

## REPORT ON THE WORKING OF THE DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2002

In terms of Section 32(1) of the Deposit Insurance And Credit Guarantee Corporation Act, 1961, the Board of Directors present herewith the 40<sup>th</sup> Annual Report of the Corporation for the year ended 31st March 2002.

### DEPOSIT INSURANCE

#### 1.1 General

The ceiling amount of insurance cover for deposits with an insured bank, viz., 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 as at 31<sup>st</sup> March 2002 was reduced to **2715** from 2728 as at the year ended 31<sup>st</sup> March 2001. As against registration of 15 new banks, 28 insured banks were de-registered during the year. Fully protected deposit accounts as at the end of June 2001 numbering **4645 lakh** constituted **96.4** per cent of the total deposit accounts of 4817 lakh. The insured deposits at Rs.674051 crore formed **69.6** per cent of the total assessable deposits of Rs.968752 crore. As at the end of June 2000, the fully protected deposit accounts constituted **96.9** per cent of the total deposit accounts and the insured deposits formed **71.0** per cent of the total assessable deposits. The details are furnished in **Annexures III and IV**. The insurance premium received during the year amounted to Rs.634.57 crore as against Rs.515.19 crore received during the previous year. During the year, the Corporation settled claims received from one commercial bank and 11 co-operative banks for an aggregate amount of Rs.414.33 crore and has made a provision of Rs.1186.77 crore towards contingent liability of claims in respect of one commercial bank, one local area bank and 60 co-operative banks. The aggregate amount of claims paid and provided for in respect of 26 commercial banks and 57 co-operative banks, since the inception of the Scheme, amounted to Rs.676.63 crore and repayment received out of the recoveries etc., amounted to Rs.76.68 crore. The recoveries accounted for 11.33 per cent of the total claims paid.

#### 1.2 Registration / de-registration of insured banks

During the year one commercial bank and 14 co-operative banks were registered as insured banks and 19 Co-operative banks, one Local Area Bank and 8 Commercial Banks were de-registered, the details of which are furnished in **Annexure II-A**. Year-wise and category-wise particulars showing the number of banks registered by the Corporation since inception of the Scheme in 1962 are furnished in **Annexures I and I-A**.

#### 1.3 Extension of Scheme

The deposit insurance scheme at present covers all commercial banks including local area banks and regional rural banks in all the States and Union Territories. While the deposit insurance scheme also covers all co-operative banks in 22 States and two Union Territories (**Annexure II**), the position of their coverage in the 4 states viz. **Meghalaya, Mizoram, Nagaland and Arunachal Pradesh**; 4 Union Territories of **Lakshadweep, Chandigarh, Andaman and Nicobar Islands and Dadra & Nagar Haveli**; and 3 newly formed states (i.e **Chhattisgarh, Uttaranchal and Jharkhand**), is as under:

The matter regarding the extension of the Scheme to the co-operative banks in the three States viz., **Meghalaya, Mizoram, Nagaland and Union Territories of Lakshadweep and Dadra & Nagar Haveli** continues to be pending with the concerned Governments for carrying out the necessary amendments to their Co-operative Societies Acts.

Extension of the Scheme to the State of **Arunachal Pradesh** and two Union Territories viz., **Chandigarh and Andaman and Nicobar Islands** is under active consideration of the Corporation as necessary amendments to the Co-operative Societies Act have been enacted by the respective

State Government/Union Territories. The position in this regard is as under : -

- (i) **Arunachal Pradesh** : The Secretary to the Government of Arunachal Pradesh is yet to issue a corrigendum for certain errors in the notification dated June 20, 2000 published in the official Gazette of Arunachal Pradesh containing amendments to the State Co-operative Societies Act.
- (ii) **Andaman and Nicobar Islands** : The Corporation has completed all the formalities regarding extension of the Scheme. The matter has been referred to Government of India for publication of the notification in the Gazette of India extending the Scheme to the Union Territory. The notification is yet to be issued by the Government.
- (iii) **Chandigarh** : Government of India, Legislative Department, Chandigarh Administration has been advised to confirm that a notification has been issued by the Central Government giving effect to Section 2 of Punjab Co-operative Societies (Amendment) Act, 1981 & 1994 validly adopting the said Act for the Union Territory of Chandigarh. The reply from the Government is awaited.  
The matter is being constantly pursued with the above State / Union Territories.

As regards **Chhattisgarh**, the State Government has adopted the Madhya Pradesh Co-operative Societies Act, 1960 and passed the Chhattisgarh Co-operative Societies (Amendment) Act, 2001. However, in the new Section 16(c) of Chhattisgarh Co-operative Societies (Amendment) Act, 2001, the proviso to Sub-Section (2) of Section 16 of the Madhya Pradesh Co-operative Societies Act, which provides for prior consultation with Reserve Bank of India in the case of preparation of scheme of amalgamation / reconstruction of co-operative banks, has been impliedly done away with. Due to the above mentioned formulation of Section 16 (c) in the Chhattisgarh Co-operative Societies (Amendment) Act, 2001, the co-operative banks in the State do not meet with the requirements of Section 2 (gg) of DICGC Act, 1961 to be eligible co-

operative banks. The Corporation would, therefore, be constrained to consider cancellation / registration of the insured co-operative banks and also would not be able to consider the pending applications received from new co-operative banks for registration as insured banks. The Government of Chhattisgarh had been advised to carry out necessary amendment to the Act to provide for prior consultation with Reserve Bank of India for preparation of scheme of amalgamation / reconstruction of co-operative bank in the State so that the depositors of co-operative banks in Chhattisgarh State are not deprived of the DICGC insurance coverage. However, the Chhattisgarh Government has gone ahead with the registration of 16 new DCCBs covering 16 districts of the recently created State under the reorganisation scheme formulated by the Government as against 7 DCCBs functioning in the State without seeking RBI's prior approval. The issue is again being taken up with the Chief Secretary of the State.

As regards the remaining 2 newly formed States of **Uttaranchal** and **Jharkhand**, we have taken up the matter with the Chief Secretaries of the concerned States and NABARD advising them to let us know whether any notification regarding adoption of the Co-operative Societies Act of the former States by the new States has been issued. If so, they have been requested to furnish us a copy thereof to enable us to take necessary action in this regard.

#### 1.4 Insured deposits

The number of accounts and the amount of deposits insured with the Corporation as also the extent of protection afforded to depositors at the end of June 2000 and June 2001 are furnished in Table 1.

**Table 1 : Insured Deposits**

Particulars (Accounts in lakh & amounts in crore)	June	
	2000	2001
1. Total No. of accounts	4,462	4817
2. Fully protected accounts	4,325	4645
3. Percentage of 2 to 1	96.9	96.4
4. Assessable deposits	8,06,260	9,68,752
5. Insured deposits	5,72,434	6,74,051
6. Percentage of 5 to 4	71.0	69.58

## 1.5 Receipt of premium

The category-wise break-up of premium (including interest on overdue premium) collected from insured banks during 2000-2001 and 2001-2002 is furnished in Table 2.

**Table 2 : Premium received**

Category of banks	(Rupees in crore)	
	Premium	Received
	2000-01	2001-02
i) commercial banks, including Local Area Banks and Regional Rural Banks	448.30	555.99
ii) co-operative banks	66.89	78.58
<b>Total</b>	<b>515.19</b>	<b>634.57</b>

## 1.6 Settlement of deposit insurance claims

During the year 2001-2002, the Corporation settled aggregate claims for Rs. 414.33 crore in respect of 1 commercial bank and 11 co-operative banks as detailed in Table 3.

**Table 3 : Claims settled**

Sr. No.	Name of the Bank	No. of Depositors	Amount of Claims (Rs. crore)
<b>COMMERCIAL BANK</b>			
1	Sikkim Bank Ltd.	7	0.03
<b>CO-OPERATIVE BANKS</b>			
1.	Nagrik Sahakari Bank Ltd., Sagar	3977	0.70
2.	Indira Sahakari Bank Ltd., Aurangabad	7604	2.18
3.	Nagarik Co-operative Commercial Bank, Maryadit, Bilaspur	5025	2.61
4.	Ichalkaranji Kamagar Nagari Sahakari Bank Ltd., Ichalkaranji	7775	0.51
5.	Parishad Co-operative Bank Ltd., New Delhi	6927	0.39
6.	Sahyog Co-operative Bank Ltd., Ahmedabad	19498	3.00
7.	Madhavpura Mercantile Co-operative Bank Ltd., Ahmedabad	@ 196994	385.00

8.	Krushi Co-operative Urban Bank Ltd., Secunderabad	@ 8003	19.87
9.	Jabalpur Nagrik Sahakari Bank Ltd., Jabalpur	4	0.02
10.	Solapur Zilla Mahila Sahakari Bank Ltd., Solapur	3	0.01
11.	Trimoorti Sahakari Bank Ltd., Pune	4	0.01
<b>Total</b>		<b>255821</b>	<b>414.33</b>

@ The number represents the total number of depositors as per the claim list submitted to the Corporation and the claim has not been fully settled pending receipt of further information.

Further, a provision of Rs.1186.77 crore has been made towards the likely claim liabilities in respect of depositors of 62 banks which are under amalgamation/ liquidation or their licence to carry on banking business has been cancelled by Reserve Bank of India.

## 1.7 Position of claims settled / repayments received

As on 31<sup>st</sup> March 2002, the aggregate amount (cumulative) of claims paid and provided for, since the inception of the Scheme, in respect of 26 commercial banks was Rs.190.19 crore. Repayment received from liquidators/amalgamated banks up to 31<sup>st</sup> March 2002 aggregated Rs.74.43 crore (including Rs.2.47 crore received during the year). The total amount of claims paid/provided for in respect of 57 co-operative banks, since the inception of the Scheme till 31<sup>st</sup> March 2002 (including Rs.414.30 crore paid during the year), was Rs.486.44 crore. Repayments received from the liquidators/amalgamated banks up to 31<sup>st</sup> March 2002 aggregated Rs.2.25 crore (including Rs.0.81 crore received during the year). The particulars of banks in respect of which claims have been paid, written off, provided for and repayments received till 31<sup>st</sup> March 2002 are furnished in **Annexure V**.

## 1.8 Deposit insurance reforms

The Reserve Bank of India had constituted, in April 1999, an Advisory Group under the Chairmanship of the then Deputy Governor of the

Reserve Bank of India and Chairman of the Corporation, Shri Jagdish Capoor and a Working Group to review the deposit insurance system in India and recommend changes therein in the context of on-going financial sector reforms. The Advisory Group had submitted its report to the Reserve Bank of India in October 1999. The recommendations of the Group were discussed with the Government of India, and certain changes were agreed upon. The proposals necessitated replacement of the existing law, which was enacted way back in the 60s, with a new one. The Corporation has forwarded to the Government of India a draft outline of the proposed new bill with the approval of the Reserve Bank of India. In the context of the deposit insurance reform, the Finance Minister in his Budget Speech for the year 2002-2003 announced that the Deposit Insurance and Credit Guarantee Corporation would be converted into the Bank Deposits Insurance Corporation (BDIC) to make it an effective instrument for dealing with distressed banks, and appropriate legislative changes would be proposed for this purpose. Following this, it was proposed to model the BDIC after the Federal Deposit Insurance Corporation (FDIC) of the US. The Ministry of Finance, Government of India also decided that before proposing legislative changes, the FDIC model should be studied closely and a suitable model evolved for India. In view of these developments, in June 2002, a joint team of the Finance Ministry, the Reserve Bank of India and the DICGC visited the FDIC and other US bank regulatory and supervisory agencies. The team had discussions with the US functionaries as to how their system was functioning and how best it could be adapted in India. Thus, the entire exercise of deposit insurance reform is being accorded a fresh look by the Government of India, the Reserve Bank of India and the Corporation.

## **CREDIT GUARANTEE**

### **Credit Guarantee Schemes**

2.1 It was mentioned in the earlier Reports that certain changes were made in the terms and

conditions of the Credit Guarantee Schemes in April 1995 on the basis of the recommendations of an Expert Study Group appointed by the Corporation. The most important change was that claims could be preferred with the Corporation only after the loans had been written off. Consequently, a number of banks started opting out of the Schemes from 1st April 1995. As on 31st March 2002 no bank was participating under the Small Loans Guarantee Scheme 1971. Similarly none of the urban co-operative banks is continuing under the Small Loans (Co-operative Banks) Guarantee Scheme, 1984. Consequent upon opting out by the remaining participants from the Small Loans Credit Guarantee Scheme, 1971 and Small Loans (Co-operative Banks) Guarantee Scheme 1984 during the year the Corporation is not operating the above Credit Guarantee Schemes for small borrowers. As regards the Small Loans (SSI) Guarantee Scheme, 1981, out of the 6 credit institutions participating in the scheme in the previous year, 5 credit institutions went out of the purview of the scheme and only one bank (viz., Dhulia District Central Co-operative Bank Ltd.) was participating as on 31<sup>st</sup> March 2002.

2.2 The guaranteed advances under the Corporation's Credit Guarantee Schemes in operation had come down from Rs.4.95 crore as at the end of March 2000 to Rs.1.11 crore as at the end of March 2001. Sector-wise distribution of guaranteed advances under the credit guarantee schemes since the year 1991-92 has been given in **Annexure VI**.

2.3 During the year, 1164 claims for Rs.1.24 crore were received as against 78,508 claims for Rs.36.06 crore in the previous year showing a decline of 98.5% in terms of number and 96.6% in terms of amount as compared to the previous year. The Corporation settled 3674 claims for Rs.5.05 crore as against 6,96,559 claims settled during the previous year for Rs.225.17 crore. The decline in the claims settled during the year was 99.5% and 97.8% respectively compared to the previous year in terms of number and amount respectively (Table-4).

