

# **DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION**

(Wholly owned subsidiary of the RBI, established under the DICGC Act, 1961)

**Head Office : Reserve Bank of India,  
2<sup>nd</sup> Floor, Opp. Mumbai Central Railway Station,  
Byculla, Mumbai – 400 008. INDIA  
[www.dicgc.org.in](http://www.dicgc.org.in)**



**48<sup>th</sup> Annual Report of the Board of Directors  
Balance Sheet and Accounts  
for the year ended  
31<sup>st</sup> March 2010**



## *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/1627/01.01.16 / 2010-11

June 28, 2010

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 Sir / Madam,

**Balance Sheet, Accounts and Report on the Working  
of the Corporation for the year ended 31<sup>st</sup> March 2010**

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 31<sup>st</sup> March 2010 together with the Auditors' Report, and
- (ii) the Report of the Board of Directors on the working of the Corporation for the year ended 31<sup>st</sup> March 2010.

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

भारतीय रिज़र्व बैंक बिल्डिंग, दूसरी मंज़िल, मुंबई सेंट्रल रेल्वे स्टेशन के सामने, मुंबई सेंट्रल, मुंबई-400008.

टेलिफोन सं.: 022-23019570 फैक्स: 022-23018165, 23015662 ई-मेल: dicgc@rbi.org.in

Reserve Bank of India Building, Second Floor, Opp. Mumbai Central Railway Station, Post Box No. 4571, Mumbai Central, Mumbai-400008.

Tel. No. 022-23019570 Fax: 022-23018165, 23015662 e-mail: dicgc@rbi.org.in

हिन्दी आसान है, इसका प्रयोग बढ़ाइए



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/1634/01.01.16 / 2010-11

June 28, 2010

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 31<sup>st</sup> March 2010**

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 31<sup>st</sup> March 2010 together with the Auditors' Report, and  
(ii) the Report of the Board of Directors on the working of the Corporation for the year ended 31<sup>st</sup> March 2010.
- Copies of the material mentioned as at serial no. (i) 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.
- 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

भारतीय रिज़र्व बैंक बिल्डिंग, दूसरी मंजिल, मुंबई सेंट्रल रेल्वे स्टेशन के सामने, मुंबई सेंट्रल, मुंबई-400008.

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हिन्दी आसान है, इसका प्रयोग बढ़ाइए

# *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 06.12.2008)

**Dr. Shashank Saxena**  
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)

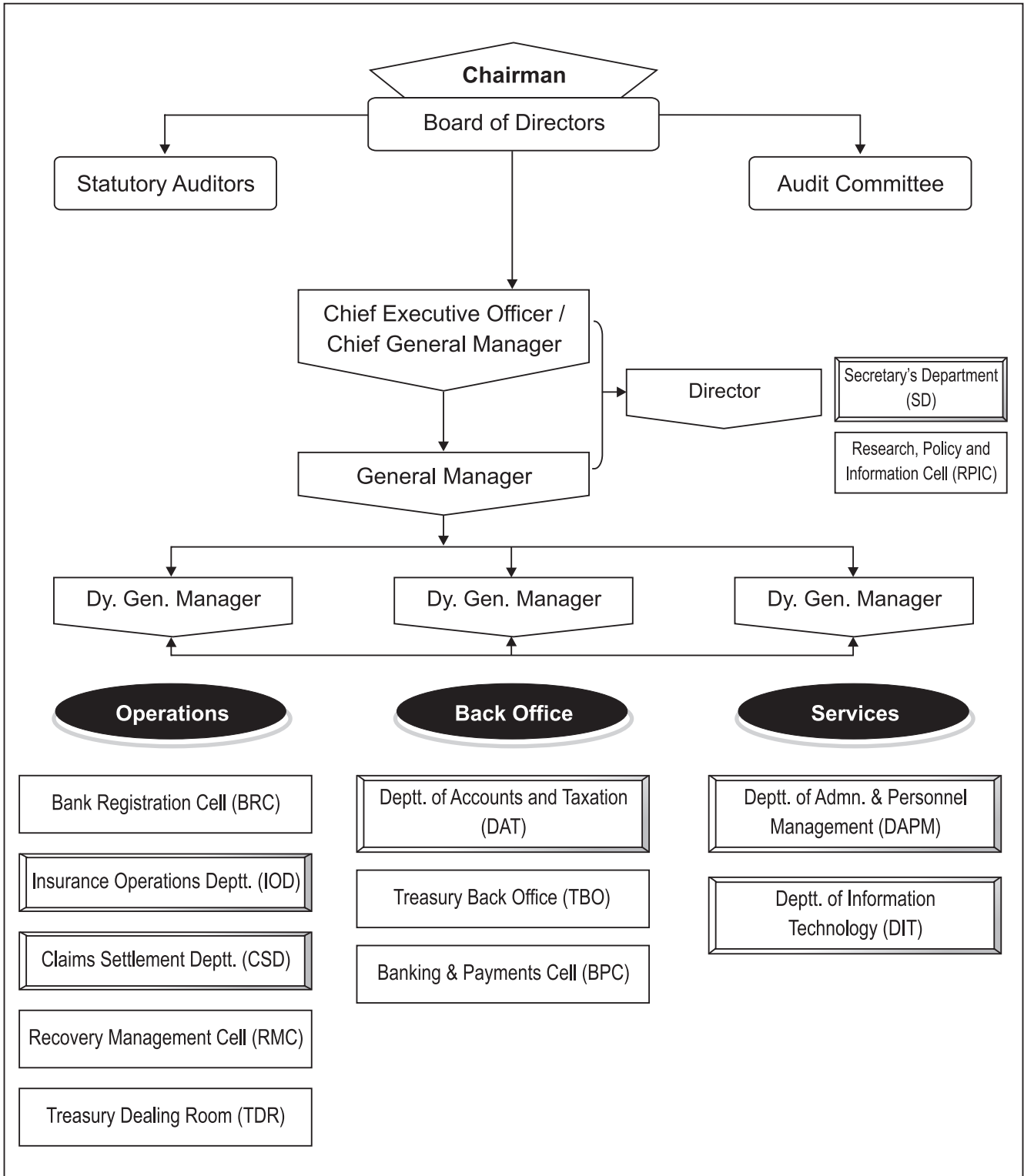
**Shri M. Ramadoss**  
Chairman-cum-Managing Director,  
New India Assurance Co. Ltd., Mumbai.

-do-  
( from 23.01.2008)

**Shri Ashwini Kakkar**  
CEO and Managing Director,  
Mercury Travels (India) Ltd., Mumbai.

Nominated by the Central Government under Section 6(1)(e) of The Deposit Insurance and Credit Guarantee Corporation Act, 1961  
(from 16.01.2007 to 15.01.2010)

## 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,  
2<sup>nd</sup> Floor, Opp. Mumbai Central Railway Station,  
Byculla, Mumbai – 400 008.  
INDIA

(i) Chief Executive Officer	022-2301 9460
(ii) Chief General Manager	022-2301 9675
(iii) General Manager	022-2301 9645
(iv) Director	022-2301 9570
(v) Deputy General Manager	022-2301 9792
(vi) Deputy General Manager	022-2302 1149
(vii) Deputy General Manager	022-2302 1146

**Email - [dicgc@rbi.org.in](mailto:dicgc@rbi.org.in)**

**Website : [www.dicgc.org.in](http://www.dicgc.org.in)**



## **PRINCIPAL OFFICERS OF THE CORPORATION**

### **CHIEF EXECUTIVE OFFICER**

Shri H. N. Prasad

### **GENERAL MANAGER**

Shri M. K. Samantaray

### **DEPUTY GENERAL MANAGERS**

Shri R. K. Acharya

Shri J. K. Dash

Shri Rajesh Kumar

### **SECRETARY & CPIO**

Smt. Kumudini Hajra

### **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
ARC	:	Asia Regional Committee
BCBS	:	Basel Committee on Banking Supervision
BIS	:	Bank for International Settlements
CBL	:	Cooperative Bank Limited
CGCI	:	Credit Guarantee Corporation of India Ltd.
CGF	:	Credit Guarantee Fund
CIC	:	Central Information Commission
CGO	:	Credit Guarantee Organisation
CSAA	:	Control Self Assessment Audit
DIC	:	Deposit Insurance Corporation
DICGC	:	Deposit Insurance and Credit Guarantee Corporation
DIF	:	Deposit Insurance Fund
FDIC	:	Federal Deposit Insurance Corporation (USA)
FIMMDA	:	Fixed Income Money Market and Derivatives Association of India
GF	:	General Fund
IADI	:	International Association of Deposit Insurers
ICMS	:	Integrated Claims Management System
IDL	:	Intra-day Liquidity
IFR	:	Investment Fluctuation Reserve
LABs	:	Local Area Banks
RBI	:	Reserve Bank of India
RCS	:	Registrar of Co-operative Societies
RRBs	:	Regional Rural Banks
SBL	:	Sahakari Bank Limited
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 PROGRESS 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
<b>1 CAPITAL*</b>	1	1.5	15	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
<b>2 DEPOSIT INSURANCE</b>																		
(i) Deposit Insurance Fund**	1	25	154	312	299	2022	3107	3310	3706	4250	5514	5908	7818	9103	10979	13362	16155	20152
(ii) Insured Banks (Nos.)	276	476	1683	1931	2296	2438	2583	2676	2728	2715	2629	2595	2547	2531	2392	2356	2307	2249
(iii) Assessable Deposits	1895	7458	42360	244375	450674	492380	609962	704068	806260	968752	1213163	1318268	1619815	1790919	2344351	2984799	3398565	4282966
(iv) Insured Deposits	448	4656	31774	164527	337671	370531	439609	498558	572434	674051	828885	870940	991365	1052988	1372597	1805081	1908951	2369483
(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
(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
(vii) Claims paid since inception	-	1	3	178	194	196	209	225	262	677	863	1044	1485	2050	2594	2755	2984	3638

\* Under General Fund of the Corporation.

\*\* Includes both actuarial Fund and fund surplus.

## HIGHLIGHTS - II : CREDIT GUARANTEE PROGRESS 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
<b>1. CREDIT GUARANTEE</b>																			
(i) Credit Guarantee Fund*	-	-	89	907	1775	2926	679	758	1188	1133	1262	1393	1511	250	345	349	367	385	298
(ii) Guaranteed Advances																			
a) Small Borrowers	-	208	4840	26348	17261	3939	3241	278	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	-
(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	2009-10	2008-09	2007-08	2006-07	2005-06
<b>REVENUE STATEMENTS</b>					
Premium Income	4154.64	3453.08	2844.39	2320.93	1973.61
Investment Income	1512.62	1288.58	1145.08	1078.70	878.94
Net Claims	407.09	908.77	180.42	322.58	293.58
Revenue Surplus Before Tax	3753.18	3972.56	3742.72	3047.01	2583.18
Revenue Surplus After Tax	2892.86	2688.71	2250.69	1690.58	1184.42
<b>BALANCE SHEET</b>					
Fund Balance (Actuarial)	3274.57	1816.89	1553.17	1211.30	1025.96
Fund Surplus	16877.26	14338.59	11809.23	9767.52	8076.94
Outstanding Liability for Claims	763.90	1074.91	487.60	616.24	1260.45
<b>PERFORMANCE METRICS</b>					
<b>1. Average No. of days between receipt of a claim and claim settlement@</b>	<b>54</b>	<b>43</b>	<b>53</b>	<b>60</b>	<b>67</b>
<b>2. Average No. of days between de-registration of a bank and claim settlement (First claims)@</b>	<b>361</b>	<b>825</b>	<b>604</b>	<b>625</b>	<b>120</b>
<b>3. Operating Costs as percentage of total premium income (With a sub part employee cost as percentage of total premium income)</b>	<b>0.26</b> <b>(0.14)</b>	<b>0.30</b> <b>(0.16)</b>	<b>0.33</b> <b>(0.17)</b>	<b>0.38</b> <b>(0.21)</b>	<b>0.33 *</b> <b>(0.16) *</b>

@ 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) HISTORY

The concept of insuring deposits kept with banks received attention for the first time in the year 1948 after the banking crisis in Bengal. The issue came up for reconsideration in the year 1949, but was held in abeyance till the Reserve Bank set up adequate arrangements for inspection of banks. Subsequently, in the year 1950, the Rural Banking Enquiry Committee supported the concept. Serious thought to insuring deposits was, however, given by the Reserve Bank and the Central Government after the failure of the Palai Central Bank Ltd., and the Laxmi Bank Ltd., in 1960. The Deposit Insurance Corporation (DIC) Bill was introduced in Parliament on August 21, 1961. After it was passed by Parliament, 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.

Deposit Insurance Scheme was initially extended to all functioning commercial banks. This included the State Bank of India and its subsidiaries, other commercial banks and the branches of the foreign banks operating in India.

With the enactment of the Deposit Insurance Corporation (Amendment) Act, 1968, deposit insurance was extended to co-operative banks also and the Corporation was required to register “eligible co-operative banks” as insured banks under the provisions of Section 13 A of the DICGC Act.

The Government of India, in consultation with the Reserve Bank, introduced a credit guarantee scheme in July 1960. The Reserve Bank was entrusted with the administration of the scheme, as an agent of the Central Government, under Section 17 (11 A)(a) of the Reserve Bank of India Act, 1934 and was designated as the Credit Guarantee Organisation (CGO) for guaranteeing the advances granted by banks and other credit institutions to small scale industries. The Reserve Bank operated the scheme up to March 31, 1981.

The Reserve Bank also promoted a public limited company on January 14, 1971, named the Credit Guarantee Corporation of India Ltd. (CGCI). The credit guarantee schemes introduced by the Credit Guarantee Corporation of India Ltd., aimed at encouraging the commercial banks to cater to the credit needs of the hitherto neglected sectors, particularly the weaker sections of the society engaged in non-industrial activities, by providing guarantee cover to the loans and advances granted by the credit institutions to small and needy borrowers covered under the priority sector as defined by the RBI.

With a view to integrating the functions of deposit insurance and credit guarantee, the two organisations, 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.

### (3) 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.

#### (4) 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.

#### (5) 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	Rs. 1,00,000/-
July 1, 1980	Rs. 30,000/-
January 1, 1976	Rs. 20,000/-
April 1, 1970	Rs. 10,000/-
January 1, 1968	Rs. 5,000/-



## **(6) 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) deposit specifically exempted by the Corporation with the previous approval of the Reserve Bank.

## **(7) 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 Rs.100**

<b>Date from</b>	<b>Premium (in Rs.)</b>
1-04-2005	0.10
1-04-2004	0.08
1-07-1993	0.05
1-10-1971	0.04
1-1-1962	0.05

## **(8) 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 reason other than default in payment of premium, deposits of the bank as on the date of cancellation remain covered by the insurance.

## **(9) 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.

## **(10) 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

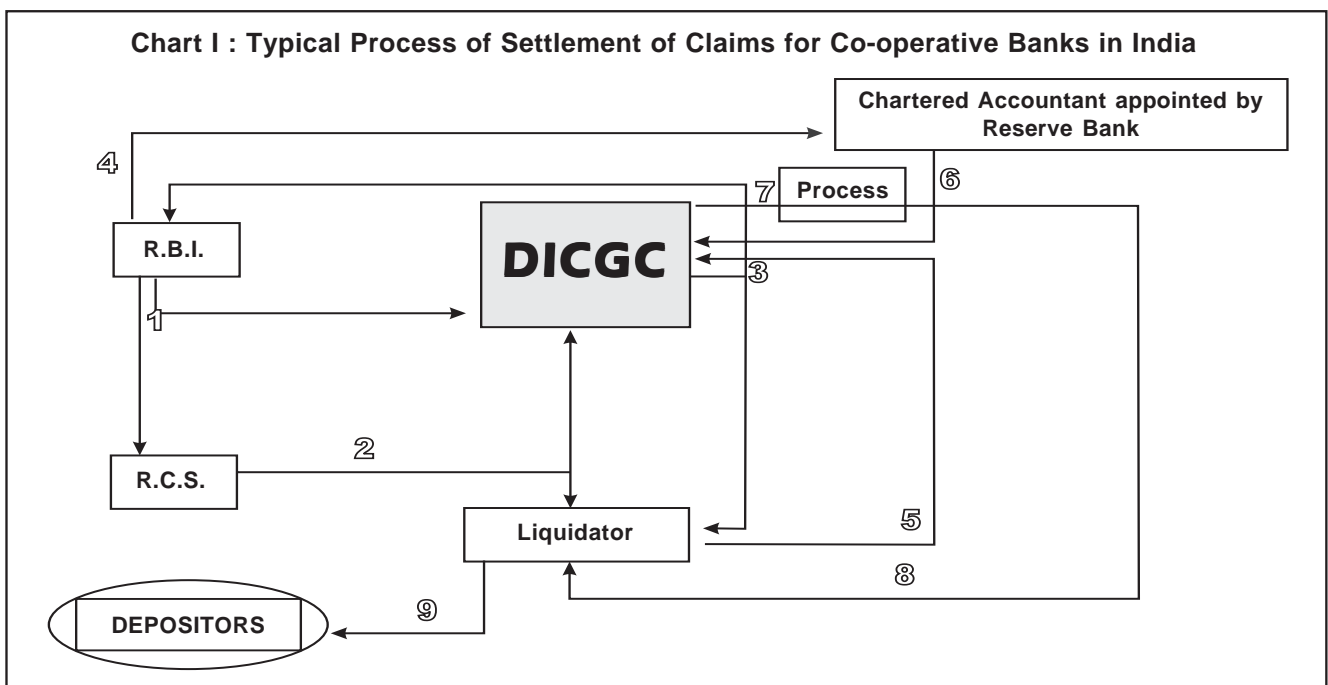
not entitle the depositors to get credit for the full amount of the deposits on the date on which the scheme comes into force, the Corporation pays the difference between the full amount of deposit and the amount actually received by the depositor under the scheme or the limit of insurance cover in force 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 in Chart I).

(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



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 Societies (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) 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.A.) 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.

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.

- (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.

#### **(11) 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.

#### **(12) 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

The Deposit Insurance and Credit Guarantee Corporation (DICGC) hosted the 8th Annual Meeting of the Asia Regional Committee (ARC) of the International Association of Deposit Insurers (IADI), followed by International Conference on “Funding of Deposit Insurance Systems” at Goa between January 18 and 20, 2010 as part of the Platinum Jubilee Celebrations of the Reserve Bank of India. The speeches of Governor and Deputy Governors on this occasion, which discuss and analyse various issues pertaining to deposit insurance, including funding of deposit insurance systems around the world, are reproduced below.

### **Inaugural Address by Dr. D. Subbarao, Governor, Reserve Bank of India**

Ladies and Gentlemen

At the outset, on behalf of the Reserve Bank of India, I welcome you all to India and to this wonderful state of Goa. My thanks also to the Asia Regional Committee of the International Association of Deposit Insurers for giving an opportunity to the DICGC to host this Conference. This event is particularly important for us because it is being hosted as a part of the Platinum Jubilee celebrations of the Reserve Bank of India.

### **Evolution of Deposit Insurance**

Deposit insurance has historically been a reassuringly stabilising force in a financial system notoriously susceptible to instability. In fact, panics were a regular feature of American economic life even as banking was taking roots – most spectacularly during the Great Depression. It was the introduction of deposit insurance in 1933 that substantially reduced the vulnerability of American banks to runs.

Over the years, deposit insurance has taken root all around the world. Collectively, we traversed a steep learning curve and learnt a number of lessons about the systems and processes of deposit insurance. The recent crisis has, however,

thrown up a number of fresh questions about the financial sector, including about deposit insurance. Finding answers to these questions and addressing the consequent challenges is going to be the priority task for all of us in the financial sector. I want to talk about some of the issues, but first let me say a few words about deposit insurance in India.

### **Historical Perspective on Deposit Insurance in India**

DICGC, a wholly owned subsidiary of RBI, is the second oldest deposit insurance system in the world. It was established in January 1962 initially only as a deposit insurance institution. However, in 1978 the Corporation was also entrusted with the responsibility of credit guarantee and was rechristened as the Deposit Insurance and Credit Guarantee Corporation. The objective of extending guarantee cover to credit was to encourage commercial banks to extend credit to small borrowers belonging to weaker sections of society. But over time, it was felt that the credit guarantee schemes operated by the Corporation had outlived their utility and the schemes were discontinued. The Corporation has now reverted to being an exclusive deposit insurance system.

