



Export-Import Bank of India

Annual Report
2015-16

Strengthening Partnerships for Sustainable Development and Prosperity

Global partnerships have evolved as the world increasingly focuses on sustainable development and shared prosperity. In an increasingly globalized world, sustainable development can be achieved through collaboration among state and non-state partners, including international organizations, development banks, aid agencies, governments at all levels, business, academia, think tanks, civil society organizations, among others. Such partnerships generate employment and economic opportunities for all segments of the population. India has successfully carved its place in the global arena as a partner in economic development; and initiatives by institutions like Exim Bank of India highlight such endeavors. Over the years, the Bank has forged important partnerships with other like-minded institutions the world over.

The cover page of this Annual Report reflects the theme of partnerships between countries and institutions for sustainable development with the symbolic representation of intertwining threads leading to the formation of a strong rope. With Exim Bank's support, Indian companies, execute sustainable projects across sectors and across geographies assisting people who are at the bottom of the pyramid. The Bank is actively engaging with different partners to attain the objective of helping to raise the living standard of partner countries through strategic intervention. Green bonds issued by the Bank (the first international issue from India) would support green financing and the Bank's intervention in financing renewable energy will go a long way in supporting environment friendly and sustainable infrastructure in partner countries; a win-win situation for the partner country as well as India and the global community. A large number of projects supported by Exim Bank overseas have changed the socio-economic landscape of partner countries in generating employment, upgrading transport infrastructure by constructing road and railways, providing food and energy security and improving healthcare services, enhancing connectivity through telecommunication, among others. In addition, many of these projects support employment and growth of manufacturing sector in India, as major components of inputs in these projects are secured from India, thus consistently supporting initiatives of the Government such as 'Make in India.'

Exim Bank is committed towards strengthening such partnerships, focusing on sustainable development and strategically maximising socio-economic benefits.

Exim Bank is proud to be an active partner of the Government of India's initiatives of hosting the BRICS Annual Meeting and the African Development Bank's Annual Meetings in 2016 and 2017, respectively.

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Board of Directors



Shri Yaduvendra Mathur
Chairman & Managing Director
Export-Import Bank of India



Ms. Rita Teaotia
Secretary
Department of Commerce
Ministry of Commerce & Industry



Shri Ramesh Abhishek
Secretary
Department of Industrial Policy & Promotion
Ministry of Commerce & Industry



Shri Amar Sinha
Secretary
Economic Relations & DPA
Ministry of External Affairs



Dr. M. D. Patra
Executive Director
Reserve Bank of India



Shri Kishor Kharat
Managing Director & CEO
IDBI Bank Ltd.



Ms. Geetha Muralidhar
Chairman cum Managing Director
ECGC Ltd.



Shri David Rasquinha
Deputy Managing Director
Export-Import Bank of India



Shri Debasish Mallick
Deputy Managing Director
Export-Import Bank of India



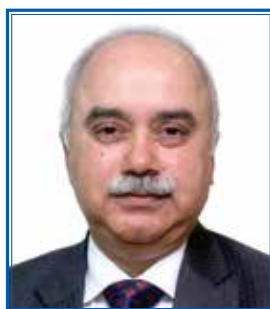
Dr. Arvind Subramanian
Chief Economic Adviser
Department of Economic Affairs
Ministry of Finance



Shri Pankaj Jain
Joint Secretary
Department of Financial Services
Ministry of Finance



Smt. Arundhati Bhattacharya
Chairperson
State Bank of India



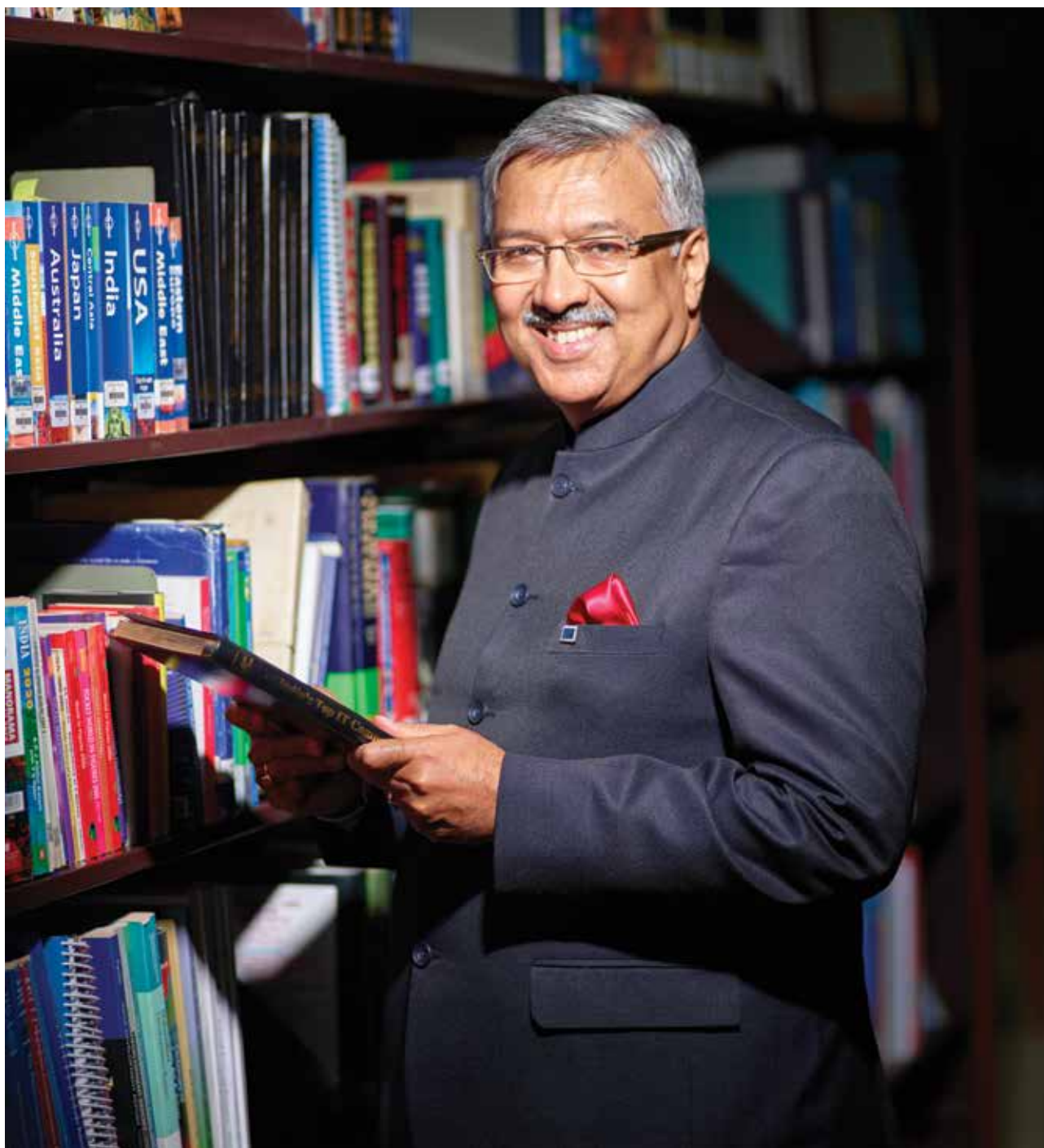
Shri Rajeev Rishi
Chairman & Managing Director
Central Bank of India



Smt. Usha Ananthasubramanian
Managing Director & CEO
Punjab National Bank

(As on May 18, 2016)

Chairman's Statement



The year gone by posed several challenges to the global economy, which was reflected, *inter alia*, by uneven growth and a decline in world trade. The Indian economy, however, stood out amidst the turmoil in developed countries and emerging markets and was one of the fastest growing major economies of the world. For India's banking sector, the year was not an ordinary one. In the backdrop of a global slowdown, increasing non-performing

loans saw banks grappling with a sluggish industrial growth and sharply deteriorating corporate results. While stress in the corporate sector has shown some signs of moderation, the risks of low demand and weak debt servicing capacity remain. As a result, though Exim Bank withstood the turbulence of the past year in terms of operating results, it has reported lower net profit for the year. The Reserve Bank of India has initiated a string of measures to

improve the health of the financial sector and strong leadership for reforms are expected to stabilise the corporate sector soon.

Exim Bank has vigorously pursued with its mission to promote Brand India and support Indian companies in their globalisation efforts. Over the last two years there has been firm support from the Government of India in the form of regular infusion of capital in the Bank and this is expected to be maintained as the role and expectations from the institution have been scaled up, especially for strategic project exports. Exim Bank continues to maintain healthy capital to risk assets ratio and credit ratings on par with the sovereign.

Business Initiatives

The Bank's balance sheet has now crossed the ₹ 1 trillion mark. Our Lines of Credit have been extended to 63 countries in the developing world for financing crucial infrastructure projects in sectors as diverse as power, roads, health systems and information and communication technology. Indian project exporters have made further inroads with the help of Buyer's Credit from Exim Bank under the National Export Insurance Account (NEIA). The number of countries on the positive list of the NEIA increased from 53 to 78 in the year, with scope for further additions. The Bank has a ready pipeline of projects for similar support in the future, with contracts at various stages of negotiation.

Additionally, the Government of India has introduced a financing scheme to enable Exim Bank offer concessional finance to strategically important infrastructure projects outside India. The first such loan has been approved under this scheme, for the Maitree Super Thermal Power Project in Bangladesh. It is a matter of pride and satisfaction that Indian companies are increasingly securing large value contracts abroad, especially in the infrastructure space.

Steps have been taken to operationalise the Export Development Fund, a special fund created by the Government of India and administered by Exim Bank. The Fund has concluded an umbrella Framework Agreement with seven Iranian banks for

a Buyer's Credit facility of ₹ 30 billion to finance the export of goods and services from India to Iran. It is envisaged that the facility will be used to finance the import of steel rails from India, and the development of the Chabahar port in Iran.

Exim Bank is committed to expanding the footprint of Indian project expertise across the globe, through funded and non-funded assistance, as well as advisory services. The Bank offers funding solutions for setting up new export oriented units, their expansion, modernisation, purchase of equipment, and also research and development. Our lending programmes for export capability creation and overseas investment finance have led to several success stories in the past decades. Indian companies have availed of finance from Exim Bank to fund their overseas investments in sectors as diverse as engineering goods, paper products, oil and gas, chemicals, software and textiles; in countries spread from Australia to Romania to Antigua. Exim Bank is proud of select Indian corporates which have scaled new heights in partnership with the Bank.

Exim Bank, at the same time, is conscious of a responsibility towards rural India. It is our endeavour that rural India receives its due share of the pie that the India story has to offer. The Bank supports the globalisation of enterprises based in rural areas of the country. For over a decade now, the Bank has assisted micro, small and medium enterprises with marketing support for their products in overseas markets. Our efforts in this direction have yielded positive results, and products such as Manipur black pottery, Chennapatna wooden products, Kolhapuri footwear, tribal art, handicrafts and handloom products, among many others, have found their way to various markets. Besides placing such products in traditional brick-and-mortar outlets, the Bank has also engaged with e-commerce platforms to extend the reach of the MSME sector beyond India's boundaries. The Bank's success in generating export orders for Indian manufacturers and rural entrepreneurs is a matter of immense satisfaction vis-à-vis our promotional role.

The Bank has also had to address key issues related to product development and design. In

addition to cities, the Bank reached out to small towns in interior India, organising workshops on a variety of subjects. The Bank provided a platform to rural artisans to display and sell their products in several fairs and exhibitions attracting international customers.

In terms of resources, Exim Bank maintained its stature in the international debt and capital markets. The first dollar denominated bonds out of India in 2016 were issued by Exim Bank. The Bank diversified into a new currency by venturing into CNH bonds.

Research and Analysis

Research and Analysis has always been an important focus area for Exim Bank. The Bank's research studies on regions, sectors and trade policy are well received in government and academic circles in the country. This year, our studies on trade potential with various regions covered Cambodia, Lao PDR, Myanmar, Vietnam (together known as 'CLMV'), China, Iran, Pakistan, Russia, Turkey, Southern Africa, West Africa and Latin America. Sectoral studies included defence equipment, leather, organic products and steel. Among contemporary issues, the Bank brought out a study called '*International Solar Alliance: Nurturing Possibilities*', which outlined challenges and strategies towards achieving greater electrification amongst member countries of the International Solar Alliance. The Bank is committed to expand its research and analysis into both traditional and modern subjects of relevance to the external sector.

Institutional Interaction

With an exemplary track record as a consultant, the Bank continues to be awarded consultancy assignments in developing countries. The International Trade Centre, Geneva, awarded the Bank an assignment on building institutional capacity for export credit and insurance, to enhance trade competitiveness in Rwanda. The assignment was awarded under its *Supporting Indian Trade and Investment for Africa Project*. The Commonwealth Secretariat commissioned Exim Bank to assist the Sri Lanka Export Credit Insurance Corporation to operationalise recommendations made in an earlier assignment, also undertaken by Exim Bank.

Exim Bank further strengthened its traditional bonds with partner institutions around the world. With a view to providing a common platform to multilateral institutions and Indian companies, Exim Bank organised a series of seminars on business opportunities in projects funded by the World Bank and Asian Development Bank. The seminars attracted suppliers, contractors and consultants from India, making it possible for them to have direct interface with officials from multilateral institutions.

In recent years, the Bank has deepened its reach in the African continent. *The Africa-India Partnership Day* organised by Exim Bank is among the most well attended events held at the Annual Meetings of the African Development Bank (AfDB) Group. The year also witnessed the third edition of the India-Africa Forum Summit held at New Delhi, the largest ever gathering of African leaders in India. The announcement of a US\$ 10 billion line of credit at the summit reinforced the significance of Africa for India. Exim Bank organised a *Focus Africa* seminar during the summit, which attracted eminent persons from governments, institutions and the business world. The Bank held the inaugural meeting of the Kukuza Project Development Company (KPDC), set up to facilitate Indian participation in infrastructure projects in Africa, on the sidelines of the Summit. KPDC is a joint venture floated by Exim Bank, AfDB, IL&FS and State Bank of India.

Exim Bank had taken the lead in forming the Asian Exim Banks Forum in 1996. In its twentieth year, the Forum evolved as an effective mechanism for economic co-operation and sharing best practices in various aspects of export credit agency operations.

India has the presidency of the BRICS Forum for 2016, with Exim Bank being the nominated member development bank from India under the BRICS Interbank Co-operation Mechanism. The Bank entered into a multilateral co-operation agreement with development banks of the BRICS nations, expressing intent to engage with the New Development Bank promoted by member countries.

Board of Directors

There have been changes on the Board of the

Bank. Ms. Rita Teatolia, Commerce Secretary, Department of Commerce, Ministry of Commerce & Industry, Shri Rajeev Rishi, Chairman & Managing Director, Central Bank of India, Shri B.K. Batra, Deputy Managing Director, IDBI Bank Ltd., Shri Kishor Kharat, Managing Director & CEO, IDBI Bank Ltd., Shri Alok Tandon, Joint Secretary, Ministry of Finance, Department of Financial Services, Smt. Usha Ananthasubramanian, Managing Director & CEO, Punjab National Bank, Shri Pankaj Jain, Joint Secretary, Department of Financial Services, Ministry of Finance, Shri Amar Sinha, Secretary (Economic Relations), Ministry of External Affairs, and Shri Ramesh Abhishek, Secretary, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, have been appointed as Directors on the Board.

Smt. V. R. Iyer, Chairman & Managing Director, Bank of India, Shri M.S. Raghavan, Chairman & Managing Director, IDBI Bank Ltd., Shri Rajeev Kher, Secretary, Department of Commerce, Ministry of Commerce &

Industry, Shri B.K. Batra, Deputy Managing Director, IDBI Bank Ltd., Shri Alok Tandon, Joint Secretary, Ministry of Finance, Department of Financial Services, Ms. Sujata Mehta, Secretary (Economic Relations), Ministry of External Affairs, and Shri Amitabh Kant, Secretary, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, relinquished their directorships consequent upon completion of their term or change in office. The Bank gratefully acknowledges their invaluable contributions as Directors.

A year is but a milestone in the journey of an organisation. Now in the 35th year of its existence, Exim Bank will have to address the new reality of a fall in world trade on the one hand and the unprecedented increase in stressed assets in India on the other. The Bank has continuously evolved over the years, adapting its role and functions to the changing order of the global and domestic markets. I have no doubt that Team Exim Bank is geared up to face the challenges of the present.

Yaduvendra Mathur
Chairman & Managing Director

Management



Sitting from Left to Right- Harsha Bangari, Deepali Agrawal, Rima Marphatia, Debasish Mallick, Yaduvendra Mathur, David Rasquinha, Sangeeta Sharma, Sunita Sindwani, Manjiri Bhalerao, Daya Chandrabhas

Standing from Left to Right- Nadeem Panjetan, Prahalathan Iyer, Mukul Sarkar, Sriram Subramaniam, Sudatta Mandal, David Sinate, Gaurav Bhandari, Utpal Gokhale, Samuel Joseph



C. P. Ravindranath Menon
(Currently on deputation to
New Development Bank, Shanghai)



Economic Environment

GLOBAL ECONOMY

Global growth moderated to 3.1 per cent in 2015 from 3.4 per cent in 2014¹, primarily reflecting a continued fall in growth in emerging market and developing economies amidst post-crisis lows in commodity prices, weaker capital flows and subdued global trade. Growth in the emerging market and developing economies moderated for the fifth consecutive year (4 per cent in 2015, compared to 4.6 per cent in 2014), while a modest increase was seen in the advanced economies (1.9 per cent in 2015, compared to 1.8 per cent in 2014).

World Trade

Growth in volume of global merchandise trade is estimated to fall by 2.4 per cent in 2015¹ compared to 3.2 per cent in 2014, stemming from falling import demand in China, Brazil and other emerging economies, falling prices for oil and other primary commodities, as well as significant fluctuations in exchange rates. The world trade prices of non-fuel primary commodities¹ contracted by 17.5 per cent in US dollar terms in 2015, while oil prices lost momentum and contracted by 47.2 per cent during the same period.

Private Capital Flows in Emerging Market Economies

Net private inflows to emerging economies witnessed a steep fall to a 13-year low of US\$ 240 billion in 2015, as compared to US\$ 1 trillion in the preceding year. Much of the fall was accounted for by net outflows from China, which is estimated to have seen a retrenchment of non-resident capital to the tune of US\$ 110 billion, after average annual inflows of US\$ 387 billion from FY 2010-14.

Current Account Balance of Emerging Market Economies

The current account balance of emerging economies turned into a deficit of 0.2 per cent of GDP in 2015 from a surplus of 0.5 per cent of GDP seen in 2014. The current account surplus of the Middle East region turned deficit primarily owing to a fall in oil revenues. At the same time, the current account deficit of Sub-Saharan Africa, Latin America and the Caribbean widened further.

External Debt of Emerging Economies

External debt of emerging economies, as a percentage of exports of goods and services, increased to 78.4 per cent in 2014 (as per latest data available) as compared to 75.5 per cent in 2013. Overall, the debt service payment ratio of the developing economies increased to 8.9 per cent in 2014 from 8.4 per cent in 2013.

INDIAN ECONOMY

The Indian economy grew at 7.6 per cent during FY 2015-16, compared to 7.2 per cent in the preceding year, becoming one of the fastest growing major economies in the world. Growth was mainly on the back of positive factors such as higher public investment, buoyant consumption and lower interest rates. It is noteworthy that economic growth continued to pick up despite subdued global demand that has significantly dampened India's exports and two consecutive years of below-normal monsoons, which impacted farm output and productivity.

Agriculture

The Indian agricultural sector registered a slow but positive growth of 1.1 per cent in FY 2015-16, as compared to a contraction of 0.2 per cent in the previous year due to drought. A decline in production of food grains in FY 2015-16 at 0.5 per cent was not as steep as the decline of 4.9 per cent witnessed in the previous year². Similarly, a decline in production of oilseeds at an estimated 4.1 per cent, was much lower compared to a 16 per cent decline recorded in the previous year. Sectoral growth was mainly driven by allied segments consisting of livestock products, forestry and fisheries, with a combined growth of 5.0 per cent in FY 2015-16. The share of agriculture and allied sector in GDP, declined to 15.3 per cent in FY 2015-16 from 16.3 per cent in the previous year.

Industry

The industrial sector registered a strong growth of 7.3 per cent in FY 2015-16 compared to 5.9 per cent in the previous year. Accounting for 17.5 per cent of the GDP in FY 2015-16, manufacturing was the main driver of the sectoral growth, with growth of 9.5 per cent during the year,

Source: 1) International Monetary Fund (IMF) World Economic Outlook (WEO), April, 2016

2) Department of Agriculture and Co-operation (DAC), Ministry of Agriculture and Farmers Welfare, Government of India

followed by mining and quarrying, electricity, gas and water supply and construction. The share of industry in GDP remained unchanged at 31.2 per cent in FY 2015-16.

Growth of the general Index of Industrial Production (IIP) was at 2.4 per cent in FY 2015-16 as compared to 2.8 per cent in FY 2014-15. As per the sectoral classification of IIP, industrial production in electricity slowed down with a growth of 5.6 per cent during FY 2015-16 from 8.4 per cent recorded in the preceding year; while growth of mining and manufacturing increased to 2.2 per cent and 2 per cent, respectively, in FY 2015-16, from 1.4 per cent and 2 per cent, respectively, in FY 2014-15.

According to use-based classification of IIP, growth in consumer goods, basic goods and intermediate goods were at 3.5 per cent, 3.0 per cent and 2.5 per cent, respectively, in FY 2015-16, while capital goods witnessed a decline of 2.9 per cent. Manufacturing growth was mainly driven by furniture (44.3 per cent), motor vehicles, trailers and semi-trailers (7.5 per cent), wearing apparel (6.7 per cent), coke, refined petroleum products and nuclear fuel (6 per cent), chemicals and chemical products and radio, TV and communication equipments (3.8 per cent each), wood and products of wood and cork (3.2 per cent), paper and paper products (3.1 per cent), textiles (2.6 per cent), machinery and equipment (2.2 per cent), other non-metallic products (1.5 per cent) and fabricated metal products, except machinery and equipment (1.4 per cent).

Services

While the services sector continued to be the major driver of the economy, growth moderated to 9.2 per cent in FY 2015-16 from 10.3 per cent in FY 2014-15, mainly reflecting significant slowdown in the growth of public administration, defence and other services to 6.9 per cent from 10.7 per cent and moderation in the growth of financial, real estate and professional services to 10.3 per cent from 10.6 per cent; and in trade, hotels, transport, communication and broadcasting services from 9.8 per cent to 9.5 per cent during the same period. The share

of the services sector in India's GDP stood at 53.5 per cent in FY 2015-16 as against 52.5 per cent in FY 2014-15.

