

# ANNUAL REPORT 2016-17

## STRATEGIC PARTNERSHIPS AND REGIONAL INTEGRATION

Regional integration plays an important role in promoting economic stability, connectivity, investment, market expansion, innovation, upgrading of value chains, and sharing of knowledge and resources, among others. The result is enhanced trade and investment integration and economic growth in the region. Strategic partnerships help in gaining optimum benefit from such cooperation, while forging the direction of integration towards common goals for mutual benefit within the region.

Various initiatives of the Government of India (GOI) bear testimony to India's inclination towards promoting regional integration through strategic partnerships. Such initiatives of the GOI include, among others, regional focus programmes, regional conclaves, promoting regional focus policies such as the Act East Policy, as well as various financing programmes through institutional mechanisms, bolstering its role as a development partner in the region. Such partnerships engender social, economic and political security across the region, while at the same time reducing the connectivity gap between India and its partner countries.

Export-Import Bank of India (Exim Bank) plays a crucial role and is committed towards supporting GOI's initiatives in promoting strategic partnerships, which is manifested in its various activities, through continuous engagement with partner countries at bilateral, regional and multilateral levels. Exim Bank, as an institution, takes the lead in forging India's strategic engagements with partner countries at various levels, which includes, among others; cultivating wide-ranging economic and strategic relations with partner countries and institutions, through financing and supporting of projects of national importance; partnering with the Government in hosting various regional conclaves, which provide a necessary platform for initiating such partnerships; and advising on intervention in regions of strategic importance for the nation.



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# BOARD OF DIRECTORS

(As on May 17, 2017)



**Ms. Rita Teaotia**  
Secretary  
Department of Commerce  
Ministry of Commerce & Industry  
Government of India



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



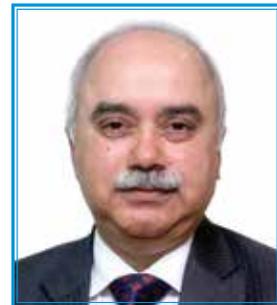
**Shri Amar Sinha**  
Secretary  
Economic Relations  
Ministry of External Affairs  
Government of India



**Smt. Arundhati  
Bhattacharya**  
Chairperson  
State Bank of India



**Smt. Geetha Muralidhar**  
Chairman-cum-Managing Director  
ECGC Ltd.



**Shri Rajeev Rishi**  
Chairman & Managing Director  
Central Bank of India



**Dr. Arvind Subramanian**  
Chief Economic Adviser  
Ministry of Finance  
Government of India



**Shri Pankaj Jain**  
Joint Secretary  
Department of Financial Services  
Ministry of Finance  
Government of India



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



**Shri David Rasquinha**  
Deputy Managing Director  
(Holding Additional Charge  
as Managing Director)  
Export-Import Bank of India



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



**Shri Yaduvendra Mathur**  
Chairman & Managing Director  
Export-Import Bank of India  
(up to February 19, 2017)

## STATEMENT OF THE DEPUTY MANAGING DIRECTOR (HOLDING ADDITIONAL CHARGE AS MANAGING DIRECTOR)



Global economic growth moderated slightly last year, in both the major groupings, viz., advanced economies and emerging economies. Similarly, global trade also moderated last year, driven by a continuing export slowdown in emerging markets on the back of slow demand in major advanced economy markets. By contrast, the Indian economy witnessed a healthy performance last year, topping the chart of leading economies by growth. Indian exports have remained strong amidst the global slowdown, with the overall numbers suppressed by distorting price effects. Nevertheless, on the export front, the Indian economy saw green shoots of revival, with exports witnessing a positive growth after a persistent downtrend for a prolonged period. On the policy front too, the Indian economy has witnessed certain positive signals of reforms, including the passing of the game-changing Goods and Services Tax Bill.

The last financial year has been somewhat turbulent, as the banking sector continued to face the challenges of the global slowdown and associated stress in the balance sheets of the corporate sector. Exim Bank also faced similar challenges, though not to the extent of the overall trend in the Indian banking sector. In the face of adverse trends in many quarters, the Bank posted a profit at reduced levels. The Bank has been taking up the mantle of mitigating the challenge posed by non-performing assets.

Exim Bank has continued to play its mandated role of extending Lines of Credit (LOCs) to Sovereigns, Buyer's Credit to foreign entities under the National Export Insurance Account (BC-NEIA), and under the new Concessional Financing Scheme for Strategic Infrastructure Projects in neighbouring countries. Over the last few years, the Government has been extending strong support to the Bank by

way of providing direction and regularly infusing capital, which strengthened the Bank's financial endeavours.

### Business Initiatives

The Bank's net loan assets posted a marginal increase to reach ₹ 1.026 trillion this year. The Bank, on behalf of the Government of India, has built up a portfolio of 215 LOCs spread across 63 countries, which have helped Indian project exporters in demonstrating their capabilities in implementing several strategic infrastructure projects in developing countries. Under the BC-NEIA, the Bank has sanctioned loans for an aggregate amount of US\$ 2.84 billion for 22 projects valued at US\$ 3.07 billion. The Bank has also developed a large pipeline and given in-principle commitments for supporting 41 projects for an aggregate amount of US\$ 5.34 billion. The Bank concluded the year with the signing of the first Facility Agreement under the newly established Concessional Financing Scheme of the Government of India (GOI), for financing the strategic ultra super-critical power project at Rampal, Bangladesh. The Bank has extended a term loan of US\$ 1.60 billion to the Bangladesh India Friendship Power Company Pvt. Ltd. under the Scheme.

During the year, the Bank, with the support of the GOI undertook the first meaningful utilisation of the Export Development Fund (EDF). A Buyer's Credit facility of ₹ 9 billion has been domiciled under the EDF for financing the export of goods and services from India to Iran. The facility has since been enhanced to ₹ 30 billion and an Amendatory Agreement to the Framework Agreement was signed, envisaging financing the import of steel rails from India by Iran, and the development of the strategic Chabahar Port.

The Bank extends assistance by way of funded and non-funded facilities, as well as advisory services, to help enhance the footprints of Indian project exporters. The Bank also continued its support to Indian companies in their investments abroad. The Bank during the year supported the acquisition of an aeronautical company in France, and the setting

up of a wind farm and acquisition of an auto-components company in USA.

### Working with the Bottom of the Pyramid

While the above-mentioned activities have been catering to the needs of established Indian exporters, the Bank is conscious of its responsibilities in building the capabilities in the grassroots sector of India. The Bank continued its support to artisans, especially in the tribal areas and to farmers' cooperatives. To impart necessary skills to position themselves in the international market place, the Bank organised workshops and training programmes for rural artisans. Besides, the Bank addressed key issues related to international trade, such as product development, design and quality adherence, among others, through skill development workshops.

The Bank plays a promotional role and assists Indian entities, mainly from small and medium segments, in identifying buyers / distributors and partners abroad. The Bank in its own unique way has been associated with such enterprises to create both capacity and capability within them, thereby bringing about a sustainable impact in the quality of life. The Bank's efforts in this direction have yielded positive results, and products such as hand-woven stoles by women, recycled plastic woven products, organic honey, handicrafts, amongst others, have found their way to various international markets. Further, the Bank took the lead in showcasing Indian art and supported exhibitions at four metro cities across India.

Exim Bank, in its endeavour to facilitate international trade and to add to the ongoing efforts towards reducing the asymmetry in information availability of trade finance and credit insurance facilities amongst MSME entrepreneurs, has launched an online portal which has been christened as "Exim Mitra", meaning a 'friend for exporters and importers'. The platform seeks to fulfil the twin objectives, of providing information on credit availability for exports, and delivering trade related information. Besides, the portal provides export-import intelligence and a helpline to handle the queries of the exporting community.



The Bank was privileged to support the Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), Jaipur for setting up a permanent Jaipur Foot Centre at the National Disability Institute in Kabul, Afghanistan, so that 1,000 differently abled persons could be fitted with artificial limbs in Afghanistan in a year. Afghanistan is reportedly the country with the maximum number of people with amputated limbs, perhaps a reflection of a war-torn history. The Bank's support has further strengthened the developmental role of India in Afghanistan. As a part of its outreach activity, the Bank also supported the BMVSS in financing the training requirements of three technicians from Mozambique in Jaipur Foot technology at their centre in Jaipur.

### Resources

The Bank continued to maintain its stature and benchmarks in the international debt capital markets. The Bank, during the year, tapped the deep capital markets of the USA in a debut US\$ 1 billion issuance under Rule 144A. The maiden issue was very well received by investors, with over 2 times oversubscription and an investor allocation of 61 per cent in USA, which is the highest-ever for any Bank / FI out of India. The Bank's high domestic credit rating, and the international credit rating at par with the sovereign, help the Bank to raise resources at finer rates and pass on the benefits to Indian exporters.

### Research and Analysis

Exim Bank has been proactively conducting research to identify potential regions for India's exports, and undertake sectoral studies to suggest suitable strategies for development of India's international trade. The Bank's publications, well regarded by the stakeholders, are uploaded on its website and can be freely downloaded by interested users. This year, the Bank brought out a unique study on Inter-linkages between Exports and Employment in India, demonstrating the contribution of exports to employment. The Bank also brought out studies covering regions such as CLMV (Cambodia, Lao PDR, Myanmar, and Vietnam), BRICS (Brazil, Russia,

India, China and South Africa), LAC (Latin America and Caribbean), MENA (Middle East and North Africa) and East Africa. Sector studies covered sectors such as pharmaceuticals, healthcare, automotive, food processing and machinery.

### Institutional Linkages

The Bank strengthened its activities in other parts of the world leveraging the strong institutional cooperation mechanism. The Bank is a part of the BRICS Interbank Cooperation Mechanism, the Asian Exim Banks Forum, the Global Network of Exim Banks and Development Finance Institutions, the Association of Development Financing Institutions in Asia and the Pacific, the Association of African Development Finance Institutions, the Latin American Association of Development Financing Institutions, etc. The Bank also works very closely with multilateral development banks, such as the World Bank, Asian Development Bank, African Development Bank, European Bank for Reconstruction and Development, and regional development banks in Africa.

As part of the events associated with the eighth BRICS Summit, hosted by India in Goa, during October 15-16, 2016, the Bank organised a series of events on the overall theme of "Building Responsive, Inclusive and Collective Solutions", besides the Annual Meeting and Financial Forum of the BRICS Interbank Cooperation Mechanism.

### Awards and Accolades

The Bank, joining hands with the Confederation of Indian Industry (CII), has instituted the CII-Exim Bank Award for Business Excellence, since 1994. The Award is based on the European Foundation for Quality Management (EFQM) Model. Last year, under this Award, there were 19 companies which received varying levels of recognition.

The Bank has instituted the International Economic Research Award since 1989 to promote research in international economics. The winner for the year 2015 was Dr. Chinmay Tumbe for his doctoral thesis

titled 'Migration and Remittances in India: Historical, Regional, Social and Economic Dimensions'.

Last year, during India's presidency of BRICS Forum, the Bank instituted the BRICS Economic Research Annual Award. The Award, comprising of a citation and prize money of ₹ 1.50 million was conferred on Dr. João Prates Romero, a Brazilian national, for his doctoral thesis titled "Technical Progress and Structural Change: The Role of Demand and Supply in Economic Growth".

The Bank was also conferred the Outstanding Development Project Award 2017 by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP).

### Board of Directors

The Bank has an esteemed and distinguished set of Directors on its Board, who have been guiding the Bank towards attaining its chartered objectives. They include, Ms. Rita Teatota, Commerce 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), Ministry of External Affairs; Dr. Arvind Subramanian, Chief Economic Adviser, Government of India; Shri Pankaj Jain, Joint Secretary, Department of Financial Services, Ministry of Finance; Dr. M.D. Patra, Executive Director, Reserve Bank of India; Smt. Arundhati

Bhattacharya, Chairperson, State Bank of India; Smt. Geetha Muralidhar, Chairman cum Managing Director, ECGC Ltd.; Shri Rajeev Rishi, Chairman & Managing Director, Central Bank of India; and Shri Debasish Mallick, Deputy Managing Director, Exim Bank.

There have also been changes on the Board of the Bank. Shri Kishor Kharat, Managing Director & CEO, IDBI Bank Ltd., and Smt. Usha Ananthasubramanian, Managing Director & CEO, Punjab National Bank, relinquished their directorships consequent upon change in office. The Bank gratefully acknowledges their invaluable contribution as Directors.

My colleagues on the Board and I would like to express our appreciation for the distinguished and valuable services rendered by Shri Yaduvendra Mathur during his three year tenure as Chairman and Managing Director, and the guidance and support extended by him, which have helped the Bank in achieving considerable progress.

The Bank today is at a strategic position, fulfilling Government of India's strategic objectives, whilst also addressing the growing appetite of Indian businesses to go global. At the same time, the Bank is experiencing challenges of rising stressed assets. We are indeed living in a changing world order. Exim Bank, I am confident, with a committed and dedicated team, and with the highest standards of professionalism, will be able to overcome these challenges and achieve new heights.

David Rasquinha

# MANAGEMENT



Sitting from left to right - Sunita Sindwani, Nadeem Panjetan, David Rasquinha,  
Deepali Agrawal

Standing from left to right - Tarun Sharma, C. P. Ravindranath Menon, Samuel Joseph,  
T. D. Sivakumar, David Sinate, Sudatta Mandal,  
Sangeeta Sharma

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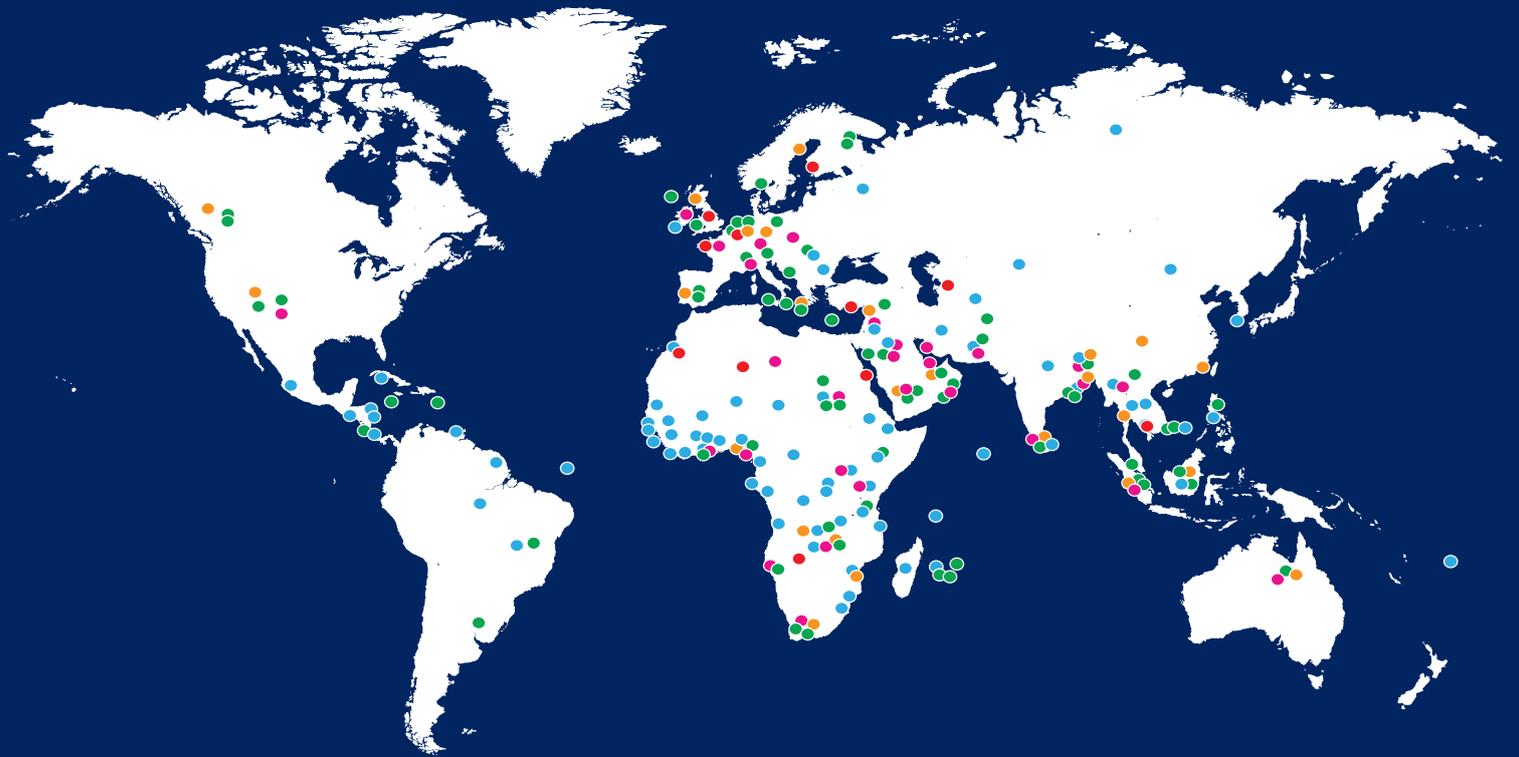


Sitting from left to right - Meena Verma, Debasish Mallick, P. J. Manjunaath,  
Rima Marphatia

Standing from left to right - Vikramaditya Ugra, Sriram Subramaniam, Harsha Bangari,  
Prahalthan Iyer, Manjiri Bhalerao, Gaurav Bhandari,  
Utpal Gokhale

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# EXIM BANK'S PROGRAMMES



## ● Lines of Credit



Lines of Credit (LOC) is a programme offered by Exim Bank which offers a risk free financing option to the Indian exporting companies which helps them penetrate new markets and enhance their export volumes in the overseas markets. The LOC programme has gained considerable recognition abroad as it enables the LOC recipient countries to access developmental and infrastructural projects, equipment, goods and services from India on medium and long term credit basis.

## ● Overseas Investment Finance



Exim Bank encourages Indian companies to invest abroad for, inter alia, setting up manufacturing units and for acquiring overseas companies for gaining access to the foreign markets, technology, raw material, brands, IPR etc. The Bank has a comprehensive programme covering equity finance, loans, guarantees and advisory services, to support Indian outward investment.

## ● Buyer's Credit



Buyer's Credit is a 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 the Buyer's Credit programme, Exim Bank makes payment of eligible value to Indian exporters, without recourse to them.

## ● Project Exports



Exim Bank has been one of the prime movers in encouraging project exports from India; and has enabled Indian companies to secure contracts across various geographies over two decades and supplement the development objectives of host countries.

## ● Marketing Advisory Services



Exim Bank, through its Marketing Advisory Services (MAS), plays a promotional role to create and enhance export capabilities and seeks to help Indian exporting firms in their globalisation efforts by proactively assisting in locating overseas distributor(s)/buyer(s)/partner(s) for their products and services.



**ECONOMIC  
ENVIRONMENT**

## GLOBAL ECONOMY

According to the International Monetary Fund (IMF), global growth is estimated to have slightly moderated to 3.1 per cent in 2016 from 3.4 per cent in 2015. Advanced economies have observed a stronger than expected growth in the second half of 2016. However, overall growth during the year moderated to 1.7 per cent in 2016 from 2.1 per cent in 2015 as output remained below potential, particularly in the United States and the Euro area. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth. At the same time, increased spending proved resilient in the United Kingdom in the post-Brexit period. Stronger than expected economic activities were also observed in several other advanced economies including Japan, as a result of increase in net exports; and Germany and Spain, because of strong domestic demand. Growth in the emerging market and developing economies stood at 4.1 per cent in 2016, moderating from 4.2 per cent in 2015. China's growth was stable, supported by continued policy stimulus. While economic activities in Latin America, particularly in Argentina and Brazil, remained weak, growth in part of the Middle East and Turkey was constrained by geopolitical factors. Economic activity in India was also subdued owing to several macroeconomic factors, including currency exchange initiative.

