Bank Ltd. (Amalgamated with Almora Urban Co-op. Bank Ltd.)
West Bengal (1)	1.	Ramkrishnapur Co-op. Bank Ltd. (Rejection of application for licence to carry on banking business)
Regional Rural Banks (0)	Nil	

ANNEX - IV

EXTENT OF PROTECTION ACCORDED TO THE DEPOSITORS OF INSURED BANKS

(Commercial Banks, Regional Rural Banks, Local Area Banks and Co-operative Banks)
(As on last working day of June 1990 through September 2010)

Year	No. of Fully Protected Accounts (in lakhs)*	Total No. of Accounts (in lakhs)	Percentage of (2 to 3)	Insured Deposits* (Rs. crore)	Total Assessable Deposits (Rs. crore)	Percentage of (5 to 6)
1	2	3	4	5	6	7
1961	55.42	70.58	78.5	392	1694	23.1
1990-91	2982.52	3089.12	96.5	109316	156892	69.7
1991-92	3169.18	3287.00	96.4	127925	186307	68.7
1992-93	3395.03	3543.02	95.8	164527	244375	67.3
1993-94	3497.10	3529.03	99.1	168405	249034	67.6
1994-95	4956.05	4993.99	99.2	266747	364058	73.3
1995-96	4818.63	4868.07	99.0	295575	392072	75.4
1996-97	4273.23	4351.26	98.2	337671	450674	74.9
1997-98	3713.02	4108.73	90.4	370531	492280	75.3
1998-99	4544.33	4641.93	97.9	439609	609962	72.1
1999-00	4302.11	4417.30	97.4	498558	704068	70.8
2000-01	4324.59	4461.84	96.9	572434	806260	71.0
2001-02	4644.52	4816.73	96.4	674051	968752	69.6
2002-03	5782.31	6001.61	96.3	828885	1213163	68.3
2003-04	5189.44	5439.66	95.4	870940	1318268	66.1
2004-05	6195.30	6495.40	95.4	991365	1619815	61.2
2005-06	5055.35	5373.94	94.1	1052988	1790919	58.8
2006-07	6829.01	7168.95	95.3	1372597	2344351	58.5
2007-08	9617.17	10389.09	92.6	1805081	2984800	60.5
2008-09	12040.00	13489.36	89.3	1908951	3398565	56.2
2009-10	12669.49	14238.57	89.0	1682397@	4587967@	36.7@
2010-11 @	9768.67	10516.21	92.9	1735800	4952427	35.1

* Number of accounts with balance not exceeding Rs.1,500 from January 1, 1962 onwards, Rs.5,000 from January 1, 1968 onwards, Rs.10,000 from April 1, 1970 onwards, Rs.20,000 from January 1, 1976 onwards, Rs.30,000 from July 1, 1980 onwards and Rs. 1,00,000 from May 1, 1993 onwards.

@ Data as per new reporting format.

ANNEX - V

EXTENT OF PROTECTION ACCORDED TO THE DEPOSITORS OF INSURED BANKS (CATEGORY-WISE)

Year	Category of Banks	No. of Insured Banks	Insured Deposits (Rs. crore)	Total Assessable Deposits (Rs. crore)	Percentage of Insured Deposits to Assessable Deposits
1	2	3	4	5	6
2007-08	I. Commercial Banks (i to v)	84	1582584	2672815	59.2
	i) SBI Group	8	532646	650375	81.9
	ii) Public Sector	19	916220	1325207	69.1
	iii) Foreign Banks	29	12612	161422	7.8
	iv) Private Banks	24	120931	535472	22.6
	v) Local Area Banks	4	175	338	51.7
	II. RRBs	92	63733	69222	92.1
	III. Co-operative Banks	2180	158764	242763	65.4
	Total (I+II+III)	2356	1805081	2984800	60.5
2008-09	I. Commercial Banks (i to v)	84	1663845	3059539	54.4
	i) SBI Group	7	514455	756085	68.0
	ii) Public Sector	18	792064	1485884	65.4
	iii) Foreign Banks	31	27092	161808	16.7
	iv) Private Banks	24	149923	655180	22.9
	v) Local Area Banks	4	312	582	53.6
	II. RRBs	86	83026	98046	84.7
	III. Co-operative Banks	2137	162080	240980	67.3
	Total (I+II+III)	2307	1908951	3398565	56.2
2009-10 @	I. Commercial Banks (i to v)	87	1351923	4094838	33.0
	i) SBI Group	7	409870	1014728	40.4
	ii) Public Sector	19	741860	1910505	38.8
	iii) Foreign Banks	34	18707	442306	4.2
	iv) Private Banks	23	181100	726577	24.9
	v) Local Area Banks	4	386	722	53.5
	II. RRBs	82	95659	119911	79.8
	III. Co-operative Banks	2080	234815	373218	62.9
	TOTAL (I+II+III)	2249	1682397	4587967	36.7
2010-11 @	I. Commercial Banks (i to v)	86	1397921	4452997	31.4
	i) SBI Group	6	369510	992944	37.2
	ii) Public Sector	19	786736	2230932	35.3
	iii) Foreign Banks	35	24047	246423	9.8
	iv) Private Banks	22	217183	981885	22.1
	v) Local Area Banks	4	444	814	54.6
	II. RRBs	82	101861	130540	78.0
	III. Co-operative Banks	2049	236018	368890	64.0
	TOTAL (I+II+III)	2217	1735800	4952427	35.1

@ Data as per new reporting format.

ANNEX - VI

DEPOSIT INSURANCE CLAIMS SETTLED DURING 2010-11

Sr. No.	Name of the bank	Main Claim / Supplementary Claim	No. of Depositors	Amount of Claims (Rs. in lakh)
1	2	3	4	5
	COMMERCIAL BANK			
1	Sikkim Bank Ltd., Gangtok	Supplementary	4	2.33
	Sub Total		4	2.33
	Co-operative Bank Assam (1)			
1	Urban Industrial Co-operative Bank Ltd.	Main	2400	43.15
	Sub Total		2400	43.15
	Andhra Pradesh (2)			
2	Vizianagarm Co-operative Urban Bank Ltd.	Main	6948	711.41
3	Mahalakshmi Co-operative Urban Bank Ltd.	Supplementary	10	3.88
	Sub Total		6958	715.29
	Chhatisgarh (1)			
4	Indira Priyadarshini Mahila Nagrik Sahakari Bank Ltd., Raipur	Supplementary	94	30.31
	Sub Total		94	30.31
	Gujarat (27)			
5	Ahmedabad Mahila Nagrik Sahakari Bank Ltd.	Supplementary	1	0.06
6	Ahmedabad Peoples Co-operative Bank Ltd.	Main	36558	4451.32
7	Anand Peoples Co-operative Bank Ltd.	Supplementary	530	71.39
8	Bahadarpur Urban Co-operative Bank Ltd.	Main	4862	490.26
9	Baroda Peoples Co-operative Bank Ltd.	Supplementary	50	16.79
10	Bhavnagar Mercantile Co-operative Bank Ltd.	Supplementary	73	12.71
11	Century Co-operative Bank Ltd., Surat	Supplementary	1	0.55
12	Charotar Nagrik Sahakari Bank Ltd.	Supplementary	34	7.33
13	Dabhoi Nagrik Sahakari Bank Ltd.	Supplementary	21	5.67
14	General Co-operative Bank Ltd., Ahmedabad	Supplementary	33	19.11
15	Janata Co-operative Bank Ltd., Nadiad	Supplementary	23	7.84
16	Matar Nagarik Sahakari Bank Ltd., Kheda	Supplementary	40	4.38
17	Nadiad Mercantile Co-operative Bank Ltd., Nadiad	Supplementary	63	3.81
18	Natpur Co-operative Bank Ltd., Nadiad	Supplementary	121	36.67
19	Navsari Peoples Co-operative Bank Ltd., Navsari	Supplementary	1201	42.13
20	Petlad Commercial Co-operative. Bank Ltd.	Supplementary	4	3.15

ANNEX - VI (Contd.)

Sr. No.	Name of the bank	Main Claim / Supplementary Claim	No. of Depositors	Amount of Claims (Rs. in lakh)
1	2	3	4	5
21	Petlad Nagarik Sahakari Bank Ltd.	Supplementary	2	0.72
22	Prantij Nagari Sahakari Bank Ltd.	Main	11446	701.59
23	Sabarmati Co-operative Bank Ltd.	Supplementary	6	1.53
24	Shree Vikas Co-operative Bank Ltd.	Supplementary	2	1.00
25	Shreenathji Co-operative Bank Ltd.	Supplementary	7	0.88
26	Shri Kamdar Sahakari Bank Ltd.	Main	14263	541.66
27	Shri Parola Urban Co-operative Bank Ltd., Parola	Main	5289	512.43
28	Shri Vitrag Co-operative Bank Ltd.	Supplementary	11	2.80
29	Surat Mahila Nagarik Sahakari Bank Ltd.	Main	44393	2603.71
30	Surendranagar People's Co-operative Bank Ltd., Surendranagar	Main	56722	4867.42
31	Visnagar Nagarik Sahakari Bank Ltd.	Supplementary	31	12.28
	Sub Total		175787	14419.18
	Jharkhand (1)			
32	Daltonganj Central Co-operative Bank Ltd.	Supplementary	2	0.53
	Sub Total		2	0.53
	Karnataka (9)			
33	Bellati Urban Co-operative Bank Ltd.	Main	56	0.59
34	Haliyal Urban Co-operative Bank Ltd.	Supplementary	17	2.11
35	Katkol Co-operative Bank Ltd.	Main	39912	1462.03
36	Maratha Co-operative Bank Ltd., Hubli	Supplementary	1	0.35
37	Primary Teachers Co-operative Bank Ltd., Nipani	Main	3710	649.22
38	Raibag Urban Co-operative Bank Ltd.	Main	4501	147.70
39	Shree Chamaraja Co-operative Bank Ltd.	Main	174	1.79
40	Shri Sampige Siddeshwara Urban Co-operative Bank Ltd.	Main	3479	493.52
41	Urban Co-operative Bank Ltd., Siddapur	Supplementary	72	12.18
	Sub Total		51922	2769.48
	Madhya Pradesh (3)			
42	Citizen Co-operative Bank Ltd., Burhanpur	Main	27061	2295.50
43	Maharashtra Brahmin Sahakari Bank Ltd., Indore	Supplementary	1697	87.49
44	Mitra Mandal Sahakari Bank Ltd., Indore	Supplementary	7	0.18
	Sub Total		28765	2383.18
	Maharashtra (25)			
45	Achalpur Urban Co-operative Bank, Amaravati	Supplementary	38	19.90
46	Ajit Sahakari Bank Ltd., Pune	Supplementary	18	8.15

ANNEX - VI (Concl'd.)

Sr. No.	Name of the bank	Main Claim / Supplementary Claim	No. of Depositors	Amount of Claims (Rs. in lakh)
1	2	3	4	5
47	Annasaheb Patil Urban Co-operative Bank Ltd.	Main	6296	279.97
48	Aurangabad Peoples Co-operative Bank Ltd.	Supplementary	13	6.11
49	Chalisingaon Peoples Co-operative Bank Ltd.	Supplementary	7	7.55
50	Champavati Urban Co-operative Bank Ltd.	Main	14809	1455.35
51	Friends Co-operative Bank Ltd., Mumbai	Supplementary	1	0.28
52	Ichalkaranji Jiveswar Sahakari Bank Ltd.	Supplementary	1	1.00
53	Kupwad Urban Co-operative Bank Ltd, Sangli	Main	12581	1077.81
54	Miraj Co-operative Urban Bank Ltd., Miraj	Supplementary	249	20.87
55	Nagpur Mahila Nagari Sahakari Bank Ltd.	Main	53985	4758.76
56	Parbhani Peoples Co-operative Bank Ltd.	Supplementary	1	0.20
57	Rahuri People Co-operative Bank Ltd.	Main	13828	1675.01
58	Rajlaxmi Nagari Sahakari Bank Ltd., Dhule	Main	3415	249.11
59	Rajwade Mandal People Co-operative Bank Ltd.	Main	26414	1337.18
60	Ravi Co-Operative Bank Ltd., Dist. Kolhapur	Supplementary	50	11.76
61	Rohe Ashtami Sahakari Bank Ltd.	Supplementary	11	4.06
62	Sadhana Co- operative Bank Ltd., Ichalkaranji	Main	3384	156.04
63	Shree Mahesh Sahakari Bank Ltd.	Main	9205	839.93
64	Shree Sinnar Vyapari Sahakari Bank Ltd.	Main	35219	4037.41
65	Shriram Sahakari Bank Ltd.	Supplementary	9	3.30
66	Solapur Dist Industrial Co-operative Bank Ltd.	Supplementary	2	1.62
67	South Indian Co-operative Bank Ltd.	Supplementary	682	11.05
68	Vasantdada Shetkari Sahakari Bank Ltd.	Supplementary	410	172.68
69	Yeshwant Sahakari Bank Ltd., Miraj	Main	21213	1147.72
	Sub Total		201841	17282.84
70	Tamilnadu (1) Madurai Urban Co-operative Bank Ltd.	Supplementary	1	1.00
	Sub Total		1	1.00
71	Uttar Pradesh (2) Oudh Sahakari Bank Ltd.	Main	5198	232.60
72	Urban Co-operative Bank Ltd., Allahabad	Supplementary	75	3.30
	Sub Total		5273	235.90
73	Uttaranchal (1) Urban Co-operative Bank Ltd., Tehri.	Supplementary	182	16.21
	Sub Total		182	16.21
	Grand Total		473229	37899.39

