



Credit Guarantee Corporation of India Limited

annual
report
1977

**DIRECTORS' REPORT, BALANCE SHEET AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1977**

With best compliments of

Shri C. S. Subramaniam

MANAGER

Credit Guarantee Corporation of India Ltd.

BOMBAY.

CREDIT GUARANTEE CORPORATION OF INDIA LTD.

(Incorporated : 14th January 1971)

Authorised Capital	..	Rs. 10,00,00,000
Issued and Subscribed Capital	..	Rs. 2,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000

BOARD OF DIRECTORS :	SHRI M. RAMAKRISHNAYYA (<i>Chairman</i>) Deputy Governor, Reserve Bank of India, Bombay
	SHRI P. N. KHANNA Chief Officer, Department of Banking Operations and Development, Reserve Bank of India, Bombay
	SHRI P. C. D. NAMBIAR Chairman, State Bank of India, Bombay
	SHRI P. F. GUTTA Chairman and Managing Director, Central Bank of India, Bombay
	SHRI V. R. DESAI Chairman and Managing Director, United Commercial Bank, Calcutta
	SHRI K. K. PAI Chairman and Managing Director, Syndicate Bank, Manipal
MANAGER :	SHRI C. S. SUBRAMANIAM
SECRETARY :	SHRI N. D. MIRANI
BANKERS :	RESERVE BANK OF INDIA, Fort, Bombay-400 001 CENTRAL BANK OF INDIA Grant Road, Bombay-400 007
AUDITORS :	MESSRS. THAKUR, VAIDYANATH AIYAR & CO. Chartered Accountants, Bombay-400 001
SOLICITORS :	MESSRS. CRAWFORD BAYLEY & CO. Solicitors, Bombay
LEGAL ADVISERS :	Legal Adviser, Reserve Bank of India, Bombay-400 001
REGISTERED OFFICE :	Novelty Chambers, 5th & 6th Floors, Grant Road, Bombay-400 007

CREDIT GUARANTEE CORPORATION OF INDIA LTD.

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of the Credit Guarantee Corporation of India Ltd. will be held on Thursday, the 22nd June 1978 at 4.00 p.m. in the Officers' Lounge, 3rd floor, Reserve Bank of India, Main Building, Bhagat Singh Road, Bombay-400 001 to transact the following business :—

1. To receive and adopt the Directors' Report and the audited Balance Sheet as at 31st December 1977 and the Profit and Loss Account of the Corporation for the year ended the 31st December 1977 together with the Auditors' Report thereon.
2. To elect a Director in the place of Shri V. R. Desai who retires by rotation and, being eligible for re-appointment in terms of clause (5) of Article 111 of the Articles of Association of the Corporation, offers himself for re-appointment.
3. To appoint Auditors for the current year and to fix their remuneration.

AS SPECIAL BUSINESS

4. To elect a Director in place of Shri P. C. D. Nambiar who has expressed his desire to resign from the Directorship with effect from the date of the Annual General Meeting.

Registered Office :

Novelty Chambers,
Grant Road,
Bombay-400 007.

Dated : 25th April 1978.

By order of the Board
C.S. SUBRAMANIAM
Manager

Note : (a) A member entitled to attend and vote at the meeting of the Corporation is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member. A proxy form is attached. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Corporation not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll ; and in default the instrument of proxy shall not be treated as valid.

(b) The explanatory statement pursuant to section 173 of the Companies Act, 1956, in respect of the special business set out above is annexed.

CREDIT GUARANTEE CORPORATION OF INDIA LTD.

ANNEXURE TO THE NOTICE

Explanatory statement to item 4 of the Notice

The following explanatory statement sets out as required by Section 173 of the Companies Act, 1956, the material facts relating to the item of special business, namely item 4 mentioned in the accompanying notice dated the 25th April 1978.

Shri P. C. D. Nambiar (Chairman, State Bank of India, Bombay) has expressed his desire to resign from his Directorship of the Corporation with effect from 22nd June 1978, the date of holding of the Annual General Meeting. The vacancy to be caused by his resignation has to be filled up at the Annual General Meeting by electing a Director by the members of the Corporation.

CREDIT GUARANTEE CORPORATION OF INDIA LTD.

DIRECTOR' REPORT

The Directors take great pleasure in presenting the Seventh Annual Report on the working of the Corporation for the year ended December 31, 1977. The audited statement of Profit and Loss Account and the Balance Sheet for the year along with the Auditors' Report thereon are appended.

The year under report witnessed significant progress in the operations of the Corporation. There was an impressive increase of 33.2% in the advances covered by its guarantee schemes with a corresponding rise in its income by way of guarantee fee. Settlement of claims was expedited to keep pace with the larger inflow of claims. The Reserve for Unexpired Guarantee Risks was also further strengthened with an addition of Rs. 5.58 crores raising it to Rs. 19.39 crores, constituting 1.5% of the total guaranteed advances. Comprehensive amendments were carried out to the various guarantee schemes to widen their scope and benefits. Details in regard to these are spelt out in the succeeding paragraphs.

3.1 The total advances covered by the three guarantee schemes of the Corporation moved from Rs. 998.74 crores as at the end of June 1976 to Rs. 1,330.71 crores as at the close of June 1977, showing a rise by 33.2%. During the period of five years preceding June 1977, the total advances covered by the guarantee increased nearly seven times, from Rs. 208.39 crores to Rs. 1,330.71 crores, indicating a substantial fulfilment of the objective in setting up the Corporation, namely facilitating an increased flow of institutional credit to the weaker sections of the community.

3.2 The Small Loans Guarantee Scheme, applicable to commercial banks, continues to account for the bulk of the total guaranteed advances, the percentage of advances covered under this Scheme to the total being 99.4 as at the end of June 1977.

3.3 A sector-wise analysis of the advances covered by these guarantee schemes is given in Annexure I. Advances to farmers and agriculturists continue to constitute a major portion (63.5%), with credit to transport operators (15.7%) coming next.

3.4 Annexure II gives a state wise distribution of the credit facilities covered by the small Loans State-wise Guarantee Scheme.

Distribution

4.1 With 27 Regional Rural Banks joining the Small Loans Guarantee Scheme during the year Participating under report, the total number of sheduled commercial banks participating Credit Institutions in the Scheme has increased to 121.

4.2 Three co-operative banks which had originally indicated their willingness to join the Service Co-operative Societies Guarantee Scheme, did not execute the necessary agreements despite repeated reminders. Their names were, therefore, deleted from the list of banks participating in the Scheme. However, with 3 more co operative banks and 12 Regional Rural Banks joining the Scheme, the total number of banks participating in the Scheme stood at 113 as at the end of the year.

4.3 A list of credit institutions participating in the three guarantee schemes of the Corporation as on the 31st December 1977 is given in Annexaure III.

5.1 A Working Group constituted by the Corporation in 1972 to examine the question of extending its guarantee to credit facilities granted by co-operative credit institutions had, in its report submitted in 1975 suggested that credit facilites granted by these institutions to specified non-agricultural sectors could be covered. As participation in the Corporation's guarantee schemes is voluntary, the co-operative banks at the State, Central and Primary levels operating in States to which the Deposit Insurance Scheme has been extended, were requested to indicate their willingness to join a scheme that may be formulated on lines

similar to the Small Loans Guarantee Scheme but excluding cover for advances to agriculture. The response was, however, poor.