### World Trade

Growth of global merchandise trade, in volume terms, is estimated to have stood at 2.2 per cent in 2016, same as that recorded in 2015. The weakness in global economic activity, in general, and China's dampened import demand as a result of restructuring of its economy, in particular, were the key restraints on trade growth. The world trade prices of non-fuel primary commodities contracted by 2.7 per cent in US dollar terms in 2016, while oil prices contracted by 15.9 per cent.

### Private Capital Flows in Emerging Market Economies

Net private inflows to emerging market economies more than doubled in 2016 to an estimated US\$ 678 billion, as compared to US\$ 262 billion in 2015. Growth was mainly on the back of a bounce-

back in private non-resident capital inflows in Emerging Asia.

### Current Account Balance of Emerging Market Economies

The current account surplus for 2016 is estimated to have fallen to US\$ 176 billion, from US\$ 280 billion in 2015, largely due to the shrinking current account surplus of Emerging Asia.

### External Debt of Emerging Market Economies

External debt of developing economies, as a percentage of exports, increased to 97.8 per cent in 2015 (as per the latest data available) as compared to 92.3 per cent in 2014. Overall, the debt service payment ratio of developing economies increased to 11.9 per cent in 2015 from 10.1 per cent in 2014.

## INDIAN ECONOMY

According to the Central Statistics Office (CSO), Ministry of Statistics and Program Implementation, real GDP growth of India is estimated to have moderated to 7.1 per cent in the year FY 2016-17, as against 8.0 per cent growth witnessed in FY 2015-16, mainly reflecting decline in fixed investment due to stressed balance sheet in the corporate sector. India's growth was mainly sustained by significant improvements in growth of the agriculture and allied sector and higher government consumption, resulting from implementation of the 7<sup>th</sup> Pay Commission salary recommendation, among others.

### Agriculture

Good monsoons led to a rebound in the agricultural sector, which witnessed a growth of 4.9 per cent in its real gross value added (GVA) in FY 2016-17, as compared to 0.7 per cent in the previous year. The sector had suffered a sluggish growth in the past two years mainly due to drought. During FY 2016-17, food grains and oilseeds production registered strong positive growths. The share of agriculture and allied sectors, however, declined to 17.4 per cent of GVA at basic price at current prices in FY 2016-17, from 17.5 per cent in the previous year.

### Industry

The industrial sector real GVA growth moderated to 5.6 per cent in FY 2016-17 compared to 8.8 per cent

in the previous year, reflecting moderation in the growth of manufacturing output from 10.8 per cent in FY 2015-16 to 7.9 per cent in FY 2016-17, and significant slowdown in mining and quarrying activities from 10.5 per cent in FY 2015-16 to 1.8 per cent in FY 2016-17. Growth in construction slowed down from 5.0 per cent in FY 2015-16 to 1.7 per cent in FY 2016-17. During the year, growth in electricity, gas and water supply, was higher compared to the preceding year at 7.2 per cent in FY 2016-17 from 5.0 per cent in FY 2015-16. The share of the industrial sector in GVA at basic price at current prices at 28.8 per cent in FY 2016-17, as compared to 29.6 per cent in FY 2015-16.

The CSO has recently introduced a new series of Index of Industrial Production (IIP) with FY 2011-12 as the base year, to capture structural changes in the economy and improve the quality of representativeness of the IIP series, among others. According to the new series, IIP growth increased to 5.0 per cent during FY 2016-17 as compared to 3.4 per cent in FY 2015-16, mainly supported by activities such as mining, manufacturing and electricity, which grew by 5.3 per cent, 4.9 per cent and 5.8 per cent respectively.

According to the use-based classification of the IIP, growth was primarily led by consumer non-durables, followed by consumer durables, primary goods, infrastructure / construction goods, capital goods and intermediate goods. These sub-sectors grew by 9.0 per cent, 6.2 per cent, 4.9 per cent, 3.8 per cent, 3.0 per cent and 1.9 per cent, respectively.

### Services

The services sector real GVA growth moderated to 7.7 per cent in FY 2016-17, compared to 9.7 per cent in the previous year. 'Trade, hotels, transport, communication and broadcasting', and 'financial, real estate and professional services' registered moderation in growth from 10.5 per cent and 10.8 per cent respectively in FY 2015-16, to 7.8 per cent and 5.7 per cent respectively, in FY 2016-17. 'Public administration, defense and other services', on the other hand, registered an increase in growth from 6.9 per cent in FY 2015-16

to 11.3 per cent in FY 2016-17, largely reflecting implementation of the 7<sup>th</sup> Pay Commission's recommendations. The share of the services sector in GVA at basic price at current prices stood higher at 53.8 per cent in FY 2016-17, compared to 52.9 per cent in the previous year.

### Infrastructure

The eight infrastructure supportive core industries, viz. coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity comprise nearly 38 per cent of the weight of items included in the IIP. These eight industries together witnessed a growth of 4.5 per cent during FY 2016-17, up from 4.0 per cent in the preceding year. This was mainly driven by sectors such as steel and refinery products, which observed strong growth of 9.3 per cent and 5.4 per cent respectively, during the year.

### Inflation

The headline inflation, based on the annual average of Consumer Price Index (CPI) new series, stood at 3.8 per cent during FY 2016-17, as compared to 4.9 per cent in the previous year. The fall was associated with moderation in food prices during the year, which was mainly due to good monsoons. Core CPI inflation, which excludes food and fuel groups, remained sticky. Inflation for 'transport and communication' group has been rising on the back of rising crude oil prices.

The inflation rate based on the Wholesale Price Index (WPI) with FY 2011-12 as the base year, which was at (-) 3.7 per cent in FY 2015-16, increased to 1.7 per cent during FY 2016-17. This trend is on the back of rising global commodity and energy prices.

### Capital Markets

India's net Foreign Direct Investment (FDI) during FY 2016-17 stood at US\$ 35.0 billion as against US\$ 36.0 billion in the previous year. India's net portfolio investment during FY 2016-17 stood at US\$ 6.9 billion as compared to US\$ (-) 4.1 billion in the previous year.

### Foreign Trade and Balance of Payments

India's merchandise exports stood at US\$ 276.5 billion during FY 2016-17, as compared

to US\$ 262.3 billion in the previous year. Exports, mainly non-oil, have recovered after two consecutive years of decline, mainly driven by price effects.

India's merchandise imports increased marginally to US\$ 382.7 billion during FY 2016-17, as compared to US\$ 381.0 billion in the preceding year. Though low global oil prices affected India's petroleum exports, it helped India contain its oil import bill.

Export of petroleum and its products increased by 3.4 per cent to US\$ 31.6 billion during FY 2016-17, whereas, non-oil exports witnessed a growth of 5.7 per cent, in the same period. Commodities such as ores and minerals, marine products, gems and jewellery, and base metals made significant improvements in terms of export growth.

India's import of petroleum and its products (mainly crude) stood at US\$ 86.9 billion during FY 2016-17, as compared to US\$ 82.9 billion recorded in the preceding year. Non-oil imports stood at US\$ 295.9 billion during FY 2016-17, 0.7 per cent lower than the previous year. Import of chemicals and related products, gems and jewellery, and base metals were the major items that registered a significant decline in the non-oil import category.

Overall, India's trade deficit narrowed to US\$ 106.2 billion during FY 2016-17, as compared to US\$ 118.7 billion in the previous year.

India's services exports increased by 5.7 per cent to US\$ 163.1 billion during FY 2016-17, as compared to US\$ 154.3 billion in the preceding year. Software services exports in FY 2016-17 stood marginally lower at US\$ 73.7 billion, as compared to US\$ 74.2 billion last year. India's services import increased to US\$ 95.7 billion in FY 2016-17, as compared to US\$ 84.6 billion in FY 2015-16. Accordingly, trade balance in the services sector declined to US\$ 67.4 billion during FY 2016-17, as compared to US\$ 69.7 billion in the preceding year.

During FY 2016-17, net inflows under the capital and financial account fell sharply to US\$ 14.9 billion, from US\$ 23.2 billion in the preceding year.

India's foreign exchange reserves increased to US\$ 370.0 billion as at the end of March 2017, from US\$ 360.2 billion as at the end of March 2016. The reserves reflect import cover of around 11.6 months. External debt decreased to US\$ 471.9 billion as at end of March 2017, from US\$ 485 billion in March 2016, mainly reflecting a fall in the long-term debt component.

# MAJOR POLICY CHANGES DURING FY 2016-17

## Credit Policy:

- The Repo rate reduced, in phases, from 6.75 per cent in September 2015 to 6.50 per cent in April 2016 and was at 6.25 per cent as on March 2017. The Reverse Repo rate stands adjusted at 5.75 per cent as on March 2017, while the Marginal Standing Facility rate and the Bank Rate were both reduced to 6.75 per cent.
- The Statutory Liquidity Ratio was also reduced in a phased manner from 21.50 per cent in February 2015 to 21.25 per cent in April 2016, and further to 20.50 per cent as on March 2017.

## Trade Policy:

- In April 2016, the GOI completed the ratification of Trade Facilitation Agreement of the WTO, in order to facilitate trade and further boost economic growth by reducing trade costs and supporting its integration into the global economy.
- As part of the “Ease of Doing Business” initiatives, the Central Board of Excise & Customs, GOI, launched the Single Window Interface for Facilitating Trade (SWIFT) in April 2016, to facilitate trading across borders in India. SWIFT would provide importers and exporters the facility to lodge their clearance documents online at a single point, and obtain any required permissions online from other regulatory agencies, without having to approach these agencies.
- The Government of India extended the market coverage of the Merchandise Export from India Scheme (MEIS) to all countries, with effect from May 4, 2016. Earlier, MEIS incentives were country group specific, requiring exporters to submit landing certificate as a proof of landing of consignment in the destination country. This is no longer required now.

## Investment Policy:

- Foreign Direct Investment (FDI) policy reforms in areas of insurance and pension, asset reconstruction companies and stock exchanges were also announced. In the insurance and pension sectors, foreign investment will be allowed through automatic route for up to 49 per cent, subject to guidelines on Indian management and control.
- In February 2017, the Government announced that Foreign Portfolio Investor (FPI) of Category I & II will be exempted from Indirect Transfer provision. The Indirect Transfer provision shall not apply in case of redemption of shares or interests outside India as a result of or arising out of redemption or sale of investment in India which is chargeable to tax in India.
- In order to resolve the issue of bad debts and non-performing assets, the government has allowed 100 per cent FDI in Asset Reconstruction Companies (ARCs) through the automatic route. Corresponding amendments to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('SARFAESI Act') have been proposed. The government also stated that FPIs will be allowed up to 100 per cent of each tranche in security receipts issued by ARCs, subject to sectoral caps.
- 100 per cent FDI is to be allowed through approval route in marketing of food products produced and manufactured in India. This will benefit farmers, give impetus to food processing industry, and create vast employment opportunities.
- The GOI is also promoting 'Mega Food Parks' in an attempt to further attract FDI in the Food Processing industry.

## WORLD OUTPUT, TRADE & WORLD TRADE PRICES

(% change)

	2011	2012	2013	2014	2015	2016	2017 (P)	2018 (P)
<b>I. World Output (Real GDP)</b>	4.2	3.5	3.4	3.5	3.4	3.1	3.5	3.6
<b>(A) Advanced Economies</b>	1.7	1.2	1.3	2.0	2.1	1.7	2.0	2.0
United States	1.6	2.2	1.7	2.4	2.6	1.6	2.3	2.5
Canada	3.1	1.7	2.5	2.6	0.9	1.4	1.9	2.0
Euro Area	1.5	-0.9	-0.3	1.2	2.0	1.7	1.7	1.6
UK	1.5	1.3	1.9	3.1	2.2	1.8	2.0	1.5
Japan	-0.1	1.5	2.0	0.3	1.2	1.0	1.2	0.6
<b>(B) Emerging &amp; Developing Economies</b>	6.3	5.4	5.1	4.7	4.2	4.1	4.5	4.8
Emerging and Developing Asia	7.9	7.0	6.9	6.8	6.7	6.4	6.4	6.4
China	9.5	7.9	7.8	7.3	6.9	6.7	6.6	6.2
<b>India</b>	<b>6.6</b>	<b>5.5</b>	<b>6.5</b>	<b>7.2</b>	<b>7.9</b>	<b>6.8</b>	<b>7.2</b>	<b>7.7</b>
Latin America and the Caribbean	4.7	3.0	2.9	1.2	0.1	-1.0	1.1	2.0
Middle East and North Africa	4.4	5.5	2.1	2.7	2.6	3.8	2.3	3.2
Sub-Saharan Africa	5.0	4.3	5.3	5.1	3.4	1.4	2.6	3.5
CIS countries	4.6	3.5	2.1	1.1	-2.2	0.3	1.7	2.1
Russia	4.0	3.5	1.3	0.7	-2.8	-0.2	1.4	1.4
Emerging and Developing Europe	6.5	2.4	4.9	3.9	4.7	3.0	3.0	3.3
<b>II. World Merchandise Trade (Vol. Gr. %)</b>	7.0	2.4	3.4	3.1	2.2	2.2	3.9	4.0
<b>Global Merchandise Exports (US\$ billion)</b>	17,910	18,039	18,476	18,569	16,165	15,713	16,803	17,597
<b>III. World Trade Prices (US\$, % change)</b>								
Manufactures	4.3	2.8	-3.0	-0.4	-2.4	-5.4	2.8	1.7
Oil	31.6	1.0	-0.9	-7.5	-47.2	-15.7	28.9	-0.3
Non-fuel primary commodities	18.0	-10.1	-1.4	-3.9	-17.4	-1.9	8.5	-1.3

Note: P = Projections

Source: IMF, World Economic Outlook (WEO) April 2017.

# STATISTICAL SNAPSHOT OF THE INDIAN ECONOMY

INDICATORS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
GDP (at current prices, US\$ billion)	1365.4	1708.5	1823.0	1829.0	1863.2	2042.4	2073.7 <sup>f</sup>	2230.8 <sup>f</sup>
GDP Per Capita (US\$)	1146.7	1411.7	1482.1	1462.9	1466.4	1581.6	1579.8 <sup>f</sup>	-
Real GDP Growth (%)	8.6	8.9	6.7	5.5**	6.4**	7.5**	8.0**	7.1 <sup>p**</sup>
Sectoral Share in GVA* (%)								
Agriculture & Allied Activities	14.6	14.6	18.5**	18.3**	18.6**	18.0**	17.5**	17.4 <sup>p**</sup>
Industry	28.3	27.9	32.5**	31.7**	30.8**	30.2**	29.6**	28.8 <sup>p**</sup>
Services	57.1	57.5	49.0**	50.0**	50.6**	51.8**	52.9**	53.8 <sup>p**</sup>
Population (million)	1190.7	1210.2	1230.0	1250.2	1270.6	1291.4	1312.6 <sup>f</sup>	-
Inflation Rate (CPI, annual avg. %)	12.2	10.4	8.3	10.1***	9.3***	5.8***	4.9***	3.8***
Inflation Rate (WPI, annual avg. %)	3.8	9.6	8.9	6.9**	5.2**	1.3**	-3.7**	1.7**
Gross Fiscal Deficit (% of GDP)	6.5	4.8	5.9	4.9	4.5	4.1	3.9	3.5 <sup>e</sup>
Exchange Rate (₹/US\$, avg.)	47.4	45.6	47.9	54.4	60.5	61.1	65.5	67.1
Exchange Rate (₹/Euro, avg.)	67.1	60.2	65.9	70.1	81.2	77.5	72.3	73.6
Exports (US\$ billion)	178.8	249.8	306.0	300.4	314.4	310.3	262.3	276.5
% change	-3.5	39.8	22.5	-1.8	4.7	-1.3	-15.5	5.4
Oil Exports (US\$ billion)	28.2	36.4	56.7	60.9	63.2	56.7	30.6	31.6
% change	2.3	29.0	55.9	7.3	3.8	-10.2	-46.1	3.4
Non-oil Exports (US\$ billion)	150.6	213.4	249.2	239.5	251.2	253.6	231.7	244.9
% change	-4.6	41.8	16.8	-3.9	4.9	0.9	-8.6	5.7
Imports (US\$ billion)	288.4	369.8	489.3	490.7	450.2	448.0	381.0	382.7
% change	-5.1	28.2	32.3	0.3	-8.3	-0.5	-15.0	0.5
Oil Imports (US\$ billion)	87.1	106.0	155.0	164.0	164.8	138.3	82.9	86.9
% change	-7.0	21.6	46.2	5.9	0.4	-16.0	-40.0	4.7
Non-oil Imports (US\$ billion)	201.2	263.8	334.3	326.7	285.4	309.7	298.1	295.9
% change	-4.2	31.1	26.7	-2.3	-12.6	8.5	-3.8	-0.7
Trade Balance (US\$ billion)	-109.6	-120.0	-183.3	-190.3	-135.8	-137.7	-118.7	-106.2
Services Exports (US\$ billion)	96.0	124.6	140.9	145.7	151.8	158.1	154.3	163.1
Software Exports (US\$ billion)	49.7	53.1	62.2	65.9	69.4	73.1	74.2	73.7
Services Imports (US\$ billion)	60.0	80.6	76.9	80.8	78.7	81.6	84.6	95.7
Services Balance (US\$ billion)	36.0	44.0	64.0	64.9	73.1	76.5	69.7	67.4
Current Account Balance (US\$ billion)	-38.4	-47.9	-78.2	-87.8	-32.4	-26.8	-22.1	-15.2
CAB as percentage of GDP (%)	-2.8	-2.8	-4.2	-4.8	-1.7	-1.3	-1.1	-0.7
Forex Reserves (US\$ billion)	279.1	304.8	294.4	292.0	304.2	341.6	360.2	370.0
External Debt (US\$ billion)	260.9	317.9	360.8	409.4	446.2	474.7	485.0	471.9
External Debt to GDP Ratio (%)	18.2	18.2	20.5	22.3	23.9	23.2	23.5	20.2
Short Term Debt (US\$ billion)	52.3	65.0	78.2	96.7	91.7	85.5	83.4	88.0
Short Term Debt/Total Debt (%)	20.1	20.4	21.7	23.6	20.5	18.0	17.2	18.6
Total Debt Service Ratio (%)	5.8	4.4	6.0	5.9	5.9	7.6	8.8	8.3
FDI (US\$ billion)	37.7	36.0	46.6	34.3	36.0	45.1	55.6	60.0
GDRs/ADRs (US\$ billion)	3.3	2.0	0.6	0.2	0.02	1.3	0.4	-
FIs (net) (US\$ billion)	29.0	29.4	16.8	27.6	5.0	40.9	-4.0	7.7
FDI Outflows (US\$ billion)	15.1	17.2	10.9	7.1	9.2	4.0	8.9	7.0
<b>MEMO ITEMS:</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017<sup>o</sup></b>
Global GDP (% change)	5.4	4.2	3.5	3.4	3.5	3.4	3.1	3.5
Advanced Economies	3.1	1.7	1.2	1.3	2.0	2.1	1.7	2.0
Emerging and Developing Economies	7.4	6.3	5.4	5.1	4.7	4.2	4.1	4.5
World Merch. Trade (Vol., % change)	14.3	6.9	2.4	3.4	3.1	2.2	2.2	3.9
World Merch. Exports (US\$ trillion)	14.9	17.9	18.0	18.5	18.6	16.2	15.7	16.8
Growth in Value of World Merch. Exports (%)	20.7	20.2	0.7	2.4	0.5	-12.9	-2.8	3.9

<sup>e</sup>-GOI's estimates; <sup>f</sup>-EAC, GOI's Provisional Estimate; <sup>l</sup>-IIF Estimates; <sup>o</sup>-IMF Projections; - not available; \*-Gross Value Added (GVA) at basic price at current prices; \*\* - Data as per the revised base year 2011-12; \*\*\* - Base: 2012=100 for new CPI.

