

**DEPOSIT  
INSURANCE  
CORPORATION**

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



**FOR THE YEAR ENDED 31st DECEMBER 1966**

*With the Compliments of*

The Deposit Insurance Corporation  
Bombay.

# DEPOSIT INSURANCE CORPORATION

## BOARD OF DIRECTORS

### CHAIRMAN

SHRI P. C. BHATTACHARYYA  
*Governor, Reserve Bank of India,  
Bombay.*

### DIRECTORS

SHRI B. N. ADARKAR  
*Deputy Governor, Reserve Bank  
of India, Bombay*

SHRI S. S. SHIRALKAR  
*Additional Secretary, Ministry  
of Finance, Department of  
Economic Affairs,  
Government of India*

SHRI G. S. DIWAN

SHRI P. K. GHOSH

### EXECUTIVE DIRECTOR

SHRI R. K. SESHADRI

### MANAGER

SHRI K. B. S. RAO

### 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.

577/DIC. 50B-67

29th March 1967

---

8th Chaitra 1889 (Saka)

The Secretary,  
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 1966 together with the Auditors' Report;

and

- (2) The Report of the Board of Directors on the working of the Corporation for the year 1966.

Yours faithfully,

K. B. S. RAO

*Manager*

**REPORT ON THE WORKING OF THE DEPOSIT INSURANCE CORPORATION DURING  
THE YEAR ENDED 31st DECEMBER 1966**

The Board of Directors is pleased to submit, in terms of section 32(1) of the Deposit Insurance Corporation Act 1961, the Report on the working of the Corporation for the year 1966, which is the fifth year of operation of the Corporation.

2. There were 109 insured banks as at the commencement of the year 1966 and one bank was registered during the year, raising the number of insured banks to 110. In the course of the year, the registration of 10 insured banks was cancelled under section 13 of the Deposit Insurance Corporation Act, 1961. Of these, the registration of 7 banks was cancelled as a result of the transfer of their deposit liabilities and equivalent assets and of one bank because of its merger with another institution; in the case of the two remaining institutions, the registration was cancelled consequent upon the sanction by the Central Government of a scheme for the administration of the banks under the Defence of India Rules. Thus the number of insured banks stood at 100 at the close of the year. The table below indicates the reduction in the number of insured banks since the establishment of the Corporation.

*Number of insured banks  
registered as on the date  
in column 1 ..*

(1)	(2)
1-1-1962	287
1-1-1963	276
1-1-1964	250
1-1-1965	157
1-1-1966	109
1-1-1967	100

3. There has been no change in the limit of the insurance cover, which continues to be Rs. 1500/- in respect of all the unpaid balances due to a depositor held in a bank in the same capacity and in the same right. Similarly, the rate of premium continues to be 5 paise per annum for every one hundred rupees.

4. From the comparative data furnished below regarding the coverage under the insurance scheme, it will be seen that the percentage of fully protected deposit accounts (i.e. those with balances not exceeding Rs. 1500/-) to the total number of deposit accounts as at the end of September 1966 was fractionally lower at 76.4 as compared to 76.9 for the corresponding period in the year 1965. The percentage of the amount of insured deposits (i.e. amounts up to Rs. 1500/- in all accounts) to total deposits assessable to premium, however, rose fractionally from 25.2 in 1965 to 25.5 in 1966.

<i>As on the last Friday of</i>	<i>No. of fully protected accounts (i.e. those with balances not exceeding Rs. 1500)</i>	<i>Total No. of accounts</i>	<i>Percentage of (2) to (3)</i>	<i>(Amounts in crores of rupees)</i>		
				<i>Insured deposits (i.e. amounts up to Rs. 1500 in all accounts)</i>	<i>Total amount of deposits assessable to premium</i>	<i>Percentage of (5) to (6)</i>
(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
September, 1966	1,03,64,153	1,35,63,618	76.4	824.29	3,236.31	25.5

An analysis of the coverage of deposits by the insurance scheme as on the above dates according to the size of banks as furnished in Appendix I indicates that at the end of September 1966, the proportion of fully protected deposit accounts to the total number of deposit accounts ranged from 72.2 per cent in the case of banks with assessable deposits exceeding Rs. 100 crores to 83.7 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 23.9 and 41.5 respectively for the same categories of banks.