5.2 As the Deposit Insurance Scheme has since been extended to more banks, and also with a view to making yet another effort to extend guarantee cover to co-operative credit institutions, they were again requested to indicate their inclination to participate in the proposed Scheme and also to let us know the quantum of their advances in the specified categories that may be required to be covered. The Agricultural Credit Department of the Reserve Bank of India similarly addressed co-operative banks not covered by the Deposit Insurance Scheme. A very large number of institutions have still not responded.

6.1 A statement giving data regarding the claims preferred on the Corporation and those dis- Settlement of posed of is given in Annexure IV and a summary thereof is given below.

claims

Claims

	Received		(Amounts in lakhs of Rs.) Disposed of	
	No.	Amount	No.	Amount
Upto end of 1975	2,775	93.03	415	11.14
During 1976	4,031	134.81	2,114	59.06
	6,806	227.84	2,529	70.20
During 1977	14,832	441.54	9,881	259.87
	21,638	669.38	12,410	330.07

6.2 The rising trend in the inflow of claims noticed in the earlier years became very much pronounced in 1977, the claims received during the year exceeding both in number and amount, the total claims lodged in all the previous years. To meet this large volume of claims, several measures were taken. The administrative machinery was strengthened and the scrutiny procedures and content were further simplified. A comprehensive booklet containing the various guarantee schemes, important circulars issued from time to time and a chart incorporating clarifications of a general nature given to participating institutions was brought out for the benefit of their officers, particularly at the branch level. Facilities for training at the Corporation were provided for officials of credit institutions desirous of them. Executives of the Corporation also addressed officers of banks participating in the training programmes, seminars etc. organised by these institutions, to explain to them the requirements of the Corporation and to guide them regarding proper compilation of claims. These steps have facilitated a more expeditious settlement of claims as will be observed from the above table. Besides those disposed of 2,736 claims for amounts aggregating Rs. 127.77 lakhs have been scrutinised and certain clarifications/additional information have been sought from the claimants.

6.3 To cope with the increasing volume of claims the staff of the Corporation is proposed to be augmented further. It is in this context that the Corporation has shifted its office, including the Registered Office, to a more spacious premises in Novelty Chambers at Grant Road, Bombay.

7.1 With the marked rise in the claims paid, the Corporation is devoting particular attention to verification of claims paid accounts and recovery of the amounts due from the borrowers. Under an arrangement with the Reserve Bank, their inspecting officers, in the course of their normal inspection of the concerned offices of banks or by undertaking an ad hoc scrutiny, if so required by the Corporation, scrutinise the claim paid accounts and, inter alia, verify the particulars furnished in the claim applications, ascertain the steps taken to recover the dues from the borrowers after settlement of the claims and examine whether the share of the recoveries due to the Corporation, by virtue of its subrogation rights is remitted correctly and promptly. The correctness of the compilation of statements of guaranteed accounts and computation of guarantee fee thereon is also verified by them. The inadequacies and lapses noticed are followed up with the banks concerned. The Corporation also proposes to depute its own officers wherever necessary ; during 1977, a scrutiny of the books and other records of one of the claimant institutions was accordingly undertaken.

7.2 The Corporation realised a sum of Rs. 9.50 lakhs as its share of recoveries during 1977, as against an aggregate amount of Rs. 2.23 lakhs recovered during the previous years.

8. In pursuance of the objective of facilitating small borrowers obtaining easy access to institutional credit, the Corporation has from time to time amended the provisions of its guarantee schemes so as to enlarge their scope and benefits. During the year under report several amendments were carried out to the schemes to further widen the benefits. Thus, the cover under the Small Loans Guarantee Scheme was extended to persons holding minor salary positions but are mainly engaged in any of the activities already covered by the Scheme. The stipulation regarding the maximum period of repayment of term loans for agriculture was relaxed so as to extend the period to 15 years instead of 10 years as hitherto. Similarly, the period of repayment of crop loans for pineapple was enhanced from 15 months to 4 years taking into account the

peculiarities of pineapple cultivation. Repairs to farm assets in the case of agricultural advances and repairs to or reconstruction of houses or tenements in regard to housing loans were included among the eligible purposes to encourage banks to grant advances to rehabilitate small borrowers affected by the recent floods in several parts of the country. General consumption as such with a ceiling of Rs. 75 per year, was included among the eligible purposes for consumption credit. In the case of retail traders, professional and self-employed persons and business enterprises, advances granted to more than one individual jointly, which were hitherto not covered, were brought within the purview of the Small Loans Guarantee Scheme. To enable banks to marginally increase the credit facilities under the Differential Interest Rates Scheme in exceptional circumstances, the stipulation of ceilings of Rs. 1,500 and Rs. 5,000 for working capital finance and term loans respectively was modified to permit advances for slightly higher amounts, provided the aggregate credit did not exceed Rs. 6,500. Certain other amendments were also made to remove doubts that had arisen about the meaning, scope and purpose of some of the provisions of the schemes.

9. The Corporation's surplus funds continue to be invested in Central Government Securities, mostly long dated, with a view to obtaining the maximum yield. The average total earnings on the investments based on the book value rate and market value rate constitute **Investments** 6.2% and 6.3% respectively. Particulars of the investments as on December 31, 1977 are given in Schedule I attached to the Balance Sheet. The market value of the investments in Government Securities as on the above date stood at Rs. 21.20 crores as against their book value of Rs. 21.55 crores, indicating a depreciation of Rs. 0.35 crore which is fully covered by the 'Investment Reserve' with a balance of Rs. 0.60 crore.

10.1 The total income for the year under report at Rs. 810.54 lakhs shows an increase of Rs. 229.63 lakhs (28.3%) as compared with the figure for the previous year. The bulk of the income is derived from guarantee fee (Rs. 677.30 lakhs), followed by **Accounts-Interest** interest on investments (Rs. 122.19 lakhs). Recoveries in respect of claims paid and sale proceeds of the Corporation's booklet amounted to Rs. 9.50 lakhs and Rs. 1.55 lakhs respectively. Compared with the position for 1976, there was an increase of Rs. 179.13 lakhs or 26.5% in the income by way of guarantee fee for 1977 due to a marked rise in the guaranteed advances. The yield on investments also improved from Rs. 77.89 lakhs for 1976 to Rs. 122.19 lakhs for 1977, mainly due to larger investments.

10.2 Claims paid at Rs. 236.10 lakhs form the largest single item out of the total expenditure for the year at Rs. 252.94 lakhs. After meeting the claims, and establishment and other expenses at Rs. 16.84 lakhs which include an expenditure of Rs. 1.49 lakhs for the **Expenses** printing of the Corporation's booklet, the working of the Corporation resulted in a net surplus of Rs. 557.60 lakhs which amount has been transferred to the "Reserve for Unexpired Guarantee Risks". The balance to the credit of this Reserve as on December 31, 1977 amounted to Rs. 1,939.44 lakhs constituting 1.5% of the total guaranteed advances.

10.3 The Corporation has been exempted from payment of Income-tax and Sur-tax on its income, profits or gains upto the year ended December 31, 1977. The Government have been **Exemption from taxation** requested to continue the exemption for another year.

11. The Corporation continues to promote the use of Hindi. Correspondence and communications, whenever received in Hindi, are replied in Hindi. Measures have already been initiated for training its officers for use of Hindi. The Annual Report as also
Progressive use of Hindi Balance Sheet and Profit and Loss Account of the Corporation are brought out both in English and Hindi.