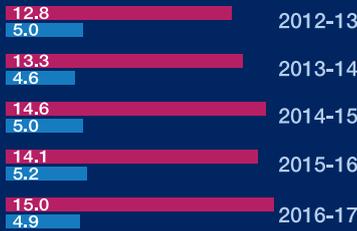
Sources: Economic Survey, Various issues; Union Budget, RBI Monthly Bulletin, Annual Report & Weekly Statistical Supplement; Ministry of Finance; CSO; Ministry of Commerce & Industry; Institute of International Finance (IIF) and International Monetary Fund (IMF).



# PERFORMANCE OF SELECT SECTORS

## AUTOMOTIVE PRODUCTS

- 1 Largest manufacturer of tractors
- 2<sup>nd</sup> largest in two wheelers & buses
- 5<sup>th</sup> largest in heavy trucks
- 6<sup>th</sup> largest in cars
- 8<sup>th</sup> largest in commercial vehicles



\$15.0 bn  
+6.4%



\$4.9 bn  
-5.8%

2016-17 y-o-y



7.1% of India's GDP



## TEXTILE AND GARMENTS



\$35.9 bn  
-0.3%



\$5.5 bn  
+3.8%

2016-17 y-o-y

Largest cotton and jute producer

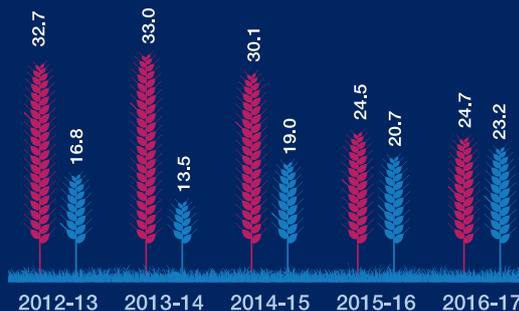
2<sup>nd</sup> largest textile manufacturing capacity  
2<sup>nd</sup> largest textile and garments exporter

46%  
Garments

of India's total exports of textile and garments

5%  
Share in the global trade

## AGRI AND ALLIED PRODUCTS



\$24.7 bn  
+0.8%



\$23.2 bn  
+12.1%

2016-17 y-o-y

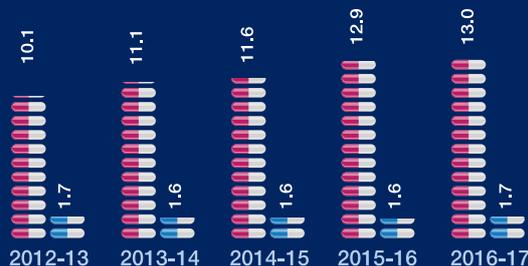
## PHARMACEUTICAL PRODUCTS

\$13.0 bn  
+0.8%



\$1.7 bn  
+6.2%

2016-17 y-o-y



10

10<sup>th</sup> largest exporter in 2016, with a share of 2.6% in the global exports

4.7% of India's total exports



# PERFORMANCE OF SELECT SECTORS

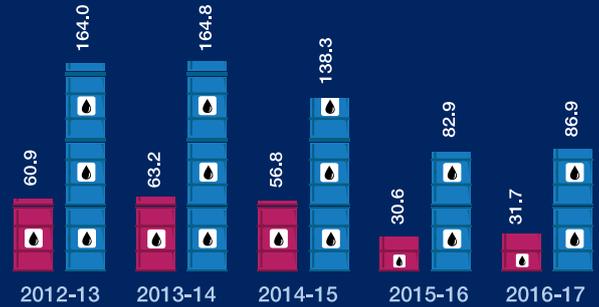
## PETROLEUM (CRUDE AND PRODUCTS)



**635** million metric tonnes of proven oil reserves

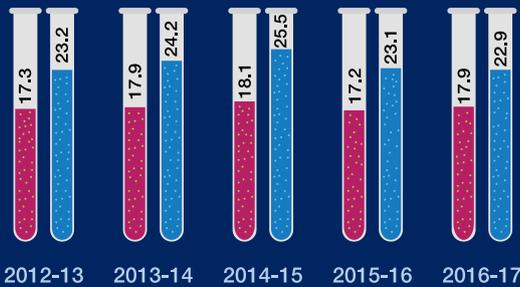
**54** trillion cubic feet of proven natural gas reserves

**96** trillion cubic feet of estimated shale gas reserves



Import - Crude oil      Export - Petroleum products

## CHEMICAL AND RELATED PRODUCTS



**3** 3<sup>rd</sup> largest producer of chemicals in Asia

**7<sup>th</sup>** largest in the world

Organic chemicals  
**67.5%** of India's total exports of chemicals & related products

**\$17.9 bn**  
+4.1%

**\$22.9 bn**  
-0.9%

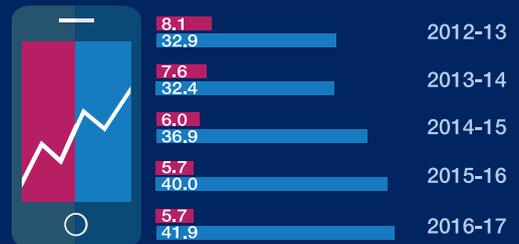
2016-17 y-o-y

## ELECTRONICS

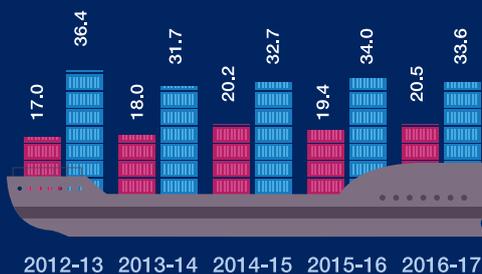


**2020**  
The electronics market of India is anticipated to reach **US\$ 400 billion**

India's total imports of electronic goods  
**57.5%**  
**China**



## CAPITAL GOODS



**\$20.5 bn**  
+5.7%

**\$33.6 bn**  
-1.2%

2016-17 y-o-y

**3.1%**

Higher Exports

Power transformers

Cables

High voltage switchgear products<sup>1</sup>

Production of Capital Goods grew by 3.1% during 2016-17.

<sup>1</sup> Indian Electrical and Electronics manufacturers' Association (IEEMA).





## **DIRECTORS' REPORT**

The Directors are pleased to present the report of the working of Export-Import Bank of India (the Bank) with the audited Balance Sheet and accounts for the year ended March 31, 2017.

## REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

### Loan Assets

The Bank approved loans aggregating ₹ 647.78 billion under various lending programmes during FY 2016-17 as against ₹ 725.76 billion during FY 2015-16. Loan disbursements during FY 2016-17 were ₹ 446.94 billion as against ₹ 518.22 billion during FY 2015-16, while loan repayments during FY 2016-17 amounted to ₹ 371.14 billion, as against ₹ 398.17 billion in FY 2015-16. Net loan assets as of March 31, 2017, were ₹ 1,026.41 billion, registering an increase of 3.56 per cent over the previous year. Rupee loans and advances accounted for 31 per cent of the net loan assets as on March 31, 2017, while the balance 69 per cent were in foreign currency. Short-term loans accounted for 19 per cent of the net loans and advances as on March 31, 2017.

### Non-Funded Facilities

During the year, the Bank sanctioned non-funded facilities aggregating ₹ 61.15 billion, as against ₹ 26.94 billion in FY 2015-16, comprising Project Guarantees, Financial Guarantees and Letters of Credit. Aggregate guarantees issued during

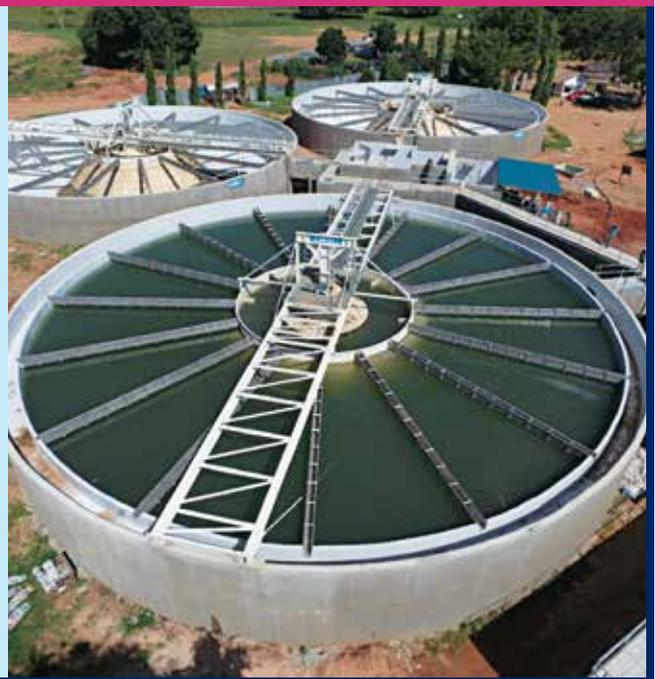
FY 2016-17, comprising Project Guarantees and Financial Guarantees, amounted to ₹ 45.13 billion as against ₹ 25.69 billion in FY 2015-16. Letters of Credit issued during FY 2016-17 amounted to ₹ 7.49 billion as against ₹ 7.66 billion in FY 2015-16. Aggregate guarantees in the books of the Bank as on March 31, 2017, were ₹ 112.36 billion, as against ₹ 105.78 billion, as on March 31, 2016, and Letters of Credit as on March 31, 2017, amounted to ₹ 9.95 billion, as against ₹ 9.77 billion as on March 31, 2016. The Bank's aggregate non-funded portfolio as on March 31, 2017, stood at ₹ 122.31 billion as against ₹ 115.55 billion as on March 31, 2016, representing a growth of 6 per cent.

### Income / Expenditure

The Bank registered Profit Before Tax of ₹ 3.13 billion on account of General Fund during FY 2016-17, as against a Profit of ₹ 4.53 billion for FY 2015-16. After providing for income tax of ₹ 2.71 billion, Profit After Tax amounted to ₹ 0.41 billion during FY 2016-17, as against ₹ 3.16 billion during FY 2015-16. Out of this profit, an amount of ₹ 0.37 billion is transferred to the Reserve Fund. The balance of ₹ 0.04 billion will be transferred to 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 2016-17 was ₹ 59.14 billion, as compared to ₹ 55.65 billion in FY 2015-16.

<b>Country</b>	: Tanzania
<b>Programme</b>	: Lines of Credit
<b>Value</b>	: US\$ 178.13 million
<b>Purpose</b>	: Expansion of the Upper Ruvu Water Treatment Plant, executed by VA Tech Wabag Ltd.
<b>Impact</b>	: The objective is to increase the water processing and distribution capacity of the Upper Ruvu water supply system from 82 million litres per day to 200 million litres per day, and supply more water to the Dar-es-Salaam region.
	The First Phase is operational and is providing potable water to 2 million people in Dar-es-Salaam.





<b>Country</b>	: Sudan
<b>Programme</b>	: Lines of Credit
<b>Value</b>	: US\$ 350 million
<b>Purpose</b>	: Setting up of a 4x125 MW combined cycle power plant at Um Dabakir Power Station (Kosti), executed by Bharat Heavy Electricals Ltd.
<b>Impact</b>	: It is the largest thermal power plant commissioned in Sudan. The power plant is contributing to one-sixth of the total power demand of Sudan. The electricity generated from the plant is also supplied to sugar and cement factories.

Investment income, interest on bank deposits etc. during FY 2016-17 was ₹ 33.21 billion, as compared to ₹ 32.16 billion in FY 2015-16. Interest expenses in FY 2016-17 at ₹ 65.65 billion were higher by ₹ 4.87 billion, mainly due to the increase in borrowings. Administrative expenses worked out to 2.56 per cent of total expenses (excluding provisions for contingencies) during FY 2016-17 as against 2.52 per cent during FY 2015-16.

### Borrowings

Total borrowings of the Bank were at ₹ 960.73 billion as on March 31, 2017, higher by 3 per cent compared to total borrowings of ₹ 933.17 billion as on March 31, 2016.

### Resources

During the year, the Bank received capital of ₹ 5.00 billion from the Government of India. As on March 31, 2017, the Bank's total Resources including paid-up capital of ₹ 68.59 billion and reserves of ₹ 51.64 billion aggregated ₹ 1,080.96 billion. The Bank's Resource base, inter alia, includes Rupee Bonds, Certificates of Deposit, Commercial Papers, Term Deposits, FC Bonds, FC Loans and long-term swaps. During the year, the Bank raised borrowings of varying maturities (excluding raised and repaid during the year) aggregating ₹ 404.08 billion, comprising Rupee Resources of ₹ 216.04 billion and Foreign Currency Resources of US\$ 2.90 billion equivalent.

### Rupee Resources

The Bank issued its inaugural Basel III compliant Additional Tier I Bonds aggregating ₹ 5.00 billion at a coupon of 8.60 per cent p.a. during FY 2016-17, to augment the Tier 1 capital of the Bank. The outstanding Rupee Resources as on March 31, 2017 stood at ₹ 472.80 billion.

### Foreign Currency Resources

During FY 2016-17, the Bank raised Foreign Currency Resources aggregating US\$ 2.90 billion equivalent. As on March 31, 2017, the Bank had a pool of Foreign Currency Resources equivalent to US\$ 11.47 billion. The Bank raised 10-year US\$ 1.00 billion through 144A/RegS under its GMTN Program in July 2016. The issue was priced at 187.50 basis points over US Treasuries (UST), to yield 3.383 per cent p.a. on a coupon of 3.375 per cent p.a., resulting in negative new issue premium against a very strong market backdrop. The yield achieved on the Notes was the lowest on a benchmark bond issued by any Indian entity since 2000, thereby setting a benchmark curve for other Indian issuers to access the 144A / RegS markets. In January 2017, the Bank's 144A / RegS Bond issuance won the Asset's Triple A Country Award 2016 for the Best Investment Grade Bond. So far, the Bank has raised Foreign Currency resources in diverse currencies.

### 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 CRISIL, ICRA and CARE for long term instruments and A1+ from CRISIL, ICRA and CARE for short term instruments. The Additional Tier 1 (AT1) Bonds issued by the Bank have been rated as CRISIL AA+ / Stable by CRISIL and [ICRA] AA+(Hyb) (Stable) by ICRA.

### Asset Quality

As per the Reserve Bank of India (RBI) prudential norms for Financial Institutions, a credit/loan facility in respect of which interest and/or principal has remained overdue for more than 90 days, is defined as a Non-Performing Asset (NPA). The Bank's gross NPAs at ₹ 99.62 billion worked out to 9.24 per cent of the total loans and advances as of March 31, 2017. The Bank's NPAs (net of provisions) of ₹ 48.03 billion as of March 31, 2017, were at 4.68 per cent of the net loans and advances (net of provisions) as of March 31, 2017. The Provision Coverage Ratio (PCR) as of March 31, 2017 was 54.54 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. The gross NPAs as of March 31, 2017, comprised sub-standard assets of 40 per cent, and doubtful assets of 60 per cent. The net NPAs as of March 31, 2017, comprised sub-standard assets of 68 per cent, and doubtful assets of 32 per cent. The Bank did not have any loss assets as of March 31, 2017.

### Capital Adequacy

The Capital to Risk Assets Ratio (CRAR) was 15.81 per cent as on March 31, 2017, as compared to 14.55 per cent as on March 31, 2016, as against a minimum 9 per cent norm stipulated by RBI. The Debt-Equity Ratio as on March 31, 2017 was 7.99:1, as compared to 8.12:1 as on March 31, 2016.

### Exposure Norms

RBI has prescribed credit exposure limits for all-India term lending institutions, at 15 per cent of the Financial Institutions' Total Capital Funds (TCF), effective from March 31, 2002, for exposure to individual borrowers, and at 40 per cent for borrower groups. An additional exposure up to 5 per cent (i.e. a total exposure up to 20 per cent of the TCF of the Financial Institution for Single Borrowers, and 45 per cent of the TCF for Borrower Groups) can be taken in exceptional circumstances,

<b>Country</b>	: United States of America
<b>Programme</b>	: Overseas Investment Finance
<b>Value</b>	: US\$ 50 million
<b>Purpose</b>	: Towards purchasing controlling interest (80 per cent) in two distribution companies, Agri Valley Irrigation LLC and Irrigation Design and Construction LLC; based in California, USA.
<b>Impact</b>	: These acquisitions and consolidation of Jain Irrigation Systems Ltd., have created the largest irrigation company in California having the latest technology, with a vehicle to deploy and support the newest innovations in agriculture irrigation.





**Programme** : Working Capital Term Loan

**Value** : ₹ 10 million

**Purpose** : Stellapps Technologies Private Limited (STPL) is India's first dairy technology solutions company providing dairy farm optimization and monitoring services. Exim Bank financed the company's working capital requirements.

**Impact** : STPL builds automation tools integrated with cloud, mobility and data analytics for dairy farms. STPL has developed an automatic milk production management system, 'Smart Moo,' which enables cattle farmers to manage milk production, storage & data control, thus helping them to earn more profits.

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 TCF) and ten percentage points (i.e. 10 per cent of TCF) respectively (over and above the maximum limits of 20 per cent and 45 per cent respectively), provided the additional credit exposure is on account of infrastructure projects in India. The Bank's credit exposures to single and group borrowers as of March 31, 2017, were within the limits stipulated by RBI. There was one borrower as of March 31, 2017, for whom exposure over 15 per cent of TCF was assumed with the approval of the Board. Exposure to this borrower as of March 31, 2017, stood at 16.01 per cent of the TCF 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 limit adopted by the Bank for each industry sector is 15 per cent of the Bank's credit exposure to all industry sectors. The Bank's exposure to any single industry sector was not more than 15 per cent

of its total exposure to all industry sectors as of March 31, 2017.

#### Transition to Indian Accounting Standards (Ind AS)

Currently, the Balance Sheet and Profit and Loss account have been prepared in the form and manner provided in the Export-Import Bank of India, General Regulations, 1982 and as per the generally accepted accounting principles in India (Indian GAAP). Exim Bank has constituted a Steering Committee as advised by RBI comprising members from cross-functional areas to initiate the implementation process for transition from Indian GAAP to Ind AS. Exim Bank's Ind AS implementation plan focuses on technical evaluation of GAAP differences, selection of accounting policies and choices, evaluation of system changes and data requirements, business impact analysis and skill development through regular trainings and workshops. Exim Bank had submitted the proforma Ind AS financial statements for the half year ended September 30, 2016 to the RBI as per timelines allowed. Exim Bank is in process of evaluating the system changes to meet the overall information required for implementing the Ind AS.

