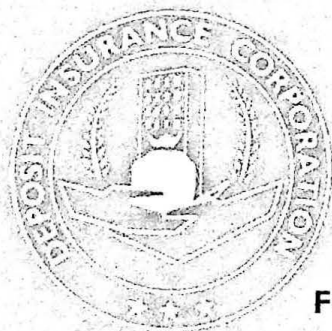


DEPOSIT
INSURANCE
CORPORATION

**DIRECTORS' REPORT
AND BALANCE SHEET
AND ACCOUNTS**



FOR THE YEAR ENDED 31st DECEMBER 1965



With the Compliments of

**The Deposit Insurance Corporation
Bombay.**

DEPOSIT INSURANCE CORPORATION

BOARD OF DIRECTORS

SHRI P. C. BHATTACHARYYA

Governor, Reserve Bank of India, Bombay (Chairman)

SHRI B. N. ADARKAR

Deputy Governor, Reserve Bank of India, Bombay

SHRI R. K. SESHADRI

Director (Banking),

Ministry of Finance, Department of Economic Affairs,

Government of India

SHRI G. S. DIWAN

SHRI S. N. DESAI

MANAGER

SHRI MANGESH S. NADKARNI

BANKERS

Reserve Bank of India

AUDITORS

Messrs. S. B. Billimoria & Co.,

Chartered Accountants,

113, Mahatma Gandhi Road,

Bombay 1.

REGISTERED OFFICE

Commercial Manor,

113, Clive Road,

Post Bag No. 5127,

Bombay-9.

LETTER OF TRANSMITTAL

DEPOSIT INSURANCE CORPORATION

Commercial Manor,
113, Clive Road,
Post Bag No. 5127,
Bombay-9.

537/DIC. 50B-66

25th March 1966

4th Chaitra 1888 (Saka)

The Governor,
Reserve Bank of India,
Central Office,
Bombay.

Dear Sir,

Pursuant to the provisions of Section 32(1) of the Deposit Insurance Corporation Act, 1961, I am directed by the Board of Directors to forward herewith the following documents :—

- (1) The Balance Sheet and Accounts of the Corporation for the year ended 31st December 1965 together with the Auditors' Report ;

and

- (2) The Report of the Board of Directors on the working of the Corporation for the year 1965.

Yours faithfully,

MANGESH S. NADKARNI

Manager

**REPORT ON THE WORKING OF THE DEPOSIT INSURANCE
CORPORATION FOR THE YEAR 1965**

The Board of Directors is pleased to submit the Report on the working of the Corporation for 1965, the fourth year of its operation.

2. The registration of 48 banks as insured banks was cancelled during the year following the occurrence of one or the other of the events specified in section 13 of the Deposit Insurance Corporation Act, 1961, mainly transfers of deposit liabilities and equivalent assets to and amalgamations with other insured banks. No new bank was registered. Consequently, the number of insured banks declined from 157 at the end of 1964 to 109 at the close of 1965. There were 287 insured banks at the commencement of the Corporation's working (January 1962).

3. There has been no change in the extent of insurance cover or the rate of premium, the former being Rs. 1500 in respect of all the deposits of a depositor held in a bank in the same capacity and right and the latter being five paise per annum per one hundred rupees.

As will be seen from the data relating to coverage given below, the percentage of fully protected deposit accounts to the total number of deposit accounts as at the end of September 1965 was slightly lower at 76.9 as compared to 77.5 for the corresponding period of 1964. The percentage of the insured amount of deposits to total deposits assessable to premium rose from 23.6 to 25.2 during the same period.

(In crores of rupees)

As on the last Friday of	No. of fully protected accounts (i.e. those with balances not exceeding Rs. 1500)	Total No. of accounts	Percentage of (2) to (3)	Insured deposits (i.e. amounts up to Rs. 1500 in all accounts)	Total deposits assessable to premium	Percentage of (5) to (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
December, 1961 ...	55,41,652	70,58,448	78.5	392.32	1,693.75	23.1
September, 1962 ...	59,77,420	77,03,548	77.6	448.00	1,895.27	23.6
September, 1963 ...	66,52,066	85,86,932	77.5	500.16	2,106.78	23.7
September, 1964 ...	76,26,226	98,37,176	77.5	574.37	2,437.29	23.6
September, 1965 ...	88,97,805	1,15,75,916	76.9	690.62	2,743.94	25.2

An analysis of coverage as on the above dates according to the size of banks is furnished in Appendix I. At the end of September 1965, the proportion of fully protected deposit accounts to the total number of deposit accounts ranged from 72.4 per cent in the case of banks with assessable deposits exceeding Rs. 100 crores to 85.2 per cent in the case of banks with assessable deposits of Rs. 1 crore or less. The percentages of insured deposits to total assessable deposits were 22.8 and 43.3 respectively for the same categories of banks.