Over nearly 50 years, the DICGC has evolved and moved up the value chain - learning by doing as it were - and met many challenges along the way. By far the biggest challenge came in 2001 when a large co-operative bank in the state of Gujarat was in trouble. Since several banks, particularly many small co-operative banks, had exposure to this bank, its failure had the potential to precipitate a crisis in the banking industry. The Government and the Reserve Bank put in place resolution of this bank through a restructuring programme. The key element of this programme was proactive action by the DICGC towards prompt payment of claims to the depositors of the bank. This action by DICGC ensured that panic did not spread.

## Global Crisis and Deposit Insurance

Let me now turn to the recent financial crisis. Though the crisis impacted the entire world, it affected different countries in different ways. After the collapse of Lehman Brothers in mid-September 2008, there was an abrupt breakdown of trust, which spread rapidly from the United States to other advanced economies, causing financial markets in all advanced economies go into seizure. Suddenly, there was a great deal of uncertainty about the extent of losses, the ability of banks to withstand those losses, the extent of risk in the system, where it lay and how it might explode. This uncertainty triggered unprecedented panic and almost totally paralysed the entire chain of financial intermediation. Banks hoarded liquidity. Credit, bond and equity markets nearly froze. Several venerable financial institutions came to the brink of collapse. Massive deleveraging drove down asset prices setting off a vicious cycle. In such a situation, governments and regulators had to take extraordinary measures in a big way.

Not surprisingly, deposit insurance emerged as the most visible part of the financial safety-net in arresting a panic reaction. Several deposit insurance systems increased their insurance coverage limits; in some cases the governments extended blanket deposit guarantee. These measures went a long way in restoring public confidence in the banking system in economies where it came under serious threat.

## Global Crisis and India's Response

That India was hit by the crisis dismayed many people. In the years before the crisis, the decoupling theory gained intellectual ascendancy. This theory held that even if advanced economies went into a downturn, emerging market economies would not be affected because of their improved policy framework, robust foreign exchange reserves, and sound banking systems. The crisis ruptured the credibility of the decoupling theory by engulfing almost every part of the world. India was no exception. The crisis spread to India through finance and real channels.

Importantly, the crisis also spread through the confidence channel. However, in sharp contrast to

global financial markets which got paralysed on account of a crisis of confidence, Indian financial markets continued to function in an orderly manner, even as the risk aversion of the financial system increased and banks became cautious about lending. The point to note is that, the global financial crisis did not pose any major threat to the banking system in India at any point of time. As such, the need for any special measures pertaining to deposit insurance did not arise. However, in line with the global trend, there was also some demand here to increase the deposit insurance cover. If one looks even at broad data, it becomes quite clear that this demand had no persuasive force. Under the existing insurance cover, number-wise almost 90 per cent of the deposit accounts are fully covered. Amount-wise, around 60 per cent of total insurable deposits are covered. We determined, therefore, that the cost-benefit calculus was not in favour of enhancing the deposit cover.

In India, the contagion of the crisis was effectively contained by coordinated fiscal and monetary measures taken by the Government of India and the Reserve Bank respectively. The results are evident from the marked improvement in the performance of the industrial sector in recent months - upturn in domestic and external financing conditions, revival of capital inflows, increased activity in the primary and secondary capital markets, softening of interest rates and substantial easing of liquidity conditions. GDP growth of 7.9 per cent during the second quarter of this fiscal (2009-10) was robust – up from 6.1 per cent in the previous quarter. There are, however, several challenges on the way forward including the timing and sequencing of exit from the expansionary fiscal and monetary policies. These issues are being debated all over the world and occupy the central place in our policy matrix too. The challenge for the Reserve Bank is to support the recovery process without compromising on price stability.

## Financial Stability

The global financial crisis has also underlined the critical role of central banks in systemic oversight of the financial sector and in preserving financial stability. This calls for a paradigm shift not only in



banking but also in the prudential regulation of the banking sector. Financial stability needs to be understood and addressed both from the micro and macro perspectives. At the micro level, we need to ensure that individual institutions are healthy, safe and sound. But an important lesson of the crisis has been a reiteration of the fallacy of composition - that a collection of safe and sound financial institutions does not necessarily deliver a safe and sound financial sector. We need to take care of systemic stability as a separate and distinct obligation. This calls for safeguarding financial stability at the macro level through what has now come to be called macro-prudential regulation of the system as a whole.

Today, RBI is an active participant in several important international institutions that seek to promote more effective regulatory structures, and financial and systemic stability. We have, for some time now, been shareholders of the Bank for International Settlements (BIS) and member of the Committee on Global Financial System, the Committee on Payment and Settlement Systems and the Markets Committee. Post-crisis, we have also become members of the Financial Stability Board and the Basel Committee on Banking Supervision (BCBS). And of course, we have been an active participant in the G-20 deliberations.

### **DICGC - Challenges for the Future**

Let me now comment briefly on the challenges for DICGC on the way forward. One key challenge is reducing the time taken to settle claims. Though the Corporation has been able to settle all claims within the statutory time limit, its goal is to go beyond the statutory prescription, and ensure settlement of claims within a few days of liquidation of a bank as against a few months taken now. Towards this end, effort is required in two directions. First, DICGC must have a computerised depositors' data base in respect of over 85,000 branches spread across the country. Second, the entire process of filing claims by the liquidator and their processing by the Corporation should be computerised with appropriate connectivity. The Corporation has already initiated steps to move in this direction by

formulating an ambitious project of Integrated Claims Management System (ICMS).

The second challenge pertains to broadening the mandate of DICGC. DICGC is presently working as a pay box system. Going forward, we are examining the possibility of transforming it from a pay-box system to a system attending to all aspects of bank resolution. This may, however, require sweeping reforms including a thorough change in the DICGC Act, 1961. However, certain features of the financial sector supervision and regulation as prevailing in India may have to be kept in view. For example, it may not be necessary to have a separate supervisory machinery in DICGC independent of the Reserve Bank as is the practice in some other jurisdictions, notably the United States.

### **Deposit Insurance - Post Crisis**

The global financial crisis has underscored the importance of a well-designed explicit deposit insurance system in maintaining financial stability. By assuring depositors that they will get immediate payment to the extent of the insured amount, a deposit insurance scheme can contain financial contagion. Indeed, there are a number of contrarian examples to show that bank panics were exacerbated in situations where deposit guarantees were not explicit, not incentive compatible and did not have the resources to back their guarantee obligations. In order, therefore, to inspire the trust and confidence of stakeholders, a deposit insurance scheme must satisfy two criteria - first, it must be adequately funded, and second, it must have robust delivery systems in place to effect payments within, if not well within, the assured time.

This important lesson from the recent financial crisis has been clearly brought out in the Fifth Report (2007-08) of the Treasury Committee of the House of Commons, entitled "Run on the Rock". After analysing the reasons for the run on the Northern Rock, the report concluded<sup>1</sup>: "*All banks and building societies should be covered by a deposit insurance scheme, such that, in cases such as Northern Rock, or an even larger bank, the*

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<sup>1</sup> Para 183 (Page 77) of the said Report [www.parliament.the-stationery-office.com/pa/cm200708/cmselect/cmtreasy/56/56i.pdf](http://www.parliament.the-stationery-office.com/pa/cm200708/cmselect/cmtreasy/56/56i.pdf)

*Government would not be required to step in to protect depositors.”*

The Report further observed that “*There should be a requirement in law that all insured deposits should have to be paid within a few days of a bank failing and calling on the deposit protection scheme.*”

The above observations are clearly self-evident. But every crisis has demonstrated how its root causes can be traced to the neglect of some basic tenets. An important preventive going forward will be to review the effectiveness of our deposit insurance schemes and repairing the deficiencies, if any, and strengthening the weak spots.

### **Deposit Insurance - Global Coordination**

With increasing global financial integration, consistency in the basic principles that guide deposit insurance is essential to maintaining a level playing field internationally. In this context, information exchange among deposit insurers gains importance. Today there are a large and growing number of cross border financial institutions functioning across multiple deposit insurance jurisdictions. There is need for clarity regarding the obligation of each deposit insurer in respect of each cross-border institution. While the ‘Core Principles for Effective Deposit Insurance Systems’ state that the deposit insurance already provided by the home country system should be recognised in the determination of levies or premium, there is need for a firm and shared understanding on this.

### **Relevance and Value of the Conference**

I am glad to note that ‘Funding of Deposit Insurance Systems’ is the theme of the Conference. This is extremely relevant in the context of the present emphasis on promoting financial stability. I note from the schedule of the Conference that you will be addressing several aspects of funding of deposit insurance systems, including funding mechanisms and the management of funds.

I also note that there is an exclusive session for ‘Core Principles for Effective Deposit Insurance Systems’ with special reference to guidance on funding. It is indeed a rare privilege that we have,

at this conference, distinguished speakers on the subject, not only from Asia, but from other parts of the world as well.

I would like to take this opportunity to flag for your consideration a few issues, which might be of importance to DICGC and many other deposit insurance systems around the world:

- In light of the recent experience which has challenged the concept of “too big to fail”, is there a need to review the manner of defining ‘risk’ for the purpose of determining risk-based premium? How do we go about it?
- How do we factor-in the risk associated with all the non-banking business of a financial conglomerate on its banking business? How should risk based premium factor in this risk?
- Should the entire income or the surplus of a deposit insurance system or any part of it be subject to taxes?
- Is it possible to define an international benchmark or at least a standard methodology for determining a benchmark for the Reserve Ratio (Ratio of Deposit Insurance Fund to Insured Deposit), signifying the adequacy of Deposit Insurance Fund?
- What countercyclical measures should a deposit insurance system take to build up its funds for the rainy day?

Needless to say, this conference has come in at a very appropriate time. I do hope that your deliberations over the next two days will result in enhancing our collective understanding of deposit insurance and provide pointers for action.

I wish the Conference all success.

### **Keynote Address by Smt. Usha Thorat, Deputy Governor, Reserve Bank of India**

Ladies and Gentlemen

It gives me great pleasure to be in the midst of the deposit insurers of the world. I have had the pleasure of meeting many of you at conferences in the past and I am delighted to see you again at Goa – a favourite tourist destination in India, famous for its beaches, churches and cuisine. I hope you find

time to enjoy what Goa has to offer in addition to conferring on the very relevant subject of “Funding Deposit Insurance System”.

The theme of the Conference says it all - funding deposit insurance systems is the crux of the matter. The global financial crisis has underscored the need for a strong and stable deposit insurance fund, without which, the credibility of the deposit insurance system can be eroded; it is also realised that a credible and transparent deposit insurance system is critical for maintaining public confidence in the banking system and thereby for financial stability. That the issue of funding is so relevant to the credibility of the deposit insurance system is highlighted by the unprecedented decision this year by the Iceland Government to hold a referendum to approve or reject the terms of a state guarantee on the debts of the Depositors’ and Investors’ Guarantee Fund, in particular a loan from the governments of the United Kingdom and the Netherlands to cover deposit insurance obligations in those countries.

It is quite clear that deposit insurance is not designed to deal with systemic crisis of the proportions that we have witnessed and cannot be expected to be able to deal with a situation of widespread failure of banks. At the same time, given the contagious nature of bank failures, it is necessary that the deposit insurance funds factor-in the possibility of several banks failing simultaneously. In this context, I hope the conference will discuss the subject of how deposit insurers can determine the adequacy of the deposit insurance fund to be able to arrive at some agreement on the principles, if not the rules.

### **Deposit Insurance Premium**

While the conventional wisdom has so far been on risk based premium involving assessment of risk of individual institutions, in the context of what we have experienced in the crisis, we may have to assess whether the premium based on the assessment of risk of individual institutions needs to be supplemented by a risk premium based on

their contribution to systemic risk using some measure of size and complexity.

An issue that has been widely discussed in the context of the manner of charging premium for deposit insurance is the mitigation of moral hazard. Core Principles for Deposit Insurance Systems prescribe that moral hazard should be mitigated by ensuring, inter-alia, that the deposit insurance system contains appropriate design features. In India, we have not moved over to risk based premium but moral hazard is sought to be minimised through other design features, such as placing limits on the amount insured, excluding certain categories of depositors from coverage *etc.* The main reason for not moving over to the risk based premium system is the assessment of trade off between minimising moral hazard and placing additional burden on banks that are already weak. The banking system covered by insurance is extremely heterogeneous – ranging from large and strong commercial banks to small regional rural banks, urban cooperative banks serving local communities and rural cooperative banks. These banks serve the very important objective of financial inclusion and meet the requirements of sectors and communities not usually targeted by the larger commercial banks. Amongst these, there are entities that are weak and the sector is in the process of being strengthened. The stability and soundness of this sector is being enhanced by weeding out unviable banks through non-disruptive measures. Till majority of these banks meet the minimum standard prudential norms, we may have to continue with a uniform premium system which has an element of cross subsidisation. Moral hazard is also sought to be minimised by operating, through the supervisory mechanism, appropriate disincentives and penalties where there is discomfort on account of governance and risk management standards.

Some deposit insurers provide for refund of insurance premium when their target reserve ratios exceed a particular level<sup>2</sup>. This practice could cut both ways in as much as the insurer may have to resort to collection of extra premium at the time of crisis when the system is already under strain.

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<sup>2</sup> Hong Kong (3%), Indonesia (2.5%), Russia (Stops collection of premium after RR reaches 10%).



Whether some countercyclicality aspects could be introduced in the premium contribution is something which could also be discussed.

### **Income from Investments**

The second important source of funding deposit insurance systems is income from investments. This income will obviously depend upon the size of the funds and the yield on relatively risk free investments. As such, older systems have an advantage inasmuch as they have accumulated a sizable level of corpus over a period of time. So far as DICGC is concerned, investments are permitted only in government securities. A portfolio approach of tracking a broad "All Sovereign Bond Index" is followed, which yields a reasonable rate of return. Only deposits mobilised by branches in India are covered by deposit insurance. In a systemic crisis situation, where market liquidity for even sovereign securities could be affected, it may have to be considered whether a collateralised back stop facility from the central bank could be thought of to enable the deposit insurer to meet immediate needs.

### **Recoveries**

The third important source of funding of deposit insurance systems is recoveries from the assets of the failed banks. Principle 18 of the Core Principles for Effective Deposit Insurance Systems prescribes that the deposit insurer should share in the proceeds of recoveries from the estate of a failed bank. In some jurisdictions, deposit insurers have priority in the recovery over other unsecured creditors including larger depositors. In most countries, the claims are subrogated to all depositors. In cases where the deposit insurer steps in with sizeable liquidity, there could be case for priority in recovery and in India we have taken this view where the State law accorded priority to other claims. Perhaps this is an issue which needs more examination.

### **Minimising Cost of Bank Resolution**

Another way in which deposit insurance funds can be conserved is by adopting least cost solutions for bank resolution. The DICGC has a pay-box mandate under the DICGC Act, 1961. While the appointment of a liquidator or management of assets

of the failed banks in India is not handled by the DICGC, the statute has assigned a role to the Corporation in resolution of troubled banks, either through a scheme of reconstruction or amalgamation with another bank. In such cases the Corporation is required to pay to depositors to the extent of shortfall in the asset coverage, up to the limits prescribed. Of late DICGC in close coordination with RBI has been using this provision for dealing with the legacy problem of insolvent cooperative banks rather than the liquidation option, in case there are other cooperative banks or even commercial banks willing to take over such banks. Such solutions have the potential to serve as least cost option for resolution of troubled banks in the co-operative sector even within the existing legal framework. The incentive and advantage to the acquiring bank is transfer of branch licenses and customer base. The realisation of bad assets in such cases is much better than in cases under liquidation. Moreover, depositors having deposits more than the insured amount also get back a substantial part of their deposits. At the same time, payout by the DICGC is substantially reduced. Moral hazard is sought to be reduced by restricting such solutions to the legacy cases and progressively bringing cooperative banks on par with commercial banks in terms of minimum prudential standards and supervisory rigour.

### **Line of Credit**

In the context of funding deposit insurance, the availability of line of credit from the Central Bank / Government to overcome temporary liquidity problems in times of crisis is very important. In several countries deposit insurers heavily rely on such lines of credit. In India too there is a provision for such accommodation from the Reserve Bank of India. Though this facility is limited to ₹ 50 million (equivalent to a little over US dollar 1 million), it has never been used by the Corporation. A collateralised funding arrangement is something that may be explored when it is required to deal with situations where markets have become illiquid.

### **Taxation Issues**

An important issue having a bearing on funding is taxation of income or surpluses available with the deposit insurance system. Taxation practice varies

from country to country. In Asia region such income / surplus is exempt from tax in most of the countries, but there are certain countries<sup>3</sup>, including India, where tax is levied either on the premium income or on income from investments or the entire surplus of the deposit insurance system. In India, the entire net surplus of DICGC is subject to taxes. As a result, a major part of the funds collected by the Corporation by way of premium is paid to the government as taxes. You may be surprised to learn that DICGC is among the top five taxpayers in the country. Deposit insurance activity being a welfare activity to protect the interest of small depositors and help maintaining financial stability, there is a strong case for exempting deposit insurance from income tax. This will enable the deposit insurer to build up sufficient funds even to meet a situation of systemic dimensions.

### **Deposit Insurance for Financial Stability – Some Current Issues**

The recent financial crisis has highlighted the importance of deposit insurance in promoting financial stability. The steps taken by governments and deposit insurance systems all around the world have helped in restoring stability in the system but have also raised the issue of moral hazard, as aptly summarised by Sebastian Schich<sup>4</sup> in his article published in one of the OECD Journals. Referring to the blanket guarantee extended by the Government in certain countries he says:

“While these measures did not address the root causes of the lack of confidence, they were nevertheless helpful in avoiding a further accelerated loss of confidence, thus buying valuable time. But they are not costless. First, like any guarantee, deposit insurance coverage gives rise to moral hazard, especially if the coverage is unlimited. Clearly, in the midst of a crisis, one should not be overly concerned with moral hazard, as the immediate task is to restore confidence, and guarantees can be helpful in that respect.

Nonetheless, to keep market discipline operational, it is important to specify when the extra deposit insurance will end, and this timeline needs to be credible. Second, the co-existence of different levels of protection could give rise to unfair competitive advantages; vis-à-vis other forms of savings or vis-à-vis other deposit-taking institutions that do not enjoy the guarantee. Third, to make a guarantee credible it is important to specify the manner in which it will be provided..... Looking ahead, a sharper policy focus will have to be placed on “exit strategies”, especially where unlimited guarantees have been extended. In this context, the fundamental question remains whether government guarantees can be a one-off proposition. There may be a general perception that once extended in one crisis, a government guarantee will always be available during crisis situations.”

As explained above, in all cases where emergency measures have been taken to overcome the situation arising out of the financial crisis, it is necessary to have an exit strategy with a credible timeframe. This is important for Asia Region also, where as many as five countries<sup>5</sup> have temporarily extended blanket guarantee for bank deposits – most of them up to December 31, 2010. The issue is, however, not only confined to blanket guarantees but much wider, involving exit from several fiscal and monetary measures as well, taken earlier on an emergency basis.

To conclude, I must say that deposit insurance systems constitute an important element of the financial safety net having the twin objectives of protecting the interest of small depositors and promoting financial stability. Adequate funding of deposit insurance systems is crucial to achieving these objectives. Indeed, the theme of the conference is apt and the agenda for discussion has been drawn-up very thoughtfully – my compliments to the organisers and best wishes for success of the Conference.

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<sup>3</sup> India, Kazakhstan, Philippines and Taiwan.

<sup>4</sup> “Financial Crisis: Deposit Insurance and Related Financial Safety Net Aspects” (2008) by Sebastian Schich, Principal Administrator, Financial Affairs Division, Directorate of Financial and Enterprise Affairs, OECD; hyperlink <http://www.oecd.org/dataoecd/36/48/41894959.pdf>

<sup>5</sup> Thailand (up to 10.08.2011), Hong Kong, Malaysia, Singapore and Taiwan (all up to 31.12.2010).

## **“Financial Development and Deposit Insurance: Some Linkages” – Observations by Dr. Subir V. Gokarn, Deputy Governor, RBI and Chairman, DICGC**

### **Introduction**

Governor, Reserve Bank of India, Dr. D. Subbarao; Deputy Governor, Reserve Bank of India, Ms. Usha Thorat; President, IADI and Vice-Chairman, FDIC, Mr. Martin Gruenberg; Chairman, ARC and Deputy Governor, DICJ, Mr. Mutsuo Hatano; CEO of the Deposit Insurance and Credit Guarantee Corporation Mr. H. N. Prasad; Distinguished Participants;

Let me add my own words of welcome to all the participants in this very important event. In his opening address, Governor Subbarao provided a historical perspective on the development of deposit insurance in India, highlighted its importance in sustaining confidence in the banking system as we deal with the global financial crisis and laid out the challenges that it will have to deal with in the future. I would obviously not like to cover the same ground. Also, I must admit to being a complete novice as far as deposit insurance is concerned, having only taken on the role of Chairperson of DICGC in late November 2009, when I joined the Reserve Bank of India as Deputy Governor. Consequently, I thought it would be more appropriate and useful for me to talk about a broad vision for financial sector development, which will then provide a framework within which to view the evolving role of deposit insurance.