Infrastructure

The overall growth of the eight infrastructure and core sectors, viz., coal, crude oil, natural gas, petroleum refinery products, fertilizers, steel, cement and electricity eased to 2.7 per cent in FY 2015-16 from 4.5 per cent in FY 2014-15. During the period, industries that registered a decline in growth were natural gas ((-) 4.2 per cent), steel and crude oil ((-) 1.4 per cent each). Performance of the fertilizer industry has improved substantially by registering a growth of 11.3 per cent compared to a contraction of 0.1 per cent in the previous year. Other sectors i.e. electricity, cement, coal and refinery products recorded a growth of 5.2 per cent, 4.7 per cent, 4.6 per cent and 3.8 per cent, respectively.

Inflation

Headline inflation, based on the Consumer Price Index (CPI) (combined for rural and urban areas), moderated to 4.9 per cent during FY 2015-16 as against 6.0 per cent in FY 2014-15. Moderation in CPI inflation was broad-based, supported by lower inflation of food articles and items under the non-food, non-fuel category. Lower non-food, non-fuel category was largely supported by moderation on inflation of housing (rent), transport, communication, education and other services.

Headline wholesale price index (WPI) inflation declined following the global trend of declining commodity and producer prices. WPI inflation has remained in the negative territory since November 2014 and was (-) 2.5 per cent in FY 2015-16 as compared to 2.0 per cent in FY 2014-15. WPI-based food inflation continues to remain moderate at 3.2 per cent during FY 2015-16, despite the below average monsoon this year and the sporadic spurt in the prices of pulses and a few other essential commodities in the second half of the year.

Capital Markets

India's Net Foreign Direct Investment during FY 2015-16 stood at US\$ 36.0 billion, up from US\$ 32.6 billion in the preceding year. Net portfolio investment in India decreased sharply to (-) US\$ 3.6 billion in FY 2015-16 from US\$ 40.9 billion in the preceding year.

Foreign Trade and Balance of Payments

Reflecting the subdued global trade owing to the decline in global commodity prices and weak demand, the value of India's merchandise exports during FY 2015-16 amounted to US\$ 262 billion, as compared to US\$ 310.3 billion recorded in the preceding year. India's imports during FY 2015-16 amounted to US\$ 380.4 billion, registering a decline of 15.1 per cent from US\$ 448.0 billion during the preceding year.

Export of Petroleum products fell to US\$ 30.4 billion during FY 2015-16, which was a decline of 46.4 per cent over the previous year. At the same time, non-oil exports also witnessed an overall fall of 8.7 per cent during FY 2015-16. Most of the major commodities exported by India registered a negative growth during this period.

Oil imports during FY 2015-16 amounted to US\$ 82.9 billion, which was 40.1 per cent lower compared to that in the previous year. Non-oil imports during FY 2015-16 stood at US\$ 297.5 billion, which was 3.9 per cent lower than that of the previous year.

Overall, trade deficit for FY 2015-16 narrowed to US\$ 118.4 billion, as compared to US\$ 137.7 billion during FY 2014-15.

Services exports recorded a fall of 2.4 per cent to US\$ 154.3 billion during FY 2015-16, as against US\$ 158.1 billion during FY 2014-15. Software exports registered a growth of 1.4 per cent at US\$ 74.2 billion during FY 2015-16, as against US\$ 73.1 billion recorded in FY 2014-15. India's services imports increased by 3.7 per cent in FY 2015-16 to US\$ 84.6 billion, as compared to US\$ 81.6 billion during FY 2014-15. Overall, service surplus for FY 2015-16 was lower at US\$ 69.7 billion compared to US\$ 76.5 billion witnessed in FY 2014-15.

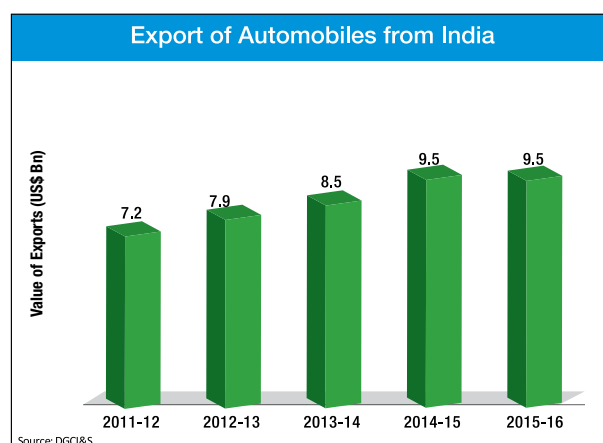
During the same period, net inflows under the capital and financial account also declined to US\$ 23.2 billion from US\$ 27.8 billion.

India's foreign exchange reserves increased to US\$ 360.2 billion as at end-March, 2016, from US\$ 341.6 billion as at end-March 2015. India's external debt increased to US\$ 485.6 billion at end-March 2016 from US\$ 475.0 billion as at end-March 2015, mainly reflecting increase in long-term debt component.

PERFORMANCE OF SELECT SECTORS

Automotives

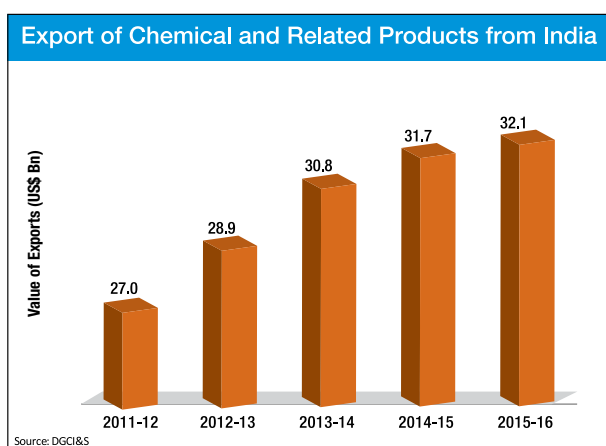
The automobile sector continued its revival in FY 2015-16 with production growing at a year-on-year (y-o-y) rate of 2.6 per cent during the year. Sales witnessed robust growth in all segments of automobiles. On the other hand, the export performance of the industry was dismal, with overall automobile exports declining by 0.4 per cent in FY 2015-16, as compared to a growth of 12.4 per cent in the previous period. The spurt in the number of MNCs foraying into the Indian market bears testimony not only to the potential of the domestic market but also to the capability of the country to act as a manufacturing hub to serve the overseas market. The turnover of the auto component industry increased from US\$ 30.8 billion in FY 2009-10 to US\$ 38.5 billion in FY 2014-15, registering a CAGR of 4.6 per cent, as per the latest estimates by Automotive Component Manufacturers Association of India. In addition, industry exports have increased from US\$ 4.2 billion in FY 2009-10 to US\$ 11.2 billion in FY 2014-15, witnessing a robust CAGR of 21.7 per cent. A major proportion of exports of auto components are accounted by Europe (36.4 per cent of total in FY 2014-15),



followed by Asia (25.3 per cent) and North America (23.2 per cent). The cumulative foreign direct investment (FDI) inflows into the Indian automobile industry during the period April 2000-March 2016 amounted to US\$ 15.1 billion.

Chemicals

The chemical industry is a significant contributor to India's national economic growth. The Index of Industrial Production (IIP) for chemicals and chemical products grew by 3.8 per cent during FY 2015-16, after registering a marginal decline of (-) 0.3 per cent

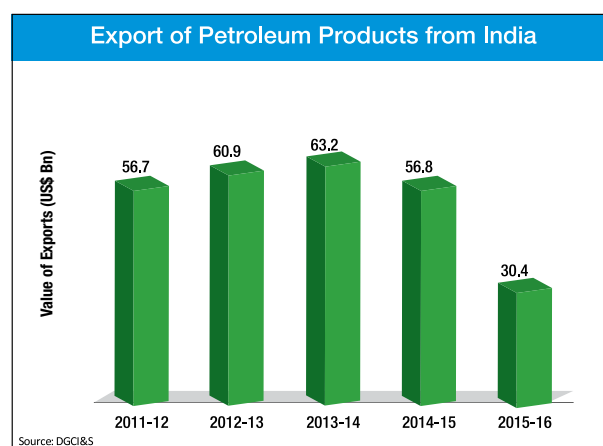


during FY 2014-15. The growth in IIP for chemicals and chemical products was higher than the 2.4 per cent growth in the overall IIP during this period. In terms of exports, chemical and related products (including pharmaceuticals) witnessed a year-on-year growth of 1.3 per cent during FY 2015-16 to reach US\$ 32.1 billion. Chemical and related products had a share of 12.3 per cent in the overall exports during this period, registering nearly two percentage point increase over FY 2014-15. The Indian chemical industry (other than fertilizers) was among the top 10 sectors attracting cumulative FDI inflows of US\$ 11.9 billion during the period April 2000-March 2016 with a share of 4.1 per cent in total FDI inflows (US \$ 288.6 billion) into India.

Petroleum Products

The Government of India started encouraging energy companies to invest in refineries at the end of the 1990s, thus helping the country to become a net exporter of petroleum products in 2001, despite being a significant importer of crude oil. According to the Petroleum Planning and Analysis Cell, production of petroleum products by refineries

and fractionators stood at 231.3 million metric tons (MMT) during FY 2015-16, as compared to 220.7 MMT in the previous fiscal year. With substantial increase in refining capacity in India, exports of petroleum products have picked up since FY 2005-06, although the slowdown in global economy has affected the exports in recent years. Amidst an increasingly challenging environment of declining prices and rising competition, exports of petroleum products witnessed a sharp decline of (-) 46.4 per cent during FY 2015-16, to reach a level of US\$ 30.4 billion from



US\$ 56.8 billion during the previous year. The share of petroleum product exports in total exports has witnessed a consistent increase from 15.7 per cent in FY 2009-10 to 20.1 per cent in FY 2013-14. However, this export share exhibited a decline in the fiscal year FY 2014-15 to touch 18.3 per cent and further to 11.6 per cent during FY 2015-16. During April 2000 - March 2016, petroleum and natural gas sector received FDI inflows of US\$ 6.7 billion.

Textiles and Garments

The textile and garment industry through its contribution to industrial output, employment and exports, plays a critical role in the Indian economy. The industry is estimated to account for 5 per cent of national GDP, 14 per cent of overall IIP and about 14 per cent of the country's exports. India was the second largest exporter of textiles and apparel in 2014 (as per latest data available), with a share of approximately 5 per cent in the global textile and apparel trade, with garments accounting for nearly 55 per cent of the total textile and apparel exports from India. During FY 2015-16, exports of textiles and allied products from India amounted to

US\$ 36.3 billion, showing a year-on-year decline of (-) 2.4 per cent. During the same period, exports of readymade garments grew at a more robust year-on-year rate of 0.8 per cent. During April 2000-March 2016, FDI inflows into the textile sector (including dyed and printed) stood at US\$ 1.9 billion.

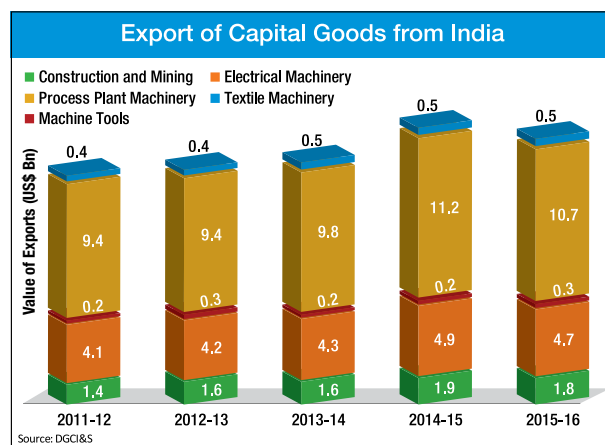
Pharmaceuticals

The Indian pharmaceutical market is the third largest in terms of volume and the thirteenth largest in terms of value globally. The export of pharmaceutical products was valued at US\$ 12.9 billion in FY 2015-16, registering a year-on-year growth of nearly 11.4 per cent. Share of pharmaceuticals in India's total exports has increased from 3.7 per cent in FY 2014-15 to 4.9 per cent in FY 2015-16. The major export destinations for India's pharmaceutical sector during FY 2015-16 were: the USA (with a share of 39.0 per cent) followed by South Africa (4.1 per cent), the UK (3.6 per cent), Nigeria (3.0 per cent) and Russia (2.7 per cent).

Capital Goods

The capital goods industry is a strategic segment for any economy. Some of the prominent capital goods

produced in India include heavy electrical machinery, textile machinery, machine tools, earthmoving and construction equipment including mining equipment, road construction equipment, printing machinery, dairy machinery, industrial refrigeration and industrial furnaces. In FY 2015-16, the capital goods industry registered a negative year over year growth of



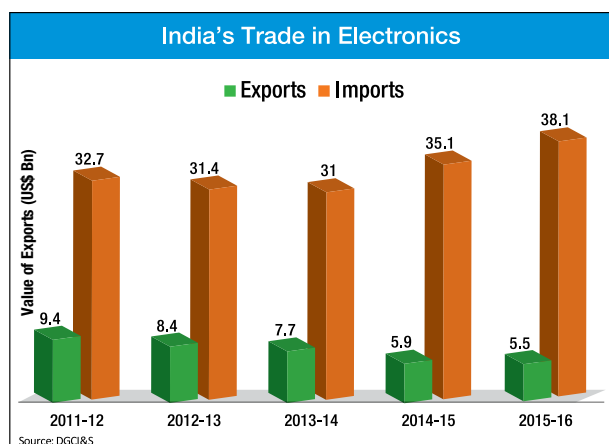
2.9 per cent, after witnessing a recovery in FY 2014-15. During FY 2015-16, capital goods exports also declined by (-) 4.0 per cent over the corresponding period of the previous year to reach US\$ 18.0 billion. Imports of capital goods during the same period registered a year-on-year growth of 4.1 per cent to reach US\$ 41.1 billion.



Hon'ble Union Minister for External Affairs, Smt. Sushma Swaraj visited the Export-Import Bank of India on January 30, 2016.

Electronics

While the CAGR for India's electronic item imports remained strong during FY 2011-12 to FY 2015-16 at 3.9 per cent, India's electronic item exports recorded a CAGR of (-) 12.4 per cent during the same period. During FY 2015-16, India's export of electronic items declined for the fourth consecutive year to reach US\$ 5.5 billion. Import of electronic items during the same period were valued at US\$ 38.1 billion, witnessing a year-on-year growth of 8.7 per cent. During FY 2015-16, major export



destinations for Indian electronic goods were the USA (16.8 per cent share), UAE (10.0 per cent), China (5.9 per cent), Singapore (5.3 per cent) and the UK (5.0 per cent). In the case of imports, China was the predominant source, accounting for 56.3 per cent of India's total imports of electronic goods. Other major source countries were South Korea (6.5 per cent), Singapore (5.3 per cent), the USA (4.5 per cent), Malaysia (4.2 per cent) and Germany (2.7 per cent).

Food Processing

The food processing sector is one of the major sectors in India in terms of production, growth, consumption and export, and has been accorded a priority status by the Government of India. The Indian food processing industry accounts for 32 per cent of the country's total food market and 13 per cent of India's exports. India's food processing sector covers fruits and vegetables, spices, meat and poultry, milk and milk products, alcoholic and non-alcoholic beverages, fisheries, plantation, grain processing and other consumer product groups like confectionery, chocolates and cocoa products, soya-based products, mineral water and high protein foods. Processed food exports increased at a CAGR of 11.2 per cent during the period FY 2010-11

to FY 2015-16, from US\$ 10.6 billion to US\$ 18.0 billion.

MAJOR POLICY CHANGES DURING FY 2015-16

Credit Policy

- Repo rate was reduced, in phases, from 7.50 per cent in June 2015 to 6.75 per cent in March 2016. Reverse repo rate stood automatically adjusted at 5.75 per cent.
- Statutory Liquidity Ratio (SLR) was unchanged at 21.5 per cent in March 2016.

Trade Policy

- The government has expanded the coverage of the Merchandise Export from India Scheme (MEIS) by adding 110 new items in October 2015. The incentive rate/country coverage of 2,228 items has been enhanced.
- The Directorate General of Foreign Trade (DGFT) launched a 'DGFT' mobile application in June 2015, which allows exporters/importers to access foreign trade policy and other related documents in an easy-to-use searchable format and check status of transmission of various authorisations and shipping bills, etc.
- A Council for Trade Development and Promotion has been constituted in July 2015, to ensure continuous dialogue with the governments of states/union territories on measures for providing an international trade-enabling environment and for making the states active partners in boosting India's exports.
- In September 2015, DGFT, in collaboration with the Indian Institute of Foreign Trade (IIFT), launched 'Niryat Bandhu at Your Desktop', an online certificate programme in export-import business.

Investment Policy

- A consolidated foreign direct investment (FDI) up to 49 per cent is allowed in defence sector under automatic route from the earlier government approved route. Proposals for foreign investment in excess of 49 per cent will be considered by Foreign Investment Promotion Board.

- FDI policy on Construction Development sector has been liberalised by relaxing the norms pertaining to minimum area, minimum capitalisation and repatriation of funds or exit from the project.
- 100 per cent FDI under automatic route is permitted in completed projects for operation and management of townships, malls/shopping complexes and business centres.
- Up to 100 per cent FDI has been allowed in coffee/rubber/cardamom/palm oil and olive oil plantations via the automatic route.
- Consolidated FDI up to 74 per cent is allowed in private sector banks.
- 100 per cent FDI is permitted under automatic route in Duty Free Shops located and operated in the Customs bonded areas.
- Regional Air Transport Service (RSOP) is eligible for foreign investment up to 49 per cent under automatic route.
- 100 per cent FDI is now permitted under automatic route in Limited Liability Partnerships (LLP) operating in sectors/activities where 100 per cent FDI is allowed, through the automatic route and there are no FDI-linked performance conditions.
- 100 per cent FDI has been allowed in the broadcasting sector, in DTH, teleports, mobile TV and cable networks. Of this, 49 per cent is allowed under automatic route and beyond that will need permission from Foreign Investment Promotion Board.
- As for the up-linking of non-news and current affairs TV channels, 100 per cent FDI has been permitted under the automatic route.

Statistical Snapshot of the World Economy

(% change)

	2011	2012	2013	2014	2015 (E)	2016 (P)
I. World output (Real GDP)	4.2	3.5	3.3	3.4	3.1	3.2
(A) Advanced Economies	1.7	1.2	1.2	1.8	1.9	1.9
United States	1.6	2.2	1.5	2.4	2.4	2.4
Canada	3.1	1.7	2.2	2.5	1.2	1.5
Euro Area	1.6	-0.9	-0.3	0.9	1.6	1.5
UK	2.0	1.2	2.2	2.9	2.2	1.9
Japan	-0.5	1.7	1.4	-0.03	0.5	0.5
(B) Emerging & Developing Economies	6.3	5.3	4.9	4.6	4.0	4.1
Emerging and Developing Asia	7.8	6.9	6.9	6.8	6.6	6.4
China	9.5	7.7	7.7	7.3	6.9	6.5
India	6.6	5.6	6.6	7.2	7.3	7.5
Latin America and the Caribbean	4.9	3.2	3.0	1.3	-0.1	-0.5
Middle East and North Africa	4.6	5.1	2.1	2.6	2.3	2.9
Sub-Saharan Africa	5.0	4.3	5.2	5.1	3.4	3.0
CIS countries	4.8	3.5	2.1	1.1	-2.8	-1.1
Russia	4.3	3.5	1.3	0.7	-3.7	-1.8
Emerging and Developing Europe	5.4	1.2	2.8	2.8	3.5	3.5
II. World Merchandise Trade (Vol. Gr.)	6.9	2.5	3.1	3.2	2.4	2.8
Global Merchandise Exports (US\$ bn)	17,913	18,049	18,486	18,591	16,266	15,739
III. World Trade Prices (US\$, % change)						
Manufactures	6.4	0.5	-1.0	-0.7	-4.0	-2.7
Oil	31.6	1.0	-0.9	-7.5	-47.2	-31.6
Non-fuel primary commodities	18.0	-10.0	-1.4	-4.0	-17.5	-9.4

Note: E = Estimates; P = Projections

Source: IMF, World Economic Outlook (WEO) April 2016

Statistical Snapshot of the Indian Economy

INDICATORS	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
GDP (at current prices, US\$ billion)	1708.5	1823.2	1828.9	1863.9	2041.9	2075.8¹
Real GDP Growth (%)	8.9	6.7	5.6^{**}	6.6^{**}	7.2^{**}	7.6^{***}
Sectoral Share in GDP (%)						
Agriculture & allied activities	14.6	18.5	17.8 ^{**}	17.5 ^{**}	16.3 ^{**}	15.3 ^{***}
Industry	27.9	32.5	31.9 ^{**}	31.5 ^{**}	31.2 ^{**}	31.2 ^{***}
Services	57.5	49.0	50.3 ^{**}	51.0 ^{**}	52.5 ^{**}	53.5 ^{***}
Inflation rate (WPI, annual avg. %)	9.6	8.9	7.4	6.0	2.0	-2.5
Inflation rate (CPI, annual avg. %)	10.4	8.3	10.2	9.5	6.0	4.9
Gross Fiscal Deficit (% of GDP)	4.8	5.9	4.9	4.5	4.1	3.9^e
Exchange Rate (₹/US\$, avg.)	45.6	47.9	54.4	60.5	61.1	65.5
Exchange Rate (₹/Euro, avg.)	60.2	65.9	70.1	81.2	77.5	72.3
Exports (US\$ billion)	249.8	306.0	300.4	314.4	310.3	262.0
% change	39.8	22.5	-1.8	4.7	-1.3	-15.6
Oil Exports (US\$ billion)	36.4	56.7	60.9	63.2	56.7	30.4
% change	29.0	55.9	7.3	3.8	-10.2	-46.4
Non-oil Exports (US\$ billion)	213.4	249.2	239.5	251.2	253.6	231.6
% change	41.8	16.8	-3.9	4.9	0.9	-8.7
Imports (US\$ billion)	369.8	489.3	490.7	450.2	448.0	380.4
% change	28.2	32.3	0.3	-8.3	-0.5	-15.1
Oil Imports (US\$ billion)	106.0	155.0	164.0	164.8	138.3	82.9
% change	21.6	46.2	5.9	0.4	-16.0	-40.1
Non-oil Imports (US\$ billion)	263.8	334.3	326.7	285.4	309.7	297.5
% change	31.1	26.7	-2.3	-12.6	8.5	-3.9
Trade Balance (US\$ billion)	-120.0	-183.3	-190.3	-135.8	-137.7	-118.4
Services Exports (US\$ billion)*	124.6	140.9	145.7	151.8	158.1	154.3
Software Exports (US\$ billion)*	53.1	62.2	65.9	69.4	73.1	74.2
Services Imports (US\$ billion)*	80.6	76.9	80.8	78.7	81.6	84.6
Services Balance (US\$ billion)*	44.0	64.0	64.9	73.1	76.5	69.7
Current Account Balance (CAB) (US\$ billion)*	-47.9	-78.2	-87.8	-32.4	-26.8	-22.1
CAB as percentage of GDP (%)	-2.8	-4.2	-4.8	-1.7	-1.3	-1.1
Forex Reserves (US\$ billion)	304.8	294.4	292.0	304.2	341.6	360.2
External Debt (US\$ billion)	317.9	360.8	409.4	446.2	475.0	485.6
External Debt to GDP Ratio (%)	18.2	21.1	22.4	23.8	23.8	23.7
Short Term Debt/Total Debt (%)	20.4	21.7	23.6	20.5	18.0	17.2
Total Debt Service Ratio (%)	4.4	6.0	5.9	5.9	7.6	8.8
Gross FDI (US\$ billion)	36.0	46.6	34.3	36.0	45.1	55.4
GDRs/ADRs (US\$ billion)	2.0	0.6	0.2	0.02	1.3	0.4
FII (net) (US\$ billion)	29.4	16.8	27.6	5.0	40.9	-3.5
FDI Outflows (US\$ billion)	17.2	10.9	7.1	9.2	4.0	8.8

¹-EAC, GOI's Provisional Estimate; ^e-GOI's estimates; ¹-IIF Estimates; ^{*}-Data from 2009-10 onwards is given by RBI as per new format of standard presentation of BoP statistics based on guidelines set out in IMF Balance of Payment Manual; ^{**}-Data as per the revised base year 2011-12.