4. The balance sheet and revenue account of the Corporation as at close of business on the 31st December 1965 are attached together with the auditors' report thereon.

The Deposit Insurance Fund which amounted to Rs. 320.67 lakhs at the end of the previous year stood at Rs. 466.63 lakhs at the close of 1965. The higher accretion of Rs. 145.96 lakhs to the Fund as against Rs. 117.96 lakhs for 1964 is accounted for mainly by an increase in the premium income. The investments (at cost) in the Fund constituted 97.03 per cent of its total assets. The market value of the investments as at the close of the year was lower by Rs. 5.40 lakhs as compared to their cost at Rs. 458.67 lakhs—*vide* particulars furnished in Appendix II. The depreciation has been fully covered by making a provision of Rs. 5.50 lakhs out of income from investments. No borrowing had to be effected by the Fund during the year either from the Reserve Bank of India or from the General Fund. The amount of the Deposit Insurance Fund as at the end of each year expressed as percentages of the total assessable deposits and insured deposits is shown below.

As at the end of	Amount of the Fund (In lakhs of rupees)	Percentage of asse- ssable deposits	Percentage of insured deposits
1962	92.84	0.05	0.20
1963	202.70	0.10	0.40
1964	320.67	0.13	0.56
1965	466.63	0.17	0.68

Mainly due to an upward revision of pay and allowances in respect of certain categories of staff, there was an increase in the establishment charges of the Corporation resulting in a lower revenue surplus of Rs. 1.74 lakhs for 1965 in the General Fund. The investments held in this Fund at the close of the year amounted to Rs. 107.40 lakhs (at cost) and formed 98.40 per cent of the total assets thereof. The investments showed a depreciation of Rs. 6.05 lakhs—*vide* Appendix II. With a view to fully providing for the depreciation, the Investment Reserve which amounted to Rs. 1.10 lakhs has been augmented by Rs. 5 lakhs by transferring to it the whole of the above revenue surplus and a sum of Rs. 3.26 lakhs drawn from the General Reserve.

5. No liability to pay for the insured deposits arose on the Corporation in respect of any of the 48 banks whose registration stood cancelled during the year. The claim amounting to Rs. 0.12 lakh in respect of the deposits of one bank *viz.* Shree Jadeya Shankarling Bank Ltd., Bijapur in whose case, as stated in the Report for 1964, the liability of the Corporation had arisen towards the close of that year, was met in early 1965 within a fortnight of the receipt of the list of depositors from the concerned transferee bank.

Claims met
and reimbur-
sements
received

Some of the depositors of the Bank of China who, although duly intimated through its Official Liquidator, had not collected the sums payable to them received payment from him in the course of the year. The payment of these claims amounted to Rs. 0.05 lakh.

Claims put in by some of the transferee banks in respect of deposits of certain depositors who had earlier been treated by them as untraceable but who subsequently demanded payment from them were also met on receipt from time to time. Similar claims in the case of the Bank of China were met through its Official Liquidator. The payments made during the year in respect of all such claims amounted to Rs. 0.08 lakh.

The claims paid or provided for since the inception of the Corporation up to the close of 1965 related to nine banks and amounted to Rs. 38.61 lakhs.

Reimbursements aggregating Rs. 3.35 lakhs were received by the Corporation during the year from the respective transferee banks in respect of the claims paid or provided for by it in the case of five banks. The reimbursement in one case was for the full amount of the claims met whereas in the remaining four cases the amounts received were in part reimbursement of the claims. The total reimbursements received since the Corporation commenced its operations up to the end of the year amounted to Rs. 14.01 lakhs and related to seven banks.

The position as at the close of 1965 in regard to the claims paid or provided for during each of the four years of the Corporation's working and the total reimbursements received is shown in Appendix III.

6. The estimated insurance loss in respect of the claims paid or provided for was reviewed and the existing provision of Rs. 12 lakhs was considered sufficient to cover it.