The recent crisis is clearly a dominant factor in any current discussion on financial sector development. While this is entirely understandable and legitimate, we must resist the temptation to view the future entirely through the lens of the crisis. Crises will come and go, but the role that the financial sector as a whole plays in economic development and welfare will be fulfilled only if we allow it to find a healthy balance between multiple and sometimes potentially conflicting objectives. Taken together, these objectives provide an enduring way to view financial sector development, which combines both traditional functions and incorporates new goals that are driven by both domestic and global aspirations and compulsions.

### **A Framework for Financial Development**

I will now lay out a framework for financial sector development, which encompasses five critical objectives. These five objectives are: Efficiency, Stability, Transparency, Inclusion and Sustainability.

#### **Efficiency**

No one would seriously question the premise that a financial system, whatever its structure might be, will best serve development and welfare objectives by producing its services at as low a cost as possible. Like in any productive activity, achieving this objective depends on three broad factors: the cost of raising funds, the costs of due diligence and risk mitigation associated with deploying these funds and the cost of intermediation, which depends significantly on competition, organizational structure and the deployment of technology. The policy and regulatory imperatives on this front should be to ensure that financial service providers have the ability to carry out their resource mobilisation and deployment activities in a competitive environment, in which individual providers have the flexibility to organise themselves in the most cost-effective manner. However, this is as far as the analogy with other productive activities goes. As we all know and was vividly demonstrated during the crisis, financial services are in many significant ways a unique specimen, which requires special consideration. This brings me to the next objective.

#### **Stability**

We could also term this objective “prudence”, but I believe that stability, while fully encompassing prudence, is a somewhat broader concept. The foundation of this objective is, of course, risk. Financial services, however defined, are essentially risky in nature. There would be little value added by financial intermediaries if they did not find ways of taking on risks and earning the rewards that go with them. However, the license to take risks cannot be unbounded; the consequences of risks materialising can be severe for both direct stakeholders and, significantly, innocent bystanders. A prudential approach ensures that individual financial service providers put aside adequate resources to avoid such consequences. A wider approach to stability

is based on the notion that the system as a whole has the capacity to deal with widespread pressures that emanate from the multiple linkages and interdependencies within the system and are beyond the prudential capacity of individual providers to handle.

The recent crisis and ones preceding it have clearly shown that the stability of the financial system is a significant contributor to macroeconomic management. It has, of course, been difficult to translate this into a widely accepted policy framework, because so many potential instruments of stability are in direct and obvious conflict with the other four objectives that I referred to. But, clearly, however efficient and dynamic it may be, an unstable financial system can seriously undermine the performance of the real economy and a viable way to resolve these conflicts needs to be found.

### **Transparency**

An important lesson from the crisis was “what cannot be measured cannot be managed”. Diagnoses of the causes of the crisis generally suggest that neither regulators nor top managements of large, global financial institutions had a complete picture of the product offerings and portfolio choices that ultimately led to the catastrophe. Of course, transparency has always been a central pillar of financial regulation, but clearly, the conventional notion simply did not address many new developments in financial activity. Global initiatives to achieve some degree of regulatory co-ordination in the wake of the crisis emphasise the need for a greater degree of harmonisation of disclosure standards across countries to keep pace with the geographic spread and diversification of financial service providers. The need for strengthening this attribute of the global financial system may have been highlighted by the crisis, but there is little question that it would have manifested itself sooner rather than later.

### **Inclusion**

This objective is particularly significant in the current Indian context. It is a central theme of the RBI’s observance of the institution’s Platinum Jubilee (or 75th Anniversary). But, I would argue that inclusion is an important component of any

financial system and its pursuit is a legitimate objective for policymakers and regulators under any circumstances. The specific strategies will, of course, depend on the context and state of development of each country. In its early stages, as exemplified by the Indian situation, the challenge is simply to give millions of people their first access to very basic financial services at extremely low thresholds of activity.

### **Sustainability**

As global attention on climate change intensifies, it is quite clear that every component of the economic system will be subject to scrutiny with regard to what it can contribute to adaptation and mitigation. From a broader perspective, while climate change is for the moment the most salient of issues relating to sustainability, there are a host of other factors on the radar screen, which will sooner or later engage the attention of national and global regulators. On all these fronts, the financial system will be expected to play a role, whether it is in the form of channelising resources to firms that have good sustainability practices, or financing innovation in and development of “green” technologies or even contributing to insurance and safety-net mechanisms for people who are likely to be adversely impacted by the changes.

In this segment of my remarks, I have articulated the view that effective financial sector development must simultaneously pursue five objectives; some are defined by tradition, while others reflect changing global and domestic priorities. I have hinted at possible conflicts between some of these objectives. Finding the right balance between them is clearly the goal of financial sector policy and regulation, but this is not the place to go into that set of issues. I shall now try and provide a brief description of how both the idea of deposit insurance itself and the way in which it is provided relate to the five broad objectives of financial sector development.

### **The Role of Deposit Insurance**

Deposit insurance has clearly been around for a long time and its utility as an instrument of trust and confidence in the financial (or perhaps



more narrowly in the banking) system has rarely been in question. Rather, the question that now faces us is whether it can be expanded and re-structured to address a greater variety of requirements that the financial system now has. These are issues that will obviously be discussed during the technical sessions of this conference and I look forward to being informed of the significant points that emerge from them, both for my own education and as inputs into the shaping of strategies for DICGC. Here, I will confine myself to a few illustrations of how deposit insurance fits into the broader financial development framework.

With regard to efficiency, the existence of insurance is perhaps less important than the way in which it is structured. Deposit-taking financial institutions, particularly those servicing a large number of relatively small accounts can obviously be mandated to buy insurance. But, this will impact their operating costs, which depositors will bear to some extent. One way of encouraging overall efficiency is to differentiate insurance premiums between institutions based on some objective measure of the riskiness of their loan and asset portfolios. This will help to bring about a better alignment between the cost of funds and the portfolio risks across the deposit-taking financial sector.

Stability is clearly the objective with the most direct connection with deposit insurance. By providing depositors with the assurance that at least some of their money is safe no matter what happens to the institution, it provides a huge incentive for people to use the system, with consequent benefits for the economy as a whole. But, the viability of any insurance scheme is based essentially on the premise that claims will originate from only a small proportion of the insured population at any given time. A crisis is a situation in which virtually the entire population will make claims at the same time. From a welfare perspective, the core objective of protecting depositors' interests becomes even more paramount in such a situation. However, from the perspective of resources, the cost providing full insurance against catastrophic failure can be very high for individual institutions, coming into conflict with efficiency considerations. Where, then, the resources needed to continue to inspire confidence

in the system are going to come from is a critical question. Strategic management of the insurance corpus and conditional state support will, presumably, both have a role.

One important consideration that is on our own strategic agenda is the role of the deposit insurer in the resolution process itself. When individual institutions fail, rather than let the depositor be rescued solely by the insurance cover, which in any case, is not comprehensive for larger depositors, it may be more effective to involve the insurer in the process right from the beginning. This will give depositors as a stakeholder group a voice in the process, allowing them to better protect their interests, while at the same time increasing the capacity of the insurance scheme. Of course, in this expanded role, the organisational design and skill requirements of the insurance provider need to be kept in mind.

Transparency is a two-way street. Depositors need to be fully aware of the extent of protection, what it is costing the institution and the limitations on protection in the event of a systemic failure. The insurer needs to know precisely who each depositor is and the size of his/her exposure. This will enable speedy resolution of claims, which is a critical requirement for an effective insurance programme.

With regard to inclusion, deposit insurance is clearly very relevant in a situation such as India's. A large number of people interfacing with the organised financial system for the first time will naturally be very concerned about the safety of their funds. At the same time, there is a welfare imperative of protecting this category of depositors from both strategic errors by management and wider systemic shocks. Of course, this consideration brings into focus the potential conflict between the inclusion objective and the efficiency objective; if relatively more vulnerable institutions also happen to be more effective in pursuing an inclusion agenda, some degree of cross-subsidisation may be necessary.

Finally, on the issue of sustainability, while a direct link with deposit insurance is difficult to make, the wider requirement for insurance in a scenario of long-term environmental change and the vulnerabilities of several production systems to it -

for example, agriculture, fisheries and tourism - is well recognised. Such risks will also have to be borne by financial service providers who are exposed to these sectors, which may have implications for, among other things, deposit insurance.

### **Conclusion**

I would like to conclude by re-emphasising the point that the future trajectory of deposit

insurance programmes is best viewed in the context of an explicit vision and framework for the financial sector as a whole. I have attempted to offer one way of doing this, which, I hope, will be useful to you as you get into the agenda items of the conference. My best wishes to all of you for a substantial and meaningful event. Thank you all for being here and special thanks to Mr. Prasad and his team for their efforts in arranging this event.

# REPORT OF THE BOARD OF DIRECTORS ON THE WORKING OF THE DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010

(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, 2010 stood at 2,249 comprising 83 Commercial Banks, 82 Regional Rural Banks (RRBs), 4 Local Area Banks (LABs) and 2,080 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 2009-10, 3 Commercial Banks, 3 Co-operative Banks, and 4 Regional Rural Banks were registered and 60 Co-operative Banks and 8 Regional Rural 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 UTs referred to above, the matter is pending as the concerned Governments are yet to introduce necessary legislative changes in their respective Co-operative Societies Acts to enable the Corporation to extend deposit insurance cover in these UTs.

### 1.3 INSURED DEPOSITS

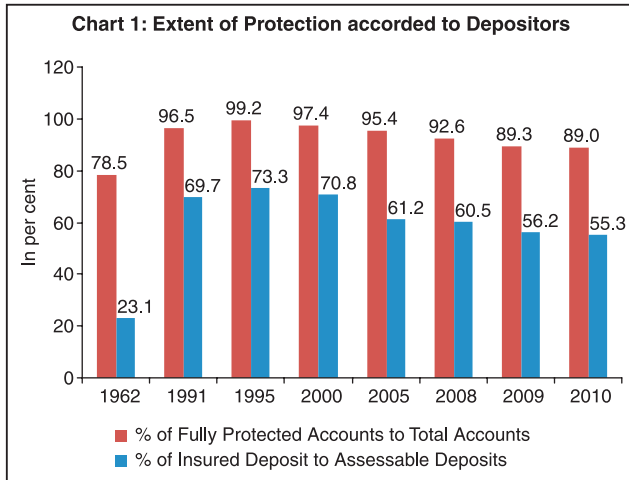
The number of accounts and the amount of deposits insured with the Corporation as also the extent of protection accorded to depositors at the end of 2008-09 and 2009-10 are furnished in Table 1.

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 2.0 times per capita GDP as on March 31, 2010 as against the international benchmark of around 1 to 2 times per capita GDP.

**Table 1: Insured Deposits\***

Particulars		As at the end of	
		2008-09	2009-10
1	Total No. of Accounts (in lakh)	13,489.36	14,238.57
2	Fully Protected Accounts (in lakh)	12,040.00	12,669.49
3	Percentage of 2 to 1	89.26	88.98
4	Assessable Deposits (Rs. crore)	33,98,565.08	42,82,966.01
5	Insured Deposits (Rs. crore)	19,08,950.99	23,69,483.45
6	Percentage of 5 to 4	56.17	55.32

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



#### 1.4 RECEIPT OF DEPOSIT INSURANCE PREMIUM

The category-wise break-up of premium (including interest on overdue premium) collected from insured banks during 2008-09 and 2009-10 is presented in Table 2.

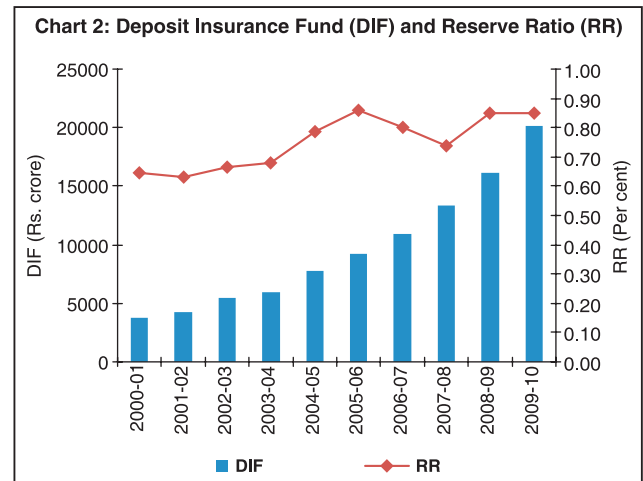
**Table 2 : Premium received**

(Rs. crore)

Year	Commercial Banks including LABs & RRBs	Co-operative Banks	Total
2008-09	3166.22	286.86	3453.08
2009-10	3857.00	297.64	4154.64

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 (including surplus) is ₹ 20,151.83 crore as on March 31, 2010 implying a Reserve Ratio (Deposit Insurance Fund/ Insured Deposits) of 0.85 per cent. Movement in Reserve Ratio since 2000-01 is furnished below in Chart 2.



#### 1.5 SETTLEMENT OF DEPOSIT INSURANCE CLAIMS DURING 2009-10

During the year 2009-10, the Corporation settled aggregate claims for ₹ 654.65 crore in respect of 82 Co-operative Banks (28 original claims and 54 supplementary claims) as detailed in Table 3.

**Table 3: Claims Settled**

Sr. No.	Name of the Bank	No. of Depositors	Amount of Claims (Rs. in lakh)
<b>Co-operative Banks</b>			
<b>Andhra Pradesh (2)</b>			
1	Kanyaka Parmeshwari Mutually Aided CUBL Kukatpally	1	1.00
2	Krushi Co-op. Urban bank Ltd. Secunderabad	49	30.06
	<b>Sub Total</b>	<b>50</b>	<b>31.06</b>
<b>Jharkhand (1)</b>			
3	Daltonganj Central CBL Daltonganj	23933	938.74
	<b>Sub Total</b>	<b>23933</b>	<b>938.74</b>

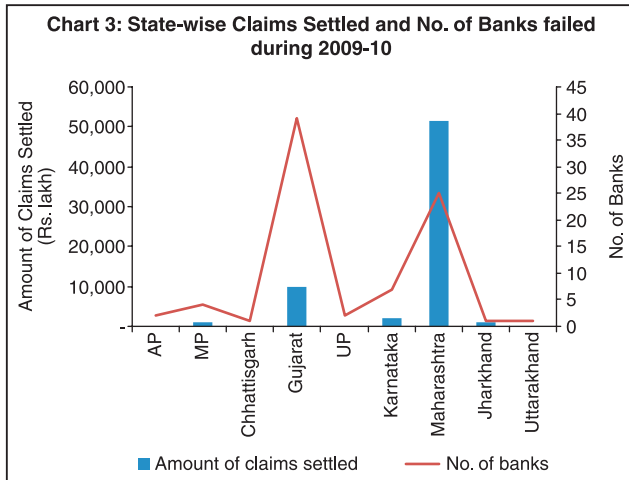


Sr. No.	Name of the Bank	No. of Depositors	Amount of Claims (Rs. in lakh)
	<b>Chhattisgarh (1)</b>		
4	Indira Priyadarshini Mahila SBL Raipur	540	108.06
	<b>Sub Total</b>	<b>540</b>	<b>108.06</b>
	<b>Gujarat (39)</b>		
5	Adarsh Mahila CBL Mehsana	3	0.77
6	Anand Peoples CBL Anand	33	8.64
7	Anand Urban CBL Anand	1	0.49
8	Ankleshwar NSBL Ankleshwar	26174	2374.30
9	Baroda Peoples CBL Baroda	295	142.24
10	Bharuch Nagarik SBL Bharuch	7	3.45
11	Bhavnagar Mercantile CBL Bhavnagar	35335	3730.08
12	Century CBL Surat	32	15.48
13	Charotar NSBL Charotar	1226	281.25
14	Co-operative bank of Umreth	33	14.24
15	Dabhoi NSBL Dabhoi	24	11.33
16	General CBL Ahmedabad	127	53.59
17	Janta CBL Nadiad	19	8.39
18	Karamsad CBL Surat	3	1.47
19	Matar Nagrik Sah. Bank Ltd. Matar	1	1.37
20	Metro CBL Surat	77	36.38
21	Nadiad Mercantile CBL Nadiad	100	21.14
22	Natpur CBL Nadiad	105	24.43
23	Navsari Peoples CBL Navsari	788	198.85
24	Nutan SBL Vadodara	21602	1289.02
25	The Petlad Commercial CBL Petlad	35	16.01
26	Petlad Nagrik SBL petlad	21	9.56
27	Pragati CBL Ahmedabad	33	19.23
28	The Royale CBL Surat	730	25.12
29	Sabarmati CUBL Ahmedabad	91	33.46
30	Santram CBL Nadiad	12	3.18
31	Sarvodaya Nagrik SB Visnagar	29	2.56
32	Shree Patni CBL Baroda	82	25.90
33	Shri Swaminarayan CBL Vadodara	340	160.35
34	Shree Vikas CBL Surat	196	82.61
35	Shree Vardhman CBL Bhavnagar	13521	518.22
36	Shri Vitrag CBL Surat	36	13.05
37	Siddapur Commercial CBL Siddapur	8512	371.84
38	Sindh Mercantile CBL Ahmedabad	9	3.10
39	Sunav Nagarik SBL Sunav	4	0.90
40	Talod Janta SBL Talod	-	9.02
41	Textile processors CBL Ahmedabad	7	0.56
42	Visnagar Nagrik SBL Visnagar	1176	393.59
43	The Vikas CBL Ahmedabad	9	8.17
	<b>Sub Total</b>	<b>110828</b>	<b>9913.34</b>
	<b>Karnataka (7)</b>		
44	Anubhav CBL Basvakalyan	10590	87.49
45	Challakere UCBL Chalkhere	27	0.86
46	Gulbarga UCBL Gulbarga	13	7.93
47	Haliyal UCBL Haliyal	8666	431.60
48	Harugeri UCBL Harugeri	-	2.60

Sr. No.	Name of the Bank	No. of Depositors	Amount of Claims (Rs. in lakh)
49	Hirekerur UCBL Hirekerur	16539	1373.45
50	Kittur Rani Chamanna Mahila Pattana SB Niyamita Hubli	1	0.83
	<b>Sub Total</b>	<b>35836</b>	<b>1904.76</b>
	<b>Maharashtra (25)</b>		
51	Achalpur UCBL Achalpur	4603	509.14
52	Ajit SBL Pune	26286	2921.63
53	Akot UCBL Akot	18349	1439.08
54	Chalisingaon Peoples CBL Jalgaon	21496	3001.60
55	Dyanopasak UCBL Parbhani	4746	162.20
56	Faizpur Janta SBL Faizpur	2803	334.64
57	Goregaon UCBL Mumbai	43933	4356.47
58	Indira SBL Dhule	14589	1245.53
59	Jai Hind CBL Mumbai	194	8.98
60	Lord Balaji CBL Sangli	1	1.00
61	Miraj UCBL Miraj	32507	4162.18
62	Parivartan CBL Mumbai	2	2.00
63	Ravikiran UCBL Mumbai	10	2.61
64	Rohe Ashthami Sahakari UBL Roha	38896	3700.74
65	Samast Nagar CBL Mumbai	52	29.71
66	Sant Janabhai Nagri SBL Gangakhed	16092	1019.64
67	Shri B.J.khatal Janta SBL Sangamner	17	3.70
68	Shri P.K.Anna Patil Janta SBL Nandurbar	67738	5648.16
69	Shriram SBL Nashik	75	46.11
70	Shri S.k.Patil CBL Kurundwad	9658	1330.59
71	Shri siddhi Venkatesh SBL Jalgaon	1892	208.19
72	South Indian CBL Mumbai	56030	3578.60
73	Suvarna Nagri SBL Parbhani	3923	195.85
74	Vasantdada Shetkari SBL Sangli	141186	16508.28
75	Yashwant UCBL Parbhani	9082	1168.08
	<b>Sub Total</b>	<b>514160</b>	<b>51584.71</b>
	<b>Uttar Pradesh (2)</b>		
76	Indian Co-op Development Bank Ltd. Meerut	3	1.43
77	Urban CBL Allahabad	39	5.29
	<b>Sub Total</b>	<b>42</b>	<b>6.72</b>
	<b>Madhya Pradesh (4)</b>		
78	Deendayal Nagrik SBL Khandva	15453	974.47
79	Mitra Mandal Sahakari Bank Ltd. Indore.	5	0.42
80	Maharashtra Brahmin SBL Indore	5	1.37
81	Mahila Nagrik SBL Khargone	183	0.38
	<b>Sub Total</b>	<b>15646</b>	<b>976.64</b>
	<b>Uttarakhand (1)</b>		
82	Urban CBL Tehri	1	1.00
	<b>Sub Total</b>	<b>1</b>	<b>1.00</b>
	<b>Grand Total</b>	<b>701036</b>	<b>65465.03</b>

State-wise number of failed banks along with the amount of claims settled for the year 2009-10 is furnished in Chart 3.