5. The balance sheet and revenue account of the Corporation as at the close of business on the 31st December 1966 are attached together with the auditors' report thereon.

6. As a result of the higher amount of assessable deposits during 1966 there was higher accretion of Rs. 181.66 lakhs to the Deposit Insurance Fund by way of premium receipts during the year, as against Rs. 145.96 lakhs in 1965. The Fund, which amounted to Rs. 466.63 lakhs as at the end of the year 1965, rose to Rs. 648.29 lakhs as at the close of the year 1966. The comparative position of the amount of the Deposit Insurance Fund as at the end of each year, expressed as a percentage of the total assessable deposits and insured deposits since 1962, is shown below.

As at the end of		Amount of the Fund (in lakhs of rupees)	Percentage of assessable 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
1966	.. ..	648.29	0.20	0.79

7. The investments (at cost) in the Deposit Insurance Fund formed 96.58% of the total assets of that Fund at the close of the year. The market value of the investments as on the 31st December 1966 (Rs. 631.44 lakhs) was lower by Rs. 2.44 lakhs as compared to their cost at Rs. 633.88 lakhs vide particulars furnished in Appendix II. As the provision for depreciation at Rs. 5.50 lakhs as on the 31st December 1965 was substantially in excess of the above depreciation, it was not considered necessary to make any additional provision for any further depreciation in the value of the investments.

8. The Corporation had no occasion to resort to borrowing during the year either from the Reserve Bank of India or from the General Fund.

9. As regards the General Fund, while the establishment charges of the Corporation during the year remained more or less the same (Rs. 2.45 lakhs in 1966 as compared with Rs. 2.46 lakhs in 1965), the revenue surplus was slightly higher at Rs. 1.86 lakhs (as against Rs. 1.74 lakhs in 1965) because of the increase in income from investments. The investments held in the Fund at the close of the year amounted to Rs. 109.04 lakhs (at cost) and constituted 98.19 per cent of the total assets thereof. The depreciation in the investments was Rs. 4.14 lakhs vide Appendix II. A sum of Rs. 6.10 lakhs was already held by the Corporation as on the 31st December 1965 as provision for depreciation in its Investment Reserve Account. Accordingly no additional provision was considered necessary.

10. The Corporation's liability for the payment of the insured deposits was attracted during the year in the case of 2 insured banks, viz. Habib Bank Ltd., Bombay, and the National Bank of Pakistan, Calcutta. The Corporation's liability to the depositors amounting to Rs. 17.73 lakhs in the case of the Habib Bank Ltd. and Rs. 0.99 lakh in the case of the National Bank of Pakistan was determined on the basis of the lists of depositors submitted by the banks. For the purposes of settlement of the claims, payments to the extent of Rs. 12.74 lakhs in the case of Habib Bank Ltd. and Rs. 0.14 lakh in the case of the National Bank of Pakistan, which had already been made by them to the traceable depositors in terms of the scheme, were deemed to have been paid with funds obtained from the Corporation and to have been reimbursed subsequently to the Corporation. After taking into account the above amounts, a sum of Rs. 3.03 lakhs was remitted to the Habib Bank Ltd. and Rs. 0.85 lakh to the National Bank of Pakistan. Besides, a sum of Rs. 1.96 lakhs was provided for in the Corporation's books for payment to the untraceable depositors of the Habib Bank Ltd

11. Some of the depositors of the Bank of China, who had not collected the sums payable to them, received their payments aggregating Rs.0.02 lakh from the Official Liquidator during 1966. Claims lodged by some of the transferee banks in respect of deposits of certain untraceable depositors were also settled to the extent of Rs. 385.37 out of the provisions already made by the Corporation for this purpose.

12. The claims paid or provided for since the inception of the Corporation up to the 31st December 1966 relating to eleven banks, amounted to Rs. 57.31 lakhs.