Provision for insurance loss

7. Shri B. N. Adarkar, Deputy Governor, Reserve Bank of India was nominated by the Bank as its nominee on the Corporation's Board of Directors under section 6(1)(b) of the Deposit Insurance Corporation Act with effect from the 12th November 1965 vice Shri C. S. Divekar who retired from the Board on his relinquishing office as Deputy Governor.

Board of Directors and Executive Committee

The term of office of Shri G. S. Diwan and Shri S. N. Desai as Directors of the Corporation under clause (d) of sub-section (1) of section 6 of the Act expired on the 31st December 1965. They were re-nominated by the Central Government as Directors under the abovementioned clause for a period of one year with effect from the 1st January 1966. Subsequently, the Board of Directors nominated Shri Diwan as a member of the Executive Committee.

Five meetings of the Board of Directors and six meetings of the Executive Committee were held during the year.

8. With the approval of the Reserve Bank of India, M/s. S. B. Billimoria & Co., Bombay were appointed by the Board as auditors of the Corporation for the year 1965.

Auditors

9. The arrangement with the Reserve Bank of India for its making available to the Corporation, office accommodation, staff and other incidental facilities continued as before on the basis of reimbursement of the relative expenses.

General

Publicity to the protection given by the Corporation to the depositors of the insured banks was continued during the year through the Press as also through posters displayed in the offices of such banks.

On behalf of the Directors,

P. C. BHATTACHARYYA

Chairman.

Bombay, 22nd March, 1966.

APPENDIX I

ANALYSIS OF COVERAGE OF INSURANCE ACCORDING TO THE SIZE OF THE BANKS
(As on the last Fridays of December 1961 and September each of 1962, 1963, 1964 and 1965)

(In lakhs of rupees)

	No. of banks	No. of fully protected accounts (i.e. those with balances not exceeding Rs. 1500)	Total number of accounts	% of (2) to (3)	Insured deposits (i.e. amounts up to Rs. 1500 in all accounts)	Total deposits assessable to premium	% of (5) to (6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
BANKS WITH DEPOSITS:							
(i) exceeding Rs. 100 crores:							
1961	5	19,07,565	26,08,513	73.1	172,44.19	860,24.65	20.4
1962	5	20,56,863	28,61,493	71.9	198,55.88	966,14.94	20.5
1963	5	23,03,769	32,01,003	72.0	222,79.55	1080,10.07	20.6
1964	6	30,74,624	42,29,309	72.7	290,88.07	1384,62.50	21.0
1965	7	39,65,311	54,77,182	72.4	379,99.30	1664,73.38	22.8
(ii) exceeding Rs. 50 crores but up to Rs. 100 crores:							
1961	5	7,70,242	10,14,608	75.8	61,97.07	311,66.68	19.8
1962	5	8,25,565	10,96,603	75.3	68,13.43	337,54.29	20.2
1963	4	9,09,942	12,13,716	75.0	76,14.56	318,88.94	23.9
1964	5	13,85,569	17,80,744	77.8	103,33.84	383,19.58	27.0
1965	6	21,19,236	26,29,196	80.6	134,41.78	435,04.23	30.9
(iii) exceeding Rs. 25 crores but up to Rs. 50 crores :							
1961	5	6,71,802	8,31,405	80.8	43,05.59	150,26.17	28.7
1962	5	7,54,562	9,47,116	79.6	50,68.76	171,48.89	29.5
1963	6	13,05,115	15,84,932	82.3	76,35.97	276,58.34	27.6
1964	8	14,06,449	16,86,914	83.4	77,75.89	311,44.64	25.0
1965	9	12,98,142	16,14,713	80.4	85,12.36	331,81.42	25.7
(iv) exceeding Rs. 10 crores but up to Rs. 25 crores:							
1961	11	9,51,626	11,30,263	84.2	49,52.99	178,71.79	27.7
1962	11	10,26,510	12,33,390	83.2	58,28.39	217,96.82	26.7
1963	12	9,89,313	12,25,841	80.7	62,86.75	246,96.62	25.5
1964	9	6,85,824	8,46,847	81.0	41,56.66	177,10.56	23.5
1965	7	3,81,855	4,90,263	77.9	27,19.16	123,43.60	22.0
(v) exceeding Rs. 1 crore but up to Rs. 10 crores:							
1961	45	8,80,365	10,55,542	83.4	47,75.77	155,21.78	30.8
1962@	44	9,45,560	11,40,084	82.9	54,10.09	162,98.88	33.1
1963	42	8,07,526	9,72,810	83.0	46,16.52	150,63.93	30.6
1964	38	8,22,542	9,99,196	82.3	48,30.59	152,34.29	31.7
1965	45	10,04,606	12,13,486	82.8	57,47.14	174,08.50	33.0
(vi) Rs. 1 crore or less:							
1961†	214	3,60,052	4,18,117	86.1	17,56.20	37,63.70	46.7
1962‡	203	3,68,360	4,24,862	86.7	18,23.61	39,13.47	46.5
1963*	191	3,36,401	3,88,630	86.6	15,82.94	33,60.00	47.1
1964**	138	2,51,218	2,94,166	85.4	12,51.60	28,57.08	43.8
1965	43	1,28,655	1,51,076	85.2	6,42.37	14,83.31	43.3
TOTALS:							
1961	285	55,41,652	70,58,448	78.5	392,31.81	1693,74.77	23.1
1962	273	59,77,420	77,03,548	77.6	448,00.16	1895,27.29	23.6
1963	260	66,52,066	85,86,932	77.5	500,16.29	2106,77.90	23.7
1964	204	76,26,226	98,37,176	77.5	574,36.65	2437,28.65	23.6
1965	117	88,97,805	1,15,75,916	76.9	690,62.11	2743,94.44	25.2