12. During the year under report, executives of P.T. Asurait Kredit Indonesia, Credit Guarantee Corporation of Nepal and Union Bank of Los Angeles visited the Corporation to acquaint themselves with its policies and procedures of working. The Development Bank of Zambia, which has a proposal to establish a Guarantee Fund, deputed one of its senior executives for a detailed study of the Corporation's Schemes and operations and to ascertain the steps to be taken preliminary to initiation of a guarantee scheme.
Visits

13. The Corporation is thankful to the Reserve Bank of India for making available to it the requisite staff and a more spacious office accommodation, legal advice, etc. on a reimbursement basis, as also for carrying out verification of claims paid accounts, etc.
Acknowledgement

14.1 The Board met four times during the year 1977. Dr. R. K. Hazari who had been the Chairman of the Corporation since its inception relinquished his office as Deputy Governor, Reserve Bank of India on the expiry of his term on November 26, 1977 and also consequently
Directors his Chairmanship of the Corporation. In his place, Shri P. R. Nangia, Deputy Governor, Reserve Bank of India, was appointed Chairman of the Corporation with effect from December 5, 1977 in accordance with the provisions of Article 111 (2) of the Corporation's Articles of Association. He held the Chairmanship till January 5, 1978 when he was succeeded by the present Chairman, Shri M. Ramakrishnayya, a Deputy Governor of the Reserve Bank. The Directors desire to place on record their grateful appreciation of the valuable services rendered by Dr. Hazari and Shri Nangia during their Chairmanship.

14.2 In terms of Article 111(3) and (4) of the Articles of Association, one director should retire by rotation. Directors Shri V. R. Desai and Shri K. K. Pai have been longest in office since their last appointment, both having been re-elected/elected on May 21, 1975. Shri V. R. Desai has preferred to retire. The Directors wish to express their appreciation of the valuable guidance received from him during his directorship. The members are requested to elect a director in his place.

15. The Government are introducing legislation during the current Budget Session of Parliament for the take-over of the Corporation by the Deposit Insurance Corporation.

16. Messrs. Thakur, Vaidyanath Aiyar & Co. were appointed auditors of the Corporation upto the date of the Seventh Annual General Meeting. In view of the proposed merger of the Corporation with the Deposit Insurance Corporation, auditors may be appointed to hold office till the conclusion of the next Annual General Meeting or the formal dissolution of the Company, whichever is earlier, and their remuneration fixed.
Auditors

17. All the members of staff of the Corporation are employees of the Reserve Bank who are placed on duty with the Corporation and during the period of their deputation they continue to be employees of the Reserve Bank and are governed by the Reserve Bank of India (Staff) Regulations, 1948. Particulars of the employees so placed on
General

duty with the Corporation and who were in receipt of remuneration for the year 1977, which in the aggregate was not less than Rs. 36,000/-, and also those who were in receipt of remuneration for a part of the year 1977, at a rate which, in the aggregate was not less than Rs. 3,000/- per month are given in Annexure V.

Bombay,

Dated the 29th March 1978.

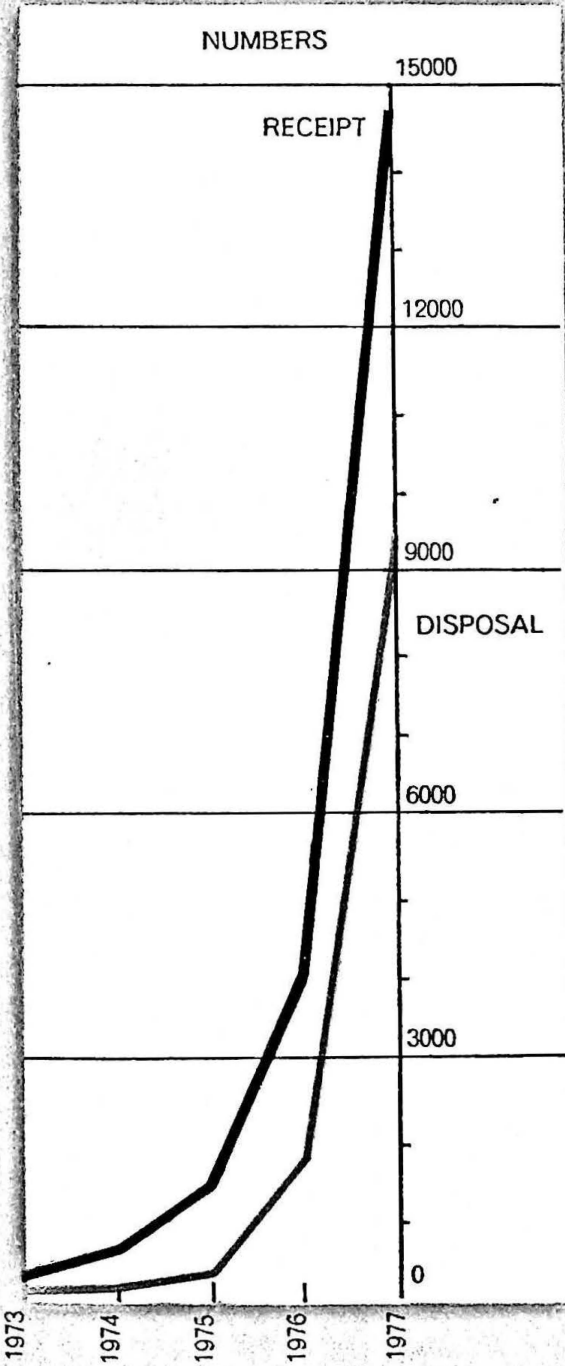
For and on behalf of the
Board of Directors