13. Reimbursements aggregating to Rs. 13.92 lakhs were received by the Corporation during the year in respect of the claims settled. This includes a sum of Rs. 12.88 lakhs referred to in paragraph 10 as the amount treated as having been reimbursed to the Corporation in the case of the National Bank of Pakistan and Habib Bank Ltd. The total reimbursements received since the inception of the Corporation up to the end of 1966 amounted to Rs. 27.91 lakhs and related to eleven banks. The position as at the close of 1966 in regard to the claims paid or provided for during each of the five years of the Corporation's working and the total reimbursements received is shown in Appendix III.

14. The estimated insurance loss in respect of claims paid or provided for was reviewed and the existing provision of Rs. 12 lakhs was considered to be adequate.

**Provision for  
Insurance loss**

15. Shri S. S. Shiralkar, Additional Secretary to the Government of India, Ministry of Finance, Department of Economic Affairs was nominated by the Central Government with effect from the 1st June 1966 as its nominee on the Corporation's Board of Directors under Section 6(1)(c) of the Deposit Insurance Corporation Act *vice* Shri R. K. Seshadri, on the latter's appointment as an Executive Director of the Reserve Bank of India.

**Board of  
Directors and  
Executive  
Committee**

16. 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 1966. On the recommendations of the Reserve Bank of India, the Central Government renominated Shri G. S. Diwan as Director for a further period of one year with effect from the 1st January 1967, and nominated Shri P. K. Ghosh, Senior Partner of M. s. P. K. Ghosh & Co., Calcutta as a Director for a period of two years from the above date in the vacancy caused by retirement of Shri Desai. Subsequently, the Board of Directors nominated Shri Diwan as a member of the Executive Committee.

17. The Board of Directors met five times and the Executive Committee six times during the year.

18. Shri R. K. Seshadri, Executive Director, Reserve Bank, was appointed by the Board as the Executive Director of the Corporation in an honorary capacity and was vested with powers of administration of its affairs.

19. With the previous approval of the Reserve Bank of India, the Board of Directors appointed M/s. S. B. Billimoria & Co. as auditors of the Corporation for the year 1966.

**Auditors**

20. The arrangement with the Reserve Bank of India for making available to the Corporation the requisite staff, office accommodation and other incidental facilities continued as hitherto. The relative expenses are reimbursed to the Bank on an agreed basis.

**General**

On behalf of the Corporation,

P. C. BHATTACHARYYA,

CHAIRMAN

BOMBAY, DATED THE 28TH MARCH 1967.

**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, 1965 and 1966)

(Amounts 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)
<b>BANKS WITH DEPOSITS:</b>							
<b>(i) exceeding Rs. 100 crores:</b>							
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
1966 .. ..	8	50,96,334	70,56,148	72.2	496,78.17	2078,48.96	23.9
<b>(ii) exceeding Rs. 50 crores but up to Rs. 100 crores:</b>							
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
1966 .. ..	8	27,12,915	33,44,641	81.1	168,21.24	564,02.65	29.8
<b>(iii) exceeding Rs. 25 crores but up to Rs. 50 crores:</b>							
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
1966 .. ..	8	10,76,654	13,49,163	79.8	69,53.68	282,41.16	24.6
<b>(iv) exceeding Rs. 10 crores but up to Rs. 25 crores:</b>							
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
1966 .. ..	6	3,23,116	4,10,032	78.8	21,88.51	101,78.57	21.5
<b>(v) exceeding Rs. 1 crore but up to Rs. 10 crores:</b>							
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
1966 .. ..	45	10,73,854	13,06,528	82.2	63,42.99	198,87.97	31.9
<b>(vi) Rs. 1 crore or less:</b>							
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
1966 .. ..	28	81,280	97,106	83.7	4,44.72	10,71.98	41.5
<b>TOTALS:</b>							
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
1966 .. ..	103	1,03,64,153	1,35,63,618	76.4	824,29.31	3236,31.29	25.5