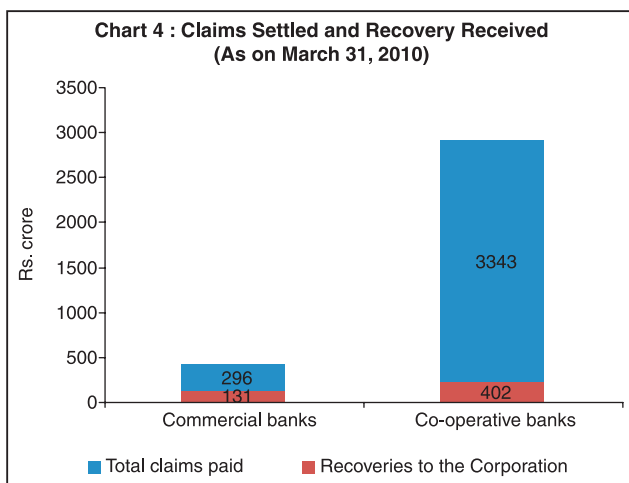
A provision of ₹ 920.39 crore was held towards the estimated claim liability in respect of depositors of 177 banks which are under amalgamation/liquidation



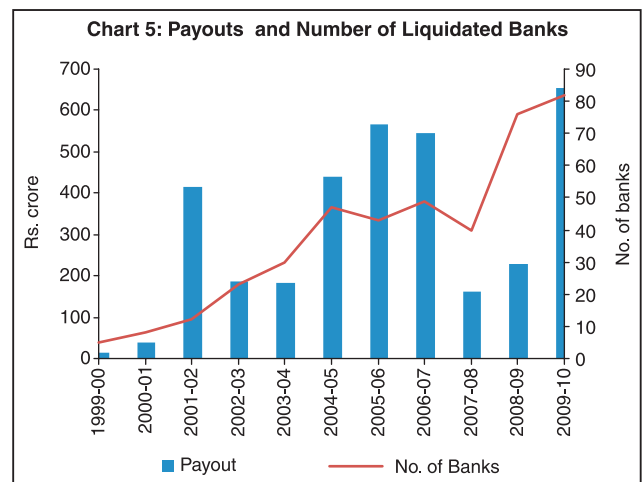
and whose licence/application for licence to carry on banking business has been cancelled/rejected by Reserve Bank of India.

### 1.6 TOTAL CLAIMS SETTLED / REPAYMENTS RECEIVED

Up to March 31, 2010, a cumulative amount of ₹ 295.84 crore was paid and provided for towards claims, in respect of 27 Commercial Banks since the inception of deposit insurance (Chart 4). In case of commercial banks, cumulative repayment received from liquidators/transferee banks aggregated ₹ 130.58 crore (including



₹ 9.52 crore received during 2009-10). The cumulative amount of claims paid/provided for in respect of 256 co-operative banks since inception amounted to ₹ 3,342.61 crore (including ₹ 654.65 crore paid during the year under review). In case of co-operative banks, cumulative repayments received from the liquidators/transferee banks aggregated ₹ 401.66 crore (including ₹ 187.62 crore received during the year under review). The particulars of banks in respect of which claims have been paid/provided for and repayments received/written off till March 31, 2010 are furnished in **Annex VI**. The details of banks for which provision for settlement of claims as on March 31, 2010 is made are presented in **Annex VII**. Number of liquidated banks along with amount of claims settled from 1999 onwards is shown in Chart 5.

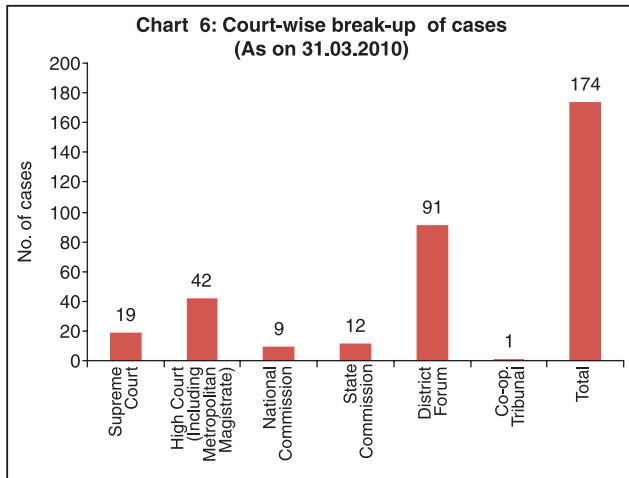


### 1.7 COURT CASES

(i) As on March 31, 2010, the number of court cases relating to deposit insurance activity of the Corporation, pending in various courts stood at 174 against 122 as on March 31, 2009. Out of 174 cases, 34 were filed by the Corporation and 140 were filed against the Corporation. Court-wise break-up of cases is given in Table 4 and depicted in Chart 6.

**Table 4 : Court-wise Break-up of Cases (As at end-March 2010)**

Supreme Court	High Court	Metropolitan Magistrate	National Commission	State Commission	District Forum	Total
19	40	2	9	12	91	174



(ii) 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 174 as on March 31, 2010 (Table 5). This has been on account of a substantial increase in number of banks placed under directions by the RBI under Section 35A of the Banking Regulation Act, 1949 (AACS) or taken into liquidation, resulting 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.

(iii) 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 a 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 settled by the Corporation during pendency of court case.

## 1.8 CREDIT GUARANTEE SCHEMES

As on March 31, 2010, no credit institution was participating under any of the Credit Guarantee Schemes of the Corporation and no claim was received during the year 2009-10 under any of the credit guarantee schemes of the Corporation.

The details of guarantee fees received, guarantee claims received and claims paid during the period 1991-92 to 2009-10 are given in Table 6.

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

### 1.8.1 SMALL BORROWERS' CREDIT GUARANTEE SCHEMES

The Corporation settled 3,74,23,627 claims for ₹ 10,043.06 crore up to the year ended March 2010 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 IX**.

**Table 5: Position of Court-Cases**

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

**Table 6: 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	1143.27	643.55	(-) 440.49	69.23
1993-94	846.09	1490.76	889.99	(-) 644.67	(-) 43.90
1994-95	829.13	1726.82	1179.01	(-) 897.69	(-) 349.88
1995-96	704.64	2365.23	1042.27	(-) 1660.59	(-) 337.63
1996-97	564.02	2112.37	378.64	(-) 1548.35	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	—	—	—	—	—
2005-06	—	—	—	—	—
2006-07	—	—	—	—	—
2007-08	—	—	—	—	—
2008-09	—	—	—	—	—
2009-10	—	—	—	—	—

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

Recoveries received under the Schemes during 2009-10 by virtue of Corporation's subrogation rights aggregated ₹ 1.70 crore as against ₹ 1.85 crore received during the previous year. The cumulative amount of recoveries received since the inception of the Schemes aggregated ₹ 2,025.44 crore forming 29.19 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 off from April 1, 1981 onwards are given in **Annex X**. Recoveries made under the Scheme during 2009-10 by virtue of Corporation's right of subrogation amounted to ₹ 0.32 crore as compared to ₹ 0.41 crore received during the previous year. Cumulative recoveries since 1981 aggregated ₹ 267.14 crore as on March 31, 2010 forming 26.68 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, 2010 under the Scheme.

## PART II: RECENT POLICY INITIATIVES

### 2.1 EXPEDITIOUS SETTLEMENT OF DEPOSIT INSURANCE CLAIMS

The Corporation has been meticulously 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 able to submit the claim list within three months, as required under Section 17(1) of DICGC Act, 1961,

on account of various reasons despite vigorous follow-up with RBI/RCS/liquidators concerned.

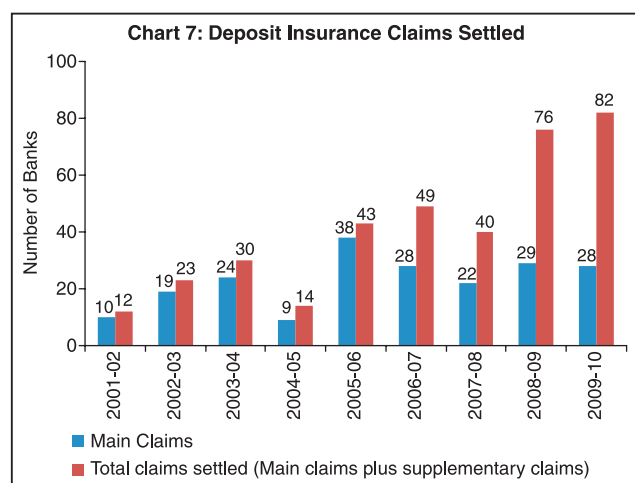
### Causes for delay in settlement of deposit insurance claims

The delay in settlement of claims of depositors can be attributed to various reasons as discussed below:

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

It may be observed from **Annex VII** that submission of claim list is pending for less than 1 year from 27 banks, between 1 and 5 years from 8 banks, between 5 and 10 years from 14 banks and for more than 10 years from 4 banks.

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 list for a long time. As a result of the proactive steps taken by the Corporation, the number of claims settled over the years has been steadily increasing as can be seen from the Chart 7.



During the year 2009-10, the Corporation had settled aggregate claims for ₹ 654.65 crore in respect of 82 banks (28 original claims and 54 supplementary claims). During the year, out of 28 main claims settled, 1 claim was more than 4 years old and 5 claims were more than 1 year old as on the date of settlement of claim. The average period for settlement of claims had shown reduction during last two years, indicating the increased sensitivity of the Corporation towards reducing the hardship to the depositors of failed banks. However, in 2009-10, the average period has increased due to larger number of depositors as compared to the previous year, requiring more processing time (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

## 2.2 DICGC-SUPPORTED TRANSFER OF ASSETS AND LIABILITIES OF UCBs TO COMMERCIAL BANKS IN LEGACY CASES

As a part of the measures to strengthen the urban co-operative banking system, a scheme of amalgamation of weak UCBs with strong UCBs in legacy cases, with support from the DICGC is already in place, where such proposals are considered by the Reserve Bank, involving UCBs having negative net worth as on March 31, 2007. The Reserve Bank has since announced a scheme of transfer of assets and liabilities (including branches) of UCBs to commercial banks with DICGC support in legacy cases, as an additional option for resolution of weak banks, where proposals for amalgamation within the UCB sector were not forthcoming. The scheme should ensure 100 per cent protection to depositors and DICGC support would be restricted to the amount provided under Section 16(2) of the DICGC Act, 1961. The UCB concerned should have negative net worth as on March 31, 2007 or earlier and continue to have negative net worth as on the date of transfer.



## 2.3 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.

## PART III: STATEMENT OF ACCOUNTS<sup>1</sup>

### 3.1. INSURANCE LIABILITIES

- (a) During the year 2009-10, an amount of ₹ 654.65 crore (₹ 228.43 crore) was paid towards insurance claims connoting about 187 per cent increase. The ascertained liabilities towards deposit insurance claims outstanding as on

March 31, 2010 have been estimated at ₹ 763.89 crore (₹ 1,074.91 crore), representing about 29 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 ₹ 3,274.57 crore (₹ 1,816.89 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 Deposit Insurance Fund (DIF)** during the year 2009-10 declined by ₹ 219.38 crore from ₹ 3,972.56 crore to ₹ 3,753.18 crore (i.e., by about 6 per cent). This decline was principally brought about by increase in differential actuarial liability by ₹ 1,193.96 crore and depreciation in investments by ₹ 657.76 crore, offset by increase in premium receipt by ₹ 701.56 crore, decrease in net claims by ₹ 501.68 crore, increase in investment earnings by ₹ 224.03 crore, increase in recoveries by ₹ 93.74 crore, and increase in interest on tax refunds by ₹ 111.30 crore.
- (b) The pre-tax **revenue surplus in the Credit Guarantee Fund (CGF)** during 2009-10 increased by ₹ 50.46 crore (i.e., by more than 121 per cent) over the previous year from ₹ 41.67 crore to ₹ 92.13 crore. This increase is mainly due to increase in interest on tax refunds by ₹ 47.11 crore, investment earnings by ₹ 6.76 crore, offset by fall in recoveries by ₹ 1.51 crore and increase in investment depreciation by ₹ 1.91 crore.
- (c) The **General Fund (GF)** registered a pre-tax **revenue deficit** of ₹ 29.38 crore during 2009-10 as against a surplus of ₹ 10.60 crore during the previous year. The fall of ₹ 39.98 crore is brought about mainly by increase in investment depreciation by ₹ 45.45 crore, increase in expenses by ₹ 1.16 crore, offset by increase in interest on tax refunds by ₹ 4.56 crore, and increase in investment earnings by ₹ 2.06 crore.

<sup>1</sup> Figures in bracket pertain to the previous year.

### 3.3. ACCUMULATED SURPLUS

During the year under review, an amount of ₹ 300 crore was transferred from CGF to GF in terms of provisions of Section 25A(b) of DICGC Act, 1961.

As on March 31, 2010, the accumulated surpluses / reserves (post tax) in the DIF, CGF and GF stood at ₹ 16,877.26 crore (₹ 14,338.59 crore), ₹ 297.91 crore (₹ 385.18 crore), and ₹ 427.53 crore (₹ 168.26 crore) respectively.

### 3.4. INVESTMENTS

The book (at cost) value of investments of the three Funds, viz., DIF, CGF and GF, stood at ₹ 21,532.25 crore (₹ 17,267.92 crore), ₹ 337.07 crore (₹ 590.66 crore) and ₹ 521.34 crore (₹ 215.22 crore) respectively, as at the end of year. The accumulated depreciation in the value of dated securities in the above three Funds at ₹ 712.16 crore (₹ 334.35 crore); ₹ 32.44 crore (₹ 30.07 crore); ₹ 48.58 crore (₹ 8.19 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 ₹ 1,830.35 crore (₹ 1,910.77 crore) towards advance tax for the current year. Further, the Corporation provided for ₹ 1,307.42 crore (₹ 1,355.35 crore) towards current year's income tax liability.

## 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, 2010, four meetings of the Board were held.

### 4.1.2 RETIREMENT OF DIRECTOR

One Director (Shri Ashwini Kakkar) [also member of the Audit Committee of Board nominated on January 16, 2007 under Section 6(1)(e) of DICGC Act, 1961 retired from the Board of the Corporation after completion of his term of appointment on January 15, 2010.

### 4.2 CONSTITUTION OF THE AUDIT COMMITTEE OF THE BOARD

Consequent upon retirement of Shri Ashwini Kakkar after completion of his term of appointment on January 15, 2010, the present constitution of ACB is as follows:

1. Shri. M. Ramadoss  
Chairman
2. Dr. Shashank Saksena  
GOI nominee Director
3. Shri Umesh Chandra Sarangi  
Member
4. Shri H.N.Prasad  
Member Secretary

During the year ended March 31, 2010 four meetings of the Audit Committee of the Board were held.

### 4.3 MANAGEMENT

Dr. Subir V. Gokarn, Deputy Governor, RBI, was nominated as the Chairman of the Board of Directors of the Corporation in terms of Section 6 (1) (a) of DICGC Act, 1961 with effect from November 24, 2009 *vice* Smt. Usha Thorat, Deputy Governor, RBI.

### 4.4 INTERNAL CONTROLS

#### 4.4.1 BUDGETARY CONTROL

The Corporation has devised a system of exercising control over revenue and expenditure under its three Funds viz., DIF, CGF and 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 are reviewed every quarter.

#### 4.4.2 MANAGEMENT AUDIT AND SYSTEMS INSPECTION BY RBI

Management Audit and Systems Inspection, 2008 was conducted by Inspection Department of Reserve Bank of India in the month of July 2008. The observations of Inspection Team categorised as Major paragraphs (3) have been fully complied with. Out of 98 other paragraphs, 96 have been complied with. Thus, compliance to Inspection Report has been 98.02 per cent so far.

#### 4.4.3 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.

#### 4.4.4 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.

#### 4.5 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 2009-10, 59 employees comprising 40 officers, 14 class III staff and 5 class IV staff were deputed to RBI training establishments and external training institutes in India. Six officers were deputed for IADI sponsored training / conference organised by other Deposit Insurance Corporations.

#### 4.6 STAFF STRENGTH

The entire staff of the Corporation is on deputation from Reserve Bank of India. The Staff strength of the Corporation as on March 31, 2010 was 93 as compared with 99 a year ago. Category-wise position of staff is as under:

Of the total staff, 52.7 per cent were in Class I, 22.6 per cent in Class III and the remaining 24.7 per cent in Class IV. Of the total staff, 15.1 per cent belonged to Scheduled Castes and 14.0 per cent belonged to Scheduled Tribes as on March 31, 2010 (Table 8).

#### 4.7 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 Corporation, as a public authority, as defined in the Act is obliged to provide information to the members of public. During the year 2009-10, total 77 requests

**Table 8: Category-wise Position of Staff**

Category	Number	of which		Percentage	
		SC	ST	SC	ST
1	2	3	4	5	6
Class I	49	8	5	16.33	10.20
Class III	21	2	2	9.52	9.52
Class IV	23	4	4	17.39	17.39
<b>Total</b>	<b>93</b>	<b>14</b>	<b>11</b>	<b>15.05</b>	<b>13.98</b>

SC: Scheduled Castes      ST: Scheduled Tribes

were resolved including 4 cases under Appellate Authority and 3 cases under Central Information Commission (CIC), New Delhi. All three CIC cases were decided in favour of the Corporation.

#### **4.8 PROGRESSIVE USE OF HINDI**

During the year 2009-10, 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 first week of November 2009. 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.

#### **4.9 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.

#### **4.10 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 2009-10 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 27, 2010

**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	1,582	280	8	17	25	1,837
1986 to 1990	1,837	102	8	10	18	1,921
1990-91	1,921	8	5	2	7	1,922
1991-92	1,922	14	2	3	5	1,931
1992-93	1,931	3	2	1	3	1,931
1993-94	1,931	63	1	3	4	1,990
1994-95	1,990	36	0	1	1	2,025
1995-96	2,025	99	1	1	2	2,122
1996-97	2,122	176	1	1	2	2,296
1997-98	2,296	145	1	2	3	2,438
1998-99	2,438	149	4	0	4	2,583
1999-00	2,583	103	8	2	10	2,676
2000-01	2,676	62	9	1	10	2,728
2001-02	2,728	15	18	10	28	2,715
2002-03	2,715	10	29	7	36	2,629*
2003-04	2,629	9	39	4	43	2,595
2004-05	2,595	3	47	4	51	2,547
2005-06	2,547	3	17	2	19	2,531
2006-07	2,531	46	24	161	185	2,392
2007-08	2,392	10	18	28	46	2,356
2008-09	2,356	13	33	29	62	2,307
2009-10	2,307	10	26	42	68	2,249

\* 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
2007-08	80	92	4	2,180	2,356
2008-09	80	86	4	2,137	2,307
2009-10	83	82	4	2,080	2,249

RRBs : Regional Rural Banks.

LABs : Local Area Banks.