Sources: Economic Survey, Various issues; Union Budget; RBI Monthly Bulletin, Annual Report & Weekly Statistical Supplement; Ministry of Finance; CSO; Ministry of Commerce & Industry; Institute of International Finance (IIF).



Directors' Report



Board of Directors' Meeting in progress.

The Directors are pleased to present the report of the working of the Bank with the audited Balance Sheet and accounts for the year ended March 31, 2016.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Loan Assets

The Bank approved loans aggregating ₹ 725.76 billion under various lending programmes during FY 2015-16 as against ₹ 576.84 billion during FY 2014-15. Loan disbursements during FY 2015-16 were ₹ 518.22 billion as against ₹ 385.08 billion during FY 2014-15, while loan repayments during FY 2015-16 amounted to ₹ 398.17 billion, as against ₹ 294.47 billion in FY 2014-15. Gross loan assets as on March 31, 2016 were ₹ 1,025.37 billion, registering an increase of 18 per cent over the previous year. Rupee loans and advances accounted for 34 per cent of the total loan assets as on March 31, 2016, while the balance 66 per cent were in foreign currency. Short-term loans accounted for 18 per cent of the total loans and advances as on March 31, 2016.

Non-Funded Facilities

During the year, the Bank sanctioned non-funded facilities aggregating ₹ 26.94 billion as against ₹ 59.68 billion in FY 2014-15, comprising project guarantees, financial guarantees and Letters of Credit. The Bank's aggregate non-funded portfolio, comprising Guarantees, Letters of Credit and Standby Letters of Credit, as on March 31, 2016, stood at ₹ 115.55 billion as against ₹ 108.47 billion as on March 31, 2015, representing a growth of 7 per cent. Guarantees issued during FY 2015-16 amounted to ₹ 25.69 billion as

against ₹ 42.25 billion in FY 2014-15. Letters of Credit opened during FY 2015-16 amounted to ₹ 7.66 billion as against ₹ 5.96 billion in FY 2014-15. Guarantees in the books of the Bank as on March 31, 2016 were ₹ 105.78 billion as against ₹ 102.13 billion as on March 31, 2015 and Letters of Credit as on March 31, 2016 amounted to ₹ 9.77 billion as against ₹ 6.34 billion as on March 31, 2015.

Income/Expenditure

The Bank registered Profit before tax of ₹ 4.53 billion on account of General Fund during FY 2015-16 as against a Profit of ₹ 11.35 billion for the year FY 2014-15. After providing for income tax of ₹ 1.38 billion, Profit after tax amounted to ₹ 3.16 billion during FY 2015-16 as against ₹ 7.26 billion during FY 2014-15. The main reason for the decrease in profit is an increase of 121% in provisions for contingencies from ₹ 939 crore for the year ended March 31, 2015 to ₹ 2,077 crore for the year ended March 31, 2016. The higher provisioning



Exim Bank signed an MOU with Government of Andhra Pradesh to support the exporters in achieving higher exports by facilitation of market linkages through its market advisory services.



Exim Bank signed a Memorandum of Co-operation with GoCoop Solutions and Services Pvt. Ltd., India's first social marketplace for easy and transparent sourcing of craft products.

is on account of additional provisions made for Non Performing Assets (NPAs) covering incremental slippages during the quarter ended March 31, 2016 as also additional provisioning on stressed assets to cushion apprehended future defaults. Out of this profit, an amount of ₹ 0.53 billion is transferred to Reserve Fund. In addition, the Bank has transferred ₹ 0.15 billion to Sinking Fund and ₹ 2.17 billion to Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961. The balance of ₹ 0.32 billion will be transferred to Government of India (GOI) as provided in the Export-Import Bank of India Act, 1981.

Business income including interest on loans, exchange, commission, brokerage and fees, etc. during FY 2015-16 was ₹ 55.65 billion as compared to ₹ 48.63 billion in FY 2014-15. Investment income, interest on bank deposits, etc. during FY 2015-16 was ₹ 32.16 billion as compared to ₹ 27.58 billion in FY 2014-15. Interest expenses in FY 2015-16 at ₹ 60.78 billion were higher by ₹ 6.81 billion mainly due to the increase in borrowings. Administrative expenses as a per cent of total expenses (excluding provisions for contingencies) worked out to 2.52 per cent during FY 2015-16 as against 2.38 per cent during FY 2014-15.

Profit before tax of the Export Development Fund during FY 2015-16 was ₹ 47.94 million as against ₹ 48.76 million during FY 2014-15. After providing for tax of ₹ 16.65 million, the post tax profit amounted to ₹ 31.29 million as against ₹ 32.12 million during FY 2014-15. The profit of ₹ 31.29 million is carried forward to next year.

Borrowings

Total borrowings of the Bank were at ₹ 933.17 billion as on March 31, 2016, higher by 18.56 per cent compared to total borrowings of ₹ 787.11 billion as on March 31, 2015.

Resources

During the year, the Bank received capital of ₹ 13 billion from the Government of India. As on March 31, 2016, the Bank's total resources including paid-up capital of ₹ 63.59 billion and reserves of ₹ 51.27 billion aggregated ₹ 1,048.03 billion. Exim Bank's resource base includes Bonds, Certificates of Deposits, Commercial Paper, Term Deposits, Term Loans and foreign currency deposits/borrowings/long-term swaps. During the year, the Bank raised borrowings of varying maturities aggregating ₹ 369.65 billion comprising rupee resources of ₹ 231.83 billion and foreign currency resources of US\$ 2.08 billion equivalent. Foreign currency resources of US\$ 1.80 billion equivalent were raised through bonds, bilateral/club/syndicated loans and US\$ 0.28 billion by way of Buy-Sell swaps/on-shore deposits. As on March 31, 2016, the Bank had a pool of foreign currency resources equivalent to US\$ 10.64 billion and outstanding Rupee Resources of ₹ 470.13 billion. Market borrowings as on March 31, 2016, constituted 100 per cent of the total borrowings and 89 per cent of the total resources of the Bank.

Foreign Currency Resources

During FY 2015-16, the Bank raised foreign currency resources aggregating US\$ 1.80 billion equivalent (excluding raised and repaid during the year). The Bank issued 5.5-year US\$ 500 million



An MoU was signed with Export-Import Bank of Malaysia Berhad, to strengthen co-operation in financing, guaranteeing and other financial mechanism to support projects of mutual interest.



Exim Bank signed a Memorandum of Understanding with Dubai Economic Council, Government of Dubai to enhance co-operation in the areas of economic research and facilitating bilateral trade and investment.

Eurodollar bonds in January 2016. The issuance marked the first dollar denominated bonds out of India for 2016. The transaction was priced with minimal new issue premium amidst very tentative markets (i.e. against a very conservative market backdrop with volatility in equity markets, declining crude prices and simmering geopolitical tensions), where most of the highly rated, repeat issuers from Asia have paid higher single digit new issue premium for their issuances from the start of the year. These bonds are included in the Emerging Market Bond Index. The Bank also raised CNH Bonds aggregating CNH 600 million in August 2015 in two tranches by way of private placement through London Branch. Through this transaction, the Bank was able to further diversify into a new currency and the size and pricing of the deal has further established the Bank's stature in the international debt markets. The investor is one of the largest insurance companies in Taiwan. The Bank also issued Uridashi Bonds (denominated in a foreign currency and sold directly to Japanese household investors) in November 2015 in two tranches of AUD 164.50 million and US\$ 42.80 million. The issuance marked the Bank's fourth issuance in the Uridashi markets and has further established the Bank's name as a repeat issuer in the Japanese markets. During February 2016, the Bank accessed the Japanese markets again by way of a Ninja Loan (syndicated loan arranged in Japan for foreign companies or institutions) of US\$ 120 million. So far, the Bank has raised Foreign Currency resources in diverse currencies including Australian Dollars,

Euros, Japanese Yen, Mexican Peso, Offshore Renminbi, Singapore Dollars, South African Rand, Swiss Francs, Turkish Lira and United States Dollars.

International and Domestic Rating

The Bank is rated Baa3 (Positive) by Moody's, BBB- (Stable) by Standard and Poors, 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' from the rating agencies, CRISIL and ICRA for long term instruments and A1+ from the rating agencies CRISIL, ICRA and CARE for short term instruments.

Asset Quality

As per RBI prudential norms for Financial Institutions a credit/loan facility in respect of which interest and/or principal has remained



Exim Bank concluding a Line of Credit Agreement for US\$ 24 million extended to the Republic of Côte d'Ivoire.

overdue for more than 90 days, is defined as a Non-Performing Asset (NPA). The Bank's gross NPAs at ₹ 42.75 billion worked out to 4.17 per cent of the total loans and advances as on March 31, 2016 as compared to 2.94 per cent as on March 31, 2015. The Bank's NPAs (net of provisions) of ₹ 8.55 billion as on March 31, 2016 were at 0.86 per cent of loans and advances. The NPA Provision Coverage Ratio (PCR) as on March 31, 2016 was 80 per cent.

Asset Classification

'Sub-standard assets' are those where interest and/or principal remains overdue for more than 90 days. Sub-standard assets that have remained as NPAs for a period exceeding 12 months are classified as 'doubtful assets.' 'Loss assets' are those considered uncollectable. Out of gross NPAs at 4.17 per cent as on March 31, 2016, sub-standard assets worked out to 2.76 per cent and doubtful assets worked out to 1.41 per cent. Net NPAs at 0.86 per cent of net loans and advances as on March 31, 2016, are fully towards sub-standard assets, while doubtful assets have been fully provided for. The Bank did not have loss assets as on March 31, 2016.

Capital Adequacy

The Capital to Risk Assets Ratio (CRAR) was 14.55 per cent as on March 31, 2016, as compared to 15.34 per cent as on March 31, 2015, as against a minimum 9 per cent norm stipulated by RBI. The Debt-Equity Ratio as on March 31, 2016 was 8.12:1 as compared to 7.95:1 as on March 31, 2015.

Exposure Norms

Reserve Bank of India (RBI) has prescribed credit exposure limits for All-India Term Lending Institutions at 15 per cent of the financial institutions' capital funds, effective from March 31, 2002, for exposure to individual borrowers and at 40 per cent for group borrowers. An additional exposure up to 5 per cent (i.e. a total exposure up to 20 per cent of capital funds of the Financial Institution for Single Borrowers and 45 per cent of capital funds for Borrower Groups) can be taken in exceptional circumstances, with the prior approval of the Board. The exposure ceilings for individual borrowers and borrower groups can be exceeded by an additional five percentage points (i.e. 5 per cent of total capital funds) and ten percentage points (i.e. 10 per cent of total capital funds), respectively (over and above the maximum limits of 20 per cent and 45 per cent, respectively), provided the



Handing over of HAL-DO-228-202 (K) aircraft by Hindustan Aeronautics Limited to the National Coast Guard of Mauritius, supported under Line of Credit of US\$ 46 million extended to the Government of Republic of Mauritius.



Exim Bank's publication on "Enhancing India's Trade Relations with LAC: Focus on Select Countries" was released during the India-Latin America and Caribbean Conclave organised by CII in New Delhi.

additional credit exposure is on account of infrastructure projects in India. The Bank's credit exposures to single and group borrowers as at March 31, 2016 were within the limits stipulated by RBI. There was one borrower as on March 31, 2016 for whom exposure over 15% of capital funds was assumed with the approval of the Board/Management Committee. Exposure to this borrower as on March 31, 2016 stood at 19.61% of the capital funds of the Bank.

RBI has advised Financial Institutions to adopt internal limits on exposures to specific industry sectors so that the exposures are evenly spread over various sectors. The industry exposure limits adopted by the Bank for each industry sector are 15 per cent of the Bank's credit exposure to all industry sectors. The Bank's exposure to a single industry sector was not more than 15% per cent of its total exposure as at March 31, 2016.



Business Operations

Exim Bank as a Financier
of Exports

PROJECTS, PRODUCTS AND SERVICES EXPORTS

The Bank provides a range of export credit products like finance for export of projects and consultancy services, capital equipment finance, export project cash-flow deficit finance and guarantees. The Bank is equipped to offer a comprehensive financing package to Indian project exporters including funded support and project related guarantee facilities.

Export Contracts

During FY 2015-16, 95 contracts amounting to ₹ 225.51 billion covering 39 countries were secured by 50 Indian exporters, as against 105 contracts worth ₹ 497.81 billion covering 40 countries, secured by 56 Indian exporters during FY 2014-15. The contracts secured during the year comprised 55 turnkey contracts valued at ₹ 114.12 billion, 18 construction contracts valued at ₹ 97.87 billion, 10 supply contracts valued at ₹ 12.37 billion and 12 technical consultancy and services contracts valued at ₹ 1.15 billion.

There has been an apparent decline in the project export contracts secured by Indian companies during the year ended March 31, 2016, vis-à-vis the previous year; this actually reflects a data gap. Under the Working Group Mechanism, the Bank had to mandatorily accord post-award approval to all project export contracts above US\$ 100 mn; consequently, the Bank also served



Exim Bank assisted Wockhardt Ltd., Mumbai, for its R & D activities and capital expenditure.

as a central agency for collation of data on project export contracts secured by Indian companies. Subsequently, the RBI, in July 2014, decided to dispense with the structure of the Working Group. The RBI further announced that Exim Bank/commercial banks can now consider awarding post-award approvals without any monetary limit and permit subsequent changes in the terms of post award approval within the relevant Foreign Exchange Management Act guidelines/regulations. In view of the above developments, the Bank no longer has access to comprehensive data on project exports. The figures for the current financial year, therefore, represent only those project export



Expansion of Upper Ruvu Water Treatment Plant in Tanzania executed by VA Tech Wabag Ltd., India, under Line of Credit of US\$ 178.125 million to the Government of the United Republic of Tanzania.



Dredger and other vessels supplied under Line of Credit of US\$ 862 million to the Government of Bangladesh.

contracts that were referred to the Bank for approval and assistance and are not comparable with figures for the previous year.

Some major projects:

- Engineering, Procurement, Construction contract for design, construction, installation, commissioning and testing of Border Infrastructure Project in Oman, being executed by Engineering Projects (India) Ltd.
- Contract of Design Competition for the Re-Front End Engineering Design and Engineering, Procurement, Construction and Commissioning of the Effluent Treatment Plant of the Refinery and Petrochemical Integrated Development project, Pengerang, Malaysia, being executed by VA Tech Wabag Ltd.
- Contract for design, supply, installation, testing and commissioning of 183 km double circuit 400 kV overhead transmission line and double wired 72 fibres optical ground wire in Abu Dhabi, being executed by KEC International Ltd.
- Execution of a Road construction and maintenance project in Madrid City, Spain, being executed by IL&FS Transportation Networks Ltd.
- Engineering, Procurement and Construction of 2X35 MW Peat-Fired Power Plant in Rwanda, being executed by Shapoorji Pallonji & Company Pvt. Ltd.
- Contract of Engineering, Procurement and Construction of Floating, Production, Storage and Offloading vessel awarded to Shapoorji Pallonji & Company Pvt. Ltd.'s Joint Venture, Armada Madura EPC Ltd. (AMEL), Marshall Islands.

Export Credits and Guarantees

During the year, the Bank approved loans aggregating ₹ 262.24 billion by way of supplier's credit, buyer's credit and finance for Project Exports as against ₹ 249.61 billion during the previous year. Disbursements amounting to ₹ 260.10 billion were made during the year, as compared to ₹ 135.68 billion during the previous year. Guarantees sanctioned and issued during the year amounted to ₹ 16.41 billion and ₹ 20.99 billion, respectively, as against ₹ 45.33 billion and ₹ 19.93 billion during the previous year. These guarantees pertain to overseas projects in sectors such as power generation, transmission and distribution and infrastructure development.

Buyer's Credit

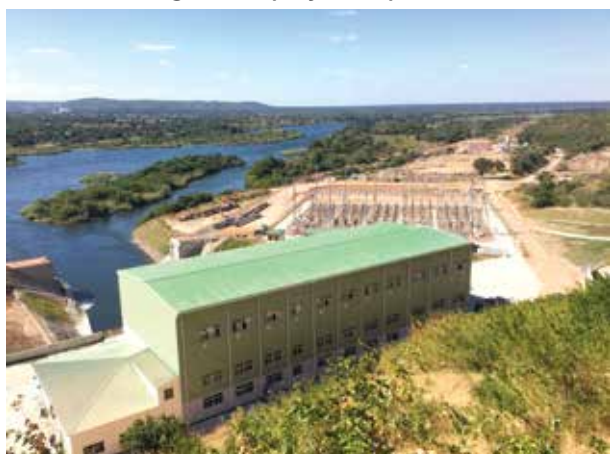
Buyer's Credit is a unique programme of Exim Bank under which the Bank facilitates Indian exports by way of extending credit facility to overseas buyers for financing their imports from India. Under Buyer's Credit programme, Exim Bank makes payment of eligible value to Indian exporters, without recourse to them. During FY 2015-16, the Bank extended short term Buyer's Credit facility aggregating ₹ 5.17 billion to 6 overseas companies. Disbursements under Buyer's Credit Programme aggregated ₹ 15.80 billion for exports to countries that include Bangladesh, Cote d'Ivoire, Ghana, Kenya, Mozambique, Nigeria, South Africa, Tanzania, Thailand, UAE, USA, Uganda, United Kingdom, Zambia and Zimbabwe. The products exported under Buyer's Credit included transport vehicles and auto spare parts, engineering goods,



Exim Bank assisted Welspun Group for setting up a grid connected 17 MW Solar power project.

agro-based products and commodities, gold and diamond jewellery, steel wires and wire rods, fuel and furnace oil, yarn, etc. Several exporters from small and medium enterprises were beneficiaries under the Buyer's Credit Programme, receiving non-recourse payment.

The Bank has laid strong emphasis on enhancing India's Project Exports, the funding options for which have been strengthened with the introduction of the Buyer's Credit under GOI's National Export Insurance Account (BC-NEIA) programme. The Bank has sanctioned an aggregate amount of US\$ 2.19 billion, for 22 projects, valued at US\$ 2.49 billion, as on March 31, 2016, including the supply, erection and commissioning of a water treatment plant and distribution to reservoirs across the Dambulla region in Sri Lanka; setting up of an integrated LPG and bitumen storage facility at the Beira Port in Mozambique; plant and design-build contract for civil, mechanical and engineering works for the Aluthgama, Mathugama and Agalawatta integrated water supply project in Sri Lanka; plant and design – build contract for civil, mechanical and engineering works for Polgahawela, Pothuhera and Alawwa Integrated Water Supply Project in Sri Lanka; Plant and Design–Build Contract for Civil, Mechanical and Engineering Works for Kundasale-Haragama Water Supply Project in Sri Lanka; and supply of vehicles and spares to Zimbabwe, Tanzania and Senegal. The Bank has also given in-principle commitments for an aggregate amount of US\$ 5.11 billion supporting 36 projects valued at US\$ 6.27 billion, under the BC-NEIA at the behest of several leading Indian project exporters.



120 MW Itezhi tezhi Hydro power project in Zambia part financed under the Bank's Lines of Credit Programme.



Exim Bank extended a Line of Credit (LOC) of US\$ 50 million to the Government of the Co-operative Republic of Guyana, for financing a Road Linkage Project in Guyana.

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. During the year, the Bank extended nine LOCs, aggregating US\$ 2.61 billion, to support export of projects, goods and services from India. LOCs extended by Exim Bank during the year include LOCs to the Governments of Bangladesh, Cote d'Ivoire, Democratic Republic of Congo, Guinea, Guyana, Myanmar, Tanzania and Zimbabwe. These LOCs will finance and catalyse exports by way of financing projects such as electricity interconnection project, development of power distribution project, strengthening of health systems, renovation/upgradation of thermal power plant, implementation of a microwave radio link, road linkage project and financing various social and infrastructure development projects (such as power, railways, road transportation, information and communication technology, shipping, health and technical education sectors). Exim Bank has built up a portfolio of 203 LOCs spread across 63 countries, with credit commitments aggregating US\$ 14.27 billion, under which projects are at various stages of implementation.

Concessional Financing Scheme of GoI

Government of India has approved a new financing scheme to enable Exim Bank to offer concessional finance to support Indian companies bidding for strategically important infrastructure projects

abroad. The Indian company under the Scheme must be owned by resident Indian citizens and must be producing domestically at least 75% of the items required for the execution of the project. Under the scheme, Exim Bank has sanctioned a loan of US\$ 1.60 billion to the Bangladesh-India Friendship Power Company Ltd., a 50:50 JV company of Bangladesh Power Development Board, Bangladesh and NTPC Ltd., India, to finance the 2x660 MW Maitree Super Thermal Power Project in Rampal, Bangladesh, awarded to Bharat Heavy Electricals Ltd. through an International Competitive Bidding Process.

BUILDING EXPORT COMPETITIVENESS

The Bank operates a range of financing programmes aimed at enhancing the export competitiveness of Indian companies. During FY 2015-16, Exim Bank sanctioned loans aggregating ₹ 236.53 billion under programmes for enhancing export competitiveness. Disbursements amounted to ₹ 230.31 billion under these programmes.

