

## EXPORT-IMPORT BANK OF INDIA

### PERFORMANCE HIGHLIGHTS : 2010 - 11

#### I. BUSINESS PERFORMANCE

- ☆ Loan Approvals : ₹ 477.98 billion, an increase of 23%.
- ☆ Loans Assets : ₹ 460.41 billion, an increase of 17%.
- ☆ Guarantees on Book : ₹ 30.56 billion, an increase of 34 %.
- ☆ Customer Portfolio : ₹ 503.02 billion, an increase of 18%.
- ☆ Resources : ₹ 471.92 billion, an increase of 17%.
- ☆ Project Export
  - Contracts supported : ₹ 239.18 billion, secured  
by 28 companies in 32 countries.
- ☆ Lines of Credit of US\$ 2,378.23 mn extended in various regions:
  - Asia : US\$ 1503 mn
  - East Africa : US\$ 559.97 mn
  - West Africa : US\$ 121.72 mn
  - Southern Africa : US\$ 70 mn
  - Central Africa : US\$ 42 mn
  - Regional Bank in Africa : US\$ 25 mn
  - Russia & CIS : US\$ 55.60 mn

## II. FINANCIAL PERFORMANCE

- ☆ Net Profit (profit after tax) at ₹ 5.84 billion.
- ☆ Net worth of the Bank increased to ₹ 52.30 billion from ₹ 45.32 billion.
- ☆ Return on Capital to GoI increased to ₹ 1.85 billion as compared to ₹ 1.50 billion in the previous year.
- ☆ Capital to Risk Assets Ratio (CRAR) at 17.04%.
- ☆ Net NPAs to net loan assets was at 0.20% as on March 31, 2011, at the same level as that on March 31, 2010.

### *Resources/Treasury*

- ☆ During the year, the Bank received capital of ₹ 3 billion from the Government of India.
- ☆ During the year, the Bank raised borrowings of varying maturities aggregating to ₹ 260.95 billion comprising rupee funds of ₹ 126.69 billion and foreign currency funds of ₹ 134.26 billion equivalent.
- ☆ As on March 31, 2011, outstanding Rupee borrowings including bonds/commercial paper/ certificates of deposit amounted to ₹ 249.17 billion, and the Bank had a pool of foreign currency resources equivalent to ₹ 241.50 billion.
- ☆ Total borrowings as on March 31, 2011, stood at ₹ 471.92 billion, as compared to ₹ 405.09 billion as on March 31, 2010. Market borrowings as on March 31, 2011 constituted 99% of total borrowings and 89% of the total resources of the Bank.
- ☆ As on March 31, 2011 the Bank was rated Baa3 (Stable) by Moody's, BBB- (Stable) by Standard & Poor's, BBB- (Stable) by Fitch Ratings and

BBB+ (Stable) by Japan Credit Rating Agency (JCRA). All the above ratings are of investment grade or above and are the same as the sovereign rating.

- ☆ The Bank's domestic debt instruments continued to enjoy the highest rating viz. AAA rating from the rating agencies, CRISIL and ICRA.

### **III. NEW INITIATIVES**

#### ***New product under NEIA to boost Project Exports from India***

- ☆ Exim Bank in conjunction with the Export Credit Guarantee Corporation of India Ltd (ECGC) introduced a new product, Buyer's Credit under Government of India's National Export Insurance Account (NEIA), to boost project exports from India. Sovereign governments and government-owned entities overseas can use the Buyer's Credit facility for financing import of projects from India on deferred payment terms.

#### ***R&D financing programme***

- ☆ Exim Bank introduced a new lending programme to finance research and development activities of export-oriented companies. R&D finance by Exim Bank is in the form of term loan or a hybrid facility to the extent of 80% of the R&D cost. Research foundations, institutions and special purpose vehicles promoted by companies are also eligible for borrowing. The programme covers both capital and revenue expenditures such as land and building for R&D facilities, equipments, acquisition of technology from India and overseas, costs of regulatory approvals, surveys, technology demonstration studies, etc.

#### ***Finance for Renewable Energy***

- ☆ Exim Bank has in place a framework agreement with European Investment Bank (EIB) for a long term loan of Euro 150 mn equivalent

with tenor upto 15 years. The purpose of EIB loan is to part-finance import of equipments in investment projects that contribute to climate change mitigation or support direct investment or trade through FDI, transfer of technology or know-how from Europe to India. The Facility is used to on-lend for import of equipment for projects including renewable energy projects (eg. wind, solar, biomass, etc.), energy efficiency enhancement (eg. fuel switching, plant modernisation, etc.) as well as projects that would reduce greenhouse gases emission, promote clean environment and afforestation. The Bank has cumulatively sanctioned ₹ 7.60 billion to 9 companies.

