



REPORT ON THE WORKING OF THE DEPOSIT INSURANCE & CREDIT GUARANTEE CORPORATION FOR THE YEAR ENDED 31ST MARCH 1999

In terms of Section 32(1) of the Deposit Insurance & Credit Guarantee Corporation Act, 1961, the Board of Directors present herewith the 37th Annual Report of the Corporation for the year ended 31st March 1999.

Operations of the Corporation - An Overview

1.1 It was mentioned in the Annual Report for the year 1995-96 that with effect from 1st April 1995 certain changes were made in the terms and conditions of the Credit Guarantee Schemes consequent on the acceptance of the report of the Rai Committee. These changes had made the norms, for preferring claims with the Corporation, more stringent. Consequently, a number of banks started opting out of the schemes from 1st April 1995. Such of those banks which had opted out from 1st April 1995 were advised to lodge their claims, in respect of advances treated as bad/doubtful of recovery as on 31st March 1995, latest by 31st March 1997. As on 31st March 1999, the number of participating banks under the Small Loans Guarantee Scheme of 1971 and the Small Loans (SSI) Guarantee Scheme of 1981 were 6 and 32 respectively.

1.2 The ceiling amount of insurance cover for deposits with an insured bank, viz., of Rs.1,00,000 per depositor per bank in the same right and capacity and the insurance premium @ 5 paise per Rs.100 per annum, have remained unchanged during the year. The total number of insured banks during the period ended 31st March 1999 rose to 2,583 from 2,438 as at the year ended 31st March 1998. Further, fully protected deposit accounts as at the end of June 1998 numbering 4,544.33 lakh constituted 97.89 per cent of the total deposit accounts. The insured deposits at Rs.4,39,609.10 crore

represented 72.1 per cent of the total assessable deposits of Rs.6,09,962.08 crore. The insurance premium received during the year amounted to Rs. 370.69 crore as against Rs. 319.27 crore received during the previous year. During the year, the Corporation settled the claims received from four co-operative banks for an aggregate amount of Rs. 13.27 crore and has made provision of Rs.24.84 crore towards contingent liability of claims in respect of 12 co-operative banks. The aggregate amount of claims paid and provided for in respect of 25 commercial banks and 36 co-operative banks since the inception of the scheme, amounted to Rs.209.09 crore and repayment received out of the recoveries etc., amounted to Rs.67.79 crore. The recoveries account for 32.42 per cent of the total claims paid.

1.3 The guaranteed advances under the Corporation's three Credit Guarantee Schemes in operation aggregated Rs. 6,054.64 crore as at the end of March 1998 showing a decline of 17.23 per cent over the previous year. The claims received by the Corporation under the three Schemes during the year increased by 27.97 per cent number-wise and decreased by 49.28 per cent amount-wise as compared to the last year. The claims disposed of by the Corporation during the year increased by 248.24 per cent number-wise and 127.37 per cent amount-wise when compared to the last year. The average number of disposal of claims per month was 3,57,404 during the year as against 1,02,631 during the previous year. The details regarding number and amount of claims received and disposed of during the year under report and the previous year are furnished below :

(Amount in crore of Rupees)

1.3	During 1997-98		During 1998-99		Percentage increase (+) decrease (-)	
	Number	Amount	Number	Amount	Number	Amount
I. Claims received :						
i) Small Borrowers	5,40,971	183.90	7,57,245	217.76	(+) 39.98	(+) 18.41
ii) SSIs	31,981	120.06	13,965	34.43	(-) 77.36	(-) 89.01
	# 29,714	# 193.30				
Total	6,02,666	497.26	7,71,210	252.19	(+) 27.97	(-) 49.28
II) Claims settled :						
i) Small Borrowers	11,79,328	400.90	42,45,233	1,188.39	(+) 289.97	(+) 196.43
ii) SSIs	52,241	220.78	43,620	225.14	(-) 16.50	(+) 1.97
Total	12,31,569	621.68	42,88,853	1,413.53	(+) 248.24	(+) 127.37

Figures as on 31 March 1998 increased by Chennai Office.