# BUILDING PARTNERSHIPS TO EXPAND POSSIBILITIES



Exim Bank extended a Line of Credit of US\$ 100 million to the Government of the Republic of Kenya for Agricultural Mechanisation in Kenya. The LOC Agreement to this effect was signed by Mr. Yaduvendra Mathur, Chairman and Managing Director and H. E. Henry K. Rotich, Cabinet Secretary, The National Treasury of the Republic of Kenya, in the presence of Hon'ble Prime Minister of India Mr. Narendra Modi and the President of Kenya, H. E. Mr. Uhuru Kenyatta.



Exim Bank extended a Buyer's Credit of US\$ 200 million under the National Export Insurance Account to the Government of the Republic of Senegal for the construction of the 225kV transmission line for Tambacounda Kolda-Ziguinchor link and extensions and rehabilitation of networks in the regions. The Agreement to this effect was signed in New Delhi by Mr. Yaduvendra Mathur, Chairman and Managing Director, and H. E. Mr. El Hadji Ibou Boye, Ambassador of Senegal in India.



Exim Bank's Representative Office at Abidjan was formally inaugurated on June 14, 2016. The "Accord de Siège" to this effect was signed by Mr. Yaduvendra Mathur, Chairman and Managing Director, and H. E. Mr. Abdallah Albert Toikeusse Mabri, Minister of Foreign Affairs, the Republic of Côte d'Ivoire, in the presence of Mr. Pranab Mukherjee, Hon'ble President of India and H. E. Mr. Alassane Ouattara, Hon'ble President of Côte d'Ivoire.

# BUILDING PARTNERSHIPS TO EXPAND POSSIBILITIES



Exim Bank extended a Line of Credit of US\$ 1 billion to the Government of Mongolia, for development of railways and related infrastructure projects. The LOC Agreement to this effect was signed by Mr. David Rasquinha, Deputy Managing Director, and H.E. Mr. Gonchig Ganbold, Ambassador Extraordinary and Plenipotentiary of Mongolia to India, in the presence of H.E. Gen. (Dr.) V. K. Singh (Retd.), Minister of State for External Affairs, Government of India and H.E. Mr. L. Purevsuren, the Minister for Foreign Affairs, Government of Mongolia.

H.E. Mr. Motaze Louis-Paul, Hon'ble Minister of Economy, Planning and Regional Development, Government of the Republic of Cameroon and Mr. Debasish Mallick, Deputy Managing Director, Export-Import Bank of India, signing the Buyer's Credit Agreement (under NEIA) of US\$ 93.50 million for construction of 225 kV Nkongsamba - Bafoussam and Yaounde – Abong Mbang Transmission Line.



Signing of a Memorandum of Understanding for a US\$ 100 million LOC to Papua New Guinea, in presence of Mr. Pranab Mukherjee, Hon'ble President of India, and Mr. Peter O'Neill, Hon'ble Prime Minister of Papua New Guinea.

## WELCOMING DISTINGUISHED DELEGATES



Union Minister of State for Finance and Corporate Affairs, Shri Arjun Meghwal visited Exim Bank's Head Office.



Union Minister of State for External Affairs, Shri M. J. Akbar visited Exim Bank's Head Office.



Exim Bank hosted a delegation from the SAARC Chamber of Commerce & Industry.

# **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

Major project contracts supported by Exim Bank during the year include:

- Contract for supply of 500 buses, 62 fleet maintenance support vehicles, spare parts and related services for Société des Transports Abidjanais (SOTRA), Côte d'Ivoire, being executed by Tata Motors Ltd.
- Contract for building of high speed patrol boats for Vietnam Border Guard, Ministry of National Defence, Government of the Socialist Republic of Vietnam, being executed by Larsen & Toubro Ltd.
- Design, supply and construction of 275 kV Double Circuit Line with Quad ASCR Drake conductor, 3 phase lines from Murum Substation to Samalaju 2 Substation having line length of approx. 166 km in Malaysia, being executed by KEC International Ltd.
- Lusaka City Decongestion Project, being executed by Afcons Infrastructure Ltd.

- Contract for supply, installation and commissioning of Sea Water Reverse Osmosis plant for Refinery Development Master Plan project in Refinery Unit V, Balikpapan for P. T. Pertamina (Persero), Indonesia, being executed by VA Tech Wabag Ltd.
- Design consultancy services contract for central operations off-site facility at Asfan in the Kingdom of Saudi Arabia, being executed by Tata Consulting Engineers Ltd.

### Export Credit and Guarantees

During the year, the Bank approved loans aggregating ₹ 198.88 billion by way of supplier's credit, buyer's credit and Export Project Cash Flow Deficit Finance (EPCDF) as against ₹ 262.24 billion during the previous year. Disbursements amounting to ₹ 200.90 billion were made during the year, as compared to ₹ 260.10 billion during the previous year. Guarantees sanctioned and issued during the year amounted to ₹ 40.06 billion and ₹ 30.67 billion respectively, as against ₹ 16.41 billion and ₹ 20.99 billion during the previous year. The guarantees pertain to overseas projects in sectors such as power generation, transmission and distribution, infrastructure development, consultancy services and water purification.

### Buyer's Credit

Buyer's Credit is a programme of Exim Bank under which the Bank facilitates Indian exports by way of extending credit facility to overseas buyers



<b>Country</b>	: Mauritius
<b>Programme</b>	: Lines of Credit
<b>Value</b>	: US\$ 18 million
<b>Purpose</b>	: Goa Shipyard Ltd. designed, constructed and delivered a Fast Patrol Vessel.
<b>Impact</b>	: The Vessel, handed over in September 2016, has economical cruising speed and high endurance, and can thus service certain outer islands as well. The ship is equipped with modern navigation systems and advanced machinery control systems. It will greatly benefit the country in providing maritime security.



<b>Country</b>	: Togo
<b>Programme</b>	: Lines of Credit
<b>Value</b>	: US\$ 13.09 million
<b>Purpose</b>	: Agricultural equipment like bulldozers, excavators, wheel loaders, submersible pumps and drip irrigation kit supplied by Cosmos International Ltd.
<b>Impact</b>	: Due to the implementation of the project, each farmer in the region now owns half a hectare of land, which he or she cultivates. A training centre has been established to train the youth in operating the agricultural equipment.

for financing their imports from India. Under the Buyer's Credit programme, Exim Bank makes payment of eligible value to Indian exporters, without recourse to them. During FY 2016-17, the Bank extended Buyer's Credit facilities aggregating ₹ 11.74 billion to 8 overseas companies. Disbursements under the Buyer's Credit programme aggregated ₹ 13.09 billion for exports to Bangladesh, Rwanda, South Africa, Thailand, UAE and USA. The products exported under Buyer's Credit include transport vehicles, auto spare parts, engineering goods, 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 sanctioned an aggregate amount of US\$ 2.84 billion, for 22 projects valued at US\$ 3.07 billion, as on March 31, 2017. Projects funded under the BC-NEIA include; a water treatment plant and distribution to reservoirs project in Sri Lanka; integrated LPG and bitumen storage facility at the Beira Port in Mozambique; integrated water supply projects at various locations in Sri Lanka; supply of vehicles and spares

to Zimbabwe, Tanzania and Senegal; transmission line projects in Cameroon, Ethiopia and Senegal; construction of railway line project in Ghana; road projects in Maldives and Zambia; and an irrigation project in Suriname. The Bank has also given in-principle commitments for an aggregate amount of US\$ 5.34 billion, for supporting 41 projects valued at US\$ 6.21 billion, under the BC-NEIA at the behest of several leading Indian project exporters.

#### 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 fifteen LOCs, aggregating US\$ 2.27 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 Ghana, Guyana, Kenya, Malawi, Mauritius, Mongolia, Nepal, Nicaragua, Niger, Senegal, Sierra Leone and Tanzania. These LOCs will finance and catalyse exports by way of financing projects such as agriculture and irrigation development, development of various small and medium enterprises, upgradation of textile factories, development of railways and related infrastructure, projects for transmission lines and substations, rehabilitation

and improvement of water supply system. Exim Bank has built up a portfolio of 215 LOCs spread across 63 countries, with credit commitments aggregating US\$ 15.87 billion, under which projects are at various stages of implementation.

### Concessional Financing Scheme of GOI

Exim Bank has extended a term loan of US\$ 1.60 billion to the Bangladesh India Friendship Power Company Pvt. Ltd. (a 50:50 joint venture between the Bangladesh Power Development Board, Bangladesh, and NTPC Ltd., India) for financing the 1320 MW (2x660 MW) ultra-super-critical Maitree Super Thermal Power Project at Rampal, District-Bagerhat, Bangladesh. The Facility Agreement for the term loan was signed in March 2017. The contract for the construction of the project, on turnkey basis, has been awarded to Bharat Heavy Electricals Ltd., following an International Competitive Bidding process. State-of-the-art technologies have been selected for this project to make it an environment friendly project. Once commissioned, the Maitree Super Thermal Power Project is expected to be one of the largest power plants in Bangladesh. The power plant is part of the Government of Bangladesh's plan for infrastructure development in the country, particularly in the power sector, augmenting the power generation capacity of Bangladesh and reducing the current power deficit. During the year, disbursements amounting to ₹ 1.05 billion were made under the facility.

### BUILDING EXPORT COMPETITIVENESS

The Bank operates a range of financing programmes aimed at enhancing the export competitiveness of Indian companies. During FY 2016-17, Exim Bank sanctioned loans aggregating ₹ 192.85 billion under various programmes for enhancing export competitiveness. Disbursements amounted to ₹ 211.69 billion under these programmes.

### Loans to Export Oriented Units

During the year, the Bank approved term loans of ₹ 32.14 billion to 41 export oriented units. Disbursements amounted to ₹ 38.27 billion. Under the Production Equipment Finance Programme, 12 exporting companies were sanctioned ₹ 12.21 billion for financing the acquisition of production equipment. Disbursements aggregated ₹ 11.38 billion. 11 companies were sanctioned long-term working capital loans aggregating ₹ 25.31 billion and resulted in disbursements of ₹ 22.71 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, 2017, the Bank has accorded approval for 229 projects with aggregate cost of



**Country** : Bangladesh

**Programme** : Lines of Credit

**Value** : US\$ 79.95 million

**Purpose** : Supply of 120 wagons by RITES Ltd.

**Impact** : The wagons are being used by Bangladesh Railway, enabling better connectivity and an economical mass transit system. Deployment of the wagons was inaugurated by the Hon'ble Prime Minister of Bangladesh, Ms. Sheikh Hasina.



<b>Country</b>	: Mauritius
<b>Programme</b>	: Lines of Credit
<b>Value</b>	: US\$ 46 million
<b>Purpose</b>	: Supply of Interceptor Boats and Aircrafts for the Mauritian Police Force. Goa Shipyard Ltd. designed, constructed and delivered 10 Fast Interceptor Boats, and Hindustan Aeronautics Ltd. manufactured and supplied one HAL-DO-228-202 to the Mauritian Police Force.
<b>Impact</b>	: The Aircraft, test flown and accepted, met the specifications and test flight parameters, and was handed over in June 2016. Operational and functional trials of 10 Interceptor Boats were successfully completed and these were handed over in February 2016. This has resulted in better maritime surveillance in the island nation.

₹ 184.29 billion. Loans approved and disbursed aggregated ₹ 66.69 billion and ₹ 38.56 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

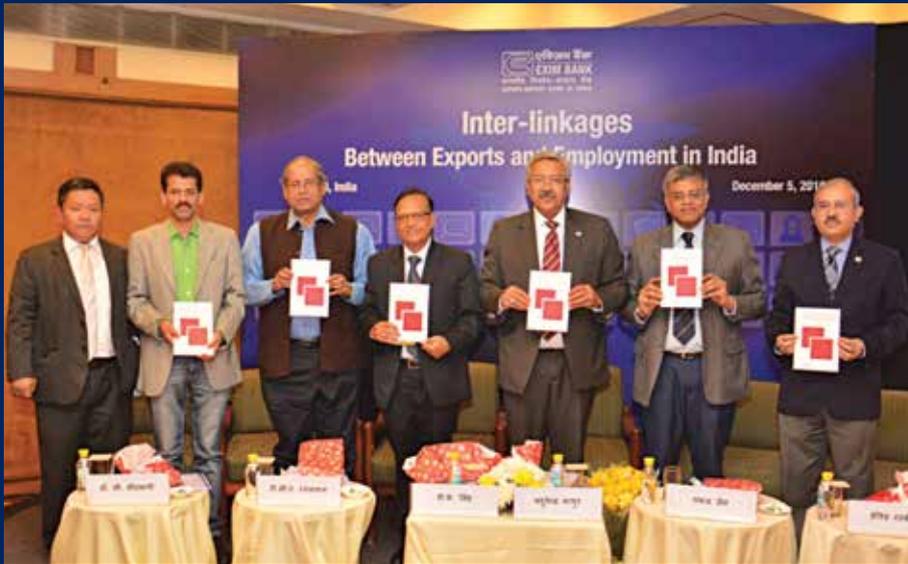
The Bank has a comprehensive programme covering equity finance, loans, guarantees and advisory services, to support Indian outward investments. During the year, 21 corporates were sanctioned funded and non-funded assistance aggregating ₹ 38.91 billion for part financing their overseas investments in 12 countries. So far, Exim Bank has provided finance to 587 ventures set up by 451 companies in 78 countries. Overseas investments supported during the year include the acquisition of an aeronautical engineering company in France, the export of wind turbines from India for setting up wind farms in the USA, the acquisition of distribution companies in the USA in the field of irrigation products, and the acquisition of an auto components manufacturing company in the USA. Till date, the Bank has extended

assistance for overseas investments aggregating ₹ 529.13 billion covering various sectors including pharmaceuticals, home furnishings, readymade garments, construction, paper and paper products, textiles, chemicals, dyes, computer software and IT, engineering goods, natural resources (coal and forests), metal and metal processing, agriculture, agro-based products and renewable energy.

### 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 guarantee / SBLCs to enable export oriented units raise funds at competitive rates. During the year, the Bank issued financial guarantees amounting to ₹ 14.46 billion. The Bank's financial guarantee portfolio stood at ₹ 43.73 billion as on March 31, 2017, as against ₹ 46.31 billion as on March 31, 2016. During the year, the Bank opened 175 LCs aggregating ₹ 7.49 billion. The Bank also handles negotiation/ collection of export documents. The Bank handled 1,510 export documents worth ₹ 37.90 billion.

# DRIVING INTERNATIONAL TRADE THROUGH KNOWLEDGE



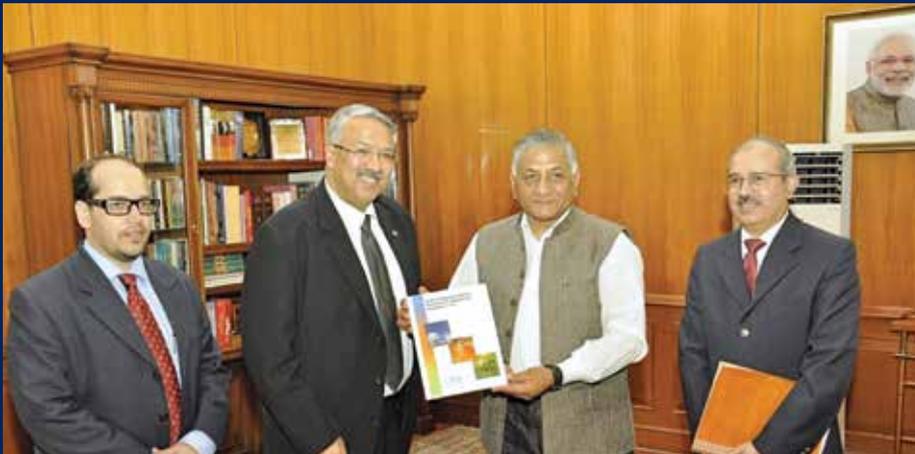
Release of a Study conducted by Exim Bank on “Inter-linkages between Exports and Employment in India” in the presence of Mr. D.K. Singh IAS, Chairman, APEDA; Mr. Pankaj Jain IAS, Joint Secretary, Ministry of Finance; Mr. T. C. A. Ranganathan, Former Chairman & Managing Director, Exim Bank; Dr. C. Veeramani, Associate Professor, IGIDR; Mr. Yaduvendra Mathur IAS, Chairman and Managing Director, Exim Bank; and Mr. David Rasquinha, Deputy Managing Director, Exim Bank.

Exim Bank’s study on “India’s Engagements with CLMV: Gateway to ASEAN Markets” was released at a plenary session, during the 4<sup>th</sup> India – CLMV Business Conclave, in Jaipur.



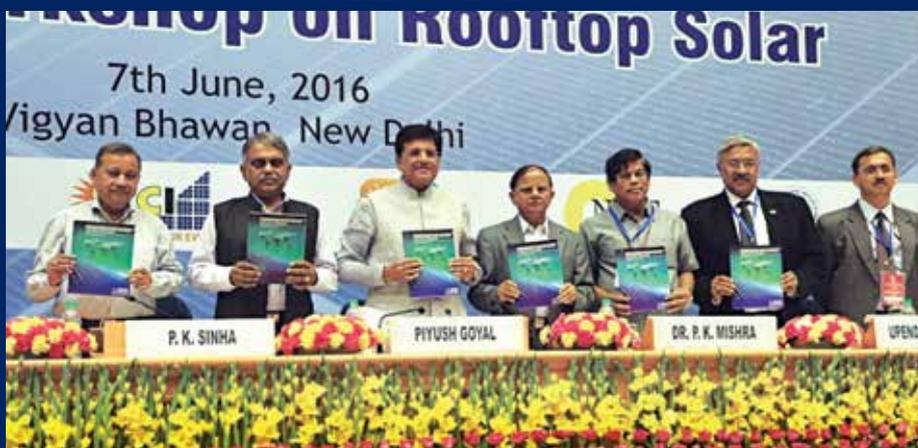
Release of Exim Bank’s publication on “India’s Investments in Select East African Countries: Prospects and Opportunities” at the hands of Mr. Adi Godrej, Chairman, CII Africa Committee, and Chairman, Godrej Group, during the CII-EXIM BANK Conclave on India Africa Project Partnership.

# DRIVING INTERNATIONAL TRADE THROUGH KNOWLEDGE



Gen. (Dr) V. K. Singh (Retd.), Hon'ble Minister of State for External Affairs and Minister of State (Independent Charge) for Statistics and Programme Implementation, Government of India, receiving the first copy of Bank's publication on "Defence Equipment Industry: Achieving Self-Reliance and Promoting Exports", from Mr. Yaduvendra Mathur, Chairman and Managing Director, Exim Bank.

Exim Bank's study on 'India-Africa Healthcare Cooperation: Way Forward,' was released by H.E. Mr. Joseph Kasonde, Hon'ble Health Minister for Zambia.