**B. STATE WISE BREAK-UP OF INSURED CO-OPERATIVE BANKS  
(AS AT END-MARCH 2010)**

Sr. No.	State	Apex	Central	Primary	Total
1	Andhra Pradesh	1	22	110	133
2	Assam	1	0	9	10
3	Arunachal Pradesh	1	0	0	1
4	Bihar	1	21	3	25
5	Chhattisgarh	1	6	12	19
6	Goa	1	0	6	7
7	Gujarat	1	18	250	269
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	271	293
13	Kerala	1	14	60	75
14	Madhya Pradesh	1	38	54	93
15	Maharashtra	1	31	557	589
16	Manipur	1	0	2	3
17	Meghalaya	–	–	2	2
18	Mizoram	1	–	1	2
19	Nagaland	1	–	–	1
20	Orissa	1	17	13	31
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	69	120
27	Uttarakhand	1	10	7	18
28	West Bengal	1	17	47	65
<b>Union Territory</b>					
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
<b>TOTAL</b>		<b>29</b>	<b>370</b>	<b>1681</b>	<b>2080</b>

**ANNEX - III**

**BANKS REGISTERED AND DE-REGISTERED DURING 2009-10**

<b>Bank Type / State</b>	<b>Sr. No.</b>	<b>Name of the Bank</b>
<b>A. REGISTERED (10)</b>		
<b>Commercial Banks (3)</b>	1.	First Rand Bank Ltd. Mumbai
	2.	United Overseas Bank Ltd.
	3.	Commonwealth Bank of Australia
<b>Co-operative Banks (3)</b>		
Mizoram (1)	1.	Mizoram Urban Co-op. Development Bank Ltd.
Meghalaya (2)	1.	Shillong Co-op Urban Bank Ltd.
	2.	Jowai Co-op Urban Bank Ltd.
<b>Regional Rural Banks (4)</b>	1.	Jammu & Kashmir Grameen Bank, Jammu
	2.	Maharashtra Gramin Bank
	3.	Ballia Etawah Gramin Bank
	4.	Allahabad U.P. Gramin Bank
<b>B. DE-REGISTERED (68)</b>		
<b>Commercial Banks (0)</b>	Nil	
<b>Co-operative Banks (60)</b>		
Andhra Pradesh (5)	1.	Ramachandrapuram Co-op. Urban Bank Ltd. (Amalgamated with Vishakhapatnam Co-op. Urban Bank Ltd.)
	2.	Veerashaira Co-op. Urban bank Ltd.. (Amalgamated with Agrason Co-op. Urban Bank Ltd.)
	3.	Seva Co-op. Urban Bank Ltd. (Amalgamated with Bhavana Rishi Co-op. Urban Bank Ltd.)
	4.	Palakol Co-op. Urban Bank Ltd. (Amalgamated with Kanakamahalakshmi Co-op. Urban Bank Ltd.)
	5.	Milli Co-op. Urbab Bank Ltd. Hyderabad (Amalgamated with Rajdhani Co-op. Urban Bank Ltd.)
Gujarat (15)	1.	Shree Deesa Nagrik SBL, Deesa, Gujarat (Amalgamated with Madhav Nagrik SBL. )
	2.	Prantij Nagrik Sahakari Bank Ltd.Gujarat
	3.	Surendranagar People's Co-op. Bank Ltd. Gujarat
	4.	Ankleshwar Taluka Mahila Nagrik Co-op. Bank Ltd. (Amalgamated with Cosmos Co-op. Bank Ltd.)
	5.	United Mercantile Co-op. Bank Ltd. Nadiad (Amalgamated with Prime Co-op. Bank Ltd.)
	6.	Amruta Mahila Co-op. Bank Ltd. Surendranagar (Amalgamated with Co-op. Bank of Rajkot Ltd.)
	7.	Manekchowk Co-op. Bank Ltd. A'bad. (Amalgamated with Abhyudaya Co-op. Bank Ltd.)
	8.	Shree Krishna Sahakari Bank Ltd., Vadodara (Amalgamated with Abhyudaya Co-op. Bank Ltd.,)
	9.	Surat Mahila Nagrik Sahakari Bank Ltd. Gujarat
	10.	Shri Kamdar Sahakari Bank Ltd., Bhavnagar

**ANNEX - III (Contd.)**

Bank Type / State	Sr. No.	Name of the Bank
Karnataka (9)	11.	Cambay Hindu Merchants Co-op. Bank Ltd., Khambhat
	12.	Ahmedabad Peoples' Co-op. Bank Ltd.
	13.	Sanand Urban Co-op. Bank Ltd.
		(Amalgamated with Prime co-op. Bank Ltd. Surat)
	14.	Surendranagar Mercantile co-op. Bank Ltd.
		(Amalgamated with Adarsh Co-op. Bank Ltd.)
	15.	Rushika Mahila Nagrik Co-op. Bank Ltd.,
		(Amalgamated with Junagadh Comm. Co-op. bank Ltd.)
		1. Haliyal Urban Co-op. Bank
	2. Janatha Co-op. Bank Ltd. Udupi	
	(Amalgamated with Abhyudaya Co-op. bank Ltd.)	
	3. The Katkol Co-op. Bank Ltd., Belgaum	
	4. The Vardhaman Co-op. Bank Ltd., Hubli	
	(Amalgamated with Sindhanur Urban Souharda CBL.)	
	5. Shree Ram Sahakari Bank Ltd. Nipani	
	(Amalgamated with Cosmos Co-op. Bank Ltd.)	
	6. Mahila Shakthi Co-op. Bank Ltd., Niyamitha, Bellary	
	(Amalgamated with Sindhanur Urban Souharda CBL.)	
	7. Raichur Zilla Mahila Pathana Sahakari Bank Niyamith, Raichur	
	8. Chadchan Shree Sangameshwar Urban Co-op. Bank Ltd.	
	9. Rabkavi Urban Co-op. Bank Ltd.	
Maharashtra (25)	1.	Sanjeevani Urban Co-op. Bank Ltd., Parbhani
		(Amalgamated with Vaidyanath Urban Co-op. Bank)
	2.	Yeshwant Urban Co-op. Bank Ltd., Parbhani
	3.	Kolhapur Maratha Co-op. Bank Ltd.
		(Amalgamated with Saraswat Co-op. Bank Ltd.)
	4.	Shahupuri Nagari Sahakari Bank Ltd., Satara
		(Amalgamated with Sahebrao Deshmukh Co-op. Bank Ltd.)
	5.	The Akot W. Co-op. Bank Ltd., Akola
	6.	Shri Parola Urban Co-op. Bank Ltd.
	7.	Yashwant Sahakari Bank Ltd., Miraj
	8.	Shree Suvarna Sahakari Bank Ltd., Pune
		(Scheme of arrangement of transfer of liabilities to Indian Overseas Bank)
	9.	Shrirampur People's Co-op. bank Ltd.
	(Amalgamated with Nasik Merchant's Co-op Bank Ltd.)	
10.	Jarandeshwar Sahakari bank Ltd., Satara	
	(Amalgamated with Cosmos Co-op. Bank Ltd.)	
11.	Shri Shahu Co-op. Bank Ltd., Kolhapur	
	(Amalgamated with North Kanaru GSB. Co-op. Bank Ltd.)	
12.	Nagpur Mahila Nagari SBL.	
13.	Jai Shivarai Nagari Sahakari Bank Ltd., Nanded	
	(Amalgamated with Punjab & Maharashtra Co-op. Bank Ltd.)	

**ANNEX - III (Concl.)**

<b>Bank Type / State</b>	<b>Sr. No.</b>	<b>Name of the Bank</b>	
Madhya Pradesh (5)	14.	The Satara Merchant's Co-op. Bank Ltd. (Amalgamated with Kalyan Janak Sahakari Bank Ltd.)	
	15.	Rajlaxmi Nagari Sahakari Bank Ltd., Dhule	
	16.	Jijamata Mahila Nagari Sahakari Bank Ltd., Parbhani (Amalgamated with Deogiri Nagari Sahakari Bank Ltd.)	
	17.	Kupwad Urban Co-op. Bank Ltd., Sangli	
	18.	Phaltan Urban Co-op. Bank Ltd. (Amalgamated with Cosmos Co-op.)	
	19.	Shri Laxmi Sahakari Bank Ltd., Satara	
	20.	Markandeya Nagari Sahakari bank Ltd., Nanded (Amalgamated with Deendayal Nagari SBL.)	
	21.	Suvarna Mangal Mahila Sahakari Bank Ltd., Dombivli (Amalgamated with Dombivli Nagari Sahakari bank Ltd.)	
	22.	Rajwade Mandal People's Co-op. Bank Ltd., Dhule (Rejection of appl. for license to carry on bkg. Business)	
	23.	Shree Sinnar Vyapari Sahakari Bank Ltd., Nasik	
	24.	Ichalkaranji Urban Co-op. Bank Ltd.	
	25.	Annasaheb Patil Urban Co-op. bank Ltd., New Aurangabad	
	1.	Deendayal Nagrik Sahakari Bank Mydt., Khandwa	
	2.	Indira Mahila Nagrik Sahakari bank Ltd., Seoni (Amalgamated with Nagpur Nagrik Sahakari Bank Ltd.)	
	3.	Citizen Co-op.Bank Ltd., Burhanpur	
	4.	Nagrik Sahakari Bank Ltd., Chhidwade (Amalgamated with Nagpur Nagrik Sahakari Bank Ltd.)	
	5.	Suvidha Mahila Nagrik Sahakari Bank Ltd., Hoshangabad	
	West Bengal (1)	1.	West Bengal Govt. Press Employees' Co-op. Thrift & Credit Society Ltd. (License application Rejected by RBI)
	<b>Regional Rural Banks (8)</b>	1.	Kamraz Rural Bank, J.&K. (Amalgamated to form J&K Grameen Bank)
		2.	Jammu Rural Bank, J.&K. (Amalgamated to form J.&K Grameen Bank)
		3.	Marathwada Gramin Bank, Maharashtra (Amalgamated to form Maharashtra Gramin Bank)
		4.	Maharashtra Godavari Gramin Bank (Amalgamated to form Maharashtra Gramin Bank)
		5.	Ballia Kshetriya Gramin Bank (Amalgamated to form Ballia –Etawah Gramin Bank)
		6.	Etawah Kshetriya Gramin Bank (Amalgamated to form Ballia-Etawah Gramin Bank)
7.		Lucknow Kshetriya Gramin Bank (Amalgamated to form Allahabad U.P. Gramin Bank)	
8.		Triveni Kshetriya Gramin Bank (Amalgamated to form Allahabad U.P. Gramin Bank)	

## 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 2009)

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	1,694	23.1
1990-91	2,982.52	3,089.12	96.5	109,316	156,892	69.7
1991-92	3,169.18	3,287.00	96.4	127,925	186,307	68.7
1992-93	3,395.03	3,543.02	95.8	164,527	244,375	67.3
1993-94	3,497.10	3,529.03	99.1	168,405	249,034	67.6
1994-95	4,956.05	4,993.99	99.2	266,747	364,058	73.3
1995-96	4,818.63	4,868.07	99.0	295,575	392,072	75.4
1996-97	4,273.23	4,351.26	98.2	337,671	450,674	74.9
1997-98	3,713.02	4,108.73	90.4	370,531	492,280	75.2
1998-99	4,544.33	4,641.93	97.9	439,609	609,962	72.1
1999-00	4,302.11	4,417.30	97.4	498,558	704,068	70.8
2000-01	4,324.59	4,461.84	96.9	572,434	806,260	71.0
2001-02	4,644.52	4,816.73	96.4	674,051	968,752	69.6
2002-03	5,782.31	6,001.61	96.3	828,885	1,213,163	68.3
2003-04	5,189.44	5,439.66	95.4	870,940	1,318,268	66.1
2004-05	6,195.30	6,495.40	95.4	991,365	1,619,815	61.2
2005-06	5,055.35	5,373.94	94.1	1,052,988	1,790,919	58.8
2006-07	6,829.01	7,168.95	95.3	1,372,597	2,344,351	58.6
2007-08	9,617.17	10,389.09	92.6	1,805,081	2,984,800	60.5
2008-09	12,040.00	13,489.36	89.3	1,908,951	3,398,565	56.2
2009-10	12,669.49	14,238.57	89.0	2,369,483	4,282,966	55.3

\* 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.



**ANNEX - V**

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

Year	Category of Banks	No. of Insured Banks	No. of Reporting Banks	Insured Deposits (Rs. crore)	Total Assessable Deposits (Rs. crore)	Percentage of Insured Deposits to Assessable Deposits
1	2	3	4	5	6	7
<b>2006-07</b>	I. Commercial Banks (i to v)	87	87	1,170,103	2,075,739	56.37
	i) SBI Group	8	8	354,192	519,745	68.15
	ii) Public Sector	19	19	701,460	1,026,062	68.36
	iii) Foreign Banks	29	29	11,016	112,734	9.77
	iv) Private Banks	27	27	103,263	416,865	24.77
	v) Local Area Banks	4	4	172	332	51.61
	II. RRBs	96	86	56,309	61,190	92.02
	III. Co-operative Banks	2209	2035	146,185	207,423	70.48
	<b>Total (I+II+III)</b>	<b>2392</b>	<b>2208</b>	<b>1,372,597</b>	<b>2,344,351</b>	<b>58.55</b>
<b>2007-08</b>	I. Commercial Banks (i to v)	84	84	1,582,584	2,672,815	59.21
	i) SBI Group	8	8	532,646	650,375	81.9
	ii) Public Sector	19	19	916,220	1,325,207	69.14
	iii) Foreign Banks	29	29	12,612	161,422	7.81
	iv) Private Banks	24	24	120,931	535,472	22.58
	v) Local Area Banks	4	4	175	338	51.66
	II. RRBs	92	80	63,733	69,222	92.07
	III. Co-operative Banks	2180	1968	158,764	242,763	65.4
	<b>Total (I+II+III)</b>	<b>2356</b>	<b>2132</b>	<b>1,805,081</b>	<b>2,984,800</b>	<b>60.48</b>
<b>2008-09</b>	I. Commercial Banks (i to v)	84	80	1,663,845	3,059,539	54.38
	i) SBI Group	7	7	514,455	756,085	68.04
	ii) Public Sector	18	18	972,064	1,485,884	65.42
	iii) Foreign Banks	31	30	27,092	161,808	16.74
	iv) Private Banks	24	21	149,923	655,180	22.88
	v) Local Area Banks	4	4	312	582	53.57
	II. RRBs	86	72	83,026	98,046	84.68
	III. Co-operative Banks	2137	1953	162,080	240,980	67.26
	<b>Total (I+II+III)</b>	<b>2307</b>	<b>2105</b>	<b>1,908,951</b>	<b>3,398,565</b>	<b>56.17</b>
<b>2009-10</b>	I. Commercial Banks (i to v)	87	81	2,084,457	3,879,206	53.73
	i) SBI Group	7	7	608,959	935,802	65.07
	ii) Public Sector	19	18	1,255,314	1,868,683	67.18
	iii) Foreign Banks	34	30	41,490	225,645	18.39
	iv) Private Banks	23	22	178,225	848,197	21.01
	v) Local Area Banks	4	4	469	879	53.41
	II. RRBs	82	65	106,693	129,205	82.58
	III. Co-operative Banks	2080	1690	178,333	274,555	64.95
	<b>Total (I+II+III)</b>	<b>2249</b>	<b>1836</b>	<b>2,369,483</b>	<b>4,282,966</b>	<b>55.32</b>

**ANNEX - VI**

**INSURANCE CLAIMS SETTLED AND REPAYMENT RECIVED - ALL BANKS  
LIQUIDATED / AMALGAMATED / RECONSTRUCTED UP TO MARCH 31, 2010**

(Amount in Rupees lakh)

<b>Sr. No.</b>	<b>Name of the bank</b>	<b>Claims Settled</b>	<b>Repayments received (Written Off)</b>	<b>Balance (col.3 - col.4)</b>
1	2	3	4	5
<b>I</b>	<b>COMMERCIAL BANKS</b>			
	i) Full repayment received			
	1) Bank of China, Kolkata (1963)	9.25	9.25	-
	2) Shree Jadeya Shankar Ling Bank Ltd; Bijapur (1965)*	0.12	0.12	-
	3) Bank of Behar; 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	-
	<b>Total 'A'</b>	<b>3,911.40</b>	<b>3,911.40</b>	-
	ii) Repayments 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 Bank Ltd; Kolkata (1964)*	8.80	4.42 (4.38)	-
	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)*	17.25	16.78 (0.48)	-
	15) National Bank of Pakistan, Kolkata (1966)*	0.99	0.88 (0.11)	-
	<b>Total 'B'</b>	<b>38.46</b>	<b>27.81 (10.65)</b>	-
	iii) Part repayment received			
	16) National Bank of Lahore Ltd; Delhi (1970)*	9.69	-	9.69
	17) Bank of Cochin Ltd; Cochin (1986)*	1,162.78	705.78	457.00
	18) Lakshmi Commercial Bank Ltd., Banglore*	3,340.62	913.58	2,427.04
	19) Hindustan Commercial Bank Ltd; Delhi (1988)*	2,191.67	1,053.75	1,137.92
	20) United Industrial Bank Ltd; Kolkata (1990)*	3,501.58	326.32	3,175.26
	21) Traders Bank Ltd; New Delhi (1990)*	306.34	134.82	171.52
	22) Bank of Thanjavur Ltd; Thanjavur T.N. (1990)*	1,078.36	932.48	145.88
	23) Bank of Tamilnad Ltd.. Tirunelveli T.N. (1990)*	764.50	758.97	5.53

**ANNEX - VI (Contd.)**

(Amount in Rupees lakh)

<b>Sr. No.</b>	<b>Name of the bank</b>	<b>Claims Settled</b>	<b>Repayments received (Written Off)</b>	<b>Balance (col.3 - col.4)</b>
1	2	3	4	5
	24) Parur Central Bank Ltd., North Parur Maharashtra (1990)*	260.92	231.92	29.00
	25) Purbanchal Bank Ltd., Guwahati (1990)*	725.77	97.60	628.17
	26) Sikkim Bank Ltd., Gangtok (2000)*	1,727.24	-	1,727.24
	27) Benares State Bank Ltd., U.P.(2002)*	10,564.42	3,963.57	6,600.85
	<b>Total 'C' 25,633.89</b>	<b>9,118.79</b>	<b>16,515.10</b>	
	<b>Total (A + B + C)</b>	<b>29,583.75</b>	<b>13,058.00 (10.65)</b>	<b>16,515.10</b>
<b>II.</b>	<b>CO-OPERATIVE BANKS</b>			
	i) Full repayment received			
	1) Malvan Co-op. Urban 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, Karnataka (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 CUBL A.P (2005)	6.30	6.30	-
	<b>Total 'D'</b>	<b>171.37</b>	<b>171.37</b>	<b>-</b>
	ii) Repayments received in part and balance due written off			
	9) Ghatkopar Janata Sahakari Bank Ltd., Mumbai (1977)	2.76	-	-
			(2.76)	
	10) Bhadraavathi Town Co-op. Bank Ltd., Bhadravathi (1994)	0.26	-	-
			(0.26)	
	11) Aarey Milk Colony Co-op. Bank Ltd., Mumbai (1978)	0.60	-	-
			(0.60)	
	12) Armoor Co-op. Urban Bank Ltd., AP (2003)	7.08	5.27	-
			(1.81)	
	<b>Total 'E'</b>	<b>10.70</b>	<b>5.27 (5.43)</b>	<b>-</b>
	iii) Part repayment received			
	13) Ratnagiri Urban Co-op. Bank Ltd., Ratnagiri Maharashtra (1978)*	46.43	12.56	33.87
	14) Vishwakarma Co-op. Bank Ltd., Mumbai Maharashtra (1979)*	11.57	5.60	5.97
	15) Prabhadevi Janata Sahakari Bank Ltd., Mumbai, Maharashtra (1979)*	7.02	3.06	3.96
	16) Kalavihar Co-op. Bank Ltd., Mumbai (1979)*	13.17	3.36	9.81
	17) Vysya Co-op. Bank Ltd., Bangalore Karnataka (1982)*	91.31	12.95	78.36

**ANNEX - VI (Contd.)**

(Amount in Rupees lakh)