M. Ramakrishnayya

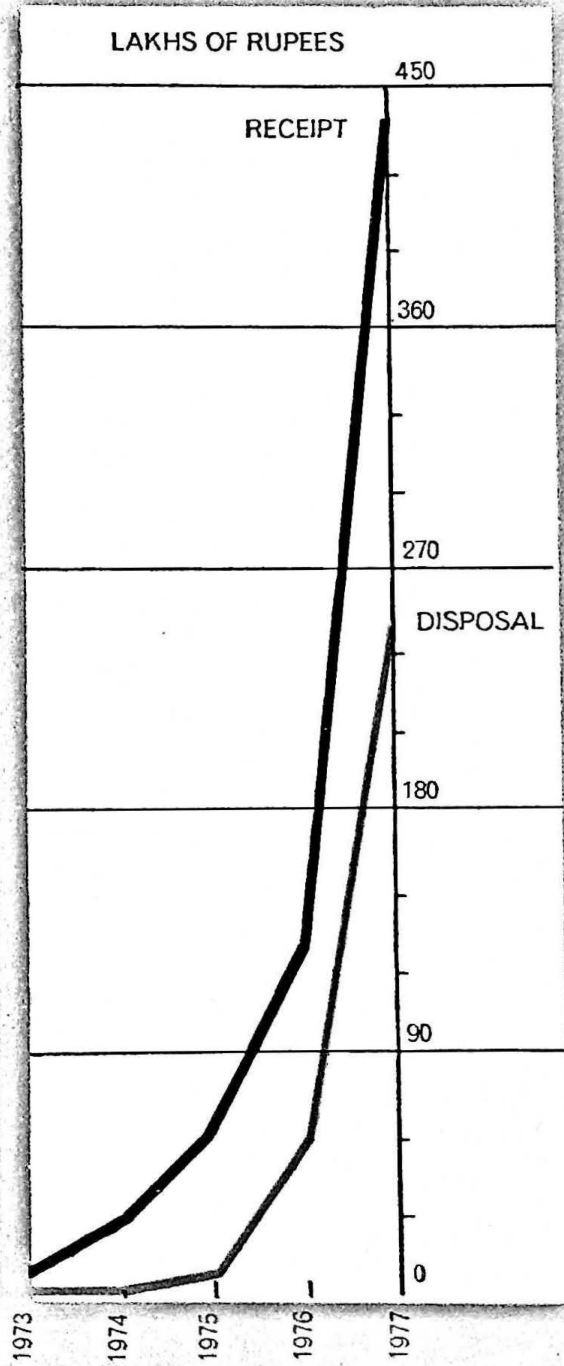
Chairman

RECEIPT AND DISPOSAL OF CLAIMS

NUMBER-WISE

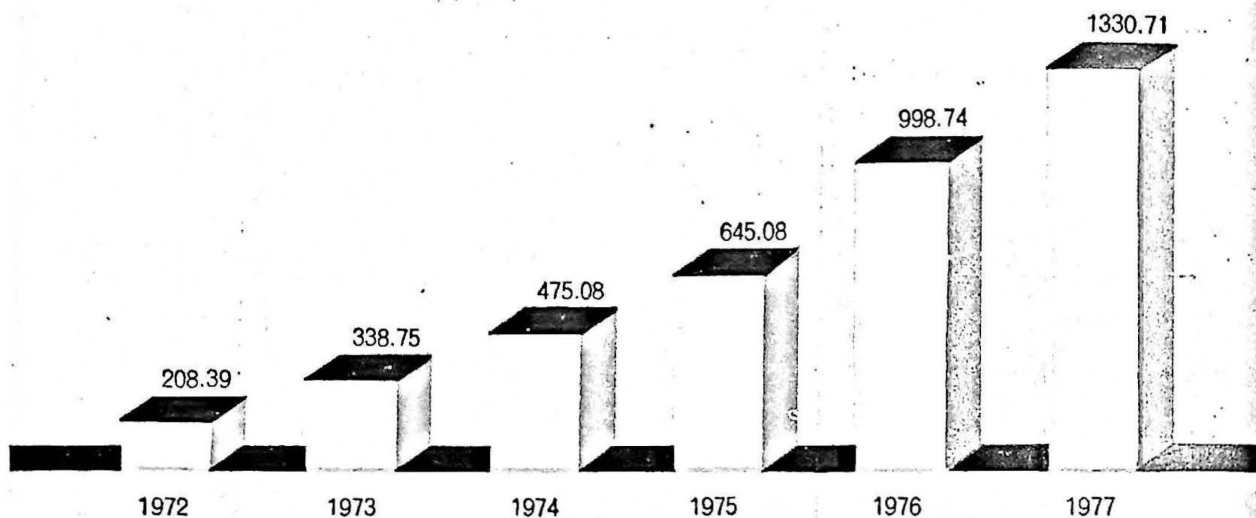


AMOUNT-WISE



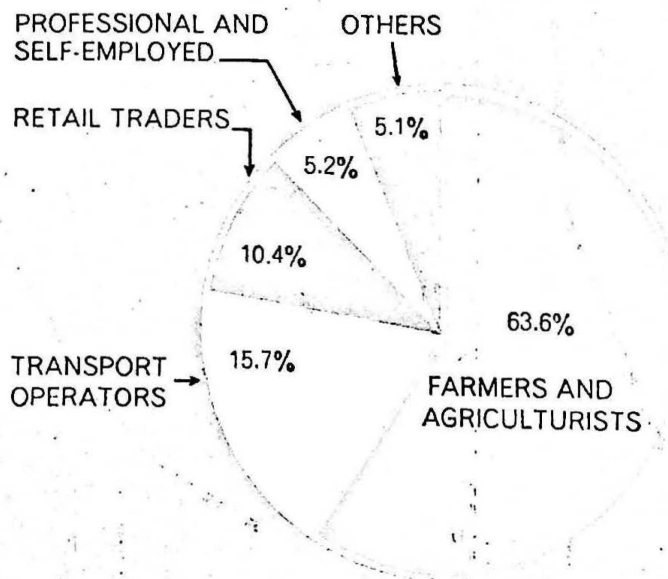
GROWTH OF GUARANTEED ADVANCES

END OF JUNE-CRORES OF RUPEES



SECTOR-WISE ANALYSIS OF GUARANTEED ADVANCES

AS AT THE END OF JUNE 1977



TOTAL AMOUNT: RUPEES 1330.71 CRORES

ANNEXURE I

SECTOR-WISE ANALYSIS OF GUARANTEED ADVANCES

(In crores of Rupees)

As on the last Friday of June

	1972	1973	1974	1975	1976	1977
I. SMALL LOANS GUARANTEE SCHEME	205.71	335.39	471.46	641.93	993.20	1,322.80
i) Farmers and Agriculturists	134.67	220.88	306.71	432.18	650.18	845.64
ii) Transport Operators	28.29	40.96	58.58	80.17	149.91	202.25
iii) Retail Traders :	28.34	44.56	61.16	71.21	99.40	138.00
a) In fertilisers & mineral oils	2.00	3.54	7.17	10.97	13.06	13.93
b) In other goods	26.34	41.02	53.99	60.24	86.34	124.07
iv) Professionals & self employed persons	9.14	18.04	28.87	35.01	51.33	69.72
v) Business Enterprises	5.27	10.58	15.00	19.33	31.90	46.83
vi) Residual category of borrowers under Differential Interest Rates Scheme	—	0.37	1.14	4.03	10.48	20.36
II. FINANCIAL CORPORATIONS GUARANTEE SCHEME	2.56	2.78	2.87	2.97	5.25	7.57
i) Transport Operators	2.35	2.59	2.68	2.71	5.01	6.95
ii) Business Enterprises	0.21	0.19	0.19	0.26	0.24	0.62
III. SERVICE CO- OPERATIVE SOCIETIES GUARANTEE SCHEME	0.12	0.58	0.75	0.18	0.29	0.34
Total of I, II and III	208.39	338.75	475.08	645.08	998.74	1,330.71

ANNEXURE II

State-wise distribution of credit facilities covered by the
Small Loans Guarantee Scheme as on last Friday of June 1977

Sr. No.	Name of State	Amounts in crores of rupees
1.	Andhra Pradesh	170.15
2.	Assam	14.99
3.	Bihar	65.51
4.	Gujarat	87.99
5.	Haryana	34.87
6.	Himachal Pradesh	6.80
7.	Jammu & Kashmir	8.27
8.	Karnataka	145.17
9.	Kerala	59.17
10.	Madhya Pradesh	73.37
11.	Maharashtra	166.63
12.	Meghalaya	1.60
13.	Nagaland	0.60
14.	Orissa	18.99
15.	Punjab	60.98
16.	Rajasthan	49.85
17.	Sikkim	0.01
18.	Tamil Nadu	138.08
19.	Uttar Pradesh	115.34
20.	West Bengal	68.90
21.	Union Territories	35.53
	Total	1,322.80

ANNEXURE III

LIST OF CREDIT INSTITUTIONS PARTICIPATING IN THE CORPORATION'S CREDIT GUARANTEE SCHEMES AS ON THE 31ST DECEMBER 1977.