### *Japanese, Swiss & Taiwanese markets tapped for raising FC resources*

- ☆ In addition to Reg S and Private placement investors to raise Foreign Currency (FC) resources, the Bank tapped Samurai, Swiss and Taiwanese markets. The Bank issued Samurai bonds of JPY 20 bn for 10 years at the tightest level under the JBIC Guarantee and Acquisition toward Tokyo Market Enhancement (GATE) and Market Access Support Facility (MASF) programme. With this issue, Exim Bank became the first sovereign agency and the fourth issuer to utilise JBIC's GATE programme. The Bank also accessed Swiss market for the first time and issued bonds of CHF 175 mn listed at SIX Swiss exchange. The Bank raised US\$ 150 mn by way of a syndicated loan with participation from 9 banks, mostly from Taiwan. During FY 2010-11, the Bank raised medium/long term FC resources aggregating to US\$ 1.38 bn and short term FC resources of US\$ 1.19 bn from the offshore market through a variety of instruments, different investor base and across various geographies.

### *Grassroots Initiatives and Development*

- ☆ The Bank facilitates access of international markets to rural industry through its Grassroots Business Initiatives. During the year, the Bank provided support to the Anchalika Agarbatti Federation through Orissa

Rural Development and Marketing Society for increasing productivity through mechanisation and capacity building.

- ☆ The Bank supported the 'Society for Handicraft and Literacy Promotion Initiative,' an NGO in Agartala, through Tripura Bamboo Mission towards supporting a project for increasing productivity of bamboo-based products through mechanisation.
- ☆ The Bank facilitated tie up of Uravu, an NGO engaged in promoting bamboo craft for ensuring livelihood sustenance of rural poor in Wayanad, Kerala, with The Village Store, a retail store, in Mumbai for promoting sales of their products.

### *Research activities*

- ☆ The Bank published 7 research papers during the year. The titles of the studies are:
  - ❑ Common Market for Eastern and Southern Africa (COMESA): A Study of India's Trade and Investment Potential.
  - ❑ Caribbean Community (CARICOM): A Study of India's Trade and Investment Potential.
  - ❑ West African Region: A Study of India's Trade and Investment Potential.
  - ❑ Innovation, Imitation and North South Trade: Economic Theory and Policy.
  - ❑ Indian Shipping Industry: A Catalyst for Growth.
  - ❑ New Renewable Energy in India: Harnessing the Potential
  - ❑ Indian Electronics Industry: Perspectives and Strategies.

### *Opening of new Representative Office in East Africa*

- ☆ The Bank, during the year, opened its East Africa Representative Office in Addis Ababa, Ethiopia. The office in Addis Ababa is the Bank's seventh overseas regional office and the third in Africa.

### *Commencement of Business at London Branch*

- ☆ Exim Bank commenced operations at its Branch in London. The Bank had a Representative Office in London since 2005 which was upgraded to a wholesale branch in October 2010. The Branch will extend ECBs to Indian companies to support India's external trade and investment. The Branch will also raise foreign currency funds in international loan and bond markets.

## **IV. BUSINESS FOR THE YEAR**

### *Contracts Secured*

- ☆ During FY 2010-11, 1,145 contracts amounting to ₹ 283.48 billion covering 96 countries were secured by 187 Indian exporters, as against 1201 contracts worth ₹ 183.78 billion covering 95 countries, secured by 129 Indian exporters during 2009-10.
- ☆ The contracts secured during the year comprised 31 turnkey contracts valued at ₹ 66.64 billion, 26 construction contracts valued at ₹ 172.31 billion, 1087 supply contracts valued at ₹ 44.30 billion and one technical consultancy & services contract valued at ₹ 0.23 billion.
- ☆ Some major turnkey contracts secured during the year include a contract for supply, erection and commissioning of a 30 MLD (million litres a day) water treatment plant and distribution to 9 reservoirs across Dambula region in Sri Lanka; a contract secured for design, engineering, supply, procurement, construction, testing and

commissioning of the Doha south sewerage treatment works Phase II expansion in Qatar; a contract for rehabilitation of a 500 KV substation in Kazakhstan.

- ☆ Construction contracts include a contract for construction of new phosphate rock terminal in South Port of Aqaba in Jordan; a contract for design and construction of Salalah International Airport in Oman and a contract for engineering, procurement, installation and commissioning of a 294 km 42” onshore gas pipeline from the Liquefied Natural Gas (LNG) terminal at Maptaphut industrial estate near Rayong, to a tie-in station on the existing Wang Noi to Keeng Khoi pipeline (WNKK), in Thailand.
- ☆ Supply contracts secured during the year included export of auto components, bauxite, BOPP Films, chemicals, cotton embroidery fabrics, diamond & studded jewellery, dyes, engineering goods, excel plastic sheets, galvanised steel coils, garments, home furnishing fabrics, optical media storage products, pharmaceuticals, soda ash, yarn and tyres. Indian exporters have exported to countries like Belgium, Belize, Bolivia, Canada, Chile, Colombia, Dominican Republic, Ireland, Israel, Italy, Japan, Morocco, Romania, Russia, Switzerland, Turkmenistan, USA and Vietnam.