ANNEX - VII

**INSURANCE CLAIMS SETTLED AND REPAYMENT RECEIVED – ALL BANKS
LIQUIDATED / AMALGAMATED / RECONSTRUCTED UPTO MARCH 31, 2011**

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
I	COMMERCIAL BANKS			
	i) Full repayment received			
	1) Bank of China, Kolkata (1963)	9.25	9.25	–
	2) Shree Jadeya Shankarling Bank Ltd., Bijapur (1965)*	0.12	0.12	–
	3) Bank of Bihar Ltd., Patna (1970)*	46.32	46.32	–
	4) Cochin Nayar Bank Ltd., Trichur (1964)*	7.04	7.04	–
	5) Latin Christian Bank Ltd., Ernakulam (1964)*	2.08	2.08	–
	6) Bank of Karad Ltd., Mumbai (1992)	3,700.00	3,700.00	–
	7) Miraj State Bank Ltd., Miraj (1987)*	146.59	146.59	–
	TOTAL 'A'	3,911.40	3,911.40	–
	ii) Repayment received in part and balance due written off			
	8) Unity Bank Ltd., Chennai (1963)*	2.53	1.37 (1.16)	–
	9) Unnao Commercial Bank Ltd., Unnao (1964)*	1.08	0.31 (0.77)	–
	10) Chawla Bank Ltd., Dehradun (1969)*	0.18	0.14 (0.04)	–
	11) Metropolitan Co-op. Bank Ltd., Kolkata (1964)*	8.80	4.42 (4.39)	–
	12) Southern Bank Ltd., Kolkata (1964)*	7.34	3.73 (3.61)	–
	13) Bank of Algapuri Ltd., Algapuri (1963)*	0.28	0.18 (0.10)	–
	14) Habib Bank Ltd., Mumbai (1966)*	17.26	16.78 (0.47)	–
	15) National Bank of Pakistan, Kolkata (1966)*	0.99	0.88 (0.11)	–
	16) Parur Central Bank Ltd., North Parur, Maharashtra (1990)*	260.21	231.92 (28.30)	–
	TOTAL 'B'	298.67	259.73 (38.95)	–
	iii) Part Payment received			
	17) National Bank of Lahore Ltd., Delhi (1970)*	9.69	–	9.69
	18) Bank of Cochin Ltd., Cochin (1986)*	1,162.78	1,055.78	107.00
	19) Lakshmi Commercial Bank Ltd., Banglore*	3,340.62	913.58	2,427.04
	20) Hindustan Commercial Bank Ltd., Delhi (1988)*	2,191.67	1,053.75	1,137.92
	21) United Industrial Bank Ltd., Kolkata (1990)*	3,501.58	326.32	3,175.26

ANNEX - VII (Contd.)

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
	22) Traders Bank Ltd., Delhi (1990)*	306.34	134.82	171.52
	23) Bank of Thanjavur Ltd., Thanjavur, T.N. (1990)*	1,078.36	933.88	144.48
	24) Bank of Tamilnad Ltd., Tirunelveli, T.N. (1990)*	764.50	758.97	5.53
	25) Purbanchal Bank Ltd., Guwahati (1990)*	725.77	97.60	628.17
	26) Sikkim Bank Ltd., Gangtok (2000)*	1,729.56	–	1,729.56
	27) Benares State Bank Ltd., U.P. (2002)*	10,564.42	4,236.48	6,327.94
	TOTAL 'C'	25,375.29	9,511.18	15,864.11
	TOTAL (A+B+C)	29,585.36	13,682.31	15,864.11
II	CO-OP. BANKS			
	i) Full repayment received			
	1) Malvan Co-op. Bank Ltd., Malvan (1977)	1.84	1.84	–
	2) Bombay Peoples Co-op. Bank Ltd., Mumbai (1978)	10.72	10.72	–
	3) Dadhich Sahakari Bank Ltd., Mumbai (1984)	18.37	18.37	–
	4) Ramdurg Urban Co-op. Credit Bank Ltd., Ramdurg (1981)	2.19	2.19	–
	5) Bombay Commercial Co-op. Bank Ltd., Mumbai (1976)	5.73	5.73	–
	6) Metropolitan Co-op. Bank Ltd., Mumbai (1992)	125.00	125.00	–
	7) Hindupur Co-op. Town Bank Ltd., A.P. (1996)	1.22	1.22	–
	8) Vasundhara Co-op. Urban Bank Ltd., A.P. (2005)	6.30	6.30	–
	TOTAL 'D'	171.37	171.37	–
	ii) Repayments received in part and balance due written off			
	9) Ghatkopar Janata Co-op. Bank Ltd., Mumbai (1977)	2.76	0 (2.76)	–
	10) Bhadravati Town Co-op. Bank Ltd., Bhadravati (1994)	0.26	0 (0.26)	–
	11) Aarey Milk Colony Co-op. Bank Ltd., Mumbai (1978)	0.60	0 (0.60)	–
	12) Armoor Co-op. Bank Ltd., A.P. (2003)	7.08	5.27 (1.81)	–
	13) Ratanagiri Urban Co-op. Bank Ltd., Ratnagiri, Maharashtra (1978)*	46.42	12.57 (33.85)	–
	14) The Neelagiri Co-op. Urban Bank Ltd., A.P (2005)	21.15	5.49 (15.65)	–
	TOTAL 'E'	78.27	23.33 (54.93)	–
	iii) Part Payment received			
	15) Vishwakarma Co-op. Bank Ltd., Mumbai, Maharashtra (1979)*	11.57	5.60	5.97
	16) Prabhadevi Janata Sahakari Bank Ltd., Mumbai, Maharashtra (1979)*	7.02	3.06	3.96

ANNEX - VII (Contd.)

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
	17) Kalavihar Co-op. Bank Ltd., Mumbai, Maharashtra (1979)*	13.17	3.36	9.81
	18) Vysya Co-op. Bank Ltd., Bangalore, Karnataka (1982)*	91.31	12.95	78.36
	19) Kollur Parvati Co-op. Bank Ltd., Kollur, A.P. (1985)	13.96	7.08	6.88
	20) Adarsh Co-op. Bank Ltd., Mysore, Karnataka (1985)	2.74	0.66	2.08
	21) Kurduwadi Merchants Urban Co-op. Bank Ltd., Maharashtra (1986)*	4.85	4.01	0.84
	22) Gadag Urban Co-op. Bank Ltd., Karnataka (1986)	22.85	13.16	9.69
	23) Manihal Urban Co-op. Bank Ltd., Karnataka (1987)	9.62	2.28	7.34
	24) Hind Urban Co-op. Bank Ltd., Lucknow, U.P. (1988)	10.95	-	10.95
	25) Yellamanchilli Co-op. Urban Bank Ltd., A.P. (1990)	4.36	0.52	3.84
	26) Vasavi Co-op. Urban Bank Ltd., Gurezala, A.P. (1991)	3.89	0.49	3.40
	27) Kundara Co-op. Urban Bank Ltd., Kerala (1991)	17.37	9.05	8.32
	28) Manoli Shri Panchlingeshwar Urban Co-op. Bank Ltd., Karnataka (1991)	17.44	11.39	6.05
	29) Sardar Nagarik Sahakari Bank Ltd., Baroda, Gujarat (1991)	74.86	18.00	56.86
	30) Belgaum Muslim Co-op. Bank Ltd., Karnataka (1992)*	37.11	2.74	34.37
	31) Bhiloda Nagarik Sahakari Bank Ltd., Gujarat (1994)	19.84	1.02	18.82
	32) Citizens Urban Co-op. Bank Ltd., Indore, M.P. (1994)	220.21	10.00	210.21
	33) Chetana Co-op. Bank Ltd., Mumbai Maharashtra (1995)	875.49	7.58	867.91
	34) Bijapur District Industrial Co-op. Bank Ltd., Hubli, Karnataka (1996)	24.13	-	24.13
	35) The People's Co-op. Bank Ltd., Ichalkaranji, Maharashtra (1996)	365.46	-	365.46
	36) Swastik Janata Co-op. Bank Ltd., Mumbai, Maharashtra (1998)	226.63	-	226.63
	37) Kolhapur Zilha Janata Sahakari Bank Ltd., Mumbai, Maharashtra (1998)	801.17	-	801.17
	38) Dharwad Industrial Co-op. Bank Ltd., Hubli, Karnataka (1998)	9.16	9.16	-
	39) Dadar Janata Sahakari Bank Ltd., Mumbai, Maharashtra (1999)	518.03	5.00	513.03
	40) Vinkar Sahakari Bank Ltd., Mumbai, Maharashtra (1999)	180.68	-	180.68
	41) Trimooriti Sahakari Bank Ltd., Pune, Maharashtra (1999)	285.56	140.00	145.56
	42) Awami Mercantile Co-op. Bank Ltd., Mumbai, Maharashtra (2000)	462.40	30.00	432.40
	43) Ravikiran Urban Co-op. Bank Ltd., Mumbai, Maharashtra (2000)	621.57	2.61	618.96
	44) Gudur Co-op. Urban Bank Ltd., A.P. (2000)	67.37	9.64	57.73
	45) Anakapalle Co-op. Urban Bank Ltd., A.P. (2000)	24.47	1.37	23.10
	46) Indira Sahakari Bank Ltd., Mumbai, Maharashtra (2000)	1,570.13	0.84	1,569.29

ANNEX - VII (Contd.)

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
	47) Nandgaon Merchants Co-op. Bank Ltd., Maharashtra (2000)	22.42	-	22.42
	48) Siddharth Sahakari Bank Ltd., Jalgaon, Maharashtra (2000)	53.99	11.00	42.99
	49) Sholapur Zilla Mahila Sahakari Bank Ltd., Maharashtra (2000)	274.95	40.00	234.95
	50) The Sami Taluka Nagrik Sahakari Bank Ltd., Gujarat (2000)	20.17	-	20.17
	51) Ahilyadevi Mahila Nagrik Sahakari, Bank Ltd., Kalamnuri, Maharashtra (2001)	16.96	-	16.96
	52) Nagrik Sahakari Bank Ltd. Sagar, M.P. (2001)	70.14	-	70.14
	53) Indra Sahakari Bank Ltd., Aurangabad, Maharashtra (2001)	218.63	4.66	213.97
	54) Nagrik Co-op. Commercial Bank Maryadit, Bilaspur, M.P. (2001)	261.36	-	261.36
	55) Ichalkaranji Kamgar Nagarik Sahakari Bank Ltd., Maharashtra (2001)	50.68	-	50.68
	56) Parishad Co-op. Bank Ltd., New Delhi (2001)	39.47	37.81	1.66
	57) Sahyog Co-op. Bank Ltd., Ahmedabad, Gujarat (2002)	299.53	15.50	284.03
	58) Madhavpura Mercantile Co-op. Bank Ltd., Ahmedabad, Gujarat (2001)	40,094.00	-	40,094.00
	59) Krushi Co-op. Urban Bank Ltd., Secunderabad, A.P. (2001)	2,324.04	285.06	2,038.98
	60) Jabalpur Nagrik Sahakari Bank Ltd., (deregistered), M.P. (2002)	194.86	150.72	44.14
	61) Shree Laxmi Co-op. Bank Ltd., Ahmedabad, Gujarat (2002)	1,387.39	223.80	1,163.59
	62) Maratha Market Peoples Co-op Bank Ltd., Mumbai, Maharashtra (2002)	379.60	-	379.60
	63) Latur Peoples Co-op. Bank Ltd., (deregistered), Maharashtra (2002)	30.49	-	30.49
	64) Sri. Lakshmi Mahila Co-op. Urban Bank Ltd., (deregistered), A..P (2002)	78.21	-	78.21
	65) Friends Co-op. Bank Ltd., Mumbai, Maharashtra (2002)	484.57	1.20	483.37
	66) Bhagyanagar Co-op. Urban Bank Ltd. (deregistered), A.P. (2002)	96.97	93.64	3.33
	67) Aska Co-op. Urban Bank Ltd., (Deregistered), Orissa (2002)	70.33	-	70.33
	68) The Veraval Ratnakar Co-op. Bank Ltd. (deregistered), Gujarat (2002)	265.54	-	265.54
	69) Shree Veraval Vibhagiya Nagrik Sahahakari Bank (deregistered), Gujarat (2002)	258.66	-	258.66
	70) Sravya Co-op. Bank Ltd., A.P. (2002)	743.77	24.21	719.56
	71) Majoor Sahakari Bank Ltd., Ahmedabad, Gujarat (2002)	147.79	3.20	144.59

ANNEX - VII (Contd.)