I. SMALL LOANS GUARANTEE SCHEME, 1971

State Bank Group

1. State Bank of India
2. State Bank of Bikaner & Jaipur
3. State Bank of Hyderabad
4. State Bank of Indore
5. State Bank of Mysore
6. State Bank of Patiala
7. State Bank of Saurashtra
8. State Bank of Travancore

Nationalised Banks

9. Allahabad Bank
10. Bank of Baroda
11. Bank of India
12. Bank of Maharashtra
13. Canara Bank
14. Central Bank of India
15. Dena Bank
16. Indian Bank
17. Indian Overseas Bank
18. Punjab National Bank
19. Syndicate Bank
20. Union Bank of India
21. United Bank of India
22. United Commercial Bank

Foreign Banks

23. Algemene Bank Nederland N.V.
24. American Express International Banking Corporation
25. Bank of America National Trust & Savings Association
26. Bank of Tokyo Ltd.
27. Banque Nationale de Paris
28. British Bank of the Middle East
29. Chartered Bank
30. Citibank N.A.
31. Grindlays Bank Ltd.

32. Mercantile Bank Ltd.

33. Mitsui Bank Ltd.

Other Indian Scheduled Commercial Banks

34. Andhra Bank Ltd.

*35. Bank of Cochin Ltd.

36. Bank of Karad Ltd.

37. Bank of Madura Ltd.

38. Bank of Rajasthan Ltd.

39. Bank of Thanjavur Ltd.

40. Bareilly Corporation (Bank) Ltd.

41. Benares State Bank Ltd.

42. Bharat Overseas Bank Ltd.

43. Catholic Syrian Bank Ltd.

44. Corporation Bank Ltd.

45. Federal Bank Ltd.

46. Hindustan Commercial Bank Ltd

47. Jammu & Kashmir Bank Ltd.

48. Karnataka Bank Ltd.

49. Karur Vysya Bank Ltd.

50. Kumbakonam City Union Bank Ltd.

51. Lakshmi Commercial Bank Ltd.

52. Lakshmi Vilas Bank Ltd.

53. Lord Krishna Bank Ltd.

54. Miraj State Bank Ltd.

55. Nedungadi Bank Ltd.

56. New Bank of India Ltd.

57. Oriental Bank of Commerce Ltd.

58. Punjab Cooperative Bank Ltd.

59. Punjab & Sind Bank Ltd.

60. Purbanchal Bank Ltd.

61. Ratnakar Bank Ltd.

62. Sangli Bank Ltd.

63. South India Bank Ltd. (Tinnevelly)

64. South Indian Bank Ltd.

65. Tamilnad Mercantile Bank Ltd.

66. Traders' Bank Ltd.

67. United Industrial Bank Ltd.
68. United Western Bank Ltd.
69. Vijaya Bank Ltd.
70. Vysya Bank Ltd.

Regional Rural Banks

71. Bara Banki Gramin Bank
72. Ballia Kshetriya Gramin Bank
73. Bhojpur Rohtas Gramin Bank
74. Bilaspur Raipur Kshetriya Gramin Bank
75. Bolangir Anchalik Gramya Bank
76. Bundelkhand Kshetriya Gramin Bank
77. Cauvery Grameena Bank
78. Champaran Kshetriya Gramin Bank
79. Cuttack Gramya Bank
80. Farrukhabad Gramin Bank
81. Gaur Gramin Bank
82. Gorakhpur Kshetriya Gramin Bank
83. Gurgaon Gramin Bank
84. Haryana Kshetriya Gramin Bank
85. Hardoi Unnao Gramin Bank
86. Himachal Gramin Bank
87. Jaipur Nagaur Aanchalik Gramin Bank
88. Jammu Rural Bank
89. Koraput Panchabati Gramya Bank
90. Kosi Kshetriya Gramin Bank
91. Kshetriya Gramin Bank
92. Magadh Gramin Bank
93. Malaprabha Grameena Bank
94. Mallabhum Gramin Bank
95. Monghyr Kshetriya Gramin Bank
96. Marathwada Gramin Bank
97. Marwar Gramin Bank
98. Mayurakshi Gramin Bank
99. Nagarjuna Grameena Bank
100. North Malabar Gramin Bank
101. Pandyan Grama Bank
102. Pragjyotish Gaonlia Bank
103. Prathama Bank
104. Puri Gramya Bank
105. Rae Bareli Kshetriya Gramin Bank
106. Rayalaseema Grameena Bank
107. Rewa Sidhi Gramin Bank
108. Santhal Pargana Gramin Bank

109. Shekhawati Gramin Bank
110. South Malabar Gramin Bank
111. Sri Visakha Gramin Bank
112. Sultanpur Kshetriya Gramin Bank
113. Tripura Gramin Bank
114. Tungabhadra Gramin Bank
115. Uttar Banga Kshetriya Gramin Bank
116. Vaishali Kshetriya Gramin Bank

Non-Scheduled Commercial Banks

117. Dhanalakshmi Bank Ltd.
118. Ganesh Bank of Kurundwad Ltd.
119. Naini Tal Bank Ltd.
120. Parur Central Bank Ltd.
121. Kashi Nath Seth Bank (P) Ltd.

Note : *The bank has been included in the Second Schedule with effect from 29th November 1976.

II. FINANCIAL CORPORATIONS
GUARANTEE SCHEME, 1971

1. Andhra Pradesh State Financial Corporation
2. Assam Financial Corporation
3. Bihar State Financial Corporation
4. Delhi Financial Corporation
5. Gujarat State Financial Corporation
6. Haryana Financial Corporation
7. Himachal Pradesh Financial Corporation
8. Jammu & Kashmir State Financial Corporation
9. Kerala Financial Corporation
10. Madhya Pradesh Financial Corporation
11. Maharashtra State Financial Corporation
12. Karnataka State Financial Corporation
13. Orissa State Financial Corporation
14. Punjab Financial Corporation
15. Rajasthan Financial Corporation

16. Tamilnadu Industrial Investment Corporation Ltd.
17. Uttar Pradesh Financial Corporation
18. West Bengal Financial Corporation

III SERVICE COOPERATIVE SOCIETIES GUARANTEE SCHEME, 1971

State Bank Group

1. State Bank of India
2. State Bank of Bikaner & Jaipur
3. State Bank of Hyderabad
4. State Bank of Indore
5. State Bank of Mysore
6. State Bank of Patiala
7. State Bank of Saurashtra
8. State Bank of Travancore

Nationalised Banks

9. Allahabad Bank
10. Bank of Baroda
11. Bank of India
12. Bank of Maharashtra
13. Canara Bank
14. Central Bank of India
15. Dena Bank
16. Indian Bank
17. Indian Overseas Bank
18. Punjab National Bank
19. Syndicate Bank
20. Union Bank of India
21. United Bank of India
22. United Commercial Bank

Foreign Banks

23. American Express International Banking Corporation
24. Bank of America National Trust & Savings Association
25. British Bank of the Middle East
26. Citibank N. A.
27. Mitsui Bank Ltd.