### *Lines of Credit*

- ☆ Exim Bank extends Lines of Credit (LOCs) to overseas financial institutions, regional development banks, sovereign governments and other entities overseas, to enable buyers in those countries to import developmental and infrastructure projects, equipment, goods and services from India, on deferred credit terms. Indian exporters can obtain payment of eligible value from Exim Bank, without recourse to them, against negotiation of shipping documents. LOC is a financing mechanism that provides a non-recourse financing option to Indian exporters, especially to small and medium enterprises, and serves as an effective market entry tool.

- ☆ Besides its own Lines of Credit to overseas entities, Exim Bank, since 2003-04, also extends and operates, at the behest of and with the support of the Government of India, Lines of Credit to countries in the developing world.
- ☆ During the year, the Bank extended 22 LOCs, aggregating to US\$ 2,378.23 mn, to support export of projects, goods and services from India. These LOCs will finance and catalyze exports by way of projects like textiles, cotton processing facilities, construction of power plant and power transmission lines, rural electrification, upgradation of railway lines, completion of cement plant & water resource development project, development of sugar industry, fish harvesting and processing, setting up IT park and industrial park, enhancement of rice, wheat and maize productivity, and supply of vehicles and an offshore patrol vessel. LOCs numbering 138, covering 72 countries in Africa, Asia, CIS, Europe and Latin America, with credit commitments aggregating US\$ 6.66 bn are currently available for utilisation, while a number of prospective LOCs are at various stages of negotiation.

### ***Buyer's Credit***

- ☆ Buyer's Credit is a unique programme of Exim Bank under which the Bank facilitates Indian exports by way of extending credit facility to overseas buyers for financing their imports from India. Under Buyer's Credit programme, Exim Bank makes payment of eligible value to Indian exporters, without recourse to them. Buyer's Credit is a non-recourse financing option available to Indian exporters, especially to small and medium enterprises, and motivates them to enter overseas markets.
- ☆ During 2010-11, the Bank extended Buyer's Credit facility to 29 overseas companies in countries as diverse as Italy, Singapore, Sri Lanka, South Africa, Thailand, UAE, UK, Nigeria, Turkey, Zambia, Bhutan, Sweden and USA. The products exported under Buyer's Credit included transport vehicles and auto spare parts, engineering goods, IT services,

fruits and vegetables, other agro based products and commodities, jewellery, steel wires and wire rods, petrochemicals, pharmaceuticals etc. Several exporters from small and medium enterprises were beneficiaries under the Buyer's Credit Programme, receiving non-recourse payment.

### *Overseas Investment Finance Programme*

☆ The Bank has a comprehensive programme covering equity finance, loans, guarantees and advisory services, to support Indian outward investment. During the year, 64 corporates were sanctioned funded and non-funded assistance aggregating to ₹ 83.25 billion for part financing their overseas investments in 28 countries. Cumulatively, Exim Bank has provided finance to 331 ventures set up by 268 companies in 68 countries. Overseas investments supported by Exim Bank during 2010-11 include: acquisition of coal mines in Australia and Indonesia, acquisition of a power transmission company in USA, acquisition of pharmaceutical companies in Brazil and USA, setting up wind power generating company in Croatia, sugar plant in Brazil, plantation in Ethiopia, etc.

### *Funded/ non-funded facilities*

- ☆ Loan assets increased 17% moving upwards to ₹ 460.41 billion as on March 31, 2011, from ₹ 393.71 billion as on March 31, 2010.
- ☆ Loan approvals aggregated ₹ 477.98 billion during 2010-11 as compared to ₹ 388.43 billion during 2009-10 under various lending programmes.
- ☆ Disbursements aggregated ₹ 344.23 billion during 2010-11 as compared to ₹ 332.49 billion during 2009-10.
- ☆ The guarantee portfolio stood at ₹ 30.56 billion as on March 31, 2011 as compared to ₹ 22.74 billion on March 31, 2010.

- ☆ The Bank approved loans aggregating ₹ 207.75 billion under programmes for enhancing export competitiveness. Disbursements amounted to ₹ 156.16 billion under these programmes. Export oriented units financed by the Bank cover a wide range of sectors such as textiles, pharmaceuticals, chemicals, engineering goods, metals and metal processing, consumer goods, paper, plastics and packaging, software, auto ancillaries, shipping, power and industrial equipment and agro-based products.

### *Profit*

- ☆ Profit before Tax was ₹ 8.68 billion as compared to ₹ 7.72 billion during the previous year. Profit after Tax amounted to ₹ 5.84 billion as compared to ₹ 5.13 billion during the previous year. The Bank has made a provision of ₹ 2.84 billion towards income tax as against ₹ 2.59 billion during the previous year. Net worth of the Bank increased to ₹ 52.30 billion as on March 31, 2011, from ₹ 45.32 billion as on March 31, 2010.

### *Transfer of Balance of Net Profit to Government*

- ☆ ₹ 1.85 billion will be transferred to the Central Government for 2010-11, as compared to ₹ 1.50 billion for 2009-10.