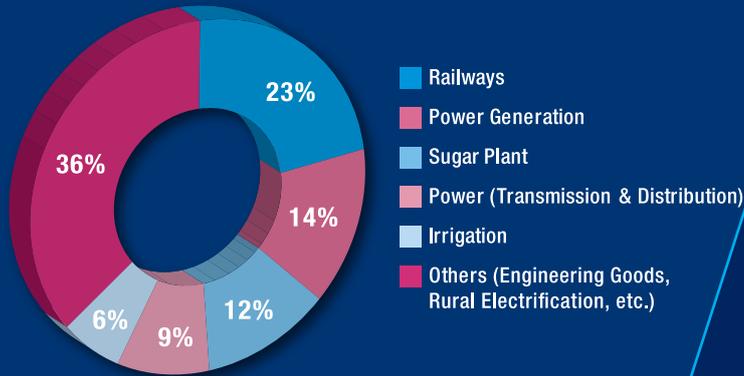
Exim Bank's study on 'International Solar Alliance: Nurturing Possibilities,' was released by Mr. Piyush Goyal, Hon'ble Minister of State (I/C) for Power, Coal, New & Renewable Energy.

Mr. Yaduvendra Mathur, Chairman and Managing Director, Exim Bank, presenting the first copy of the Bank's Occasional Paper on "Indian Pharmaceutical Industry: Challenges and Prospects" to Commerce Secretary, Ms. Rita A. Teotia.



# EXIM BANK'S PROGRAMMES

## LINES OF CREDIT



**215** LOCs extended

To **63** Countries

**15** LOCs amounting to US\$ **2.27** bn were extended in FY 2016-17.

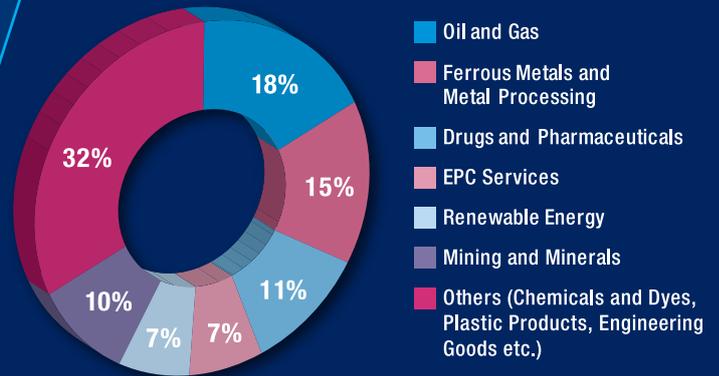
Credit commitments of over US\$ **15.87** bn.

**21** corporates were sanctioned funded and non-funded assistance in 2016-17

Aggregating to ₹ **38.91** bn for part financing their overseas investments in 12 countries.

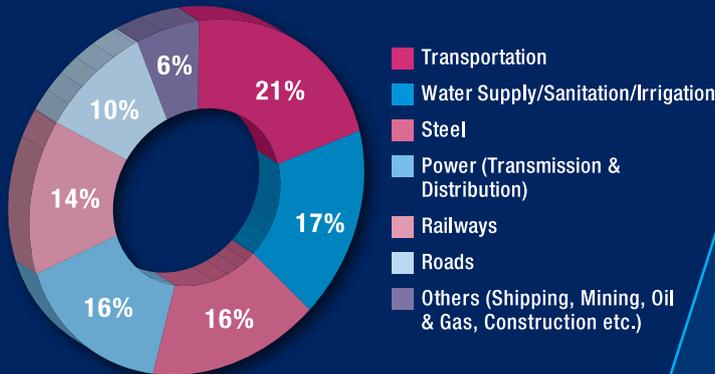
set up by **451** companies in **78** countries.

So far, Exim Bank has provided finance to **587** ventures



## OVERSEAS INVESTMENT FINANCE

## BUYER'S CREDIT UNDER NEIA



Sanctioned an aggregate amount of US\$ **2.84** bn

For 22 projects valued at US\$ **3.07** bn (March 31, 2017)

Supporting 41 projects valued at US\$ **6.21** bn.

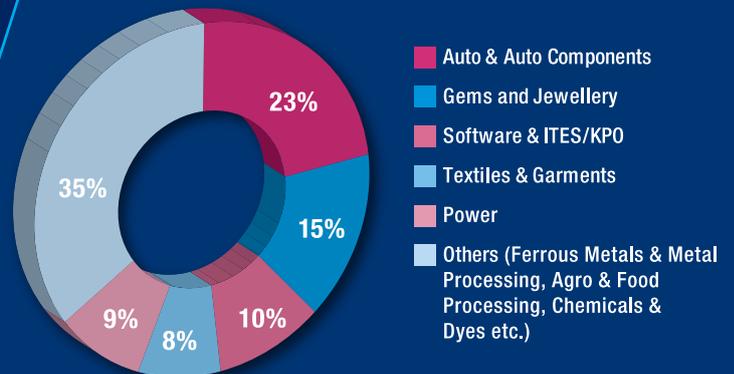
Given in-principle commitments for an aggregate amount of US\$ **5.34** bn

Extended Buyer's Credit facility aggregating ₹ **11.74** bn.

To **8** overseas companies.

For exports to **6** countries.

Disbursements under the Buyer's Credit programme aggregated ₹ **13.09** bn



## BUYER'S CREDIT

# **BUSINESS OPERATIONS**

Exim Bank as a Facilitator  
of Exports



## GRASSROOTS INITIATIVES & DEVELOPMENT

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

During the year, the Bank provided lending support to a Gujarat based Co-operative Society that works with more than 1500 tribal women. The Society aims to provide management and entrepreneurial skills to women and provides them with income generation opportunities in the areas of handicrafts, agri-services, food processing and microfinance. The Bank part financed the working capital requirements of the Society, and held a training workshop on handicraft product development for the Society. Lending support was provided to a social enterprise in Rajasthan, which works with nearly 3,500 artisans with the objective of ensuring sustainable livelihood for artisans and farmers. The Bank continued its support to an artisans' and farmers' cooperative Society in Kumaon, Uttarakhand, engaged in production of naturally dyed ahimsa silk and wool textiles; a social enterprise in Nilgiris-Tamil Nadu, which works with nearly 2000 artisans, mostly from the tribal communities, promoting agro-ecological products and providing a marketing platform for primary producers, forest dwellers, weavers and craftsmen from marginalized and indigenous communities; a social enterprise sourcing off-the-loom products from handlooms in Bhagalpur, Bihar, and enhanced its financial support to an Odisha based organisation working with more than 2000 tribal artisans belonging to socially deprived communities, on arts and crafts development.

### Marketing Advisory Services

The Bank plays a promotional role in creating and enhancing export capabilities, and seeks to help Indian firms in their globalisation efforts by assisting in locating overseas distributor(s) / buyer(s) / partner(s) for their products and services. Exim

Bank also assists in identification of opportunities for setting up plants, or projects, or for acquisition of companies abroad. 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 and e-marketing, to support Indian companies in their marketing initiatives, on a success fee basis.

### Product Placement

During the year, the Bank signed mandates with 16 companies. As on date, the Bank is assisting 159 companies to reach out globally, through the information portal displayed on the Bank's and Exim Mitra's websites. A total of 129 orders valued approx. ₹ 8 million in domestic as well as overseas markets were generated for various products. The success stories include placement of textiles on a fair-trade global marketplace; recycled plastic woven products and various Kashmiri craft products at a retail store located at the Mumbai airport; and organic honey which was placed with a popular hotel chain. Several handloom and handicraft items were marketed to the United Kingdom, South East Asia and a few European countries. The Bank itself procured handcrafted items made up of jute, leather, handmade paper, handlooms, needle work, wood and metal.

Besides product placement, the Bank assisted the following Indian firms in identifying partners:

- Water Makers India Pvt. Ltd. signed an agreement with ESIMCO Group, for supplying Air to Water Generator to Colombia.
- A Memorandum of Understanding was signed between Mailhem Ikos Environment Pvt. Ltd. and ESIMCO Group to develop projects in the field of solid waste and water management in Colombia.
- Kara Ventures signed an agreement with Novica, USA to showcase and sell hand-woven products via its e-commerce platform.
- Supplier agreements were signed between four micro and grassroots enterprises and Jaypore,

an exclusive online marketing platform selling Indian handicraft and handloom products.

- Khamir Craft Society signed a Memorandum of Understanding with the Museum store to sell its recycled plastic products at the International Terminal of Mumbai Airport.

### Workshops / Training Programmes

The Bank has been supporting and assisting rural artisans and craftsmen of handicraft products to gain domestic as well as international presence by organising skill building and training workshops. In this context, the Bank supported an enterprise based in Lucknow, Uttar Pradesh in organising a product and design development training workshop for 50 master women artisans from the region. 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 workshop organised on “Honey Quality Control, Preservation, Processing and Packaging” for select tribals associated with a producer company at Nilgiri Biosphere Reserve. A training programme was also conducted for 50 master weavers at Chanderi and Maheshwar clusters in Madhya Pradesh on the theme “Online and Export Business, Merchandising, Production, Quality, Logistics and Compliance” in association with a Karnataka based social enterprise, which provides on-line platform for marketing of products from rural cooperative societies. A training workshop on export sensitization, compliance and skill upgradation for select artisans of Himachal Pradesh was organised in association with a Co-operative Society at Rampur, Himachal Pradesh. During the year, the Bank also supported a Trust at Udaipur, Rajasthan, working with more than 700 women artisans for a three-month workshop on patchwork, embroidery and stitching, for 80 women artisans.

Exim Bank in collaboration with the National Centre for Design and Product Development (NCDPD), organised the “BRICS Handicraft Artisans Exchange Programme” for 46 national and international master artisans from BRICS (Brazil, Russia, India, China and South Africa) nations. The 10-day programme was held at the Indian

Institute of Craft and Design campus in Jaipur, Rajasthan. The programme focused on developing a range of home décor products and furnishings with a fusion of thread work. The Bank organised a three-month skill development training programme for 14 women weavers in Tamil Nadu. The programme enhanced the knowledge and skills of semi-skilled and unskilled women weavers in pre and post looming activities. The Bank, in association with the All India Artisans and Craftworkers Welfare Association (AIACA) and Gond Tribal Art Ltd. (GTA), organised a 10-day product development workshop for 20 Gond and Madhubani artists in Bhopal, Madhya Pradesh. The workshop designed and developed over 50 utility based products using new techniques and patterns suitable for the export market.

The workshops supported by the Bank have been immensely successful in addressing the key issues related to product development, design and quality, and have helped the artisans develop product prototypes, which have a wider appeal in both the domestic and international markets.

### Events / Exhibitions

The Bank, in association with 'Secure Giving', organised and supported traditional, tribal and folk art exhibitions in Mumbai, Pune, Chennai and Bengaluru. These art exhibitions showcased and sold several paintings originating from West Bengal, Gujarat, Odisha, Madhya Pradesh, Rajasthan, Bihar, Telangana and Andhra Pradesh. The Bank also offered assistance to Self Help Groups, Non-Governmental Organisations, and small companies, by offering space at the Export Promotion Council for Handicrafts' Home Expo, the Surajkund Mela, and the Kala Ghoda Arts Festival.

### SOCIAL CAUSE

During the year, the Bank supported the Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), Jaipur, for setting up a permanent Jaipur Foot Centre at the National Disability Institute in Kabul, Afghanistan. BMVSS is the parent body of the Jaipur Foot, the most widely used artificial foot/limb in the world. Since its inception, BMVSS has rehabilitated more

than 1.4 million amputees and polio patients by fitting/providing artificial limbs, callipers, and other aids and appliances, thereby making it the largest organisation of its kind in the world serving the disabled. BMVSS provides aids and appliances to all its beneficiaries, totally free of cost. While most of their work is in India, BMVSS has also held 58 camps in 27 countries of Asia, Africa and Latin America, earning India enormous goodwill. As a part of its outreach activity, the Bank also supported BMVSS in financing the training requirements of three technicians from Mozambique in Jaipur Foot technology at their centre in Jaipur.

### EXIM MITRA

Exim Bank has been both a catalyst and a key player in the promotion of cross border trade and investment. In this endeavour, and to add to the ongoing efforts towards reducing the asymmetry in information availability of trade finance and credit insurance facilities amongst MSME entrepreneurs, the Bank launched a portal with the objectives of providing information on credit availability for exports, and delivering trade related information. The online platform is christened as 'Exim Mitra', meaning a

'friend for exporter and importer'. The portal seeks to provide a helpline regarding information on Trade Finance and Export Credit Insurance options, besides Export-Import intelligence.

Exim Mitra provides preliminary help to exporters and importers who may not have access to an array of crucial trade related information under one single platform. Exim Mitra acts as a gateway to identify potential global markets and products, understand product standards across the globe, estimate freight cost, introduce exporters and importers to the various credit and insurance facilities available, identify agencies providing handholding, apart from a host of other value added services.

This portal is expected to evolve towards providing more services. Towards this end, the Bank has tied up with M/s Pitney Bowes Inc., to bring to the users the ease of calculating duties and taxes, besides country guides for over 140 countries. The tools facilitate product classification, import duty tax calculation, plus restrictions and compliance management.

This endeavor of Exim Bank is aimed to benefit firms, especially SMEs, to make sound business decisions during their expeditions overseas.



FOR EVERY PROBLEM  
THERE IS A SOLUTION

REGISTER (FREE) | LOGIN  
(If Not Registered) | (If Registered)  
Select Language:  English  हिंदी  
[Walkthrough Video](#)

HOME | EXIM MITRA | EXPORT-IMPORT INTELLIGENCE | TRADE FINANCE | CREDIT INSURANCE | EXIM BANK PRODUCTS | HELPLINE

DUTY CALCULATOR | QUERY  
INTELLIGENCE | HELPLINE  
CREDIT INSURANCE | FINANCE  
TAP  
EXIM MITRA

Exim Bank launched a portal ([www.eximmitra.in](http://www.eximmitra.in)) to provide trade and credit related information for the exporter community.

# INITIATIVES FOR INCLUSIVE GROWTH



Exim Bank organised a BRICS Handicraft Artisans Exchange Programme in Jaipur. Handicraft artisans from the five BRICS nations attended the programme.



Exim Bank supported the Concern India Foundation to promote traditional and tribal art exhibitions across India.



Exim Bank organised a Product Development Workshop with Gond and Madhubani craftsmen in Bhopal.

# AWARDS AND RECOGNITION



Exim Bank won an ADFIAP Award for its social cause and a Merit Award for 'Trade Development Category' for structuring a financing product to 'Sure Power LLC' at the ADFIAP Annual Meeting in Macau, China.



Exim Bank won the Asset Magazine Award for its debut 144A issuance for US\$ 1 billion under GMTN Program.



Exim Bank was awarded the first prize by Town Official Language Implementation Committee (TOLIC), Mumbai and Maharashtra State Level Bankers' Committee for Official Language Implementation for FY 2015-16.

# **BUSINESS OPERATIONS**

Exim Bank as a Promoter of Exports



## 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. Sixteen research studies were published during the year. These include the following:

- Indian Pharmaceutical Industry: Challenges and Prospects
- Migration and Remittances in India
- Technical Progress and Structural Change: The Roles of Demand and Supply in Economic Growth
- Inter-linkages between Exports and Employment in India
- India's Engagements with CLMV: Gateway to ASEAN Markets
- Export Promotion from Rajasthan: Key Insights and Policy Suggestions
- Potential for Enhancing Exports from Andhra Pradesh
- India-Africa Healthcare Cooperation: Way Forward
- Sustainable Investment Opportunities in Africa: Prospects for BRICS
- Intra-BRICS Trade: An Indian Perspective
- Enhancing India's Ties with Middle East and North Africa (MENA)
- Enhancing India's Trade Relations with Latin America and the Caribbean (LAC) Region: Focus on Select Countries
- The Indian Automotive Industry: An International Trade Perspective
- India's Investments in Select East African Countries: Prospects and Opportunities
- International Trade in Processed Foods: An Indian Perspective
- Machinery Sector in India: Exploring Options for Neutralizing Trade Deficit

## INFORMATION AND ADVISORY SERVICES

The Bank provides a wide range of information, advisory and support services, which complements its financing programmes whilst also underlining its role as a policy Bank. These services are provided to the Bank's stakeholders including State Governments, Indian public and private sector and overseas entities. The scope of services include policy inputs and papers for the State Government, market-related information, sector and feasibility studies, technology supplier identification, partner



**Country** : Algeria

**Programme** : Export Project Cash Flow Deficit Finance

**Value** : US\$ 10 million

**Purpose** : A construction contract for 700 houses at Oued Tlelat was awarded by the Ministry of Housing and Town Planning, Government of Algeria, to Shapoorji Pallonji & Co. Ltd.

**Impact** : The project will provide low cost housing facilities to 700 families leading to improved town planning and better accommodation for the beneficiaries in Algeria.

<b>Country</b>	: Kuwait
<b>Programme</b>	: Bank Guarantees
<b>Value</b>	: US\$ 117.38 million
<b>Purpose</b>	: Towards Design, Construction, and Operational Maintenance contract of the New Al Sabah Hospital, Kuwait City for the Ministry of Health, State of Kuwait, by way of bank guarantees to Shapoorji Pallonji, Mideast LLC.
<b>Impact</b>	: The state-of-the-art hospital will not only lead to enhanced healthcare infrastructure development in the Middle East but will also showcase the construction capabilities of the Indian project exporter in overseas markets.



search, capacity building exercises, investment facilitation and development of joint ventures both in India and abroad.

During the year, the Bank concluded its assignment on assisting the Sri Lanka Export Credit Insurance Corporation. This assignment, commissioned by the Commonwealth Secretariat in FY 2015-16, involved creating a framework for operationalising the recommendations made by the Bank as part of an earlier assignment. This entailed strengthening the export credit institutional structure in Sri Lanka and enhancing its trade competitiveness by facilitating greater flow of export credit and broadening the export base of the country.

The International Trade Centre (ITC), Geneva, under its 'Supporting Indian Trade and Investment for Africa Project', had awarded Exim Bank in FY 2015-16 an assignment for institution capacity building for export credit and insurance to enhance trade competitiveness in Rwanda. During the year, a Stakeholder's workshop sharing the recommendations of the assignment was organised at Kigali, Rwanda by ITC. The recommendations were well received by the Ministry of Trade and Industry, Rwanda, which is now keen to implement the recommendations and operationalize the institutional mechanism. Towards this end, the Ministry requested Exim Bank to submit a proposal for Phase II of the assignment, aimed at designing a blueprint for setting up an Export Credit Guarantee Agency in Rwanda, and laying the foundation for

operationalization of the institution. The Bank has submitted the proposal and is in consultation with relevant stakeholders for taking this assignment to its logical fruition.

### MULTILATERAL FUNDED PROJECTS OVERSEAS (MFPO)

The Bank provides a package of information and support services to Indian companies to help improve their prospects for securing business in projects funded by the World Bank, Asian Development Bank (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. Recognizing the potential for increasing effective participation by Indian firms in such multilateral funded projects, Exim Bank has been organising seminars in association with the Multilateral Funding Agencies.

In order to create greater awareness on the ADB's national and international business opportunities, the Bank, in partnership with the ADB, organised two interactive seminars on 'International Business Opportunities with the Asian Development Bank' in New Delhi and Chennai.

The World Bank's procurement system has a portfolio of about US\$ 42 billion for over 1800 projects in 172 countries. Indian companies have been participating in the bids of the World Bank procurement and have been reasonably successful.