**Table 4 : Claims received / Settled**

(Amount in crore of Rupees)

	During 2000-2001		During 2001-2002		Percentage increase (+) decrease (-)	
	Number	Amount	Number	Amount	Number	Amount
<b>I) Claims received :</b>						
i) Small borrowers	75100	21.93	-	-	-	-
ii) SSIs	3408	14.13	1164	1.24	(-) 65.8	(-) 91.2
<b>Total :</b>	<b>78508</b>	<b>36.06</b>	<b>1164</b>	<b>1.24</b>	<b>(-) 98.5</b>	<b>(-) 96.6</b>
<b>II) Claims settled :</b>						
i) Small borrowers	679344	171.34	-	-	-	-
ii) SSIs	17215	53.83	3674	5.05	(-) 78.7	(-) 90.6
<b>Total :</b>	<b>696559</b>	<b>225.17</b>	<b>3674</b>	<b>5.05</b>	<b>(-) 99.5</b>	<b>(-) 97.8</b>

2.4 The guarantee fee receipt during the year is negligible, since only one bank is participating under Small Loans (SSI) Guarantee Scheme-1981. The details of guarantee fees received, guarantee claims received and claims paid during the period 1991-92 to 2001-2002 are as under :

**Table 5 : Guarantee Fees / claims received and claims paid**

(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
1991-92	565.88	627.23	462.29	(-) 61.35	(+) 103.59
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
1999-2000	21.99	245.49	403.13	(-) 223.50	(-) 381.14
2000-2001	0.07	36.06	47.34	(-) 35.99	(-) 47.27
2001-2002	0.02	1.24	1.33	-1.22	-1.31

The scheme-wise break-up of guarantee fee received since 1991-92 is given in **Annexure X**. The amount of claims exceed the guarantee fees received during the year by Rs.1.22 crore.

## 2.5 Small Borrowers' Credit Guarantee Schemes

- (i) Small Loans Guarantee Scheme, 1971 (SLGS 1971)

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

SLGS, 1971 provides for guarantee cover for advances granted for agriculture and allied activities, transport, retail trade, small business etc., by commercial banks including Regional Rural Banks. With effect from 1st April 2001 no bank was participating under the Scheme. As a result of stoppage of operations under the Scheme there

were no advances guaranteed by the Corporation under the Scheme.

The SLCBGS, 1984 covers priority sector advances granted by primary urban co-operative banks for non-agricultural purposes. None of the urban co-operative banks is continuing under the scheme.

The Corporation did not receive any claim under either of the Schemes during the year (2001-02) as against receipt of 75100 claims for Rs.21.93 crore, under the SLGS 1971 and no claims under SLCBGS, 1984 in the previous year.

Upto the year ended March 2002 the Corporation settled 37423627 claims for Rs.10043.03 crore. The year-wise details of receipt and settlement of claims under the Corporation's credit guarantee schemes relating to small borrowers are given in **Annexure VII**.

The sector-wise break up of claims received under the schemes for the small borrowers upto 31.3.2002 is given in **Annexure VIII**.

Recoveries received under the Schemes during the year by virtue of Corporation's subrogation right aggregated Rs.50.00 crore as against Rs.99.90 crore received during the previous year. The cumulative amount of recoveries received since the inception of the Schemes aggregated Rs.1940.01 crore forming 27.96 per cent of claims paid at Rs.6938.81 crore.

## **2.6 Small Loans (SSI) Guarantee Scheme, 1981**

As on 31st March 2002, only one co-operative bank was participating under the scheme.

The Corporation received 1164 claims for Rs.1.24 crore during the year as against 3408 claims for Rs.14.13 crore during the previous year. 3674 claims for Rs.5.05 crore were disposed of as against 17215 claims for Rs.53.83 crore during the year 2000-01. The details of claims received and disposed of year-wise, from 1st April 1981 onwards are given in **Annexure IX**. As on 31st March 2002, 94 claims for Rs.0.35 crore were pending.

Recoveries made under the scheme during the year by virtue of the Corporation's right of subrogation amounted to Rs.13.90 crore compared to Rs.15.19 crore made during the previous year. Cumulative recoveries since 1981 aggregated Rs.255.55 crore as on 31st March 2002 forming 25.53 per cent of the total amount of claims paid at Rs.1001.02 crore under the Credit Guarantee Scheme for Small Scale Industries.

## **2.7 Government's Credit Guarantee Scheme (since cancelled)**

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.6.31 lakh representing the recoveries received in claim paid accounts during the year ended 31st March 2002 under the Scheme, the Corporation remitted a sum of Rs.5.68 lakh to the Government, after retaining an amount of Rs.0.63 lakh towards administrative expenditure incurred by it.

## **ACCOUNTS**

### **Balance sheets and Revenue Accounts**

3.1 Revenue Accounts for the year ended 31st March 2002 and Balance Sheet as at 31st March 2002, showing the position of the Corporation's three funds viz., Deposit Insurance Fund (DIF), Credit Guarantee Fund (CGF) and General Fund (GF), together with the Auditor's Report are attached.

3.2 The Revenue Accounts have been prepared after making provisions for the incremental liabilities as per the actuarial valuation in respect of DIF and CGF and for other outstanding liabilities to the satisfaction of the statutory auditors. The revenue surpluses in DIF, CGF and GF during the year 2001-02 before taxation were of Rs.749.93 crore, Rs.199.43 crore, and Rs.3.82 crore as against previous year's surpluses in DIF and CGF of Rs.431.96 crore, Rs.411.67 crore respectively and deficit of Rs.6.28 crore in GF. The General Fund has shown a surplus for the first time after the year 1991-92, mainly on account of reduction in the

establishment expenses consequent upon reduction of staff at the DICGC Cells (Kolkata, Chennai and Nagpur) and New Delhi Regional Office and Head Office. Its previous years losses were borne by the other two funds. After making adequate provision for Income Tax liability, the accumulated surpluses in DIF, CGF, and GF as on 31<sup>st</sup> March 2002 are arrived at Rs.3686.82 crore, Rs.1261.71 crore and Rs.20.14 crore respectively.

## **BUDGETARY CONTROL**

4. The Corporation has devised various control returns under its Management Information System (MIS) for submission by the participating entities for monitoring receipt of premium and guarantee fees and to exercise budgetary control over revenue and expenditure under its three Funds viz., Deposit Insurance Fund, Credit Guarantee Fund and General Fund.

## **INVESTMENTS**

5. 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 as on 31<sup>st</sup> March 2002 are furnished in **Annexure XI**. The depreciation in the investments of the three Funds has been fully provided for, to the satisfaction of the Auditors.

## **GENERAL**

### **Auditors**

6. In terms of Section 29(1) of the Deposit Insurance and Credit Guarantee Corporation Act, 1961, M/s Jain Chowdhary & Co., Chartered Accountants, Mumbai were reappointed, (with the approval of the Reserve Bank of India), as auditors of the Corporation for the year ended 31<sup>st</sup> March 2002.

## **PROGRESSIVE USE OF HINDI**

7. 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 report of use of Hindi. The Official Languages implementation Committee meets regularly once a quarter to monitor as well as to promote the use of Hindi in the day to day functioning of the Corporation.

## **TRAINING AND DEPUTATION**

8. The Corporation has been deputing its officers to various training institutions of Reserve Bank of India to deliver talks on the Schemes of Corporation as and when such requests have been received from the training establishments. During the year under report, 42 employees including 10 officers were deputed for training programs conducted in the training colleges of the Reserve Bank of India.

## **INSPECTION AND FINANCIAL AUDIT BY RBI**

9. The Regional Audit Cells of Reserve Bank of India carried out internal audit of the Corporation's Head Office and New Delhi branch for the half year ended 30th September 2001. The audit of the DICGC Cell at Nagpur was carried out for the half year ended 31<sup>st</sup> March 2001.

## **COMPUTERISATION**

10. A data base of insured banks has been created and necessary software packages have been developed to help in speedy processing of data and generating various outputs including list of defaulting banks, category-wise debit/ credit advices to banks, vouchers simultaneously with the processing of returns etc. The computerisation of processing of deposit insurance claims of the depositors of the liquidated banks is under test run before finalisation. To create awareness regarding deposit insurance the website of the Corporation has been registered and the process of operationalisation of the website is in progress.

## **MANAGEMENT**

11. Shri G.P. Muniappan was appointed as Chairman of the Corporation in place of Shri Jagdish Capoor who retired from the Bank's service as at the

close of business on June 30, 2001. Shri J.R. Guha, Executive Director of the Corporation retired from service on attaining the age of superannuation on 30<sup>th</sup> April 2002. Shri Anand Sinha succeeded him as Chief General Manager from 1<sup>st</sup> May 2002.

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 each year. During the year ended 31<sup>st</sup> March 2002, four meetings of the Board were held.

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

For and on behalf of  
the  
Board of Directors

DEPOSIT INSURANCE  
& CREDIT GUARANTEE  
CORPORATION  
MUMBAI - 400 001.

Dated: 27<sup>th</sup> June 2002

(G. P. Muniappan)  
Chairman

## ANNEXURE - I

### STATEMENT SHOWING THE NUMBER OF BANKS COVERED UNDER THE DEPOSIT INSURANCE SCHEME SINCE 1962

Year/period	No. of registered banks at the commencement of the year/period	No. of banks registered during the year/period	No. of banks de-registered where Corporation's Liability			Total No. of registered banks 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
1971to1975	83	544	0	16	16	611
1976 to 1980	611	995	9	15	24	1582
1981 to 1985	1582	280	8	17	25	1837
1986 to 1989-90	1837	102	8	10	18	1921
1990 -91	1921	8	5	2	7	1922
1991-92	1922	14	2	3	5	1931
1992-93	1931	3	2	1	3	1931
1993-94	1931	63	1	3	4	1990
1994-95	1990	36	0	1	1	2025
1995-96	2025	99	1	1	2	2122
1996-97	2122	176	1	1	2	2296
1997-98	2296	145	1	2	3	2438
1998-99	2438	149	4	0	4	2583
1999-2000	2583	103	8	2	10	2676
2000-01	2676	62	9	1	10	2728
2001-02	2728	15	18	10	28	2715

## ANNEXURE - IA

### Category - wise break-up of insured banks at the end of 1999-2000, 2000-2001, 2001-2002

Year	No. of insured banks				Total
	Commercial Banks	RRBs	LABs	Co-operative Banks	
1999-2000	108	196	0	2372	2676
2000-2001	106	196	5	2421	2728
2001-2002	99	196	4	2416	2715

## ANNEXURE - II

### SUMMARY OF INSURED BANKS (As on 31<sup>st</sup> March 2002)

i)	Commercial Banks	99
ii)	Local Area Banks	4
iii)	Regional Rural Banks	196
iv)	Co-operative Banks	2416
<b>Total</b>		<b>2715</b>

#### Statewise Break-up of Co-operative Banks

State/Union Territory	Apex	Central	Primary	Total	
<b>State</b>					
1	Andhra Pradesh	1	22	160	183
2	Assam	1	1	13	15
3	Bihar *	1	32	9	42
4	Delhi	1	0	17	18
5	Goa	1	0	7	8
6	Gujarat	1	21	351	373
7	Haryana	1	14	10	25
8	Himachal Pradesh	1	2	5	8
9	Jammu & Kashmir	1	3	4	8
10	Karnataka	1	22	311	334
11	Kerala	1	14	61	76
12	Madhya Pradesh *	1	45	86	132
13	Maharashtra	1	31	651	683
14	Manipur	1	0	5	6
15	Orissa	1	17	13	31
16	Punjab	1	18	6	25
17	Rajasthan	1	27	40	68
18	Sikkim	1	0	0	1
19	Tamil Nadu	1	24	136	161
20	Tripura	1	0	1	2
21	Uttar Pradesh *	1	58	84	143
22	West Bangal	1	17	54	72
<b>Union Territory</b>					
1	Pondicherry	1	0	1	2
2	Daman & Diu	0	0	0	0
<b>TOTAL</b>		<b>23</b>	<b>368</b>	<b>2025</b>	<b>2416</b>

\* The co-operative banks in the newly created states of Chhattisgarh, Jharkhand and Uttaranchal which were existing at the time of creation of these states are included in the former States of Madhya Pradesh, Bihar and Uttar Pradesh.

## ANNEXURE-II-A

### BANKS REGISTERED AND DEREGISTERED DURING THE YEAR 2001-2002

#### A. REGISTERED

##### Sr. No   Name of the Bank.

##### Commercial Bank(1)

1     Antwerpse Diamont Bank N.V.

##### Co-operative Banks(14)

##### Maharashtra (9)

2     Godavari Laxmi Co-op Bank Ltd.,  
3     Mahesh Urban Co-op Bank Ltd.,  
4     Muktai Co-op Bank Ltd.,  
5     Dadasaheb Gajmal Co-op Bank Ltd.,  
6     Shri Govardhansingji Raghuvanshi Sahakari Bank Ltd.,  
7     Shivdaulat Sahakari Bank Ltd.,  
8     Prerna Nagari Sahakari Bank Ltd.,  
9     Apex Urban Co-op. Bank of Maharashtra & Goa Ltd.,  
10    Sree Narayana Guru Co-op. Bank Ltd.,

##### Uttar Pradesh (4)

11    Mau Dist Co-op Bank Ltd.,  
12    Mahamedha Urban Co-op Bank Ltd.,  
13    Hindustan Co-op Bank Ltd.,  
14    Siddharth Nagar DCCB Ltd.,

##### Haryana (1)

15    The Panipat Central Co-op. Bank Ltd.,

#### B. DEREGISTERED

##### (1) Co-operative Banks

##### Bihar (2)

1     Chhapra Central Co-op Bank Ltd.,  
2     Daltanganj Central Co-op Bank Ltd.,

##### Delhi (1)

3     Parishad Co-op Bank Ltd.,

(Contd.)

## ANNEXURE - IIA (Concl.)

Andhra Pradesh (2)	4	Krusha Co-op Bank Ltd.,
	5	Sitara Co-op Commercial Bank Ltd.,
Uttar Pradesh (1)	6	Urban Co-op Bank Ltd., Allahabad
Madhya Pradesh (2)	7	Nagarik Sahakari Bank Ltd., Sagar
	8	Nagarik Co-op Commercial Bank Ltd.,
Orissa (1)	9	Aska Co-op Bank Ltd.,
Maharashtra(4)	10	Daxini Bramin Co-op Bank Ltd.,
	11	Friends Co-op Bank Ltd.,
	12	Western Co-op Bank Ltd.,
	13	Meera Bhayandar Co-op Bank Ltd.,
Gujarat (4)	14	Shree Veraval Vibhagiya Nagarik Sahakari Bank Ltd.,
	15	Ahmedabad Urban Co-op Bank Ltd.,
	16	Shree Laxmi Co-op Bank Ltd.,
	17	Sahayog Co-op Bank Ltd.,
Karnataka(1)	18	Kolar Urban Co-op Bank Ltd.,
West Bengal (1)	19	Pranabananda Co-op Bank Ltd.,
<b>(2) Local Area Banks (1)</b>	20	Vinayak Local Area Bank Ltd.,
<b>(3) Commercial Banks (8)</b>	21	Times Bank Ltd.,
	22	Bank of Madura Ltd.,
	23	Bareilly Corporation Bank Ltd.,
	24	Bari Doab Bank Ltd.,
	25	Kashinath Seth Bank Ltd.,
	26	Jharia Industrial Bank Ltd.,
	27	Sakura Bank Ltd.,
	28	Morgan Guaranty Trust Co. New York.