Does not include the figures of : @ one bank with deposits of approximately Rs. 315 lakhs. † two banks with deposits of approximately Rs. 0.91 lakh. ‡ nine banks with deposits of approximately Rs. 100 lakhs. *four banks with deposits of approximately Rs. 20.57 lakhs. **one bank with deposits of approximately Rs. 94.11 lakhs.

APPENDIX II

STATEMENT OF INVESTMENTS IN CENTRAL GOVERNMENT SECURITIES AS ON THE
31ST DECEMBER 1965

<i>Particulars</i>	<i>Face value Rs.</i>	<i>Book Value Rs.</i>	<i>Rate Rs.</i>	<i>Market Value Rs.</i>
DEPOSIT INSURANCE FUND :				
3½% 1968	47,67,000	47,35,137.00	99.20	47,28,864.00
3½% 1969	18,25,000	17,72,525.00	95.85	17,49,262.50
4% 1969	67,72,000	67,38,140.00	98.40	66,63,648.00
3% 1970-75	1,75,000	1,54,875.00	83.75	1,46,562.50
4% 1970	1,15,22,000	1,14,06,780.00	97.75	1,12,62,755.00
4½% 1971	25,70,000	25,57,150.00	99.50	25,57,150.00
4% 1972	1,23,00,000	1,19,69,802.50	95.80	1,17,83,400.00
4½% 1972	4,50,000	4,50,000.00	96.25	4,33,125.00
4½% 1972	37,85,000	37,85,000.00	100.00	37,85,000.00
4½% 1973	20,75,000	20,75,000.00	96.15	19,95,112.50
	<u>4,62,41,000</u>	<u>4,56,44,409.50</u>		<u>4,51,04,879.50</u>
Treasury bills	2,25,000	2,23,031.25		2,23,031.25
<i>Less :</i> Provision for depreciation		4,58,67,440.75 5,50,000.00		
	<u>4,64,66,000</u>	<u>4,53,17,440.75</u>		<u>4,53,27,910.75</u>
GENERAL FUND :				
3½% 1967	15,00,000	14,98,500.00	99.15	14,87,250.00
3½% 1968	25,00,000	24,97,500.00	99.20	24,80,000.00
3% 1970-75	75,000	65,787.50	83.75	62,812.50
4½% 1971	10,75,000	10,69,625.00	99.50	10,69,625.00
4% 1972	1,05,000	1,02,962.50	95.80	1,00,590.00
4½% 1972	1,00,000	1,00,000.00	96.25	96,250.00
4½% 1973	30,000	30,000.00	96.15	28,845.00
3½% 1974	25,00,000	24,88,750.00	89.50	22,37,500.00
4% 1981	25,00,000	24,62,500.00	86.50	21,62,500.00
4½% 1985	1,00,000	1,00,075.00	95.00	95,000.00
4½% 1986	1,00,000	1,00,000.00	98.00	98,000.00
4½% 1989	2,00,000	1,99,925.00	96.00	1,92,000.00
	<u>1,07,85,000</u>	<u>1,07,15,625.00</u>		<u>1,01,10,372.50</u>
Treasury bills	25,000	24,781.25		24,781.25
	<u>1,08,10,000</u>	<u>1,07,40,406.25</u>		<u>1,01,35,153.75</u>