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**

**DEPOSIT INSURANCE CORPORATION**

**STATEMENT OF INVESTMENTS IN CENTRAL GOVERNMENT SECURITIES AS ON THE**

**31st DECEMBER 1966**

<i>Particulars</i>	<i>Face value Rs.</i>	<i>Book value Rs.</i>	<i>Rate Rs.</i>	<i>Market value Rs.</i>
<b>DEPOSIT INSURANCE FUND:</b>				
3½% 1968 .. ..	47,67,000	47,35,137.00	99.25	47,31,247.50
3½% 1969 .. ..	18,25,000	17,72,525.00	97.10	17,72,075.00
4% 1969 .. ..	67,72,000	67,38,140.00	99.10	67,11,052.00
3% 1970-75 .. ..	1,75,000	1,54,875.00	88.15	1,54,262.50
4% 1970 .. ..	1,15,22,000	1,14,06,780.00	98.15	1,13,08,843.00
4½% 1971 .. ..	61,10,000	60,79,450.00	99.45	60,76,395.00
4½% 1971 (Re-issue) .. ..	99,70,000	99,08,642.50	99.45	99,15,165.00
4% 1972 .. ..	1,23,00,000	1,19,69,802.50	96.20	1,18,32,600.00
4½% 1972 .. ..	4,50,000	4,50,000.00	97.50	4,38,750.00
4½% 1972 .. ..	78,75,000	78,75,000.00	101.05	79,57,687.50
4½% 1973 .. ..	20,75,000	20,75,000.00	97.50	20,23,125.00
	<u>6,38,41,000</u>	<u>6,31,65,352.00</u>		<u>6,29,21,202.50</u>
Treasury Bills .. ..	2,25,000	2,23,031.25		2,23,031.25
		<u>6,33,88,383.25</u>		
Less: Provision for depreciation .. ..		5,50,000.00		
	<u>6,40,66,000</u>	<u>6,28,38,383.25</u>		<u>6,31,44,233.75</u>
<b>GENERAL FUND:</b>				
3½% 1967 .. ..	15,00,000	14,98,500.00	99.70	14,95,500.00
3½% 1968 .. ..	25,00,000	24,97,500.00	99.25	24,81,250.00
3% 1970-75 .. ..	75,000	65,787.50	88.15	66,112.50
4½% 1971 .. ..	10,75,000	10,69,625.00	99.45	10,69,087.50
4% 1972 .. ..	1,05,000	1,02,962.50	96.20	1,01,010.00
4½% 1972 .. ..	1,00,000	1,00,000.00	97.50	97,500.00
4½% 1972 .. ..	1,00,000	1,00,000.00	101.05	1,01,050.00
4½% 1973 .. ..	30,000	30,000.00	97.50	29,250.00
3½% 1974 .. ..	25,00,000	24,88,750.00	93.35	23,33,750.00
4% 1981 .. ..	25,00,000	24,62,500.00	90.00	22,50,000.00
4½% 1985 .. ..	1,00,000	1,00,075.00	92.75	92,750.00
4½% 1986 .. ..	1,00,000	1,00,000.00	92.75	92,750.00
4½% 1989 .. ..	2,20,000	2,19,125.00	96.00	2,11,200.00
5½% 1991 .. ..	70,000	69,345.00	99.15	69,405.00
	<u>1,09,75,000</u>	<u>1,09,04,170.00</u>		<u>1,04,90,615.00</u>

**APPENDIX III**

**CLAIMS PAID OR PROVIDED FOR AND REIMBURSEMENTS RECEIVED**  
(AS ON 31-12-1966)

(In lakhs of rupees)

Name of bank (1)	Date of first remittance in full satisfaction of claims as per the list of depositors (2)	Insured deposits already paid (3)	Insured deposits remaining unclaimed and provided for (4)	Total insured deposits paid or provided for (5)
<u>1962</u>	—	—	—	—
<u>1963</u>				
(i) Bank of China .. .. .	27- 4-1963	4.30	4.95*	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)	
		7.10	4.97	12.07
<u>1964</u>				
(iv) Metropolitan Bank Ltd., Calcutta .. .. .	6- 5-1964	8.74	0.06	8.80
(v) Cochin Nayar Bank Ltd., Trichur .. .. .	3- 6-1964	7.04	0.06	7.10
(vi) Latin Christian Bank Ltd., Ernakulam .. .. .	19-11-1964	2.08	—	2.08
			(Rs. 201)	
(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
		26.20	0.20	26.40
<u>1965</u>				
(ix) Shree Jadeya Shankarling Bank Ltd., Bijapur	1- 2-1965	0.12	—	0.12
<u>1966</u>				
(x) National Bank of Pakistan, Calcutta .. .. .	20- 9-1966	0.99	—	0.99
(xi) Habib Bank Ltd., Bombay .. .. .	5-10-1966	15.77	1.96*	17.73
		16.76	1.96	18.72
<b>TOTAL :</b>		50.18	7.13	57.31
<i>Less: Reimbursements received up to the end of the year</i>		22.93£	4.98	27.91
		27.25	2.15	29.40