<b>Sr. No.</b>	<b>Name of the bank</b>	<b>Claims Settled</b>	<b>Repayments received (Written Off)</b>	<b>Balance (col.3 - col.4)</b>
1	2	3	4	5
	18) Kollur Parvathi Co-op. Bank Ltd., Kollur A.P. 1985)	13.96	7.08	6.88
	19) Adarsh Co-op. Bank Ltd., Mysore Karnataka (1985)	2.74	0.66	2.08
	20) Kurduwadi Merchants Urban Co-op. Bank Ltd. Kurduwadi (1986)*	4.85	4.01	0.84
	21) Gadag Urban Co-op. Bank Ltd., Gadag Karnataka (1986)	22.85	13.16	9.69
	22) Manihal Urban Co-op. Credit Bank Ltd., Manihal Karnataka (1987)	9.62	2.28	7.34
	23) Hind Urban Co-op. Credit Bank Ltd., Lucknow U.P. (1988)	10.95	-	10.95
	24) Yellamaanchili Co-op. Bank Ltd. Yellamaanchili A.P. (1990)	4.36	0.52	3.84
	25) Vasavi Co-op. Urban Bank Ltd., Gurzala A.P. (1991)	3.89	0.49	3.40
	26) Kundara Urban Co-op. Bank Ltd. Kundara Kerala (1991)	17.37	9.05	8.32
	27) Manoli Shri Panchlingeshwar Urban Co-op. Bank Ltd., Karnataka (1991)	17.44	11.40	6.04
	28) Sardar Nagrik Sahakari Bank Ltd., Baroda Gujarat (1991)	74.86	18.00	56.86
	29) Belgaum Muslim Co-op. Bank Ltd., Belgaum Karnataka (1992)*	37.11	2.74	34.37
	30) Bhiloda Nagrik Sahakari Bank Ltd., Bhiloda Gujarat (1994)	19.84	1.02	18.82
	31) Citizen's Urban Co-op. Bank Ltd., Indore M.P. (1994)	220.21	10.00	210.21
	32) Chetana Co-op. Bank Ltd., Mumbai (1995)	875.49	7.58	867.91
	33) Bijapur Industrial Co-op. Bank Ltd., Hubli Karnataka (1996)	24.13	-	24.13
	34) The Peoples Co-op. Bank Ltd., Ichalkaranji Maharashtra (1996)	365.46	-	365.46
	35) The Swastik Janata Sahakari Bank Ltd., Mumbai (1998)	226.63	-	226.63
	36) Kolhapur Zilla Janata Sahakari Bank Ltd., Mumbai (1998)	801.17	-	801.17
	37) Dharwad Industrial Co-op. Bank Ltd., Hubli Karnataka (1998)	9.16	9.16	0.00
	38) Dadar Janata Sahakari Bank Ltd. Mumbai (1999)	518.03	5.00	513.03
	39) Vinkar Sahakari Bank Ltd., Mumbai (1999)	180.68	-	180.68
	40) Trimoorti Sahakari Bk Ltd.,Pune Maharashtra (1999)	285.56	140.00	145.56
	41) Awami Mercantile Co-op. Bank Ltd., Mumbai (2000)	462.40	30.00	432.40
	42) Ravikiran Urban Co-op. Bank Ltd., Mumbai (2000)	621.57	2.61	618.96
	43) Gudur Co-op. Urban Bank Ltd., Gudur A.P. (2000)	67.37	9.65	57.72
	44) Anakapalle Co-op. Urban Bank Ltd., Anakapalle A.P. (2000)	24.47	1.38	23.09
	45) Indira Sahakari Bank Ltd., Mumbai (2000)	1570.13	0.84	1569.29

**ANNEX - VI (Contd.)**

(Amount in Rupees lakh)

<b>Sr. No.</b>	<b>Name of the bank</b>	<b>Claims Settled</b>	<b>Repayments received (Written Off)</b>	<b>Balance (col.3 - col.4)</b>
1	2	3	4	5
46)	Nandgaon Merchants Co-op. Bank Ltd., Nandgaon Maharashtra (2000)	22.42	–	22.42
47)	Siddhartha Sahakari Bank Ltd., Jalgaon Maharashtra (2000)	53.99	11.00	42.99
48)	Solapur Zilla Mahila Sahakari Bank Ltd., Solapur Maharashtra (2000)	274.95	–	274.95
49)	The Sami Taluka Nagrik Sahakari Bank Ltd., Sami Gujarat (2000)	20.17	–	20.17
50)	Ahilyadevi Mahila Nagari Sahakari Bank Ltd., Kalamnuri Maharashtra (2001)	16.96	–	16.96
51)	Nagrik Sahakari Bank Ltd., Sagar M.P. (2001)	70.14	–	70.14
52)	Indira Sahakari Bank Ltd., Aurangabad, Maharashtra (2001)	218.63	4.66	213..97
53)	Nagrik Co-op. Comm. Bank Mydt. Bilaspur, M.P. (2001)	261.36	–	261.36
54)	Ichaalkaranji Kamgar Nagrik Sahakari Bank Ltd., Ichaalkaranji Mah.(2001)	50.68	–	50.68
55)	Parishad Co-op. Bank Ltd., New Delhi (2001)	39.47	37.81	1.66
56)	The Sahyog Co-op. Bank Ltd., Ahmedabad Gujarat (2002)	299.53	15.50	284.03
57)	Madhavpura Mercantile Co-op. Bank Ltd., Ahmedabaad Gujarat (2001)	40,094.00	–	40,094.00
58)	Krushi Co-op. Urban Bank Ltd., Secunderabad A.P. (2001)	2,324.04	285.06	2,038.98
59)	Jabalpur Nagrik Sahakari Bank Ltd., Jabalapur M.P (2002)	194.86	150.72	44.14
60)	Shree Laxmi Co-op. Bank Ltd., Ahmedabad Gujarat (2002)	1,387.39	223.80	1,163.59
61)	Maratha Market Peoples Co-op. Bank Ltd., Mumbai (2002)	379.60	–	379.60
62)	The Latur Peoples Co-op. Bank Ltd., Latur, Maharashtra (2002)	30.49	–	30.49
63)	Shree Laxmi Mahila Co-op. Bank Ltd., AP (2002)	78.21	–	78.21
64)	The Friends Co-op. Bank Ltd., Mumbai (2002)	484.28	0.92	483.36
65)	The Bhagyanagar Co-op. Urban Bank Ltd., A.P.(2002)	96.97	93.64	3.33
66)	The Aska Co-op. Urban Bank Ltd., Orissa (2002)	70.33	–	70.33
67)	The Veraval Ratnakar Nagrik Sahakari Bank Ltd., Veraval, Gujarat (2002)	265.54	–	265.54
68)	Shree Veraval Vibhagiya Nagrik Saha. Bank Ltd., Veraval, Gujarat (2002)	258.66	–	258.66
69)	Sravya Co-op. Urban Bank Ltd., A.P. (2002)	743.77	24.21	719.56
70)	Majoor Sahakari Bank Ltd., Ahmedabad Gujarat (2002)	147.79	–	147.79
71)	Mira Bhayander Co-op. Bank Ltd., Maharashtra (2003)	224.48	–	224.48
72)	Shree Labh Co-op. Bank Ltd., Mumbai(2003)	475.07	3.41	471.66

**ANNEX - VI (Contd.)**

(Amount in Rupees lakh)

<b>Sr. No.</b>	<b>Name of the bank</b>	<b>Claims Settled</b>	<b>Repayments received (Written Off)</b>	<b>Balance (col.3 - col.4)</b>
1	2	3	4	5
73)	Khed Urban Co-op. Bank Ltd., Mhaharashtra (2003)	463.68	–	463.68
74)	Janata Sahakari Bank Ltd., Dewas, MP (2003)	717.42	661.41	56.01
75)	Nizamabad Co-op. Urban Bank Ltd., AP (2003)	112.90	100.38	12.52
76)	Megacity Co-op. Urban Bank Ltd., AP (2003)	161.98	146.78	15.20
77)	The Kurnool Urban Co-op. Bank Ltd., A.P. (2003)	474.33	465.56	8.77
78)	Yamunanagar Urban Co-op. Bank Ltd., Hariyana (2003)	300.47	28.00	272.47
79)	The Praja Co-op. Urban Bank Ltd., AP (2003)	92.54	86.14	6.40
80)	Charminar Co-op. Urban Bank Ltd., AP (2003)	14,323.44	7,842.04	6,481.40
81)	Rajampet Co-op. Urban Bank Ltd., AP (2003)	163.45	68.00	95.45
82)	Shree Bhagayalaxmi Co-op. Bank Ltd., Gujarat (2003)	340.33	36.00	304.33
83)	Aryan Co-op. Urban Bank Ltd., AP (2003)	467.81	436.32	31.49
84)	The First City Co-op. Urban Bank Ltd., AP (2003)	128.73	112.44	16.29
85)	Kalwa Belapur Sahakari Bank Ltd., Maharashtra (2003)	488.80	0.25	488.55
86)	Ahmedabad Mahila Sahakari Bank Ltd., Gujarat (2003)	333.24	9.50	323.74
87)	Theni Co-op. Urban Bank Ltd., TN (2003)	331.78	0.07	331.71
88)	Mandasaur Commercial Co-op. Bank Ltd., MP (2003)	1411.40	1152.98	258.42
89)	Mother Theresa Co-op. Urban Bank Ltd., AP (2003)	572.46	14.00	558.46
90)	Dhana Co-op. Urban Bank Ltd., AP (2003)	238.55	–	238.55
91)	Ahmedabad Urban Co-op. Bank Ltd., Gujarat ( 2003)	373.44	22.04	351.40
92)	The Star Co-op. Bank Ltd., AP (2003)	26.27	–	26.27
93)	The Janata Commercial Co-op. Urban Bank Ltd., Ahmedabad Gujarat (2003)	411.26	–	411.26
94)	Manikanta Co-op. Urban Bank Ltd., AP (2003)	216.78	173.00	43.78
95)	Bhavnagar Welfare Co-op. Bank Ltd., Gujarat (2003)	355.08	–	355.08
96)	Navodaya Sahakara Bank Ltd., Karnataka (2003)	30.38	25.22	5.16
97)	Pithapuram Co-op. Urban Bank Ltd., AP (2003)	76.98	76.91	0.07
98)	Shri Adinath Sahakari Bank Ltd., Maharashtra ( 2003)	429.71	67.15	362.56
99)	Santram Co-op. Bank Ltd., Gujarat (2003)	1,158.72	28.18	1,130.54
100)	Palana Co-op. Urban Bank Ltd., Gujarat (2003)	229.52	217.91	11.61
101)	Nayaka Mercantile Coop. Bank Ltd. , Gujarat (2004)	255.31	–	255.31
102)	General Co-op. Bank Ltd Gujarat (2004)	7,079.25	159.84	6,919.41
103)	Western Co-op. Bank Ltd. Mumbai (2004)	440.86	0.57	440.29
104)	Charotar Nagrik Sahakari Bank Ltd. Gujarat (2004)	20,527.72	913.63	19,614.09
105)	Pratibha Mahila Sahakari Bank Ltd., Jalgaon Maharashtra (2004)	341.92	–	341.92
106)	Visnagar Nagrik Sahakari Bank Ltd., Gujarat(2004)	38,199.37	101.13	38,098.24
107)	Narsaraopet Co-op. Bank Ltd., Andhra Pradesh (2004)	17.94	1.30	16.64
108)	Bhanjanagar Co-op. Bank Ltd., Orissa (2004)	98.00	–	98.00
109)	Sai Co-op. Bank Ltd. A. P. (20004)	101.70	61.70	40.00
110)	Neelagiri Co-operative Urban Bank Ltd A.P. (2005)	25.31	5.49	19.82

**ANNEX - VI (Contd.)**

(Amount in Rupees lakh)

<b>Sr. No.</b>	<b>Name of the bank</b>	<b>Claims Settled</b>	<b>Repayments received (Written Off)</b>	<b>Balance (col.3 - col.4)</b>
1	2	3	4	5
	111) Kalyan Co-operative Urban Bank Ltd. A.P. (2005)	135.10	9.00	126.10
	112) Trinity Co-operative Urban Bank Ltd. A.P.(2005)	193.06	61.99	131.07
	113) Gulberga Co-operative Bank Ltd. Karnataka(2005)	254.41	7.93	246.48
	114) Vijaya Co-operative Bank Ltd. A.P(2005)	122.25	95.00	27.25
	115) Shri Satyasai Co-operative Bank Ltd. A.P.(2005)	73.87	20.00	53.87
	116) Sriganaganagar CUBL Rajasthan (2005)	47.88	-	47.88
	117) Sitara CUBL Hyderabad A.P (2005)	37.41	-	37.41
	118) Mahalaxami CUBL Hyderabad A.P (2005)	416.12	-	416.12
	119) Ma Sharda Mahila Nagrik Sahakari BL Akola Maharashtra (2005)	133.52	4.50	129.02
	120) Partur Peoples CBL Maharashtra	158.37	-	158.37
	121) Solapur Distt. Industrial CBL Maharashtra (2005)	1,072.95	0.88	1,072.07
	122) Baroda Peoples Co-op. Bank, Baroda Gujarat (2005)	5,820.93	201.08	5,619.84
	123) The Co-op. Bank of Umreth Gujarat (2005)	494.38	29.24	465.14
	124) Shree Patni Coop. Urban Bank Ltd.Gujarat (2005)	865.30	26.04	839.26
	125) The Classic Co-op. Bank Ltd., Surat Gujarat (2005)	57.26	5.00	52.26
	126) Sabarmati CUBL, Gujarat (2005)	3,185.36	323.42	2,861.94
	127) Matar Nagrik Sah. Bank Ltd. Gujarat (2005)	304.55	12.94	291.61
	128) Diamond Jubilee CBL, Gujarat (2005)	6,064.03	6,064.03	0.00
	129) Petlad Commercial CBL, Gujarat (2005)	733.25	50.85	682.40
	130) Nadiad Mercantile Co-operative Bank Ltd, Gujarat (2005)	2,942.58	49.95	2,892.63
	131) Shree Vikas Co-operative Bank Ltd, Gujarat (2005)	2,211.73	82.61	2,129.12
	132) Textile Processors CBL, Gujarat (2005)	537.55	25.34	512.21
	133) Pragati Co-operative Bank Ltd., Gujarat (2005)	1297.39	45.17	1252.22
	134) Ujavar Co-operative Bank Ltd Gujarat (2005)	157.06	-	157.06
	135) Sunav Nagrik Sahkari 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) The Citizen Co-operative Bank Ltd. M.P. (2005)	85.01	-	85.01
	138) The Darbhanga Central Co-operatve Bank Ltd. Bihar (2005)	190.00	-	190.00
	139) Bellampalli Co-operative Urban Bank Ltd. A.P. (2005)	75.03	-	75.03
	140) Shree Vithal CBL Gujarat (2005)	797.30	8.50	788.80
	141) Suryapur CBL Surat Gujarat (2005)	5,603.21	132.07	5,471.14
	142) Shri Sarvodaya CBL Ahmedabad (2005)	108.99	-	108.99
	143) Petlad Nagrik Sahakari BL Gujarat (2005)	243.19	20.19	223.00
	144) Raghuvanshi CBL Mumbai (2005)	1,206.60	1.00	1,205.60
	145) Solapur Merchants CBL Solapur Maharashtra (2005)	306.97	-	306.97
	146) Aurangabad Peoples CBL Maharashtra (2005)	293.22	53.22	240.00
	147) Urban Co-operative Bank, Tehri, Uttaranchal (2005)	146.65	1.00	145.65



**ANNEX - VI (Contd.)**

(Amount in Rupees lakh)

<b>Sr. No.</b>	<b>Name of the bank</b>	<b>Claims Settled</b>	<b>Repayments received (Written Off)</b>	<b>Balance (col.3 - col.4)</b>
1	2	3	4	5
	148) Shreenathji Co-operative Bank Ltd , Gujarat (2005)	407.40	–	407.40
	149) Century Co-operative Urban Bank Ltd. Surat Gujarat (2006)	672.29	68.88	603.41
	150) Jilla Sahakari Kendriya Bank Maryadit, Raigarh Chattisgarh (2006)	1,816.37	–	1,816.37
	151) Madhepura Supaul Central Coop. Bank Ltd., Madhepura Bihar (2006)	650.54	–	650.54
	152) Navsari Peoples Co-operative Bank Ltd. Navsari Gujarat (2006)	2,950.28	216.24	2,734.04
	153) Seth B B Shroff Bulsar Peoples Co-operative bank Ltd. Valsad Gujarat (2006)	2,320.10	181.94	2,138.16
	154) Maharashtra Brahmin Sahakari Bank Ltd. Indore M.P. (2006)	2,923.75	81.99	2,841.76
	155) Mitra Mandal Sahakari Bank Ltd. Indore M.P. (2006)	1,456.43	314.13	1,142.30
	156) Chapra Distt. Central Co-operative Bank Ltd. Chapra Bihar (2006)	825.30	–	825.30
	157) Shri Vitrag Co-operative Bank Ltd. Surat Gujarat (2006)	926.10	13.68	912.42
	158) Shree Swaminarayan Co-operative Bank Ltd. Vadodara Gujarat (2006)	4,295.58	168.64	4,126.94
	159) Janta Co-operative Bank Ltd. Nadiad Gujarat (2006)	3,215.21	219.08	2,996.13
	160) The Natpur Co-operative Bank Ltd. Nadiad Gujarat (2006)	5,450.38	54.89	5,395.49
	161) Metro Co-operative Bank Ltd. Surat Gujarat (2006)	1,205.33	–	1,205.33
	162) The Royale Co-operative Bank Ltd., Surat Gujarat (2006)	908.19	3.42	904.77
	163) Jaihind Co-operative Urban Bank Ltd. Mumbai Maharashtra (2006)	1,188.96	334.99	853.97
	164) Madurai Urban Co-operative Urban Bank Ltd. Madurai T.N. (2006)	2,576.57	346.62	2,229.95
	165) Karnataka Contractors Sahakari Bank Niyamitha Bangalore Karnataka (2006)	297.58	6.14	291.44
	166) Anand Peoples Co-operative Bank Ltd Anand Gujarat (2006)	3,596.91	152.94	3,443.97
	167) Kotagiri Urban Co-operative Bank Ltd Kotagiri T.N. (2006)	245.94	5.53	240.41
	168) The Relief Mercantile Co-operative Bank Ltd. Ahmedabad Gujarat (2006)	113.98	–	113.98
	169) Cauveri Urban Co-operative Bank Ltd Bangalore Karnataka (2006)	48.47	–	48.47
	170) Baroda Mercantile CBL Vadodara Gujarat (2006)	128.25	6.12	122.13
	171) Dabhoi Nagrik Sahakari Bank Ltd, Dabhoi Gujarat (2006)	1,624.25	11.33	1,612.92
	172) Dhansura Peoples CBL Dhansura Gujarat (2006)	587.98	16.50	571.48

**ANNEX - VI (Contd.)**

(Amount in Rupees lakh)

<b>Sr. No.</b>	<b>Name of the bank</b>	<b>Claims Settled</b>	<b>Repayments received (Written Off)</b>	<b>Balance (col.3 - col.4)</b>
1	2	3	4	5
	173) Samastnagar CBL Mumbai Maharashtra (2006)	1,160.51	34.23	1,126.28
	174) Prudential CBL Secunderabad A.P. (2007)	7,559.59	4,759.59	2,800.00
	175) Lok Vikas UCBL Jaipur Rajasthan (2007)	66.06	-	66.06
	176) Nagrik Sahkari Bank Maryadit Ratlam M.P. (2007)	203.94	-	203.94
	177) Sindh Mercantile CBL Ahmedabad, Gujarat (2007)	1039.04	40.00	999.04
	178) Shriram Sahakari BL Nashik Maharashtra (2007)	3,228.14	1,161.22	2,066.92
	179) Parbhani Peoples CBL Parbhani Maharashtra (2007)	3,677.87	-	3,677.87
	180) Purna Nagri Sahakari BL Purna Maharashtra (2007)	475.76	0.26	475.50
	181) Yashwant Sahakari BL Mumbai Maharashtra (2007)	59.39	-	59.39
	182) Kanyaka Parmeshwari Mutually Aided CUBL, Kukatpally A.P. (2007)	297.49	6.66	290.83
	183) Mahila Nagrik SBL Khargaone ,M.P. (2007)	43.06	4.42	38.64
	184) Karamsad CBL Anand ,Gujarat (2007)	1,247.59	18.75	1,228.84
	185) Bharat Mercantile UCBL Hyderabad. A.P. (2007)	312.32	2.77	309.55
	186) Lord Balaji CBL Sangli Maharashtra (2007)	272.88	1.00	271.88
	187) Vasundhara Mahila CBL Warangal, A.P.(2007)	23.04	-	23.04
	188) Begusarai Urban Development Co-op. Bank Ltd. Begusarai, Bihar (2007)	59.38	-	59.38
	189) Datia Nagrik Sahkari Bank Ltd. Datia, M.P. (2007)	14.86	-	14.86
	190) Adarsh Mahila CBL Mehsana Gujarat (2007)	129.75	0.77	128.98
	191) The Umreth Co-operative Urban Bank Limited Umreth Gujarat (2007)	220.79	-	220.79
	192) Sarvodaya Nagrik Sahakari Bank Limited Visnagar Gujarat (2007)	1,602.86	6.98	1,595.88
	193) Shree Co-operative Bank Limited Indore M.P. (2007)	24.77	-	24.77
	194) Onake Obava Mahila Co-operative Bank Limited Chitradurga, Karnataka (2007)	548.47	0.58	547.89
	195) The Vikas Co-operative Bank Limited Ahmedabad, Gujarat (2007)	102.62	3.44	99.18
	196) Shree Jamnagar Nagrik SBL Gujarat (2007)	112.38	-	112.38
	197) Anand Urban Co-operative Bank Limited Anand , Gujarat (2008)	1,845.59	2.04	1,843.55
	198) Rajkot Mahila Nagrik Sahakari Bank Limited Rajkot Gujarat (2008)	682.18	40.09	642.09
	199) Sevalal UCBL Mandrup Maharashtra (2008)	6.66	-	6.66
	200) Nagaon Urban Co-operative Bank Ltd., Nagaon Assam (2008)	61.31	-	61.31
	201) Sarvodaya Mahila Co-operative Bank Ltd. Burhanpur M.P. (2008)	83.91	-	83.91
	202) Chetak Urban co-operative bank Ltd. Parbhani Maharashtra (2008)	74.43	5.88	68.55