Loans to Export Oriented Units

During the year, the Bank approved term loans of ₹ 67.50 billion to 52 export oriented units. Disbursements amounted to ₹ 59.51 billion. Under the Production Equipment Finance Programme, 12 exporting companies were sanctioned ₹ 10.26 billion for financing acquisition of production equipment. Disbursements amounted to



Exim Bank financed Armada Madura EPC Ltd's. contract of Engineering, Procurement and Construction of Floating, Production, Storage and Offloading (FPSO) vessel, Marshall Islands valued at US\$ 500 million.

₹ 10.15 billion. 11 companies were sanctioned long-term working capital loans aggregating ₹ 4.50 billion. Disbursements amounted to ₹ 3.81 billion.

Technology Upgradation Fund Scheme (TUFS)

Exim Bank is one of the nodal agencies appointed by the Ministry of Textiles, GOI, to establish and approve the eligibility of projects under TUFS and release subsidy directly to the approved projects. As on March 31, 2016, the Bank has accorded approval for 225 projects with aggregate cost of ₹ 182.36 billion. Loans approved and disbursed



In line with 'Act East' policy of Government of India, Exim Bank has undertaken special initiative to promote Indian investments in the CLMV (Cambodia, Lao PDR, Myanmar and Vietnam) region. The Bank held seminars during the year to disseminate information on various investment opportunities in the region, to Indian private sector companies.



Exim Bank assisted PMP Auto Components Pvt. Ltd. for setting up a facility for manufacturing wiper systems in Puebla, Mexico, to cater the demands of Volkswagen AG.

aggregate ₹ 65.52 billion and ₹ 34.20 billion, respectively. The Bank's assistance under TUFs to the textile industry is spread across various segments in textile manufacturing and covers several states in India.

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, 31 corporates were sanctioned funded and non-funded assistance aggregating ₹ 56.96 billion for part financing their overseas investments in 15 countries. So far, Exim Bank has provided finance to 563 ventures set up by 436 companies in 78 countries. Overseas investments supported during the year include acquisition of a colouring business for food, beverages and industrial pigments in Australia, establishment of a university in Antigua, acquisition of a company manufacturing engineering products



1250 TCD Capacity Sulphurless White Sugar Plant at Komenda, Ghana, financed under Exim Bank's Line of Credit of US\$ 35 million to the Government of Ghana.

in Romania and acquisition of a logistics company in Australia.

Aggregate assistance extended for overseas investment amounts to ₹ 491.46 billion covering various sectors including pharmaceuticals, home furnishings, readymade garments, construction, paper and paper products, textiles, garments, chemicals, dyes, computer software and IT, engineering goods, natural resources (coal and forests), metal and metal processing, agriculture, agro-based products, steel, oil and gas.



Exim Bank assisted Manipal Education (Mauritius) Pvt. Ltd., Mauritius, for establishing American University of Antigua Inc., Antigua which has affiliations with 30 hospitals in the USA for clinical rotations and is one of the modern medical schools in the Caribbean.

STANDBY LETTERS OF CREDIT (SBLC) / LETTERS OF CREDIT (LC)

To facilitate the transactions of Export-Oriented Units, the Bank issues LCs mainly for imports financed by the Bank. The Bank also extends financial guarantees by way of guarantees / SBLCs to enable Export Oriented Units raise funds at competitive rates. During the year, the Bank issued financial guarantees amounting to ₹ 4.71 billion. The Bank's financial guarantee portfolio stood at ₹ 46.31 billion as on March 31, 2016, as against ₹ 58.18 billion as on March 31, 2015. During the year, the Bank opened 209 LCs aggregating ₹ 7.66 billion. The Bank also handles negotiation/ collection of export documents. The Bank handled 2,115 export documents worth ₹ 38.05 billion.



Business Operations

Exim Bank as a Facilitator
of Exports

GRASSROOTS BUSINESS INITIATIVES

The Bank, through its grassroots initiatives, envisages supporting globalisation of enterprises based out of rural India. The programme seeks to address the needs of relatively disadvantaged sections of society while creating expanded opportunities for traditional craftspeople and artisans and rural entrepreneurs of the country.

During the year, the Bank provided support to a Punjab based social enterprise that works with around 2,500 women artisans for their empowerment and also for the revival of the languishing Phulkari art. The intervention by the Bank was aimed at part financing the working capital requirements of the organisation. The Bank, in partnership with the enterprise, organised a design development workshop for 30 master artisans in Thuha village of Patiala district of Punjab. Intervention in the form of lending support was also provided to a Rajasthan based organisation, which works with nearly 3,500 artisans with an objective of ensuring sustainable livelihoods for artisans and farmers. The Bank also supported two organisations based in Uttar Pradesh for part financing the cost of setting up of production centres for Indian gooseberry (Amla) processing and Handloom Products. During the year, the Bank continued its support to a Society based in Sri-kalahasthi, Andhra Pradesh, engaged in the production of wooden handicrafts and Kalamkari products; a company based in Bangalore, Karnataka, engaged in the production of Handloom Products; a Nilgiris, Tamil Nadu based social enterprise which works with nearly 2,000 artisans, mostly from the tribal communities, promoting agro-ecological products; and enhanced its support to a social enterprise



A four-month design development workshop organised by Exim Bank for Purkal Stree Shakti Samiti, Uttarakhand.

sourcing off-the-loom products from handlooms in Bhagalpur, Bihar.

The Bank has been supporting and assisting rural artisans and craftsmen of handicraft products to gain domestic as well as international presence by organising design development workshops. The Bank also helped an Uttarakhand based Society working for the last 25 years in the field of education, health and income-generation of marginalised and underprivileged sections of the rural community, in organising a product and design development training workshop for select 25 master women artisans from nearly all the villages surrounding Purkal region in Dehradun, Uttarakhand. The Society, working with nearly 1,200 artisans, has been engaged in the production of handicrafts using appliqué and patchwork techniques. The Bank also supported a month-long workshop aimed at training 50 master artisans on creative and modern handloom designs, based in villages in and around Darrang District, Assam.

The workshops supported by the Bank have been immensely successful in addressing the key issues related to product development and design and have



Exim Bank supported artisans to showcase Traditional and Tribal Folk Paintings at Art Exhibitions in Mumbai, New Delhi and Chennai.





Exim Bank supported Skill Development and Capacity Building Training for Mandakini Women Weavers, Uttarakhand.

helped the artisans develop product prototypes, which have a wider appeal in both the domestic and international markets.

MARKETING ADVISORY SERVICES

The Bank plays a promotional role and seeks to create and enhance export capabilities and international competitiveness of Indian companies through its Marketing Advisory Services. The Bank provides assistance to Indian firms in their globalisation efforts by locating overseas distributor(s)/buyer(s)/partner(s) for their products and services. Exim Bank also assists in identification of opportunities overseas for setting up plants or projects or for acquisition of companies overseas. The Bank leverages its high international standing, in-depth knowledge and understanding of the international markets and well established institutional linkages, coupled with its physical presence, to support Indian companies in their marketing initiatives on a success fee basis.

During the year, the Bank signed mandates with 10 new companies to assist in marketing of their products and services. A total of 75 orders in domestic as well as overseas markets were generated for various products. The success stories include placement of steel link chains for material handling purposes at the sea-port and warehouses in Colombia, Manipur's black pottery products to a retail chain in the United States and hand-woven textile to e-commerce companies in India and the United States. Several handicraft items and tribal and folk paintings were also placed across India and orders were generated for laminated tubes and bottles in Sri Lanka. The Bank also supported and assisted in placement of handicraft and handloom items such as block printed bags, paintings, handmade paper products, hand-woven stoles, paper cutting metal artefacts, jute products, embroidery textiles, pottery, handmade carpets, Kolhapuri footwear, Chennapatna wooden products and wood carving and inlay.



Exim Bank supported various Handicraft and Handloom products.



Exim Bank sponsored several artisans to participate at Surajkund Mela and Kala Ghoda Festival.

Besides product placement, the Bank also assisted Indian companies in identifying partners overseas:

- A Letter of Intent was signed between Shapoorji Pallonji Group and Big Stone Investment Pvt. Ltd., Maldives, for designing and development of an Island Resort in Maldives.
- A vendor agreement was signed by Panchachuli Women Weavers Association with USA based e-commerce company Novica to sell hand-woven products in the USA market via its e-commerce platform.

Workshops/Training Programmes

The Bank in collaboration with National Institute of Design (NID) supported Jaipur based Anoothi, by organising a design intervention and product development workshop. The 10 day workshop was attended by 22 rural women who were trained in mastering the block printing techniques enabling new product development using the traditional and combination technique of block printing and embroidery.



Exim Bank sponsored Product Development Workshop in Block Printing for women artisans of Jaipur based Anoothi Self Help Group.

The Bank along with Mandakini Women Weavers Association, Uttarakhand, organised a 6-month training programme for 35 women weavers in spinning, weaving and knitting. Through this programme, the women affected during the Kedarnath flood have gained sustainable livelihood.

Events/Exhibitions

The Bank in partnership with Surajkund Mela Authority assisted 15 craftsmen to display and sell their products at Surajkund Mela which was held in Haryana during February 2016. The internationally acclaimed event drew large number of buyers and helped the artisans find new market opportunities.



Exim Bank supported Anoothi for showcasing its Block Printed home textiles range at Home Expo in New Delhi.

The Bank also supported weavers and artisans during the Kala Ghoda Arts Festival event held in Mumbai during February 2016. The Festival served as a platform for grassroot artisans to showcase their products and helped in securing several new enquiries and direct sales.

The Bank, in association with Concern India Foundation and Secure Giving, organised and supported Traditional and Tribal Art Exhibitions in Chennai, Mumbai and New Delhi. Traditional and tribal paintings originating from various states across India; namely, West Bengal, Gujarat, Odisha, Madhya Pradesh, Rajasthan, Bihar, Telangana and Andhra Pradesh were exhibited and sold.

The Bank also offered assistance to Jaipur based, Anoothi, by way of booth space at Home Expo India event in New Delhi. The event was organised by Export Promotion Council for Handicrafts. The event provided access to a large number of buyers and helped Anoothi find new business opportunities in both local and overseas markets.



Business Operations

Exim Bank as a Promoter
of Exports



Presenting the RTGS receipt of ₹ 4.33 billion as Balance of Net Profit transferred to the Government of India for FY 2014-15.

RESEARCH AND ANALYSIS

The Bank's Research and Analysis Group offers a range of research insights on aspects of international economics, trade and investments through qualitative and quantitative research techniques. The research work carried out in the Group under the broad classification of regional, sectoral and policy related studies, are published in the form of Occasional Papers, Working Papers, Books, etc.

The research studies undertaken during the year are:



Dr. Donald Kaberuka, former President, African Development Bank, spoke on "Promoting Africa-India Investment in the New Global Landscape" at the Bank's Commencement Day Annual Lecture.

- Multilateral Development Bank-Funded Projects: Recent Trends and Opportunities for Indian Exporters
- Potential for Trade of Organic Products from India
- Value Addition Chains and Trade in Manufactured Commodities in Southeast Asia
- Indian Steel Industry: Export Prospects
- International Solar Alliance: Nurturing Possibilities
- Defence Equipment Industry: Achieving Self-Reliance and Promoting Exports
- India's Services Sector: An Analysis
- Focus Africa: Enhancing India's Engagements with Southern African Development Community (SADC)
- Act East: Enhancing India's Engagements with Cambodia, Lao PDR, Myanmar and Vietnam (CLMV)
- Export from West Bengal: Potential and Strategy
- Make in India for the World: Realising Export Potential of Railways



Exim Bank supported construction of a 5-Star Hotel by Shapoorji Pallonji Mideast LLC in Sierra Leone.

- Indian Leather Industry: Perspective and Strategies
- Enhancing India's Trade Relations with Africa: A Brief Analysis
- Turkey: A Study of India's Trade and Investment Potential
- Enhancing India's Trade Relations with LAC: Focus on Select Countries
- Potential for Enhancing India's Trade with Russia: A Brief Analysis
- Potential for Enhancing India's Trade with China: An Update
- Potential for Enhancing India's Trade with Pakistan: A Brief Analysis
- Potential for Enhancing India's Trade with Iran: A Brief Analysis
- Enhancing India's Trade Relations with ECOWAS: A Brief Analysis

INFORMATION AND ADVISORY SERVICES

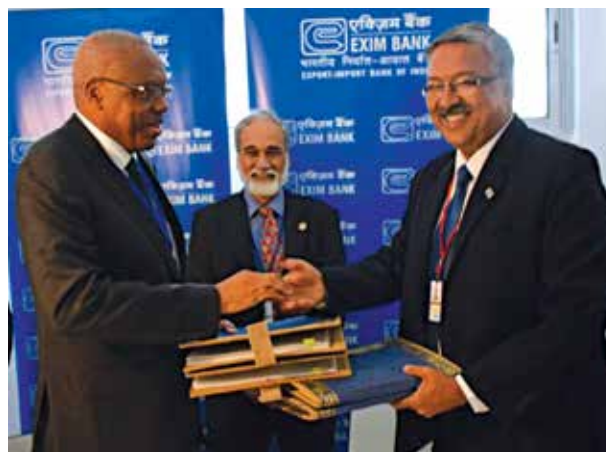
The Bank provides a wide range of information, advisory and support services, which complement its financing programmes. These services are provided on a fee basis to Indian companies and overseas entities. The scope of services includes market-related information, sector and feasibility studies, technology supplier identification, partner search, capacity building exercises, investment facilitation and development of joint ventures both in India and abroad.

In 2015, the International Trade Centre (ITC), Geneva, under its 'Supporting Indian Trade and Investment for Africa (SITA) Project', awarded to Exim Bank an assignment for institution capacity

building for export credit and insurance to enhance trade competitiveness in Rwanda. The objective of the assignment was to establish the rationale for a separate entity to cater to the growing requirements of export credit and export credit insurance for promoting international trade of Rwanda, as also for suggesting a viable operating model for the proposed agency. The assignment is part of a multi-phased project of the ITC under SITA.

During the year, the Bank was commissioned by the Commonwealth Secretariat to carry out a follow-on assignment to assist the Sri Lanka Export Credit Insurance Corporation (SLECIC) towards operationalising the recommendations made by the Bank as part of an earlier assignment completed in FY 2013-14. The follow-on assignment entailed strengthening the export credit institutional structure in Sri Lanka, inter alia, comprising SLECIC, commercial banks and the government policy and regulatory framework. The objective of the assignment was to enhance the trade competitiveness of Sri Lanka by facilitating greater flow of export credit and by deepening and broadening the export base of the country.

International Solar Alliance (ISA) was conceived in the backdrop of the COP21 in France in 2015, as a coalition of 121 solar resource rich countries, receiving almost 300 days of sunlight, located between the Tropic of Cancer and the Tropic of Capricorn. The Alliance envisages addressing the energy needs of these countries and providing a platform to collaborate on addressing the identified gaps through a common agreed approach.



Exim Bank signed two Agreements for Lines of Credit for US\$ 34.50 million and US\$ 109.942 million with the Government of the Democratic Republic of Congo.



Exim Bank delegation during the flag-off ceremony at the Mumbai Port Trust on the occasion of shipment of vehicles and spare parts by Ashok Leyland Ltd. to Zimbabwe, financed under Bank's Buyer's Credit Programme.

Exim Bank in its effort towards supporting the initiative of the Government of India, has undertaken a Study titled "International Solar Alliance: Nurturing Possibilities", outlining key challenges and strategies towards bringing in greater electrification amongst the ISA countries. The Study also has devised a 'co-operation framework' and a financial and policy support mechanism for ISA members to take this initiative forward.

MULTILATERAL FUNDED PROJECTS OVERSEAS

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 (ADB), African Development Bank (AfDB) and European Bank for Reconstruction and Development (EBRD). Projects funded by such Multilateral Funding Agencies present attractive business opportunities for suppliers, contractors and consultants. Recognising the potential for increasing effective participation by Indian firms

in such multilateral funded projects, Exim Bank has been organising seminars in association with Multilateral Agencies.

The Bank in association with the ADB organised a series of seminars on business opportunities in ADB funded projects at Chennai, New Delhi, Guwahati and Jaipur. The seminars have enabled sharing of information on the nature of business opportunities for suppliers, contractors and consultants under multilateral funded projects and outlined learnings for Indian companies for effective participation in such projects. Similarly, two seminars on business opportunities in the World Bank funded projects were organised at New Delhi and Bengaluru. A workshop on procurement reforms in World Bank funded projects was also organised at New Delhi.

A knowledge sharing seminar on 'Energy Efficiency Financing for Indian Banks' was organised by the Bank in association with EBRD in Mumbai. At the seminar, the EBRD delegation presented the energy efficiency financing track-record of the EBRD, which has allowed it to grow its energy efficiency investments to approximately 25 per cent of the overall annual business volume of the Bank. The aim of the seminar was to create interest among Indian Banks to adopt similar energy efficiency financing structures in their institutions, so as to identify more consistently energy efficiency opportunities among their clients and, hence, to scale up this business line.

EXIMIUS CENTRE FOR LEARNING

The Eximius Centre for Learning (ECL), Mumbai, is responsible for the overall conduct, coordination and implementation of programmes, seminars



Exim Bank's Research Study titled, "Exports from West Bengal: Potential and Strategy" released by Ms. Mamata Banerjee, Hon'ble Chief Minister of West Bengal.



Exim Bank organised Interactive Sessions in various cities for Indian Exporters on the Government of India's new Indian Development and Economic Assistance Scheme (IDEAS) Guidelines on Lines of Credit (LOCs) to Overseas Governments.

and workshops for Indian exporters and importers with a view to enhance their awareness as also to facilitate India's international trade and investment. Seminars and conferences for exporters and importers are organised on topics of contemporary interest.

The seminars were conducted with speakers from trade associations, Federation of Indian Export Organisations, Directorate General of Foreign Trade, Customs, ECGC Ltd. and leading commercial banks. During the financial year, ECL conducted 17 export promotion seminars for exporters in Tier I and Tier II cities in various regions as follows:

- Two seminars in Delhi and Ahmedabad on "Capacity Building Programme on Promoting Trade and Investments with BRICS countries" in association with Federation of Indian Chambers of Commerce and Industry.
- Seminars in Srinagar on "India's Competitiveness in Foreign Trade" and at Shillong on "Opportunities and Challenges in Foreign Trade" in association with CII.
- A seminar at Bhubaneswar on "International Trade Facilitation" in association with World Trade Centre.
- A series of 9 seminars were conducted in association with FIEO on topics such as "Opportunities and Challenges in Foreign Trade", "Enhancing Foreign Trade in India", "Energising Entrepreneurs for International Trade", "Promoting International Trade and Investments" in Noida, Pune, Vizag, Varanasi, Madurai, Mangalore, Jaipur, Vadodara and Kanpur.
- A seminar on "Opportunities in Foreign Trade" at Mysore in association with Federation of Karnataka Chamber of Commerce and Industry.

- In order to promote and facilitate 'Niryat Bandhu Scheme' of MOCI-GOI for promoting first generation entrepreneurs, ECL, in association with the DGFT and Texprocil, organised a seminar at Bhiwandi, Thane.
- A seminar on "Enhancing Foreign Trade in India" at Goa in partnership with Goa Chamber of Commerce and Industry.

INSTITUTIONAL LINKAGES

The Bank has fostered a network of alliances and institutional linkages with multilateral agencies, export credit agencies, banks and financial institutions, trade promotion bodies and investment promotion boards to help create an enabling environment for supporting trade and investment.

Exim Bank entered into a multilateral co-operation agreement, along with Chairmen/Presidents of other member development banks of BRICS (Brazil, Russia, India, China and South Africa) nations, expressing their intent to co-operate with the New Development Bank (NDB) promoted by the BRICS nations. This Agreement is aimed at setting a broader agenda for co-operation



Exim Bank supported execution of Chennai Metro Rail Project by Afcons Infrastructure Ltd. by way of cash flow deficit financing of ₹ 1 billion.

with the NDB guided by the existing international banking practices; the principles of equality, mutual benefit and responsible financing; and the existing partnership among the BRICS national development banks. The Agreement is expected to enhance co-operation between BRICS development banks and the NDB, individually or collectively, on sharing of information, knowledge and experiences; extending guarantees and counter guarantees; co-financing; and issuance of bonds, among others. The Agreement was signed in the presence of Heads of States/Governments of the BRICS countries in Ufa, Russia during the BRICS Summit 2015.

The Bank also entered into a co-operation agreement with Brazilian Development Bank (BNDES) at Ufa, Russia on the sidelines of the 2015 Annual Meetings of the BRICS Interbank Co-operation Mechanism. This Memorandum of Understanding (MOU) is aimed at sharing of knowledge, information and best practices; capacity building of personnel, including project development skills; promotion of joint events, research and programmes; development of effective and sustainable financing solutions for projects of mutual interest, including projects in third countries, such as PPP projects; and co-financing.

For development of the export market for Craft products and sharing of the knowledge on social

enterprises, Exim Bank signed an MOC with GoCoop Solutions and Services Pvt. Ltd. (GoCoop). GoCoop.com, India's first social marketplace for easy and transparent sourcing of craft products, is an e-commerce platform that enables co-operatives, community-based artisans and weavers to list and sell their produce online. The technology platform developed by GoCoop and its marketing services provides co-operatives in India with access to national and international markets, fair and efficient business dealings and the means to raise the standard of living of millions of low-income producers.

Exim Bank entered into a co-operation agreement with Export-Import Bank of Malaysia Berhad, to strengthen co-operation in financing, guaranteeing and other financial mechanism to support projects of interest to both the Banks. The MOU was signed in Tokyo, on the sidelines of the 21st Annual Meeting of the Asian Exim Banks Forum.

Asian Exim Banks Forum

The Twenty First Annual Meeting of the Asian Exim Banks Forum (AEBF) was held in Tokyo, Japan, in December 2015. The theme for the meeting was "World's Massive Infrastructure Needs and Export Credit Agencies." The Meeting was hosted and



Exim Bank's publication titled "Enhancing India's Trade Relations with Africa: A Brief Analysis" being released at the hands of Mr. Arun Jaitley, Hon'ble Union Minister for Finance, Corporate Affairs and Information and Broadcasting, Government of India, during Exim Bank's Seminar on "Focus Africa" in New Delhi.



Participants of the 32nd Training Programme of the Asian Exim Banks Forum on 'Infrastructure Financing', hosted by Export-Import Bank of India at Mamallapuram, Tamil Nadu.

chaired by the Japan Bank for International Co-operation and had representatives at the highest level from member institutions, viz., Australia, China, India, Indonesia, Japan, Korea, Malaysia, Philippines, Thailand and Vietnam. The meeting also saw the participation of Asian Development Bank, the multilateral financing institution, as a permanent invitee and three Observer Institutions from Iran, Mongolia and Sri Lanka. Turk Eximbank was unanimously approved by all the AEBF regular members and admitted as an Associate member to the Forum.