\* The figures of Rs. 4.95 lakhs and Rs. 1.96 lakhs are inclusive of Rs. 2.34 lakhs and Rs. 0.01 lakh respectively representing claims of traceable depositors pending disbursement.

£ This figure includes a sum of Rs. 0.02 lakh transferred from reimbursements in respect of claims provided for (column 4) on the depositors being subsequently traced and paid.

**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) reconstruction of balances in some deposit accounts and (iv) 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, 1966 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 a 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, 1966 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, 29th March, 1967.

## DEPOSIT INSURANCE

(Established under the Deposit  
Regulation

*Balance Sheet as at the close of*

### I. DEPOSIT

As at the 31st December 1965 Rs. P.	LIABILITIES	Rs.	P.	Rs.	P.
	<b>1. FUND:</b>				
3,20,66,796.39	Balance at the beginning of the year ..	4,66,62,790.03			
1,45,95,993.64	Add: Net accretion to the Fund during the year transferred from the Re- venue Account .. ..	1,81,66,428.40			
4,66,62,790.03	Balance at the end of the year .. ..			6,48,29,218.43	
—	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) .. .. .			—	
5,19,379.19	4. Insured deposits remaining unclaimed (per contra) .. .. . (As per Annexure II)			7,12,445.26	
—	5. Insured deposits in banks whose registra- tion as insured banks has been cancelled (per contra) .. .. .			—	
86,915.40	6. Other Liabilities: Excess premium refundable to banks ..			89,164.36	
4,72,69,084.62				6,56,30,828.05	

As per our report of even date attached.

S. B. BILLIMORIA & CO.

*Chartered Accountants.*

Bombay, 29th March, 1967.

# CORPORATION

Insurance Corporation Act, 1961)

18—Form A

business on the 31st December 1966

## INSURANCE FUND

As at the 31st December 1965	ASSETS	Rs.	P.	Rs.	P.
14,404.88	1. Balance with the Reserve Bank of India			20,956.72	
4,53,17,440.75 (Rs. 4,64,66,000.00 (Rs. 4,53,27,910.75	2. Investments in Central Government Securities (at cost less provision of Rs. 5,50,000 for depreciation) (Face value Rs. 6,40,66,000 00) (Market value Rs. 6,31,44,233.75)			6,28,38,383.25	
5,29,580.27	3. Interest accrued on investments @			8,50,035.58	
24,40,453.11	4. Subrogated claims of depositors in respect of insured deposits already paid	27,25,885.15			
11,89,836.00	Less: Provision for estimated insurance losses	11,89,171.00			
12,50,617.11	(As per Annexure I)			15,36,714.15	
5,19,379.19	5. (a) Subrogated claims of depositors in respect of insured deposits remaining unclaimed (per contra) Rs. 7,12,445.26				
5,00,350.53	Less: Reimbursements received to date Rs. 4,98,271.73				
19,028.66		2,14,173.53			
—	(b) Subrogated claims of depositors in respect of insured deposits in banks whose registration as insured banks has been cancelled (per contra)				
19,028.66		2,14,173.53			
10,164.00	Less: Provision for estimated insurance losses	10,829.00			
8,864.66	6. Other Assets:			2,03,344.53	
1,36,070.97	Outstanding premium due from banks	1,71,574.22			
12,105.98	Amount paid towards claims under Section 17(2) of the Act remaining undisbursed	9,819.60			
1,48,176.95	@Interest accrued on Investments included accrued interest on Government securities at Rs. 8,48,326.45, which when realised will be subject to income-tax in view of section 30 of the Deposit Insurance Corporation Act, 1961.			1,81,393.82	
4,72,69,084.62				6,56,30,828.05	

K. B. S. RAO  
Manager.

R. K. SESHADRI  
Executive Director

P. C. BHATTACHARYYA } Chairman.  
B. N. ADARKAR }  
G. S. DIWAN }  
P. K. GHOSH } Directors.

Bombay, 28th March, 1967.