1.4 The details of guarantee fees received, guarantee claims received and claims paid during the period 1989-90 to 1998-99 are as under :

of claims, computation of guarantee fee and sharing of recoveries in claim paid accounts under subrogation

(Amount in crore of Rupees)					
Year	Guarantee fee receipts	Guarantee claims receipts	Claims paid	Gap (2) - (3)	Gap (2) - (4)
1	2	3	4	5	6
1989-90	593.83	548.33	508.54	(+) 45.50	(+) 85.29
1990-91	524.72	748.76	547.16	(-) 224.04	(-) 22.44
1991-92	565.88	627.23	462.29	(-) 61.35	(+) 103.59
1992-93	* 702.78	1143.27	633.55	(-) 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	303.96	371.40	(-) 332.35	(-) 206.49
		# 193.30			
1998-99	123.23	252.19	601.91	(-) 128.96	(-) 478.68

* Includes the balance of provision made for refund of guarantee fee no longer required.

Figures as on 31 March 1998 increased by Chennai Office.

1.5 It may be seen from the above that the guarantee fee receipts during the year have further gone down as compared to the previous year which was on account of more number of banks opting out of the schemes. The large increase in the amount of claims paid by the Corporation was due to the reversal of the earlier decision by the Board in respect of pending claims of below Rs. 25,000/-.

rights, the Corporation had conducted inspection of 16 nationalised banks and 13 regional rural banks during the year 1997-98. The findings revealed a few cases of wrong computation of guarantee fee and also non-sharing of recoveries under subrogation rights. These are being recovered from the banks. The inspection of the remaining banks is in progress.

1.6 The scheme-wise position of guarantee fee receipts and guarantee claims receipts for the year 1998-99 are given below:

(Amount in crore of Rupees)			
Scheme	Guarantee claims receipt	Guarantee fee receipt	Gap
i) Small Loans Guarantee Scheme, 1971	217.76	81.03	(-) 136.73
ii) Small Loans (Co-op. Banks) Guarantee Scheme, 1984	—	@	
iii) Small Loans (SSI) Guarantee Scheme, 1981	34.43	42.20	(+) 7.77
Total	252.19	123.23	(-) 128.96

@ : negligible.

The scheme-wise break-up of guarantee fee received since 1981 are given in Annexure XIII.

1.7 In order to ensure whether the credit institutions participating in Credit Guarantee Schemes were following the prescribed norms in regard to lodgement

DEPOSIT INSURANCE FUNCTION

2.1 During the year, 2 commercial bank and 147 co-operative banks were registered as insured banks and, 4 co-operative banks were deregistered, details of which are furnished in Annexure II-A. Two of the three co-operative banks in Andhra Pradesh which were deregistered in the year 1997-98, as they ceased to be 'eligible' co-operative banks, were registered during the year 1998-99 following amendments to the Andhra Pradesh Mutually Aided Co-op. Societies Act, 1995 empowering RBI with requisite powers in the matter of change of management, amalgamation, winding-up etc. The registration of the third bank, viz., Mahayogi Lakshamma Co-op. Town Bank Ltd. is in progress. Thus, the total number of banks insured with the Corporation under Deposit Insurance Scheme rose from 2438 as on 31st March 1998 to 2583 as on March 1999. Year-wise and category-wise particulars showing the number of banks registered by the Corporation since the inception of the Scheme in 1962 are furnished in Annexures 1 and 1A.



2.2 The Deposit Insurance Scheme, at present, covers all commercial banks including regional rural banks and co-operative banks in 22 States and two Union Territories (Annexure II), The matter regarding extension of the Scheme to co-operative banks in remaining four States viz., Arunachal Pradesh, Meghalaya, Mizoram and Nagaland and three Union Territories viz., Andaman & Nicobar Islands, Chandigarh and Lakshadweep continues to be pending with the concerned Governments for carrying out the necessary amendments to their Co-operative Societies Acts.

2.3 The number of accounts and amount of deposits insured with the Corporation as also the extent of protection afforded to depositors at the end of June 1997 and June 1998 were as under :

Particulars	(Rupees crore)	
	June	
	1997	1998
1. Total No. of accounts (lakh)	4,109	4,642
2. Fully protected accounts (lakh)	3,713	4,544
3. Percentage of 2 to 1	90.4	97.9
4. Assessable deposits	4,92,380	6,09,962
5. Insured deposits	3,70,531	4,39,609
6. Percentage of 5 to 4	75.2	72.1

The yearwise details are furnished in Annexure III & IV.

The amount of deposits in fully protected accounts and partially protected accounts formed 56.07 per cent and 43.93 per cent respectively of the total assessable deposits at the end of June 1998.