In 1996, Exim Bank took the initiative of forming AEBF. While export credit agencies are generally considered as competitors as they support their respective national exports, the objective of the Forum is to collaborate while competing. AEBF seeks to enhance economic co-operation and forge stronger linkages among its member institutions, thereby fostering a long-term relationship within the Asian Exim Banks' community.

The forum also provides a sound platform for knowledge sharing by way of training programs that have helped the staff of the member institutions learn the best practices in areas as diverse as project financing, capital markets, ship financing, SME financing, commodity financing, country risk, cross border investment, etc. Three training programmes were hosted during the year by the member institutions, including a training programme on 'Infrastructure Finance' hosted by Export-Import Bank of India at Mamallapuram, Tamil Nadu, India in January 2016.

India-Africa Forum Summit

The third edition of the India-Africa Forum Summit (IAFS) was held during October 26-29, 2015, in New Delhi. On the sidelines of the IAFS, Exim Bank held the inaugural meeting of the Kukuza Project Development Company (KPDC) which was set up to facilitate Indian participation in infrastructure projects in Africa. KPDC is Exim Bank's joint venture company with IL&FS, AfDB and State Bank of India.

The Bank also organised a seminar titled "Focus Africa" on October 27, 2015, which was inaugurated by Mr. Arun Jaitley, Union Minister for Finance, Corporate Affairs and Information and Broadcasting, Government of India. The Seminar saw participation of senior level delegates from institutions and Governments of the African countries and senior representatives from the African and Indian business community. There was also a special session by Mrs. Nirmala Sitharaman, Union Minister of State (Independent Charge) for Commerce and Industry, Government of India. Mr. Piyush Goyal, Union Minister of State (Independent Charge) for Power, Coal, New and Renewable Energy, Government of India, also spoke at the seminar.

The Bank organised a number of bilateral meetings with representatives from African nations during the IAFS to improve the Bank's relations with corresponding institutions and governments in Africa.

Global Network of Exim Banks and Development Finance Institutions

The Global Network of Exim Banks and Development Finance Institutions (G-NEXID) was set up in Geneva in March 2006 through the Bank's initiative, under the auspices of UNCTAD. With the active support of



Exim Bank of India signed the constitutive documents for setting up the Kukuza Project Development Company in Africa to facilitate Indian participation in infrastructure projects in Africa. The other shareholders in the company are the IL&FS Group, African Development Bank and State Bank of India.

a number of other Exim Banks and Development Finance Institutions from various developing countries, the network has endeavoured to foster enhanced South-South trade and investment and co-operation.

Award for Business Excellence

Exim Bank and Confederation of Indian Industry (CII) joined hands in 1994, to promote 'excellence' among Indian companies through the 'CII-Exim Bank Award for Business Excellence' for best Total Quality Management (TQM) practices adopted by an Indian company. The Award is based on the European Foundation for Quality Management (EFQM) model. The award, which is an annual ceremony, is a prestigious and befitting industry recognition given to a company after being assessed by panels of trained assessors through a transparent and rigorous methodology based on the EFQM Model.



Exim Bank supported a contract valued at US\$ 81.69 million for supply, erection and commissioning of 30 million litres per day water treatment plant and distribution to 9 reservoirs across Dambula region in central Sri Lanka. The project is being executed by VA Tech Wabag Ltd.

In 2015, there were 22 companies which received varying levels of recognition. Bhilai Steel Plant and Rallis India Limited were adjudged as the Prize Winners of the CII-Exim Bank Award for Business Excellence.

International Economic Research Award

The International Economic Research Award was instituted by the Bank in 1989. The objective of the Award is to promote research in international economics, trade, development and related financing, by Indian nationals at universities and academic institutions in India and abroad. The Award consists of a sum of Rupees Three Hundred and Fifty Thousand and a citation. The winner for the year 2014 is Dr. Kalyan Shankar, for his doctoral thesis titled "Analysis of Inter-Country Value Addition Chains in the Trade of Select Manufacture Commodities among Select South East Asian Economies". Dr. Shankar received his degree in 2011 from the University of Pune.

Commencement Day Annual Lecture

Exim Bank's Commencement Day Annual Lecture series, instituted in 1986, has earned recognition as an important milestone in contributing to the debate and discussions on contemporary trade and development issues impacting the global economy. The lecture for the year 2016 was delivered by Dr. Donald Kaberuka, who was the President of the African Development Bank from 2005 until 2015 and is currently the Hauser Leader in Residence, Harvard Kennedy School. Dr. Kaberuka spoke on the topic "Promoting Africa-India Investment in the new global landscape."



Exim Bank supported one upcoming induction furnace-based billet manufacturing plant in Bangladesh under the Buyer's Credit facility to BSRM Steel Mills Ltd., Bangladesh.

BRICS Interbank Co-operation Mechanism

India has assumed the Chairmanship of BRICS Forum for 2016 and the Bank, being the nominated member development bank from India, has assumed the Presidency of the BRICS Interbank Co-operation Mechanism. The Bank organised a Technical Group meeting in Udaipur, during March 10-11, 2016, to discuss various areas for furthering co-operation among member development banks. During India's Chairmanship, the Bank has planned a series of events and seminars, including the Annual Meeting and the Financial Forum of the BRICS Interbank Co-operation Mechanism.

Exim Bank of India BRICS Economic Research Award

During India's Presidency under the BRICS Interbank Co-operation Mechanism, the Bank has instituted the Exim Bank of India BRICS Economic Research Award, with the objective to encourage and stimulate advanced research on economics related topics of contemporary relevance to the member nations of BRICS. The Award, comprising of a citation and prize money of Rupees 1.5 million

(approximately US\$ 20,000) would be supported by the Bank. The jury will accept as entries doctoral theses written by nationals of any of the five member nations of BRICS, who have been awarded a doctorate or accepted for award of a doctorate from any recognised nationally accredited University or academic institution globally.

ADFIAP Award

The Bank was conferred the Outstanding Development Project Award 2016 under the "Trade Development" category by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) during its 39th Annual Meeting held in Apia, Samoa. The ADFIAP Development Award recognises and honours ADFIAP member institutions, which have assisted projects that have created a development impact in their respective countries. Awards are given to members, which in the judgment of the ADFIAP Awards Board, have implemented or enhanced outstanding and innovative development projects during the immediate past year. ADFIAP has recognised Exim Bank's contribution to development by conferring



Exim Bank won the Outstanding Development Project Award from ADFIAP.

the Trade Development Awards for the Bank's various innovative products. The ADFIAP Trade Development Award was in recognition of Exim Bank's support to Nyaborongo Hydropower Plant at Rwanda which contributes nearly 18 per cent to the national power grid, as the country strives to reach its target of 563 MW by 2017.

Exim Bank's support to Indian States for promotion of exports

Being the premier export finance institution of the country, set up to finance, facilitate and promote India's international trade, the Bank has been actively engaged in promoting exports from Indian

states and supporting regional entrepreneurs to explore opportunities overseas.

The Bank brought out a Study titled, "Exports from West Bengal: Potential and Strategy", highlighting industries which are traditionally strong in the State and which could be further strengthened, while addressing the challenges faced by them in the State. The Study was released at the 2nd Global Bengal Business Summit in January 2016 by the Hon'ble Chief Minister of West Bengal.

With its presence through Regional Offices (ROs) in various Indian States, the Bank is desirous of further extending funding facilities to various exporters so as to provide them opportunity to access the global market. Towards this end, the Bank and the Government of Andhra Pradesh have entered into an MOU for promotion of exports from Andhra Pradesh. Exim Bank seeks to support the exporters having operations in Andhra Pradesh in achieving higher exports by facilitation of market linkages through its market advisory services, which will assist in identifying suitable partners. Besides, the Bank would help develop skills through capacity building workshops and help the exporters' participation in select trade fairs and exhibitions.



Business Operations

Exim Bank's Institutional
Infrastructure

HUMAN RESOURCES MANAGEMENT

The Bank's staff, comprising management graduates, chartered accountants, bankers, economists, legal, library and documentation experts, engineers, linguists, human resources and IT specialists, numbered 325 on March 31, 2016. The professional team of 275, is supported by administrative officers. The Bank – a “learning organisation”, organises various group training programmes, facilitating continuous upgradation of skills of its staff. Officers are also nominated for customised training programmes and seminars, aimed at developing and enhancing skill sets for handling highly specialised portfolios. During FY 2015-16, 245 officers attended training programmes and seminars on various subjects relevant to the Bank's operations ranging from working capital management & interpretation of financial statements, project planning, project monitoring and control systems, trade finance, credit risk, rupee resources, interpersonal communication & organizational effectiveness, information security and leadership development.

During FY 2015-16, 70% of the Bank's officers were nominated for 38 training programmes conducted by reputed institutes. 10 group training programmes were arranged on topics including Project and Infrastructure Financing, Financial Modeling for Project Finance, Project Appraisal: Tools and Techniques, Corporate Banking, Basics of Credit Appraisal, Financing MSMEs, Forensic Accounting and Investigative Audit, Risk Management in Challenging Environment, Management of NPAs, Basel II IRB Approach of Managing Credit Risk in



Exim Bank part financed the acquisition of 100% equity stake of Johnson Metall SRL (JM SRL), Romania, by Harsha Engineers Ltd., Ahmedabad.

Banks, Basel III issues and Challenges in Banking, Challenges of Leadership, Top Management Safety Leadership, Managing Chaos; Dynamic Time Management, Achieving leadership through people, Programme for Retiring Executives, International Conference on Big Data and Knowledge Discovery and Corporate Grooming, Etiquette and Fine Dining Skills and Team Building.

REPRESENTATION OF SCHEDULED CASTES, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

Of the total staff of 325 in the Bank's service as on March 31, 2016, there were 33 Scheduled Caste, 21 Scheduled Tribe and 49 Other Backward Class staff members. Training in Information Technology and other areas such as effective presentation, leadership, communication and language skills, was provided to these staff members. The Bank



Release of Exim Bank's study "Research and Development in BRICS: An Insight" during a joint FICCI-Exim Bank Capacity Building Programme on Promoting Trade and Investments with BRICS Countries.

continues to grant scholarships for scheduled caste and scheduled tribe and other backward class students at the Indian Institute of Foreign Trade, New Delhi and has also instituted scholarships for reserved category students of the Kalinga Institute of Industrial Technology University, Odisha; the North Eastern Regional Institute of Science and Technology, Arunachal Pradesh; the Delhi School of Economics and the Jawaharlal Nehru University, New Delhi.

INTERNAL COMPLAINTS COMMITTEE UNDER "THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013"

In compliance with the Act, the Bank has constituted a Complaints Committee for considering complaints of sexual harassment of women at workplace as defined under the Act. The Bank considers the safety of its employees to be very important and seeks to provide a safe working environment at the workplace. The committee held regular meetings and also initiated awareness sessions for all employees at all offices of the Bank.

TREASURY

The Bank's integrated treasury handles fund management functions including investment of surplus funds, money market and forex operations and securities trading. The Bank has segregated front/middle/back office functions and has set up a state-of-the-art dealing room. The range of products offered by the Bank's treasury to its borrowers include foreign exchange deals, collection/negotiation of export documents, issuance of inland/foreign letters of credit/guarantees, structured loans, etc. The Bank



Exim Bank was awarded a prize for its in-house magazine "Eximius" and for OL implementation in "B" Region by Reserve Bank of India.



Presentation of Exim Bank's International Economic Research Annual Award 2014 by Dr. Arvind Subramanian, Chief Economic Adviser, Government of India, to the Award winner, Dr. V. Kalyan Shankar.

uses financial derivative transactions for raising cost effective funds and hedging its balance sheet exposures, with an objective of reducing market risks. The Bank is a member of the Indian Financial Network (INFINET) and has registration authority status from Institute for Development Research in Banking Technology (IDRBT), the certifying authority. The Bank holds a digital certificate to deal through the Negotiated Dealing System - Order Matching segment (NDS-OM) of RBI, which provides the electronic dealing platform for trading in GOI securities. The securities/foreign exchange transactions of the Bank are routed through the Guaranteed Settlement Facility provided by the Clearing Corporation of India Ltd. (CCIL). The Bank is an active member of Collateralised Borrowing and Lending Obligation segment of CCIL. The Bank is also a member of Clearcorp Order Matching System (CROMS), the Repo Dealing System of CCIL. CROMS is a Straight Through Processing enabled anonymous Order Matching Platform launched by CCIL for facilitating dealing in market repos in all kinds of Government Securities on T+0/ T+1 basis. CCIL acts as a central counterparty to all CROMS trades and settlements are guaranteed by CCIL. The Bank has centralised SWIFT facility (with connectivity to London branch) which is capable of handling multiple Bank Identifier Codes.

PROGRESS IN IMPLEMENTATION OF THE OFFICIAL LANGUAGE POLICY

During FY 2015-16, the Bank continued its efforts to strengthen the implementation of the Official Language Policy of GOI. In compliance with the provisions of Section 3 (3) of the Official Language



Exim Bank assisted TVS Asianics Supply Chain Solutions Pte. Ltd., Singapore to acquire 55% stake in Australia based 'Transtar International Freight'.

Act, circulars, press releases, notices and reports were issued in bilingual form. In compliance with Rule 5 of the Official Language Rule 1976, letters received in Hindi were responded to in Hindi.

The Annual Programme for FY 2015-16, received from the Department of Official Language, Ministry of Home Affairs, GOI, was implemented through an action plan, prepared to achieve targets on various parameters. Towards this end, Official Language Implementation Committees at Bank's Head Office and Regional Offices reviewed and monitored the progress on quarterly basis. Hindi workshops were organised to impart training in Hindi to officers of the Bank, as per the targets. Use of Unicode was encouraged and officers were given training to use software/facilities available for working in Hindi on computers. The Bank has actively participated in the meetings of Town Official Language Implementation Committees (TOLIC)/State Level Bankers' Committees/Official Language Implementation Committee of the Department of Financial Services and Official Language Implementation Committee of Reserve Bank of India for Banks and Financial Institutions and implemented the decisions taken in these meetings.

A scheme offering incentives aimed at encouraging officers to learn and use Hindi in their day-to-day work is in place in the Bank. The Bank's in-house magazine 'Eximius' includes a Hindi section. Officers were encouraged to contribute articles in Hindi and best articles were rewarded. The Bank has increasingly encouraged its officers to participate in inter-bank Hindi competitions organised under the

aegis of TOLICs and RBI. Hindi training needs of the officers were identified and they were nominated for training for attaining working knowledge of Hindi. In pursuance of the Government's directives, a Hindi fortnight commencing from September 1, 2015 was celebrated in the Bank.

The Bank maintains its corporate website both in Hindi and English. Information related to business and operations of the Bank was updated and made available on Hindi website for wider dissemination.

Apart from literature on the Bank's operations and procedures, select Occasional Papers were translated into Hindi. Hindi versions of all the issues of 'Eximius: Export Advantage', a quarterly publication of the Bank, were published under the title 'Eximius: Niryaat Laabh'. Issues of 'Agri Export Advantage', a bi-monthly publication of the Bank, were also published in Hindi under the title 'Krishi Niryaat Laabh'. In addition to Hindi and English, it is translated in 10 other Indian languages and distributed.



Exim Bank organised a six-month long design development workshop for phulkari products.

In pursuance of Government policy regarding progressive use of Hindi, new Hindi books, particularly on foreign trade, commerce, finance, banking, information technology and other subjects were added to the Bank's library (Knowledge Centre). The Bank's efforts for accelerating the use of Hindi for official purposes received recognition from various authorities. Town Official Language Implementation Committee (TOLIC), Mumbai, constituted under the aegis of Department of Official Language, Ministry of Home Affairs, GOI, awarded the First prize to the Bank's Head Office for commendable performance in implementing Hindi among all



Exim Bank supported Rajkot-based Antilla Propack for supplying Laminated Tubes to a Sri Lankan importer.

Financial Institutions for the year FY 2014-15. Bank's Pune Regional Office and Kolkata Regional Office were also awarded Prizes by TOLIC Pune and TOLIC Kolkata, respectively, for commendable performance in implementing Hindi in their Offices. The Bank's in-house journal 'Eximius' was awarded a prize consecutively for the fifth time under bilingual magazine category amongst 32 participating Banks/Financial Institutions, by Reserve Bank of India for FY 2014-15. Reserve Bank of India also awarded the Bank a prize for Hindi implementation in B Region for FY 2014-15. Bank's staff members

also secured prizes for various competitions organised under the aegis of TOLICs.

INFORMATION TECHNOLOGY

The Bank continued its initiatives in enhancing the use of knowledge management tools, communication across its various constituents for better sharing of information, user empowerment and system intelligence capabilities. Systems were supported and upgraded in various areas including those of operational business intelligence, bank-wide system, document management and workflow, networks, infrastructure and security. The Bank strengthened its practices and procedures in compliance with international standards for IT Governance. The Bank's revamped corporate website (www.eximbankindia.in) continued to disseminate information in an organised manner on business opportunities and leads in international trade and also on the various research activities conducted by the Bank. Besides, it features relevant information on the Bank's various lending programmes and information and advisory services. The Bank also maintains websites for the Asian



A team building programme was conducted by Exim Bank for its staff.

Exim Bank Forum. Exim Bank is the first and only financial institution who initiated and implemented RTGS/NEFT and is now independently handling payments and settlements. Bank integrated its core banking system with payment channels (RTGS/NEFT and SWIFT) which not only improved the fund management but also brought the funds appropriation cycle to real time. Bank switched to system based asset monitoring and implemented early warning signals to avoid future slippages. The Bank implemented SharePoint portal for automation of the internal processes and moved towards digitisation in line with Digital India initiative.

CORPORATE GOVERNANCE

Exim Bank ensures transparency and integrity in communication and makes available full, accurate and clear information to all concerned. The Bank is committed to and is continuously striving to ensure compliance with best practices of corporate governance as relevant to the Bank. The Bank has established a framework of strategic control and is continuously reviewing its efficacy. Business/financial performance related matters, analytical data/information are reported to the Board/Management Committee of the Board (MC) periodically for review. The Bank has put in place a Board approved Compliance Policy and a senior official has been made responsible in respect of compliance issues with all applicable statutes, regulations and other procedures, policies as laid down by the GOI/RBI and other regulators and the Board and deviation, if any is reported to the Audit Committee (AC). The Bank's Board held

5 meetings and the MC held 8 meetings during the year.

AUDIT COMMITTEE

The Bank's AC of the Board provides direction to the total audit function of the Bank in order to enhance its effectiveness as a management tool and to follow-up on all issues raised in the statutory/external/internal/concurrent audit reports and RBI inspection reports. The AC reviews the quarterly financial statements every quarter before submission of the same to the Board. The AC also periodically reviews the functioning of the Bank's Fund Management Committee (FMC) and Asset-Liability Management Committee. The AC met 6 times during FY 2015-16.

ASSET-LIABILITY MANAGEMENT

The Asset-Liability Management Committee (ALCO) of the Bank oversees the monitoring and management of market risk with support from the Bank's mid-office. Liquidity/interest rate risks are managed by ALCO as per the Integrated Risk Management Policy approved by the Board. The role of the ALCO includes, inter alia, reviewing the Bank's currency-wise structural liquidity and interest-rate sensitivity positions vis-a-vis prudential limits prescribed by the RBI/Board, monitoring results of periodical stress testing of cash flows and identifying a suitable Asset Liability Management (ALM) strategy based on the quantum of interest-rate risk as measured through: a) assessment of sensitivity of net interest income and b) sensitivity of economic value, using duration-



Africa-India Partnership Day, jointly organised by Exim Bank, African Development Bank and FICCI, at Abidjan, Côte d'Ivoire.



A Seminar on 'Focus Africa' was organised by Exim Bank during the India-Africa forum Summit in New Delhi.

gap analysis, to interest rate movement. Regular stress testing of currency-wise liquidity position is carried out and a Contingency Funding Plan is drawn up periodically to estimate the worst-case fund shortfall in each currency. Value-at-risk is computed for the Bank's held-for-trading and available-for-sale portfolio of GOI securities. The FMC decides on the investments/disinvestments and raising of resources as per the Fund Management/Resources Plan approved by the Board at the beginning of each financial year and reviewed during the year. The AC of the Board periodically reviews the functioning of the ALCO/FMC.

RISK MANAGEMENT

The Bank has an Integrated Risk Management Committee (IRMC), which is independent of operating groups and reports directly to the top management. The IRMC reviews the Bank's position in regard to various risks (portfolio, liquidity, interest rate, off-balance sheet and operational risks) and oversees the operations of the ALCO, the FMC and the Credit Risk Management Committee (CRMC), all of which have cross-functional representation. While the ALCO deals with issues relating to ALM policy and processes and analyses the overall market risk (liquidity, interest-rate risk and currency risk) of the Bank, the CRMC deals with credit policy and procedures and analyses, manages and controls credit risk on a Bank-wide basis. The Bank has in place an advanced Credit Risk Model that enables a broad-based credit decision support (by incorporating a range of qualitative as

well as quantitative parameters/measures) and better portfolio management capability. A Rating Committee is in place to independently review the credit ratings assigned by sponsor officers to the respective proposals. The Bank also undertakes an annual review of the Business Continuity and Disaster Recovery Plans of all its offices. Each plan is vetted for completeness with regard to critical Business Continuity Risk Events and safeguards in place, for mitigating the impact thereof.

CREDIT MONITORING GROUP

To provide focused attention to monitoring of loan accounts which are under stress and also strengthening of recovery measures for NPAs, the Bank has a dedicated group, Loan Administration Group, which takes pro-active steps towards loan recovery as per the Board-approved Loan Monitoring and Recovery Policy; and towards preventing slippage of standard assets into NPAs, rehabilitation of NPAs which are viable and also focuses on recovery from NPA accounts where legal action is to be pursued for recovery. A system of ABC classification of loan accounts (including system for monitoring credit rating migration) is in place. Monthly reviews of overdues and NPAs are done by separate Committees. The Bank accords highest priority to recovery of NPAs through a multi-pronged strategy comprising legal action, sale of assets through Court Receiver, negotiations, one-time settlements, possession and subsequent sale of assets under provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act).

An independent Screening Committee, comprising a retired judge and two eminent persons with rich experience in the fields of law and banking, has been constituted for examining and recommending all settlement proposals and assignment to Asset Reconstruction Companies, for consideration by the Competent Authority.