**ANNEX - VI (Contd.)**

(Amount in Rupees lakh)

<b>Sr. No.</b>	<b>Name of the bank</b>	<b>Claims Settled</b>	<b>Repayments received (Written Off)</b>	<b>Balance (col.3 - col.4)</b>
1	2	3	4	5
203)	Basavakalyan Pattana Sahakari Bank Niyamitha Basaganj Karnataka (2008)	26.73	1.77	24.96
204)	Indian Co-operative Development Bank Ltd. Meerut U.P. (2008)	375.88	3.30	372.58
205)	Talod Janta Sahakari Bank Limited Talod Gujarat (2008)	245.23	10.37	234.86
206)	The Challakere Urban Co-operative Bank Ltd, Challakere Karnataka (2008)	326.41	1.23	325.18
207)	The Dakor Mahila Nagrik Sahakari Bank Ltd. Gujarat (2008)	63.75	10.88	52.87
208)	District Co-operative Bank Ltd.,Gonda U.P. (2008)	4,543.68	2.56	4,541.12
209)	The Maratha Co-operative Bank Ltd., Hubli Karnataka (2008)	1,854.00	379.28	1,474.72
210)	Shree Janta Sahakari Bank Ltd., Radhanpur Gujarat (2008)	475.18	10.95	464.23
211)	Parivartan Co-operative Bank Ltd., Mumbai Maharashtra (2008)	1,836.48	160.66	1,675.82
212)	Indira Priyadarshini Mahila Nagarik Sahakari Bank Ltd., Raipur Chhattisgarh (2008)	1,615.30	238.25	1377.05
213)	Ichalkaranji Jiveshwar Sahakari Bank Ltd., Ichalkaranji, Maharashtra (2008)	240.67	142.45	98.22
214)	Kittur Rani Channamma Mahila Pattana Sahakari Bank Ltd., Hubli Karnataka (2008)	228.50	3.10	225.40
215)	Bharuch Nagarik Sahakari Bank Ltd., Bharuch Gujarat (2008)	995.04	279.92	715.12
216)	The Harugeri Urban Co-op. Bank Ltd., Harugeri Karnataka (2009)	364.46	44.36	320.10
217)	Varada Co-op. Bank Ltd., Karjagi, Dist, Haveri Karnataka (2009)	252.42	12.78	239.64
218)	Ravi Co-op. Bank Ltd., Kolhapur Maharashtra (2008)	1,680.49	2.62	1,677.87
219)	Shri Balasaheb Satbhai Merchants CBL Kopergaon Maharashtra (2008)	2,682.54	388.76	2,293.78
220)	Jailakshmi CBL, Delhi (2008)	12.42	12.42	–
221)	Urban Co-op. Bank Ltd., Siddapur Karnataka (2009)	1,117.16	331.31	785.85
222)	Shri B. J. Khatal Janta Sahakari Bank Ltd. Sangamner Maharashtra (2009)	789.70	111.41	678.29
223)	Shri Kalmeshwar Urban Co-operative Bank Ltd., Hole-Alur Karnataka (2009)	252.88	–	252.88
224)	Shri Laxmeshwar Urban Co-operative Bank Ltd., Laxmeshwar Karnataka (2009)	676.60	–	676.60
225)	Priyadarshini Mahila Nagri Sahakari Bank Ltd., Latur Maharashtra (2009)	657.93	202.02	455.91
226)	Sree Swami Gnananand Yogeswar Mahila Co-op. Urban Bank Ltd., Puttur A.P. (2009)	36.26	–	36.26

**ANNEX - VI (Concl.d.)**

(Amount in Rupees lakh)

<b>Sr. No.</b>	<b>Name of the bank</b>	<b>Claims Settled</b>	<b>Repayments received (Written Off)</b>	<b>Balance (col.3 - col.4)</b>
1	2	3	4	5
	227) Urban Co-op. Bank Ltd., Allahabad U.P. (2009)	97.00	21.03	75.97
	228) Firozabad Urban Co-op. Bank Ltd., Firozabad U.P.(2009)	40.15	–	40.15
	229) Siddapur Commercial CBL Siddapur Gujarat (2009)	371.85	25.92	345.93
	230) Nutan Sahakari Bank Limited Vadodara Gujarat (2009)	1,289.03	294.49	994.54
	231) Bhavnagar Mercantile CBL Bhavnagar Gujarat (2009)	3,730.08	1,277.21	2,452.87
	232) Sant Janabhai Nagri SBL Gangakhed Maharashtra (2009)	1,019.64	74.64	945.00
	233) Shri S.K.Patil CBL Kurundwad Maharashtra (2009)	1,330.59	68.96	1,261.63
	234) Shri Vardhaman CBL Bhavnagar Gujarat (2009)	518.22	299.86	218.36
	235) Dnyanopasak UCBL Parbhani Maharashtra (2009)	162.20	–	162.20
	236) Achalpur UCBL Achalpur Maharashtra (2009)	509.14	102.64	406.50
	237) Rohe Ashthami SBL Roha Maharashtra (2009)	3,700.74	206.54	3,494.20
	238) South Indian CBL Mumbai, Maharashtra (2009)*	3,578.60	37.67	3,540.93
	239) Ankleshwar USBL Gujarat (2009)	2,374.30	1,640.23	734.07
	240) Ajit SBL Pune, Maharashtra (2009)	2921.63	349.33	2572.30
	241) Shri Siddhi Venkatesh Sahakari Bk.Ltd (2009) Maharashtra	208.19	93.23	114.96
	242) Hirekerur UCBL Herekerur, Karnataka (2009)	1,373.46	–	1373.46
	243) Shri P.K.Anna Patil Janta SBL Nandurbar Maharashtra (2009)	5,648.16	–	5648.16
	244) Chalisgaon Peoples CBL Jalgaon, Maharashtra (2009)	3001.60	1,503.63	1,497.97
	245) Deendayal NSBL Khandva M.P (2009)	974.47	270.01	704.46
	246) Suvarna Nagri SBL Parbhani, Maharashtra (2009)	195.85	84.95	110.90
	247) Vasantdada Shetkari SBL Sangli Maharashtra (2009)	16,508.29	514.92	15,993.37
	248) The Haliyal UCBL Haliyal Karnataka (2009)	431.60	107.87	323.73
	249) Miraj UCBL Miraj (2010) Maharashtra	4,162.18	280.06	3882.12
	250) Faizpur Janta SBL Maharashtra (2009)	334.64	70.62	264.02
	251) Daltonganj Central CBL Jharkhand (2010)	938.74	–	938.74
	252) Indira SBL Dhule, Maharashtra (2010)	1,245.53	–	1245.53
	253) Akot UCBL Akot, Maharashtra (2010)	1,439.08	163.85	1275.23
	254) Goregaon CUBL Mumbai, Maharashtra (2010)	4,356.47	286.19	4070.28
	255) The Anubhav CBL Basavakalyan Karnataka (2010)	87.49	–	87.49
	256) Yashwant UCBL Parbhani Maharashtra (2010)	1168.08	52.46	1115.62
	<b>Total 'F'</b>	<b>3,34,078.43</b>	<b>39,989.13</b>	<b>2,94,089.30</b>
	<b>Total D+E+F</b>	<b>3,34,260.50</b>	<b>40,165.77</b>	<b>2,94,089.30</b>
	<b>Total A+B+C+D+E+F</b>	<b>3,63,844.25</b>	<b>53,223.77</b>	<b>3,10,604.40</b>
			<b>(5.43)</b>	
			<b>(16.08)</b>	

\* Scheme of amalgamation.

& Scheme of reconstruction.

**Note:** 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, 2010.

**ANNEX - VII**

**PROVISION FOR DEPOSIT INSURANCE CLAIMS - AGE-WISE ANALYSIS (AS ON MARCH 31, 2010)**

<b>Sr. No.</b>	<b>Date of Liquidation/ De-registration of the Bank</b>	<b>Name of the Bank</b>	<b>Amount (Rs. crore)</b>	<b>Banks which have slipped to higher time bucket (w.r.t. March 31, 2009)</b>
<b>A</b>	<b>More than 10 years old</b>			
1	5-Oct-1993	Bellatti Urban Co-op. Credit Bank Ltd.,	0.01	
2	25-Mar-1994	Sri Chamaraja Co-operative Bank Ltd. (deregistered)	0.09	
3	3-Aug-1999	Jhargram Peoples Co-op. Society Ltd.	2.92	✓
4	4-Dec-1999	Hubli Dharwar Urban Co-op. Credit Bank	1.80	✓
	<b>Total (A)</b>	<b>(4 Banks)</b>	<b>4.83</b>	<b>2</b>
<b>B</b>	<b>Between 5 and 10 years old</b>			
1	7-Feb-2002	Urban Industrial Co-operative Bank Ltd.,	1.06	
2	27-May-2002	Madhepura Urban Development Co-op Bank	0.05	
3	22-Jul-2002	Nalanda Urban Co-op. Bank Ltd	0.69	
4	6-Aug-2002	Pranabananda Co-op Bank Ltd, (deregistered)	22.57	
5	23-Sep-2002	Manipur Industrial Co-operative Bank Ltd	1.81	
6	28-Sep-2002	Federal Co-operative Bank Ltd. (deregistered)	1.37	
7	29-Sep-2002	Jyotirlinga Sahakari Bank Niyamita,	2.42	
8	16-Dec-2002	Silchar Co-operative Urban Bank Ltd.,	1.81	
9	15-Feb-2003	Oudh Sahakari Bank Ltd., (deregistered)	2.92	
10	3-Jun-2003	Lamka Urban Co-operative Bank Ltd.,	0.03	
11	19-Jun-2003	Sibsagar District Central Co-op. Bank Ltd	18.87	
12	5-Aug-2003	Sri Mauneshwar Co-operative Bank Ltd.	0.71	
13	16-Mar-2004	Asansol Peoples Co-operative Bank Ltd., (deregistered)	3.50	
14	14-Jul-2004	Raibag Urban Co-operative Bank Ltd.,	1.75	✓
	<b>Total (B)</b>	<b>(14 Banks)</b>	<b>59.56</b>	<b>1</b>
<b>C</b>	<b>Between 1 and 5 years old</b>			
1	7-Mar-2006	Hyderabad Co-op. Urban Bank Ltd.	0.65	
2	20-Jul-2006	Bangalore Merchantile Sahakari Bank Niya.	1.72	
3	16-Aug-2006	Sri Sampige Siddeswara Urban Co-op Bank	5.25	
4	29-Dec-2006	Guwahati Co-operative Town Bank Ltd.,	8.24	
5	10-Apr-2007	Rohuta Union Co-operative Bank Ltd.,	14.57	
6	25-Sep-2008	Bhadrak Urban Co-operative Banl Ltd.	2.72	
7	24-Dec-2008	Primary Teachers Co-op Credit Bank Ltd.	7.92	✓
8	27-Jan-2009	Sadhana Co-op. Bank Ltd.	2.70	✓
	<b>Total (C)</b>	<b>(8 Banks)</b>	<b>43.79</b>	<b>2</b>

**ANNEX - VII (Concl.d.)**

<b>Sr. No.</b>	<b>Date of Liquidation/ De-registration of the Bank</b>	<b>Name of the Bank</b>	<b>Amount (Rs. crore)</b>	<b>Banks which have slipped to higher time bucket (w.r.t. March 31, 2009)</b>
<b>D</b>	<b>Less than 1 year old</b>			
1	2-Jun-2009	Citizen Co-operative Bank Ltd., Burhanpur	47.02	
2	10-Jul-2009	Katkol Co-operative Bank Ltd.,	17.95	
3	29-Jul-2009	Yeshwant Sahakari Bank Ltd. (Miraj),	14.72	
4	15-Sep-2009	Kupwad Urban Cooperative Bank Ltd.	14.26	
5	22-Oct-2009	Surat Mahila Nagrik Sahakari Bank Ltd.,	29.17	
6	23-Oct-2009	Suvidha Mahila Nagrik Sahakari Bank Ltd	1.89	
7	9-Nov-2009	Nagpur Mahila Nagari Sahakari Bank Ltd.,	72.80	
8	9-Nov-2009	Rajlaxmi Nagari Sahakari Bank Ltd.,	6.40	
9	30-Nov-2009	Shri Kamdar Sahakari Bank Ltd., Bhavnagar	13.86	
10	30-Dec-2009	Cambay Hindu Merchants Co-op. Bank Ltd.	7.57	
11	5-Jan-2010	Shree Laxmi Sahakari Bank Ltd.	15.87	
12	28-Jan-2010	Rajwade Mandal People S Co-op Bank Ltd.,	15.38	
13	29-Jan-2010	Raichur Zila Mahila Pattana Sahakari Bank Niya	1.86	
14	3-Feb-2010	Ahmedabad People S Co-op. Bank Ltd.,	67.69	
15	11-Feb-2010	Ichalkaranji Urban Co-op. Bank Ltd.,	95.64	
16	13-Feb-2010	The Chadchan Shree Sangameshwar Urban Coop Bank	4.42	
17	8-Mar-2010	Annasaheb Patil Urban Coop. Bank Ltd.	3.49	
18	20-Mar-2010	Champavati Urban Co-op Bank Ltd,	17.65	
19	23-Mar-2010	Bahadarpur Urban Co-operative Bank Ltd.,	5.95	
20	23-Mar-2010	Hina Shahin Coop. Bank Ltd.	11.11	
21	31-Mar-2010	Rahuri Peoples Co-operative Bank Ltd.,	19.55	
22	31-Mar-2010	Samata Sahakari Bank Ltd.	93.74	
23	31-Mar-2010	Dhanashri Mahila Sahakari Bank Ltd.	2.66	
24	31-Mar-2010	Shri Mahesh Sahakari Bank Mydt.	10.11	
25	31-Mar-2010	Dhenkanal Urban Co-op.bank Ltd.	11.04	
26	31-Dec-2009	Shri Sinnar Vyapari Sahakari Bank Ltd.,	44.67	
27	9-Mar-2010	Rabkavi Urban Co-operative Bank Ltd.	9.26	
	<b>Total (D)</b>	<b>(27 Banks)</b>	<b>655.72</b>	<b>-</b>
<b>Grand Total (A+B+C+D)</b>		<b>(53 Banks)</b>	<b>763.89</b>	<b>5</b>

**ANNEX – VIII**

**SCHEME-WISE BREAK-UP OF GUARANTEE FEES RECEIVED DURING THE YEARS 1991-92 TO 2009-10**

(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	2004-10
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-op. 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*	-
	<b>Total</b>	<b>565.87</b>	<b>702.78</b>	<b>846.09</b>	<b>829.13</b>	<b>704.64</b>	<b>564.02</b>	<b>164.91</b>	<b>123.23</b>	<b>21.99</b>	<b>0.07</b>	<b>0.02</b>	<b>0.21</b>	<b>0.02*</b>	<b>-</b>

\$ Negligible.

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



**ANNEX – IX**

**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	–	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 1999-00	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 2000-01	75,100	21.93	679,344	171.34	176,388	42.71	–	–	502,956	128.63
During 2001-02	–	–	–	–	4,539	0.77	–	–	(–) 4539	(–) 0.77
During 2002-03	–	–	–	–	–	0.03*	–	–	–	–
During 2003-10	–	–	–	–	–	–	–	–	–	–
Tapes returned to credit institutions	–	–	3295993\$	1009.03\$	–	–	3295993\$	1009\$	–	–
<b>Total</b>	<b>37,423,627</b>	<b>10,043.03</b>	<b>37,423,627</b>	<b>10,043.03</b>	<b>27,347,209</b>	<b>6,938.84</b>	<b>5,524,584</b>	<b>1,857.49</b>	<b>4,551,834</b>	<b>1,246.73</b>

\* 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 - X

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
1	2	3	4	5	6	7	8	9	10	11	12	13
1 Apr. 1981 to 31 Mar. 1997	1,237,477	3,033.08	1,143,354	2,778.40	805,435	941.30	291,631	1,309.62	46,288.00	527.48	94,123	254.68
1 Apr. 1997 to 31 Mar. 1998	61,695	313.36	52,241	220.78	-	-	34,504	98.12	17,737.00	122.66	103,577	347.26
1 Apr. 1998 to 31 Mar. 1999	13,965	34.43	43,620	225.14	21,470	13.27	3,660	37.80	18,490.00	174.07	73,922	156.55
1 Apr. 1999 to 31 Mar. 2000	13,575	26.30	71,086	139.00	42,011	41.26	275	0.62	28,800.00	97.12	16,411	43.85
1 Apr. 2000 to 31 Mar. 2001	3,408	14.13	17,215	53.83	4,941	4.63	2,519	3.91	9,755.00	45.29	2,604	4.16
1 Apr. 2001 to 31 Mar. 2002	1,164	1.25	3,674	5.06	884	0.56	230	0.14	2,560.00	4.36	94	0.35
1 Apr. 2002 to 31 Mar. 2003	1,647	0.26	1,741	0.61	874	0.11	-	-	867.00	0.50	-	-
1 Apr. 2003 to 31 Mar. 2010	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,332,931</b>	<b>3,422.81</b>	<b>1,332,931</b>	<b>3,422.82</b>	<b>875,615</b>	<b>1,001.13</b>	<b>332,819</b>	<b>1,450.21</b>	<b>124,497.00</b>	<b>971.48</b>	<b>-</b>	<b>-</b>

## 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, 2010 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 2010;
    - (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 expenditure over income 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 27, 2010  
Place : MUMBAI



For **K. S. Aiyar & Company**  
Chartered Accountants

  
(**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
1,81,689.00	-	<b>1. Fund</b> (Balance at the end of the year as per Actuarial Valuation)		3,27,457.00		
11,80,923.27	36,747.85	<b>2. Surplus as per Revenue Account:</b>				
0.00		Balance at the beginning of year	14,33,859.15		38,517.66	
		Add: Transferred (to) / from other Fund/s	0.00		(30,000.00)	
2,52,935.88	1,769.81	Add: Transferred from Revenue Account	2,53,866.70		21,272.94	
14,33,859.15	38,517.66	Balance at the end of year		16,87,725.85		29,790.60
		<b>3. (a) Investment Reserve</b>				
61,429.86	2,962.01	Balance at the beginning of year	33,435.35		3,007.48	
(27,994.51)	45.47	Add: Transferred from Revenue Account	37,780.89		236.49	
33,435.35	3,007.48	Balance at the end of the year		71,216.24		3,243.97
		<b>(b) Investment Fluctuation Reserve</b>				
43,568.07	2,789.89	Balance at the beginning of year	59,502.74		2,789.89	
15,934.67	0.00	Transferred from Revenue Account	35,419.22		0.00	
59,502.74	2,789.89	Balance at the end of the year		94,921.96		2,789.89
9,303.23	-	<b>4. Claims Intimated and Admitted But Not paid</b>		15,649.00		
1,03,192.12	-	<b>5. Estimated liability in respect of claims intimated but not admitted</b>		54,193.10		
4,299.37	-	<b>6. Insured Deposits in respect of Banks De-registered</b>		22,196.52		
4,901.55	-	<b>7. Insured Deposits remaining unclaimed</b>		5,529.93		
		<b>8. Other Liabilities</b>				
3,658.63	0.00	(i) Sundry Creditors	2,854.31		0.00	
7,17,652.75	1,04,593.10	(ii) Provision for Income Tax	6,86,463.71		19,970.39	
26.17	0.00	(iii) Sundry Deposits	4.10		0.00	
7,21,337.55	1,04,593.10			6,89,322.12		19,970.39
25,51,520.06	1,48,908.13	<b>Total</b>		29,68,211.72		55,794.85

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

*Anand Sinha*  
Anand Sinha  
Director

*U. C. Sarangi*  
U. C. Sarangi  
Director


Mumbai  
27<sup>th</sup> June 2010.