2.4 The category-wise break-up of the premium (including interest on overdue premium) collected from insured banks during 1997-98 and 1998-99 is furnished below :

Category of banks	(Rupees crore)	
	Premium received	
	1997-98	1998-99
i) Commercial Banks	284.96	326.90
ii) Regional Rural Banks		
iii) Co-operative Banks		
	34.31	43.79
Total	319.27	370.69

2.5 During the year 1998-99 the Corporation settled aggregate claim for Rs. 13.27 crore in respect 4 co-operative banks as detailed below:-

(Rupees in crore)			
Sr. No.	Name of the Bank	No. of depositors	Amt. of claims
1.	Dadar Janata Sahakari Bank Ltd., Mumbai	34,074	5.17
2.	Dharwad Industrial Co-op. Bank, Hubli	286	0.09
3.	Hindupur Co-op. Town Bank Ltd. Hindupur (Supplementary Claim)	3	*
4.	Kolhapur Zilha Janata Sahakari Bank Ltd., Mumbai	40946	8.01
Total		75,309	13.27

* Negligible

Further, a provision of Rs. 24.84 crore has been made in the accounts towards the likely claim liabilities in respect of depositors of the under-mentioned banks which are under liquidation or their licence to carry on banking business has been cancelled by Reserve Bank of India.

(Rupees in crore)		
Name of the Bank	Amount	
1. Vasavi Co-op. Urban Bank Ltd., Gurzala, Andhra Pradesh	0.01	
2. Metropolitan Co-op. Bank Ltd., Mumbai, Maharashtra	0.34	
3. Shri Chamaraja Co-op. Bank Ltd., Chamajanager, Karnataka	0.07	
4. Bellatti Urban Co-op. Credit Bank Ltd., Bellatti, Karnataka	0.01	
5. Anakapalle Co-op. Urban Bank Ltd., Anakapalle, Andhra Pradesh	0.34	
6. Trimoori Co-op. Bank Ltd., Pune, Maharashtra	5.18	
7. Awami Mercantile Co-op. Bank Ltd., Mumbai, Maharashtra	4.88	
8. Vinkar Sahakari Bank Ltd., Mumbai, Maharashtra	1.89	
9. Gudur Co-op. Urban Bank Ltd., Gudur, Andhra Pradesh	1.05	
10. Ravikiran Urban Co-op. Bank Ltd., Mumbai, Maharashtra	8.28	
11. Koduvayur Co-op. Urban Bank Ltd., Koduvayur, Kerala	2.75	
12. Suprabhat Sahakari Bank Ltd., Ahmedabad, Gujarat	0.04	
Total	24.84	



2.6 As on 31st March 1999, the aggregate amount (cumulative) of claims paid and provided for, since the inception of the Scheme, in respect of 25 commercial banks remained unchanged at Rs. 172.92 crore. The repayments received from liquidators/amalgamated banks upto March 1999 aggregated Rs. 66.55 crore (including Rs. 0.80 crore received during the year). There was no fresh write off of dues to the Corporation during the year and the amount stood at at Rs. 0.10 crore as on 31st March 1999. The total amount of

and Small Loans (Co-operative Banks) Guarantee Scheme, 1984 for small borrowers which cover advances granted for agriculture and allied activities, transport operators, retail trade, small business etc. by commercial banks (including regional rural banks) and primary urban co-operative banks.

4. The overall performance of small borrowers Credit Guarantee Schemes is given below :

(Rupees crore)

Category of borrowers	Guaranteed advances as on 31st March 1998	Amount of claims received		
		Comulative Upto March 1998	During 1998-99	Comulative Upto March 1999 (3+4)
1	2	3	4	5
Farmers and Agriculturists	2067.56	4413.09	119.64	4532.73
Other priority sector advances	1139.28	4982.30	96.45	5078.75
Residual category of borrowers under DRI Scheme and credit facilities for consumption and for purchase or construction of houses or tenements	34.47	188.76	1.67	190.43
TOTAL	3241.31	9584.15	217.76	9801.91

claims paid / provided for in respect of 36 co-operative banks since the inception of the Scheme, till 31st March 1999 (including Rs. 13.27 crore paid during the year) was Rs. 36.17 crore. The repayments received from the liquidators/amalgamated banks upto 31st March 1999 aggregated Rs. 1.24 crore (including Rs. 0.01 crore received during the year). During the year the liquidator of Bijapur Industrial Co-op. Bank Ltd. Bagalkot had refunded a sum of Rs. 59,104 being the unutilised amount of claim released by the Corporation which was no longer required for payment to depositors.