### ANNEXURE III

#### STATEMENT SHOWING THE EXTENT OF PROTECTION AFFORDED TO THE DEPOSITORS OF INSURED BANKS

**(Commercial Banks, Regional Rural Banks, Local Area Banks and Co-operative Banks)  
(As on the last working day)**

Year	<i>No. of fully protected accounts (in lakhs)*</i>	<i>Total No. of accounts (in lakhs)</i>	<i>Percen- tage of (2) to (3)</i>	<i>Insured deposits* (Rs. crore)</i>	<i>Total assessable deposits (Rs. crore)</i>	<i>Percen- tage of (5 to 6)</i>
1	2	3	4	5	6	7
1961	55.42	70.58	78.5	392.32	1693.74	23.1
1990-91	2982.52	3089.12	96.5	109315.52	156891.90	69.7
1991-92	3169.18	3287.00	96.4	127924.91	186307.39	68.7
1992-93	3395.03	3543.02	95.8	164526.57	244375.38	67.3
1993-94	3497.10	3529.03	99.1	168404.82	249033.83	67.6
1994-95	4956.05	4993.99	99.2	266746.65	364057.60	73.3
1995-96	4818.63	4868.07	99.0	295574.97	392071.69	75.4
1996-97	4273.23	4351.26	98.2	337671.00	450674.17	74.9
1997-98	3713.02	4108.73	90.4	370531.21	492279.86	75.2
1998-99	4544.33	4641.93	97.9	439609.10	609962.08	72.1
1999-2000	4302.11	4417.30	97.4	498558.33	704068.36	70.8
2000-01	4324.59	4461.84	96.9	572434.09	806259.84	71.0
2001-02	4644.52	4816.73	96.4	674050.88	968751.63	69.6

\* Number of accounts with balance not exceeding Rs. 1,500 till the end of 1967, Rs. 30,000 from 1981 onwards till 1992-93 and Rs. 1,00,000 from 1993-94 onwards.

**ANNEXURE - IV**

**STATEMENT SHOWING THE EXTENT OF PROTECTION AFFORDED TO THE  
DEPOSITORS OF INSURED BANKS (CATEGORY WISE) FOR THE YEARS  
1999-2000, 2000-01, 2001-02**

<i>Year</i>	<i>Category of banks</i>	<i>Total No. of insured banks</i>	<i>No. of reporting banks</i>	<i>Insured deposits (Rs. in crores)</i>	<i>Total assessable deposits (Rs. in crores)</i>	<i>Percentage of insured deposits to assessable deposits</i>
1	2	3	4	5	6	7
1999-2000	I. Commercial Banks					
	i) SBI Group	8	7	123888.86	168226.28	73.64
	ii) Public Sector	19	19	257005.98	351504.67	73.12
	iii) Foreign Banks	43	33	9471.70	36620.29	25.86
	iv) Private Banks					
	a) Scheduled	35	27	31257.48	56015.69	55.80
	b) Non Scheduled	3	—	—	—	—
	<b>Total</b>	<b>108</b>	<b>86</b>	<b>421624.02</b>	<b>612366.93</b>	<b>68.85</b>
	II. Regional Rural Banks	196	115	21409.13	22516.13	95.08
	III. Co-operative Banks	2372	1232	55525.18	69185.30	80.26
	<b>Total I+II+III</b>	<b>2676</b>	<b>1433</b>	<b>498558.33</b>	<b>704068.36</b>	<b>70.81</b>
2000-2001	I. Commercial Banks					
	i) SBI Group	8	6	140582.35	187957.57	74.79
	ii) Public Sector	19	16	285731.36	392754.05	72.75
	iii) Foreign Banks	42	32	6150.22	32145.52	19.13
	iv) Private Banks					
	a) Scheduled	39	25	43234.09	78213.31	55.28
	b) Non Scheduled	3	—	—	—	—
	<b>Total</b>	<b>111</b>	<b>79</b>	<b>475698.02</b>	<b>691070.45</b>	<b>68.83</b>
	II. Regional Rural Banks	196	171	26041.74	28036.51	92.88
	III. Co-operative Banks	2421	1456	70694.33	87152.88	81.12
	<b>Total I+II+III</b>	<b>2728</b>	<b>1706</b>	<b>572434.09</b>	<b>806259.84</b>	<b>71.00</b>
2001-2002	I. Commercial Banks					
	i) SBI Group	8	7	168741.66	245522.47	68.73
	ii) Public Sector	19	17	316839.74	432134.50	73.32
	iii) Foreign Banks	41	34	8014.34	37138.35	21.58
	iv) Private Banks	31	26	53510.07	99469.71	53.80
	v) Local Area Banks	4	3	31.51	43.94	71.71
		<b>Total</b>	<b>103</b>	<b>87</b>	<b>547137.32</b>	<b>814308.97</b>
	II. Regional Rural Banks	196	172	31262.97	31906.64	97.98
	III. Co-operative Banks	2416	1711	95650.60	122536.02	78.06
	<b>Total I+II+III</b>	<b>2715</b>	<b>1970</b>	<b>674050.89</b>	<b>968751.63</b>	<b>69.58</b>

**ANNEXURE - V**

**DEPOSIT INSURANCE CLAIMS PAID AND PROVIDED FOR  
AND REPAYMENTS RECEIVED AS ON 31<sup>ST</sup> MARCH 2002**

*(Rupees in lakh)*

Sr. No.	Name of the bank (Figures in brackets indicate the year in which the claims were met)	Total insured deposits paid and provided for	Repayments received by Corporation	Balance (3)-(4)
1	2	3	4	5
<b>I. COMMERCIAL BANKS</b>				
<b>i) Particulars relating to banks in respect of which the Corporation has been reimbursed in full</b>				
\$	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 Ltd; Patna (1970)	46.32	46.32	—
*	4) Cochin Nayar Bank Ltd; Trichur (1964)	7.04	7.04	—
*	5) Latin Christian Bank Ltd; Ernakulam (1964)	2.08	2.08	—
@	6) Bank of Karad Ltd; Mumbai (1992)	**3,700.00	3,700.00	—
	<b>Total 'A'</b>	<b>3,764.81</b>	<b>3,764.81</b>	—
<b>ii) Particulars relating to banks in respect of which the Corporation has been paid in part and balance due has been written off</b>				
*	7) Unity Bank Ltd; Chennai (1963)	2.53	1.37 (1.16)	—
*	8) Unnao Commercial Bank Ltd; Unnao (1964)	1.08	0.31 (0.77)	—
*	9) Chawla Bank Ltd; Dehradun (1969)	0.18	0.14 (0.04)	—
*	10) Metropolitan Bank Ltd; Kolkata (1964)	8.80	4.42 (4.38)	—
*	11) Southern Bank Ltd; Kolkata(1964)	7.34	3.73 (3.61)	—
*	12) Bank of Algapuri Ltd; Algapuri (1963)	0.28	0.18 (0.10)	—
*	13) Habib Bank Ltd; Mumbai (1966)	17.26	16.78 (0.48)	—
*	14) 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>	—
(Figures in brackets indicate the amount written off)				
<b>iii) Particulars relating to banks in respect of which the Corporation has not been reimbursed in full</b>				
*	15) National Bank of Lahore Ltd., Delhi (1970)	9.69	—	9.69
*	16) Bank of Cochin Ltd; Cochin (1986)	1,162.78	705.79	456.99
*	17) Miraj State Bank Ltd; Miraj (1987)	146.59	93.48	53.11

*(Contd.)*

**ANNEXURE - V (Contd.)**

1	2	3	4	5
*	18) Lakshmi Commercial Bank Ltd.	3,340.62	913.58	2,427.04
*	19) Hindustan Commercial Bank Ltd; Delhi (1988)	2,191.67	253.67	1,938.00
*	20) United Industrial Bank Ltd; Kolkata (1990)	3,501.58	113.34	3,388.24
*	21) Traders Bank Ltd; New Delhi (1990)	306.34	134.82	171.52
*	22) Bank of Thanjavur Ltd;Thanjavur (1990)	1,078.36	638.48	439.88
*	23) Bank of Tamilnad Ltd; Tirunelveli (1990)	764.50	588.60	175.90
*	24) Parur Central Bank Ltd; North Parur (1990)	260.92	121.58	139.34
*	25) Purbanchal Bank Ltd;Guwahati (1990)	725.77	87.52	638.25
*	26) Sikkim Bank Ltd; Gangtok (2000)	1,726.69	—	1,726.69
	<b>Total 'C'</b>	<b>15,215.51</b>	<b>3,650.86</b>	<b>11,564.65</b>
	<b>Total A + B + C</b>	<b>19,018.78</b>	<b>7,443.48</b>	<b>11,564.65</b>
	Remarks: Amount of Rs.10.65 lakh written off till 31st March 2002.			
<b>II.</b>	<b>CO-OPERATIVE BANKS</b>			
	<b>i) Particulars relating to banks in respect of which the Corporation has been reimbursed in full</b>			
\$\$	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 (1981)	2.19	2.19	++++
@	5) Bombay Commercial Co-op. Bank Ltd; Mumbai (1976)	5.73	5.73	—
	<b>Total 'D'</b>	<b>38.85</b>	<b>38.85</b>	<b>—</b>
	<b>ii) Particulars relating to banks in respect of which the Corporation has been paid in part and balance due has been written off</b>			
@	6) Ghatkopar Janata Sahakari Bank Ltd., Mumbai (1977)	2.76	— (2.76)	—
@	7) Bhadravathi Town Co-op. Bank Ltd; Bhadravathi (1994)	0.26	— (0.26)	—
@	8) Aarey Milk Colony Co-op. Bank Ltd; Mumbai (1978)	0.60	— (0.60)	—
	<b>Total 'E'</b>	<b>3.62</b>	<b>— (3.62)</b>	<b>—</b>
	(Figures in bracket indicate amount written off)			
	<b>iii) Particulars relating to banks in respect of which the Corporation has not been reimbursed in full</b>			
*	9) Ratnagiri Urban Co-op. Bank Ltd; Ratnagiri (1978)	46.43	12.50	33.93
*	10) Vishwakarma Co-op. Bank Ltd; Mumbai(1979)	11.57	5.60	5.97
*	11) Prabhadevi Janata Sahakari Bank Ltd; Mumbai (1979)	7.02	3.06	3.96
*	12) Kalavihar Co-op. Bank Ltd; Mumbai (1979)	13.17	3.36	9.81
*	13) Vysya Co-op. Bank Ltd; Bangalore (1982)	91.31	12.95	78.36

(Contd.)

**ANNEXURE - V (Contd.)**

1	2	3	4	5
@	14) Kollur Parvathi Co-op. Bank Ltd; Kollur (1985)	13.96	—	13.96
@	15) Adarsh co-op. Bank Ltd; Mysore (1985)	2.74	0.65	2.09
*	16) Kurduwadi Merchants Urban Co-op. Bank Ltd; Kurduwadi (1986)	4.85	4.01	0.84
@	17) Gadag Urban Co-op. Bank Ltd; Gadag (1986)	22.85	12.66	10.19
@	18) Manihal Urban Co-op. Credit Bank Ltd; Manihal (1987)	9.61	2.28	7.33
@	19) Hind Urban Co-op. Credit Bank Ltd; Lucknow (1988)	10.95	—	10.95
@	20) Yellamanchili Co-op. Bank Ltd; Yellamanchili (1990)	4.36	—	4.36
@	21) Vasavi Co-op. Urban Bank Ltd; Gurzala (1991)	3.89	—	3.89
@	22) Kundara Urban Co-op. Bank Ltd; Kundara (1991)	17.37	8.73	8.64
@	23) Manoli Shri Panchlingeshwar Urban Co-op. Bank Ltd; Manoli(1991)	17.44	10.39	7.05
@	24) Sardar Nagrik Sahakari Bank Ltd; Baroda (1991)	74.85	18.00	56.85
@	25) Metropolitan Co-op. Bank Ltd; Mumbai (1992)	** 125.00	75.00	50.00
*	26) Belgaum Muslim Co-op. Bank Ltd; Belgaum (1992)	37.11	2.27	34.84
@	27) Bhiloda Nagrik Sahakari Bank Ltd; Bhiloda (1994)	19.84	0.95	18.89
@	28) Citizen's Urban Co-op. Bank Ltd; Indore (1994)	220.57	—	220.57
@	29) Chetana Co-op. Bank Ltd; Mumbai (1995)	875.49	7.58	867.91
@	30) Bijapur Industrial Co-op. Bank Ltd; Hubli (1996)	24.14	—	24.14
@	31) Hindupur Co-op. Town Bank Ltd; Hindupur (1996)	1.22	0.72	0.50
@	32) The Peoples Co-op. Bank Ltd; Ichalkaranji (1996)	365.46	—	365.46
@	33) The Swastik Janata Sahakari Bank Ltd; Mumbai (1998)	225.92	—	225.92
@	34) Kolhapur Zilla Janata Sahakari Bank Ltd; Mumbai (1998)	801.17	—	801.17
@	35) Dharwad Industrial Co-op. Bank Ltd; Hubli (1998)	9.16	—	9.16
@	36) Dadar Janata Sahakari Bank Ltd; Mumbai (1999)	518.03	5.00	513.03
@	37) Vinkar Sahakari Bank Ltd; Mumbai (1999)	180.68	—	180.68
@	38) Trimooriti Sahakari Bank Ltd; Pune(1999)	285.19	—	285.19
@	39) Awami Mercantile Co-op. Bank Ltd; Mumbai (2000)	462.40	—	462.40
@	40) Ravikiran Urban Co-op. Bank Ltd; Mumbai (2000)	618.97	—	618.97
@	41) Gudur Co-op. Urban Bank Ltd; Gudur (2000)	67.37	—	67.37
@	42) Anakapalle Co-op. Urban Bank Ltd; Anakapalle (2000)	24.47	—	24.47
@	43) Indira Sahakari Bank Ltd; Mumbai (2000)	1570.13	0.84	1569.29
@	44) Nandgaon Merchants Co-op. Bank Ltd; Nandgaon (2000)	22.42	—	22.42
@	45) Siddhartha Sahakari Bank Ltd; Jalgaon (2000)	53.99	—	53.99
@	46) Solapur Zilla Mahila Sahakari Bank Ltd; Solapur (2000)	274.95	—	274.95
@	47) The Sami Taluka Nagrik Sahakari Bank Ltd; Sami (2000)	20.17	—	20.17
@	48) Ahilyadevi Mahila Nagari Sahakari Bank Ltd; Kalamnuri (2001)	16.96	—	16.96
@	49) Nagrik Sahakari Bank Ltd; Sagar (2001)	70.14	—	70.14
@	50) Indira Sahakari Bank Ltd; Aurangabad, Maharashrtra(2001)	217.95	—	217.95
@	51) Nagrik Co-op. Comm. Bank Mydt. Bilaspur, M.P. (2001)	261.36	—	261.36

(Contd.)