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
	72) Meera Bhainder Co-op. Bank Ltd. (deregistered), Maharashtra (2003)	224.48	–	224.48
	73) Shree Labh Co-op. Bank Ltd., Mumbai, Maharashtra (2003)	475.07	3.41	471.66
	74) Khed Urban Co-op. Bank Ltd., Maharashtra (2003)	463.68	–	463.68
	75) Janata Sahakari Bank Maryadit, Dewas, M.P. (2003)	717.42	661.41	56.01
	76) Nizamabad Co-op. Town Bank Ltd., A.P. (2003)	112.90	100.38	12.52
	77) The Megacity Co-op. Urban Bank Ltd., A.P. (2003)	161.98	146.78	15.20
	78) The Kurnool Urban Co-op. Credit Bank Ltd., A.P. (2003)	474.33	465.56	8.77
	79) Yamuna Nagar Urban Co-op. Bank Ltd., Hariyana (2003)	300.47	28.00	272.47
	80) Praja Co-op. Urban Bank Ltd., A.P. (2003)	92.54	86.14	6.40
	81) Charminar Co-op. Urban Bank Ltd., A.P. (2003)	14,323.44	7,842.04	6,481.40
	82) Rajampet Co-op. Town Bank Ltd., A.P. (2003)	163.45	72.50	90.95
	83) Shri Bhagyalaxmi Co-op. Bank Ltd., Gujarat (2003)	340.33	36.00	304.33
	84) Aryan Co-op. Urban Bank Ltd., A.P. (2003)	467.81	436.32	31.49
	85) The First City Co-op. Urban Bank Ltd., A.P. (2003)	128.73	112.44	16.29
	86) Kalwa Belapur Sahakari Bank Ltd., Maharashtra (2003)	488.80	0.25	488.55
	87) Ahmedabad Mahila Nagrik Sahakari Bank Ltd., Gujarat (2003)	333.29	9.56	323.73
	88) Theni Co-op. Urban Bank Ltd., Tamil Nadu (2003)	331.78	0.07	331.71
	89) The Mandsaur Commercial Co-op. Bank Ltd., M.P. (2003)	1,411.40	1,157.98	253.42
	90) Mother Theresa Co-op. Urban Bank Ltd., A.P. (2003)	572.46	14.00	558.46
	91) Dhana Co-op. Urban Bank Ltd., A.P. (2003)	238.55	–	238.55
	92) Ahmedabad Urban Co-op. Bank Ltd., Gujarat (2003)	373.44	22.04	351.40
	93) The Star Co-op. Urban Bank Ltd., A.P. (2003)	26.27	–	26.27
	94) The Janata Commercial Co-op. Bank Ltd., Ahmedabad, Gujarat (2003)	411.26	–	411.26
	95) Manikanta Co-op. Urban Bank Ltd., A.P. (2003)	216.78	173.00	43.78
	96) Bhavnagar Welfare Co-op. Bank Ltd., Gujarat (2003)	355.08	–	355.08
	97) Navodaya Sahakari Bank Ltd., Karnataka (2003)	30.38	25.22	5.16
	98) Pithapuram Co-op. Urban Bank Ltd., A.P. (2003)	76.98	76.91	0.07
	99) Shree Adinath Sahakari Bank Ltd., Maharashtra (2003)	429.71	167.15	262.56
	100) Santram Co-op. Bank Ltd., Gujarat (2003)	1,158.72	28.18	1,130.54
	101) Palana Sahakari Bank Ltd., Gujarat (2003)	229.52	217.91	11.61
	102) Nayaka Mercantile Co-op. Bank Ltd., Gujarat (2004)	255.31	–	255.31
	103) General Co-op. Bank Ltd., Gujarat (2004)	7,098.36	178.95	6,919.41
	104) Western Co-op. Bank Ltd., Mumbai, Maharashtra (2004)	440.86	0.57	440.29
	105) Charotar Nagarik Sahakari Bank Ltd., Gujarat (2004)	20,535.05	920.96	19,614.09
	106) Pratibha Mahila Sahakari Bank Ltd., Jalgaon, Maharashtra (2004)	341.92	–	341.92

ANNEX - VII (Contd.)

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
	107) Visnagar Nagarik Sahakari Bank Ltd.,Gujarat (2004)	38,211.65	122.59	38,089.06
	108) Narasaraopet Co-op. Urban Bank Ltd., A.P. (2004)	17.94	1.30	16.64
	109) Bhanjanagar Co-op. Urban Bank Ltd., Orissa (2004)	98.00	–	98.00
	110) The Sai Co-op. Urban Bank Ltd., A.P. (2004)	101.70	61.70	40.00
	111) The Kalyan Co-op. Bank Ltd., A.P. (2005)	135.10	9.00	126.10
	112) Trinity Co-op. Urban Bank Ltd., A.P. (2005)	193.06	61.99	131.07
	113) Gulbarga Urban Co-op. Bank Ltd., Karnataka (2005)	254.41	7.93	246.48
	114) The Vijaya Co-op. Urban Bank Ltd., A.P. (2005)	122.25	95.00	27.25
	115) Shri Satya Sai Co-op. Bank Ltd., A.P. (2005)	73.87	20.00	53.87
	116) Sri Ganganagar Urban Co-op. Bank Ltd., Rajasthan (2005)	47.88	–	47.88
	117) Sitara Co-op. Urban Bank Ltd., Hydreabad, A.P. (2005)	37.41	–	37.41
	118) Mahalaxmi Co-op. Urban Bank Ltd., Hyderabad, A.P. (2005)	420.00	3.94	416.06
	119) Maa Sharda Mahila Nagri Sahakari Bank Ltd., Akola, Maharashtra (2005)	133.52	4.50	129.02
	120) Partur Peoples Co-op. Bank Ltd., Maharashtra	158.37	–	158.37
	121) Sholapur District Industrial Co-op. Bank Ltd, Maharashtra (2005)	1,074.57	2.50	1,072.07
	122) The Baroda People's Co-op. Bank Ltd., Gujarat (2005)	5,837.72	217.87	5,619.85
	123) The Co-op. Bank of Umreth Ltd., Gujarat (2005)	494.38	29.24	465.14
	124) Shree Patni Co-op. Bank Ltd., Gujarat (2005)	865.31	26.04	839.27
	125) Classic Co-op. Bank Ltd., Gujarat (2005)	57.26	5.00	52.26
	126) The Sabarmati Co-op. Bank Ltd., Gujarat (2005)	3,186.90	324.95	2,861.95
	127) Matar Nagrik Sahakari Bank Ltd., Gujarat (2005)	308.92	17.32	291.60
	128) Diamond Jubilee Co-op. Bank Ltd., Surat, Gujarat (2005)	6,064.03	6,064.03	0.00
	129) Petlad Commercial Co-op. Bank Ltd., Gujarat (2005)	736.40	54.00	682.40
	130) Nadiad Mercantile Co-op. Bank Ltd., Gujarat (2005)	2,946.39	53.76	2,892.63
	131) Shree Vikas Co-op. Bank Ltd., Gujarat (2005)	2,212.73	83.61	2,129.12
	132) Textile Processors Co-op. Bank Ltd., Gujarat (2005)	537.55	25.36	512.19
	133) Pragati Co-op. Bank Ltd., Gujarat (2005)	1,297.39	45.17	1,252.22
	134) Ujvar Co-op. Bank Ltd., Gujarat (2005)	157.06	–	157.06
	135) Sunav Nagrik Sahakari Bank Ltd., Gujarat (2005)	175.73	0.90	174.83
	136) Sanskardhani Mahila Nagrik Sahakari Bank Ltd., Jabalpur, M.P. (2005)	30.32	–	30.32
	137) Citizen Co-op. Bank Ltd., Damoh, M.P. (2005)	85.01	–	85.01
	138) Darbhanga Central Co-op. Bank Ltd., Bihar (2005)	190.00	–	190.00
	139) Bellampalli Co-op. Urban Bank Ltd., A.P. (2005)	75.03	–	75.03
	140) Shri Vitthal Co-op. Bank Ltd., Gujarat (2005)	797.30	8.50	788.80
	141) Suryapur Co-op. Bank Ltd., Gujarat (2005)	5,603.21	132.07	5,471.14

ANNEX - VII (Contd.)

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
	142) Shri Sarvodaya Co-op. Bank Ltd., Gujarat (2005)	108.99	-	108.99
	143) Petlad Nagrik Sahakari Bank Ltd., Gujarat (2005)	243.91	20.91	223.00
	144) Raghuvanshi Co-op. Bank Ltd., Mumbai, Maharashtra (2005)	1,206.60	1.00	1,205.60
	145) Sholapur Merchants Co-op. Bank Ltd., Maharashtra (2005)	306.97	-	306.97
	146) Aurangabad Peoples Co-op. Bank Ltd., Maharashtra (2005)	299.33	74.33	225.00
	147) Urban Co-op. Bank Ltd., Tehri., Uttaranchal (2005)	162.86	17.21	145.65
	148) Shreenathji Co-op. Bank Ltd., Gujarat (2005)	408.28	5.88	402.40
	149) The Century Co-op. Bank Ltd., Surat (2006)	672.83	69.43	603.40
	150) Jilla Sahakari Kendriya Bank Ltd., Raigarh, Chhattisgarh (2006)	1,816.37	-	1,816.37
	151) Madhepura Supaul Central Co-op. Bank Ltd., Bihar (2006)	650.54	-	650.54
	152) Navsari Peoples Co-op. Bank Ltd., Gujarat (2006)	2,992.41	258.37	2,734.04
	153) Sheth Bhagwandas B. Shroff Bulsar Peoples Co-op. Bank Ltd., Valsad, Gujarat (2006)	2,320.10	181.94	2,138.16
	154) Maharashtra Brahman Sahakari Bank Ltd., M.P. (2006)	3,011.25	169.49	2,841.76
	155) Mitra Mandal Sahakari Bank Ltd., Indore, M.P. (2006)	1,456.62	314.32	1,142.30
	156) Chhapra District Central Co-op. Bank Ltd., Bihar (2006)	825.30	-	825.30
	157) Shri Vitrag Co-op. Bank Ltd., Surat, Gujarat (2006)	928.89	16.47	912.42
	158) Shri Swaminarayan Co-op. Bank Ltd., Vadodara, Gujarat (2006)	4,295.58	168.64	4,126.94
	159) Janata Co-op. Bank Ltd., Nadiad, Gujarat (2006)	3,223.05	301.92	2,921.13
	160) The Natpur Co-op. Bank Ltd., Nadiad, Gujarat (2006)	5,487.05	141.56	5,345.49
	161) Metro Co-op. Bank Ltd, Surat, Gujarat (2006)	1,205.33	0.02	1,205.31
	162) The Royale Co-op. Bank Ltd., Surat, Gujarat (2006)	908.19	3.42	904.77
	163) The Jai Hind Co-op. Bank Ltd., Mumbai, Maharashtra (2006)	1,188.96	503.19	685.77
	164) The Madurai Urban Co-op. Bank Ltd., Tamil Nadu (2006)	2,577.57	347.62	2,229.95
	165) Karnataka Contractors Sahakari Bank Niyamith, Bangalore, Karnataka (2006)	297.58	6.14	291.44
	166) Anand Peoples Co-op. Bank Ltd., Gujarat (2006)	3,668.30	224.33	3,443.97
	167) Kotagiri Urban Co-op. Bank Ltd.,Tamil Nadu (2006)	245.94	5.53	240.41
	168) The Relief Mercantile Co-op. Bank Ltd., Ahmedabad, Gujarat (2006)	113.98	-	113.98
	169) Cauvery Urban Co-op. Bank Ltd., Bangalore, Karnataka (2006)	48.47	-	48.47
	170) Baroda Mercantile Co-op. Bank Ltd., Gujarat (2006)	128.25	6.12	122.13
	171) Dabhoi Nagrik Sahakari Bank Ltd., Gujarat (2006)	1,629.92	17.00	1,612.92
	172) Dhansura Peoples Co-op. Bank Ltd., Gujarat (2006)	587.98	16.50	571.48
	173) Samasta Nagar Co-op. Bank Ltd., Maharashtra (2006)	1,160.52	34.23	1,126.29
	174) Prudential Co-op. Bank Ltd., Secunderabad, A.P. (2007)	7,559.59	4,809.59	2,750.00

ANNEX - VII (Contd.)