## **V. INFORMATION AND ADVISORY SERVICES**

- ☆ The Bank provides a wide range of information, advisory and support services on a fee basis to Indian companies and overseas entities. The scope of services includes market-related information, sector and feasibility studies, technology supplier identification, partner search, investment facilitation and development of joint ventures both in India and abroad.

### *Multilateral Funded Projects Overseas (MFPO)*

- ☆ The Bank provides a package of information and support services to Indian companies to help improve their prospects for securing business in projects funded by the World Bank, Asian Development Bank, African Development Bank, and European Bank for Reconstruction and Development. The Bank disseminates information on numerous overseas business opportunities to various Indian companies covering various sectors including energy, transportation, construction, telecommunication, infrastructure, educational and information technology.

## **VI. INSTITUTIONAL LINKAGES**

- ☆ Exim Bank of India entered into a Framework Agreement on Financial Cooperation with four major development banks of Brazil, Russia, China and South Africa (BRICS) in April 2011. The Framework Agreement is aimed at facilitating financial cooperation among the partner development banks of the BRICS countries, with a view to promoting trade and investment for economic development.
- ☆ Exim Bank signed a Memorandum of Cooperation (MoC) with the Republic Bank of Uruguay (Banco Republica) with a view to support economic activities, especially of the small and medium enterprises of respective countries. Uruguay, which is a member of MERCOSUR (regional trading bloc of Brazil, Argentina, Paraguay and Uruguay), could act as a gateway for the entire Latin American region.
- ☆ Under its new initiative for cluster financing and development in India, the Bank has signed cooperation agreements with IL&FS Cluster Development Initiative Ltd. (CDIL) and Ahmedabad based Cluster Pulse. The objective of the Memorandum of Understanding (MoU) with CDIL is to create a workable credit mechanism for the cluster projects

and also meet the individual banking and trade finance requirements of the SMEs located in these cluster projects. Under the MoU, while the Bank would provide loans for the projects, CDIL would act as the Project Manager. Under the cooperation arrangement with Cluster Pulse, the Bank will, not only conduct studies to explore business and export marketing plans for Cluster Projects, but will also organise workshops and training programmes for knowledge transfer.

- ☆ In order to promote trade and investment flows between India and South Korea, the Bank signed a MoC with Export-Import Bank of Korea. The areas and scope of this cooperation, inter alia, includes identifying prospects for joint projects; exchange of experience, information on financing export and import operations, project assessment, and providing mutual technical assistance and training.
- ☆ The Bank also entered into a MoC with Korea Trade-Investment Promotion Agency (KOTRA) to support cross-border transactions and projects of common interest; facilitate joint ventures in both countries and also in third countries.
- ☆ To promote financial and project cooperation, financial consultancy and projects that have significant scope for further economic development of China and India, Exim Bank and China Development Bank signed a Memorandum of Understanding.
- ☆ The Bank also entered into a MoC with SID Banca, Slovenia to create an enabling environment for supporting trade and investment between the two countries.

### ***Asian Exim Banks Forum***

- ☆ The 16th Annual Meeting of the Asian Exim Banks Forum (AEBF) was held in Busan, Korea, during September 2010. The forum had been conceived and initiated by Exim Bank of India in 1996. The theme for

the 2010 meeting was “Post-crisis challenges of Asian Exim Banks: Facilitating sustainable and balanced growth”.

## VII. PROMOTIONAL PROGRAMMES

- ☆ The Bank partnered with the Commonwealth Secretariat in the Eleventh edition of Commonwealth–India Small Business Competitiveness Development Programme, held in Chandigarh in February 2011. The theme for the eleventh edition was, 'Enterprise Development: The Value of Finance and Young Entrepreneurs'. The objective of the programme was to undertake capacity development initiatives that promote economic development (increased employment, investment, trade and economic activity) in Commonwealth member states.
- ☆ Exim Bank has been partnering with CII to hold India-Africa partnership programme annually. Heads of various countries, policy makers and business delegates attend this programme which enables fostering economic linkages with Africa.
- ☆ During the year, the Bank's Eximius Centre (EC) for Learning conducted 30 programmes on a wide range of topics. EC associated with Ministry of Commerce, Government of India (GOI) and the Federation of Indian Exports Organisation (FIEO) and conducted eight seminars in all states of North Eastern region of India under the 'Look East Policy' of GOI with an objective to create an economic hub in that region, by exploring the trade and commerce potential with ASEAN neighbours.
- ☆ EC has organised country/ region specific seminars like 'Focus Africa' and 'Round Table of Pharma Industry - Opportunities in England's East Midlands' at Bangalore, Delhi and Hyderabad. For enhancing the export skills of SMEs, the Centre also organised seminars on Export Procedure & Documentation at Agartala and Shillong, Cluster Formation and Financing at Kanpur, a series of