APPENDIX III

CLAIMS PAID OR PROVIDED FOR AND REIMBURSEMENTS RECEIVED
(AS ON 31.12.1965)

(In lakhs of rupees)

Name of bank	Date of first remittance in full satisfaction of claim as per the list of depositors	Insured deposits already paid	Insured deposits remaining unclaimed and provided for	Total insured deposits paid or provided for
(1)	(2)	(3)	(4)	(5)
1962	—	—	—	—
1963				
(i) Bank of China	27- 4-1963	4.28	4.97*	9.25
(ii) Unity Bank Ltd., Madras	13- 9-1963	2.52	0.02	2.54
(iii) Bank of Alagapuri Ltd., Alagapuri	24-12-1963	0.28	—	0.28
			(Rs. 43)	
		7.08	4.99	12.07
1964				
(iv) Metropolitan Bank Ltd., Calcutta	6- 5-1964	8.74	0.06	8.80
(v) Cochin Nayar Bank Ltd., Trichur	3- 6-1964	7.06	0.06	7.12
(vi) Latin Christian Bank Ltd., Ernakulam	19-11-1964	2.08	—	2.08
			(Rs. 227)	
(vii) Unao Commercial Bank Ltd., Unnao	26-11-1964	1.06	0.02	1.08
(viii) Southern Bank Ltd., Calcutta	12-12-1964	7.28	0.06	7.34
		26.22	0.20	26.42
1965				
(ix) Shree Jadeya Shankarling Bank Ltd., Bijapur	1- 2-1965	0.12	—	0.12
TOTAL :		33.42	5.19	38.61
<i>Less :</i> Reimbursements received up to the end of the year		9.01†	5.00†	14.01†
		24.41	0.19	24.60

* This figure is inclusive of a sum of Rs. 2.34 lakhs representing claims of the traceable depositors pending disbursement.

† Reimbursements during the year in respect of claims paid. (Included in Rs. 9.01 lakhs under column 3)

Rs. 3.72 lakhs

Less : Reduction during the year in reimbursements in respect of claims provided for (from Rs. 5.37 lakhs as on 31.12.1964 to Rs. 5 lakhs as on 31.12.1965—column 4)

(a) Reimbursements in respect of claims provided for (column 4) transferred to those in respect of claims paid (column 3) on the depositors being subsequently traced and paid. (Included in Rs. 3.72 lakhs above)

Rs. 0.13 lakh

(b) Excess reimbursements relating to claims provided for refunded consequent upon a corresponding reduction in the Corporation's liability on the combining of certain deposit accounts subsequently found to have been held in the same capacity and right (column 4)

Rs. 0.24 lakh

Rs. 0.37 lakh

Net amount of reimbursements during the year. (Included in Rs. 14.01 lakhs under column 5)

Rs. 3.35 lakhs

Note :

The figures of claims given above are after effecting adjustments during the year in respect of (i) cases where it was subsequently found that more than one deposit account were held by a depositor in the same capacity and right, (ii) cases where more than one deposit account treated as having been held by a depositor in the same capacity and right were subsequently found to have been not so held, (iii) exercise of set off for amounts subsequently found to have been due from certain depositors to the insured bank, (iv) reconstruction of balances in some deposit accounts and (v) payments to certain depositors who were originally treated as untraceable but who later lodged their claims.

REPORT OF THE AUDITORS TO THE CORPORATION

We have audited the attached Balance Sheet of the Deposit Insurance Corporation as at the 31st December, 1965 showing the position of the Deposit Insurance Fund and the General Fund respectively as on that date and also the Revenue Account annexed to the said Balance Sheet showing the income and expenditure of the abovementioned two Funds for the year ended on that date, and report on the said Balance Sheet and Account as follows :—

- (1) We have obtained all the information and explanations which we have required for the purposes of our audit and the same have been satisfactory.
- (2) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet is full and fair Balance Sheet and is properly drawn up containing all the necessary particulars so as to exhibit a true and correct view of the state of affairs of the Corporation as at the 31st December, 1965, and is also properly drawn up in accordance with the requirements of Regulation 18 of the Deposit Insurance Corporation General Regulations, 1961.

S. B. BILLIMORIA & CO.
Chartered Accountants.

Bombay, 25th March, 1966.