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
	175) Lok Vikas Urban Co-op. Bank Ltd., Jaipur, Rajasthan (2007)	66.06	-	66.06
	176) Nagrik Sahakari Bank Maryadit, Ratlam, M.P. (2007)	203.94	-	203.93
	177) Sind Mercantile Co-op. Bank Ltd., Ahmedabad, Gujarat (2007)	1,039.04	40.00	999.04
	178) Shriram Sahakari Bank Ltd., Nashik, Maharashtra (2007)	3,231.44	1,168.99	2,062.45
	179) Parbhani Peoples Co-op. Bank Ltd., Maharashtra (2007)	3,678.08	0.20	3,677.88
	180) Purna Nagri Sahakari Bank Ltd., Maharashtra (2007)	475.76	0.26	475.50
	181) Yeshwant Sahakari Bank Ltd., Mumbai, Maharashtra (2007)	59.39	-	59.39
	182) The Kanyaka Parameswari Mutually Aided Co-op. Urban Bank Ltd., Kukatpally, A.P. (2007)	297.49	7.66	289.83
	183) Mahila Nagrik Sahakari Bank Ltd., Khargone, M.P. (2007)	43.06	4.42	38.64
	184) The Karamsad Urban Co-op. Bank Ltd., Anand, Gujarat (2007)	1,247.59	18.76	1,228.83
	185) Bharat Mercantile Co-op. Urban Bank Ltd., Hyderabad, A.P (2007)	312.32	2.77	309.55
	186) Lord Balaji Co-op. Bank Ltd., Sangli, Maharashtra (2007)	272.88	1.00	271.88
	187) Vasundhara Mahila Co-op. Urban Bank Ltd., Warangal, A.P. (2007)	23.04	-	23.04
	188) Begusarai Urban Development Co-op. Bank Ltd., Bihar (2007)	59.38	-	59.38
	189) Datia Nagrik Sahakari Bank.Ltd., M.P. (2007)	14.86	-	14.86
	190) Adarsh Mahila Co-op. Bank Ltd., Mehsana, Gujarat (2007)	129.75	0.77	128.98
	191) The Umreth Peoples Co-op. Urban Bank Ltd., Gujarat (2007)	220.79	1.06	219.73
	192) Sarvodaya Nagrik Sahakari Bank Ltd., Visnagar, Gujarat (2007)	1,602.86	6.98	1,595.88
	193) Shree Co-op. Bank Ltd., Indore, M.P. (2007)	24.77	0.00	24.77
	194) Onake Obavva Mahila Co-op. Bank Ltd., Chitradurga, Karnataka (2007)	548.47	0.58	547.89
	195) The Vikas Co-op. Bank Ltd., Ahmedabad, Gujarat (2007)	102.62	3.44	99.18
	196) Shree Jamnagar Nagrik Sahakari Bank Ltd., Gujarat (2007)	112.38	-	112.38
	197) Anand Urban Co-op. Bank Ltd., Gujarat (2008)	1,845.59	2.04	1,843.55
	198) Rajkot Mahila Nagrik Sahakari Bank Ltd., Gujarat (2008)	682.18	40.09	642.09
	199) Sevalal Urban Co-op. Bank Ltd., Mandrup, Maharashtra (2008)	6.66	-	6.66
	200) Nagaon Urban Co-op. Bank Ltd., Assam (2008)	61.31	-	61.31
	201) Sarvodaya Mahila Co-op. Bank Ltd., Burhanpur, M.P. (2008)	83.91	-	83.91
	202) Chetak Urban Co-op. Bank Ltd., Parbhani, Maharashtra (2008)	74.43	5.88	68.55
	203) Basavakalyan Pattana Sahakari Bank Ltd., Basaganj, Karnataka (2008)	26.73	1.77	24.96

ANNEX - VII (Contd.)

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
	204) Indian Co-op. Development Bank Ltd., Meerut, U.P. (2008)	375.89	3.30	372.59
	205) Talod Janata Sahakari Bank Ltd., Gujarat (2008)	245.23	10.37	234.86
	206) The Challakere Urban Co-op. Bank Ltd., Karnataka (2008)	326.41	1.23	325.18
	207) The Dakor Mahila Nagarik Sahakair Bank Ltd., Gujarat (2008)	63.75	10.88	52.87
	208) Zila Sahakari Bank Ltd., Gonda, U.P. (2008)	4,543.68	2.56	4,541.12
	209) The Maratha Co-op. Bank Ltd., Hubli, Karnataka (2008)	1,854.35	579.63	1,274.72
	210) Shree Janata Sahkari Bank Ltd, Radhanpur, Gujarat (2008)	475.18	10.95	464.23
	211) Parivartan Co-op. Bank Ltd., Mumbai, Maharashtra (2008)	1,836.48	160.66	1,675.82
	212) Indira Priyadarshini Mahila Nagarik Sahakari Bank Ltd, Raipur, Chhattisgarh (2008)	1,645.61	288.56	1,357.05
	213) Ichalkaranji Jivheshwar Sahakari Bank Ltd., Maharashtra (2008)	241.67	143.46	98.21
	214) Kittur Rani Channamma Mahila Pattana Sahakari Bank Ltd., Hubli, Karnataka (2008)	228.50	3.10	225.40
	215) Bharuch Nagrik Sahakari Bank Ltd., Gujarat (2008)	995.04	279.92	715.12
	216) The Harugeri Urban Co-op. Bank Ltd., Karnataka (2009)	364.46	44.36	320.10
	217) Varada Co-op. Bank Ltd., Haveri, Karjagi, Karnataka (2009)	252.42	12.78	239.64
	218) Ravi Co-op. Bank Ltd., Kolhapur, Maharashtra (2008)	1,692.26	17.27	1,674.99
	219) Shri Balasaheb Satbhai Merchants Co-op. Bank Ltd., Kopergaon, Maharashtra (2008)	2,682.54	388.76	2,293.78
	220) Jai Lakshmi Co-op. Bank Ltd., Delhi (2008)	12.42	12.42	-
	221) Urban Co-op. Bank Ltd., Siddapur, Karnataka (2009)	1,129.33	343.49	785.84
	222) Shri B. J. Khatal Janata Shahakari Bank Ltd., Maharashtra (2009)	789.71	111.41	678.30
	223) Shree Kalmeshwar Urban Co-op. Bank Ltd., Hole- Alur, Karnataka (2009)	252.88	-	252.88
	224) Shri Laxmeshwar Urban Co-op. Credit Bank Ltd., Karnataka (2009)	676.60	-	676.60
	225) Priyadarshini Mahila Sahakari Bank Ltd., Latur, Maharashtra (2009)	657.93	202.02	455.91
	226) Sree Swamy Gnanananda Yogeewara Mahila Co-op. Bank Ltd., Puttur, A.P. (2009)	36.26	-	36.26
	227) Urban Co-op. Bank Ltd., Allahabad, U.P. (2009)	100.30	24.33	75.97
	228) Firozabad Urban Co-op. Bank Ltd., U.P. (2009)	40.15	-	40.15
	229) Siddapur Commercial Co-op. Bank Ltd., Gujarat (2009)	371.84	25.92	345.92
	230) Nutan Sahakari Bank Ltd., Baroda, Gujarat (2009)	1,289.02	294.49	994.53
	231) Bhavnagar Mercantile Co-op. Bank Ltd., Gujarat (2009)	3,742.79	1,589.92	2,152.87
	232) Sant Janabai Nagri Sahakari Bank Ltd., Gangakhed, Maharashtra (2009)	1,019.64	74.64	945.00

ANNEX - VII (Contd.)

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
	233) Shri S. K. Patil Co-op. Bank Ltd., Kurundwad, Maharashtra (2009)	1,330.59	68.97	1,261.62
	234) Shree Vardhman Co-op. Bank Ltd., Bhavnagar, Gujarat (2009)	518.22	299.86	218.36
	235) Dnyanopasak Urban Co-op. Bank Ltd., Parbhani, Maharashtra (2009)	162.20	-	162.20
	236) Achalpur Urban Co-op. Bank Ltd., Maharashtra (2009)	529.05	122.54	406.51
	237) Rohe Ashtami Sahakari Urban Bank Ltd., Rohe, Maharashtra (2009)	3,704.81	210.60	3,494.21
	238) South Indian Co-op. Bank Ltd., Mumbai, Maharashtra (2009)*	3,589.65	48.72	3,540.93
	239) The Ankleshwar Nagrik Sahakari Bank Ltd., Gujarat (2009)	2,374.30	1,640.23	734.07
	240) Ajit Co-op. Bank Ltd., Pune, Maharashtra (2009)	2,929.78	357.48	2,572.30
	241) Shree Siddhi Venkatesh Sahkari Bank Ltd., Maharashtra (2009)	208.19	93.23	114.96
	242) Hirekerur Urban Co-op. Bank Ltd., Karnataka (2009)	1,373.45	-	1,373.45
	243) Shri P. K. Anna Patil Janata Sahakari Bank Ltd., Nandurbar, Maharashtra (2009)	5,648.16	-	5,648.16
	244) Chalisgaon Peoples Co-op. Bank Ltd., Jalgaon, Maharashtra (2009)	3,009.16	1,511.18	1,497.98
	245) Deendayal Nagrik Sahakari Bank Ltd., Khandwa, M.P. (2009)	974.47	270.01	704.46
	246) Suvarna Nagri Sahakari Bank Ltd., Parbhani, Maharashtra (2009)	195.85	84.95	110.90
	247) Vasantdada Shetkari Sahakari Bank Ltd., Sangli, Maharashtra (2009)	16,680.97	687.60	15,993.37
	248) The Haliyal Urban Co-op. Bank Ltd., Karnataka (2009)	433.71	109.98	323.73
	249) Miraj Urban Co-op. Bank Ltd., Maharashtra (2009)	4,183.05	300.93	3,882.12
	250) Faizpur Janata Sahakari Bank Ltd., Maharashtra (2009)	334.64	70.61	264.03
	251) Daltonganj Central Co-op. Bank Ltd., Jharkhand (2010)	939.27	0.53	938.74
	252) Indira Sahakari Bank Ltd., Dhule, Maharashtra (2010)	1,245.53	-	1,245.53
	253) The Akot Urban Co-op. Bank Ltd., Maharashtra (2010)	1,439.07	163.85	1,275.22
	254) Goregaon Co-op. Urban Bank Ltd., Mumbai, Maharashtra (2010)	4,356.47	286.19	4,070.28
	255) The Anubhav Co-op. Bank Ltd., Basavakalyan, Karnataka (2010)	87.49	-	87.49
	256) Yashwant Urban Co-op. Bank Ltd., Parbhani, Maharashtra (2010)	1,168.08	52.46	1,115.62
	257) Prantij Nagrik Sahakari Bank Ltd., Gujarat (2010)	701.59	327.98	373.61
	258) Surendranagar Peoples Co-op. Bank Ltd., Gujarat, (2010)	4,867.42	1,792.47	3,074.95
	259) Bellatti Urban Co-op. Credit Bank Ltd., Karnataka, (2010)	0.59	-	0.59
	260) Shri Parola Urban Co-op. Bank Ltd., Maharashtra (2010)	512.43	6.87	505.56
	261) Sadhana Co-op. Bank Ltd., Maharashtra, (2010)	156.04	-	156.04

ANNEX - VII (Concl.)

(Amount in Rupees lakh)

Sr. No.	Name of the bank	Claims Settled	Repayments received (Written Off)	Balance (col.3 - col.4)
1	2	3	4	5
	262) Primary Teachers Co-op. Credit Bank Ltd., Karnataka, (2010)	649.22	73.38	575.84
	263) Shri Kamdar Sahakari Bank Ltd., Bhavnagar, Gujarat, (2010)	541.66	–	541.66
	264) Citizen Co-op. Bank Ltd., Burhanpur, M.P. (2010)	2,295.50	2,295.50	0.00
	265) Yeshwant Sahakari Bank Ltd., Miraj, Maharashtra (2010)	1,147.72	501.42	646.30
	266) Urban Industrial Co-op. Bank Ltd., Assam (2010)	43.15	–	43.15
	267) Ahmedabad Peoples Co-op. Bank Ltd., Gujarat (2010)	4,451.32	1,998.09	2,453.23
	268) Surat Mahila Nagrik Sahakari Bank Ltd., Gujarat (2010)	2,603.71	1,020.14	1,583.57
	269) Katkol Co-op. Bank Ltd., Karnataka (2010)	1,462.03	349.06	1,112.97
	270) Shri Sinnar Vyapari Sahakari Bank Ltd., Maharashtra, (2010)	4,037.41	783.36	3,254.05
	271) Nagpur Mahila Nagari Sahakari Bank Ltd., Maharashtra (2010)	4,758.76	2,828.51	1,930.25
	272) Rajlaxmi Nagari Sahakari Bank Ltd., Maharashtra, (2010)	249.11	32.25	216.86
	273) Bahadarpur Urban Co-op. Bank Ltd., Gujarat, (2010)	490.26	66.65	423.61
	274) Sri Sampige Siddeswara Urban Co-op. Bank, Karnataka (2010)	493.52	6.56	486.96
	275) Vizianagaram Co-op. Urban Bank Ltd., A.P. (2010)	711.41	260.62	450.79
	276) Oudh Sahakari Bank Ltd., U.P. (2010)	232.60	7.97	224.63
	277) Annasaheb Patil Urban Co-op. Bank Ltd., Maharashtra, (2010)	279.97	5.27	274.70
	278) Kupwad Urban Co-op. Bank Ltd., Maharashtra, (2010)	1,077.80	293.52	784.28
	279) Rahuri Peoples Co-op. Bank Ltd., Maharashtra, (2010)	1,675.01	546.43	1,128.58
	280) Raibag Urban Co-op. Bank Ltd., Karnataka, (2010)	147.70	–	147.70
	281) Champavati Urban Co-op. Bank Ltd., Maharashtra (2011)	1,455.34	359.45	1,095.89
	282) Shri Mahesh Sahakari Bank Maryadit, Maharashtra, (2011)	839.93	130.14	709.79
	283) Rajwade Mandal Peoples Co-op. Bank Ltd., Maharashtra (2011)	1,337.18	–	1,337.18
	284) Sri Chamaraja Co-op. Bank Ltd., Karnataka, (2011)	1.79	–	1.79
	TOTAL 'F'	371,903.77	55,388.19	316,515.57
	TOTAL (D+E+F)	372,153.41	55,582.89 (54.93)	316,515.57
	TOTAL (A+B+C+D+E+F)	401,738.77	69,265.20 (93.88)	332,379.68

* Scheme of amalgamation & Scheme of reconstruction.