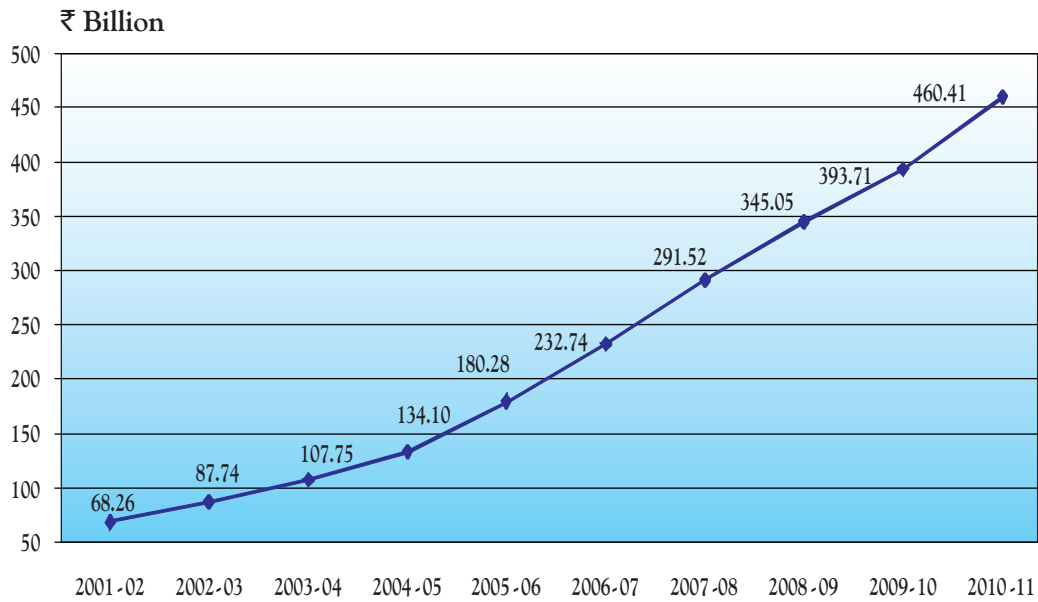
programmes on Institutional Initiatives for supporting Indian Exports and SMEs at Gurgaon, Raipur and Indore.

- ☆ An Interactive session was also held in Bangalore with international delegates under the training programme of National Institute for Micro, Small & Medium Enterprises (NIMSME), Hyderabad.

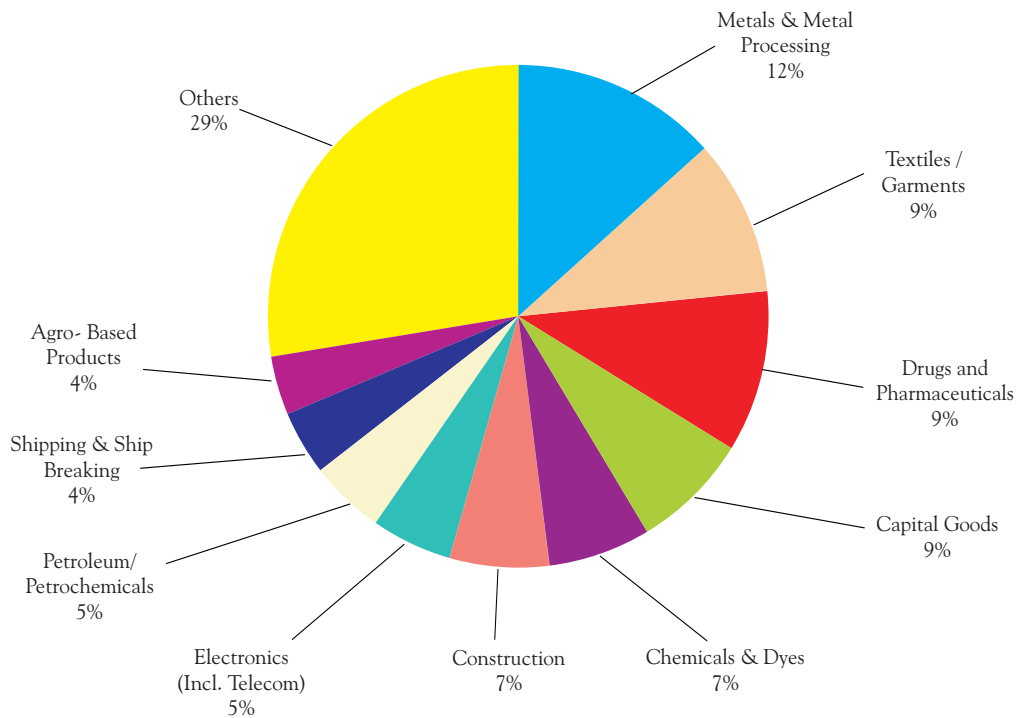
### *Awards for Excellence*

- ☆ The Bank had instituted the 'CII-Exim Bank Award for Business Excellence' in 1994 for best Total Quality Management (TQM) practices adopted by an Indian company. Winners of the Prize under the CII-Exim Bank Award for Business Excellence in 2010 were Tata Group's Tinsplate Company of India Ltd. and Avantha Group's Crompton Greaves Ltd.
- ☆ The International Economic Development Research Annual Award (IEDRA) was instituted by the Bank in 1989 to promote research in international economics, trade and development and related financing, by Indian nationals at universities and academic institutions in India and abroad. Dr. Narayan Chandra Pradhan was given the award in 2010 for his doctoral thesis titled "Openness and Growth of the Indian Economy: An Empirical Analysis".