KYC, AML AND PML MEASURES OF THE BANK

The Bank has a policy approved by the Board on 'Know Your Customer (KYC), Anti-Money Laundering (AML) and Prevention of Money Laundering (PML)' measures. The Policy conforms to RBI guidelines in the matter. The KYC, AML and PML policy covers:

- a) Customer Acceptance Policy
- b) Customer Identification Procedure
- c) Monitoring of transactions
- d) Risk Management

The Bank has access to the Bankers Accuity Database, an online database service, a product of one of the world's leading business publishers, Reed Business Information, part of the Reed Elsevier Group. It is a compliance database for bankers. Accuity's enhanced Global Watch List is a comprehensive collection of caution lists from all major sanctioning bodies, law enforcement agencies and financial regulators worldwide. All the customers of the Bank are subjected to KYC standards, which establish the identity of the natural/legal person and those of the 'beneficial owners'. Implementation of KYC policies and procedures covers identification of term deposit holders, correspondent banks, recruitment of new staff members and counter-party identification with regard to treasury transactions. The Bank obtains data required for ensuring compliance by its counter-party banks with regard to KYC norms through a suitable questionnaire. The Bank also maintains information in respect of certain transactions in accordance with the procedure and manner as may be specified by RBI and SEBI, as

the case may be, from time to time. Such records are maintained for a period of ten years from the date of the transaction. The Bank has appointed a Principal Officer responsible for its KYC, AML and PML measures. The KYC and AML Policy is on the Bank's website.

FAIR PRACTICES CODE FOR LENDERS

The Bank has in place, a Board approved policy on Fair Practices Code for Lenders framed in line with RBI guidelines. The policy is reviewed every year.

RIGHT TO INFORMATION

Exim Bank of India, as a public authority as defined in the Right to Information Act, 2005, is compliant with the Act. Citizens of India may apply for information under the provisions of the Act by communicating the same to the Central Public Information Officer of the Bank or any of the Assistant Public Information Officers of the Bank as mentioned on the website.

JOINT VENTURE

Global Procurement Consultants Ltd. (GPCL) conceived and promoted by Export-Import Bank of India as a private sector outfit in the year 1996, is a joint venture between Exim Bank and 11 other reputed private and public sector companies. GPCL was a pioneering concept brought to reality through a synergetic partnership among industry leaders in sectors such as Agriculture, Energy, Industries, Mining, Transportation, Water Resources and more. GPCL, in the past year, has broadened its range of services built around the procurement function to cover areas such as project identification, concept studies, preparation and review of reports, functioning as a lender's engineer, undertaking due diligence of a project, project monitoring, evaluation, capacity building and a variety of support services to the bilateral and multilateral lending agencies. The company recorded a consultancy income of ₹ 44.59 million in 2015-16 with a pre-tax profit of ₹ 12.70 million.



Financial Statements

Independent Auditor's Report

To The President of India Report on the Financial Statements

1. We have audited the accompanying financial statements of the General Fund of the Export-Import Bank of India ('the Bank'), which comprises of the Balance Sheet as at 31st March, 2016 and the Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Management of the Bank is responsible for the preparation of the financial statements in accordance with the Export-Import Bank of India Act, 1981 ('the Act') and the Regulations framed thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, give the information in accordance with the requirements of the Act and the Regulations framed thereunder and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the General Fund of the Bank as at 31st March, 2016;
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended 31st March, 2016; and

- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended 31st March, 2016.

Report on Other Legal and Regulatory Matters

8. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement have been drawn up in accordance with the provisions of the Act and the Regulations framed thereunder.
9. We report that:
- 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 and have found them to be satisfactory.
 - The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
10. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the mandatory Accounting

Standards issued by the Institute of Chartered Accountants of India.

11. We further report that:

- The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of accounts and the returns.
- In our opinion, proper books of accounts as required by law have been kept by the Bank so far as appears from our examination of those books.

For **SORAB S. ENGINEER & CO.**
Chartered Accountants
Firm Registration No. 110417W

CA N.D. ANKLESARIA
PARTNER
MEMBERSHIP NO. 10250

New Delhi, 18th May, 2016.

Balance Sheet as at 31st March, 2016

		GENERAL FUND	
		This year (As at 31.03.2016) ₹	Previous year (As at 31.03.2015) ₹
LIABILITIES	SCHEDULES		
1. Capital	I	63,593,663,881	50,593,663,881
2. Reserves	II	51,274,380,950	48,432,478,706
3. Profit and Loss Account	III	315,800,000	4,330,000,000
4. Notes, Bonds and Debentures		758,415,735,967	654,813,805,834
5. Bills Payable		-	-
6. Deposits	IV	20,957,976,444	20,145,564,929
7. Borrowings	V	153,792,093,951	112,145,856,396
8. Current Liabilities and Provisions for Contingencies		54,223,325,895	50,853,115,547
9. Other Liabilities		49,604,540,404	42,934,844,838
Total		1,152,177,517,492	984,249,330,131
ASSETS			
1. Cash and Bank Balances	VI	54,437,772,262	45,119,549,425
2. Investments	VII	53,555,303,809	49,820,071,236
3. Loans and Advances	VIII	979,917,321,381	834,209,687,541
4. Bills of Exchange and Promissory Notes Discounted/Rediscounted	IX	11,250,000,000	14,890,000,000
5. Fixed Assets	X	1,001,849,707	1,041,036,561
6. Other Assets	XI	52,015,270,333	39,168,985,368
Total		1,152,177,517,492	984,249,330,131
CONTINGENT LIABILITIES			
i) Acceptances, Guarantees, Endorsements and other obligations		63,035,684,000	54,510,751,000
ii) On outstanding forward exchange contracts		1,606,793,100	11,975,645,800
iii) On underwriting commitments		-	-
iv) Uncalled Liability on partly paid investments		160,936,200	122,925,000
v) Claims on the Bank not acknowledged as debts		1,851,000,000	1,853,700,000
vi) Bills for collection		-	-
vii) On participation certificates		-	-
viii) Bills Discounted/Rediscounted		-	-
ix) Other monies for which the Bank is contingently liable		53,009,168,100	54,684,530,400
Total		119,663,581,400	123,147,552,200

'Notes to Accounts' attached.

For and on behalf of the Board

Shri Yaduvendra Mathur
Chairman & Managing Director

Ms. Rita Teaotia

Shri Rajeev Rishi

Shri David Rasquinha

Shri Amar Sinha

Shri Kishor Kharat

Shri Debasish Mallick

Shri Pankaj Jain

As per our attached report of even date
For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Regn. No. 110417W

(CA N. D. Anklesaria)
Partner
M. No. 010250

New Delhi, May 18, 2016

Profit and Loss Account for the year ended 31st March, 2016

GENERAL FUND

EXPENDITURE		This year ₹	Previous year ₹
	SCHEDULES		
1. Interest		60,220,521,575	53,354,962,719
2. Credit Insurance, Fees and Charges		557,465,467	618,707,736
3. Staff Salaries, Allowances, etc. and Terminal Benefits		573,498,843	482,132,649
4. Directors' and Committee Members' Fees and Expenses		-	75,872
5. Audit Fees		1,008,000	1,008,000
6. Rent, Taxes, Electricity and Insurance Premia		180,182,761	156,851,013
7. Communication expenses		41,107,755	40,675,200
8. Legal Expenses		46,859,764	26,971,262
9. Other Expenses	XII	733,331,105	611,717,185
10. Depreciation		158,350,644	171,021,434
11. Provision for loan losses/contingencies depreciation on investments		20,764,754,808	9,389,101,183
12. Profit carried down		4,533,241,885	11,353,765,308
Total		87,810,322,607	76,206,989,561
Provision for Income Tax [net of Deferred tax credit of ₹ 6,276,735,814 (previous year - Deferred tax credit of ₹ 2,081,376,848)]		1,375,539,641	4,095,022,482
Balance of profit transferred to Balance Sheet		3,157,702,244	7,258,742,826
		4,533,241,885	11,353,765,308
INCOME			
1. Interest and Discount	XIII	82,937,552,343	71,478,625,732
2. Exchange, Commission, Brokerage and Fees		2,679,635,294	3,232,767,339
3. Other Income	XIV	2,193,134,970	1,495,596,490
4. Loss carried to Balance Sheet		-	-
Total		87,810,322,607	76,206,989,561
Profit brought down		4,533,241,885	11,353,765,308
Excess Income/Interest tax provision of earlier years written back		-	-
		4,533,241,885	11,353,765,308

'Notes to Accounts' attached.

For and on behalf of the Board

Shri Yaduvendra Mathur
Chairman & Managing Director

Ms. Rita Teaotia

Shri Rajeev Rishi

Shri David Rasquinha

Shri Amar Sinha

Shri Kishor Kharat

Shri Debasish Mallick

Shri Pankaj Jain

As per our attached report of even date
For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Regn. No. 110417W

(CA N. D. Anklesaria)
Partner
M. No. 010250

New Delhi, May 18, 2016

Schedules to the Balance Sheet

GENERAL FUND

	This year (As at 31.03.2016) ₹	Previous year (As at 31.03.2015) ₹
Schedule I: Capital:		
1. Authorised	100,000,000,000	100,000,000,000
2. Issued and Paid-up: (Wholly subscribed by the Central Government)	63,593,663,881	50,593,663,881
Schedule II: Reserves:		
1. Reserve Fund	35,679,061,886	35,153,159,642
2. General Reserve	-	-
3. Other Reserves:		
Investment Fluctuation Reserve	-	-
Sinking Fund (Lines of Credit)	1,955,319,064	1,809,319,064
4. Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	13,640,000,000	11,470,000,000
	51,274,380,950	48,432,478,706
Schedule III: Profit and Loss Account:		
1. Balance as per annexed accounts	3,157,702,244	7,258,742,826
2. Less: Appropriations:		
- Transferred to Reserve Fund	525,902,244	1,091,742,826
- Transferred to Investment Fluctuation Reserve	-	-
- Transferred to Sinking Fund	146,000,000	137,000,000
- Transferred to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	2,170,000,000	1,700,000,000
3. Balance of the net profits (Transferable to the Central Government in terms of Section 23(2) of the EXIM Bank Act, 1981)	315,800,000	4,330,000,000
Schedule IV: Deposits:		
(a) In India	20,957,976,444	20,145,564,929
(b) Outside India	-	-
	20,957,976,444	20,145,564,929

	This year (As at 31.03.2016) ₹	Previous year (As at 31.03.2015) ₹
Schedule V: Borrowings:		
1. From Reserve Bank of India:		
a) Against Trustee Securities	-	-
b) Against Bills of Exchange	-	-
c) Out of the National Industrial Credit (Long Term Operations) Fund	-	-
2. From Government of India	-	-
3. From Other Sources:		
a) In India	27,982,259,380	20,086,246,078
b) Outside India	125,809,834,571	92,059,610,318
	153,792,093,951	112,145,856,396
Schedule VI: Cash and Bank Balances:		
1. Cash in Hand	441,091	400,030
2. Balance with Reserve Bank of India	1,166,198,086	5,451,484
3. Balances with other Banks:		
a) In India		
i) in current accounts	1,923,368,204	746,537,449
ii) in other deposit accounts	17,235,150,000	25,870,200,000
b) Outside India	32,863,504,658	18,496,960,462
4. Money at call and short notice/ Lending under CBLO	1,249,110,223	-
	54,437,772,262	45,119,549,425

	This year (As at 31.03.2016) ₹	Previous year (As at 31.03.2015) ₹
Schedule VII: Investments: (net of diminution in value, if any)		
1. Securities of Central and State Governments	30,641,326,101	25,556,314,956
2. Equity Shares and Stocks	1,925,667,391	1,700,753,740
3. Preference Shares and Stocks	24,667,500	113,023,300
4. Notes, Debentures and Bonds	19,963,642,817	22,449,979,240
5. Others	1,000,000,000	-
	53,555,303,809	49,820,071,236
Schedule VIII: Loans and Advances:		
1. Foreign Governments	311,369,649,152	275,616,942,773
2. Banks:		
a) In India	118,556,386,266	99,380,409,358
b) Outside India	-	-
3. Financial Institutions:		
a) In India	-	-
b) Outside India	29,378,726,376	27,206,870,787
4. Others	520,612,559,587	432,005,464,623
	979,917,321,381	834,209,687,541
Schedule IX: Bills of Exchange and Promissory Notes Discounted/Rediscounted:		
a) In India	11,250,000,000	14,890,000,000
b) Outside India	-	-
	11,250,000,000	14,890,000,000

	This year (As at 31.03.2016) ₹	Previous year (As at 31.03.2015) ₹
Schedule X: Fixed Assets: (At cost less depreciation)		
1. Premises		
Gross Block b/f	1,699,706,684	1,360,999,990
Additions during the year	34,815,571	338,706,694
Disposals during the year	-	-
Gross Block as at the end of the year	1,734,522,255	1,699,706,684
Accumulated Depreciation	847,175,825	774,233,945
Net Block	887,346,430	925,472,739
2. Others		
Gross Block b/f	845,735,505	805,305,468
Additions during the year	84,937,149	67,309,381
Disposals during the year	33,792,022	26,879,344
Gross Block as at the end of the year	896,880,632	845,735,505
Accumulated Depreciation	782,377,355	730,171,683
Net Block	114,503,277	115,563,822
	1,001,849,707	1,041,036,561
Schedule XI: Other Assets:		
1. Accrued interest on:		
a) investments/bank balances	10,120,323,475	8,965,770,682
b) loans and advances	13,606,131,376	10,968,139,181
2. Deposits with sundry parties	33,666,234	29,453,044
3. Advance Income Tax paid (net)	9,425,982,298	7,665,368,624
4. Others [including Deferred tax asset of ₹ 14,515,647,472 (previous year - ₹ 8,238,911,658)]	18,829,166,950	11,540,253,837
	52,015,270,333	39,168,985,368
Schedule XII: Other Expenses:		
1. Export Promotion Expenses	46,065,093	35,031,827
2. Expenses on and related to Data Processing	18,424,976	26,327,975
3. Repairs and Maintenance	169,754,863	122,245,579
4. Printing and Stationery	10,741,599	9,878,219
5. Others	488,344,574	418,233,585
	733,331,105	611,717,185

	This year (As at 31.03.2016) ₹	Previous year (As at 31.03.2015) ₹
Schedule XIII: Interest and Discount:		
1. Interest and Discount on loans and advances/bills discounted/rediscounted	52,846,706,783	45,288,786,392
2. Income on Investments/bank balances	30,090,845,560	26,189,839,340
	82,937,552,343	71,478,625,732
Schedule XIV: Other Income:		
1. Net Profit on sale/revaluation of investments	1,937,820,580	1,175,251,780
2. Net Profit on sale of land, buildings and other assets	303,034	2,269,893
3. Others	255,011,356	318,074,817
	2,193,134,970	1,495,596,490

Note:

Deposits under 'Liabilities' [ref. Schedule IV (a)] include 'on shore' foreign currency deposits aggregating US\$ 294.11 million (Previous year US\$ 298.29 million) kept by counter party banks/institutions with Exim Bank against reciprocal rupee deposits/bonds. Cash and Bank Balances under 'Assets' [ref. Schedule VI 3(a) (ii)] include rupee deposits aggregating ₹ 16.72 billion (Previous year ₹ 15.61 billion) on account of swaps. Investments under 'Assets' [ref. Schedule VII 4] include bonds aggregating ₹ 1.99 billion (Previous year ₹ 2.17 billion) on account of swaps.

Cash Flow Statement for the year ended March 31, 2016

Particulars	Amount (₹ million)	
	Year ended March 31, 2016	Year ended March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra-ordinary items	4,533.2	11,353.8
Adjustments for:		
- (Profit)/Loss on sale of fixed assets (Net)	(0.3)	(2.3)
- (Profit)/Loss on sale of Investments (Net)	(1,937.8)	(1,175.3)
- Depreciation	158.4	171.0
- Discount/Expenses on bond issues written off	152.7	120.8
- Transfer from Investment Fluctuation Reserve	-	-
- Provisions/Write Off of Loans/Investments and other provisions	20,764.8	9,389.1
- Others	-	-
	23,671.0	19,857.1
Adjustments for:		
- Other Assets	(4,648.0)	(2,595.2)
- Current Liabilities	(12,462.4)	14,386.7
CASH GENERATED FROM OPERATIONS	6,560.6	31,648.6
Payment of income tax/interest tax	(7,675.3)	(6,345.3)
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,114.7)	25,303.3
CASH FLOW FROM INVESTING ACTIVITIES		
- Net purchase of fixed assets	(118.9)	(402.5)
- Net change in investments	(1,797.4)	(9,482.3)
NET CASH USED IN/RAISED FROM INVESTING ACTIVITIES	(1,916.3)	(9,884.8)
CASH FLOW FROM FINANCING ACTIVITIES		
- Equity capital infusion	13,000.0	13,000.0
- Loans borrowed (net of repayments made)	145,746.9	71,966.5
- Loans lent, bills discounted and rediscounted (net of repayments received)	(142,067.6)	(103,116.3)
- Dividend on equity shares and tax on dividend (Balance of Net profits transferred to Central Government)	(4,330.0)	(3,390.0)
NET CASH USED IN/RAISED FROM FINANCING ACTIVITIES	12,349.3	(21,539.8)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,318.3	(6,121.3)
OPENING CASH AND CASH EQUIVALENTS	45,119.5	51,240.8
CLOSING CASH AND CASH EQUIVALENTS	54,437.8	45,119.5

For and on behalf of the Board

Shri Yaduvendra Mathur
Chairman & Managing Director

Ms. Rita Teatia

Shri Rajeev Rishi

Shri David Rasquinha

Shri Amar Sinha

Shri Kishor Kharat

Shri Debasish Mallick

Shri Pankaj Jain

As per our attached report of even date
For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Regn. No. 110417W

(CA N. D. Anklesaria)
Partner
M. No. 010250

New Delhi, May 18, 2016

Significant Accounting Policies and Notes to Accounts

I SIGNIFICANT ACCOUNTING POLICIES

i) Financial Statements

a) Basis of preparation

The Balance Sheet and Profit and Loss account of Export-Import Bank of India (Exim Bank) (General Fund and Export Development Fund) have been prepared in accordance with the accounting principles followed in India. The financial statements have been prepared under the historical cost convention on an accrual basis unless otherwise stated. The accounting policies that are applied by the Bank are consistent with those used in the previous year. The form and manner in which the Balance Sheet and the Profit and Loss Account of Exim Bank are prepared have been provided in the Export-Import Bank of India, General Regulations, 1982 approved by the Board of Directors with the previous approval of Government of India under Section 39 (2) of Export-Import Bank of India Act, 1981 (28 of 1981). Certain important financial ratios / data are disclosed as part of the “Notes to Accounts” in terms of Reserve Bank of India (RBI) Circular DBS.FID.No.C-18/01.02.00/2000-01 dated August 13, 2005 and thereafter.

b) Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

ii) Revenue Recognition

Income/Expenditure is recognised on accrual basis except in respect of interest on Non-performing Assets (NPA)/Non-performing Investments and “Stressed Assets”, commitment charges and dividend which are accounted on cash basis. NPAs are determined as per RBI guidelines issued to All-India Term Lending Institutions. Discount/redemption premium offered on Exim Bank Bonds has been amortised over the tenure of the bond and included in interest expenses.

iii) Asset Classification and Provisioning

Loans and Advances shown in Balance Sheet comprise only principal outstanding net of provisions for Non-Performing Assets (NPA). Interest receivables are grouped under “Other Assets”.

Loan Assets are classified into the following groups: Standard Assets, Sub-standard Assets, Doubtful Assets and Loss Assets, taking into consideration the degree of credit weaknesses and extent of dependence on collateral security for realisation of dues. Classification of loan assets and provisioning are as per RBI guidelines issued to All-India Term Lending Institutions.

iv) Investments

The entire investment portfolio is classified under three categories:

- a) “Held to Maturity” (the securities acquired with the intention to hold them to maturity),
- b) “Held for Trading” (the securities acquired with the intention to trade by taking advantage of the short term price/interest rate movements, etc.) and
- c) “Available for Sale” (the balance investments).

The investments are further classified as:

- i) Government securities
- ii) Other approved securities
- iii) Shares
- iv) Debentures and Bonds
- v) Subsidiaries/Joint Ventures
- vi) Others (Commercial Papers, Mutual Fund Units, etc.)

The classification of various instruments of investments, categorisation, shifting among categories, valuation and provisioning of investments are done in accordance with the norms laid down by RBI to All-India Term Lending Institutions.

v) Fixed Assets and Depreciation

- (a) Fixed Assets are stated at historical cost less accumulated depreciation.
- (b) Depreciation is provided for on straight-line method basis at the following rates:

Asset	Depreciation Rate
Owned Buildings	5%
Furniture and Fixtures	25%
Office Equipments	25%
Other Electrical Equipments	25%
Computers and Computer Software	25%
Motor Vehicles	25%
Mobile Phones and other electronics items subject to rapid technological obsolescence	33.33%

- (c) In respect of assets acquired during the year, depreciation is provided for the entire year in the year of purchase and in respect of assets sold during the year, no depreciation is provided in the year of sale.
- (d) When a depreciable asset is disposed off, discarded, demolished or destroyed, the net surplus or deficit is adjusted in the Profit and Loss Account.

vi) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date based on internal/external factors to provide for impairment in the value of the assets or reverse impairment losses recognised in previous periods, as applicable. Impairment loss is recognised when the carrying amount of an asset exceeds recoverable amount.

vii) Accounting for Foreign Currency Transactions

- a) Assets and liabilities denominated in foreign currency are translated at the exchange rate notified by the Foreign Exchange Dealers' Association of India (FEDAI) at year end.
- b) Income and expenditure items are translated at the average rates of exchange during the year.
- c) Outstanding foreign exchange contracts are revalued at rates of exchange notified by the FEDAI for specified maturities and the resulting profits/losses are included in the Profit and Loss account.
- d) Contingent liabilities in respect of guarantees, acceptances, endorsements and other obligations are stated at the rates of exchange notified by FEDAI at year end.

viii) Guarantees

Provisioning for guarantees is made taking into account the likely losses on projects till their completion, for uncovered portion under ECGC policies.

ix) Derivatives

The Bank presently deals in derivative contracts such as Interest Rate Swaps, Currency Swaps, Cross-Currency Interest Rate Swaps and Forward Rate Agreements, for hedging its assets and liabilities. Based on RBI Guidelines, the above derivatives undertaken for hedging purposes are accounted on accrual basis. Qualitative and Quantitative disclosures pertaining to outstanding derivative contracts are reported in the "Notes to Accounts" in accordance with RBI's Master Circular "Disclosure norms for Financial Institutions" on the Balance Sheet date.

x) Provision for Employee Benefits

- a) Provident Fund, Gratuity Fund and Pension Fund are defined benefit schemes administered by the Bank and the Bank's contributions to these funds are charged to the Profit and Loss Account for the year.
- b) Gratuity and Pension are defined benefit obligations. Liabilities towards these obligations are provided for on the basis of actuarial valuation at the end of each financial year based on the projected unit credit method.
- c) Liability towards leave encashment is provided for on the basis of actuarial valuation at year end.

xi) Accounting for taxes on Income

- a) Provision for current tax is made, based on the tax payable under the relevant statute.
- b) Deferred tax on timing difference between taxable income and accounting income is accounted for, using the tax rates and the tax law enacted or substantially enacted as on the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is a virtual certainty of realisation.

xii) Provisions, Contingent Liabilities and Contingent Assets

As per AS 29 – “Provisions, Contingent Liabilities and Contingent Assets” issued by the Institute of Chartered Accountants of India (ICAI), the Bank recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

II NOTES TO ACCOUNTS – GENERAL FUND**1. Agency Account**

As Exim Bank is acting only in the capacity of an agency to facilitate certain transactions in Iraq relating to Indian contractors, foreign currency receivables advised to the Bank equivalent to ₹ 45.54 billion (previous year ₹ 42.96 billion) held on agency account including a sum of ₹ 41.15 billion (previous year ₹ 38.82 billion) assigned to Government of India (GOI) are not included in the above Balance Sheet.