**ANNEXURE - V (Concl.)**

1	2	3	4	5
@	52) Ichalkaranji Kamgar Nagari Sahakari Bank Ltd; Ichalkaranji (2001)	50.68	—	50.68
@	53) Parishad Co-op. Bank Ltd; New Delhi (2001)	39.47	—	39.47
@	54) The Sahyog Co-op. Bank Ltd; Ahmedabad (2002)	299.53	—	299.53
@	55) Madhavpura Mercantile Co-op. Bank Ltd; Ahmedabad (2001)	**38,500.00	—	38,500.00
@	56) Krushi Co-op. Urban Bank Ltd; Secunderabad (2001)	**1,986.89	—	1,986.89
@	57) Jabalpur Nagrik Sahakari Bank Ltd; Jabalpur (2002)	1.97	—	1.97
	<b>Total 'F'</b>	<b>**48,601.17</b>	<b>186.55</b>	<b>48,414.62</b>
	<b>Total D + E + F</b>	<b>48,643.64</b>	<b>225.40</b>	<b>48,414.62</b>
	Remarks: The total insured deposits include the amount of Rs. 3.62 lakh written off till 31st March 2002.			
	<b>Total A + B + C + D + E + F</b>	<b>67,662.42</b>	<b>7,668.88</b>	<b>59,979.27</b>
	Remarks : Amounts written off till 31st March 2002			
	Commercial Banks		10.65 lakhs	
	Co-operative Banks		3.62 lakhs	
	<b>Total</b>		<b>14.27 lakhs</b>	
	\$ Licence to carry on banking business cancelled by Reserve Bank of India			
	\$\$ The bank was revived and voluntarily amalgamated with the Saraswat Co-operative Bank Ltd; in 1984			
	* Scheme of amalgamation			
	@ Banks taken into liquidation			
	+ Provision of Rs.0.02 lakh made in respect of untraceable depositors written back			
	++ Provision of Rs.2.07 lakh made in respect of untraceable depositors written back			
	+++ Provision of Rs.0.14 lakh made in respect of untraceable depositors written back			
	++++ Provision of Rs.0.11 lakh made in respect of untraceable depositors written back			
	% The bank was voluntarily amalgamated with the Saraswat Co-operative Bank Ltd; in 1987.			
	** Amount under column 3 includes "on account" payments made to Bank of Karad Ltd; (Rs.37 crore), Metropolitan Co-operative Bank Ltd; (Rs.1.25 crore), Madhavpura Mercantile Co-op. Bank Ltd. (Rs.385 crore) and Krushi Co-op. Urban Bank Ltd. (Rs.19.87 crore).			
	Note : The figures of claims given above are after effecting adjustments.			

**ANNEXURE - VI**

**STATEMENT INDICATING SECTOR-WISE DISTRIBUTION OF GUARANTEED ADVANCES UNDER THE CORPORATION'S CREDIT GUARANTEE SCHEMES**

(Amount in crore of Rupees)

Scheme/ category of Borrowers	As at the of March									
	1992 ^	1993 ^	1994 ^	1995 ^	1996 ^	1997 ^	1998 ^	1999 ^	2000 ^	2001 ^
1	2	3	4	5	6	7	8	9	10	11
<b>SMALL BORROWERS</b>										
<b>(A) SCHEMES RELATING TO NON-INDUSTRIAL SECTOR</b>										
I. Small Loans Guarantee Scheme, 1971	24429.24	26339.75	25474.28	18906.40	17260.80	3938.80	3241.20	277.60	Nil	–
i) Farmers & Agriculturists	16572.80	17868.89	17075.41	12364.79	11335.17	2566.92	2067.56	175.39	Nil	–
ii) Transport Operators, Retail Traders, Professional & Self-employed persons & Business Enterprises	7514.44 \$	8102.11 \$	7840.98 \$	6172.94 \$	5632.20 \$	1315.95 \$	1139.28 \$	99.74 \$	Nil	–
iii) Residual category of borrowers under the Differential Rate of interest Scheme	342.00	368.75	557.89	368.67	293.43	55.93	34.36	2.47	–	–
II. Small Loans (Co-op Banks) Guarantee Scheme, 1984										
Transport Operators, Retail Traders, Professional & Self-employed persons and Business Enterprises	14.34 \$	8.08 \$	9.59 \$	3.33 \$	0.19 \$	0.21 \$	0.11 \$	0.01 \$	–	–
<b>Total I and II</b>	<b>24443.58</b>	<b>27347.83</b>	<b>25483.87</b>	<b>18909.73</b>	<b>17260.99</b>	<b>3939.01</b>	<b>3241.31</b>	<b>277.61</b>	<b>–</b>	<b>–</b>
<b>SSI BORROWERS</b>										
<b>(B) Scheme relating to Industrial Sector</b>										
III. Small Loans (Small Scale Industries), Guarantee Scheme, 1981										
All SSI Units including cottage industries etc.	19161.92	15502.66	14176.95	13847.33	11271.33	3376.00	2813.33	38.80	4.95	1.11
<b>GRAND TOTAL (A) + (B)</b>	<b>43605.50</b>	<b>41850.49</b>	<b>39660.82</b>	<b>32757.06</b>	<b>28532.32</b>	<b>7315.01</b>	<b>6054.64</b>	<b>316.41</b>	<b>4.95</b>	<b>1.11</b>

^ Due to non-receipt of statements from several participating credit institutions the figures furnished in these columns have been estimated on the basis of (i) actual receipt of remittances towards guarantee fee during the year (ii) priority sector advances portfolio of Public Sector Banks, as reported to Reserve Bank of India.

\$ The Sector-wise break-up of guaranteed advances is not available.

**ANNEXURE - VII**

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

(Amount in crore of Rupees)

Period	Claims received		Claims disposed of		Of the claims disposed of (vide Columns 4 & 5)					
	No.	Amount	No.	Amount	Claims paid		Claims withdrawn		Claims rejected	
1	2	3	4	5	6	7	8	9	10	11
Upto 1996-97	35161103	9400.25	23487795	6078.79	22691855	5573.42	294004	326.19	501936	179.18
During 1997-98	540971	183.90	1179328	400.90	1135571	371.40	1	0.00	43756	29.50
During 1998-99	757245	217.76	4245233	1188.39	2130920	588.64	1904005	515.12	210308	84.63
During 1999-2000	889208	219.19	4535934	1194.58	1207936	361.87	30581	7.15	3297417	825.56
During 2000-2001	75100	21.93	679344	171.34	176388	42.71	-	-	502956	128.63
During 2001-2002	-	-	-	-	4539	0.77	-	-	(-) 4539	(-) 0.77
Tapes returned to credit institutions	-	-	3295993\$	1009.03\$	-	-	3295993\$	1009.03\$	-	-
<b>Total</b>	<b>37423627</b>	<b>10043.03</b>	<b>37423627</b>	<b>10043.03</b>	<b>27347209</b>	<b>6938.81</b>	<b>5524584</b>	<b>1857.49</b>	<b>4551834</b>	<b>1246.73</b>

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

**ANNEXURE - VIII**

**SECTOR-WISE BREAK-UP OF CLAIMS RECEIVED UNDER THE CORPORATION'S CREDIT GUARANTEE SCHEMES RELATING TO SMALL BORROWERS**

Sr.No.	Category of Borrowers	Total claims received upto 31 <sup>st</sup> March 2001		% to total amount in Col.4
		Number	Amount	
1	2	3	4	5
1	Farmers and Agriculturists	1,82,02,693	4,639.85	46.20
2	Transport Operators	12,77,769	749.01	7.46
3	Retail Traders	1,03,74,682	2,954.22	29.41
4	Professionals and Self-employed persons	28,46,685	753.88	7.51
5	Business Enterprises	28,76,065	752.83	7.49
6	Residual Category of Borrowers under DRI Scheme	17,28,601	161.38	1.61
7	Credit Facilities for Consumption and for purchase or construction of House etc.	1,17,132	31.86	0.32
<b>TOTAL</b>		<b>3,74,23,627</b>	<b>10,043.03</b>	<b>100.00</b>

**Note :** No claims received during the year ended March 2002.

**ANNEXURE - IX**

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

(Amount in crore of Rupees)

Period	Claims received		Claims disposed of		Of the claims disposed of						Claims pending as at the end of the year	
					Claims paid under objection		Claims withdrawn/ returned		Claims rejected			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1 Apr 1981 to 31 Mar 1997	12,37,477	3,033.08	11,43,354	2,778.40	8,05,435	941.30	2,91,631	1,309.62	46,288	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	122.66	1,03,577	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	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	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	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	4.36	94*	0.35*
<b>Total</b>	<b>13,31,284</b>	<b>3,422.55</b>	<b>13,31,190</b>	<b>3,422.21</b>	<b>8,74,741</b>	<b>1,001.02</b>	<b>3,32,819</b>	<b>1,450.21</b>	<b>1,23,630</b>	<b>970.98</b>	<b>–</b>	

\* pending at New Delhi Branch Office.

**ANNEXURE - X**

**STATEMENT INDICATING SCHEME-WISE BREAK-UP OF GUARANTEE FEE RECEIVED DURING THE YEARS 1991-1992 TO 2001-2002**

(Amount in crore of Rupees)

<i>Scheme</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>
1	2	3	4	5	6	7	8	9	10	11	12
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
<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>

\$ Negligible.

**ANNEXURE - XI**

**INVESTMENT OF DEPOSIT INSURANCE FUND, CREDIT GUARANTEE FUND AND GENERAL FUND  
IN CENTRAL GOVERNMENT SECURITIES AS ON 31 MARCH 2002**

(Amount in crore of Rupees)

Sr. No.	Particulars	Rate	Deposit Insurance Fund				Credit Guarantee Fund				General Fund			
			Face value	Book value	Value as per rates	% of value to book value	Face value	Book value	Value as per rates	% of value to book value	Face value	Book value	Value as per rates	% of value to book value
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>(A) Securities which have depreciated :</b>														
1.	78007 06.75% 2007	100.10	1.12	1.12	1.12	100.00								
2.	79002 07.00% 2009	98.99	40.68	40.71	40.27	98.92								
3.	92005 12.75% 2002	102.21	25.02	26.71	25.57	95.73					0.18	0.20	0.19	95.00
4.	94010 11.55% 2002	103.25	10.79	11.22	11.14	99.29	6.19	6.41	6.39	99.69	0.84	0.82	0.87	106.10
5.	95005 13.80% 2002	101.22					3.95	4.28	4.00	93.46				
6.	96016 13.82% 2002	103.47	20.24	21.32	20.94	98.22	70.76	72.52	73.21	100.95	2.06	2.06	2.13	103.40
7.	97011 11.15% 2002	102.03	8.95	9.31	9.13	98.07	14.28	14.70	14.57	99.12	0.46	0.47	0.47	100.00
8.	98019 11.68% 2002	101.87	7.13	7.36	7.27	98.78	1.60	1.65	1.63	98.79	0.05	0.05	0.05	100.00
<b>TOTAL (A) :</b>			<b>113.93</b>	<b>117.75</b>	<b>115.44</b>		<b>96.78</b>	<b>99.56</b>	<b>99.80</b>		<b>3.59</b>	<b>3.60</b>	<b>3.71</b>	

(Contd.)

**ANNEXURE - XI (Contd.)**

**INVESTMENT OF DEPOSIT INSURANCE FUND, CREDIT GUARANTEE FUND AND GENERAL FUND  
IN CENTRAL GOVERNMENT SECURITIES AS ON 31 MARCH 2002**

(Amount in crore of Rupees)

Sr. No.	Particulars	Rate	Deposit Insurance Fund				Credit Guarantee Fund				General Fund			
			Face value	Book value	Value as per rates	% of value to book value	Face value	Book value	Value as per rates	% of value to book value	Face value	Book value	Value as per rates	% of value to book value
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>(B) Securities which have appreciated :</b>														
1.	00010 10.95% 2011	123.09	84.46	96.43	103.96	107.81	4.28	4.35	5.26	120.92	0.04	0.05	0.05	100.00
2.	00011 10.20% 2005	110.60	11.67	11.86	12.91	108.85	3.70	3.77	4.09	108.49	13.63	13.95	15.07	108.03
3.	00012 11.03% 2012	126.61	130.95	155.32	165.80	106.75	3.05	3.19	3.86	121.00				
4.	00014 11.30% 2010	125.61	142.52	141.96	179.02	126.11	0.68	0.68	0.85	125.00	0.71	0.70	0.89	127.14
5.	00015 11.43% 2015	129.76	28.48	31.73	36.96	116.48	7.83	8.75	10.16	116.11	0.69	0.77	0.90	116.88
6.	00016 11.40% 2008	123.35	23.88	24.05	29.46	122.49	6.02	6.01	7.43	123.63	1.24	1.24	1.53	123.39
7.	00017 11.50% 2011	128.46	1.94	2.41	2.49	103.32	8.55	10.41	10.99	105.57	0.68	0.84	0.87	103.57
8.	01001 10.47% 2015	123.48	46.03	52.77	56.84	107.71	6.45	6.78	7.96	117.40	0.04	0.04	0.05	125.00
9.	01003 10.71% 2016	126.20	61.60	76.00	77.74	102.29	3.21	4.01	4.05	101.00	0.19	0.24	0.24	100.00
10.	01005 09.81% 2013	117.93	32.21	33.38	37.99	113.81	21.59	22.59	25.46	112.70	0.50	0.52	0.59	113.46
11.	01007 09.39% 2011	114.15	152.37	159.84	173.93	108.82	48.29	51.23	55.12	107.59	1.84	1.91	2.10	109.95
12.	01009 09.40% 2012	115.18	82.53	88.89	95.06	106.94	19.60	20.54	22.58	109.93	0.12	0.13	0.14	107.69
13.	01011 09.85% 2015	119.76	25.95	27.60	31.08	112.61	9.26	9.86	11.09	112.47	0.64	0.67	0.77	114.93
14.	02001 08.07% 2017	106.11	1.50	1.52	1.59	104.61	3.16	3.20	3.35	104.69	0.34	0.34	0.36	105.88
15.	72001 05.75% 2002	99.90	3.00	1.86	3.00	161.29								
16.	75002 06.50% 2003	100.36	2.66	2.66	2.67	100.38								
17.	76004 06.50% 2002	100.21	30.00	25.23	30.06	119.14								
18.	78002 06.75% 2006	101.10	18.86	18.86	19.07	101.11								
19.	80003 07.50% 2010	101.40	58.45	56.48	59.27	104.94								
20.	81005 08.00% 2011	105.25	135.83	126.02	142.96	113.44								
21.	82005 09.00% 2013	111.61	116.13	114.27	129.61	113.42								

(Contd.)