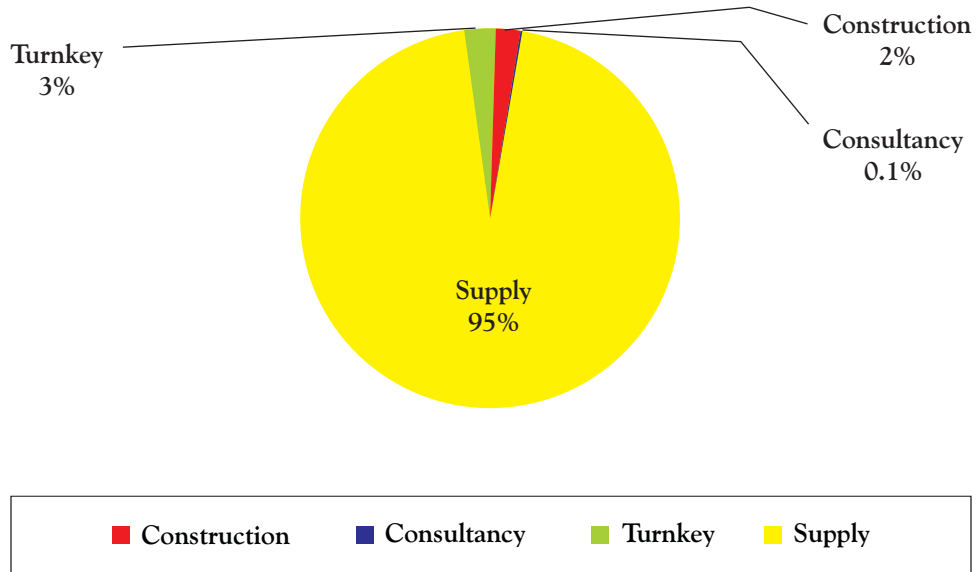
## Loan Portfolio



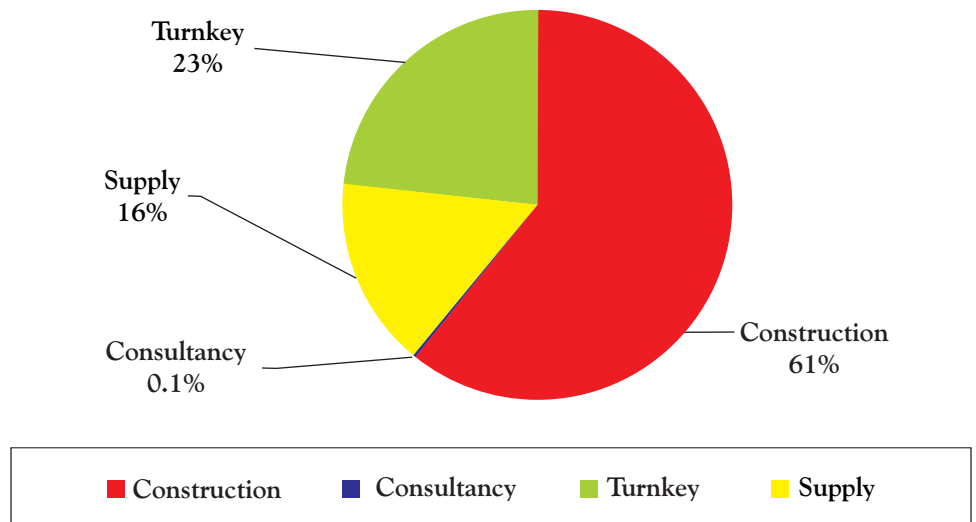
## Sector-wise Exposure as on March 31, 2011