DEPOSIT INSURANCE

(Established under the Deposit
Regulation

Balance Sheet as at the close of

I. DEPOSIT

<i>As at the 31st December 1964</i>	LIABILITIES	Rs. P.	Rs. P.
2,02,70,335.50	1. FUND :		
	Balance at the beginning of the year ...	3,20,66,796.39	
1,17,96,460.89	<i>Add</i> : Net accretion to the Fund during the year transferred from the Re- venue Account	1,45,95,993.64	
3,20,66,796.39	Balance at the end of the year		4,66,62,790.03
—	2. Advance from the Reserve Bank of India (Section 26 of the Deposit Insurance Corporation Act)		—
—	3. Advance from the General Fund (Section 27 of the Deposit Insurance Corporation Act)		—
5,56,447.88	4. Insured deposits remaining unclaimed (per contra) (As per Annexure II)		5,19,379.19
11,505.50	5. Insured deposits in banks whose registra- tion as insured banks has been cancelled (per contra)		—
1,12,942.03	6. Other Liabilities: Excess premium refundable to banks ...		86,915.40
<u>3,27,47,691.80</u>			<u>4,72,69,084.62</u>

As per our report of even date attached.

S. B. BILLIMORIA & CO.

Chartered Accountants.

Bombay, 25th March, 1966.

CORPORATION

Insurance Corporation Act, 1961)

18—Form A

business on the 31st December 1965

INSURANCE FUND

As at the 31st December 1964		ASSETS		Rs. P.		Rs. P.	
Rs.	P.			Rs.	P.	Rs.	P.
6,914.74		1. Balance with the Reserve Bank of India				14,404.88	
		2. Investments in Central Government Securities (at cost less provision of Rs. 5,50,000 for depreciation) ...				20,956.72	
3,07,18,192.75		(Face value Rs. 4,64,66,000.00) ...				6,28,38,383.25	
(Rs. 3,10,01,000.00)		(Market value Rs. 4,53,27,910.75)				4,53,17,440.75	
(Rs. 3,07,71,933.25)		3. Interest accrued on investments ...				8,50,035.52	
2,90,680.25		4. Subrogated claims of depositors in respect of insured deposits already paid		27,25,885.15		5,29,580.27	
28,04,796.14		Less: Provision for estimated insurance losses ...		24,40,453.11			
11,92,544.00		(As per Annexure I)		11,89,171.00		15,36,714.15	
16,12,252.14		5. (a) Subrogated claims of depositors in respect of insured deposits remaining unclaimed (per contra) ...	Rs. 5,19,379.19	11,89,836.00		12,50,617.11	
		Less: Reimbursements received to date ...	Rs. 5,00,350.53	2,14,173.53			
5,56,447.88				19,028.66			
5,37,550.25		(b) Subrogated claims of depositors in respect of insured deposits in banks whose registration as insured banks has been cancelled (per contra) ...					
18,897.63				10,164.00			
11,505.50		Less: Provision for estimated insurance losses ...		10,829.00		2,03,344.53	
30,403.13						8,864.66	
7,456.00		6. Other Assets :		1,71,574.22			
22,947.13		Outstanding premium due from banks		1,36,070.97			
56,990.76		Amount paid towards claims under Section 17(2) of the Act remaining undisbursed ...		9,819.60		1,81,393.82	
39,714.03				12,105.98		1,48,176.95	
96,704.79							
3,27,47,691.80						4,72,69,084.62	

MANGESH S. NADKARNI
Manager.

Bombay, 22nd March, 1966.

P. C. BHATTACHARYYA
B. N. ADARKAR
R. K. SESHADRI
G. S. DIWAN
S. N. DESAI

6.56.30.828.05
Chairman.

Directors.

DEPOSIT INSURANCE

(Established under the Deposit
Regulation

Balance Sheet as at the close of

II. GENERAL

As at the 31st December 1964	LIABILITIES	Rs.	P.	Rs.	P.
	1. CAPITAL :				
1,00,00,000.00	Provided by the Reserve Bank of India under Section 4 of the Deposit Insurance Corporation Act				1,00,00,000.00
	2. RESERVES :				
6,12,912.61	General Reserve	4,72,689.67		2,87,006.65	
1,10,000.00	Investment Reserve	6,10,000.00			
—	Other Reserves	—			
7,22,912.61					10,82,689.67 8,97,006.65
	3. CURRENT LIABILITIES AND PROVISIONS :				
—	Staff Provident Fund	—			
—	Staff Gratuity Fund	—			
	Other Liabilities :				
—	Sundry Creditors	310.00			
15,902.65	Outstanding expenses	22,298.05		17,359.18	
15,902.65					17,669.18
1,07,38,815.26					22,298.05
					1,09,14,675.83
					1,11,04,987.72

As per our report of even date attached.