Other Indian Scheduled Commercial Banks

28. Andhra Bank Ltd.

29. Bank of Karad Ltd.
30. Bank of Madura Ltd.
31. Bank of Rajasthan Ltd.
32. Bank of Thanjavur Ltd.
33. Bareilly Corporation (Bank) Ltd.
34. Benares State Bank Ltd.
35. Bharat Overseas Bank Ltd.
36. Catholic Syrian Bank Ltd.
37. Corporation Bank Ltd.
38. Federal Bank Ltd.
39. Hindustan Commercial Bank Ltd.
40. Jammu & Kashmir Bank Ltd.
41. Karnataka Bank Ltd.
42. Karur Vysya Bank Ltd.
43. Kumbakonam City Union Bank Ltd.
44. Lakshmi Commercial Bank Ltd.
45. Lakshmi Vilas Bank Ltd.
46. Lord Krishna Bank Ltd.
47. Miraj State Bank Ltd.
48. Nedungadi Bank Ltd.
49. New Bank of India Ltd.
50. Oriental Bank of Commerce Ltd.
51. Punjab & Sind Bank Ltd.
52. Purbanchal Bank Ltd.
53. Ratnakar Bank Ltd.
54. Sangli Bank Ltd.
55. South India Bank Ltd. (Tinnevelly)
56. South Indian Bank Ltd.
57. Tamilnad Mercantile Bank Ltd.
58. Traders' Bank Ltd.
59. United Industrial Bank Ltd.
60. United Western Bank Ltd.
61. Vijaya Bank Ltd.

Regional Rural Banks

62. Bhojpur Rohtas Gramin Bank
63. Bilaspur Raipur Kshetriya Gramin Bank
64. Bolangir Anchalik Gramya Bank
65. Cauvery Grameena Bank
66. Cuttack Gramya Bank
67. Gorakhpur Kshetriya Gramin Bank
68. Gurgaon Gramin Bank
69. Haryana Kshetriya Gramin Bank
70. Himachal Gramin Bank

71. Jaipur Nagaur Aanchalik Gramin Bank
72. Kosi Kshetriya Gramin Bank
73. Koraput Panchabati Gramya Bank
74. Kshetriya Gramin Bank
75. Marathwada Gramin Bank
76. Mayurakshi Gramin Bank
77. Monghyr Kshetriya Gramin Bank
78. Nagarjuna Grameena Bank
79. Pandyan Grama Bank
80. Pragjyotish Gaonlia Bank
81. Puri Gramya Bank
82. Rayalaseema Grameena Bank
83. Tungabhadra Gramin Bank
84. Uttar Banga Kshetriya Gramin Bank

COOPERATIVE BANKS

Andhra Pradesh

85. Adilabad Jilla Kendra Sahakari Bank Ltd.
86. Bhongir Cooperative Central Bank Ltd.
87. Chittoor District Cooperative Central Bank Ltd.
88. Cooperative Central Bank Ltd. Nellore
89. Cooperative Central Bank Ltd. Vizianagaram
90. Khammam District Cooperative Central Bank Ltd.
91. Kurnool District Cooperative Central Bank Ltd.

Jammu & Kashmir

92. Jammu Central Cooperative Bank Ltd.
93. Jammu & Kashmir State Cooperative Bank Ltd.

Karnataka

94. Kanara District Central Cooperative Bank Ltd.

Kerala

95. Malabar Cooperative Central Bank Ltd.

Madhya Pradesh

96. Bastar Central Cooperative Bank Ltd.
97. Bishnudatta Cooperative Central Bank Ltd.
98. Mandla District Cooperative Central Bank Ltd.
99. Raigarh Cooperative Central Bank Ltd.
100. Raipur Cooperative Central Bank Ltd.
101. Shujalpur Central Cooperative Bank Ltd.

Maharashtra

102. Ahmednagar District Central Cooperative Bank Ltd.
103. Aurangabad District Central Cooperative Bank Ltd.
104. Bhir District Central Cooperative Bank Ltd.
105. Buldana District Central Cooperative Bank Ltd.
106. Dhulia District Central Cooperative Bank Ltd.
107. Kolhapur District Central Cooperative Bank Ltd.
108. Maharashtra State Cooperative Bank Ltd.
109. Nagar District Urban Central Cooperative Bank Ltd.
110. Ratnagiri District Central Cooperative Bank Ltd.
111. Sholapur District Industrial Cooperative Bank Ltd.
112. Yeotmal District Central Cooperative Bank Ltd.

Rajasthan

113. Bharatpur Central Cooperative Bank Ltd.

ANNEXURE IV

STATEMENT SHOWING RECEIPT AND DISPOSAL OF CLAIMS

(Amounts in lakhs of rupees)

Periods	Claims received		Claims disposed of		Of the claims disposed of					
					Claims paid		Claims withdrawn		Claims rejected	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Upto the end of 1974	1,037	32.87	121	4.09	31	1.19	62	1.36	28	1.54
During 1975	1,738	60.16	294	7.05	179	4.26	67	1.09	48	1.70
During 1976	4,031	134.81	2,114	59.06	1,927	52.24	101	3.47	86	3.35
	6,806	227.84	2,529	70.20	2,137	57.69	230	5.92	162	6.59
During 1977	14,832	441.54	9,881	259.87	9,469	236.10	193	7.39	219	16.38
Total	21,638	669.38	12,410	330.07	11,606	293.79	423	13.31	381	22.97

ANNEXURE V

Name of the employee	Age	Qualifications	Designation/ Nature of duties	Period of deputation with the Corporation	Remuneration received Rs.	Experience	Nature of employment and other terms and conditions
1. C. S. Subramaniam	53	M.A., LL.B., C.A.I.I.B.	Manager - Chief Executive Officer	From 9-7-1976	41,709	Employee of Reserve Bank of India since 5-6-50	) Nature of employment with the Corporation is not contractual. All employees are Reserve Bank Staff on deputation with the Corporation. All the employees receive such remuneration, perquisites etc. as they are entitled to under the Reserve Bank of India Staff Regulations. They are also not entitled to any deputation allowance.
2. N. D. Mirani	55	B.Com., LL.B., C.A.I.I.B.	Secretary – Board matters and admission of claims	From 15-3-1976	37,452	Employee of Reserve Bank of India since 1-6-64	
3. G. M. Tamhane	57	B.A., B.Com., C.A.I.I.B.	Chief Accountant-Administration and Accounts	From 15-10-1975	37,284	Employee of Reserve Bank of India since 1-10-42	
*4. S. N. Harshey	51	M.A.	Assistant Secretary – Admission of claims	From 17-8-1976 to 5-2-1977 when he expired	15,188	Employee of Reserve Bank of India since 1-3-50	
*5. R. S. Rajan	56	B.A., C.A.I.I.B.	Assistant Secretary – Admission of claims	From 6-2-1977 to 14-6-1977	13,439	Employee of Reserve Bank of India since 11-12-45	

* Employed for part of the year.

Note : None of the above employees is a relative of any Director of the Corporation. The employees at Nos. 2 to 5 are also not related to the Manager of the Corporation.

Auditors' Report
Balance Sheet
And
Profit And Loss Account

THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants
11-B, Noble Chambers,
Ghogha Street, Fort,
Bombay-400 001.

**AUDITORS' REPORT TO THE MEMBERS OF THE
CREDIT GUARANTEE CORPORATION OF INDIA LIMITED.**

We have audited the attached Balance Sheet of the CREDIT GUARANTEE CORPORATION OF INDIA LIMITED, as at 31st December 1977, and the Profit & Loss Account for the year ended on that date annexed thereto and report that :—

- (1) As required by the Manufacturing and other Companies (Auditors' Report) Order, 1975, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Corporation so far as appears from our examination of the books ;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts ;
 - (d) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and, subject to Notes 3 and 5, in respect of Guarantee Fees, accrued interest on overdue Guarantee Fees not included ; and, Note 4 in respect of Guarantee Fees relating to earlier years included in this year, give a true and fair view —
 - (i) In the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st December, 1977 and
 - (ii) In the case of the Profit and Loss Account, of the results of the Corporation for the year ended on that date.