Notes : 1. The year in which original claims were settled is given in brackets.

2. Figures in brackets under repayment column indicate amount written off up to March 31, 2011.

ANNEX - VIII

PROVISION FOR DEPOSIT INSURANCE CLAIMS - AGE-WISE ANALYSIS (AS ON MARCH 31, 2011)

Sr. No.	Date of de-registration / liquidation of the Bank	Name of the Bank	Amount (Rs. crore)	Banks which have slipped to higher time bucket (w.r.t. March 31, 2010)
A	More than 10 years old			
1	August 3, 1999	Jhargram Peoples Co-op. Society Ltd.	2.92	
2	December 4, 1999	Hubli Dharwar Urban Co-op. Credit Bank Ltd.	1.80	
	Total (A)	(2 Banks)	4.72	
B	Between 5 and 10 years old			
1	May 27, 2002	Madhepura Urban Development Co-op. Bank Ltd.	0.05	
2	July 22, 2002	Nalanda Urban Co-op. Bank Ltd.	0.69	
3	August 6, 2002	Pranabananda Co-op. Bank Ltd. (deregistered)	22.57	
4	September 23, 2002	Manipur Industrial Co-op. Bank Ltd.	1.81	
5	September 28, 2002	Federal Co-op. Bank Ltd. (deregistered)	1.37	
6	September 29, 2002	Jyotirlinga Sahakari Bank Niyamita.	2.42	
7	December 16, 2002	Silchar Co-op. Urban Bank Ltd.	1.81	
8	June 3, 2003	Lamka Urban Co-op. Bank Ltd.	0.03	
9	June 19, 2003	Sibsagar District Central Co-op. Bank Ltd.	18.87	
10	August 5, 2003	Sri Mauneshwar Co-op. Bank Ltd.	0.71	
11	March 16, 2004	Asansol Peoples Co-op. Bank Ltd. (deregistered)	3.50	
12	March 7, 2006	Hyderabad Co-op. Urban Bank Ltd.	0.65	✓
	Total (B)	(12 Banks)	54.48	1
C	Between 1 and 5 years old			
1	December 29, 2006	Guwahati Co-op. Town Bank Ltd.	8.24	
2	April 10, 2007	Rohuta Union Co-op. Bank Ltd.	14.57	
3	September 25, 2008	Bhadrak Urban Co-op. Bank Ltd.	2.72	
4	October 23, 2009	Suvidha Mahila Nagrik Sahakari Bank Ltd.	1.89	
5	December 30, 2009	Cambay Hindu Merchants Co-op. Bank Ltd.	7.57	
6	January 5, 2010	Shree Laxmi Sahakari Bank Ltd.	15.87	✓
7	January 29, 2010	Raichur Zila Mahila Pattana Sahakari Bank Niyamit	1.86	✓
8	February 13, 2010	The Chadchan Shree Sangameshwar Urban Co-op. Bank Ltd.	4.42	✓
9	March 9, 2010	Rabkavi Urban Co-op. Bank Ltd.	9.26	
10	March 23, 2010	Hina Shahin Co-op. Bank Ltd.	11.11	✓
11	March 31, 2010	Samata Sahakari Bank Ltd.	93.74	✓
12	March 31, 2010	Dhanashri Mahila Sahakari Bank Ltd.	2.66	✓
13	March 31, 2010	Dhenkanal Urban Co-op. Bank Ltd.	11.04	✓
	Total (C)	(13 Banks)	184.95	7

ANNEX - VIII (Concl.d.)

Sr. No.	Date of de-registration / liquidation of the Bank	Name of the Bank	Amount (Rs. crore)	Banks which have slipped to higher time bucket (w.r.t. March 31, 2010)
D	Less than 1 year old			
1	April 7, 2010	National Co-op. Bank Ltd.	0.23	
2	April 9, 2010	Rajeshwar Yuvak Vikas Sahakari Bank Ltd.	2.63	
3	April 21, 2010	Vidharbha Urban Co-op. Bank Ltd.	21.00	
4	April 27, 2010	Paramatma Ek Sevak Nagrik Sahakari Bank Ltd.	61.03	
5	June 17, 2010	Ramakrishnapur Co-op. Bank Ltd.	75.02	
6	August 3, 2010	Belgaum Catholic Co-op. Bank Ltd.	1.85	
7	September 3, 2010	Anonya Co-op. Bank Ltd.	78.99	
8	November 19, 2010	Boriavi Peoples Co-op. Bank Ltd.	6.48	
9	December 14, 2010	Shri Jyotiba Sahakari Bank Ltd.	4.62	
10	January 4, 2011	Dadasaheb Dr. N. M. Kabre Sahakari Bank Ltd.	21.91	
11	January 4, 2011	Dadasaheb Rawal Co-op. Bank Ltd., Dondaicha	43.66	
	Total (D)	(11 Banks)	317.42	
	Grand Total (A+B+C+D)	(38 Banks)	561.57	

ANNEX – IX

SCHEME-WISE BREAK-UP OF GUARANTEE FEES RECEIVED DURING THE YEARS 1991-92 TO 2010-11

(Amount in Rs. crore)

Sr. No.	Scheme	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-11
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1.	Small Loans Guarantee Scheme, 1971	351.44	431.74	665.36	631.64	496.90	396.43	112.70	81.03	11.02	-	-	-	-	-
2.	Small Loans (Co-operative Banks) Guarantee Scheme, 1984	0.20	0.21	0.12	0.14	0.03	0.01	\$	\$	\$	-	-	-	-	-
3.	Small Loans (Small Scale Industries) Guarantee Scheme, 1981	214.23	270.83	180.61	197.35	207.71	167.58	52.21	42.20	10.97	0.07	0.02	0.21	0.02*	-
	Total	565.87	702.78	846.09	829.13	704.64	564.02	164.91	123.23	21.99	0.07	0.02	0.21	0.02*	-

\$ Negligible.

* The amount was received late from the bank and the same was refunded to it in the same year 2003-04.

ANNEX – X

RECEIPT AND DISPOSAL OF CLAIMS UNDER THE CORPORATION'S CREDIT GUARANTEE SCHEMES
RELATING TO SMALL BORROWERS

(Amount in Rs. crore)

Period	Claims received		Claims disposed off		Of the Claims Disposed Off (vide Columns 4 & 5)					
	No.	Amount	No.	Amount	Claims paid		Claims withdrawn/ returned		Claims rejected	
					No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6	7	8	9	10	11
Upto 1996-97	35,161,103	9,400.25	23,487,795	6,078.79	22,691,855	5,573.42	294,004	326.19	501,936	179.18
During 1997-98	540,971	183.90	1,179,328	400.90	1,135,571	371.40	1	0.00	43,756	29.50
During 1998-99	757,245	217.76	4,245,233	1,188.39	2,130,920	588.64	1,904,005	515.12	210,308	84.63
During 1999-2000	889,208	219.19	4,535,934	1,194.58	1,207,936	361.87	30,581	7.15	3,297,417	825.56
During 2000-2001	75,100	21.93	679,344	171.34	176,388	42.71	–	–	502,956	128.63
During 2001-2002	–	–	–	–	4,539	0.77	–	–	(–) 4,539	(–) 0.77
During 2002-2003	–	–	–	–	–	0.03*	–	–	–	–
During 2003-2011	–	–	–	–	–	–	–	–	–	–
Tapes returned to credit institutions	–	–	3,295,993 \$	1,009.03 \$	–	–	3,295,993 \$	1,009.03 \$	–	–
Total	37,423,627	10,043.03	37,423,627	1,0043.03	27,347,209	6,938.84	5,524,584	1,857.49	4,551,834	1,246.73

* Amount of excess claims paid to banks treated as not recoverable and written off.

\$ No. and value of claims on magnetic tapes returned to credit institutions due to tape read error.

Note: Subsequent to the year ended March 2002, opted out credit institutions were not eligible to lodge any claims with the Corporation.

ANNEX - XI

RECEIPT AND DISPOSAL OF CLAIMS UNDER THE CORPORATION'S SMALL LOANS (SSI) GUARANTEE SCHEME, 1981

(Amount in Rs. crore)

Period	Claims received		Claims disposed off		Of the claims disposed off						Claims pending as at the end of the year	
	No.	Amount	No.	Amount	Claims paid		Claims withdrawn/ returned		Claims rejected		No.	Amount
					No.	Amount	No.	Amount	No.	Amount		
1	2	3	4	5	6	7	8	9	10	11	12	13
1 April 1981 to 31 March 1997	1,237,477	3,033.08	1,143,354	2,778.40	805,435	941.30	291,631	1,309.62	46,288	527.48	94,123	254.68
1 April 1997 to 31 March 1998	61,695	313.36	52,241	220.78	-	-	34,504	98.12	17,737	122.66	103,577	347.26
1 April 1998 to 31 March 1999	13,965	34.43	43,620	225.14	21,470	13.27	3,660	37.80	18,490	174.07	73,922	156.55
1 April 1999 to 31 March 2000	13,575	26.30	71,086	139.00	42,011	41.26	275	0.62	28,800	97.12	16,411	43.85
1 April 2000 to 31 March 2001	3,408	14.13	17,215	53.83	4,941	4.63	2,519	3.91	9,755	45.29	2,604	4.16
1 April 2001 to 31 March 2002	1,164	1.25	3,674	5.06	884	0.56	230	0.14	2,560	4.36	94	0.35
1 April 2002 to 31 March 2003	1,647	0.26	1,741	0.61	874	0.11	-	-	867	0.50	-	-
1 April 2003 to 31 March 2011	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,332,931	3,422.81	1,332,931	3,422.82	875,615	1,001.13	332,819	1,450.21	124,497	971.48	-	-

AUDITORS' REPORT

K. S. Aiyar & Co.
Chartered Accountants

1. We have audited the attached Balance Sheets of Deposit Insurance Fund, Credit Guarantee Fund and General Fund of the **Deposit Insurance & Credit Guarantee Corporation**, (The Corporation), as at 31st March, 2011 and annexed Revenue Accounts and also Cash Flow Statements of the said three Funds of the Corporation for the year ended on that date.
2. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on the accounts maintained and produced for our audit.
3. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. We report that:
 - i) We have obtained all information and explanations, which to the best of our information and belief were necessary for the purpose of audit and found them to be satisfactory.
 - ii) In our opinion the said Balance Sheets and Revenue Accounts have been drawn up and set out in the manner prescribed by the Deposit Insurance and Credit Guarantee Corporation Act, 1961.
 - iii) The said Balance Sheets and the Revenue Accounts of the Corporation comply with the applicable mandatory Accounting Standards.
 - iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and other notes thereon, contain all necessary particulars and are properly drawn up so as to exhibit a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in case of the said Balance Sheets, which are full and fair, of the state of affairs of the Corporation as at 31st March 2011;
 - (b) in case of the said Revenue Accounts of the surplus of the Corporation in case of Deposit Insurance Fund and Credit Guarantee Fund, and excess of income over expenditure in case of the General Fund for the year ended on that date; and
 - (c) In the case of Cash Flow Statements of the cash flows for the year ended on that date.

Dated: June 17, 2011
Place : MUMBAI



For **K. S. Aiyar & Company**
Chartered Accountants
Registration No. 100186W

A handwritten signature in black ink, appearing to read "Raghuvir M. Aiyar".