S. B. BILLIMORIA & CO.

Chartered Accountants.

Bombay, 25th March, 1966.

2,87,006.65
1,85,683.02
4,72,689.67

CORPORATION

Insurance Corporation Act, 1961)

18—Form A

business on the 31st December 1965

FUND

As at the 31st December 1964		ASSETS		Rs. P.		Rs. P.	
Rs.	P.			Rs.	P.	Rs.	P.
		1. CASH :					
123.99		(i) In hand	...	72.26			
4,069.94		(ii) With the Reserve Bank of India	...	49.31			
				1,035.61			
				25,921.43		25,993.69	
4,193.93						1,084.92	
		2. INVESTMENTS IN CENTRAL GOVERNMENT SECURITIES (at cost)	...			1,09,04,170.00	
1,05,73,840.00			...			1,07,40,406.25	
(Rs. 1,06,40,000.00)		(Face value Rs. 1,08,10,000.00)					
(Rs. 1,04,68,755.00)		(Market value Rs. 1,01,35,153.75)					
		3. INTEREST ACCRUED ON INVEST- MENTS	...			1,57,924.22	
1,47,854.64			...			1,55,256.23	
		4. ADVANCE TO THE DEPOSIT IN- SURANCE FUND, IF ANY (vide Section 27 of the Deposit Insurance Corporation Act)	...				
—			...			—	
		5. OTHER ASSETS :					
		Furniture, Fixtures and Equipment, less depreciation	...	11,654.33		10,867.54	
12,149.20		Stock of stationery	...	823.22		933.89	
558.50		Library books, less depreciation	...	57.14		119.88	
—		Deposits under 'Own Your Telephone Scheme'	...	5,128.00		4,623.00	
—		Prepaid expenses	...	265.74		355.50	
218.99							
						17,928.43	
12,926.69						16,899.81	
1,07,38,815.26						1,09,14,675.83	

MANGESH S. NADKARNI
Manager.

Bombay, 22nd March, 1966.

P. C. BHATTACHARYYA
B. N. ADARKAR
R. K. SESHADRI
G. S. DIWAN
S. N. DESAI

1,11,04,987.72
Chairman.

Directors.

DEPOSIT INSURANCE

(Form

I. Revenue Account (Deposit Insurance Fund)

Previous year Rs. P.	EXPENDITURE	Rs.	P.	Rs.	P.
	To Insurance Losses :				
	(a) Claims written off during the year ...	—			
12,00,000.00	(b) Provision for estimated losses as at the end of the year 	12,00,000.00			
12,00,000.00		12,00,000.00			
1,80,000.00	(c) Less : Provision for estimated losses as at the beginning of the year	12,00,000.00			
10,20,000.00					
	„ Interest on advance from Reserve Bank of India (Section 26 of the Deposit Insurance Corporation Act) 			—	
	„ Interest on advance from General Fund (Section 27 of the Deposit Insurance Corporation Act) 			—	
1,17,96,460.89	„ Net accretion transferred to the Fund...			1,81,16,428.40	1,45,95,993.64
1,28,16,460.89				1,45,95,993.64	1,81,16,428.40

As per our report of even date attached.

S. B. BILLIMORIA & CO.

Chartered Accountants.

Bombay, 25th March, 1966.

CORPORATION

B)

for the year ended the 31st December 1965/6

Previous year		INCOME	Rs. P.	
Rs.	P.		Rs.	P.
1,17,63,341.11		By Insurance Premium (including interest)	1,58,30,414.77	
			1,35,71,068.89	
10,53,119.78		„ Income from Investments (Less provision of Rs. 5,50,000 for depreciation in investments)	23,36,013.63	
			10,24,924.75	
<u>1,28,16,460.89</u>			<u>1,45,95,993.64</u>	
			1,81,66,428.40	

MANGESH S. NADKARNI

Manager.

Bombay, 22nd March, 1966.

P. C. BHATTACHARYYA

Chairman.

B. N. ADARKAR

R. K. SESHADRI

G. S. DIWAN

S. N. DESAI

Directors.