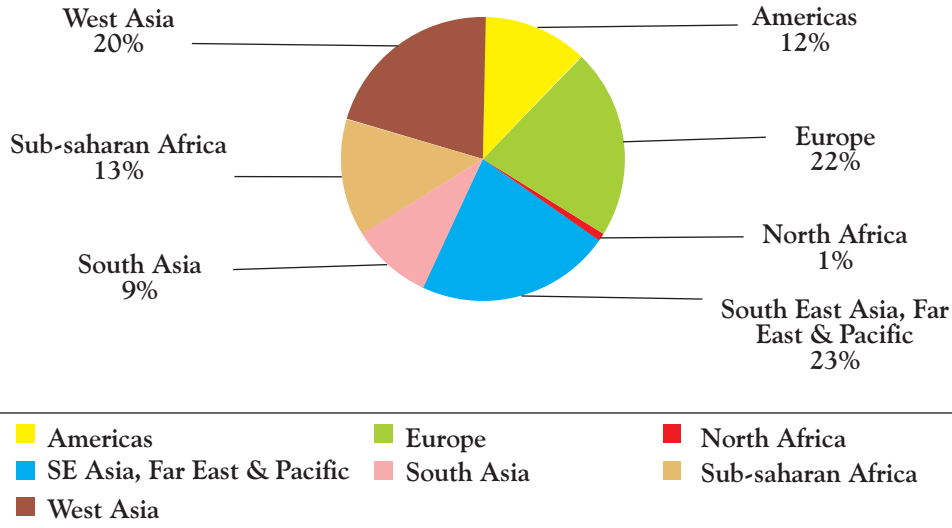
**Contracts Secured Activity wise : April 2010 - March 2011**  
**By Number (Total = 1,145 Contracts)**



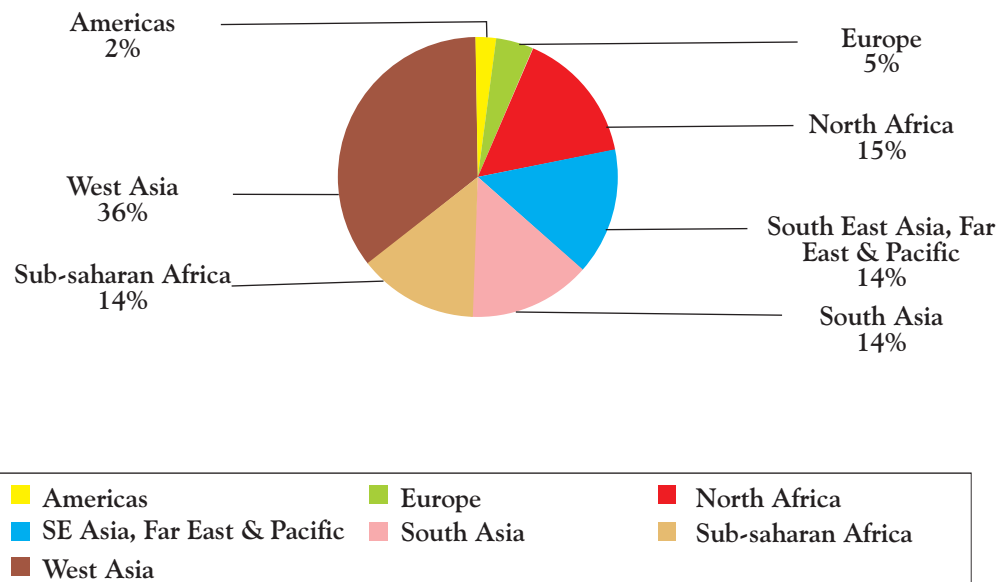
**Contracts Secured Activity wise : April 2010 - March 2011**  
**By Value (Total = ₹ 283.48 Billion)**