The World Bank now has a new procurement framework with effect from July 2016, which is more business friendly and takes into account feedback received from stakeholders including vendors. Recognizing the potential for increasing effective participation by Indian companies in bidding opportunities under World Bank funded projects, the Bank, in association with the World Bank Group, organised an interactive workshop at New Delhi.

An Interactive Session of the CEOs of Indian Businesses with H.E. Dr. Akinwumi Adesina, President, AfDB was organised at New Delhi. The interactive session provided significant opportunities to Indian companies who are keen to explore business opportunities in projects funded by the AfDB in Africa region, especially under the Energy and Agricultural sectors of the AfDB's High-Five Agenda.

### EXIMIUS CENTRE FOR LEARNING

The Eximius Centre for Learning (ECL) continued its capacity building activities for this year as well. The ECL is responsible for the overall conduct, coordination and implementation of programmes, seminars 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 such as Federation of Indian Export Organisations (FIEO), Federation of Indian Chambers of Commerce and Industry (FICCI), Indian Chamber of Commerce (ICC), Directorate General of Foreign Trade (DGFT), Central Board of Excise and Customs (CBEC), ECGC Ltd., State Government of Tripura, and leading commercial banks.

During FY 2016-17, the ECL conducted 11 export promotion seminars in various regions as follows:

- Seminars at Kochi and Bengaluru on “Capacity Building for Promoting Trade and Investments with BRICS countries”, in association with FICCI.
- A series of seminars was conducted in association with FIEO on topics such as “Opportunities and Challenges in Foreign Trade”, “Enhancing Foreign Trade in India”, “Export Credit and Credit Facilitation”, and “Emerging Global Trade Scenario-Impact on India's Exim Trade” at Vijayawada, Agra, Surat, Gangtok and Kolkata.
- In order to bring all stakeholders on one platform to interact with the exporting fraternity to understand their problems/issues for increasing exports, the ECL, in association with FIEO, organised an “Open House Meet with Exporters” at Lucknow. The meeting was chaired by the Commerce Secretary, GOI.



<b>Country</b>	: Bahrain
<b>Programme</b>	: Bank Guarantees
<b>Value</b>	: ₹ 1.25 billion
<b>Purpose</b>	: Execution of Design, Construction, Operation and Maintenance contract of Al Madina Al Shamaliya Sewage Treatment Plant by VA Tech Wabag, valued at ₹ 6.25 billion (equiv.) by way of bank guarantees.
<b>Impact</b>	: The Sewage Treatment Plant will be equipped with tertiary treatment (final filtration) and sludge treatment using aerobic digestion and thermal drying. This will enable the purified water to be reused catering to the overall water requirements for all 13 islands of Al Madina Al Shamaliya.



<b>Country</b>	: Senegal
<b>Programme</b>	: Buyer's Credit under National Export Insurance Account
<b>Value</b>	: US\$ 69.75 million
<b>Purpose</b>	: To finance purchase of vehicles, spares and related services valued at US\$ 82.06 million for the contract between Ashok Leyland Ltd., and Dakar Dem Dikk, a PLC promoted by the Government of the Republic of Senegal.
<b>Impact</b>	: Deployment of the buses is providing low-cost public transportation facilities to the people of Dakar. Use of Mass Transport systems is also known to reduce the carbon footprint.

- To enhance the export skills of MSMEs and keep exporters and entrepreneurs of the North-East region abreast with developments in global markets, the ECL, in association with the ICC organised a seminar on “Energizing Entrepreneurs in International Trade” at Agartala.
- An interactive session was also held at Eximius Centre in Bengaluru with international delegates of the National Institute for Micro, Small & Medium Enterprises, Hyderabad.
- With a view to boost the relations between India and Africa and involve the future stakeholders for active participation, to make African students aware about the dynamics of India-Africa partnership and chart a path for African students by creating employment opportunities, a seminar on “India-Africa: Forging the Future-Together” was organised in association with the PHD Chamber of Commerce and Industry at Mumbai.

### 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.

#### Asian Exim Banks Forum

In 1996, Exim Bank took the initiative of forming AEBF. 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 22<sup>nd</sup> Annual Meeting of the Asian Exim Banks Forum (AEBF) was hosted by the Indonesia Eximbank in Bali, Indonesia, in November 2016. The theme of the meeting was “The AEBF Role on Improving Performance of National and Regional Trade through Mutual Cooperation”. The meeting was chaired by the Indonesia Eximbank 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 the Asian Development Bank, as a permanent invitee, and two Observer Institutions - the Export Development Bank of Iran and the African Export-Import Bank. The Export Credit Bank of Turkey was welcomed as an Associate Member. In order to enhance cooperation, a non-binding document to voice the willingness of the Forum to strengthen cooperation, an agreement to establish a credit line, was signed by all Heads of Delegation in the presence of Mr. Mardiasmo, Vice Minister of Finance, Government of Indonesia.

The forum also provides a platform for knowledge sharing by way of training programs that have helped the staff of 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. Two training programmes were

hosted during the year by the member institutions, and there was wide participation, including from the Bank.

### 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 2006 through the Bank's initiative, under the auspices of the United Nations Conference on Trade and Development. With the active support of 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 cooperation. The Network commemorated its first decade of existence in 2016, with the launch of the publication 'G-NEXID: 10 Years of Promoting South-South Trade, Investment and Cooperation'.

### The Latin American Association of Development Financing Institutions

The Latin American Association of Development Financing Institutions (ALIDE), is an association of development banks and financial institutions of Latin America and also other similar international institutions having interest in Latin American and Caribbean (LAC) region. Set up with the primary objectives of developing cooperation and exchange of experiences amongst members, strengthening participation in development of LAC region, reciprocal flow of information, conducting research

studies of common interest, promoting business transaction and technical cooperation and playing a role of intermediary in regional integration, ALIDE currently has more than 90 members. Exim Bank became an Associate Member of ALIDE in February 2017 to enhance its institutional linkage network across the LAC region. The membership provides the Bank an access to regional and international information regarding commercial and business opportunities, networking with representatives of leading LAC development financing institutions, take part in research and studies published by ALIDE and participate in specialized activities in the most important sectors in which development banks operate.

### BRICS Interbank Cooperation Mechanism

India assumed the Chairmanship of the BRICS Forum for 2016, and the Bank, being the nominated member development bank from India under the BRICS Interbank Cooperation Mechanism, assumed the Presidency of the Interbank Cooperation Mechanism. The Bank organised a series of events on the overall theme of 'Building Responsive, Inclusive and Collective Solutions'. The events organised by the Bank include: two Outreach Programmes to promote trade and investments amongst BRICS nations; two Technical Group Meetings; two Skill Development Workshops; two Brainstorming Sessions on the proposals of Establishing an Alternative Rating Agency, an Economic Research Institution for the Emerging

<b>Country</b>	: Côte d'Ivoire
<b>Programme</b>	: Buyer's Credit under National Export Insurance Account
<b>Value</b>	: US\$ 87.46 million
<b>Purpose</b>	: Purchase of 500 buses, 62 fleet maintenance support vehicles, spare parts and related services from Tata Motors Ltd., by Ministry of Economy and Finance, Government of the Republic of Côte d'Ivoire.
<b>Impact</b>	: The buses are providing access to Mass Transport facilities to the people of Côte d'Ivoire at a low cost. The high-quality buses also underline the excellence of Indian companies in the automobile sector.





**Country** : United States of America

**Programme** : Overseas Investment Finance

**Value** : US\$ 40 million

**Purpose** : To finance export of wind turbines from the Suzlon Group, and for setting up of wind farms in the USA.

**Impact** : While the wind turbines are adding to the quantum of renewable energy generation in the USA, the support by Exim Bank has helped Suzlon in bolstering its presence in the developed world.

Markets; two Working Group Meetings; and an Exchange Programme for BRICS Handicrafts Artisans.

As part of the BRICS Summit, the Bank organised a seminar on “Shaping the BRICS Economies: Collaborative Role for the Development Banks and Export Credit Insurance Agencies”; the Annual Meeting of the BRICS Interbank Cooperation Mechanism; an interactive session amongst the Member Development Banks of the BRICS Interbank Cooperation Mechanism and the New Development Bank; and the Annual Financial Forum.

Exim Bank entered into a multilateral general cooperation agreement with the New Development Bank, along with the member development banks of the BRICS Interbank Cooperation Mechanism. The Agreement is expected to enhance cooperation between the 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 during the Annual Meeting of the BRICS Interbank Cooperation Mechanism held on the sidelines of the BRICS Summit 2016, in Goa.

### Africa-India Partnership Day

Exim Bank of India has been organising the Africa-India Partnership Day (AIPD) as part of the events associated with the Annual Meetings of the African Development Bank Group (AfDB), starting with Marrakech (2013), and followed by Kigali (2014), Abidjan (2015) and Lusaka (2016). The AIPD has become a regular feature of the events associated with the Annual Meetings of the AfDB Group. Exim Bank, together with FICCI, organised the fourth edition of AIPD, in Lusaka, Zambia, as part of Annual Meetings of the AfDB Group. The half-day seminar was organised, with the objective of sharing India's developmental experiences with Africa, particularly through the Public-Private Partnership model in the Healthcare Sector. A high-level delegation from 25 Indian companies visited Lusaka to participate in this event and shared Indian expertise, knowledge, skill and technology for development of the African Healthcare Sector. The event was attended by several dignitaries including ministers and senior officials from the African nations, CEOs of developmental financial institutions, banks, corporate houses from Africa and India. The event showcases immense scope for expanding the mutually enriching partnership between Africa and India.



**Country** : Rwanda

**Programme** : Buyer's Credit

**Value** : US\$ 30 million

**Purpose** : Yumn Ltd., Rwanda, is a Special Purpose Vehicle set up for developing a locally available peat-fired power project in Rwanda. Shapoorji Pallonji & Co. Ltd. secured the EPC contract for the peat-based power plant.

**Impact** : Rwanda is a power deficient country, and the peat-fired power project is expected to increase the electricity generation capacity of the country from approx. 110 MW in 2015 to approx. 190 MW by 2019. It is also expected to be 35-40 per cent more economical than other sources. The project is estimated to create over 1000 jobs during the construction phase and 200 jobs after being operational.

### Association of Development Financing Institutions in Asia and the Pacific

The Bank was conferred the Outstanding Development Project Award 2017 by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) during its 40<sup>th</sup> Annual Meeting held in Macau. The ADFIAP Development Award recognises and honours ADFIAP member institutions, which have assisted projects that have created a development impact in their respective countries. The 2017 ADFIAP Development Project Award was in recognition of Exim Bank's support to the Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), Jaipur, for setting up a permanent Jaipur Foot Centre at the National Disability Institute in Kabul, Afghanistan. A Merit Award was also bestowed to the Bank under the "Trade Development" category for structuring a financing product to Sure Power LLC for supporting a wind energy project in the USA.

### EXIM BANK'S INITIATIVES

#### BRICS Economic Research Award

During India's Presidency under the BRICS

Interbank Cooperation Mechanism in 2016, the Bank 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 comprises a citation and prize money of ₹ 1.50 million. The Award is open to nationals of any of the five member nations of BRICS. The winner for the year 2016 was Dr. João Prates Romero, for his doctoral thesis titled "Technical Progress and Structural Change: The Roles of Demand and Supply in Economic Growth." Dr. Romero received his degree in 2015 from the University of Cambridge.

#### 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 ₹ 0.35 million

and a citation. The winner for the year 2015 was Dr. Chinmay Tumbe, for his doctoral thesis titled “Migration and Remittances in India: Historical, Regional, Social and Economic Dimensions”. Dr. Tumbe received his degree in 2013 from the Indian Institute of Management, Bangalore.

### Award for Business Excellence

Exim Bank and the 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 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. In 2016, there were 19 companies which received varying levels of recognition. Bosch Ltd., Diesel Systems business – Jaipur Plant; National Stock Exchange of India Ltd.; Godrej Interio Division, Godrej & Boyce Mfg. Co. Ltd.; and Bhilai Steel Plant, Steel Authority of India Ltd. were adjudged as the Prize Winners of the CII-Exim Bank Award for Business Excellence.

### 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 2017 was delivered by Prof. Barry Eichengreen, the George C. Pardee and Helen N. Pardee Professor of Economics and Political Science, University of California, Berkeley, USA. Prof. Eichengreen spoke on the topic “Capital Flows: What Do We Know?”

### Exim Bank’s Support to 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 signed a Memorandum of Understanding with the Commerce and Industries Department of the Government of Rajasthan.

During the year, the Bank brought out two studies titled, ‘Promoting Exports from Rajasthan: Insights and Policy Perspectives’ and ‘Potential for Enhancing Exports from Andhra Pradesh’, highlighting industries which are traditionally strong in the states and which could be further strengthened, and addressing the challenges faced by them. Exim Bank, as part of its engagements with States, had also submitted a Paper on ‘Export Strategy of West Bengal’ to the Government of West Bengal as per their request, whilst also opening an ‘Export Facilitation Centre’ at the Bank’s Regional Office in Kolkata.



**Country** : United Kingdom

**Programme** : Overseas Investment Finance

**Value** : GBP 4.60 million

**Purpose** : Acquisition of the paper colour division of Brenntag Colours Ltd., UK by Waterside Colours Ltd., a step-down subsidiary of an Indian entity Siddharth Colorchem Pvt. Ltd. The unit is located at HALIFAX, West Yorkshire, in UK.

**Impact** : The support by Exim Bank has helped the Indian company in getting access to newer technology and machinery and finding a foothold in UK’s developed market.

# FACILITATING INTERNATIONAL TRADE



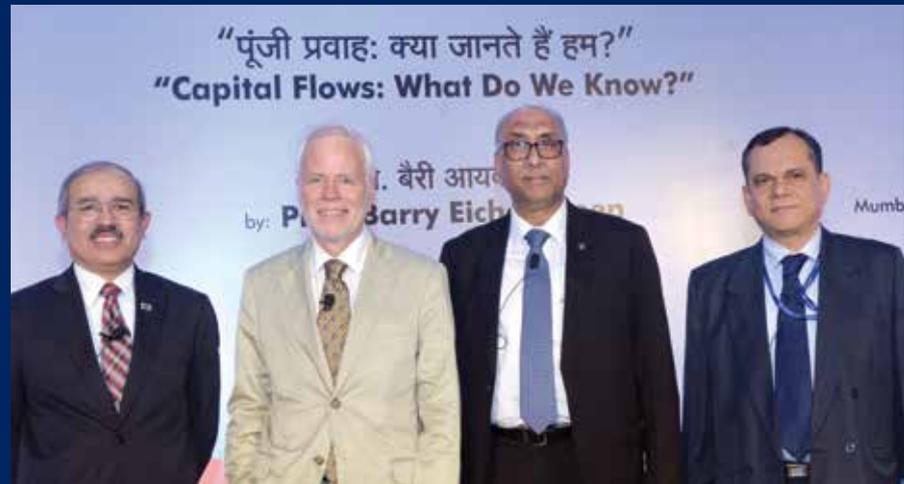
Exim Bank, in partnership with the Asian Development Bank, organised an interactive seminar, 'International Business Opportunities with Asian Development Bank projects', at New Delhi.

Exim Bank, along with the Centre for Advanced Financial Research And Learnings, hosted a Skill Development and Orientation Programme for Development Banks of BRICS nations in Mumbai.



Major General Shri Anuj Mathur and Shri V.S. Kaumudi, Director General, National Investigation Agency launched the Exim Mitra Portal, a one-stop solution for the export and import community, developed by Exim Bank. The portal was launched in presence of Mr. Yaduvendra Mathur, Chairman & Managing Director; Mr. David Rasquinha and Mr. Debasish Mallick, Deputy Managing Directors, Exim Bank.

Prof. Barry Eichengreen, the George C. Pardee and Helen N. Pardee Professor of Economics and Professor of Political Science at the University of California, Berkeley delivered Exim Bank's 32<sup>nd</sup> Commencement Day Annual Lecture in Mumbai. Also seen in the picture are Mr. S.S. Mundra, Deputy Governor, Reserve Bank of India who presided over the Lecture, Mr. David Rasquinha, Managing Director, and Mr. Debasish Mallick, Deputy Managing Director, Exim Bank.



# FACILITATING INTERNATIONAL TRADE



Presentation of Exim Bank's International Economic Research Annual Award 2015 by Dr. Arvind Subramanian, Chief Economic Adviser, Government of India, Ministry of Finance, to the Award winner, Dr. Chinmay Tumbe in the presence of Mr. Yaduvendra Mathur, Chairman & Managing Director, Exim Bank and Mr. David Rasquinha, Deputy Managing Director, Exim Bank.



Dr. João Prates Romero of Brazil won the first BRICS Economic Research Award, instituted by Exim Bank, for his research on 'Technical Progress and Structural Change: The Roles of Demand and Supply in Economic Growth'. The award was presented by Mr. Shaktikanta Das, Secretary, Department of Economic Affairs, GOI.

Interactive Session with Dr. Akinwumi Adesina, President, AfDB organised for Indian companies in New Delhi by Exim Bank.



A Stakeholders Seminar on Project Exports organised by Exim Bank at Kolkata.

# INSTITUTIONAL LINKAGES: BUILDING BRIDGES FOR GROWTH



Exim Bank organised a Capacity Building Workshop for Global Network of Export-Import Banks and Development Financial Institutions (G-NEXID) in Mumbai.

Heads of BRICS Development Banks at the Annual Meeting of the BRICS Interbank Cooperation Mechanism at Goa.



Exim Bank steered the 12<sup>th</sup> CII-Exim Bank Conclave on India-Africa Project Partnership, held in New Delhi.

# INSTITUTIONAL LINKAGES: BUILDING BRIDGES FOR GROWTH



Exim Bank became a member of the Association of Development Financial Institutions of Latin America (ALIDE).



Exim Bank participated in the 22<sup>nd</sup> Annual Meeting of the Asian Exim Banks Forum held at Bali, Indonesia.



Exim Bank participated in the Steering Committee Meeting of the G-NEXID in Geneva in December 2016 which included participation of OECD, International Trade Centre, and UNCTAD.

# ENRICHING HUMAN CAPITAL



Employees of Exim Bank supported the cause of organ donation at the Standard Chartered Mumbai Marathon.

Exim Bank organised a Hindi Cinema Musical Evening during the Hindi Fortnight celebrations.



The International Yoga Day was celebrated by employees of Exim Bank.

A Blood Donation Camp was organised by Exim Bank to commemorate the World Blood Donor Day. Over 100 Exim Bank employees donated blood.



# **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 340 on March 31, 2017. The professional team of 290, 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 2016-17, 258 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 & organisational effectiveness, information security and leadership development.

During FY 2016-17, 70 per cent of the Bank's officers were nominated for 38 training programmes conducted by reputed institutes. 10 group training programmes were arranged on topics including Skill Development Workshop for Administrative Officers, Honing Presentation Skills, Development Impact of Exim Bank's Financial Instruments and Projects, Core Advanced Macro-economic Course for Top Executives, Foreign Languages such as French and Spanish, Induction Programme for new recruits, Effective Communication Skills, Basic Concepts of Accountancy and Book Keeping.