**ANNEXURE - XI (Contd.)**

**INVESTMENT OF DEPOSIT INSURANCE FUND, CREDIT GUARANTEE FUND AND GENERAL FUND  
IN CENTRAL GOVERNMENT SECURITIES AS ON 31 MARCH 2002**

(Amount in crore of Rupees)

Sr. No.	Particulars	Rate	Deposit Insurance Fund				Credit Guarantee Fund				General Fund			
			Face value	Book value	Value as per rates	% of value to book value	Face value	Book value	Value as per rates	% of value to book value	Face value	Book value	Value as per rates	% of value to book value
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>(B) Securities which have appreciated :</b>														
22.	82013 08.75% 2010	109.69	3.79	3.78	4.15	109.79								
23.	83004 10.00% 2014	118.41	91.00	90.84	107.75	118.62								
24.	84002 09.50% 2008	112.03	23.84	23.61	26.71	113.13								
25.	84004 09.50% 2004	106.25	1.29	1.16	1.37	118.10								
26.	84005 10.25% 2012	118.60	49.84	49.90	59.10	118.44								
27.	84010 10.50% 2014	122.82	53.61	53.58	65.84	122.88	9.76	9.76	11.98	122.75				
28.	85006 10.50% 2005	111.04	21.57	20.06	23.95	119.39					0.43	0.38	0.48	126.32
29.	85007 11.50% 2015	131.61	94.04	94.08	123.77	131.56	4.03	4.04	5.31	131.44	0.14	0.14	0.19	135.71
30.	85009 10.80% 2008	118.76	4.10	4.13	4.87	117.92	30.00	30.17	35.63	118.10	0.90	0.90	1.07	118.89
31.	86007 11.50% 2006	117.51	110.00	111.40	129.27	116.04	0.64	0.64	0.75	117.19	2.39	2.39	2.81	117.57
32.	87006 11.00% 2002	100.52	2.77	2.71	2.79	102.95	0.49	0.49	0.50	102.04				
33.	87011 11.50% 2007	121.02	45.23	47.51	54.74	115.22	18.31	19.66	22.16	112.72	0.84	0.90	1.02	113.33
34.	88008 11.50% 2008	122.09	51.65	54.08	63.06	116.61	7.55	8.00	9.22	115.25				
35.	89009 11.50% 2009	123.43	166.21	166.53	205.16	123.20	51.87	51.93	64.02	123.28	1.19	1.19	1.47	123.53
36.	90009 11.25% 2005	113.33	27.57	27.13	31.25	115.19	25.46	25.06	28.85	115.12	0.35	0.34	0.40	117.65
37.	90010 11.50% 2010	124.86	52.11	52.95	65.06	122.87	3.22	3.29	4.02	122.19	0.17	0.17	0.21	123.53
38.	91012 11.50% 2011	127.14	120.37	120.65	153.04	126.85	4.00	4.06	5.09	125.37	0.63	0.61	0.80	131.15
39.	91019 11.50% 2006	118.70	5.84	5.84	6.94	118.84								
40.	91020 12.00% 2011	130.63	408.39	406.17	533.48	131.34	16.44	15.86	21.48	135.44	0.29	0.29	0.37	127.59
41.	92003 12.50% 2007	124.11	224.48	225.44	278.60	123.58	3.85	4.17	4.78	114.63	3.67	3.69	4.56	123.58
42.	93005 13.40% 2002	101.47					75.03	75.90	76.14	100.32				

(Contd.)

**ANNEXURE - XI (Contd.)**

**INVESTMENT OF DEPOSIT INSURANCE FUND, CREDIT GUARANTEE FUND AND GENERAL FUND  
IN CENTRAL GOVERNMENT SECURITIES AS ON 31 MARCH 2002**

(Amount in crore of Rupees)

Sr. No.	Particulars	Rate	Deposit Insurance Fund				Credit Guarantee Fund				General Fund			
			Face value	Book value	Value as per rates	% of value to book value	Face value	Book value	Value as per rates	% of value to book value	Face value	Book value	Value as per rates	% of value to book value
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>(B) Securities which have appreciated :</b>														
43.	94003 12.50% 2004	111.48	0.85	0.95	0.95	100.00	0.55	0.61	0.61	100.00	1.89	1.99	2.11	106.03
44.	94005 12.35% 2004	111.85	19.61	20.80	21.94	105.48	0.30	0.32	0.34	106.25				
45.	95006 14.00% 2005	121.12	80.00	82.13	96.90	117.98	2.20	2.28	2.67	117.11	2.28	2.34	2.76	117.95
46.	95012 14.00% 2006	125.79					15.73	16.74	19.79	118.22	18.73	18.73	23.56	125.79
47.	96009 13.85% 2006	126.40	12.50	13.55	15.80	116.61								
48.	96015 13.85% 2006	127.17	1.50	1.59	1.91	120.13								
49.	97001 13.65% 2007	128.52					6.00	6.52	7.71	118.25				
50.	97002 13.05% 2007	126.63	119.43	123.70	151.23	122.26	24.40	27.28	30.90	113.27	0.42	0.44	0.54	122.73
51.	97007 12.59% 2004	112.87	70.62	74.03	79.71	107.67	85.63	88.83	96.65	108.80				
52.	97008 11.83% 2003	107.01	10.08	10.39	10.79	103.85	31.23	31.94	33.42	104.63	0.11	0.11	0.12	109.09
53.	97010 11.19% 2005	114.45	0.31	0.31	0.35	112.90	0.40	0.41	0.46	112.20				
54.	98002 12.15% 2008	124.99	164.43	178.73	205.52	114.99	38.57	41.75	48.21	115.47				
55.	98004 11.10% 2003	104.91	0.50	0.50	0.52	104.00								
56.	98005 11.75% 2006	118.20	1.97	2.17	2.33	107.37	61.65	61.99	72.87	117.55	1.68	1.69	1.98	117.16
57.	98007 12.00% 2008	124.43	149.86	160.75	186.47	116.00	45.49	47.90	56.60	118.16	6.12	6.52	7.62	116.87
58.	98008 11.50% 2004	110.01	38.36	38.68	42.20	109.10	2.54	2.56	2.79	108.98				
59.	98009 11.90% 2007	123.02	113.55	118.54	139.69	117.84	25.53	26.81	31.41	117.16	1.01	1.05	1.24	118.10
60.	98012 12.10% 2008	125.21	74.20	75.78	92.91	122.60								
61.	98014 11.75% 2003	106.57	13.07	13.08	13.93	106.50	1.93	1.93	2.06	106.74				
62.	98015 12.25% 2010	129.63	215.56	238.56	279.43	117.13	52.88	58.25	68.55	117.68	0.55	0.61	0.71	116.39
63.	98017 11.95% 2004	111.77	1.00	1.07	1.12	104.67								
64.	98020 11.78% 2003	107.17	0.51	0.51	0.55	107.84	10.31	10.31	11.05	107.18				

(Contd.)

**ANNEXURE - XI (Concl.)**

**INVESTMENT OF DEPOSIT INSURANCE FUND, CREDIT GUARANTEE FUND AND GENERAL FUND  
IN CENTRAL GOVERNMENT SECURITIES AS ON 31 MARCH 2002**

(Amount in crore of Rupees)

Sr. No.	Particulars	Rate	Deposit Insurance Fund				Credit Guarantee Fund				General Fund			
			Face value	Book value	Value as per rates	% of value to book value	Face value	Book value	Value as per rates	% of value to book value	Face value	Book value	Value as per rates	% of value to book value
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>(B) Securities which have appreciated :</b>														
65.	98021 12.40% 2013	136.16	1.44	1.48	1.97	133.11	0.02	0.02	0.02	100.00				
66.	98022 11.98% 2004	112.35	2.31	2.38	2.60	109.24	6.66	6.84	7.48	109.36	0.13	0.13	0.15	115.38
67.	98023 12.25% 2008	126.41	144.57	158.26	182.75	115.47	51.04	56.54	64.52	114.11	3.89	4.32	4.92	113.89
68.	99004 12.29% 2010	128.99	283.70	309.93	365.94	118.07	52.66	58.42	67.93	116.28	0.40	0.44	0.52	118.18
69.	99005 12.32% 2011	131.63	414.30	453.02	545.34	120.38	8.65	9.82	11.38	115.89	5.80	6.43	7.63	118.66
70.	99006 11.99% 2009	126.68	271.56	287.68	344.01	119.58	82.95	86.86	105.07	120.96	5.61	5.78	7.11	123.01
71.	99008 11.68% 2006	118.51	2.23	2.31	2.64	114.29	0.57	0.59	0.68	115.25	0.03	0.03	0.04	133.33
72.	99019 12.30% 2016	139.56	11.43	12.44	15.95	128.22	2.32	2.37	3.24	136.71	0.13	0.13	0.18	138.46
73.	99020 11.83% 2014	131.45	40.00	45.45	52.58	115.69								
<b>TOTAL (B) :</b>			<b>5008.17</b>	<b>5239.46</b>	<b>6190.40</b>		<b>1006.53</b>	<b>1056.29</b>	<b>1208.59</b>		<b>80.44</b>	<b>83.14</b>	<b>98.13</b>	
<b>TOTAL (A) :</b>			<b>113.93</b>	<b>117.75</b>	<b>115.44</b>		<b>96.78</b>	<b>99.56</b>	<b>99.80</b>		<b>3.59</b>	<b>3.60</b>	<b>3.71</b>	
<b>TOTAL (A + B) :</b>			<b>5122.10</b>	<b>5357.21</b>	<b>6305.84</b>		<b>1103.31</b>	<b>1155.85</b>	<b>1308.39</b>		<b>84.03</b>	<b>86.74</b>	<b>101.84</b>	

## AUDITORS' REPORT

**Jain Chowdhary & Co.**  
*Chartered Accountants*

J-25, Flat No. 6A, Mahaveer Nagar,  
Dhanukarwadi, Kandivali (W),  
Mumbai - 400 067.  
Tel. : 8091593, Fax : 041-370829  
Mobile : 98201-20528 (S. C. Jain)  
98201-50286 (S. Jain)

We have audited the attached Balance Sheet of Deposit Insurance Fund, Credit Guarantee Fund and General Fund of the DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION, MUMBAI as at 31<sup>st</sup> March, 2002 and also the Revenue Accounts of the said three Funds attached thereto for the year ended on that date and report that:-

1. we have obtained all information and explanations, which to the best of our information and belief were necessary for the purpose of audit.
2. the said Balance Sheets and Revenue Accounts have been drawn and set out in the manner prescribed by the Deposit Insurance and Credit Guarantee Corporation Act, 1961 and incorporate the transactions effected at Branches and Head Office.
3. the Balance Sheets and the Revenue Fund Accounts of the Corporation comply with the Mandatory Accounting Standards, refer to in Section 211 (3C<sub>2</sub>) of the Companies Act, 1956.
4. In our opinion and to the best of the information and according to the explanations given to us, the said accounts subject to :-
  - (a) Note No. 3 relating to unreconciled old balances appearing in different A/c's pending for adjustment, the effect thereof on the accounts of the respective fund remains unascertained.
  - (b) Note No. 5 relating to pending adjustment of Rs. 2916.13 lakhs out of TDS and advance tax made by the tax authorities for the years prior to A.Y.1999-2000.

and read together with significant accounting policies and the other notes thereon exhibit a true and fair view :-

- a) in case of Balance Sheet of (1) Deposit Insurance Fund and Credit Guarantee Fund and (2) General Fund of state of affairs of the Corporation as at 31<sup>st</sup> March 2002, and
- b) in case of the Revenue Accounts (1) of the surplus in Deposit Insurance Fund and Credit Guarantee Fund and (2) of the surplus in General Fund of the Corporation for the year ended on 31<sup>st</sup> March, 2002.

For **JAIN CHOWDHARY & CO.**  
Chartered Accountants

**SIDDHARTH JAIN**  
Partner

Place : Mumbai  
Dated : 27<sup>th</sup> June, 2002.