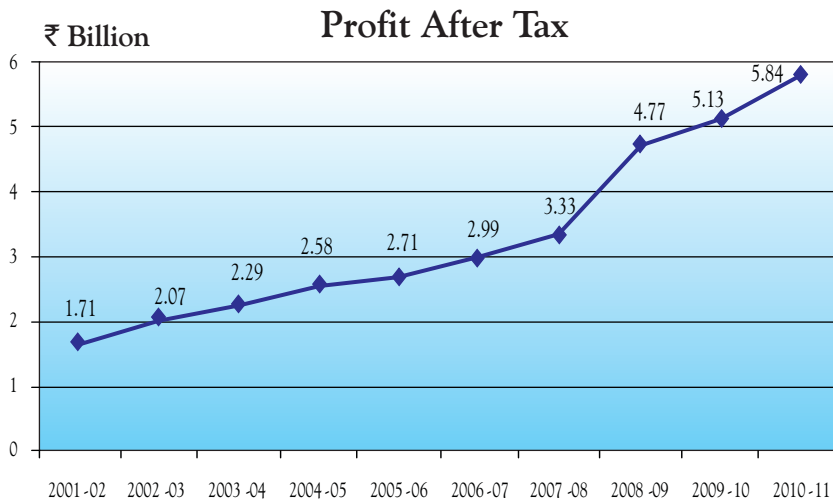
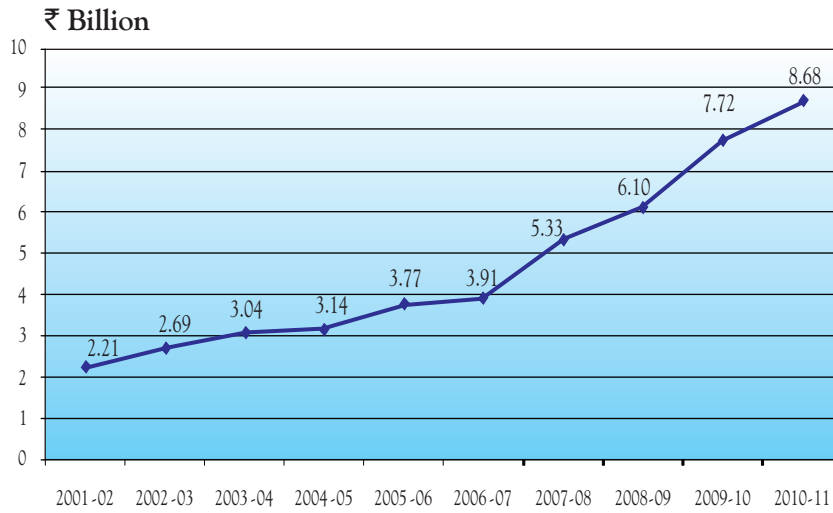
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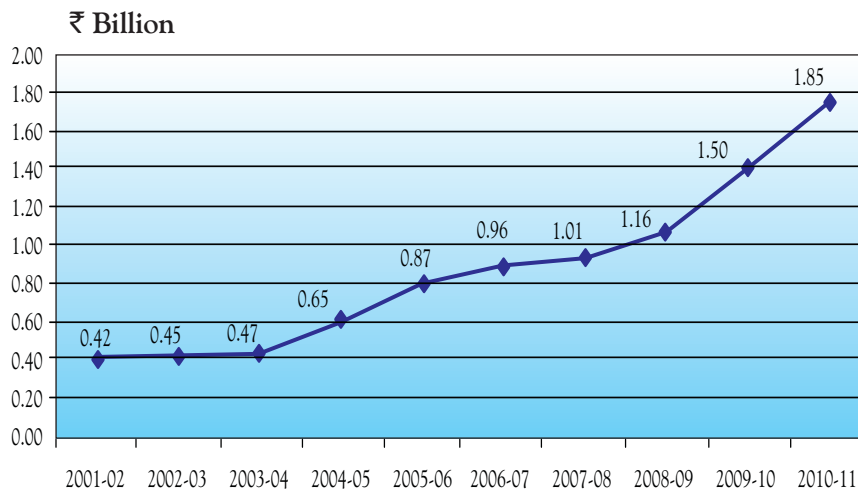
**Contracts Secured Activity wise : April 2010 - March 2011**  
**By Value (Total = ₹ 283.48 Billion)**



### Profit Before Tax



### Transfer of Balance of Net Profit to Government



## EXPORT-IMPORT BANK OF INDIA

### ABRIDGED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

	<u>This year</u> (As at 31.03.2011) ₹ billion	<u>Previous year</u> (As at 31.03.2010) ₹ billion
<b><u>LIABILITIES</u></b>		
1. Capital & Reserves	52.30	45.32
2. Borrowings	471.92	405.08
3. Other Liabilities	23.29	20.31
<b>Total</b>	<b>547.51</b>	<b>470.71</b>
<b><u>ASSETS</u></b>		
1. Cash, Bank Balances & Investments	61.60	54.36
2. Loans & Advances	456.56	390.36
3. Other Assets	29.35	25.99
<b>Total</b>	<b>547.51</b>	<b>470.71</b>
<b>CONTINGENT LIABILITIES</b>	<b>51.66</b>	<b>37.33</b>

### ABRIDGED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

	<u>This Year</u> (2010- 11) ₹ billion	<u>Previous Year</u> (2009- 10) ₹ billion
Income	35.50	29.88
Expenditure	26.82	22.16
<b>Profit before Tax</b>	<b>8.68</b>	<b>7.72</b>
Provision for Tax	2.84	2.59
<b>Profit After Tax</b>	<b>5.84</b>	<b>5.13</b>

Note : Figures pertain to General Fund of the Bank

## BOARD OF DIRECTORS

(as on April 25, 2011)

**Shri T. C. A. Ranganathan**  
Chairman & Managing Director

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### Directors

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#### Government of India

**Dr. Kaushik Basu**  
Chief Economic Adviser,  
Ministry of Finance

**Dr. Rahul Khullar**  
Secretary,  
Department of Commerce,  
Ministry of Commerce & Industry

**Shri Rajinder Pal Singh**  
Secretary,  
Department of Industrial  
Policy & Promotion,  
Ministry of Commerce & Industry

**Shri Manbir Singh**  
Secretary (ER),  
Ministry of External Affairs

**Smt. Ravneet Kaur**  
Joint Secretary, (IF)  
Department of Financial Services,  
Ministry of Finance

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#### Institutions

**Smt. Shyamala Gopinath**  
Deputy Governor,  
Reserve Bank of India

**Shri R. M. Malla**  
Chairman & Managing Director,  
IDBI Bank Ltd.

#### Commercial Banks

**Shri Pratip Chaudhuri**  
Chairman,  
State Bank of India

**Shri Alok Kumar Misra**  
Chairman & Managing Director,  
Bank of India

**Shri M. D. Mallya**  
Chairman & Managing Director,  
Bank of Baroda