DEPOSIT INSURANCE

(Form

II. Revenue Account (General Fund) for the

Previous year Rs. P.	EXPENDITURE	Rs. P.	
1,38,758.15	To Salaries and allowances and contribution to Provident Fund	1,73,125.93	1,76,838.25
3,971.00	„ Contribution to Staff Pension and Gratuity Fund ...	14,425.23	6,754.77
1,600.00	„ Directors' and Committee Members' fees	1,350.00	1,500.00
632.05	„ Directors' and Committee Members' travelling and other allowances	942.00	739.75
15,010.64	„ Rent, taxes, insurance, lighting etc.	20,998.49	21,239.92
—	„ Establishment—travelling and halting allowances ...	—	—
2,223.15	„ Printing and stationery	2,498.52	2,724.06
1,088.15	„ Postage, telegrams and telephones	1,803.55	1,885.22
1,000.00	„ Auditors' fees	1,500.00	1,500.00
3,631.55	„ Legal charges	1,364.95	2,200.75
25,754.05	„ Miscellaneous expenses	26,586.48	27,205.05
1,359.57	„ Depreciation	1,515.36	1,392.75
2,08,141.35	„ Balance, being excess of income over expenditure carried down	1,74,094.04	1,85,623.02
4,03,169.66		4,20,204.55	4,30,316.26
1,88,141.35	To Transfer to General Reserve	1,85,623.02	
	„ Transfer to Other Reserves :		
20,000.00	Investment Reserve	1,74,094.04	
2,08,141.35		1,74,094.04	

As per our report of even date attached.

S. B. BILLIMORIA & CO.

Chartered Accountants.

Bombay, 25th March, 1966.

CORPORATION

B)

year ended the 31st December 1965/6

Previous year Rs. P.	INCOME	Rs. P.	
		Rs.	P.
4,03,152.86	By Income from Investments	4,20,183.93	
		4,30,306.40	
	„ Interest on Advance to Deposit Insurance Fund ...	—	
16.80	„ Miscellaneous receipts	20.62	
		10.46	
		4,30,316.86	
4,03,169.66		4,20,204.55	
2,08,141.35	By Balance, being excess of income over expenditure brought down	1,85,623.02	
		1,74,094.04	
2,08,141.35		1,74,094.04	

MANGESH S. NADKARNI

Manager.

Bombay, 22nd March, 1966.

P. C. BHATTACHARYYA
B. N. ADARKAR
R. K. SESHADRI
G. S. DIWAN
S. N. DESAI

Chairman.

Directors.

ANNEXURE I

SUBROGATED CLAIMS OF DEPOSITORS

	Rs.	P.	Rs.	P.
Total amount paid until the end of the previous year (after deducting Rs. 22,117.32 refunded during the year)			33,41,112.25	33,10,831.89
<i>Less:</i> (i) Reimbursements received until the end of the previous year	9,00,659.14			
	5,28,213.07			
(ii) Claims written off until the end of the previous year	NIL			
(iii) Provision for estimated losses until the end of the previous year (after adjustment of Rs. 2,708.00 transferred to Provision for estimated losses on subrogated claims for insured deposits remaining unclaimed)	665.00			
	11,89,171.00		20,89,830.14	
	11,89,836.00		17,18,049.07	
 Net amount paid as at the beginning of the year less provision for estimated losses			12,51,282.11	15,92,782.82
 <i>Add:</i> Insured deposits paid during the year			30,280.36	16,77,873.26
			29,29,155.37	16,23,063.18
 <i>Less:</i> (i) Reimbursements received during the year	13,92,441.22			
	3,72,446.07			
(ii) Claims written off during the year	NIL		13,92,441.22	
(iii) Provision for estimated losses made during the year	NIL		3,72,446.07	
 Net amount paid as at the end of the year less provision for estimated losses			15,36,714.15	12,50,617.11

ANNEXURE II

INSURED DEPOSITS REMAINING UNCLAIMED AS ON THE 31st DECEMBER 1965

	Rs.	P.
Amount outstanding at the beginning of the year (after deducting Rs. 29,089.15 adjusted during the year)	5,27,358.73	5,19,379.19
<i>Add:</i> Amount of insured deposits tendered during the year but remaining unclaimed	1,95,737.82	5,377.18
	7,15,117.01	5,32,735.91
<i>Less:</i> Amount claimed and paid during the year	2,671.75	13,356.72
 Total insured deposits remaining unclaimed at the end of the year	7,12,445.26	5,19,379.19