## DEPOSIT INSURANCE

(Established under the Deposit  
Regulation  
Balance Sheet as at the close of

### II. GENERAL

As at the 31st December 1965 Rs.      P.	LIABILITIES	Rs.	P.	Rs.	P.
	<b>1. CAPITAL:</b>				
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	
	<b>2. RESERVES:</b>				
2,87,006.65	General Reserve      ..    ..    ..	4,72,689.67			
6,10,000.00	Investment Reserve    ..    ..    ..	6,10,000.00			
—	Other Reserves      ..    ..    ..	—			
8,97,006.65				10,82,689.67	
	<b>3. CURRENT LIABILITIES AND     PROVISIONS:</b>				
—	Staff Provident Fund    ..    ..    ..	—			
—	Staff Gratuity Fund    ..    ..    ..	—			
	Other Liabilities:				
310.00	Sundry Creditors    ..    ..    ..	—			
17,359.18	Outstanding expenses ..    ..    ..	22,298.05			
17,669.18					
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, 29th March, 1967.

# CORPORATION

Insurance Corporation Act. 1961)

18—Form A

business on the 31st December 1966

## FUND

As at the 31st December 1965		ASSETS	Rs. P.		Rs. P.	
Rs.	P.		Rs.	P.	Rs.	P.
		1. CASH:				
49.31		(i) In hand .. .. .	72.26			
1,035.61		(ii) With the Reserve Bank of India ..	25,921.43			
	1,084.92					25,993.69
	1,07,40,406.25	2. INVESTMENTS IN CENTRAL GOVERNMENT SECURITIES (at cost)				1,09,04,170.00
	1,08,10,000.00	(Face value Rs. 1,09,75,000.00)				
	1,01,35,153.75	(Market value Rs. 1,04,90,615.00)				
	1,55,256.23	3. INTEREST ACCRUED ON INVEST- MENTS @ .. .. .				1,57,924.22
	—	4. ADVANCE TO THE DEPOSIT IN- SURANCE FUND, IF ANY (vide Section 27 of the Deposit Insurance Corporation Act) .. .. .				—
	11,654.33	5. OTHER ASSETS:				
	823.22	Furniture, Fixtures and Equipment, less depreciation .. .. .	10,867.54			
	57.14	Stock of stationery .. .. .	933.89			
	5,128.00	Library books, less depreciation ..	119.88			
	265.74	Deposits under 'Own Your Telephone Scheme' .. .. .	4,623.00			
	17,928.43	Prepaid expenses .. .. .	355.50			16,899.81
		@ Interest accrued on Investments, being accrued interest on Government securi- ties, will when realised be subject to in- come-tax in view of Section 30 of the Deposit Insurance Corporation Act, 1961.				
	1,09,14,675.83					1,11,04,987.72

K. B. S. RAO  
Manager.

R. K. SESHADRI  
Executive Director

P. C. BHATTACHARYYA *Chairman.*  
B. N. ADARKAR  
G. S. DIWAN  
P. K. GHOSH } *Directors.*

Bombay, 28th March, 1967.

# 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			
12,00,000.00	(c) Less: Provision for estimated losses as at the beginning of the year	12,00,000.00			
—				—	
—	„ 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) .. .. .			—	
1,45,95,993.64	„ Net accretion transferred to the Fund ..			1,81,66,428.40	
1,45,95,993.64				1,81,66,428.40	

As per our report of even date attached.

S. B. BILLIMORIA & CO.

Chartered Accountants

Bombay, 29th March, 1967.



# CORPORATION

B)  
for the year ended the 31st December 1966

Previous year Rs. P.	INCOME				Rs. P.	
	1,35,71,068.89	By Insurance Premium (including interest)	..	..	..	1,58,30,414.77
10,24,924.75	„ Income from Investments	..	..	..	23,36,013.63	
<u>1,45,95,993.64</u>					<u>1,81,66,428.40</u>	

K. B. S. RAO  
Manager.

R. K. SESHADRI  
Executive Director

P. C. BHATTACHARYYA Chairman.  
B. N. ADARKAR  
G. S. DIWAN  
P. K. GHOSH } Directors.

Bombay, 28th March, 1967.