During the year, a sum of Rs. 0.03 crore due from liquidators of 2 Co-operative banks was written off after obtaining necessary approval from the competent authority.

The particulars of 61 banks in respect of which claims have been paid, written off, provided for and repayments received till 31st March 1999 are furnished in Annexure V.

CREDIT GUARANTEE FUNCTION

A. CREDIT GUARANTEE SCHEME FOR SAML BORROWERS

3. The Corporation operates two Credit Guarantee Schemes viz., Small Loans Guarantee Scheme, 1971

Small Loans Guarantee Scheme, 1971

5.1 The Scheme provides guarantee cover for advances granted for agriculture and allied activities, transport retail trade, small business etc., by commercial banks including regional rural banks.

5.2 During the year, 4 commercial banks and 9 regional rural banks were allowed by the Corporation to opt out of the Scheme (Annexure VII). Consequently, as on 31st March 1999, the number of participating credit institutions under the Scheme decreased to 6 (comprising 2 commercial banks and 4 regional rural banks) from 19 as on 31st March 1998 (Annexure VI).

5.3 The total advances guaranteed under the Scheme at Rs. 3,241.20 crore as on 31st March 1998 showed decline of 17.71 percent over the previous year. This decrease is mainly due to opting out of 13 credit institutions comprising 4 commercial banks and 9 Regional Rural Banks from the Scheme. The Scheme continued to account for the bulk of the guaranteed advances to small borrowers forming 99.99 percent of the total priority sector advances to Non-SSI segment at Rs. 3,241.31 crore. The year-wise and sector-wise break-up of the guaranteed advances is given in Annexure VIII.

5.4 During the year under report, the Corporation received 7,57,245 claims for Rs. 217.76 crore as



against 5,40,971 claims for Rs. 183.90 crore received during the previous year registering an increase of 39.98 per cent in the number of claims and 18.41 per cent in amount over the previous year. The amount of claims received at Rs. 217.76 crore during the year formed 6.72 per cent of the total guaranteed advances at Rs. 3,241.20 crore under the Scheme. The sector-wise break-up of claims received under all the Schemes for small borrowers is given in Annexure X.

The Corporation disposed of 42,45,233 claims for Rs. 1,188.39 crore as against 11,79,328 claims for Rs. 400.90 crore during the previous year (the average monthly rate of disposal this year was 3,53,769 claims as against 98,277 claims during the corresponding period last year). Furthermore, processing of 4,13,646 claims for Rs. 128.12 crore has been completed but payments in respect of them have been held up for various reasons. The number of claims to be processed/under clarification as on 31st March 1999 was 39,91,556 for Rs. 1,034.53 crore (Annexure IX).

5.5 Recoveries received during the year by virtue of subrogation rights, aggregated Rs. 128.69 crore compared to Rs. 192.41 crore received during the previous year. The total amount of recoveries received since the inception of the Scheme, aggregated Rs. 1,605.29 crore forming 24.57 per cent of claims paid at Rs. 6,533.46 crore.

Small Loans (Co-operative Banks) Guarantee Scheme, 1984

6.1 The Scheme, introduced in 1984, covers priority sector advances granted by primary urban co-operative banks for non-agricultural purposes.

6.2 The number of participants in this Scheme continues to remain at two as on 31st March 1999 (Annexure VI). The guaranteed advances as on 31st March 1998 aggregated Rs. 0.11 crore as against Rs. 0.21 crore as on 31st March 1997. The Corporation had not received any claims during the year under the Scheme.

B. CREDIT GUARANTEE SCHEME FOR SMALL SCALE INDUSTRIES

(a) Government's Credit Guarantee Scheme (since cancelled)

7.1 The Corporation continues, 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. Out of the total amount of Rs. 0.61 crore representing the recoveries received in claim paid accounts during the year 1998-99 under the Scheme, the Corporation has remitted a sum of Rs. 0.55 crore to the Government after retaining an amount of Rs. 0.06 crore towards administrative expenditure incurred by it.