(Raghuvir M. Aiyar),
Partner

Membership No. 38128

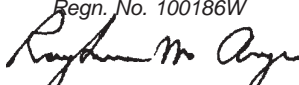


**DEPOSIT INSURANCE AND
(Established under the Deposit Insurance
(Regulation 18 –
Balance Sheet as at the close
I. DEPOSIT INSURANCE FUND (DIF)**

Previous Year		LIABILITIES	Deposit Insurance Fund		Credit Guarantee Fund	
Deposit Insurance Fund	Credit Guarantee Fund		Amount	Amount	Amount	Amount
Amount	Amount					
327,457.00	-	1. Fund (Balance at the end of the year as per Actuarial Valuation)		377,360.00		
		2. Surplus as per Revenue Account:				
1,433,859.15	38,517.66	Balance at the beginning of year	1,687,725.85		29,790.60	
0.00	(30,000.00)	Add: Transferred (to) / from other Fund/s	0.00		0.00	
253,866.70	21,272.94	Add: Transferred from Revenue Account	405,273.52		1,242.41	
1,687,725.85	29,790.60	Balance at the end of year		2,092,999.37		31,033.01
		3. (a) Investment Reserve				
33,435.35	3,007.48	Balance at the beginning of year	71,216.24		3,243.97	
37,780.89	236.49	Add: Transferred from Revenue Account	15,539.02		738.68	
71,216.24	3,243.97	Balance at the end of the year		86,755.26		3,982.65
		(b) Investment Fluctuation Reserve				
59,502.74	2,789.89	Balance at the beginning of year	94,921.96		2,789.89	
35,419.22	0.00	Transferred from Revenue Account	7,931.25		0.00	
94,921.96	2,789.89	Balance at the end of the year		102,853.21		2,789.89
15,649.00	-	4. Claims Intimated and Admitted But Not paid		15,120.00		-
54,193.10	-	5. Estimated liability in respect of claims intimated but not admitted		40,380.26		-
22,196.52	-	6. Insured Deposits in respect of Banks De-registered		15,776.82		-
5,529.93	-	7. Insured Deposits remaining unclaimed		6,005.81		-
		8. Other Liabilities				
2,854.31	0.00	(i) Sundry Creditors	1,786.01		0.00	
686,463.71	19,970.39	(ii) Provision for Income Tax	890,593.70		20,590.40	
4.10	0.00	(iii) Sundry Deposits	2.35		0.00	
689,322.12	19,970.39			892,382.06		20,590.40
2,968,211.72	55,794.85	Total		3,629,632.79		58,395.95

As per our report of date.

For M/s. K.S. Aiyar & Co.
Chartered Accountants
Regn. No. 100186W


Raghuvir M. Aiyar
Partner (M No. 38128)




Subir V. Gokarn
Chairman


G. Gopalakrishna
Director


M. Ramadoss
Director


Mumbai
17th June 2011.


CREDIT GUARANTEE CORPORATION
and Credit Guarantee Corporation Act, 1961)
Form 'A')
of business on the 31st March 2011
AND CREDIT GUARANTEE FUND (CGF)

(₹ in lakh)

Previous Year		ASSETS	Deposit Insurance Fund		Credit Guarantee Fund	
Deposit Insurance Fund	Credit Guarantee Fund		Amount	Amount	Amount	Amount
Amount	Amount					
21.30	3.12	1. Balance with the Reserve Bank of India		54.56		2.06
-	-	2. Cash in Transit		-		-
		3. Investments in Central Government Securities (at cost)				
0.00	0.00	Treasury Bills	0.00		0.00	
2,153,224.56	33,706.84	Dated Securities	2,658,166.50		35,922.36	
<u>2,153,224.56</u>	<u>33,706.84</u>			2,658,166.50		35,922.36
2,109,110.14	31,690.10	<i>Face Value</i>	2,626,943.16		34,181.01	
2,095,743.79	30,491.43	<i>Market Value</i>	2,575,604.87		31,942.38	
42,484.95	951.86	4. Interest accrued on investments		49,230.11		954.72
67.60	0.00	5. Other Assets				
772,413.31	21,133.03	(i) Sundry Debtors	1,587.34		0.00	
<u>772,480.91</u>	<u>21,133.03</u>	(ii) Advance Income Tax / TDS	920,594.28		21,516.81	
				922,181.62		21,516.81
<u>2,968,211.72</u>	<u>55,794.85</u>	Total		<u>3,629,632.79</u>		<u>58,395.95</u>


Shashank Saksena
 Director


B. Srinivas
 Chief Executive Officer


P. Raghavan
 Dy. Gen. Manager

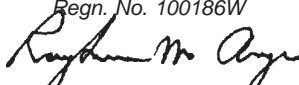


**DEPOSIT INSURANCE AND
(Form
Revenue Account for the
I. DEPOSIT INSURANCE FUND (DIF)**

Previous Year		EXPENDITURE	Deposit	Credit
Deposit	Insurance		Insurance	Guarantee
Fund	Fund		Fund	Fund
Amount	Amount		Amount	Amount
		1. To Claims:		
65,465.03	-	(a) Paid during the year	37,894.52	-
6,345.77	-	(b) Admitted but Not paid	(529.01)	-
	-	(c) Estimated liability in respect of claims intimated but not admitted		
54,193.10		At the end of the year	40,380.26	-
103,192.12		Less: at the end of the previous year	54,193.10	-
(48,999.02)			(13,812.84)	
		(d) Insured Deposits in respect of Banks De-registered		
22,196.52		At the end of the year	15,776.82	-
4,299.37		Less: at the end of the previous year	22,196.52	-
17,897.15			(6,419.70)	
40,708.93	0.00	Net Claims	17,132.97	0.00
327,457.00	-	2. To Balance of Fund at the end of the year (as per Actuarial Valuation)	377,360.00	-
37,780.89	236.49	3. To Provision for diminution in the value of investments credited to Investment Reserves	15,539.02	738.68
375,318.14	9,212.63	To Net Surplus Carried Down	614,521.64	1,862.41
781,264.96	9,449.12	TOTAL	1,024,553.63	2,601.09
		To Provision for Taxation		
127,610.00	3,132.00	Current Year	204,130.00	620.00
(41,577.78)	(15,192.31)	Earlier Years - Short (Excess)	(2,813.13)	0.00
35,419.22	0.00	To Investment Fluctuation Reserve (IFR)	7,931.25	0.00
253,866.70	21,272.94	To Balance Carried to Balance Sheet	405,273.52	1,242.41
375,318.14	9,212.63		614,521.64	1,862.41

As per our report of date.

For M/s. K.S. Aiyar & Co.
Chartered Accountants
Regn. No. 100186W


Raghuvir M. Aiyar
Partner (M No. 38128)




Subir V. Gokarn
Chairman


G. Gopalakrishna
Director


M. Ramadoss
Director


Mumbai
17th June 2011.


**CREDIT GUARANTEE CORPORATION
'B'**
year ended 31st March 2011
AND CREDIT GUARANTEE FUND (CGF)

(₹ in lakh)

Previous Year		INCOME	Deposit	Credit
Deposit	Insurance		Insurance	Guarantee
Insurance	Fund		Fund	Fund
Amount	Amount		Amount	Amount
181,689.00	–	1. By Balance of Fund at the beginning of the year	327,457.00	–
415,464.12	–	2. By Deposit Insurance Premium (including interest on overdue premium)	484,419.51	–
–	–	3. By Guarantee Fees (including interest on overdue guarantee fees)	–	–
19,714.06	202.16	4. By recoveries in respect of claims paid / settled (including interest on overdue repayment)	16,041.43	211.37
		5. By income from Investments		
159,801.52	4,359.51	(a) Interest on Investments	194,150.64	2,538.98
(8,539.97)	(7.02)	(b) Profit (Loss) on sale / redemption of securities (Net)	(14,060.44)	(233.90)
<u>151,261.55</u>	<u>4,352.49</u>		<u>180,090.20</u>	<u>2,305.08</u>
		6. Other Incomes		
13,136.23	4,894.47	Interest on Refund of Income Tax	16,545.49	84.64
781,264.96	9,449.12	TOTAL	1,024,553.63	2,601.09
375,318.14	9,212.63	By Net Surplus Brought Down	614,521.64	1,862.41
375,318.14	9,212.63		614,521.64	1,862.41


Shashank Saksena
Director


B. Srinivas
Chief Executive Officer


P. Raghavan
Dy. Gen. Manager

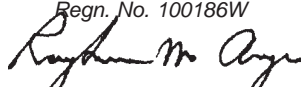


**DEPOSIT INSURANCE AND
(Established under the Deposit Insurance
Regulation 18 –
Balance Sheet as at the close
II. GENERAL**

Previous Year Amount	LIABILITIES	Amount	Amount
5,000.00	1. Capital : Provided by Reserve Bank of India (RBI) as per Section 4 of the DICGC Act, 1961 (A wholly owned subsidiary of RBI)		5,000.00
	2. Reserves		
	(A) General Reserve		
16,825.79	Balance at the beginning of the year	42,752.72	
30,000.00	Transferred from Credit Guarantee Fund	0.00	
(4,073.07)	Surplus /(Deficit) transferred from Revenue Account	1,075.13	
<u>42,752.72</u>			43,827.85
	(B) Investment Reserve		
818.75	Balance at the beginning of the year	4,857.71	
4,038.96	Transferred from Revenue account	338.46	
<u>4,857.71</u>			5,196.17
	(C) Investment Fluctuation Reserve		
1,636.33	Balance at the beginning of the year	3,048.97	
1,412.64	Transferred from Revenue Surplus	0.00	
<u>3,048.97</u>			3,048.97
	3. Current Liabilities and Provisions		
0.00	Outstanding Employees' Cost	0.00	
76.18	Outstanding Expenses	187.79	
14.85	Sundry Creditors	44.25	
674.23	Provision for Income Tax	1,214.23	
13.00	Provision for Fringe Benefit Tax (FBT)	13.00	
<u>778.26</u>			1,459.27
56,437.66	Total		58,532.26

As per our report of date.

For M/s. K.S. Aiyar & Co.
Chartered Accountants
Regn. No. 100186W


Raghuvir M. Aiyar
Partner (M No. 38128)




Subir V. Gokarn
Chairman


G. Gopalakrishna
Director


M. Ramadoss
Director


Mumbai
17th June 2011.


CREDIT GUARANTEE CORPORATION
and Credit Guarantee Corporation Act, 1961)
Form 'A'
of business on the 31st March 2011
FUND (GF)

(₹ in lakh)

Previous Year Amount	ASSETS	Amount	Amount
	1. CASH		
0.06	(i) In hand	0.01	
23.51	(ii) With Reserve Bank of India	39.21	
<u>23.57</u>			39.22
	2. Investments in Central Government Securities (At Cost)		
0.00	Treasury Bills	0.00	
47,198.55	Dated Securities	48,288.21	
4,935.78	Dated Securities deposited with CCIL (Face Value 4500.00)	4,821.49	
<u>52,134.33</u>			53,109.70
50,191.42	Face Value :	51,067.86	
47,326.81	Market Value :	47,935.32	
1,173.32	3. Interest accrued on Investments		1,241.82
	4. Other Assets		
10.97	Furniture, Fixtures & Equipment (less depreciation)	17.22	
6.15	Stock of Stationery / Lounge Coupons	6.49	
126.44	Staff Advances	141.27	
26.19	Interest Accrued on Staff Advances	33.28	
1.09	Sundry Debtors	35.37	
500.00	Margin Deposit with CCIL	500.00	
2,422.37	Advance Income Tax / TDS	3,394.91	
13.23	Advance Fringe Benefit Tax (FBT)	12.97	
<u>3,106.44</u>			4,141.52
56,437.66	Total		58,532.26


Shashank Saksena
 Director


B. Srinivas
 Chief Executive Officer


P. Raghavan
 Dy. Gen. Manager



DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION
(Form 'B')

Revenue Account for the year ended 31st March 2011

II. GENERAL FUND (GF)

(₹ in lakh)

Previous Year Amount	EXPENDITURE	Amount	Previous Year Amount	INCOME	Amount	Amount
594.57	To Payment / Reimbursement of staff cost	745.06		By Income from Investments		
0.27	To Directors' and Committee Memebrrs' Fees	0.38	1,807.77	(a) Interest on Investments	3,747.15	
1.16	To Directors' / Committee Members' Travelling & other allowances / expenses	0.72	<u>0.00</u>	(b) Profit (Loss) on sale / redemption of investments	<u>(119.35)</u>	3,627.80
			<u>1,807.77</u>			
98.00	To Rents,Taxes, Insurance , Lightings etc.	97.88		By Miscellaneous Receipt		
186.07	To Establishment, Travelling and Halting Allowances	622.39		Interest on advances to staff	6.37	
19.98	To Printing, Stationery and Computer Consumables	23.55		Profit / Loss on sale of dead stocks (Net)	0.18	
22.67	To Postage, telegrams and Telephones	22.83	5.22	Interest on refund of income tax	12.47	
3.99	To Auditors' Fees	3.16	0.41	Other Misc. Receipts	<u>0.36</u>	
42.24	To Legal Charges	43.43	0.00			
0.00	To Advertisements	0.00	<u>456.16</u>			
4,038.96	To Provision for diminuation in the value of investments credited to Investment Reserve	338.45	<u>461.79</u>			19.38
	To Miscellaneous Expenses					
27.77	Professional Charges	27.66				
17.30	Service Contract / Maintenance	29.66				
3.38	Books, News Papers, Periodicals	3.59				
2.44	Book Grants	3.59				
0.57	Repair of Office Property-Dead Stock	0.57				
25.84	Transaction Charges-CCIL	23.84				
51.94	Others	<u>33.05</u>				
<u>129.24</u>		121.96				
70.57	Depreciation	12.24				
0.00	To Balance being excess of income over expenditure for the year carried down	1,615.13	2,938.16	By Balance being excess of Expenditure over Income for the year carried down		0.00
5,207.72	Total	3,647.18	5,207.72	Total		3,647.18
2,938.16	To balance being excess of Expenditure over Income - Carried Down	0.00	0.00	By balance being excess of income over expenditure for the year - Carried down		1,615.13
	To Provision for Income Tax					
0.00	Current Year	- 540.00				
(277.73)	Earlier Years - Short (Excess)	- 0.00				
1,412.64	To Investment Fluctuation Reseve (IFR)	0.00				
0.00	To General Reserve Account	1,075.13	4,073.07			
4,073.07	Total	1,615.13	4,073.07	Total		1,615.13

As per our report of date.