For THAKUR, VAIDYANATH AIYAR & CO.,
Chartered Accountants

S. VENKITESWARAN
Partner

Bombay : 3rd April 1978.

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. The fixed assets of the Corporation comprise Furniture and Fixtures and Office Equipments only, and these have been physically verified by the management. No discrepancies were noticed. Full particulars showing quantitative details and situation of fixed assets have been maintained.
2. None of the fixed assets have been revalued during the year.
3. The Corporation has not taken any loans from Companies, firms and other parties listed in the registers maintained under Sections 301 and 370 (1-C) of the Companies Act, 1956.
4. The Corporation has not given any loans or advances in the nature of loans.
5. There are adequate internal control procedures commensurate with the size of the Corporation and the nature of its business.
6. The Corporation has not accepted any deposit from the public.
7. The Corporation is regular in depositing provident fund with the appropriate authorities and there are no arrears.
8. The activities of the Corporation do not involve any manufacturing process etc. Consequently, the requirements with regard to other matters such as keeping records for consumption of stores, raw materials, finished goods, cost records, etc. are not applicable.

For THAKUR, VAIDYARNATH AIYAR & CO.
Chartered Accountants

S. VENKITESWARAN
Partner

Bombay : 3rd April 1978.

CREDIT GUARANTEE CORPORATION

BALANCE SHEET AS AT

1976		LIABILITIES		
Rs.		Rs.	Rs.	Rs.
	SHARE CAPITAL :			
	<i>Authorised :</i>			
10,00,00,000	1,00,000 shares of Rs. 1,000 each			10,00,00,000
	<i>Issued and subscribed :</i>			
2,00,00,000	20,000 equity shares of Rs. 1,000 each fully paid up (Out of the above, 12,000 shares are held by the Reserve Bank of India)			2,00,00,000
	RESERVES AND SURPLUS :			
	<i>General Reserve :</i>			
4,298	As per last balance sheet		4,298	
	<i>Investment Reserve :</i>			
60,00,000	As per last balance sheet		60,00,000	
	<i>Reserve for Unexpired Guarantee Risks :</i>			
8,72,73,244	As per last balance sheet	13,81,84,506		
5,09,11,262	Transferred from profit and loss account	5,57,59,922		
13,81,84,506			19,39,44,428	
14,41,88,804				19,99,48,726
	CURRENT LIABILITIES AND PROVISIONS :			
	<i>Current Liabilities :</i>			
8,02,396	Sundry creditors			15,97,435
	CLAIMS PENDING SETTLEMENT :			
1,54,93,278	(As per contra)			3,36,60,161
18,04,84,478		Carried over		25,52,06,322

OF INDIA LIMITED

31ST DECEMBER 1977

1976		ASSETS			
Rs.		Rs.	Rs.	Rs.	Rs.
	FIXED ASSETS : (At cost)				
	<i>Office equipment :</i>				
	Balance as per last				
21,749	balance sheet	27,412			
5,663	Additions during the year	14,795			
<u>27,412</u>			42,207		
	<i>Less :</i> Sold during				
	the year		1,182		
			<u>1,182</u>	41,025	
	<i>Less :</i> Depreciation as				
11,078	per last balance	14,345			
	sheet				
	<i>Less :</i> Depreciation				
	on assets sold	872	13,473		
	<i>Add :</i> Depreciation				
3,267	for the year		5,511		
<u>14,345</u>			<u>5,511</u>	18,984	
<u>13,067</u>					22,041
	<i>Furniture and Fixtures :</i>				
	Balance as per last				
53,101	balance sheet	67,225			
14,124	Additions during the	47,698			
<u>67,225</u>	year		1,14,923		
	<i>Less :</i> Depreciation				
12,978	as per last	18,403			
	balance sheet				
5,425	Depreciation	10,567			
<u>18,403</u>	for the year		28,970		
<u>48,822</u>			<u>28,970</u>		85,953
<u>61,889</u>		Carried over			<u>1,07,994</u>

CREDIT GUARANTEE CORPORATION
BALANCE SHEET AS AT

1976	LIABILITIES			
Rs.		Rs.	Rs.	Rs.
18,04,84,478	Brought forward			25,52,06,322

18,04,84,478

Total Rupees

25,52,06,322

Notes : See Schedule 2.
As per our report attached.

For THAKUR, VAIDYANATH AIYAR & CO.,
Chartered Accountants

Bombay :
Dated : 3rd April 1978

S. VENKITESWARAN
Partner

OF INDIA LIMITED
31ST DECEMBER 1977

1976		ASSETS			
Rs.		Rs.	Rs.	Rs.	Rs.
61,889	Brought forward				1,07,994
	INVESTMENTS :				
16,04,79,924	Non-trade (at cost) As per Schedule 1 attached (Market Value Rs. 21,19,95,866 See Investment Reserve as per contra)				21,54,52,449
	CURRENT ASSETS, LOANS AND ADVANCES				
32,00,918	'A' : <i>Current Assets :</i> Interest accrued on investments		40,18,046		
	<i>Sundry debtors :</i> (Unsecured, consi- dered good) Debts outstanding for a period exceeding 6 months	2,038			
11,45,810	Other Debts	18,02,082			
11,45,810			18,04,120		
922	<i>Cash and bank balances :</i> Cash on hand	94			
3,147	<i>With the Reserve Bank of India :</i> On current account (Maximum outstanding at any time during the year Rs. 1,95,28,305 – 1976 Rs. 1,09,83,285)	2,998			
	<i>With Central Bank of India :</i>	6,785			
4,069			9,877		
43,50,797				58,32,043	
98,590	'B' : <i>Loans and Advances :</i> (Unsecured, considered good) Advances recoverable in cash or in kind or for value to be received			1,53,675	
44,49,387					59,85,718
1,54,93,278	CLAIMS PENDING SETTLEMENT RECOVERABLE FROM BORROWERS (As per contra)				3,36,60,161
18,04,84,478			Total Rupees		25,52,06,322

G. M. TAMHANE
Chief Accountant

C. S. SUBRAMANIAM
Manager

M. RAMAKRISHNAYYA

Chairman

P. C. D. NAMBIAR
P. F. GUTTA
V. R. DESAI
K. K. PAI
P. N. KHANNA

} *Directors*

CREDIT GUARANTEE CORPORATION

PROFIT AND LOSS ACCOUNT FOR

<i>Previous Year</i>	EXPENDITURE	Rs.
8,80,227	To Salaries and Wages	11,76,451
12,865	.. Staff Welfare	29,584
68,411	.. Contributions to the Reserve Bank of India Employees' Provident Fund and Gratuity Fund.	83,941
1,17,870	.. Rent	1,37,373
12	.. Insurance	57
4,203	.. Electricity	6,047
3,751	.. Travelling and conveyance expenses	7,036
26,100	.. Printing and stationery	1,79,018
9,283	.. Postage, telegram and telephone	12,531
7,500	.. Audit fee	7,500
169	.. Legal charges	6,718
8,692	.. Depreciation — Fixed Assets	16,078
16,357	.. Miscellaneous expenses	22,041
52,24,160	.. Claims paid	2,36,09,773
8,00,000	.. Transferred to Investment Reserve	—
5,09,11,262	.. Transferred to Reserve for Unexpired Guarantee Risks	5,57,59,922
5,80,90,862	TOTAL RUPEES	8,10,54,070