(b) Small Loans (SSI) Guarantee Scheme, 1981

8.1 As on 31st March 1999 there were 32 credit institutions (54 as on 31st March 1998) participating in the above Scheme comprising 2 commercial banks, 4 regional rural banks and 26 co-operative banks (Annexure VI). During the year, 22 credit institutions had gone out of the purview of the Scheme either on account of their decision to opt out of the Scheme or on account of their removal by the Corporation due to non-payment of guarantee fee (Annexure VII).

8.2 The guaranteed advances to SSI sector coming under the priority sector as defined by RBI amounted to Rs. 2,813.33 crore as on 31st March 1998 as against Rs 3,376.00 crore as on 31st March 1997 registering a fall by 16.67 per cent. The decrease is due to the reduction in the number of credit institutions remaining under the Scheme.

8.3 The Corporation received 13,965 claims for Rs. 34.43 crore during the year 1998-99 as against 61,695 claims for Rs. 313.36 crore during the previous year and disposed of 43,620 claims for Rs. 225.14 crore as against 52,241 claims for Rs. 220.78 crore during the year 1997-98. The details of claims received and disposed off year-wise, from 1st April 1981 onwards are given in Annexure XI. (Amount-wise break-up of claims settled during the year is given in Annexure XII). As on 31st March 1999, 73,922 claims for Rs. 156.55 crore were pending.

8.4 The recoveries received under the Scheme during the year under report, by virtue of the Corporation's right of subrogation, amounted to Rs. 17.50 crore compared to Rs. 21.45 crore received during the previous year. The recoveries since 1981 aggregated Rs. 207.71 crore as on 31st March 1999 forming 21.76 per cent of the total amount of claims paid at Rs. 954.57 crore.

8.5 The amount of claims received at Rs. 34.43 crore during the year formed 1.22 per cent of the total guaranteed advances to SSI units under priority sector at Rs. 2,813.33 crore under the Scheme.



ACCOUNTS

Balance sheets and Revenue Accounts

9.1 Revenue Accounts for the year ended 31st March 1999 and Balance Sheet as at 31st March 1999, showing separately the position of Corporation's three funds viz., General Fund, Deposit Insurance Fund and Credit Guarantee Fund together with the Auditor's Report are attached.

9.2 The Corporation has adopted since 1987 the system of valuation of liabilities of Deposit Insurance and Credit Guarantee Funds on an actuarial basis. Accordingly, the revenue surpluses in the Funds amounted to Rs. 1,195.77 crore, after providing for pending claims etc., as against a net surplus of Rs. 3,084.85 crore for the year ended 31st March 1998. The Deposit Insurance Fund revealed a surplus of Rs 406.31 crore as against Rs. 438.71 crore during the year ended 31st March 1998 after meeting all the necessary provisions to the satisfaction of Auditors and also taking into account the actuarial estimates of incremental liability. The Credit Guarantee Fund showed a surplus of Rs. 789.47 crore, as against a surplus of Rs. 2,646.14 crore during the year 1997-98, after providing for pending claims etc., and also taking into the actuarial estimates of incremental liability for the year ended 31st March 1999. A sum of Rs. 579.73 crore out of the surplus of Rs. 789.47 crore in the credit Guarantee Fund has been transferred to Deposit Insurance Fund. After this transfer, no amount is due to DIF from CGf.

9.3 The General Fund showed a deficit of Rs. 4.85 crore as against a deficit of Rs. 5.66 crore during the last year. The deficit of Rs. 4.85 crore has been adjusted against the surplus in Deposit Insurance Fund in terms of a resolution approved by the Board.

Budgetary Control

10. The Corporation has evolved various returns under its Management Information System (MIS) and exercise budgetary control over revenue and expenditure under its three Funds viz., Deposit Insurance Fund, Credit Guarantee Fund and General Fund.

Investments

11.1 In accordance with the provisions of the Deposit Insurance and Credit Guarantee Corporation Act, 1961, the amounts which were not required for the time being were invested in Central Government

Securities, including Treasury Bills. The details of investments are furnished in Annexure XIV. The depreciation in the investments of the three Funds has been fully provided for, to the satisfaction of the Auditors.

11.2 It was mentioned in the last year's report that amendment to Section 25 of the DICGC Act, 1961, expanding the avenue for investment of the temporary surplus funds of the Corporation has been taken up with the Central Government. The matter is still pending with the Government.