# DEPOSIT INSURANCE

(Form

## II. Revenue Account (General Fund) for the

Previous year	EXPENDITURE		Rs.	P.
Rs.	P.		Rs.	P.
1,73,125.93		To Salaries and allowances and contribution to Provident Fund	1,76,838.25	
14,425.23		„ Contribution to Staff Pension and Gratuity Fund .. ..	6,754.69	
1,350.00		„ Directors' and Committee Members' fees .. ..	1,500.00	
942.00		„ Directors' and Committee Members' travelling and other allowances .. ..	737.75	
20,998.49		„ Rent, taxes, insurance, lighting etc. .. ..	21,234.92	
—		„ Establishment—travelling and halting allowances .. ..	—	
2,498.52		„ Printing and Stationery .. ..	2,784.26	
1,803.55		„ Postage, telegrams and telephones .. ..	1,885.22	
1,500.00		„ Auditors' fees .. ..	1,500.00	
1,364.95		„ Legal charges .. ..	2,200.75	
26,586.48		„ Miscellaneous expenses .. ..	27,805.05	
1,515.36		„ Depreciation .. ..	1,392.95	
1,74,094.04		„ Balance, being excess of income over expenditure carried down .. ..	1,85,683.02	
4,20,204.55			4,30,316.86	
—		To Transfer to General Reserve .. ..	1,85,683.02	
		„ Transfer to Other Reserves:	—	
1,74,094.04		Investment Reserve .. ..	—	
1,74,094.04			1,85,683.02	

As per our report of even date attached.

S. B. BILLIMORIA & CO.

Chartered Accountants.

Bombay, 29th March, 1967.

# CORPORATION

B)

year ended the 31st Decemberr 1966

Previous year Rs. P.	INCOME				Rs. P.	
	4,20,183.93	By	Income from Investments	..	..	..
—	„	Interest on Advance to Deposit Insurance Fund	..	..	..	—
20.62	„	Miscellaneous receipts	..	..	..	10.46
						4,30,316.86
4,20,204.55						
1,74,094.04	By	Balance, being excess of income over expenditure brought down	..	..	..	1,85,683.02
1,74,094.04						1,85,683.02

K. B. S. RAO

Manager.

R. K. SESHADRI

Executive Director

P. C. BHATTACHARYYA *Chairman.*

B. N. ADARKAR

G. S. DIWAN

P. K. GHOSH

} *Directors.*

**ANNEXURE I**

**SUBROGATED CLAIMS OF DEPOSITORS**

	Rs.	P.	Rs.	P.
Total amount paid until the end of the previous year .. ..			33,41,112.25	
<i>Less:</i> (i) Reimbursements received until the end of the previous year .. ..	9,00,659.14			
(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. 665.00 transferred to Provision for estimated losses on subrogated claims for insured deposits remaining unclaimed) .. ..	11,89,171.00		20,89,830.14	
Net amount paid as at the beginning of the year less provision for estimated losses .. ..			12,51,282.11	
Add: Insured deposits paid during the year .. ..			16,77,873.26	
			29,29,155.37	
<i>Less:</i> (i) Reimbursements received during the year .. ..	13,92,441.22			
(ii) Claims written off during the year .. ..		NIL		
(iii) Provision for estimated losses made during the year .. ..		NIL	13,92,441.22	
Net amount paid as at the end of the year less provision for estimated losses .. ..			15,36,714.15	

**ANNEXURE II**

**INSURED DEPOSITS REMAINING UNCLAIMED AS ON THE 31st DECEMBER 1966**

	Rs.	P.
Amount outstanding at the beginning of the year .. ..		5,19,379.19
<i>Add:</i> Amount of insured deposits tendered during the year but remaining unclaimed .. ..		1,95,737.82
		7,15,117.01
<i>Less:</i> Amount claimed and paid during the year .. ..		2,671.75
Total insured deposits remaining unclaimed at the end of the year		7,12,445.26