Notes : See Schedule 2
As per report attached
to the balance sheet

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

Bombay :
Dated : 3rd April 1978

S. VENKITESWARAN
Partner

OF INDIA LIMITED

THE YEAR ENDED 31ST DECEMBER 1977

<i>Previous Year</i>		INCOME		
Rs.			Rs.	Rs.
4,91,00,928	By Guarantee fees (Net)	..	..	6,72,34,452
	.. Interest on : Investments—			
77,89,075	Non-trade		1,22,18,862	
7,16,489	Overdue guarantee fee		4,95,910	
<u>85,05,564</u>				1,27,14,772
1,62,615	.. Recoveries in respect of claims paid	..	..	9,49,731
509	.. Miscellaneous income .. ..	..	..	1,54,960
3,21,246	.. Profit on sale of securities/assets ..	..	..	155
<u>5,80,90,862</u>	TOTAL RUPEES	..	..	<u>8,10,54,070</u>

G. M. TAMHANE
Chief Accountant

C. S. SUBRAMANIAM
Manager

M. RAMAKRISHNAYYA

P. C. D. NAMBIAR

P. F. GUTTA

V. R. DESAI

K. K. PAI

P. N. KHANNA

Chairman

Directors

SCHEDULE—1

CREDIT GUARANTEE CORPORATION OF INDIA LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT THE 31ST DECEMBER 1977.
I N V E S T M E N T S

1976						
Face value	Book value		Face value	Book value	Market Rate	Market value
Rs.	Rs.	QUOTED :	Rs.	Rs.	%	Rs.
		Central Govt. Securities				
		5-1/2% Loan, 1990	1,56,22,000	1,48,40,933	96.70	1,51,06,474
		5-3/4% Loan, 2001	2,44,13,000	2,44,49,620	92.20	2,25,08,786
		5-3/4% Loan, 2002	1,10,45,000	1,10,55,810	91.70	1,01,28,265
		5-3/4% Loan, 2003	3,26,55,000	3,17,42,992	91.30	2,98,14,015
		6 % Loan, 1994	1,26,50,000	1,25,10,850	99.30	1,25,61,450
		6-1/2% Loan, 2000	1,26,50,000	1,27,76,500	101.50	1,28,39,750
		6-1/2% Loan, 2002	5,26,98,000	5,28,56,094	101.20	5,33,30,376
		6-1/2% Loan, 2003	2,66,00,000	2,66,39,900	101.25	2,69,32,500
16,17,33,000	16,02,32,799 (market value : 15,51,12,630)	6-1/2% Loan, 2004	2,80,00,000	2,80,85,500	101.00	2,82,80,000
			<u>21,63,33,000</u>	<u>21,49,58,199</u>		<u>21,15,01,616</u>
		UNQUOTED :				
		91 days Central Government Treasury Bills	5,00,000	4,94,250		
2,50,000	2,47,125					
<u>16,19,83,000</u>	<u>16,04,79,924</u>	Total Rupees	<u>21,68,33,000</u>	<u>21,54,52,449</u>		

M. RAMAKRISHNAYYA

Chairman

P. C. D. NAMBIAR

P. F. GUTTA

V. R. DESAI

K. K. PAI

P. N. KHANNA

Directors

G. M. TAMHANE
Chief Accountant

C. S. SUBRAMANIAM
Manager

SCHEDULE—2

CREDIT GUARANTEE CORPORATION OF INDIA LTD.

Notes forming part of the Accounts for the year ended 31st December 1977.

1. The expenses include Managerial Remuneration under Section 198 of the Companies Act, 1956 paid to the Manager.

1976		1977
Rs.		Rs.
34,899	Remuneration...	35,400
5,049	Contribution to Provident and Gratuity Funds	4,794
2,147	Perquisites	1,515
<u>42,095</u>		<u>41,709</u>

2. Break-up of expenditure incurred on employees who :—

- (a) If employed throughout the accounting year, were in receipt of remuneration for that year, which in the aggregate was not less than Rs. 36,000/-.

	1977	1976
	Rs.	Rs.
i) Salaries, wages and bonus	1,00,614	31,682
ii) Contribution to Provident Fund and other funds	13,086	3,542
iii) Perquisites	2,745	993
iv) Number of employees	3	1

- (b) If employed for a part of the accounting year, were in receipt of remuneration for any part of that year at a rate which in the aggregate was not less than Rs. 3,000/- per month.

	1977	1976
	Rs.	Rs.
i) Salaries, wages and bonus	14,336	64,861
ii) Contribution to Provident Fund and other funds	1,763	9,589
iii) Perquisites	12,528	3,440
iv) No. of employees	2	4

3. The guarantee fees have been accounted for on the basis of the returns received from the credit institutions. In certain cases, where final returns have not been received, provisional figures of fees advised by the institutions have been accounted.

In cases, where neither final nor provisional statements are received, the fee has been accounted on an estimated basis. In cases where credit institutions have neither furnished statements for any half-year nor remitted any guarantee fees to the Corporation, the amount of fees, if any, due from them is not determinable. Hence, the same has not been taken into account.

4. The amount of guarantee fees of Rs. 6,72,34,452 shown on the income side of the Profit and Loss account is made up as under :—	
Guarantee fees for 1977	Rs. 6,58,94,113
Add : Fees relating to earlier years	Rs. 15,69,250
	<hr/>
	Rs. 6,74,63,363
Less : Fees refunded relating to 1976 and earlier years	Rs. 2,28,911
	<hr/>
	Rs. 6,72,34,452
	<hr/>

5. No interest has been charged on overdue guarantee fees :
- i) Calculated on an estimated basis ;
 - ii) Calculated on the basis of provisional statements ;
 - iii) Where neither statements for any half-year nor amount has been received from the credit institutions.
6. Claims are debited to the profit and loss account as and when they are settled and paid.
7. The expenditure of Rs. 1,79,018.00 on Printing and Stationery includes Rs. 1,48,891.66 being the cost of 39,975 copies of booklet — Guarantee Schemes. Forms and Guidelines.
8. Recoveries in respect of claims paid are on cash basis.
9. The Corporation has been exempted from payment of income-tax in respect of its operations for the accounting year 1977. Hence, no provision has been made for income-tax in the accounts for the current year.
10. The entire amount of surplus of the Profit and Loss Account has been transferred to the Reserve for Unexpired Guarantee Risks.

G. M. TAMHANE
Chief Accountant

C. S. SUBRAMANIAM
Manager

M. RAMAKRISHNAYYA	<i>Chairman</i>
P. C. D. NAMBIAR	} <i>Directors</i>
P. F. GUTTA	
V. R. DESAI	
K. K. PAI	
P. N. KHANNA	

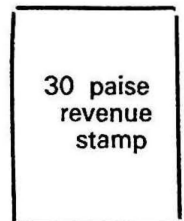
FORM OF PROXY

CREDIT GUARANTEE CORPORATION OF INDIA LTD.

We,
of in the district of
.....being a member of the abovenamed Company
hereby appoint
of.....in the district of
.....or failing him
..... of
in the district of
as our proxy to vote for us on our behalf at the Seventh Annual General Meeting of the Company
to be held on the twenty-second day of June 1978 and at any adjournment thereof.

Signed this day of1978.

For



Name and Designation.

VARSHNEY PRAKASHAN, Bombay-400 009; Phone : 33 03 55