Tax Status

12. The Corporation was established by an Act of Parliament to achieve certain social objectives such as providing insurance cover to small depositors and guarantee support for credit extended to the priority sector by the credit institutions. Keeping in view the social objectives served by the Corporation as also the position that the Corporation is not a company within the meaning of the Companies Act, it was exempted (vide Section 30 of DICGC Act 1961) from payment of tax on its income, profits or gains for the first 15 years from inception. This exemption was subsequently extended upto December 1986. This exemption had not been extended beyond this period.

Consequent on the recommendations made by Rai Committee, the Corporation had approached the Government in 1994 for the grant of "Special Status" to the Corporation under the relevant provisions of the Income Tax Act (Section 44/115B) for the purpose of assessing its tax liability on the lines of Life Insurance Corporation/General Insurance Corporation. The matter is now being vigorously pursued with the Government.

GENERAL

Auditors

12.1 In terms of Section 29(1) of the Deposit Insurance and Credit Guarantee Corporation Act, 1961, the Board of Directors appointed with the prior approval of the Reserve Bank of India, M/s Habib & Co, Chartered Accountants, Mumbai as Auditors of the Corporation for the year ended 31st March 1999.

Progressive use of Hindi

12.2 The Corporation ensures compliance of Section 3(3) of Official Languages Implementation Act. The Head Office of the Corporation has been



notified under rule 10(4) of the Official Languages Rules, 1976. The Official Languages implementation Committee meets regularly every quarter to monitor as well as to facilitate the use of Hindi in the day-to-day functioning of the Corporation.

Training & Deputation

12.3 The Corporation has been deputing its Officers to various training institutions of the Reserve Bank of India to deliver talks on the schemes of the Corporation and when such requests are received from the training establishments. The employees of the Corporation were also deputed to the training programmes conducted in the training colleges of Reserve Bank of India. During the year under report 18 Officers, 11 Class III and 2 Class IV employees were deputed for training.

Inspection & Financial Audit by RBI

12.4 The Inspection Department of Reserve Bank conducted Systems and Staffing inspection of Head Office of the Corporation and its 4 branches at New Delhi, Nagpur, Chennai and Calcutta during 1998. The Corporation has complied with the major findings of the inspection including a review and reduction of the staff at the Head office and its regional offices.

The Regional Audit Cell of Reserve Bank of India at Mumbai carried out internal audit of the Corporation's Head Office for the half year ended 30th September 1998. The internal audit of the 4 branches also have been completed for the above period by the respective audit cells of Reserve Bank of India.

Computers-Y2K Compliance

13. The small Loans Guarantee Scheme, 1971 has been centralised at the Head Office. The claims received under the Scheme are processed on Multiserver R 4000 Computer System. The claims are received on magnetic tapes/floppies or in paper form in prescribed formats. The Corporation would complete the processing of claims, received in such of those formats whose application software packages are not Y2k compliant, well before December 1999. The software package in respect of claim applications in the format which might continue beyond December 1999 (NI-17) has been made Y2K compliant.

Furthermore, the operating system software for the Multiserver has been made Y2K compliant. There are a few stand-alone P.Cs. at the regional offices which are free from Y2K problem. With these developments, the hardware and software in use by the Corporation including the Regional offices are fully Y2K compliant. The Corporation has also finalised during the year computerisation of the work of Deposit insurance and Accounts. Accordingly, order had been placed for supply of Y2K compliant LAN System with suitable software package which is in the process of being installed.

Management

14. Shri A. Chandramouliswaran took over as Executive Director with effect from November 3, 1998 vice Shri M.G. Srivastava, Chief General Manager repatriated to Reserve Bank of India. Ms. P. Bolina was nominated as a Director under Section 6(1)(c) of DICGC Act, 1961 with effect from September 11, 1998 vice Shri B.B. Vyas. During the year, S/Shri S.H. Khan, N.P. Sarda, P.W. Rege, Directors appointed under Section 6(1)(d) of DICGC Act, 1961 and S/Shri Gangadhar Gadgil and P.N. Joshi, Directors appointed under Section 6(1)(e) of DICGC Act, 1961 retired on completion of their term. Fresh nominations in the above vacancies could not be made as the matter is pending with the Government of India.

15. During the year ended 31st March 1999, four meetings of the Board of Directors of the Corporation were held.

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

DEPOSIT INSURANCE
& CREDIT
GUARANTEE
CORPORATION
MUMBAI - 400 001.

Dated: 28 June 1999

For and on behalf of
the
Board of Directors

(JAGDISH CAPOOR)
Chairman