## REPRESENTATION OF SCHEDULED CASTES, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

Of the total staff of 340 in the Bank's service as on March 31, 2017, there were 33 Scheduled Caste, 22 Scheduled Tribe, and 48 Other Backward Class staff members. The staff also includes 10 Persons with Disabilities. Training in Information Technology and other areas such as effective presentation, leadership, communication and language skills, was provided to these staff members. The Bank continues to grant scholarships for scheduled caste, scheduled tribe and other backward class students at the North Eastern Regional Institute of Science and Technology, Arunachal Pradesh, and has also instituted scholarships for reserved category students of the Kalinga Institute of Industrial Technology University, Odisha; Indian Institute of Foreign Trade, New Delhi; 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. There were no instances of any complaints during the year.

<b>Country</b>	: France
<b>Programme</b>	: Overseas Investment Finance
<b>Value</b>	: US\$ 12 million
<b>Purpose</b>	: To part-finance the Long Term Working Capital requirements of Jyoti CNC Automation Ltd. overseas subsidiary, Huron Graffenstaden S.A.S., France.
<b>Impact</b>	: The Indian company benefitted through technology transfer and receiving entry in the developed market of the EU.



## 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 and back office functions and has set up a 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 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 and has registration authority status from Institute for Development Research in Banking Technology, the certifying authority. The Bank holds a digital certificate to deal through the Negotiated Dealing System-Order Matching segment 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 2016-17, 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 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 2016-17, 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. 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 was revised during the year with the introduction of new incentive categories and enhancement in the number of prizes and amounts. The contribution of best Hindi articles to Bank's in-house magazine 'Eximius' was rewarded. Hindi training needs of the officers were identified and they were nominated for training to attain working knowledge as well as proficiency of Hindi. In pursuance of the Government's directives, a Hindi fortnight commencing from September 14, 2016 was celebrated in the Bank.

The Bank maintains its corporate website in both Hindi and English. Information related to business and operations of the Bank is updated and made available on the Hindi website for wider dissemination. Exim Bank's newly launched portal 'Exim Mitra' was also launched simultaneously in Hindi.

Apart from literature on the Bank's operations and procedures, 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

<b>Country</b>	: United Kingdom
<b>Programme</b>	: Overseas Investment Finance
<b>Value</b>	: GBP 10 million
<b>Purposes</b>	: Part financing acquisition of Actavis UK Ltd. and Actavis Ireland Ltd. by Accord Healthcare Ltd. (AHL).
<b>Impact</b>	: The combination of the two organisations facilitates AHL's aim to become the largest supplier of generic medicines in the UK and Ireland and a leading player in the industry at European level.



published in Hindi under the title 'Krishi Niryaat Laabh'. In addition to Hindi and English, it is translated in 10 other Indian languages.

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 Maharashtra State Level Bankers' Committee (Rajbhasha), and TOLIC, Mumbai, both constituted under the aegis of Department of Official Language, Government of India, awarded the first prize to the Bank's Head Office for commendable performance in implementing Hindi among all Financial Institutions for FY 2015-16. TOLIC, Hyderabad, also constituted under the aegis of Department of Official Language, Ministry of Home Affairs, Government of India, awarded the third prize to the Bank's Hyderabad Regional Office for commendable performance in implementing Hindi among all Financial Institutions for FY 2015-16.

The Bank's in-house journal 'Eximius' was awarded a prize consecutively for the seventh time under bilingual magazine category amongst 32 participating Banks / Financial Institutions, by Reserve Bank of India for FY 2015-16. Bank's staff members won prizes for various competitions organised under the aegis of TOLICs. The Bank's in-house journal 'Eximius' was awarded a silver trophy from Association of Business Communicators of India (ABCI) and second prize from the Public Relations Society of India under the internal magazine category.

The Committee of Parliament on Official Language, visited the Bank's Kolkata, Chennai and New Delhi Regional Offices during FY 2016-17 and reviewed the implementation of Official Language Hindi in the Bank. Suitable action has already been initiated / implemented as per recommendations of the Committee.

#### 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 business intelligence, bank-wide system, document management system, workflows, networks, infrastructure and security. The Bank strengthened its practices and procedures in compliance with international standards for IT Governance. The Bank's corporate website ([www.eximbankindia.in](http://www.eximbankindia.in)) continues to disseminate information in an organised manner on business opportunities and leads in international trade, and also on the research activities conducted by the Bank. It features information on the Bank's lending programmes and advisory services. The Bank also maintains websites for the Asian Exim Bank Forum. During the year, as a part of the BRICS Presidency, the Bank launched a new portal on the BRICS Interbank Cooperation Mechanism. The portal aims to provide a platform for member development banks from BRICS and the New Development Bank to proactively share information, paving the way for

closer cooperation. The Bank has also upgraded its infrastructure such as Video Conferencing facilities, Firewall and backup solution. Exim Bank now independently handles payments and settlements using RTGS and NEFT. The SharePoint portal is helping in automation of internal processes.

### 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 reporting deviation, if any, to the Audit Committee (AC). The Bank's Board held five meetings and the MC held seven meetings during the FY 2016-17.

### AUDIT COMMITTEE

The Bank's Audit Committee (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 annual financial statements every year before submission of the same to the Board. AC also periodically reviews the functioning of the Bank's Fund Management Committee (FMC) and the Asset-Liability Management Committee (ALCO). The Audit Committee met five times during the FY 2016-17.

### RISK MANAGEMENT

The Bank has an Integrated Risk Management Committee (IRMC), which is independent of the operating groups, and reports directly to the

top management. The IRMC reviews the Bank's position in regard to various risks (credit, market 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 ALCO deals with issues relating to Asset-Liability Management (ALM) policy, and processes and analyses the overall market risk (liquidity risk, interest-rate risk, and currency risk) of the Bank, 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 Rating 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 the credit officers to their respective proposals. The Bank has put in place a Board-approved Operational Risk Policy. The Operational Risk Events (OREs) identified by the Bank are approved by the Bank's Committee of Executives, and are reviewed annually. The Bank engages an external audit firm for independent monitoring and regular reporting of data on occurrence of OREs to the IRMC on a quarterly basis. The Bank also undertakes an annual review of the Business Continuity & Disaster Recovery Plans (BCDRP) of all its offices. Each of the plans is vetted for completeness with regard to critical Business Continuity Risk Events and safeguards in place for mitigating the impact thereof. The BCDRP is approved by the Board and reviewed annually.

### ASSET-LIABILITY MANAGEMENT (ALM)

The role of ALCO includes, inter alia, reviewing the Bank's currency-wise structural liquidity and interest-rate sensitivity positions vis-à-vis prudential limits prescribed by the RBI / Board, monitoring results of periodical stress testing of cash flows and identifying a suitable ALM strategy. Plans are 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 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 ALCO also approves the Bank's Long Term Minimum Lending Rate (LTMLR), the benchmark rate used for pricing medium / long term floating rate loans in Rupees, which is posted on the Bank's website.

### 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 (LAG), which takes pro-active steps towards loan recovery as per the Board-approved Loan Monitoring and Recovery Policy, preventing slippage of standard assets into NPAs, rehabilitation of NPAs which are viable. LAG also focuses on recovery from NPA accounts where legal action is to be pursued. 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 the recovery of NPAs through a multipronged strategy comprising restructuring (using various approaches such as SDR, S4A, 5:25, bilateral restructuring, restructuring under CDR/JLF etc.), 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) and action under Insolvency and Bankruptcy Code.

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 sale/assignment of loan assets to Asset Reconstruction Companies (ARCs) / others, for consideration by the Competent Authority.

### KYC, AML AND CFT MEASURES OF THE BANK

The Bank has a policy approved by the Board on 'Know your Customer (KYC) norms, Anti Money Laundering (AML) standards, and Combating Financing of Terrorism (CFT)'. The Policy conforms to the RBI guidelines in the matter. The KYC, AML and CFT policy covers; Customer Acceptance

Policy, Risk Management, Customer Identification Procedure and Monitoring of transactions.

The Bank also 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. 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'. The KYC policies and procedures cover 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 the Wolfsberg Group AML Questionnaire, in line with international market practice. The Bank also maintains information in respect of certain transactions in accordance with the procedure and manner as may be specified by the RBI and SEBI, as the case may be, from time to time, and the 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 CFT measures. The KYC, AML & CFT Policy is posted 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. The policy on Fair Practices Code for Lenders is posted on the Bank's website.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FRAMEWORK

The Bank has in place a Board-approved "Environment, Social and Governance Policy". The Bank is also a part of the deliberations led by the Indian Banks Association (IBA) on a sustainability framework for Banks. The IBA has appreciated the efforts of the Bank, among others, for moving forward on Principle 2 of the Guidelines, i.e. integrating ESG based risk assessment into the credit appraisal process, as well as making forward strides on aspects of green investment using new modes of green finance which is Principle 4 of the Guidelines.

Awareness-raising and capacity-building is an ongoing process. The Bank has been promoting sustainable banking both in India as well as internationally through its various financing programs. The Bank has been funding projects in areas such as renewable energy, energy-efficiency, waste management, mass transportation, and energy-efficient transport. The Bank is also promoting inclusive growth through its grassroots and initiatives development groups.

The Bank has also been reviewing its internal operations for ESG-related parameters. The Bank has taken up electrical audit and associated measures for optimising energy consumption. The Bank aims to minimise use of paper through digitisation of workflows including circulation of agenda papers for meetings; e-Greetings; and e-Invites for various occasions and functions. The Bank has also showcased its initiative of “Go Green” by distributing indoor plants on the occasion of International Women’s Day.

### 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. In FY 2016-17, the Bank had received a total of 113 RTI applications (58 online and 55 physical mode applications, including cases transferred to Exim Bank) and responded within the 30 days permitted for response, as specified under the RTI Act. Also, during the year, the Bank has filed RTI Annual Returns (as specified, submitted quarterly online on the portal [www.rtiar.nic.in](http://www.rtiar.nic.in)).

### JOINT VENTURE

Global Procurement Consultants Ltd. (GPCL), conceived and promoted by Exim Bank 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 synergistic 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 e-Procurement solutions, project identification, pre-feasibility 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 ₹ 59.48 million in FY 2016-17, with a pre-tax profit of ₹ 14.93 million.

The Bank along with the African Development Bank (AfDB), the State Bank of India (SBI) and IL&FS launched a project development company, called Kukuza Project Development Company (Kukuza PDC) to focus on the development of infrastructure projects in Africa. The company’s initial capital is US\$ 25 million and the Bank’s share in the capital is US\$ 4.88 million. The company is registered in Mauritius. A few projects in Africa are already currently under consideration by the PDC and the PDC will commence its formal operations during FY 2017-18.

The Bank has also been working closely with Department of Commerce, Ministry of Commerce and Industry, Government of India under India’s ‘Act East Policy’ by way of creation of a Project Development Fund (PDF), with an initial corpus of ₹ 5 billion, for catalysing Indian investments in Cambodia, Lao PDR, Myanmar and Vietnam (CLMV). Exim Bank, as the Empowered Institution under the PDF initiative, has identified potential sectors in the CLMV region for undertaking preparation of Detailed Project Reports, based on which Special Purpose Vehicles (SPV’s) will be set up in the region for implementing the identified projects.

# AWARDS AND SOCIAL CAUSE



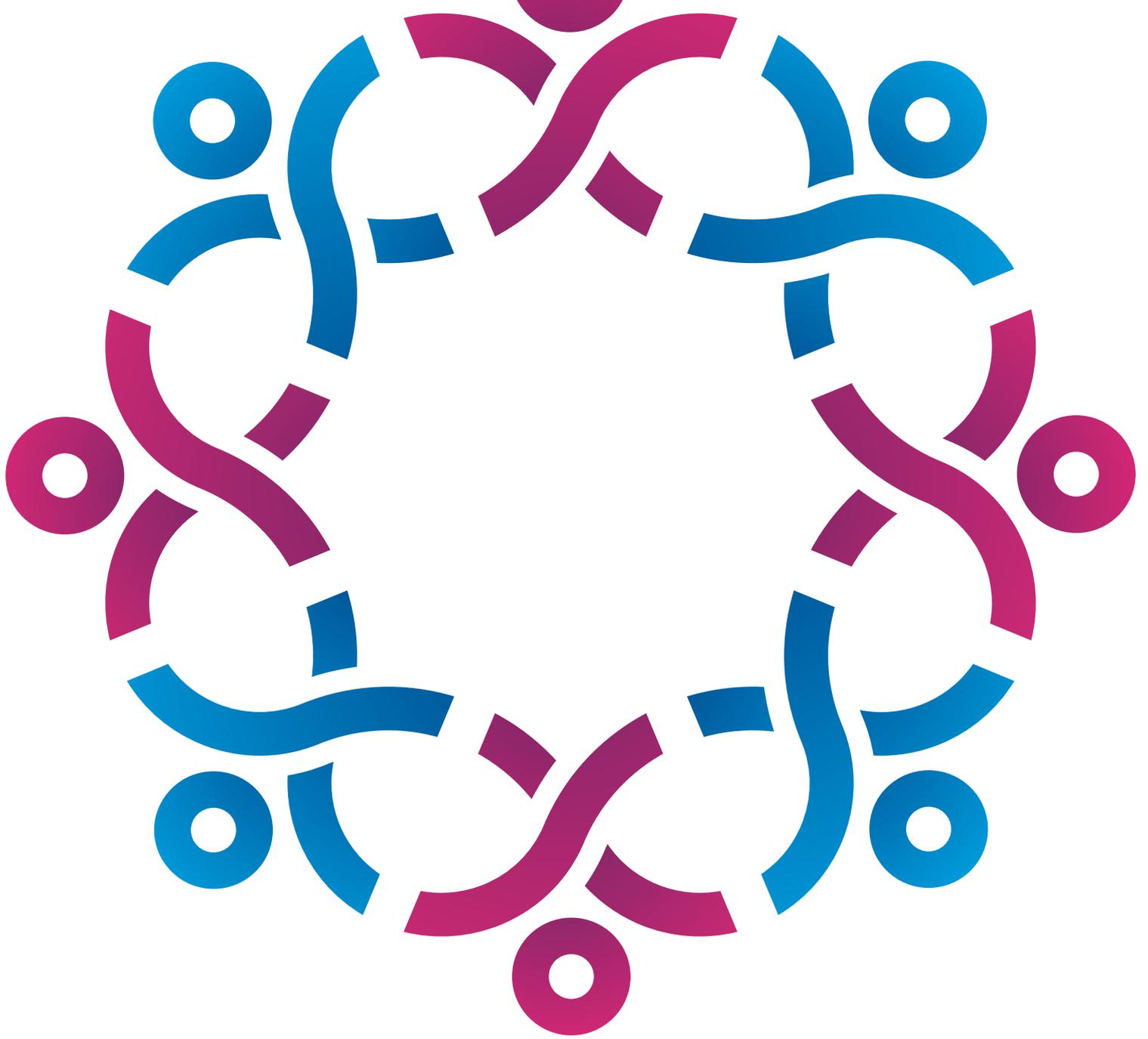
Exim Bank won three awards from the Public Relations Society of India for its annual report, in-house magazine and social cause initiatives.



Exim Bank won two awards from Association of Business Communicators of India for its in-house magazine and corporate film.

Mr. Yaduvendra Mathur, Chairman & Managing Director, Exim Bank, flagged off the consignment of materials and components of Jaipur Foot to the National Disability Institute – Kabul, for 1000 amputees of Afghanistan. Exim Bank supported Bhagwan Mahaveer Viklang Sahayata Samiti, the parent body of Jaipur Foot – the most widely used artificial foot/limb in the world – for setting up a permanent Jaipur Foot Centre at Kabul.





## 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 31<sup>st</sup> March, 2017 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 judgments 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 31<sup>st</sup> March, 2017;
  - (ii) In the case of the Profit and Loss Account, of the profit for the year ended 31<sup>st</sup> March, 2017; and

- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended 31<sup>st</sup> March, 2017.

#### 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:
  - (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, 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:
  - (i) The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account 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, 17<sup>th</sup> May, 2017.

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

		<b>GENERAL FUND</b>	
		This year (As at 31.03.2017) ₹	Previous year (As at 31.03.2016) ₹
<b>LIABILITIES</b>			
	<b>SCHEDULES</b>		
1. Capital	I	68,593,663,881	63,593,663,881
2. Reserves	II	51,645,199,126	51,274,380,950
3. Profit and Loss Account	III	41,300,000	315,800,000
4. Notes, Bonds and Debentures		806,929,554,112	758,415,735,967
5. Bills Payable		-	-
6. Deposits	IV	3,726,434,552	20,957,976,444
7. Borrowings	V	150,072,777,722	153,792,093,951
8. Current Liabilities and Provisions for Contingencies		46,637,552,503	54,223,325,895
9. Other Liabilities		44,427,210,251	49,604,540,404
<b>Total</b>		<b>1,172,073,692,147</b>	<b>1,152,177,517,492</b>
<b>ASSETS</b>			
1. Cash and Bank Balances	VI	36,908,866,611	54,437,772,262
2. Investments	VII	51,029,294,879	53,555,303,809
3. Loans and Advances	VIII	1,017,159,983,605	979,917,321,381
4. Bills of Exchange and Promissory Notes Discounted/Rediscounted	IX	9,250,000,000	11,250,000,000
5. Fixed Assets	X	1,298,367,915	1,001,849,707
6. Other Assets	XI	56,427,179,137	52,015,270,333
<b>Total</b>		<b>1,172,073,692,147</b>	<b>1,152,177,517,492</b>
<b>CONTINGENT LIABILITIES</b>			
i) Acceptances, Guarantees, Endorsements and other obligations		78,177,713,070	63,035,684,000
ii) On outstanding forward exchange contracts		3,573,212,731	1,606,793,100
iii) On underwriting commitments		-	-
iv) Uncalled Liability on partly paid investments		152,677,850	160,936,200
v) Claims on the Bank not acknowledged as debts		1,971,000,000	1,851,000,000
vi) Bills for collection		-	-
vii) On participation certificates		-	-
viii) Bills Discounted/Rediscounted		-	-
ix) Other monies for which the Bank is contingently liable		47,274,958,286	53,009,168,100
<b>Total</b>		<b>131,149,561,937</b>	<b>119,663,581,400</b>

'Notes to Accounts' attached.

For and on behalf of the Board

**Shri David Rasquinha**  
*Managing Director (Additional Charge)*

**Shri Pankaj Jain**

**Smt. Arundhati Bhattacharya**

**Shri Debasish Mallick**  
*Deputy Managing Director*

**Dr. M. D. Patra**

**Smt. Geetha Muralidhar**

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 17, 2017



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

EXPENDITURE	SCHEDULES	GENERAL FUND	
		This year ₹	Previous year ₹
1. Interest		65,022,307,778	60,220,521,575
2. Credit Insurance, Fees and Charges		628,067,389	557,465,467
3. Staff Salaries, Allowances, etc. and Terminal Benefits		563,929,962	573,498,843
4. Directors' and Committee Members' Fees and Expenses		-	-
5. Audit Fees		1,008,000	1,008,000
6. Rent, Taxes, Electricity and Insurance Premia		213,215,395	180,182,761
7. Communication Expenses		43,815,361	41,107,755
8. Legal Expenses		78,086,494	46,859,764
9. Other Expenses	XII	825,636,786	733,331,105
10. Depreciation		170,933,494	158,350,644
11. Provision for loan losses/contingencies depreciation on investments		21,679,974,939	20,764,754,808
12. Profit carried down		3,126,382,006	4,533,241,885
<b>Total</b>		<b>92,353,357,604</b>	<b>87,810,322,607</b>
Provision for Income Tax [net of Deferred tax credit of ₹ 4,052,096,329 (previous year - Deferred tax credit of ₹ 6,276,735,814)]		2,714,263,830	1,375,539,641
Balance of profit transferred to Balance Sheet		412,118,176	3,157,702,244
		<b>3,126,382,006</b>	<b>4,533,241,885</b>
<b>INCOME</b>			
1. Interest and Discount	XIII	84,410,889,852	82,937,552,343
2. Exchange, Commission, Brokerage and Fees		4,687,969,751	2,679,635,294
3. Other Income	XIV	3,254,498,001	2,193,134,970
4. Loss carried to Balance Sheet		-	-
<b>Total</b>		<b>92,353,357,604</b>	<b>87,810,322,607</b>
Profit brought down		3,126,382,006	4,533,241,885
Excess Income/Interest tax provision of earlier years written back		-	-
		<b>3,126,382,006</b>	<b>4,533,241,885</b>

'Notes to Accounts' attached.