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

(Rupees in lakh)

<i>Previous Year</i>		<b>LIABILITIES</b>	<i>Deposit Insurance Fund</i>		<i>Credit Guarantee Fund</i>	
<i>Deposit Insurance Fund</i>	<i>Credit Guarantee Fund</i>		<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>
<i>Amount</i>	<i>Amount</i>		<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>
500,74.00	7.00	1. Fund : Balance at the end of the year		562,90.00		2.00
2875,87.50	1139,87.69	2. Surplus : Balance at the beginning of the year	3204,61.24		1133,47.45	
328,73.74	(6,40.24)	Transferred from Revenue Account	482,20.45	3686,81.69	128,23.38	1261,70.83
70,20.60	4,47.14	3. (a) Investment Reserve : Balance at the beginning of the year	49,63.62		2,68.40	
20,56.98	1,78.74	Less: Transferred to Investment Fluctuation Reserve	47,32.02	2,31.60	2,22.45	45.95
190,52.02	99,44.48	(b) Investment Fluctuation Reserve at the beginning of the year	211,09.00		101,23.22	
20,56.98	1,78.74	Add : Transfer from Investment Reserve	47,32.02	258,41.02	2,22.45	103,45.67
–	–	4. Claims intimated & claims admitted but not paid		–		–
1156,22.62	4,16.00	5. Estimated liability in respect of claims intimated but not admitted		1186,76.97		4.74
2,78.78	–	6. Insured deposits remaining unclaimed		3,10.89		–
144,85.54	74.88	7. <b>Other liabilities</b>				
		i) Sundry Creditors	154,04.50		14.04	
–	92,18.76	ii) Payable to Deposit Insurance Fund on account of Income Tax liabilities for Assessment year 1990-91	–		–	
–	6,28.41	iii) Payable to General Fund towards revenue deficit	–		–	
92.36	–	iv) Payable to General Fund on a/c of Income Tax liabilities for years 1990-91 & 1993-94	–		–	
16,10.06	–	v) Income Tax Adjustment	16,10.07		–	
461,76.52	1183,81.93	vi) Provision for Income-Tax	729,49.01		1255,01.60	
–	57.30	vii) Sundry Deposit Account	24.18		38.51	
–	195.16	viii) Others	–	899,87.76	1,95.16	1257,49.31
<b>5748,73.74</b>	<b>2527,18.51</b>	<b>TOTAL</b>		<b>6600,19.93</b>		<b>2623,18.50</b>

As per our report of even date.

**For M/s. Jain Chowdhary & Co.**  
Chartered Accountants

**G. P. Muniappan**  
Chairman

**S.L. Parmar**  
Director

**P. Bolina**  
Director

**Ajay Shah**  
Director

**M.G. Bhide**  
Director

**(Siddharth Jain)**  
Partner

**Mumbai**  
Dated 27<sup>th</sup> June 2002

**CREDIT GUARANTEE CORPORATION**  
**and Credit Guarantee Corporation Act, 1961)**  
**Form 'A')**  
**of business on 31 March 2002**  
**AND CREDIT GUARANTEE FUND**

(Rupees in lakh)

<i>Previous Year</i>		<b>ASSETS</b>	<i>Deposit Insurance Fund</i>		<i>Credit Guarantee Fund</i>	
<i>Deposit Insurance Fund</i>	<i>Credit Guarantee Fund</i>		<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>
<i>Amount</i>	<i>Amount</i>					
10.64	75.36	1. Balance with Reserve Bank of India		16.64		44.82
–	–	2. Cheques in hand		–		–
		3. Investment in Central Government Securities (at cost)				
			<i>D.I. Fund</i>	<i>C.G.Fund</i>		
75,78.98	55,01.24	Treasury bills	96,14.36	30,32.04		
4798,01.06	1106,72.31	Dated Securities :	5357,18.05	1155,88.55	5453,32.41	1186,20.59
		Face Value	(5122,09.16)	(1103,30.47)		
		Market Value	(6305,77.79)	(1308,38.16)		
158,24.50	36,77.54	4. Interest accrued on Investment		166,05.58		36,10.61
		5. <b>Other Assets</b>				
		i) Amount paid towards claims remaining undisbursed with the liquidator of bank		–		–
92,18.76	–	ii) Amount receivable from Credit Guarantee Fund on account of Income Tax for Assessment year 1998-99		–		–
1,18.85	1,54.72	iii) Sundry Debtors		88.57		90.15
623,20.95	1326,37.34	iv) Advance Income Tax & Tax deducted at source pending final assessment		979,76.73	980,65.30	1399,52.33
						1400,42.48
<b>5748,73.74</b>	<b>2527,18.51</b>	<b>TOTAL</b>		<b>6600,19.93</b>		<b>2623,18.50</b>

**M. M. Chitale**  
Director

**D. Sengupta**  
Director

**S. Doreswamy**  
Director

**Y. C. Nanda**  
Director

**Anand Sinha**  
Chief General Manager

**R. N. Vanjara**  
Deputy General Manager

**DEPOSIT INSURANCE AND  
(Form  
Revenue Account for the  
I — DEPOSIT INSURANCE FUND**

(Rupees in lakh)

<i>Previous Year</i>		<b>EXPENDITURE</b>	<i>Deposit Insurance Fund</i>	<i>Credit Guarantee Fund</i>
<i>Amount</i>	<i>Amount</i>		<i>Amount</i>	<i>Amount</i>
				<i>Amount</i>
		<i>To Claims –</i>		
37,73.37	22,22.14	a) Paid during the year (net of recoveries against excess payment in earlier years)	414,28.12	1,33.24
–	–	b) Admitted but not paid	–	–
		<i>Add:</i>		
1156,22.62	4,16.00	<i>Estimated liability in respect of claims</i>	1186,76.97	4.74
1193,95.99	26,38.14		1601,05.09	1,37.98
		<i>Less:</i>		
		Estimated liability in respect of claims intimated but not admitted at the end of the previous year	1156,22.62	4,16.00
		<i>Add:</i>		
–	100,27.86	Excess provision written back (as per contra)	–	2,78.02
554,66.57	–	Net Claims	444,82.47	NIL
–	–	To Provisions & Contingencies	–	–
500,74.00	7.00	To Balance of Fund at the end of the year (as per Actuarial Valuation)	562,90.00	2.00
431,95.94	411,67.32	To Net surplus carried down	749,92.94	199,43.05
<b>1487,36.51</b>	<b>411,74.32</b>	<b>TOTAL</b>	<b>1757,65.41</b>	<b>199,45.05</b>
		To Income Tax A/c - Short provision made during Assessment years 1990-91 & 1998-99	–	–
169,32.81	158,91.26	To Provision for taxation	267,72.49	71,19.67
–	6,28.41	To General Fund A/c - Deficit of the year taken over	–	–
328,73.73	–	To Balance carried to Balance Sheet	482,20.45	128,23.38
<b>498,06.54</b>	<b>418,07.56</b>	<b>TOTAL</b>	<b>749,92.94</b>	<b>199,43.05</b>

As per our report of even date.

**For M/s. Jain Chowdhary & Co.**  
Chartered Accountants

**G. P. Muniappan**  
Chairman

**S.L. Parmar**  
Director

**P. Bolina**  
Director

**Ajay Shah**  
Director

**M.G. Bhide**  
Director

**(Siddharth Jain)**  
Partner

**Mumbai**

Dated 27<sup>th</sup> June 2002

**CREDIT GUARANTEE CORPORATION**  
**‘B’)**  
**year ended 31st March 2002**  
**AND CREDIT GUARANTEE FUND**

(Rupees in lakh)

<i>Previous Year</i>		<b>INCOME</b>	<i>Deposit</i>	<i>Credit</i>
<i>Insurance</i>	<i>Guarantee</i>		<i>Insurance</i>	<i>Guarantee</i>
<i>Fund</i>	<i>Fund</i>		<i>Fund</i>	<i>Fund</i>
<i>Amount</i>	<i>Amount</i>		<i>Amount</i>	<i>Amount</i>
433,55.00	48,21.00	By Balance of Fund at the beginning of the year	500,74.00	7.00
515,19.12	–	By Deposit Insurance premium (including interest on overdue premium)	634,56.66	–
–	6,79.35	By Guarantee Fees (including interest on overdue Guarantee fees)	–	2.25
4,39.20	116,22.75	By Recoveries in respect of Deposit Insurance claims settled/guarantee claims paid	3,28.72	63,89.70
–	100,27.86	By Excess provision for claims written back (per contra)	–	2,78.02
534,23.19	140,06.23	By Income from Investment	618,90.23	132,68.08
–	17.13	By Other Receipts	–	–
–	–	By Interest received on Refund of Income Tax	15.81	–
<b>1487,36.51</b>	<b>411,74.32</b>	<b>TOTAL</b>	<b>1757,65.42</b>	<b>199,45.05</b>
431,95.94	411,67.32	By Net Surplus brought down	749,92.94	199,43.05
66,10.60	–	By Provision for Income Tax - Excess provision for Assessment years 1990-91 and 1998-99 written back	–	–
–	6,40.24	By Balance carried to Balance Sheet	–	–
<b>498,06.54</b>	<b>418,07.56</b>	<b>TOTAL</b>	<b>749,92.94</b>	<b>199,43.05</b>

**M. M. Chitale**  
Director

**D. Sengupta**  
Director

**S. Doreswamy**  
Director

**Y. C. Nanda**  
Director

**Anand Sinha**  
Chief General Manager

**R. N. Vanjara**  
Deputy General Manager

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

(Rupees in lakh)

<i>Previous Year Amount</i>	<b>LIABILITIES</b>	<i>Amount</i>	<i>Amount</i>
	<b>1. CAPITAL :</b>		
50,00.00	Provided by the Reserve Bank of India Section 4 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961		50,00.00
	<b>2. RESERVE :</b>		
	<b>A) General Reserve</b>		
	Balance at the beginning of the year	17,68.69	
17,68.69	Add : Surplus Trf. from Rev. A/c.	<u>2,45.39</u>	20,14.08
	<b>B) (i) Investment Reserve</b>		
3.54	Balance at the beginning of the year	1.90	
1.64	Less : Transferred to Investment Fluctuation Reserve	<u>0.48</u>	1.42
	<b>(ii) Investment Fluctuation Reserve</b>		
16,34.93	Balance at the beginning of the year	16,36.57	
1.64	Add : Trf. from Inv. Reserve	<u>0.48</u>	16,37.05
	<b>3. CURRENT LIABILITIES &amp; PROVISIONS</b>		
175.70	Provision for Staff Gratuity	1,60.80	
165.49	Outstanding Expenses	1,44.60	
3.83	Sundry Creditors	6.13	
–	Provision for Income Tax	<u>1,36.25</u>	
2.16	Other Deposits (FRO)	2.30	450.08
<u>87,54.34</u>	<b>TOTAL</b>		<u>91,02.63</u>

As per our report of even date.

**For M/s. Jain Chowdhary & Co.**  
*Chartered Accountants*

**G. P. Muniappan**  
*Chairman*

**S.L. Parmar**  
*Director*

**P. Bolina**  
*Director*

**Ajay Shah**  
*Director*

**M.G. Bhide**  
*Director*

**(Siddharth Jain)**  
*Partner*

**Mumbai**  
Dated 27<sup>th</sup> June 2002

**CREDIT GUARANTEE CORPORATION**  
**and Credit Guarantee Corporation Act, 1961)**  
**Form 'A'**  
**of business on 31st March 2002**  
**FUND**

(Rupees in lakh)

<i>Previous Year Amount</i>	<b>ASSETS</b>	<i>Amount</i>	<i>Amount</i>
	<b>1. CASH</b>		
0.14	i) In hand	0.12	
22.45	ii) With Reserve Bank of India	<u>14.02</u>	14.14
	<b>2. Investment in Central Government Securities (At cost)</b>		
1,16.43	Treasury bills	72.86	
75,76.29	Dated securities	<u>86,76.55</u>	87,49.41
	(Face Value : 84,04.15)		
	(Market Value : 101,81.46)		
1,83.82	<b>3. Interest accrued on investment</b>		2,07.29
	<b>4. Advances to Deposit Insurance Fund/ Credit Guarantee Fund, if any (vide Section 27 of the DICGC Act, 1961)</b>		–
–			
	<b>5. Other Assets</b>		
27.92	Furniture, Fixture & Equipment (Less depreciation)	20.68	
3.83	Stock of Stationery	3.62	
0.73	Pre-paid expenses	1.80	
8.27	Sundry Debtors	6.63	
91.42	Advances for staff expenses/allowances receivable from Reserve Bank of India	96.78	
2.27	Advance Income Tax paid	2.28	
92.36	Deposit Insurance Fund Account - Adjustment of Income Tax paid in excess during Assessment Years 1990-91 to 1992-93	–	
6,28.41	Credit Guarantee Fund Account - Excess of expenditure over income during the year transferred	<u>–</u>	1,31.79
<u>87,54.34</u>	<b>TOTAL</b>		<u>91,02.63</u>

**M. M. Chitale**  
Director

**D. Sengupta**  
Director

**S. Doreswamy**  
Director

**Y. C. Nanda**  
Director

**Anand Sinha**  
Chief General Manager

**R. N. Vanjara**  
Deputy General Manager

**DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION**  
**(Form 'B')**  
**Revenue Account for the year ended 31st March 2002**  
**II — GENERAL FUND**

(Rupees in lakh)

<i>Previous Year Amount</i>	<b>EXPENDITURE</b>	<i>Previous Year Amount</i>	<i>Previous Year Amount</i>	<b>INCOME</b>	<i>Amount</i>
11,20.74	To Salaries & Allowances and contribution to staff Provident Fund	4,83.82	10,18.69	By Income from Investment	10,15.78
92.66	To contribution to Staff Pension & Gratuity Fund	20.12			
-	To Directors & Committee members fees	0.03		By Interest on Advance to Deposit Insurance Fund/Credit Guarantee Fund	-
-	To Directors & Committee members Travelling and Others Allowances/Expenses	0.16	-		
2,60.31	To Rent, Taxes, Insurance, Lighting etc.	22.54			
1,28.23	To Establishment, travelling & halting allowances	59.00		<b>By Miscellaneous Receipts</b>	
5.13	To Printing, Stationery & Computer consumables	3.74		- Share of recoveries under GOI-Credit Guarantee Scheme-SSI (old)	0.63
10.68	To Postage, telegrams & telephones	7.14			
			5.99	- Interest on Advances to Staff	2.37
0.56	To Auditors' Fees	0.56	2.08	- Others	1.46
5.03	To Law charges	9.62	-		4.46
1.23	To Advertisement	-			
14.30	To Depreciation	12.01			
	<b>To Misc. Expenses</b>				
4.50	- Service Contract	2.13			
3.55	- Books, Newspaper, Periodicals	1.86			
2.17	- Book Grant	1.06			
0.33	- Repair of office property	4.22			
1.64	- Printing charges of books & periodicals	2.33			
4.11	- Others	8.26	19.86		
	To Balance being excess of Income over expenditure for the year c/d	3,81.64	6,28.41	By Balance being excess of expenditure over income for the year c/d	-
<b>16,55.17</b>	<b>TOTAL</b>	<b>10,20.24</b>	<b>16,55.17</b>	<b>TOTAL</b>	<b>10,20.24</b>
6,28.41	To Expenditure over Income b/d	-		By Balance being excess of Income over expenditure for the year c/d	3,81.64
	To Provision for Income Tax	1,36.25			
79.39	To General Reserve Account	2,45.39	6,28.41	By CGF A/c.-Deficit of the year taken over	-
				By Provision for advance Income Tax A/c.	-
				By Excess provision for assessment years 1990-91 to 1992-93 written back	-
<b>7,07.80</b>	<b>TOTAL</b>	<b>3,81.64</b>	<b>7,07.80</b>	<b>TOTAL</b>	<b>3,81.64</b>

As per our report of even date.