For M/s. K.S. Aiyar & Co.
Chartered Accountants
Regn. No. 100186W

Raghuvir M. Aiyar
Raghuvir M. Aiyar
Partner (M No. 38128)



Subir V. Gokarn
Subir V. Gokarn
Chairman

Shashank Saksena
Shashank Saksena
Director

G. Gopalakrishna
G. Gopalakrishna
Director

B. Srinivas
B. Srinivas
Chief Executive Officer

M. Ramadoss
M. Ramadoss
Director

P. Raghavan
P. Raghavan
Dy. Gen. Manager

Mumbai
17th June 2011.



Deposit Insurance and Credit Guarantee Corporation
Deposit Insurance Fund & Credit Guarantee Fund
Cash Flow Statement for the year ended March 31, 2011


(₹ in lakh)

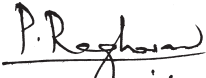
Previous Year			DIF	CGF
DIF	CGF		DIF	CGF
Amount	Amount		Amount	Amount
375,318.14	9212.63	Cash Flow from Operating Activities		
		Excess of Income over Expenditure	(a) 614,521.64	1,862.41
		Adjustments to reconcile excess of Income over expenditure to net cash from operations :		
(159,801.52)	(9,253.98)	Interest on Investments	(194,150.64)	(2,538.97)
8,539.97	7.02	Profit/(Loss) on Sale/Redemption of Securities	14,060.44	233.90
145,768.00	0.00	Increase in Fund balance (Actuarial Valuation)	49,903.00	0.00
37,780.89	236.49	Transfer to Investment Reserve	15,539.02	738.68
(117,221.26)	(72,562.40)	Income Taxes	455.07	(51.10)
0.00	4,894.47	Interest on Refund Received	12,497.13	53.16
(84,933.92)	(76,678.40)		(b) (101,695.98)	(1,564.33)
		Changes in Operating Assets and Liabilities :		
		ASSETS :		
		Decrease (Increase) in		
(1,661.13)	66,493.87	Advance Income Tax TDS	(148,180.97)	(385.84)
14,351.85	580.34	Sundry Debtors	(1,519.74)	0.00
0.00	0.00	Other Assets	0.00	0.00
12,690.72	67,074.21		(c) (149,700.71)	(385.84)
		LIABILITIES :		
		(Decrease) Increase in		
(24,756.10)	0.00	Increase in Estimated Liability for claims intimated not admitted	(20,761.54)	0.00
628.38	0.00	Increase in Unclaimed Deposits	475.88	0.00
(804.32)	0.00	Sundry Creditors	(1,068.12)	0.00
(22.07)	0.00	Sundry Deposit Accounts	(1.75)	0.00
(24,954.11)	0.00		(d) (21,355.53)	0.00
278,120.83	(391.56)	Net Cash Flow from Operating Activities: (a+b+c+d)	(A) 341,769.42	(87.76)
		Cash Flow from Investing Activities		
156,860.86	5,022.77	Interest Received on Investments	177,266.22	2,536.12
(8539.97)	(7.02)	Profit/(Loss) on Sale/Redemption of Securities	(14,060.44)	(233.90)
0.00	(30,000.00)	Transfer to General Fund	0.00	0.00
(426,432.53)	25,359.11	Increase in Investments in Central Government Securities	(504,941.94)	(2,215.52)
(278,111.64)	374.86	Net Cash Flow from Investing Activities	(B) (341,736.16)	86.70
0.00	0.00	Cash Flow from Financing Activities	(C) 0.00	0.00
9.19	(16.70)	Net Increase (decrease) in Cash	(A+B+C) 33.26	(1.06)
12.11	19.82	Cash Balance at Beginning of Year	21.30	3.12
21.30	3.12	Cash Balance at End of Year	54.56	2.06
Note : Cash Equivalent Investments are not segregatable, hence not included in Cash Balance				

For M/s. K.S.Aiyar & Co.
Chartered Accountants
Regn. No. 100186W

Raghuvir M. Aiyar
Partner
M.No. 38128




(B. Srinivas)
Chief Executive Officer


(P. Raghavan)
Dy. General Manager

Mumbai
June 17, 2011



DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION

II. General Fund

Cash Flow Statement for the Year Ended 31st March, 2011

(₹ in lakh)

Previous Year Amount		Amount
	Cash Flow from Operating Activities	
(2,938.16)	Excess of Income over Expenditure	(a) 1,615.13
70.57	Depreciation	12.24
(1,807.77)	Interest on Investments	(3,747.15)
0.00	Profit/(Loss) on Sale/Redemption of Securities	119.35
4,038.96	Transfer to Investment Reserve	338.45
0.00	Excess Provision written back	0.00
(5.22)	Interest on Advances to Staff	(6.37)
(0.41)	Profit/(Loss) on Sale of Dead Stock	(0.18)
(696.10)	Income Tax/FBT	0.00
(456.16)	Others – Misc Receipts	(12.83)
1,143.87		(b) (3,296.49)
	Changes in Operating Assets and Liabilities :	
	ASSETS :	
	Decrease (Increase) in	
(4.27)	Stock of Stationery/Officers Lounge Coupons	(0.34)
(20.03)	Advances for Staff Expenses/allowances receivable from RBI etc.	(14.83)
607.77	Advance Income Tax & TDS	(972.54)
500.00	Margin Deposit with CCIL	0.00
(2.85)	Interest accrued on Staff Advances	(7.09)
31.90	Advance Fringe Benefit Tax	0.26
15.60	Sundry Debtors	(34.28)
1,128.12		(c) (1,028.82)
	LIABILITIES :	
	Increase (Decrease) in	
(171.86)	Outstanding Employees' Cost	0.00
(81.12)	Outstanding Expenses	111.61
(1.18)	Sundry Creditors	29.40
0.00	Other Deposits	0.00
(254.16)		(d) 141.01
(920.33)	Net Cash Flow from Operating Activities: (a+b+c+d)	(A) (2,569.17)
	Cash Flow from Investing Activities	
1,097.27	Interest Received on Investments	3,678.65
0.00	Profit/(Loss) on Sale/Redemption of Securities	(119.35)
5.22	Interest on Advances to Staff	6.37
0.00	Funds received from DIF	0.00
30,000.00	Transfer from CGF	0.00
456.16	Others	13.01
	Decrease (Increase) in	
(9.91)	Fixed assets	(18.49)
	Investments in Central Government Securities :	
0.00	Treasury Bills	0.00
(35,548.20)	Dated Securities	(1,089.66)
4,935.80	Dated Securities deposited with CCIL	114.29
936.34	Net Cash Flow from Investing Activities	(B) 2,584.82
0.00	Cash Flow from Financing Activities	(C) 0.00
16.01	Net Increase in Cash	(A+B+C) 15.65
	Cash Balance at Beginning of year	
0.01	In Hand	0.06
7.55	With RBI	23.51
23.57	Cash Balance at end of year	39.22

Note : Cash Equivalent Investments are not segregatable, hence not included in Cash Balance

For M/s. K.S.Aiyar & Co.

Chartered Accountants

Regn. No. 100186W

Raghuvir M. Aiyar

Raghuvir M. Aiyar

Partner
M.No. 38128



(B. Srinivas)

(B. Srinivas)
Chief Executive Officer

P. Raghavan
(P. Raghavan)
Dy. General Manager

Mumbai
June 17, 2011

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared by following going concern concept on the historical cost basis and conform to the statutory provisions and practices prevailing in the country. Management makes estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes, particularly in respect of claims under Deposit Insurance. Actual results could differ from these estimates.

2. Revenue Recognition

- i) Items of income and expenditure are accounted for on accrual basis, unless otherwise stated.
- ii) Premium / Credit Guarantee Fees:
 - (a) Deposit insurance premia and guarantee fees and penal interest for delay in payment thereof are appropriated as revenue on the receipt of relevant statement of deposits and guaranteed advances for the relevant period and in cases where such statements are not received till the finalization of accounts, income is recognized provisionally on the basis of the previous statement / return, provided that the previous defaults in premium payment, if any, do not exceed two consecutive periods.
 - (b) Premium Payment is considered to be in default in respect of a particular period, if, as at the end of second month of that period or on the date of review later, there exists any shortfall in payment of premium / interest on delayed payment of premium by an insured bank based on the corresponding DI-01 Return for that period. In case the DI-01 Return for the period has not been submitted by the insured bank, the extent of default is considered on the basis of an estimate of its premium due as per the last available DI-01 Return / other information.
 - (c) Remittances from insured banks are appropriated in the chronological order of premium / interest on premium due from the bank in respect of different half-years.
 - (d) Pending assessment of the guarantee fees due from the banks / credit institutions, which have opted out of the Credit Guarantee Schemes in

respect of the claims lodged by them after their opting out is accounted on receipt of the claims.

- (e) The claims for refund of insurance premium / guarantee fees and of reimbursements against claims settled are accounted for on such refund claims being received and admitted by the Corporation.
 - (f) Unadjusted Premiums (payable) in respect of de-registered banks are held under Sundry Creditors pending payment to the bank or adjustment under recovery towards claims paid / provided for in respect of the bank.
- (iii) Deposit Insurance / Credit Guarantee Claims
- (a) Provision for year-end liability in respect of claims is made on the basis of events taking place up to the date of Balance Sheet, to the extent of information available till the time of finalization of accounts.
 - (b) In respect of liquidated banks where the Corporation is liable for claim settlement in terms of Section 16 of the DICGC Act, 1961, the provisions for deposit insurance claim liabilities are made and held till the actual claim is fully discharged by the Corporation in terms of Section 19 of the DICGC Act, 1961 or the end of liquidation process, whichever is earlier.
 - (c) Separate provisions held in terms of Section 20 of the DICGC Act, 1961 towards depositors not found or not readily traceable, are held till the claim is paid or end of the liquidation process, whichever is earlier.
 - (d) Adequate provision for the liability towards fund balances as at the end of the year is made on the basis of Actuarial Valuation.
- (iv) Repayments
- (a) The recovery (including penal interest) by way of subrogation rights in respect of deposit insurance claims settled / Guarantee Claims paid is accounted in the year in which it is confirmed by the liquidators / credit institutions / other authorities who are required to effect the repayment. Also, recoveries in respect of claims settled and subsequently found not eligible are accounted for when realized / adjusted.

- (b) The Corporation maintains memorandum accounts of the deposit insurance claims paid / provided for under Sections 17 or 18 of the DICGC Act, 1961 in order to monitor repayments receivable by it in terms of Section 21(2) of the Act.
- (c) Such subrogated claims on the Liquidators or Insured Banks or Transferee Banks, net of repayments received, are written off at the completion of the liquidation / restructuring process.
- (v) Interest on investments is accounted for on accrual basis.
- (vi) Interest on Income Tax Refund is accounted for on accrual basis on receipt of relevant assessment order allowing interest on such refund.
- (vii) Balances unclaimed and outstanding for more than three consecutive years in transitory accounts including "Stale Cheques Accounts" are reviewed and written back to income. Claims in this respect are considered and charged against income in the year of payment.

3. Investments

- i) All investments are current investments. The same are valued scrip-wise at weighted average cost or market value whichever is lower. For the purpose of valuation, rates provided by the Fixed Income Money Market and Derivatives Association of India (FIMMDA) are taken as market rates as per the guidelines of RBI as applicable to banks / financial institutions.
- ii) Provision for diminution in the value of securities is not deducted from investments in the balance sheet, but such provision is retained by way of accumulation to Investment Reserve Account in conformity with the prescribed format for statement of accounts.
- (iii) The Investment Fluctuation Reserve (IFR) is maintained to meet the market risk arising on account of the diminution in the value of portfolio in future. The adequacy of IFR is assessed on the basis of market risk of the investment portfolio, as on the balance sheet date. The IFR in excess of the market risk, if any, is retained and carried forward. Whenever the IFR amount falls below the required size, credits to IFR are made as an

appropriation of excess of income over expenditure before transfer to Fund Surplus / General Reserve.

- (iv) Inter fund transfer of securities is made at cost price.
- (v) The repo / reverse repo transactions are accounted for in accordance with the guidelines issued by RBI in the matter.

4. Fixed Assets

- i) Fixed assets are stated at cost less depreciation.
- ii) Depreciation on assets is provided in the following manner:
 - a) Computer & Computer accessories, electronic communication equipment and electrical office equipment : 33.33 per cent on Straight Line method.
 - b) Furniture & fixtures and other office equipment : 20 per cent on Straight Line method.
 - c) Depreciation on addition to the assets is provided for the full year on Computer and Computer accessories even if used for less than six months and for other assets depreciation is provided for full if in use over six months and no depreciation is provided on assets sold / disposed off during the year.