2. Income-Tax

The capital of the Bank is wholly subscribed by the Central Government and the Bank does not have any share capital. The balance of profit transferable to the Central Government in accordance with Section 23 (2) of The Export-Import Bank of India Act, 1981 is not termed as dividend. Consequently, dividend distribution tax is considered not payable, in the light of the judgement passed by the Income Tax Appellate Tribunal in case no. ITA No. 2025/Mum/2000 on December 18, 2006 and hence, no provision has been made for the same.

3. a) Contingent Liabilities

Guarantees include expired guarantees of ₹ 1.92 billion (previous year ₹ 2.73 billion), yet to be cancelled in books.

b) Claims not acknowledged as debts

The amount of ₹ 1.85 billion (previous year ₹ 1.85 billion) shown under Contingent Liabilities as “Claims on the Bank not acknowledged as debts”, pertains to claims/counter-claims filed against the Bank mostly by Bank’s defaulting borrowers in response to legal action initiated against them by the Bank. None of the claims/counter-claims is considered as maintainable in the opinion of Bank’s solicitors and none of them has reached the stage of final hearing. Based on professional advice, no provision is considered necessary.

c) Forward Exchange Contracts, Currency/Interest Rate Swaps

- i) The outstanding forward exchange contracts as at March 31, 2016 have been fully hedged. The Bank undertakes derivatives transactions (Interest Rate Swaps, Forward Rate Agreements and Currency-cum-interest rate swaps), for the purpose of Asset-Liability Management as per RBI guidelines issued vide circular Ref. No. MPD.BC.187/07.01.279/1999-2000 dated July 7, 1999 and thereafter. The Bank also unwinds and re-enters such transactions based on requirements/market conditions. The outstanding derivative transactions are captured in the interest rate sensitivity position, which is monitored by the Asset Liability Management Committee (ALCO) and reviewed by the Board. The credit equivalent of derivatives is arrived at as per ‘Current Exposure’ method prescribed by RBI. The fair value and the price value of a basis point (PV01) of derivatives are disclosed separately in the ‘Notes to Accounts’ as stipulated by RBI. The premium or discount arising at inception of forward exchange contracts is amortised over the life of the contracts. Any profit or loss arising on cancellation of forward exchange contracts is recognized as income/expense for the year.
- ii) The Bank is permitted to be a ‘market maker’ for offering long-dated Foreign Currency - Rupee Swaps to clients/non-clients.

d) Profit/Loss on Exchange fluctuation

Assets and liabilities denominated in foreign currency are translated at the exchange rate notified by the Foreign Exchange Dealers’ Association of India (FEDAI) at year end. Income and expenditure items are translated at the average rates of exchange during the year. The notional profit on such translation of the retained earnings on foreign currency operations during the current year is ₹ 0.12 billion (previous year ₹ 0.07 billion).

4. Disclosure relating to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Act, 2006: There have been no reported cases of delayed payments to Micro, Small and Medium Enterprises.

ADDITIONAL INFORMATION AS REQUIRED BY RESERVE BANK OF INDIA

5. Capital

(a)

	Particulars	As on March 31, 2016	As on March 31, 2015
(i)	Capital to Risk Assets Ratio (CRAR)	14.55%	15.34%
(ii)	Core CRAR	13.04%	13.80%
(iii)	Supplementary CRAR	1.51%	1.54%

(b) The amount of subordinated debt raised and outstanding as on March 31, 2016 as Tier-II capital: ₹ NIL (previous year: ₹ NIL).

(c) Risk weighted assets –

(₹ billion)

	Particulars	As on March 31, 2016	As on March 31, 2015
(i)	'On' balance sheet items	587.32	486.66
(ii)	'Off' balance sheet items	146.78	141.12

(d) The share holding pattern as on the date of the balance sheet: Capital wholly subscribed by the Government of India.

- The CRAR and other related parameters have been determined as per the extant capital adequacy norms prescribed by RBI for the Financial Institutions (FIs).

6. Asset quality and credit concentration as on March 31, 2016

(a) Percentage of net Non-performing Assets (NPAs) to net loans and advances: 0.86 (previous year 0.60).

(b) Amount and percentage of net NPAs under the prescribed asset classification categories:

(₹ billion)

Particulars	As on March 31, 2016		As on March 31, 2015	
	Amount	Percentage	Amount	Percentage
Sub-standard Assets	8.55	0.86	5.10	0.60
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Total	8.55	0.86	5.10	0.60

(c) Amount of provisions made during the year towards:

(₹ billion)

Particulars	2015-16	2014-15
Standard Assets	4.11	3.61
NPAs	15.28	9.73
Investments (other than those in the nature of advance)	2.47	(1.20)
Income Tax	1.38	4.10

(d) Movement in net NPAs:

(₹ billion)

Particulars	2015-16	2014-15
Net NPAs at the beginning of the year	5.10	3.21
Add: New NPAs during the year	9.80	5.01
Less: Recoveries/upgradations during the year	6.35	3.12
Net NPAs at the end of the year	8.55	5.10

(e) Provisions for Non-Performing Assets (comprising loans, bonds and debentures in the nature of advance and inter-corporate deposits) (excluding provision for standard assets)

(₹ billion)

Particulars	2015-16	2014-15
Opening balance as at the beginning of the year	20.43	12.75
Add: Provisions made during the year	15.28	9.73
*Less: Write off/write back of excess provision	1.51	2.05
Closing balance at the end of the year	34.20	20.43

(*including amounts transferred to Reserve for Redemption of Security Receipts of Asset Reconstruction Companies (ARCs) on sale of NPAs to ARCs)

(f) Letters of Comfort issued by the Bank

During the year, the Bank has issued Letters of Comfort to Bank of India aggregating ₹ 0.22 billion. As on March 31, 2016, no financial obligation has arisen on the above commitments.

(g) Provisioning Coverage Ratio (PCR)

Particulars	2015-16	2014-15
Provision Coverage Ratio	80.35%	80.59%

(h) Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits

(₹ billion)

Particulars	2015-16	2014-15
Total Deposits of twenty largest depositors	0.82	0.46
Percentage of deposits of twenty largest depositors to total deposits of the Bank	55.80%	30.40%

Concentration of Advances

(₹ billion)

Particulars	2015-16	2014-15
Total advances to twenty largest borrowers	154.51	118.63
Percentage of advances to Twenty largest borrowers to total advances of the Bank	15.07%	13.64%

Advances computed as per definition of Credit Exposure including derivatives furnished in RBI Master circular on Exposure Norms DBR.FID.FIC.No.4/01.02.00/2015-16 dated July 01, 2015.

Concentration of Exposures

(₹ billion)

Particulars	2015-16	2014-15
Total exposures to twenty largest borrowers/customers	209.13	189.72
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Bank on borrowers/customers	10.50%	10.87%

Exposure computed based on credit and investment exposure as prescribed in RBI Master Circular on Exposure norms for financial institutions: DBR.FID.FIC.No.4/01.02.00/2015-16 dated July 01, 2015.

Credit exposure to banks and overseas institutions guaranteed by GOI/assumed at the behest of GOI, not considered for single/group borrower exposure.

Concentration of NPAs

(₹ billion)

Particulars	2015-16	2014-15
Total exposure to top four NPA accounts	8.88	8.28

I. Sector-wise NPAs:

Sr No	Sector	Percentage of NPAs to Total Advances in that sector	
		2015-16	2014-15
1.	Agriculture and allied activities	-	-
2.	Industry (Micro and Small, Medium and Large)	4.17	2.94
3.	Services	-	-
4.	Personal Loans	-	-

II. Movement of NPAs

(₹ billion)

Particulars	2015-16	2014-15
Gross NPAs as on 1 st April (opening balance) (A)	25.53	15.96
Additions:		
(i) Fresh NPAs during the year	20.44	14.49
(ii) Interest funding	(0.02)	1.41
(iii) Exchange Fluctuation	0.89	0.36
Sub-Total (B)	21.31	16.26
Less:-		
(i) Up gradations	2.55	0.28
(ii) Recoveries (excluding recoveries made from upgraded accounts)	0.84	5.32
(iii) Write-offs	0.71	1.09
(iv) Exchange fluctuation	-	-
Sub-Total (C)	4.10	6.69
Gross NPAs as on 31st March (closing balance) (A+B-C)	42.74	25.53

- Gross NPAs as per Appendix Part C-2 of DBR circular DBR.No.BP.BC.1/21.04.048/2015-16 dated July 01, 2015.

III. Overseas Assets, NPAs and Revenue

(₹ billion)

Particulars	2015-16	2014-15
Total Assets	119.76	95.59
Total NPAs	5.37	1.40
Total Revenue	5.58	5.49

The above figures pertain to Bank's London branch, which started operations in October, 2010.

IV. Off-balance sheet SPVs sponsored
(which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
-	-

- (i) Financial Assets sold during the year to Securitisation Company (SC)/Reconstruction Company (RC) for asset reconstruction

(₹ billion)

Sr No.	Particulars	2015-16	2014-15
(i)	Number of Accounts	3	8
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	0.97	3.72
(iii)	Aggregate consideration	0.58	4.76
(iv)	Consideration realised in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain over net book value	(0.39)	1.04

- The “Assets sold to Reconstruction Companies” have been reckoned as defined in RBI Master Circular DBOD No. FID.FIC.2/01.02.00/2006-07 dated July 01, 2006 and thereafter.

- (j) Non-performing Investments

(₹ billion)

Particulars	2015-16	2014-15
Opening balance as at the beginning of the year	0.59	0.52
Additions during the year	0.10	0.09
Reductions during the year	0.04	0.02
Closing balance at the end of the year	0.65	0.59
Total provisions held	0.65	0.59

- (k) Provisions for depreciation in investments

(₹ billion)

Particulars	2015-16	2014-15
Opening balance as at the beginning of the year	2.50	3.62
Add:		
(i) Provisions made during the year/(written back)	2.82	(1.12)
(ii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
Less:		
(i) Write off during the year	0.24	-
(ii) Transfer, if any, to Investment Fluctuation Reserve Account	-	-
Closing balance as at the end of the year	5.08	2.50

(I) Particulars of accounts restructured during FY 2015-16

(₹ billion)

Category	Details	CDR Mechanism	SME Debt Mechanism	Others
Standard Advances restructured	Number of Borrowers	-	-	-
	Amount Outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-
Sub-Standard Advances restructured	Number of Borrowers	-	-	-
	Amount Outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-
Doubtful Advances restructured	Number of Borrowers	-	-	-
	Amount Outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-
Total	Number of Borrowers	-	-	-
	Amount Outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-

Previous year (Particulars of accounts restructured during FY 2014-15)

(₹ billion)

Category	Details	CDR Mechanism	SME Debt Mechanism	Others
Standard Advances restructured	Number of Borrowers	5	2	14
	Amount Outstanding	4.10	0.19	13.78
	Sacrifice (diminution in the fair value)	0.47	0.01	1.07
Sub-Standard Advances restructured	Number of Borrowers	1	-	-
	Amount Outstanding	0.67	-	-
	Sacrifice (diminution in the fair value)	0.17	-	-
Doubtful Advances restructured	Number of Borrowers	-	-	-
	Amount Outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-
Total	Number of Borrowers	6	2	14
	Amount Outstanding	4.77	0.19	13.78
	Sacrifice (diminution in the fair value)	0.64	0.01	1.07

Note: Application for restructuring of loans aggregating ₹ 0.28 billion in respect of 1 borrower was under process as on March 31, 2015.

(m) Credit Exposure

	Particulars	Percentage to Capital Funds*	Percentage to Total Credit Exposure (TCE)@	Percentage to Total Assets
i)	Largest single borrower	19.61	0.95	1.64
ii)	Largest borrower group	37.15	1.80	3.10
iii)	10 largest single borrowers	133.31	6.45	11.14
iv)	10 largest borrower groups	204.62	9.89	17.10

*Capital Funds as on March 31, 2015

@TCE: Loans + Advances + Un-utilised Sanctions + Guarantees + LCs + Credit exposure on account of derivatives.

- 1) Credit exposure to banks and overseas institutions guaranteed by GOI/assumed at the behest of GOI, not considered for single/group borrower exposure.
- 2) There was 1 borrower as on March 31, 2016 for whom exposure over 15% of capital funds was assumed with the approval of the Board/Management Committee. Exposure to this borrower as on March 31, 2016 stood at 19.61% of the capital funds of the Bank.

Previous Year

	Particulars	Percentage to Capital Funds*	Percentage to Total Credit Exposure (TCE)@	Percentage to Total Assets
i)	Largest single borrower	19.53	0.92	1.64
ii)	Largest borrower group	42.79	2.02	3.58
iii)	10 largest single borrowers	142.21	6.71	11.90
iv)	10 largest borrower groups	230.57	10.88	19.30

*Capital Funds as on March 31, 2014

@TCE: Loans + Advances + Un-utilised Sanctions + Guarantees + LCs + Credit exposure on account of derivatives.

- 1) Credit exposure to banks and overseas institutions guaranteed by GOI/assumed at the behest of GOI, not considered for single/group borrower exposure.
- 2) There were 2 borrowers as on March 31, 2015 for whom exposure over 15% of capital funds was assumed with the approval of the Board/Management Committee. Exposure to these borrowers as on March 31, 2015 stood at 19.53% and 19.50% of the capital funds of the Bank.
- 3) There was 1 borrower group as on March 31, 2015 for whom exposure over 40% of capital funds was assumed with the approval of the Board/Management Committee. Exposure to this borrower group as on March 31, 2015 stood at 43% of the capital funds of the Bank.

(n) Credit exposure to the five largest industrial sectors

	Sector	Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i)	Ferrous metals and Metal Processing	9.41	7.16
ii)	EPC Services	8.59	6.53
iii)	Textiles and Garments Processing	7.78	5.92
iv)	Oil and Gas	7.39	5.62
v)	Drugs and Pharmaceuticals	6.31	4.80

Previous Year

	Sector	Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i)	EPC Services	12.41	10.06
ii)	Oil and Gas	10.08	8.17
iii)	Ferrous metals and Metal Processing	9.36	7.59
iv)	Textiles and Garments	7.54	6.12
v)	Drugs and Pharmaceuticals	5.83	4.72

- The “credit exposure” has been reckoned as defined by RBI.

Exposure to banks and exposure under Lines of Credit/Buyer's Credit to overseas entities have been excluded.

(o) Issuer categories in respect of Investments in Non - Government Securities

(₹ billion)

Sr. No.	Issuer	Amount	Amount of			
			Investment made through private placement	“below investment grade” Securities held	“unrated” Securities held	“unlisted” Securities held
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	0.04	-	-	0.04	0.04
2	FIs	2.23	1.99	-	0.24	2.23**
3	Banks	0.27	0.10	-	0.17	0.17
4	Private corporate	24.02	22.90	-	24.02	22.42*
5	Subsidiaries/Joint ventures	0.0032	-	-	0.0032	0.0032
6	Others	1.00	-	-	1.00	1.00
7	Provision held towards depreciation [#]	4.64	-	-	-	-
	Total	27.56	24.99	-	25.47	25.86

[#]Only aggregate amount of provision held to be disclosed in column 3

*Out of which ₹ 21.87 billion represents investment in security receipts issued by Asset Reconstruction Companies (ARCs) and ₹ 0.50 billion of investments are in shares/debentures acquired as part of loan restructuring.

**Out of which ₹ 1.99 billion were by way of US\$/INR Swap undertaken with RBI approval.

Amounts reported under columns 4, 5, 6 and 7 above are not mutually exclusive.

Previous Year

(₹ billion)

Sr. No.	Issuer	Amount	Amount of			
			Investment made through private placement	“below investment grade” Securities held	“unrated” Securities held	“unlisted” Securities held
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	0.04	-	-	0.04	0.04
2	FIs	2.41	2.17	-	0.24	2.41**
3	Banks	0.32	0.15	-	0.17	0.17
4	Private corporates	23.58	22.48	-	23.58	22.14*
5	Subsidiaries/Joint ventures	0.0032	-	-	0.0032	0.0032
6	Others	-	-	-	-	-
7	Provision held towards depreciation [#]	2.09	-	-	-	-
	Total	26.35	24.80	-	24.03	24.76

[#]Only aggregate amount of provision held to be disclosed in column 3

*Out of which ₹ 21.60 billion represents investment in security receipts issued by Asset Reconstruction Companies (ARCs) and ₹ 0.53 billion of investments are in shares/debentures acquired as part of loan restructuring.

**Out of which ₹ 2.17 billion were by way of US\$/INR Swap undertaken with RBI approval.

Amounts reported under columns 4, 5, 6 and 7 above are not mutually exclusive.

7. Liquidity

- Maturity pattern of rupee assets and liabilities; and
- Maturity pattern of foreign currency assets and liabilities.

(₹ billion)

Items	Less than or equal to 1 year	More than 1 year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	338.83	205.26	134.96	103.22	232.11	1,014.38
Foreign currency assets	246.42	232.52	204.66	135.57	207.51	1,026.68
Total Assets	585.25	437.78	339.62	238.79	439.62	2,041.06
Rupee liabilities	318.18	180.11	60.55	83.28	240.76	882.88
Foreign currency liabilities	217.14	299.16	241.15	157.24	105.12	1,019.81
Total Liabilities	535.32	479.27	301.70	240.52	345.88	1,902.69

Previous Year

(₹ billion)

Items	Less than or equal to 1 year	More than 1 year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	294.62	188.00	186.60	111.75	235.25	1,016.22
Foreign currency assets	183.22	226.71	185.29	130.55	195.71	921.48
Total Assets	477.84	414.71	371.89	242.30	430.96	1,937.70
Rupee liabilities	293.85	157.42	92.41	67.86	257.69	869.23
Foreign currency liabilities	181.91	217.60	199.48	139.74	176.76	915.49
Total Liabilities	475.76	375.02	291.89	207.60	434.45	1,784.72

- For the maturity pattern of assets and liabilities, the bucketing of various items of assets and liabilities in the specified time buckets have been done in accordance with the RBI Guidelines on Asset Liability Management System issued vide circular DBS.FID.No.C-11/01.02.00/1999-2000 dated December 31, 1999 and thereafter.

(c) Repo Transactions

(₹ billion)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2016
Securities sold under repos				
i) Government Securities	-	-	-	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repos				
i) Government Securities	-	-	-	-
ii) Corporate Debt Securities	-	-	-	-

Previous Year

(₹ billion)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2015
Securities sold under repos				
i) Government Securities	-	-	-	-
ii) Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repos				
i) Government Securities	-	0.30	0.001	-
ii) Corporate Debt Securities	-	-	-	-

8. Disclosure on risk in derivatives in terms of RBI Guidelines dated July 01, 2015**a) Qualitative Disclosure**

1. The Bank uses financial derivative transactions predominantly for raising cost-effective funds and hedging its balance sheet exposures, with the objective of reducing market risk. The Bank currently deals only in over-the-counter (OTC) interest rate and currency derivatives, of the type permitted by RBI.
2. Derivative transactions carry: (i) market risk i.e. the probable loss that the Bank may incur as a result of adverse movements in interest rates/exchange rates and (ii) credit risk i.e. the probable loss the Bank may incur if the counter-parties fail to meet their obligations. The Bank has in place a Derivative Policy approved by the Board, which aims at synchronising the risk management objectives at the transaction level with those of the overall ALM position. The policy defines the use of permitted derivative products consistent with business goals of the Bank, lays down the control and monitoring systems and deals with regulatory, documentation and accounting issues. The policy also prescribes suitable risk parameters to control and manage market risk on derivative trades undertaken in the treasury book (stop-loss limits, open position limits, tenor limits, settlement and pre-settlement risk limits, PV01 limits).
3. The ALCO of the Bank oversees management of market risks with support from the Bank's Mid-Office, which measures, monitors and reports market risk associated with derivative transactions.
4. All derivative transactions outstanding in the Bank's books as on March 31, 2016 have been undertaken for hedging purposes and are in the ALM book. The income on such transactions has been accounted for on accrual basis.
5. Interest Rate Swaps (IRS) and Currency Swaps are not included in Outstanding Forward Exchange Contracts under Contingent Liabilities as per the Derivative Policy.

b) Quantitative Disclosure

(₹ billion)

Sr. No.	Particulars	2015-16		2014-15	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
1	Derivatives (Notional Principal Amount)				
	a) For hedging	348.75	224.74	314.24	208.11
	b) For trading	-	-	-	-
2	Marked to Market Positions				
	a) Asset (+)	-	1.68	-	1.47
	b) Liability (-)	38.01	-	37.92	-
3	Credit Exposure	22.77	4.41	21.36	2.74
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	14.78	9.14	14.49	8.97
	b) on trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	i) Maximum	15.75	9.85	14.55	8.97
	ii) Minimum	13.60	7.98	12.13	6.08
	b) on trading				
	i) Maximum	-	-	-	-
	ii) Minimum	-	-	-	-

c) Disclosure on Interest Rate derivatives traded on exchanges

Sr. No.	Particulars	Amount
1.	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	-
2.	Notional Principal amount of exchange traded interest rate derivatives outstanding as on 31 st March, 2016 (instrument-wise)	-
3.	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-
4.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-

d) Disclosure on Forward Rate Agreements and Interest rate swaps

(₹ billion)

Sr. No.	Particulars	2015-16		2014-15	
		Hedging	Trading	Hedging	Trading
1.	The Notional Principal of swap agreements	224.74	-	208.11	-
2.	Losses, which would be incurred if counter parties failed to fulfill their obligations under the agreements	0.65	-	0.68	-
3.	Concentration of credit risk arising from Swaps	All transactions fall within approved credit exposure limits	-	All transactions fall within approved credit exposure limits	-
4.	The fair value of the swap book	1.68	-	1.47	-

Nature and Terms of Swaps: All transactions have underlying assets/liabilities and have been undertaken for the purpose of hedging the Bank's ALM position.