**For M/s. Jain Chowdhary & Co.**  
Chartered Accountants

**G. P. Muniappan**  
Chairman

**S.L. Parmar**  
Director

**P. Bolina**  
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**Y. C. Nanda**  
Director

**Anand Sinha**  
Chief General Manager

**R. N. Vanjara**  
Deputy General Manager

**Mumbai**

Dated 27<sup>th</sup> June 2002

## SIGNIFICANT ACCOUNTING POLICIES

### 1. General

The financial statements are prepared by following going concern concept and on the historical cost basis and conform to the statutory provisions and practices prevailing in the country.

### 2. Recognition of Income & Expenditure

- i) Items of income and expenditure are generally accounted for on accrual basis unless otherwise stated.
- ii) Receipts towards deposit insurance premia and guarantee fees are generally appropriated as revenue income on receipt of relevant statements of deposits and guaranteed advances and in cases, where such statements are not received till the finalisation of accounts, ad-hoc payments, if any, made by the participating credit institutions are recognised as income, if considered adequate, when compared with the previous years' records. Unadjusted amounts are carried forward under the head 'Sundry Creditors'.
- iii) Pending the 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 basis.
- iv) Unrealised amount of deposit insurance premia and guarantee fee is not recognised as income, unless the relevant statements are received from the participating credit institutions.
- v) Penal interest for delay in payment of guarantee fee and insurance premia is accounted as income upto the date of last such payment by the credit institutions and interest on outstanding amount of premia/guarantee fee is not recognised as income.
- vi) 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 received. Likewise, recoveries in respect of claims settled and subsequently found not eligible are accounted for when realised/adjusted.
- vii) Interest on investment is accounted on accrual basis.
- viii) Provision for year end liability in respect of claims intimated but not admitted pertaining to Credit Guarantee Fund is made on prudential basis taking into consideration the past trends.
- ix) In conformity with the Accounting Standard AS-4 issued by the Institute of Chartered Accountants of India adequate provision is made towards the liability estimated to devolve under the Deposit Insurance Scheme on the events like liquidation/amalgamation of weak banks occurring between the date of balance sheet and the date of finalisation of balance sheet.
- x) Adequate provision is made on the basis of actuarial valuation of the liability towards fund balances as at the end of the year in respect of Credit Guarantee Fund and Deposit Insurance Fund.
- xi) The claims for refund of guarantee fees and of repayments against claims settled are accounted for on such refund claims being admitted by the Corporation. The year end liability towards such refund claims (including cases falling under Agricultural Rural Debt Relief Scheme, 1990) and its impact on the actuarial valuation of fund balances as at the close of the year remain undetermined.
- xii) Claims for reimbursement from RBI against certain establishment expenses, such as, salaries and allowances are accounted on realisation basis.

### 3. Investments

- i) All investments are current investments and held as stock-in-trade. The same are valued

scrip-wise at 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 (FIMDA) and Primary Dealer Association of India (PDAI) are taken as market rates as per the guidelines of RBI as applicable to banks/financial institutions. Since the investments are held as current investments the difference, if any, between the acquisition price and the redemption price is not amortised.

- 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 proforma of statement of accounts. The surplus in the investment Reserve Account after providing for depreciation in securities is being transferred to the Investment Fluctuation Reserve Account since 2000-2001.
- iii) Inter Fund transfer of securities is made at cost price.

#### 4. Fixed Assets

- i) Fixed assets are stated at cost less depreciation.
- ii) Depreciation on asset is provided in the following manner :
  - a) Computer & Computer accessories, electronic communication equipments and electrical office equipments -32 per cent on Straight Line method.
  - b) Furniture & fixtures and other office equipments - 20 per cent on Straight Line method.
- iii) Depreciation on addition to the assets is provided for the full year if in use over six months and no depreciation is provided on assets sold/disposed of during the year.
- iv) In the case of assets provided to officers under "Furnishing of Officers' Residence" Scheme, depreciation as per the procedure prescribed by RBI is provided each year in the month of June on the value of the assets acquired under

the said scheme till the end of preceding year. Depreciation on the said assets is provided on written down value at 20 per cent on furniture and fixtures and 32 per cent on electronic, electrical equipments/apparatus and on computers.

#### NOTES TO ACCOUNTS

1. The Computerised records of all the insured banks in respect of Deposit Insurance Fund were updated and reconciled as on 31.3.2002 and income thereof was accounted with reference to the accounting policy 2(iv).
2. No claims were outstanding at the year end for payment in respect of scheme under SLGS 1971. An amount of Rs.2.00 lakhs has been retained for in the Credit Guarantee Fund on the basis of actuarial report for any future liability. In respect of claims intimated but not admitted a provision to the extent of Rs.4.74 lakhs has been made under SSI, 1981 Scheme.
3. Balance of Rs.11.73 lakhs (Cr.) and Rs.2.54 lakhs (Dr.) in Credit Guarantee Fund represents the balances which are old and yet to be reconciled -
  - (i) GOI - CGF for SSI old claim A/c.
  - (ii) CGF - for SSI old claims A/c.
  - (iii) Excess claim paid due from banks A/c.
4. Adjustment to score out sundry creditors of Rs.2.30 lakh of Stale Cheques in the Credit Guarantee Fund has not been carried out for want of details / information.
5. Disputed income tax matters for the assessment years 88-89 to 97-98 & A.Y. 99-2000 are pending in appeals at different levels. However , payments against such disputed matters were made in the earlier years and the balance at 31.03.2002 against advance payment of Income Tax and T.D.S. is inclusive of payments made for the aforesaid assessment years. Necessary year wise break up of the amount appearing as paid in different funds as at 31.03.2002 is under reconciliation.
  - Deposit Insurance Fund- Rs.97976.73 lakh
  - Credit Guarantee Fund - Rs.139952.34 lakh
  - General Fund-Rs. 2.28 lakh

6. The figures of Previous Year have been recasted or rearranged to make them comparable with those of current year.

#### **7. Employees' cost**

- (i) Employees' cost such as salaries, allowances, contribution to PF 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) The operation of the DICGC cells located at Kolkata, Nagpur and Chennai is under the control of RPCD of Reserve Bank of India at

all these places. The employees' cost has been provided in the General Fund on adhoc basis pending receipt of claims from respective RBI offices.

#### **8. Prior period income/expenditure**

- (i) Income and expenditure over Rs.25,000/- 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 Rs.1,000/- in each case.



## AN OUTLINE OF FUNCTIONS AND ACTIVITIES

### INTRODUCTION :

1.1 Insurance of bank deposits is intended to give a measure of protection to depositors, particularly small depositors, from the risk of loss of their savings arising from bank failures. Such protection by infusing confidence in the minds of the public, contributes to the growth of banking system by assisting in development of banking habits and mobilisation of resources by the banks which in turn can be utilised for purposes accorded national priority. Establishment of the Deposit Insurance Corporation came in the wake of certain bank failures in the fifties and early sixties and consequent efforts to restore the confidence of the depositing public in the banking system by safeguarding their interests.

1.2 The introduction of Credit Guarantee Schemes by the erstwhile Credit Guarantee Corporation of India Ltd., was part of a series of measures taken since the late sixties aimed at encouraging the commercial banks to cater to the credit requirements of the hitherto neglected sectors, particularly the weaker sections of society. In the wake of the social control measures initiated in 1968 followed by nationalisation of major commercial banks, the banks were required to ensure an increased flow of credit to smaller borrowers who found it difficult to have access to institutional credit. While there was an increasing awareness among banks of the need to provide more credit to such borrowers, certain practical difficulties, largely stemming from hesitation on the part of the credit institutions to venture into new and riskier fields of lending as also their inhibition, particularly at the grassroot level, to lend except against easily realisable security, were encountered. The Credit Guarantee Corporation of India Ltd., was thus visualised as an agency to provide a simple but wide-ranging system of guarantees for loans granted by credit institutions to such small and needy borrowers.

1.3 With a view to integrating the above twin and cognate functions the two organisations were merged in July 1978 and the Corporation was renamed as the Deposit Insurance and Credit Guarantee Corporation.

### DEPOSIT INSURANCE SCHEME :

#### Institutional Coverage

2. The Deposit Insurance Scheme was introduced with effect from 1 January 1962. The Scheme provides

automatic coverage for deposits with all commercial banks (including regional rural banks and local area banks) received in India. Following an amendment to the Deposit Insurance and Credit Guarantee Corporation Act in 1968, similar coverage is also extended in respect of deposits with co-operative banks in such of the States/Union Territories as have passed the necessary enabling legislation amending their local Co-operative Societies Acts. In terms of geographical coverage, the benefit of deposit insurance now stands extended to the entire banking system leaving uncovered only co-operative banks in such of the States/Union Territories as have yet to pass the necessary legislation.

#### Extent of Insurance Cover

3. Under the Scheme, in the event of liquidation, reconstruction or amalgamation of an insured bank, every depositor of that bank is entitled to repayment of his deposits held by him in the same right and capacity in all branches of that bank upto a monetary ceiling of Rs. 1,00,000/-

#### Insurance Premium

4. The consideration for extension of insurance coverage to banks is payment of an insurance premium. The premium at the rate of 5 paise per annum per hundred rupees is collected at half yearly intervals. The banks are required to bear this fee so that the protection of insurance is available to the depositors free of cost. Penal interest @8% above Bank Rate is charged on overdue premium.

#### Payment of Insurance Claims

5.1 When a bank goes into liquidation the Corporation pays to every depositor, through the liquidator, the amount of deposits upto Rs.1,00,000/-. When a bank is reconstructed or amalgamated with another bank and the scheme of reconstruction or amalgamation does not entitle the depositor to get credit for the full amount of his deposit, the Corporation pays to each depositor the difference between the full amount of his deposit (or Rs.1,00,000/- whichever is less) and the amount actually received by him under the scheme of reconstruction/ amalgamation.

5.2 After settling a claim, the liquidator/transferee bank is required to repay to the Corporation, by virtue of the rights of subrogation, recoveries effected by him/

it from out of assets of the insured bank in liquidation/ amalgamation.

## CREDIT GUARANTEE SCHEMES :

### Extension of Guarantee Support

6.1 The erstwhile Credit Guarantee Corporation of India Ltd., was operating three credit guarantee schemes pertaining to advances to certain specified categories of small borrowers and with the transfer of this undertaking to the Deposit Insurance Corporation in July 1978, the Deposit Insurance Corporation took over those credit guarantee functions also. The three credit guarantee schemes which were formulated by the Credit Guarantee Corporation of India Ltd. and continued by the Corporation, were intended to provide the necessary incentive to financial institutions for extending needbased credit to small borrowers (including farmers) engaged in non-industrial activities.

6.2 A credit guarantee scheme for small-scale industries sponsored and formulated by the Government of India and administered by the Credit Guarantee Organisation (Reserve Bank of India) had been in operations since July 1960. In pursuance of the recommendations of a Working Group constituted by the Government in 1979, it was decided to integrate all credit guarantee schemes under one organisation. Accordingly, this scheme was cancelled by the Government of India in March 1981 and the Corporation, in its place introduced a new scheme with effect from 1 April 1981 covering advances to small scale industries by commercial banks and other financial institutions. The Corporation was also entrusted with the responsibility of discharging the obligations arising out of accruing under the cancelled scheme, upto the date of cancellation, as an agent of the Government. With the integration of credit guarantee functions relating to small scale industries, the Corporation has been providing guarantee support to a substantial amount of credit granted to the priority sectors.

6.3 Effective from 1 April 1989 and pursuant to the recommendations of the Expert Committee, 1987, the scope of the credit guarantee schemes has been enlarged to cover the entire gamut of priority sector advances as defined by the Reserve Bank of India. However, at the request of some participating credit institutions, the Corporation has allowed exclusion of certain categories of advances guaranteed by Central/ State Governments, ECGC etc. from total priority sector advances for the purpose of payment of

guarantee fee and consequently these advances ceased to get Corporation's guarantee cover.

### Aims, Description and Coverage

7.1 Corporation's various credit guarantee schemes in operation till end of March 1992 were as indicated below:

- (i) Small Loans Guarantee Scheme, 1971.
- (ii) Small Loans (Financial Corporations) Guarantee Schemes, 1971.
- (iii) Service Co-operative Societies Guarantee Scheme, 1971.
- (iv) Small Loans (Small Scale Industries) Guarantee Schemes, 1981.
- (v) Small Loans (Co-operative Credit Societies) Guarantee Scheme, 1982.
- (vi) Small Loans (Co-operative Banks) Guarantee Schemes, 1984.

7.2 With the termination of the Schemes at (ii), (iii) and (v) above with effect from 1 April 1992, the Corporation presently operates the following three schemes.

- (i) The Small Loans Guarantee Scheme, 1971, which came into force on 1 April 1971, covers credit facilities granted by commercial banks including regional rural banks to the priority sector (other than small scale industries) as defined by Reserve Bank and this includes farmers and agriculturists, small road and water transport operators, retail traders, small business enterprises, professional and self-employed persons and educational, housing and consumption loans.
- (ii) The Small Loans (Small-Scale Industries) Guarantee Scheme, 1981 was introduced from 1 April 1981 and it covers credit facilities granted by commercial banks including regional rural banks, co-operative banks, State Financial Corporations and State Development Agencies to small-scale industries units for acquisition of or repairs to or replacement of fixed assets or equipment and for working capital requirements for production and marketing of products.

