

AUDITORS' REPORT

Jain Chowdhary & Co.
Chartered Accountants,

J-25, Flat No. 6A, Mahaveer Nagar,
Dhanukarwadi, Kandivali (W),
Mumbai - 400 067.

We have audited the attached Balance Sheet of Deposit Insurance Fund, Credit Guarantee Fund and the General Fund of the DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION, MUMBAI as at 31st March, 2000 and also the Revenue Accounts of the said three funds attached thereto for the year ended on that date and report that:-

1. we have obtained all information and explanations, which to the best of our information and belief were necessary for the purpose of audit.
2. the said Balance Sheets and Revenue Accounts have been drawn and set out in the manner prescribed by the Deposit Insurance and Credit Guarantee Corporation Act, 1961 and incorporate the transactions effected at Branches and Head Office.
3. the Balance Sheets and the Revenue Fund Accounts of the Corporation comply with the Mandatory Accounting Standards, refer to in Section 211 (3C) of the Companies Act, 1956.
4. In our opinion and to the best of the information and according to the explanations given to us, the said accounts subject to :-
 - a) Note 1 relating to adjustment of income for Rs. 38,06,639.18 on receipt basis in the Deposit Insurance Fund during the year pending reconciliation and computerisation of the record in respect of all the participating insured bank.
 - b) Note 2 relating to estimated liability for Rs. 25,13.18 lacs in respect of claims intimated/admitted but not paid under SLGS-1971 and SLGS-1981 pending resolving of issues involved at the end of the participating banks.
 - c) Note 3 relating to adjustment of Rs. 209,27.38 lacs out of Advance Tax & TDS by the Income Tax Authorities against the disputed demands for the Assessment Years 90-91 to 95-96 but not provided for to the extent of Rs. 86,23.13 lacs.
 - d) Note 4 relating to additional provision for short fall in the value of investments being not adjusted each year and excess balance is shown in Investment Fluctuation Reserve Account.
 - e) Note 5 relating to balance of Rs. 33.01 lacs in the Sundry Creditors, outstanding at the end of the year, but subject to necessary adjustment, the effect whereof on the accounts of the respective funds remains presently unascertained.

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

- a) In case of Balance Sheet of (1) Deposit Insurance Fund and Credit Guarantee Fund and (2) General Fund of the State of affairs of the Corporation as at 31st March, 2000; and
- b) In case of the Revenue Accounts (1) of the surplus in Deposit Insurance Fund and Credit Guarantee Fund and (2) of the deficit in General Fund of the Corporation for the year ended on 31st March, 2000.

For Jain Chowdhary & Co.
Chartered Accountants

Place : Mumbai
Dated : 29th June, 2000.

(S.C. Jain)
Partner