9. Operating results

Sr. No.	Particulars	2015-16	2014-15
i)	Interest income as a percentage to average working funds	8.12	8.03
ii)	Non-interest income as a percentage to average working funds	0.48	0.53
iii)	Operating profit as a percentage to average working funds	2.48	2.33
iv)	Return on average assets	0.30	0.79
v)	Net Profit per (permanent) employee (in ₹ billion)	0.010	0.023

- For operating results, the working funds and total assets have been taken as the average of the figures as at the end of the previous accounting year and the end of the accounting year under report. (The "working funds" refer to the total assets).
- All permanent, full-time employees in all cadres have been reckoned for computing per employee net profit.

10. Details of Fixed Assets

Details of Fixed Assets are given below as prescribed in AS -10 Accounting for Fixed Assets issued by the ICAI.

(₹ billion)

Particulars	Premises	Others	Total
Gross Block			
Cost as on 31 st March 2015	1.70	0.85	2.55
Additions	0.03	0.08	0.11
Disposals	-	0.03	0.03
Cost as on 31 st March 2016 (A)	1.73	0.90	2.63
Depreciation			
Accumulated as on 31 st March 2015	0.77	0.73	1.50
Provided during the year	0.07	0.09	0.16
Eliminated on Disposals	-	0.03	0.03
Accumulated as on 31 st March 2016 (B)	0.84	0.79	1.63
Net Block (A-B)	0.89	0.11	1.00

Previous Year

(₹ billion)

Particulars	Premises	Others	Total
Gross Block			
Cost as on 31 st March 2014	1.36	0.81	2.17
Additions	0.34	0.07	0.41
Disposals	-	0.03	0.03
Cost as on 31 st March 2015 (A)	1.70	0.85	2.55
Depreciation			
Accumulated as on 31 st March 2014	0.70	0.66	1.36
Provided during the year	0.07	0.10	0.17
Eliminated on Disposals	-	0.03	0.03
Accumulated as on 31 st March 2015 (B)	0.77	0.73	1.50
Net Block (A-B)	0.93	0.12	1.05

11. Accounting for Government grants

GOI has agreed to pay interest equalisation amount to the Bank towards specific Lines of Credit extended by the Bank to foreign governments, overseas banks / institutions and the same is accounted on accrual basis.

12. Segment Reporting

The operations of the Bank predominantly comprise of only one business segment i.e. financial activities and hence, have been considered as representing a single business segment.

The geographic segments of the Bank are categorised as Domestic Operations and International Operations. The categorisation of operations as domestic or international is primarily based on the risk and reward associated with the place of the transaction.

(₹ billion)

Particulars	Domestic Operations		International Operations		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenue	82.31	70.82	5.50	5.38	87.81	76.21
Assets	1,032.40	891.57	119.78	92.68	1,152.18	984.25

13. Related party disclosures

As per AS-18 Related Party Disclosure issued by the ICAI, the Bank's related parties are disclosed below:

- Relationship

- (i) Joint Ventures :

- Global Procurement Consultants Ltd.

- (ii) Key Managerial Personnel:

- Shri Yaduvendra Mathur (Chairman and Managing Director)

- Shri David Rasquinha (Deputy Managing Director)

- Shri Debasish Mallick (Deputy Managing Director)

- The Banks' related party balances and transactions are summarised as follows:

(₹ million)

Particulars	Joint Venture	
	2015-16	2014-15
Loans granted	-	-
Guarantees issued	3.26	4.57
Interest received	-	-
Guarantee commission received	0.02	0.01
Receipts towards services rendered	0.03	0.01
Term Deposit Accepted	10.20	7.12
Interest on Term Deposits	0.74	0.60
Amounts written-off/written-back	-	-

Loans outstanding at year-end: NIL (previous year Nil)

Guarantees outstanding at year-end: ₹ 3.26 million (previous year ₹ 4.57 million)

Investments outstanding at year end: ₹ 3.23 million (previous year ₹ 3.23 million)

Maximum Loan outstanding during the year: Nil (previous year Nil)

Maximum Guarantees outstanding during the year: ₹ 3.26 million (previous year ₹ 4.57 million)

The details of transactions of the Bank with its Key Managerial Personnel during the year ended 31 March, 2016 are given below:

(₹ million)

Particulars	Key Managerial Personnel	
	2015-16	2014-15
Salary including perquisites	7.00	5.55
Deposits accepted during the year	1.00	1.00
Outstanding Deposits at the end of the year	5.17	5.03
Interest on Deposits paid during the year	0.75	1.63
Rent paid	0.24	0.24

14. Accounting for Taxes on Income

(a) Details of Provision for Tax for current year:

(₹ billion)

(i) Tax on Income	7.65
(ii) Less: Net deferred tax Asset	6.28
	1.37

(b) Deferred Tax Asset:

The composition of deferred tax assets and liabilities into major items is given below:

Particulars	(₹ billion)
<u>Deferred Tax Assets</u>	
1) Provision Disallowed (Net)	19.47
2) Depreciation on Fixed Assets	0.04
	19.51
<u>Less: Deferred Tax Liability</u>	
1) Amortisation of Bond issue expenses	0.59
2) Special Reserve created under section 36(1)(viii)	4.40
	4.99
Net Deferred Tax Assets [included in 'Other Assets' in the 'Assets' side of the Balance Sheet]	14.52

15. Financial Reporting of Interest in Joint Ventures

I.

	Jointly Controlled Entities	Country	Percentage of holding	
			Current Year	Previous Year
A	Global Procurement Consultants Ltd.	India	28%	28%

II. Aggregate amount of assets, liabilities, income and expenses related to the interest in the jointly controlled entities is as under:

(₹ million)

Liabilities	2015-16	2014-15	Assets	2015-16	2014-15
Capital and Reserves	21.75	20.29	Fixed Assets	0.14	0.06
Loans	-	-	Investments	9.27	6.87
Other Liabilities	3.41	7.08	Other Assets	15.75	20.44
Total	25.16	27.37	Total	25.16	27.37

Contingent Liabilities: NIL (previous year: NIL)

(₹ million)

Expenses	2015-16	2014-15	Income	2015-16	2014-15
Other Expenses	8.96	8.09	Consultancy Income	11.80	10.54
Provisions	1.40	0.37	Interest income and Income from investment	0.56	0.53
			Other Income	0.17	(0.15)
Total	10.36	8.46	Total	12.53	10.92

Note: The figures for GPCL for FY 2015-16 are unaudited and provisional.

16. Impairment of Assets

A substantial portion of the Bank's assets comprise of 'financial assets' to which Accounting Standard 28 "Impairment of Assets" is not applicable. In the opinion of the Bank, there is no impairment of its assets (to which the standard applies) as at March 31, 2016 requiring recognition in terms of the said standard.

17. Employee Benefits

The Bank has adopted Accounting Standard 15 – Employee Benefits, issued by The Institute of Chartered Accountants of India (ICAI) w.e.f. April 01, 2007. The Bank recognises in its books the liability arising out of Employee Benefits as present value of obligations as reduced by the fair value of plan assets on the Balance Sheet date.

A) Amount to be recognised in the Balance Sheet

(₹ billion)

Particulars	Pension Fund	Gratuity
Fair value of Plan Assets at the end of the period	0.719	0.090
Present value of Benefit Obligation at the end of the period	0.773	0.117
Funded Status	(0.054)	(0.027)
Unrecognised past service cost at the end of the period	-	-
Unrecognised transitional liability at the end of the period	-	-
Net Liability recognised in the Balance Sheet	0.054	0.027

B) Expense to be recognised in the Profit and Loss Account

(₹ billion)

Particulars	Pension Fund	Gratuity
Current Service Cost	0.025	0.008
Interest Cost	0.053	0.007
Expected Return on Plan Assets	(0.042)	(0.006)
Actuarial Losses/(Gains)	0.144	(0.017)
Past Service Cost – Non-vested Benefit	-	-
Past Service Cost – vested benefit	-	-
Transitional liability	-	-
Expense recognised in Profit and Loss Account	(0.057)	0.027
Contributions by Employer	(0.021)	(0.016)

C) Summary of Actuarial Assumptions

Particulars	Pension Fund	Gratuity
Discount Rate (p.a.)	7.70%	8.07%
Expected Rate of Return on Assets (p.a.)	7.60%	7.60%
Salary Escalation Rate (p.a.)	7.00%	7.00%

In addition to the above, for the year 2015-16 the amount of Defined Benefit Obligation of Leave Encashment works out to ₹ 0.09 billion, which has been fully provided for.

18. In terms of SEBI circular dated October 29, 2013 the contact details of the Debenture Trustee for various Bonds issued by Export-Import Bank of India is as given below:

DEBENTURE TRUSTEE

AXIS Trustee Services Ltd.

Designated Person: Mr. Makarand Kulkarni

Address:

2nd Floor, Wadia International Center,

Pandurang Budhkar Marg,

Worli, Mumbai - 400 025

Tel: (022) 2425 5226

Fax: (022) 4325 3000

Email: kulkarni.makarand@axisbank.com

Website: www.axistrustee.com

19. Previous year's figures have been regrouped, wherever necessary. In cases where disclosures have been made for the first time in terms of RBI guidelines, previous year's figures have not been mentioned.

For and on behalf of the Board

Shri Yaduvendra Mathur

Chairman & Managing Director

Ms. Rita Teaotia

Shri Rajeev Rishi

Shri David Rasquinha

Shri Amar Sinha

Shri Kishor Kharat

Shri Debasish Mallick

Shri Pankaj Jain

As per our attached report of even date

For **Sorab S. Engineer & Co.**

Chartered Accountants

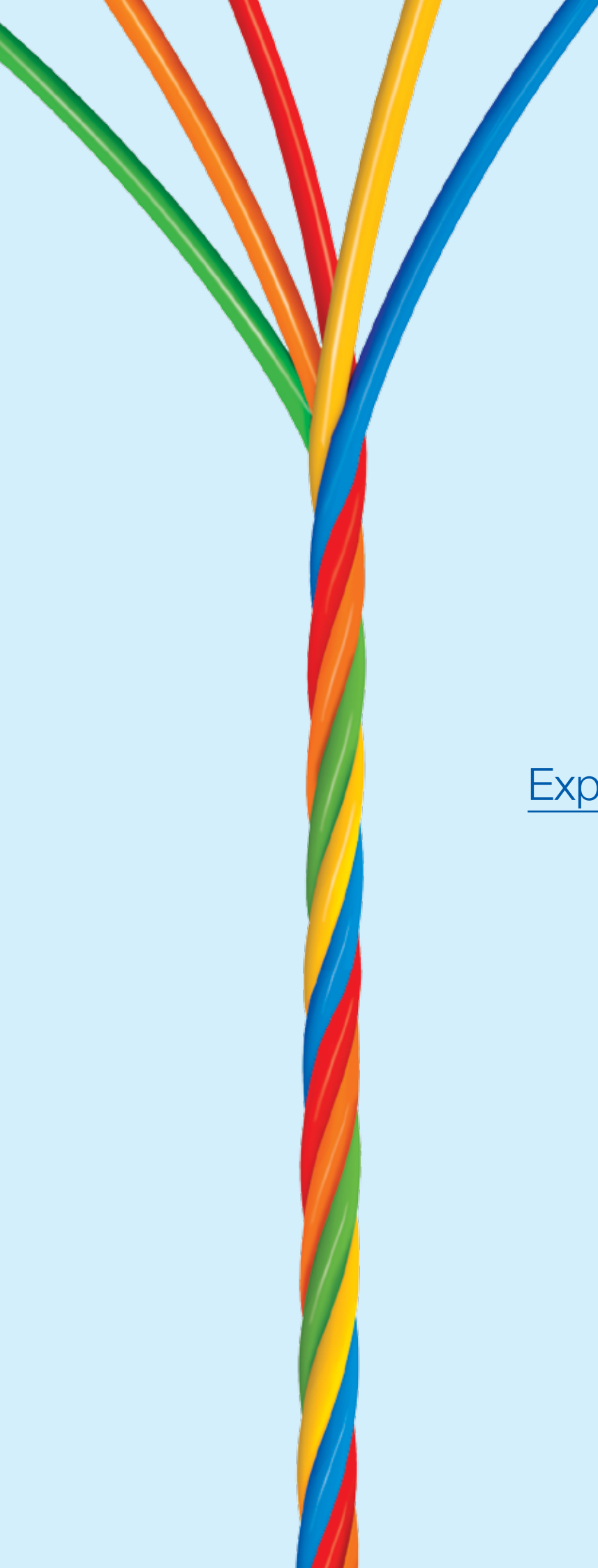
Firm Regn. No. 110417W

(CA N. D. Anklesaria)

Partner

M. No. 010250

New Delhi, May 18, 2016



Export Development Fund

DIRECTORS' REPORT

As per Section 15 of the Export-Import Bank of India Act, 1981 (Exim Bank Act), Exim Bank, with effect from such date as the Central Government may, by notification, appoint, the Exim Bank, shall establish a special fund to be called the Export Development Fund (EDF). Accordingly, the EDF was duly set up by a Central Government notification on March 31, 1986.

The Central Government, on March 31, 1986, transferred an initial corpus of ₹ 100 million to the EDF. Subsequently, the Central Government transferred further amounts of ₹ 35 million on March 23, 1987 and ₹ 6.52 million on March 29, 1989. This corpus, along with interest accrued by way of investment and net of tax paid to the Central Government, had grown to an aggregate sum of ₹ 350.60 million by March 31, 1996. Out of the total EDF corpus, an amount of ₹ 250 million was transferred, with Board and GOI approval, to a Reserve, termed the 'Sinking Fund (SF) Reserve', under the Bank's General Fund. The purpose of the SF Reserve was to absorb losses pertaining to Exim Bank's lending under export Lines of Credit (LOCs)/ Buyer's Credit, which did not enjoy insurance cover from the Export Credit Guarantee Corporation of India (ECGC). As on March 31, 2016, the EDF corpus has grown to ₹ 755.13 million.

As per the Statement of Objects and Reasons in the Bill placed before the Parliament seeking setting up of Export-Import Bank of India, the Export Development Fund is to be utilised mainly for the purposes of research, training, survey, market intelligence, etc. in connection with the country's international trade as well as for financing proposals which are unlikely to be supported by banks and financial institutions. Utilisation of the EDF is governed by Section 17 of the Exim Bank Act, as under:

- a) Section 17[1] of the Act permits Exim Bank to (inter alia) extend loans and advances in or outside India for the purpose of exports, with the prior approval of the Central Government.
- b) Section 17[2] of the Act requires that Exim Bank, prior to seeking such approval of the Central Government, shall satisfy itself that "...banking or financial institutions or other agencies are not likely to grant such loan or advance, or to enter into any such arrangement in the ordinary course of business."
- c) Section 17[3] of the Act mandates that before giving its approval, the Central Government shall satisfy itself that such a facility would be necessary as a matter of priority in the interests of the international trade of India.

The EDF, thus, offers itself as a useful avenue for the GOI to facilitate international trade and cross-border investment related activities that may not be amenable to standard financing by Exim Bank or other banks/ financial institutions.

The Department of Financial Services, Ministry of Finance (DFS) conveyed the approval of the Central Government under Section 17 (1) of the Exim Bank Act, for domiciling in the EDF a Buyer's Credit Facility (under NEIA) of ₹ 9 billion to be extended to select Iranian banks for financing export of goods and services from India to Iran. Pursuant to receipt of all necessary approvals, the EDF, on December 23, 2014, concluded an umbrella Framework Agreement with seven Iranian banks for a Buyer's Credit Facility of ₹ 9 billion with a tenor of up to 12 years, including a moratorium of up to 4 years, to finance the export of goods and services from India to Iran. The Buyer's Credit Facility to the Iranian banks is backed by Sovereign Guarantee of the Government of Iran. In terms of the Framework Agreement, the amount of ₹ 9 billion may be increased by mutual consent, subject to GOI approval.

Subsequently, DFS conveyed its approval to enhancement of the facility covered under the Framework Agreement from ₹ 9 billion to ₹ 30 billion. Accordingly, the EDF, on May 4, 2016, entered into an Amendatory Agreement to the Framework Agreement with the aforesaid seven Iranian Banks for the enhanced Facility of ₹ 30 billion. The Facility amount of ₹ 30 billion is envisaged for utilisation for financing import of steel rails from India and development of the Chabahar port in Iran.

Under the Framework Agreement, an amount of ₹ 8.19 billion, for financing contract for supply of 150,000 tonnes of steel rails from India to The Railways of the Islamic Republic of Iran through Bank of Industry and Mine, Iran, has since been approved and the Individual Letter Agreement to cover the above contract has been executed. Letter of Credit has been opened by the Iranian side and the shipments under the contract are scheduled to commence from June 2016. Financing for the balance steel rails contract and Chabahar Development Port Project is at various stages of negotiation/finalisation.

The proposal for GOI funding additional corpus in the EDF, or issuing suitable guarantee for raising debt fund in the EDF, to fund the above Buyer's Credit Facility of ₹ 30 billion, is currently under consideration by the Central Government. As an interim measure, to meet the immediate funding requirements, Exim Bank may raise funds through appropriate market instruments in the General Fund, for an amount not exceeding ₹ 9 billion and invest in/onlend to the EDF, pending a long term modality for fund raising by the EDF.

Independent Auditor's Report

To

The President of India

Report on the Financial Statements

1. We have audited the accompanying financial statements of the Export Development Fund of the Export-Import Bank of India ('the Bank'), which comprises of the Balance Sheet as at 31st March, 2016 and the Profit and Loss Account for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Management of the Bank is responsible for the preparation of the financial statements in accordance with the Export-Import Bank of India Act, 1981 ('the Act') and the Regulations framed thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information in accordance with the requirements of the Act and the Regulations framed thereunder and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Export Development Fund of the Bank as at 31st March, 2016;
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended 31st March 2016.

Report on Other Legal and Regulatory Matters:

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of the Act and the Regulations framed thereunder.
9. We report that:
 - i) 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 and have found them to be satisfactory.
 - ii) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
10. In our opinion, the Balance Sheet and Profit and Loss Account comply with the mandatory accounting Standards issued by the Institute of Chartered Accountants of India.
11. We further report that:
 - i) The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of accounts and the returns.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Bank so far as appears from our examination of those books.

For **SORAB S. ENGINEER & CO.**
Chartered Accountants
 Firm Registration No. 110417W

CA N.D. ANKLESARIA
PARTNER
 MEMBERSHIP NO. 10250
 New Delhi, 18th May, 2016.

Balance Sheet as at 31st March, 2016

EXPORT DEVELOPMENT FUND

	This year (As at 31.03.2016) ₹	Previous year (As at 31.03.2015) ₹
LIABILITIES		
1. Loans:		
a) From Government	-	-
b) From Other Sources	-	-
2. Grants:		
a) From Government	128,307,787	128,307,787
b) From Other Sources	-	-
3. Gifts, Donations, Benefactions:		
a) From Government	-	-
b) From Other Sources	-	-
4. Other Liabilities	182,248,318	165,598,318
5. Profit and Loss Account	444,577,173	413,285,665
Total	755,133,278	707,191,770
ASSETS		
1. Bank Balances:		
a) in current accounts	476,740	582,274
b) in other deposit accounts	563,000,000	530,800,000
2. Investments	-	-
3. Loans and Advances:		
a) In India	-	-
b) Outside India	8,505,318	8,505,318
4. Bills of Exchange and Promissory Notes Discounted, Rediscounted:		
a) In India	-	-
b) Outside India	-	-
5. Other Assets:		
a) Accrued interest on:		
i) Loans and Advances	-	-
ii) Investments/bank balances	9,519,517	10,272,475
b) Advance Income Tax paid	173,631,703	157,031,703
c) Others	-	-
Total	755,133,278	707,191,770

EXPORT DEVELOPMENT FUND

	This year (As at 31.03.2016) ₹	Previous year (As at 31.03.2015) ₹
CONTINGENT LIABILITIES		
i) Acceptances, Guarantees, Endorsements and other obligations	-	-
ii) On outstanding forward exchange contracts	-	-
iii) On underwriting commitments	-	-
iv) Uncalled Liability on partly paid investments	-	-
v) Claims on the Bank not acknowledged as debts	-	-
vi) Bills for collection	-	-
vii) On participation certificates	-	-
viii) Bills Discounted/Rediscounted	-	-
ix) Other monies for which the Bank is contingently liable	-	-

Note:

The Bank has established Export Development Fund in terms of Section 15 of Export-Import Bank of India Act, 1981 (The Act). In terms of Section 17 of the Act, before granting any loan or advance or entering into any such arrangement, Exim Bank has to obtain the prior approval of the Central Government.

For and on behalf of the Board

Shri Yaduvendra Mathur
Chairman & Managing Director

Ms. Rita Teatia

Shri Rajeev Rishi

Shri David Rasquinha

Shri Amar Sinha

Shri Kishor Kharat

Shri Debasish Mallick

Shri Pankaj Jain

As per our attached report of even date
For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Regn. No. 110417W

(CA N. D. Anklesaria)
Partner
M. No. 010250

New Delhi, May 18, 2016

Profit and Loss Account for the year ended 31st March, 2016

EXPORT DEVELOPMENT FUND

	This year ₹	Previous year ₹
EXPENDITURE		
1. Interest	-	-
2. Other Expenses	-	-
3. Profit carried down	47,941,508	48,756,753
Total	47,941,508	48,756,753
Provision for Income Tax	16,650,000	16,640,000
Balance of profit transferred to Balance Sheet	31,291,508	32,116,753
	47,941,508	48,756,753
INCOME		
1. Interest and Discount:		
a) loans and advances	-	-
b) investments/bank balances	47,941,508	48,756,753
2. Exchange, Commission, Brokerage and Fees	-	-
3. Other Income	-	-
4. Loss carried to Balance Sheet	-	-
Total	47,941,508	48,756,753
Profit brought down	47,941,508	48,756,753
Excess Income/Interest tax provision of earlier years written back	-	-
	47,941,508	48,756,753

For and on behalf of the Board

Shri Yaduvendra Mathur
Chairman & Managing Director

Ms. Rita Teatia

Shri Rajeev Rishi

Shri David Rasquinha

Shri Amar Sinha

Shri Kishor Kharat

Shri Debasish Mallick

Shri Pankaj Jain

As per our attached report of even date
For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Regn. No. 110417W

(CA N. D. Anklesaria)
Partner
M. No. 010250

New Delhi, May 18, 2016

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