5. Leases

Assets acquired under leases where the significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases and lease rentals are charged to the profit and loss account on accrual basis.

6. Employees' Benefits / Cost

- (i) Employees' cost such as salaries, allowances, contribution to Provident Fund and Gratuity Fund is being incurred as per the arrangement with Reserve Bank of India, since all the staff of the Corporation is on deputation from the Reserve Bank of India.
- (ii) Actuarial provisions towards gratuity and leave encashment in respect of employees posted to the Corporation are held by Reserve Bank of India.
- (iii) Claims for reimbursement from RBI against certain establishment expenses, such as salaries and allowances are accounted on receipt of the claims.

- (iv) The operations of the DICGC cells located at Ahmedabad is under the control of Reserve Bank of India at that centre. The employees' cost has been provided in the General Fund on estimate basis, pending receipt of claims from respective RBI offices.

7. Segment Reporting

The Corporation is at present primarily engaged in providing Deposit Insurance to Banks / Credit Institutions at a uniform rate of premium irrespective of location of the Bank / Institution. Thus in the opinion of the management, there is no distinct reportable segment, either Business or Geographical.

8. Taxation on Income

Liability in respect of taxation is provided for in accordance with the provisions of the Income Tax Act, 1961 and rules framed there under. Deferred Tax Asset and Liability are measured using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date and recognized, if material.

9. Prior period income / expenditure

- (i) Income and expenditure over ₹10,00,000/- in each case pertaining to prior period items arising in current period on account of errors and omissions are considered as prior period credits / debits.
- (ii) Prepaid expenses are not recognised unless the amount involved exceeds ₹1,00,000/- in each case.

NOTES TO ACCOUNTS

1. Contingent Liabilities not provided for:

Income tax liability disputed in appeals by the Income Tax Department against the Corporation for Assessment Years 1990-91 to 2006-07 amounting to ₹2260.67 lakh (Previous Year ₹108.01 lakh.)

2. Share in recoveries by way of subrogation right in respect of re-structured bank amounting to ₹325.49 lakh (previous year ₹143.33 lakh) is held in the bank account jointly with the re-structured bank in

accordance with the Scheme of Reconstruction and will be accounted for in the year of realization.

3. The investments in respect of the three Funds include securities with Face Value of ₹80,000 lakh earmarked by RBI towards Intra Day Liquidity (IDL) facility under RTGS extended to the Corporation.
4. Repo transactions (As per RBI prescribed format)

(₹ in lakh)

	Minimum Outstanding During the Year	Maximum Outstanding During the Year	Daily Average Outstanding during the year	As on March 31, 2011
Securities Sold Under Repos	4.13	4.13	0.01	Nil
Securities Purchased under Reverse Repo	0.93	450.06	24.70	Nil

5. Deferred Tax Assets, not being material, are not recognized.

6. Related Party Disclosure :

Key Management Personnel:

- (i) Shri H. N. Prasad, Chief Executive Officer (upto October 2010)

Transactions with related parties:

Remuneration ₹12.99 lakh
(Including Gratuity (Previous year and Perquisites) ₹16.00 lakh)

- (ii) Shri B. Srinivas, Chief General Manager
Transactions with related parties:

Remuneration ₹34.85 lakh
(Including Gratuity (Previous year nil) and Perquisites)

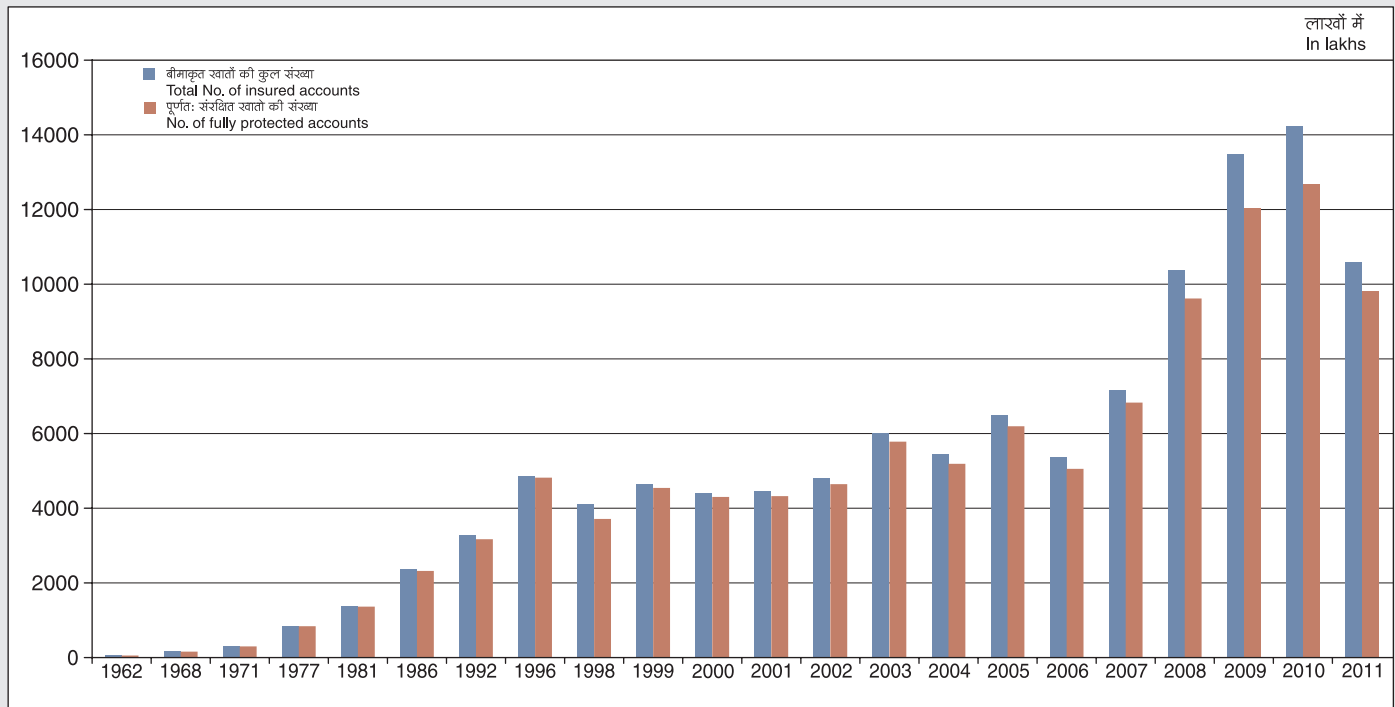
7. The figures of previous year have been recast / regrouped / rearranged, wherever necessary, to make them comparable with those of current year.

Note on Currency Unit

- The reference / conversion rate for Indian Rupee (₹ / Rs.) with respect to major foreign currencies can be observed from www.rbi.org.in.
- ₹ 1 lakh = ₹ 100,000.00 or ₹ 0.10 million
- ₹ 10 lakh = ₹ 1 million
- ₹ 1 crore = ₹ 10 million
- ₹ 100 crore = ₹ 1 billion

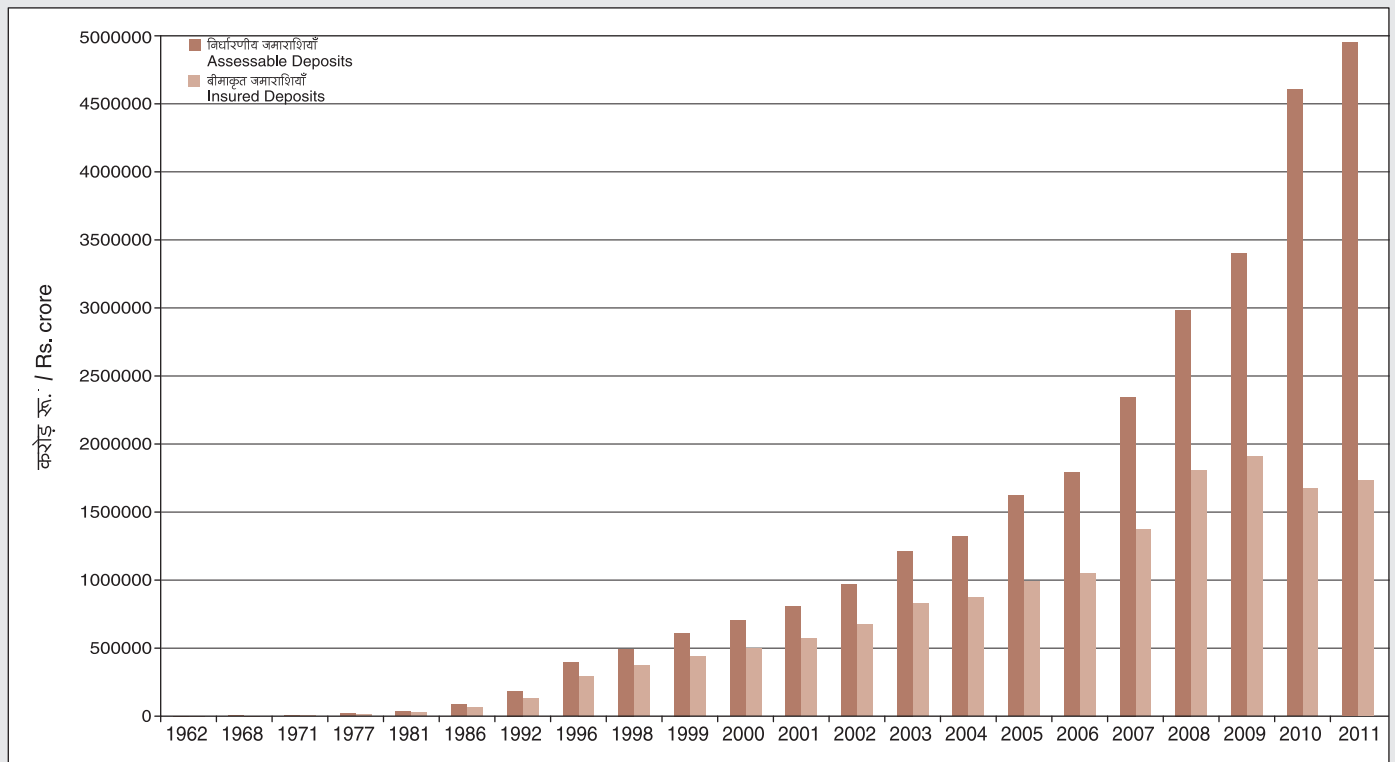
बीमाकृत और पूर्णतः संरक्षित खातों की संख्या
(प्रत्येक वर्ष के अंतिम शुक्रवार के अनुसार)

NUMBER OF INSURED AND FULLY PROTECTED ACCOUNTS
(AS ON LAST FRIDAY OF EACH YEAR)



Note: Data for 2010-11 are as per new reporting format.
नोट: वर्ष 2010-11 के आँकड़े नए रिपोर्टिंग फॉर्मेट के अनुसार हैं।

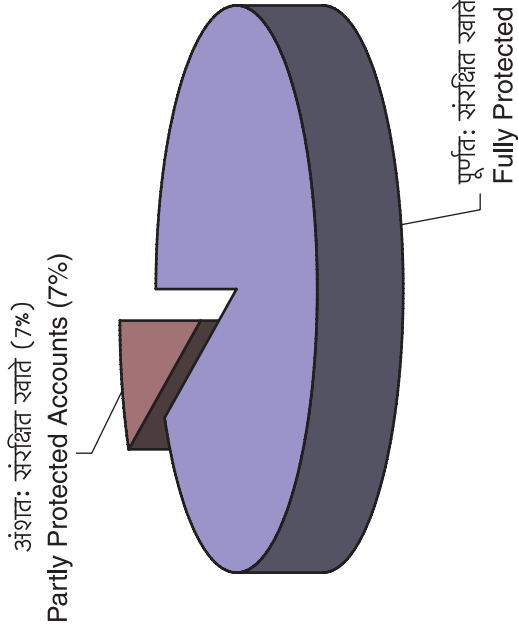
निर्धारणीय और बीमाकृत जमाशियाँ
(प्रत्येक वर्ष के अंतिम शुक्रवार के अनुसार)
AMOUNT OF ASSESSABLE AND INSURED DEPOSITS
(AS ON LAST FRIDAY OF EACH YEAR)



Note: Data since 2009-10 are as per new reporting format.
नोट: वर्ष 2009-10 से दिए गए आँकड़े नए रिपोर्टिंग फॉर्मेट के अनुसार हैं।

**बीमाकृत बैंकों की तुलना में जमा राशि के लिए बीमा कवरेज का विस्तार
(मार्च 2011 के अंत में)
EXTENT OF INSURANCE COVERAGE TO DEPOSITS OF INSURED BANKS
(END MARCH 2011)**

खातों की कुल संख्या 10,516 लाख
Total Number of Accounts 10,516 lakhs



निर्धारणीय जमा राशियों की कुल राशि 49,52,427 करोड़ रुपये
Total Amount of Assessable Deposits
Rs.49,52,427 crore