- (iii) The Small Loans (Co-operative Banks) Guarantee Scheme, 1984 covers credit facilities granted by eligible primary (urban) co-operative banks to the priority sector as defined by Reserve Bank, including activities allied to agriculture, road and water transport operators, retail traders, small business enterprises, professional and self-employed persons and educational, housing and consumption loans. All eligible licensed primary (urban) co-operative banks are as defined in clause (gg) of Section 2 of the DICGC Act, 1961 as well as eligible unlicensed primary (urban) co-operative banks recommended by the Reserve Bank of India as eligible, can participate in the Scheme.

The salient features of various schemes in operation are tabulated in the Annexure.

#### Guarantee Fee

8. The consideration for extension of the guarantee cover is the payment of guarantee fee at the stipulated rates calculated on the balances outstanding under the priority sector advances (except certain specified categories) and paid yearly in advance by the credit institutions. The fee rate is 2.50 per cent per annum for the Small Loans Guarantee Scheme, 1971 only. The regional rural banks are however, allowed to pay the fee at half the normal rate (i.e. @ 1.25 per cent per annum) for first five years from the date of their joining the Scheme. The guarantee fee rate for two other schemes viz., Small Loans (Co-operative Banks) Guarantee Scheme, 1984 and Small Loans (SSI) Guarantee Scheme, 1981, is 1.50 per cent per annum. The fee is required to be paid regularly and in advance on an annual basis in order to keep the guarantee in force. Penal interest @ 8% above Bank Rate is charged on overdue guarantee fee.

### GUARANTEE COVER - KEY CHARACTERISTICS

#### Automatic Bulk Coverage

9.1 The guarantee cover is available to those credit institutions which join the schemes by entering into necessary agreements with the Corporation and paying the fee regularly at the prescribed rates. The schemes are operated on an automatic bulk coverage basis under which all eligible advances get automatically covered right from the date of their first disbursement without requiring the credit institutions to make a prior application to the Corporation for

covering each credit facility. Therefore, it is not open to participating credit institutions to exclude any eligible credit facility from the purview of guarantee cover.

#### Benefit confined to “Priority Sector” borrowers

9.2 The guarantee schemes are meant to provide cover for advances granted to small borrowers in the priority sector who without such support may find it difficult to have access to institutional credit. To ensure that the benefits thereof do not gravitate to more affluent persons, several stipulations have been made in the guarantee schemes, such as ceilings on amount of credit as in the case of retail traders, the value of equipment as in the case of business enterprises and of plant and machinery in the case of small-scale industrial units. Besides, absolute limits have been placed on the Corporation's claim liability.

#### Invocation of Guarantee

10. The Corporation has revised the conditions for invocation of guarantee with effect from 1.4.1995. The conditions are as follows :

- (i) The participating credit institutions should lodge the claims only after the outstanding amount in the account is written off in the books of account of the institution under orders of the competent authority.
- (ii) The Corporation's guarantee shall cover only the principal amount sanctioned by the credit institution and in the case of cash credit/ overdraft and other revolving credit facilities, amount outstanding upto the regular limit sanctioned under each type of credit facility.
- (iii) No claim shall be admitted from credit institution in respect of accounts where recovery received from borrowers (excluding adjustment of subsidy) in a particular account is less than 25% of the total debits in the account on the date of write off, except under exceptional circumstances as under :
  - (a) When borrower has expired ;
  - (b) When any natural calamity has affected the area;
  - (c) any other ground which may merit exception depending upon the circumstances brought to the notice of the Corporation in general, for a particular area or category of borrowers;

- (iv) The claims should be lodged with the Corporation within a year from the date of write-off of the amount in the books of credit institution.
- (v) The condition of observance of 3 years lock- in-period for lodgement of claims has been deleted in respect of all claims which fell due for lodgement on or after 1st April 1995.

The Corporation pays 50% of the principal amount in default subject to certain absolute limits stipulated in the schemes in regard to different categories of eligible activities. To smaller borrowers, relatively higher cover is provided by the Corporation. After payment of the claims, the claimant institutions are required to continue effective steps to recover the dues and remit to the Corporation its share of the recoveries effected less expenses incurred for such recoveries, by virtue of the right of subrogation. Since 22 February 1994, credit institutions have been delegated powers to take decisions in matters like change/release of security/surety, waiver of legal action, compromise and scaling

down of dues and write-off and they are not required to obtain the Corporation's prior approval. The proposals involving staff accountability, frauds, misappropriation etc., have, however, to be referred to the Corporation for its prior approval. On invocation of a guarantee and payment of a claim in respect of a borrower, the Corporation's guarantee cover is not available for any other credit extended to that borrower till the amount due to the Corporation on account of the claim already settled has been repaid.

#### **Termination of Credit Guarantee Schemes**

11. Since almost all the credit institutions / banks have opted out of the schemes consequent upon the modification in their terms and conditions in April 1995. The Corporation has recommended to Government of India for termination of the schemes and sought their concurrence for the same. As on 31st March 2002 the corporation was not operating the Small Loan Guarantee Scheme 1971 and Small Loan (Co-operative Banks) Guarantee Scheme 1984 as no banks were participating in these schemes. Only one co-operative bank was participating in the Small Loan (SSI) Guarantee Scheme 1981 as on 31st March 2002.



**ANNEXURE**  
**CREDIT GUARANTEE SCHEMES – SALIENT FEATURES**

Schemes (1)	Eligible participants (2)	Category of Borrowers (3)	Guarantee fee (4)	\$Guarantee cover (5)
<b>A) SMALL BORROWERS</b>				
<b>l) Small Loans Guarantee Scheme, 1971</b>	Commercial Banks (including Regional Rural Banks)	<b>(i) Transport Operators</b>	2.5% p.a. uniformly to be calculated on outstanding priority sector advances as on 31 March every year and collected annually. (In case of RRBs the rate of guarantee fee is 1.25% p.a. for first five years of their joining this Scheme).	50% of the amount in default or Rs. 1,50,000/- whichever is lower.
		<b>(ii) Retail Traders</b>	— do —	50% of the amount in default or Rs.25,000/- whichever is lower.
		<b>(iii) Professional &amp; Self-employed Persons &amp; Business Enterprises</b>	— do —	50% of the amount in default or Rs.50,000/- whichever is lower.
		<b>(iv) Farmers &amp; Agriculturists- Direct Finance</b>		
		1) For raising crops	— do —	50% of the amount in default or Rs. 10,000/- whichever is lower.
		2) For developmental activities	— do —	50% of the amount in default or Rs. 20,000/- whichever is lower.
		3) For conversion of crop loans upto a maximum of 3 conversions under special circumstances	— do —	50% of the amount in default or Rs. 30,000/- (i.e. Rs. 10,000 x 3) whichever is lower.
		4) For allied activities		
		i) Pisciculture	— do —	50% of the amount in default or Rs. 37,500/- whichever is lower.
		ii) Sericulture	— do —	50% of the amount in default or Rs. 18,750/- whichever is lower.
		iii) Animal Husbandry	— do —	50% of the amount in default or Rs. 15,000/- whichever is lower.
		iv) Poultry Farming	— do —	50% of the amount in default or Rs. 22,500/- whichever is lower.
		v) Dairy Farming	— do —	50% of the amount in default or Rs. 15,000/- whichever is lower.
(With overall ceiling of Rs. 60,000/- for more than one activity)				
<p>\$ With effect from 1.4.1995 the Corporation's guarantee shall cover only the principal amount sanctioned by the credit institution and in the case of cash credit/overdraft and other revolving credit facilities, amount outstanding upto the regular limit sanctioned under each type of credit facility.</p>				

(Contd.)

**ANNEXURE (Contd.)**

(1)	(2)	(3)	(4)	(5)
	<p><b>(v) Indirect Finance to Agriculture</b> As per RBI definition of priority sector except advances for construction and running of cold storage and to custom service units which will be covered under Small Loans (SSI) Guarantee Scheme, 1981.</p>	2.5% p.a. uniformly to be calculated on outstanding priority sector advances as on 31 March every year and collected annually. (In case of RRBs the rate of guarantee fee is 1.25% p.a for first five years of their joining this Scheme).		50% of the amount in default or Rs. 60,000/- whichever is lower per borrowing constituent/ institution.
	<p><b>(vi) Education</b> Credit facilities to individuals for educational purposes granted by eligible credit institutions under special schemes introduced by them for the purpose.</p>		— do —	50% of the amount in default.
	<p><b>(vii) State Sponsored Organisations for SCs/STs</b> Advances sanctioned by State sponsored Organisations for SC/ST for the specific purpose of purchase and support of inputs to and/or the marketing of the outputs of the beneficiaries of these organisations.</p>		— do —	50% of the amount in default or Rs. 60,000/- whichever is lower (per borrowing constituent/ institution).
	<p><b>*(viii) Housing-Direct Finance</b> (a) Loans upto Rs. 2 lakh for construction of houses granted to all categories of borrowers.</p>		— do —	50% of the amount in default.
	<p>(b) Loans upto Rs. 25,000/- for repairs to damaged houses granted to all categories of borrowers.</p>		— do —	— do —
	<p><b>*(ix) Housing Indirect Finance</b> i) Assistance given to any government agency for the purpose of constructing house exclusively for the benefit of SC/ST and low-income group and where loan component does not exceed Rs.2 lakh per housing unit.</p>		— do —	50% of the amount in default or Rs. 60,000/- whichever is lower (per borrowing constituent/ institution).
	<p>ii) Assistance to any government agency for slum clearance and rehabilitation of slum dwellers where loan component does not exceed Rs. 2 lakh per housing unit.</p>		— do —	— do —
<p>All Housing Loans have been excluded with effect from 1.4.1995 for the purposes of guarantee cover and computation of guarantee fee payable to the Corporation.</p>				

(Contd.)

**ANNEXURE (Contd.)**

(1)	(2)	(3)	(4)	(5)	
		(x) <b>Consumption</b> Pure consumption loans granted, consumption loans granted under the Consumption Credit Scheme.	— do —	50% of the amount in default.	
<b>II) Small Loans (Co-operative Banks) Guarantee Scheme, 1984</b>	Primary Urban Co-operative Banks	<b>i) Transport Operators</b>	1.5% p.a. uniformly to be calculated on outstanding priority sector advances as on 31 March every year and collected annually.	50% of the amount in default or Rs. 1,50,000/- whichever is lower.	
		<b>ii) Retail Traders</b>	— do —	50% of the amount in default or Rs. 25,000/- whichever is lower.	
		<b>iii) Business Enterprises &amp; Professional &amp; Self -employed Persons</b>	— do —	50% of the amount in default or Rs. 50,000/- whichever is lower.	
		<b>iv) Educational Loans</b>	— do —	50% of the amount in default.	
		<b>v) Consumption Loans to individuals upto Rs. 500/-</b>	— do —	— do —	
		<b>*vi) Housing Loans not exceeding Rs. 25,000/- to</b>			
		a) Individuals	— do —	50% of the amount in default.	
		b) Government Agency	— do —	50% of the amount in default or Rs. 60,000/- whichever is lower per borrowing constituent/ institution.	
		<b>vii) Activities allied Agriculture</b>			
		i) Pisciculture	— do —	50% of the amount in default or Rs. 37,500/- whichever is lower.	
		ii) Sericulture	— do —	50% of the amount in default or Rs. 18,750/- whichever is lower.	
		iii) Animal Husbandry	— do —	50% of the amount in default or Rs. 15,000/- whichever is lower.	
		iv) Poultry Farming	— do —	50% of the amount in default or Rs. 22,500/- whichever is lower.	
v) Dairy Farming	— do —	50% of the amount in default or Rs. 15,000/- whichever is lower.			
vi) Purchase of bullock carts, camel carts, pack animals etc.	— do —	50% of the amount in default or Rs. 10,000/- whichever is lower.			
		(With overall ceiling of Rs. 60,000/- for more than one activity)			
* All Housing Loans have been excluded with effect from 1.4.1995 for the purposes of guarantee cover and computation of guarantee fee payable to the Corporation.					

(Contd.)

**ANNEXURE (Concl'd.)**

(1)	(2)	(3)	(4)	(5)	
<b>B) SMALL SCALE INDUSTRIES</b>					
<b>Small Loans (Small Scale Industries) Guarantee Scheme, 1981</b>	Commercial Banks(including RRBs),Co-operative Banks, State Financial Corporations and State Development Agencies	i) Small Scale Industrial Units (including ancillary units) to whom credit facilities not exceeding Rs. 2 lakh per borrowing constituent in the aggregate extended.	1.5% p.a uniformly to be calculated on outstanding priority sector advances as on 31 March every year and collected annually.	50% of the amount in default or Rs. 20 lakh (apportioned separately and equally viz., Rs. 10 lakh for term loans and Rs. 10 lakh for working capital) whichever is lower.	
		ii) Small Scale Industrial units in backward areas with credit facilities without any limit.	— do —	— do —	
		iii) Small Scale Industrial units (including ancillary units) in other than backward areas having total credit facilities exceeding Rs. 2 lakh.	— do —	50% of the amount in default or Rs. 20 lakh (apportioned separately and equally viz., Rs.10 Lakh for term loans and Rs. 10 lakh for working Capital)whichever is lower.	
		<b>Indirect finance to SSI</b>			
		i) Agencies involved in assisting the decentralised sector in the supply of inputs and marketing of outputs of artisans, village and cottage industries.	— do —	(a) 50% of the amount in default or Rs. 60,000/- whichever is lower in respect of credit facilities not exceeding Rs. 2 lakh per borrowing constituent in the aggregate. (b) 50% of the amount in default or Rs. 60,000/- whichever is lower in respect of credit facilities exceeding Rs. 2 lakh per borrowing constituent in the aggregate.	
		ii) Government sponsored Corporation/organisations providing funds to the weaker section in the priority sector (provided they are not covered by Government or any other guarantee).	— do —	— do —	
		iii) Loans for construction and running of cold storage.	— do —	50% (as stated above) of the amount in default or Rs. 20 lakh (Rs.10 lakh each for working capital and term loans)whichever is lower.	
		iv) Advances to custom service units managed by individuals, institutions or organisation who maintain a fleet of tractors, bulldozers, well boring equipment, threshers, combines etc. and undertake work from farmers on contract basis.	— do —	— do —	
		<b>(v) Industrial Estates</b>			
		Loans for setting industrial estate.		— do —	— do —