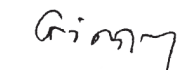
**CREDIT GUARANTEE CORPORATION  
and Credit Guarantee Corporation Act, 1961)  
Form 'A')  
of business on the 31<sup>st</sup> March 2010  
AND CREDIT GUARANTEE FUND (CGF)**

(Rupees in lakh)

Previous Year		ASSETS	Deposit Insurance Fund		Credit Guarantee Fund	
Deposit Insurance Fund	Credit Guarantee Fund		Amount	Amount	Amount	Amount
Amount	Amount					
12.11	19.82	<b>1. Balance with the Reserve Bank of India</b>		21.30		3.12
-	-	<b>2. Cash in Transit</b>		-		-
		<b>3. Investments in Central Government Securities (at cost)</b>				
1,459.59	0.00	Treasury Bills	0.00		0.00	
17,25,332.44	59,065.95	Dated Securities	21,53,224.56		33,706.84	
<u>17,26,792.03</u>	<u>59,065.95</u>			21,53,224.56		33,706.84
16,62,576.40	56,646.83	Face Value	21,09,110.14		31,690.10	
17,39,665.41	56,190.00	Market Value	20,95,743.79		30,491.43	
39,544.29	1,615.12	<b>4. Interest accrued on investments</b>		42,484.95		951.86
		<b>5. Other Assets</b>				
14,419.45	580.34	(i) Sundry Debtors	67.60		0.00	
7,70,752.18	87,626.90	(ii) Advance Income Tax / TDS	7,72,413.31		21,133.03	
<u>7,85,171.63</u>	<u>88,207.24</u>			7,72,480.91		21,133.03
<b>25,51,520.06</b>	<b>1,48,908.13</b>	<b>Total</b>		<b>29,68,211.72</b>		<b>55,794.85</b>

  
M. Ramadoss  
Director

  
H. N. Prasad  
Chief Executive Officer

  
J. K. Dash  
Dy. Gen. Manager



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

Previous Year		EXPENDITURE	Deposit	Credit
Insurance	Guarantee		Insurance	Guarantee
Fund	Fund		Fund	Fund
Amount	Amount		Amount	Amount
22,843.13	–	<b>1. To Claims:</b>		
9,303.23	–	(a) Paid during the year	65,465.03	–
	–	(b) Admitted but Not paid	6,345.77	–
	–	(c) Estimated liability in respect of claims intimated but not admitted		
1,03,192.12	–	At the end of the year	54,193.10	–
44,943.15	–	Less: at the end of the previous year	1,03,192.12	–
58,248.97			(48,999.02)	
		(d) Insured Deposits in respect of Banks De-registered		
4,299.37	–	At the end of the year	22,196.52	–
3,817.27	–	Less: at the end of the previous year	4,299.37	–
482.10			17,897.15	
90,877.43	0.00	<b>Net Claims</b>	40,708.93	0.00
1,81,689.00	–	<b>2. To Balance of Fund at the end of the year (as per Actuarial Valuation)</b>	3,27,457.00	–
(27,994.51)	45.47	<b>3. To Provision for diminution in the value of investments credited to Investment Reserves</b>	37,780.89	236.49
3,97,256.17	4,167.05	<b>To Net Surplus Carried Down</b>	3,75,318.14	9,212.63
<b>6,41,828.09</b>	<b>4,212.52</b>	<b>TOTAL</b>	<b>7,81,264.96</b>	<b>9,449.12</b>
		<b>To Provision for Taxation</b>		
1,33,750.00	1,420.00	Current Year	1,27,610.00	3,132.00
(5,267.72)	1,319.06	Earlier Years - Short (Excess)	(41,577.78)	(15,192.31)
15,934.67	0.00	<b>To Investment Fluctuation Reserve (IFR)</b>	35,419.22	0.00
2,52,935.88	1,769.81	<b>To Balance Carried to Balance Sheet</b>	2,53,866.70	21,272.94
<b>3,97,352.83</b>	<b>4,508.87</b>		<b>3,75,318.14</b>	<b>9,212.63</b>

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

*Anand Sinha*  
Anand Sinha  
Director

*U. C. Sarangi*  
U. C. Sarangi  
Director


Mumbai  
27<sup>th</sup> June 2010.

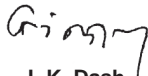
**CREDIT GUARANTEE CORPORATION  
'B')  
year ended 31<sup>st</sup> March 2010  
AND CREDIT GUARANTEE FUND (CGF)**

(Rupees in lakh)

Previous Year		INCOME	Deposit Insurance Fund	Credit Guarantee Fund
Deposit Insurance Fund	Credit Guarantee Fund			
Amount	Amount			
1,55,317.00	–	<b>1. By Balance of Fund at the beginning of the year</b>	1,81,689.00	–
3,45,308.31	–	<b>2. By Deposit Insurance Premium (including interest on overdue premium)</b>	4,15,464.12	–
–	–	<b>3. By Guarantee Fees (including interest on overdue guarantee fees)</b>	–	–
10,339.51	353.30	<b>4. By recoveries in respect of claims paid / settled (including interest on overdue repayment)</b>	19,714.06	202.16
		<b>5. By income from Investments</b>		
1,36,992.74	4,025.64	(a) Interest on Investments	1,59,801.52	4,359.51
(8,134.20)	(349.47)	(b) Profit (Loss) on sale / redemption of securities (Net)	(8,539.97)	(7.02)
		<b>6. Other Incomes</b>		
2,004.73	183.05	Interest on Refund of Income Tax	13,136.23	4,894.47
<b>6,41,828.09</b>	<b>4,212.52</b>	<b>TOTAL</b>	<b>7,81,264.96</b>	<b>9,449.12</b>
3,97,256.17	4,167.05	By Net Surplus Brought Down	3,75,318.14	9,212.63
96.66	341.82	By Income Tax Refunds for Earlier Years	0.00	0.00
<b>3,97,352.83</b>	<b>4,508.87</b>		<b>3,75,318.14</b>	<b>9,212.63</b>

  
M. Ramadoss  
Director

  
H. N. Prasad  
Chief Executive Officer

  
J. K. Dash  
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	<b>1. Capital : Provided by Reserve Bank of India (RBI) as per Section 4 of the DICGC Act, 1961 (A wholly owned subsidiary of RBI)</b>		5,000.00
	<b>2. Reserves</b>		
	<b>(A) General Reserve</b>		
16,353.22	Balance at the beginning of the year	16,825.79	
0.00	Transferred from Credit Guarantee Fund	30,000.00	
472.57	Surplus /(Deficit) transferred from Revenue Account	(4,073.07)	
16,825.79			42,752.72
	<b>(B) Investment Reserve</b>		
1,324.30	Balance at the beginning of the year	818.75	
(505.55)	Transferred from Revenue account	4,038.96	
818.75			4,857.71
	<b>(C) Investment Fluctuation Reserve</b>		
1,636.33	Balance at the beginning of the year	1,636.33	
0.00	Transferred from Revenue Surplus	1,412.64	
1,636.33			3,048.97
	<b>3. Current Liabilities and Provisions</b>		
171.86	Outstanding Employees' Cost	0.00	
157.30	Outstanding Expenses	76.18	
16.03	Sundry Creditors	14.85	
1,616.04	Provision for Income Tax	674.23	
45.00	Provision for Fringe Benefit Tax (FBT)	13.00	
2,006.23			778.26
<b>26,287.10</b>	<b>Total</b>		<b>56,437.66</b>

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

  
Anand Sinha  
Director

  
U. C. Sarangi  
Director

Mumbai  
27<sup>th</sup> June 2010.

**CREDIT GUARANTEE CORPORATION**  
**and Credit Guarantee Corporation Act, 1961)**  
**Form 'A'**  
**of business on the 31<sup>st</sup> March 2010**  
**FUND (GF)**

(Rupees in lakh)

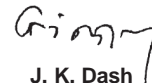
Previous Year Amount	ASSETS	Amount	Amount
	<b>1. CASH</b>		
0.01	(i) In hand	0.06	
7.55	(ii) With Reserve Bank of India	23.51	
<u>7.56</u>			23.57
	<b>2. Investments in Central Government Securities (At Cost)</b>		
0.00	Treasury Bills	0.00	
11,650.35	Dated Securities	47,198.55	
9,871.56	Dated Securities deposited with CCIL (Face Value 4500.00)	4,935.78	
<u>21,521.91</u>			52,134.33
19,960.45	Face Value :	50,191.42	
20,786.49	Market Value :	47,326.81	
462.82	<b>3. Interest accrued on Investments</b>		1,173.32
	<b>4. Other Assets</b>		
71.22	Furniture, Fixtures & Equipment (less depreciation)	10.97	
1.88	Stock of Stationery / Lounge Coupons	6.15	
106.41	Staff Advances	126.44	
23.34	Interest Accrued on Staff Advances	26.19	
16.69	Sundry Debtors	1.09	
1,000.00	Margin Deposit with CCIL	500.00	
3,030.14	Advance Income Tax / TDS	2,422.37	
45.13	Advance Fringe Benefit Tax (FBT)	13.23	
<u>4,294.81</u>			3,106.44
<b>26,287.10</b>	<b>Total</b>		<b>56,437.66</b>



**M. Ramadoss**  
Director



**H. N. Prasad**  
Chief Executive Officer



**J. K. Dash**  
Dy. Gen. Manager



**DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION**  
**(Form 'B')**  
**Revenue Account for the year ended 31<sup>st</sup> March 2010**  
**II — GENERAL FUND (GF)**

(Rupees in lakh)

Previous Year Amount	EXPENDITURE	Amount	Previous Year Amount	INCOME	Amount	Amount
546.67	To Payment / Reimbursement of staff cost	594.57		<b>By Income from Investments</b>		
0.70	To Directors' and Committee Memebrs' Fees	0.27	1,675.01	(a) Interest on Investments	1,807.77	
3.33	To Directors' / Committee Members' Travelling & other allowances / expenses	1.16	(73.42)	(b) Profit (Loss) on sale / redemption of investments	0.00	1,807.77
			1601.59			
98.12	To Rents, Taxes, Insurance, Lightings etc.	98.00		<b>By Miscellaneous Receipt</b>		
164.14	To Establishment, Travelling and Halting Allowances	186.07				
9.11	To Printing, Stationery and Computer Consumables	19.68				
22.54	To Postage, telegrams and Telephones	22.67				
3.87	To Auditors' Fees	3.99	5.21	Interest on advances to staff	5.22	
26.50	To Legal Charges	42.24	0.00	Profit / Loss on sale of dead stocks (Net)	0.41	
8.07	To Advertisements	0.00	0.30	Other Misc. Receipts	456.16	
(505.55)	To Provision for diminuation in the value of investments credited to Investment Reserve	4,038.96	5.51			461.79
	<b>To Miscellaneous Expenses</b>					
17.45	Professional Charges	27.77				
20.10	Service Contract / Maintenance	17.30				
3.29	Books, News Papers, Periodicals	3.38				
2.15	Book Grants	2.44				
0.00	Repair of Office Property-Dead Stock	0.57				
16.74	Transaction Charges-CCIL	25.84				
37.08	Others	51.94				
96.81		129.24				
72.67	Depreciation	70.57				
1,060.12	To Balance being excess of income over expenditure for the year carried down	- 0.00	0.00	By Balance being excess of Expenditure over Income for the year carried down	-	2,938.16
<b>1,607.10</b>	<b>Total</b>	<b>5,207.72</b>	<b>1,607.10</b>	<b>Total</b>		<b>5,207.72</b>
0.00	To balance being excess of Expenditure over Income - Carried Down	2,938.16	1,060.12	By balance being excess of income over expenditure for the year - Carried down		0.00
	<b>To Provision for Income Tax</b>					
365.00	Current Year	- 0.00				
215.55	Earlier Years - Short (Excess)	- (277.73)				
7.00	To Provision for Fringe Benefit Tax (FBT)	0.00	0.00			
472.57	To Investment Fluctuation Reseve (IFR)	1,412.64	0.00	<b>By General Reserve A/C</b>		4,073.07
<b>1,060.12</b>	<b>Total</b>	<b>4,073.07</b>	<b>1,060.12</b>	<b>Total</b>		<b>4,073.07</b>

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

*M. Ramadoss*  
M. Ramadoss  
Director

*Anand Sinha*  
Anand Sinha  
Director

*H. N. Prasad*  
H. N. Prasad  
Chief Executive Officer

*U. C. Sarangi*  
U. C. Sarangi  
Director

*J. K. Dash*  
J. K. Dash  
Dy. Gen. Manager

Mumbai  
27<sup>th</sup> June 2010.



**Deposit Insurance and Credit Guarantee Corporation  
Deposit Insurance Fund & Credit Guarantee Fund  
Cash Flow Statement for the year ended March 31, 2010**

(Rupees in lakh)

Previous Year			DIF	CGF
DIF	CGF		Amount	Amount
Amount	Amount			
		<b>Cash Flow from Operating Activities</b>		
3,97,256.17	4,167.05	Excess of Income over Expenditure	3,75,318.14	9,212.63
		<b>Adjustments to reconcile excess of Income over expenditure to net cash from operations :</b>		
(1,36,992.74)	(4,025.64)	Interest on Investments/Refund	(1,59,801.52)	(9,253.98)
8,134.20	349.47	Profit/(Loss) on Sale/Redemption of Securities	8,539.97	7.02
26,372.00	0.00	Increase in Fund balance (Actuarial Valuation)	1,45,768.00	0.00
(27,994.51)	45.47	Transfer to Investment Reserve	37,780.89	236.49
		Income Taxes	(1,17,221.26)	(72,562.40)
		<b>Changes in Operating Assets and Liabilities :</b>		
		Interest on Refund Received		4894.47
		<b>ASSETS :</b>		
		<b>Decrease (Increase) in</b>		
(1,60,101.48)	9,763.29	Increase in Advance Income Tax TDS	(1,661.13)	66,493.87
(14,419.45)	(580.34)	Sundry Debtors	14,351.85	580.34
0.00	0.00	Other Assets	0.00	0.00
		<b>LIABILITIES :</b>		
		<b>(Decrease) Increase in</b>		
68,034.30	0.00	Increase in Estimated Liability in respect of claims intimated but not admitted	(24,756.10)	0.00
100.11	0.00	Increase in Unclaimed Deposits	628.38	0.00
		<b>Other Liabilities</b>		
2,355.19	0.00	Sundry Creditors	(804.32)	0.00
26.17	0.00	Sundry Deposit Accounts	(22.07)	0.00
<b>1,62,769.96</b>	<b>9,719.30</b>	<b>Net Cash Flow from Operating Activities</b>	<b>(A) 2,78,120.83</b>	<b>(391.56)</b>
		<b>Cash Flow from Investing Activities</b>		
1,32,252.05	3,868.59	Interest on Investments Received	1,56,860.86	5,022.77
(8,134.20)	(349.47)	Profit/(Loss) on Sale/Redemption of Securities	(8,539.97)	(7.02)
0.00	0.00	Transfer to GF	0.00	(30,000.00)
(2,86,922.67)	(13,228.41)	<b>Decrease (Increase) in</b>		
		Increase in Investments in Central Government Securities	(4,26,432.53)	(25,359.11)
<b>(1,62,804.82)</b>	<b>(9,709.29)</b>	<b>Net Cash Flow from Investing Activities</b>	<b>(B) (2,78,111.64)</b>	<b>(374.86)</b>
0.00	0.00	<b>Cash Flow from Financing Activities</b>	<b>(C) 0.00</b>	<b>0.00</b>
<b>(34.86)</b>	<b>10.01</b>	<b>Net Increase in Cash</b>	<b>(A+B+C) (9.19)</b>	<b>(16.70)</b>
46.97	9.81	Cash Balance at Beginning of Year	12.11	19.82
<b>12.11</b>	<b>19.82</b>	<b>Cash Balance At End of Year</b>	<b>21.30</b>	<b>3.12</b>

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



*H. N. Prasad*  
**H. N. Prasad**  
Chief Executive Officer

*J. K. Dash*  
**J. K. Dash**  
Dy. General Manager

Mumbai  
27<sup>th</sup> June 2009



**Deposit Insurance And Credit Guarantee Corporation  
General Fund  
Cash Flow Statement for the year ended March 31, 2010**

(Rupees in lakh)

Previous Year			Amount	Amount
Amount	Amount			
1060.12		<b>Cash Flow from Operating Activities</b>		
		Excess of Income over Expenditure/Expenditure over income	(2,938.16)	
		Adjustments to reconcile excess of Income over expenditure to net cash from operations :		
72.67		Depreciation	70.57	
(1,675.01)		Interest on Investments	(1,807.77)	
73.42		Profit/(Loss) on Sale/Redemption of Securities	0.00	
(505.55)		Transfer to Investment Reserve	4,038.96	
0.00		Excess Provision written back	0.00	
(5.21)		Interest on Advances to Staff	(5.22)	
0.00		Profit on Sale of Dead Stock	(0.41)	
(0.00)		Income Tax/FBT	(696.10)	
(0.30)		Others- Misc. Receipts	(456.16)	
		<b>Changes in Operating Assets and Liabilities :</b>		
		<b>ASSETS :</b>		
		<b>Decrease (Increase) in</b>		
(1.03)		Stock of Stationery/Officer's lounge coupons	(4.27)	
1.01		Prepaid Expenses	0.00	
		Advances for Staff Expenses/allowances receivable from RBI etc.	(20.03)	
(2.18)		Advance Income Tax & TDS	607.77	
(32.11)		Margin Deposit with CCIL	500.00	
(500.00)		Interest accrued on Staff Advances	(2.85)	
(1.66)		Advance Fringe Benefit Tax	31.90	
(6.73)		Sundry Debtors	15.60	
(14.62)				
		<b>LIABILITIES :</b>		
		<b>Increase (Decrease) in</b>		
30.31		Outstanding Employees' Cost	(171.86)	
42.53		Outstanding Expenses	(81.12)	
(84.70)		Sundry Creditors	(1.18)	
0.00		Other Deposits	0.00	
	<b>(1,549.04)</b>	<b>Net Cash Flow from Operating Activities</b>	<b>(A)</b>	<b>(920.33)</b>
		<b>Cash Flow from Investing Activities</b>		
1,791.58		Interest on Investments Received	1,097.27	
(73.42)		Profit/(Loss) on Sale/Redemption of Securities	0.00	
5.21		Interest on Advances to Staff	5.22	
0.00		Funds received from Deposit Insurance Fund	0.00	
0.00		Transfer from CGF	30,000.00	
0.30		Others	456.16	
		<b>Decrease (Increase) in</b>		
(8.19)		Fixed Assets	(9.91)	
		Investments in Central Government Securities :		
0.00		Treasury Bills	0.00	
5,081.01		Dated Securities	(35,548.21)	
(5,242.62)		Dated Securities deposited with CCIL	4,935.80	
	<b>1,553.87</b>	<b>Net Cash Flow from Investing Activities</b>	<b>(B)</b>	<b>936.34</b>
	<b>0.00</b>	<b>Cash Flow from Financing Activities</b>	<b>(C)</b>	<b>0.00</b>
	<b>4.83</b>	<b>Net Increase in Cash</b>	<b>(A+B+C)</b>	<b>16.01</b>
		Cash Balance at Beginning of Year		
	<b>0.07</b>	In Hand		<b>0.01</b>
	<b>2.66</b>	With RBI		<b>7.55</b>
	<b>7.56</b>	<b>Cash Balance at End of Year</b>		<b>23.57</b>

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



**H. N. Prasad**  
Chief Executive Officer

**J. K. Dash**  
Dy. General Manager

Mumbai  
27<sup>th</sup> June 2009

## 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 size 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 six different Assessment Years between 1990-91 and 2006-07 amounting to ₹ 108.01 lakh (Previous Year ₹ 62,882.90 lakh.)
2. Share in recoveries by way of subrogation right in respect of a re-structured bank amounting to

₹ 143.33 lakh (Previous year ₹ 274.02 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. During the year, the Corporation has transferred ₹ 300 crore from Credit Guarantee Fund to General Fund in terms of provisions of Sec. 25A(b) of DICGC Act, 1961.
5. Repo transactions (As per RBI prescribed format)

(Rs. in lakh)

	Minimum Outstanding During the Year	Maximum Outstanding During the Year	Daily Average Outstanding during the year	As on March 31, 2010
Securities Sold Under Repos	Nil	Nil	Nil	Nil
Securities Purchased under Reverse Repo	99	55,004	4,156	300

6. Deferred Tax Assets, not being material, are not recognised.

## 7. Related Party Disclosure :

- (a) Key Management Personnel:  
Mr. H. N. Prasad, Chief Executive Officer
- (b) Transactions with related parties:  
Remuneration ₹ 16.00 lakh  
(Including Gratuity (Previous year and Perquisites) ₹ 23.29 lakh)

8. The figures of previous year have been recast / regrouped / rearranged 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](http://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