For and on behalf of the Board

**Shri David Rasquinha**  
Managing Director (Additional Charge)

**Shri Pankaj Jain**

**Smt. Arundhati Bhattacharya**

**Shri Debasish Mallick**  
Deputy Managing Director

**Dr. M. D. Patra**

**Smt. Geetha Muralidhar**

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 17, 2017



## SCHEDULES TO THE BALANCE SHEET

### GENERAL FUND

	This year (As at 31.03.2017) ₹	Previous year (As at 31.03.2016) ₹
<b>Schedule I: Capital:</b>		
1. Authorised	100,000,000,000	100,000,000,000
2. Issued and Paid-up: (Wholly subscribed by the Central Government)	68,593,663,881	63,593,663,881
<b>Schedule II: Reserves:</b>		
1. Reserve Fund	36,049,880,062	35,679,061,886
2. General Reserve	-	-
3. Other Reserves:		
Investment Fluctuation Reserve	-	-
Sinking Fund (Lines of Credit)	1,955,319,064	1,955,319,064
4. Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	13,640,000,000	13,640,000,000
	<b>51,645,199,126</b>	<b>51,274,380,950</b>
<b>Schedule III: Profit and Loss Account:</b>		
1. Balance as per annexed accounts	412,118,176	3,157,702,244
2. Less: Appropriations:		
- Transferred to Reserve Fund	370,818,176	525,902,244
- Transferred to Investment Fluctuation Reserve	-	-
- Transferred to Sinking Fund	-	146,000,000
- Transferred to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	-	2,170,000,000
3. Balance of the net profits (Transferable to the Central Government in terms of Section 23(2) of the EXIM Bank Act, 1981)	<b>41,300,000</b>	<b>315,800,000</b>
<b>Schedule IV: Deposits:</b>		
(a) In India	3,726,434,552	20,957,976,444
(b) Outside India	-	-
	<b>3,726,434,552</b>	<b>20,957,976,444</b>

	This year (As at 31.03.2017) ₹	Previous year (As at 31.03.2016) ₹
<b>Schedule V: Borrowings:</b>		
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	27,626,427,635	27,982,259,380
b) Outside India	122,446,350,087	125,809,834,571
	<b>150,072,777,722</b>	<b>153,792,093,951</b>
<b>Schedule VI: Cash and Bank Balances:</b>		
1. Cash in Hand	504,612	441,091
2. Balance with Reserve Bank of India	242,081,708	1,166,198,086
3. Balances with other Banks:		
a) In India		
i) In current accounts	782,330,730	1,923,368,204
ii) In other deposit accounts	265,000,000	17,235,150,000
b) Outside India	35,618,949,561	32,863,504,658
4. Money at call and short notice/ Lending under CBLO	-	1,249,110,223
	<b>36,908,866,611</b>	<b>54,437,772,262</b>

	This year (As at 31.03.2017) ₹	Previous year (As at 31.03.2016) ₹
<b>Schedule VII: Investments:</b> (net of diminution in value, if any)		
1. Securities of Central and State Governments	30,635,592,765	30,641,326,101
2. Equity Shares and Stocks	2,646,452,566	1,925,667,391
3. Preference Shares and Stocks	23,234,000	24,667,500
4. Notes, Debentures and Bonds	17,224,015,548	19,963,642,817
5. Others	500,000,000	1,000,000,000
	<b>51,029,294,879</b>	<b>53,555,303,809</b>
<b>Schedule VIII: Loans and Advances:</b>		
1. Foreign Governments	325,481,477,107	311,369,649,152
2. Banks:		
a) In India	145,670,664,885	118,556,386,266
b) Outside India	10,573,270	-
3. Financial Institutions:		
a) In India	-	-
b) Outside India	29,630,693,336	29,378,726,376
4. Others	516,366,575,007	520,612,559,587
	<b>1,017,159,983,605</b>	<b>979,917,321,381</b>
<b>Schedule IX: Bills of Exchange and Promissory Notes Discounted/Rediscounted:</b>		
a) In India	9,250,000,000	11,250,000,000
b) Outside India	-	-
	<b>9,250,000,000</b>	<b>11,250,000,000</b>

	This year (As at 31.03.2017) ₹	Previous year (As at 31.03.2016) ₹
<b>Schedule X: Fixed Assets:</b> (At cost less depreciation)		
1. Premises		
Gross Block b/f	1,734,522,255	1,699,706,684
Additions during the year	329,506,302	34,815,571
Disposals during the year	-	-
Gross Block as at the end of the year	2,064,028,557	1,734,522,255
Accumulated Depreciation	928,184,582	847,175,825
Net Block	1,135,843,975	887,346,430
2. Others		
Gross Block b/f	896,880,632	845,735,505
Additions during the year	135,003,614	84,937,149
Disposals during the year	18,825,084	33,792,022
Gross Block as at the end of the year	1,013,059,162	896,880,632
Accumulated Depreciation	850,535,222	782,377,355
Net Block	162,523,940	114,503,277
	<b>1,298,367,915</b>	<b>1,001,849,707</b>
<b>Schedule XI: Other Assets:</b>		
1. Accrued interest on:		
a) investments/bank balances	10,791,054,440	10,120,323,475
b) loans and advances	14,151,386,600	13,606,131,376
2. Deposits with sundry parties	37,238,334	33,666,234
3. Advance Income Tax paid (net)	7,930,845,159	9,425,982,298
4. Others [including Deferred tax asset of ₹ 18,567,743,802 (previous year - ₹ 14,515,647,472)]	23,516,654,604	18,829,166,950
	<b>56,427,179,137</b>	<b>52,015,270,333</b>
<b>Schedule XII: Other Expenses:</b>		
1. Export Promotion Expenses	34,330,480	46,065,093
2. Expenses on and related to Data Processing	14,547,043	18,424,976
3. Repairs and Maintenance	197,215,272	169,754,863
4. Printing and Stationery	12,261,031	10,741,599
5. Others	567,282,960	488,344,574
	<b>825,636,786</b>	<b>733,331,105</b>

	This year (As at 31.03.2017) ₹	Previous year (As at 31.03.2016) ₹
<b>Schedule XIII: Interest and Discount:</b>		
1. Interest and Discount on loans and advances/bills discounted/rediscounted	54,462,592,775	52,846,706,783
2. Income on Investments/bank balances	29,948,297,077	30,090,845,560
	<b>84,410,889,852</b>	<b>82,937,552,343</b>
<b>Schedule XIV: Other Income:</b>		
1. Net Profit on sale/revaluation of investments	3,108,552,970	1,937,820,580
2. Net Profit on sale of land, buildings and other assets	944,930	303,034
3. Others	145,000,101	255,011,356
	<b>3,254,498,001</b>	<b>2,193,134,970</b>

**Note:**

Deposits under 'Liabilities' [ref. Schedule IV (a)] include 'on shore' foreign currency deposits aggregating US\$ 39.66 million. (Previous year US\$ 294.11 million) kept by counter party banks/institutions with Exim Bank against reciprocal rupee deposits/bonds. Cash & Bank Balances under 'Assets' [ref. Schedule VI 3.(a) ii)] include rupee deposits aggregating "NIL" (Previous year ₹ 16.72 billion) on account of swaps. Investments under 'Assets' [ref. Schedule VII 4.] include bonds aggregating ₹ 1.79 billion (Previous year ₹ 1.99 billion) on account of swaps.

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Amount (₹ million)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra-ordinary items	3,126.4	4,533.2
<b>Adjustments for:</b>		
- (Profit)/Loss on sale of Fixed Assets (Net)	(0.9)	(0.3)
- (Profit)/Loss on sale of Investments (Net)	(3,108.6)	(1,937.8)
- Depreciation	170.9	158.4
- Discount/Expenses on bond issues written off	229.2	152.7
- Transfer from Investment Fluctuation Reserve	-	-
- Provisions/Write Off of Loans/Investments and other provisions	21,680.0	20,764.8
- Others	-	-
	<b>22,097.0</b>	<b>23,671.0</b>
<b>Adjustments for:</b>		
- Other Assets	(2,040.7)	(4,648.0)
- Current Liabilities	(33,434.1)	(12,462.4)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(13,377.8)</b>	<b>6,560.6</b>
Payment of income tax/interest tax	(6,280.2)	(7,675.3)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(19,658.0)</b>	<b>(1,114.7)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Net purchase of fixed assets	(466.5)	(118.9)
- Net change in investments	5,634.6	(1,797.4)
<b>NET CASH USED IN/RAISED FROM INVESTING ACTIVITIES</b>	<b>5,168.1</b>	<b>(1,916.3)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Equity capital infusion	5,000.0	13,000.0
- Loans borrowed (net of repayments made)	27,519.5	145,746.9
- Loans lent, bills discounted and rediscounted (net of repayments received)	(35,242.7)	(142,067.6)
- Dividend on equity shares and tax on dividend (Balance of Net profits transferred to Central Government)	(315.8)	(4,330.0)
<b>NET CASH USED IN/RAISED FROM FINANCING ACTIVITIES</b>	<b>(3,039.0)</b>	<b>12,349.3</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(17,528.9)</b>	<b>9,318.3</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>54,437.8</b>	<b>45,119.5</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>36,908.9</b>	<b>54,437.8</b>

For and on behalf of the Board

**Shri David Rasquinha**  
Managing Director (Additional Charge)

**Shri Pankaj Jain**

**Smt. Arundhati Bhattacharya**

**Shri Debasish Mallick**  
Deputy Managing Director

**Dr. M. D. Patra**

**Smt. Geetha Muralidhar**

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 17, 2017



## 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 DBR.FID.No.108/01.02.000/2015-16 dated June 23, 2016 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”, interest on loans under Strategic Debt Restructuring, 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 electronic 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 ₹ 44.57 billion (previous year ₹ 45.54 billion) held on agency account including a sum of ₹ 40.27 billion (previous year ₹ 41.15 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 ₹ 2.01 billion (previous year ₹ 1.92 billion), yet to be cancelled in the books.

**b) Claims not acknowledged as debts**

The amount of ₹ 1.97 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, 2017 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 FC operations during the current year is ₹ 0.22 billion (previous year ₹ 0.12 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.

## 5. Additional Information as required by Reserve Bank of India

### 5.1 Capital

(a)

	Particulars	As on March 31, 2017	As on March 31, 2016
(i)	Capital to Risk Assets Ratio (CRAR)	15.81%	14.55%
(ii)	Core CRAR	14.29%	13.04%
(iii)	Supplementary CRAR	1.52%	1.51%

(b) The amount of subordinated debt raised and outstanding as on March 31, 2017 as Tier-II capital: ₹ NIL (previous year: ₹ NIL).

(c) Risk weighted assets

(₹ billion)

	Particulars	As on March 31, 2017	As on March 31, 2016
(i)	'On' balance sheet items	590.05	587.32
(ii)	'Off' balance sheet items	126.71	146.78

(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).
- The revised Framework to be prescribed by the RBI, including the Basel III norms, are still at draft stage. The Bank will implement Basel III norms for determining CRAR with effect from April 1, 2018, the proposed date for implementation of Basel III norms by RBI.

### 5.2 Free Reserves and Provisions

(a) Provisions on Standard Assets

(₹ billion)

	Particulars	2016-17	2015-16
(i)	Provisions towards Standard Assets	(9.22)	4.11

**(b) Floating Provisions**

(₹ billion)

	Particulars	2016-17	2015-16
(a)	Opening balance in the floating provisions accounts	-	-
(b)	The quantum of floating provisions made in the accounting year	-	-
(c)	Amount of draw down made during the accounting year	-	-
(d)	Closing balance in the floating provisions account	-	-

**5.3 Asset Quality and Specific Provisions****(a) Non-Performing Advances**

(₹ billion)

	Particulars	2016-17	2015-16
(i)	Net NPAs to Net Advances (%)	4.688%	0.86%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	42.75	25.53
(b)	Additions during the year	68.10	21.33
(c)	Reductions during the year	11.23	4.11
(d)	Closing balance	99.62	42.75
(iii)	Movement of Net NPAs		
(a)	Opening balance	8.55	5.10
(b)	Additions during the year	45.85	9.80
(c)	Reductions during the year	6.36	6.35
(d)	Closing balance	48.04	8.55
(iv)	Movement of Provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	34.20	20.43
(b)	Provisions made during the year	31.94	15.28
(c)	Write off/write back of excess provisions	14.55	1.51
(d)	Closing balance	51.59	34.20

**(b) Non-Performing Investments**

(₹ billion)

	Particulars	2016-17	2015-16
(i)	Net NPIs to Net Investments (%)	0.008%	0%
(ii)	Movement of NPIs (Gross)		
(a)	Opening balance	0.65	0.59
(b)	Additions during the year	1.01	0.10
(c)	Reductions during the year	0.03	0.04
(d)	Closing balance	1.63	0.65
(iii)	Movement of Net NPIs		
(a)	Opening balance	-	-
(b)	Additions during the year	0.0042	-
(c)	Reductions during the year	-	-
(d)	Closing balance	0.0042	-
(iv)	Movement of Provisions for NPIs (excluding provisions on standard assets)		
(a)	Opening balance	0.65	0.59
(b)	Provisions made during the year	1.01	0.10
(c)	Write off/write back of excess provisions	0.03	0.04
(d)	Closing balance	1.63	0.65

**(c) Non-Performing Assets (a+b)**

(₹ billion)

	Particulars	2016-17	2015-16
(i)	Net NPAs to Net Assets (Advances + Investments) (%)	4.688%	0.86%
(ii)	Movement of NPAs (Gross Advances + Gross Investments)		
(a)	Opening balance	43.40	26.12
(b)	Additions during the year	69.11	21.43
(c)	Reductions during the year	11.26	4.15
(d)	Closing balance	101.25	43.40
(iii)	Movement of Net NPAs		
(a)	Opening balance	8.55	5.10
(b)	Additions during the year	45.8542	9.80
(c)	Reductions during the year	6.36	6.35
(d)	Closing balance	48.0442	8.55
(iv)	Movement of Provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	34.85	21.02
(b)	Provisions made during the year	32.95	15.38
(c)	Write off/write back of excess provisions	14.58	1.55
(d)	Closing Balance	53.22	34.85

## 5.4 Particulars of Accounts Restructured

Sr. No.	Type of Restructuring	Details	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total				
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard		Doubtful	Loss	Total	
1	Restructured Accounts as on date of opening of the FY (opening figures)	No. of borrowers Amount outstanding Provision thereon	22 26.00 5.56	6 1.40 0.58	11 6.93 6.93	- - -	39 34.33 13.07	7 0.33 0.03	3 0.13 0.04	2 0.04 0.04	- - -	12 0.50 0.11	19 19.74 2.61	4 3.29 1.25	5 3.05 3.05	- - -	28 26.08 20.09	79 60.91 20.09	
2	Fresh restructuring/Additions during the year	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	7 3.81 2.32	- - -	7 3.81 2.32	- - -	- - -	2 0.11 0.06	- - -	2 0.11 0.06	- - -	- 1.09 0.26	1 8.24 3.93	6 - -	- - -	7 9.33 4.19	16 13.25 6.57
3	Upgradations to restructured standard category during the FY	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
5	Downgradations/Reductions of restructured accounts during the FY	No. of borrowers Amount outstanding Provision thereon	7 14.88 1.72	6 1.40 0.58	7 5.27 5.27	- - -	20 21.55 7.57	5 0.30 0.03	3 0.13 0.04	1 0.03 0.02	- - -	9 0.46 0.09	7 11.51 1.71	4 3.29 1.25	2 2.09 0.69	- - -	13 16.89 3.65	42 38.90 11.31	
6	Write-offs of restructured accounts during the FY	No. of borrowers Amount outstanding Provision thereon	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
7	Restructured Accounts as on date of closing of the FY (closing figures)	No. of borrowers Amount outstanding Provision thereon	15 11.12 3.84	- - -	11 5.47 3.98	- - -	26 16.59 7.82	2 0.03 -	- - -	3 0.12 0.08	- - -	5 0.15 0.08	12 8.23 0.90	1 1.09 0.26	9 9.20 6.29	- - -	22 18.52 7.45	53 35.26 15.35	

(₹ billion)

### 5.5 Movement of Non-performing Assets

(₹ billion)

Particulars	2016-17	2015-16
Gross NPAs as on 1 <sup>st</sup> April (Opening balance)	42.75	25.53
Additions (Fresh NPAs) during the year	68.10	20.44
Interest funding	(0.39)	(0.02)
Exchange Fluctuation	-	0.90
Sub Total (A)	110.46	46.85
Less:		
(i) Upgradations	1.55	2.55
(ii) Recoveries (excluding recoveries made from upgraded accounts)	2.70	0.84
(iii) Technical/Prudential write offs	5.31	0.71
(iv) Write offs other than those under (iii) above	0.76	-
(v) Exchange Fluctuation	0.52	-
Sub Total (B)	10.84	4.10
Gross NPAs as on 31 <sup>st</sup> March of following year (closing balance) (A-B)	99.62	42.75

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

### 5.6 Write-offs and Recoveries

(₹ billion)

Particulars	2016-17	2015-16
Opening balance of Technical/Prudential written off accounts as at 1 <sup>st</sup> April	0.75	0.75
Add: Technical/Prudential write offs during the year	5.31	-
Sub Total (A)	6.06	0.75
Less: Recoveries made from previously technical/prudential written off accounts during the year (B)	0.02	-
Closing balance as on 31 <sup>st</sup> March (A-B)	6.04	0.75

## 5.7 Overseas Assets, NPAs and Revenue

(₹ billion)

Particulars	2016-17	2015-16
Total Assets	121.52	119.76
Total NPAs	6.64	5.37
Total Revenue	7.20	5.58

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

## 5.8 Depreciation and Provisions on Investments

(₹ billion)

	Particulars	2016-17	2015-16
(1)	Investments		
(i)	Gross Investments	61.54	58.63
a)	In India	61.54	58.63
b)	Outside India	-	-
(ii)	Provisions for Depreciation	10.52	5.07
a)	In India	10.52	5.07
b)	Outside India	-	-
(iii)	Net Investments	51.03	53.56
a)	In India	51.03	53.56
b)	Outside India	-	-
(2)	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	5.07	2.49
(ii)	Add: Provisions made during the year	5.47	2.82
(iii)	Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv)	Less: Write off/write back of excess provisions during the year	0.02	0.24
(v)	Less: Transfer, if any, to investment Fluctuation Reserve Account	-	-
(vi)	Closing balance	10.52	5.07

## 5.9 Provisions and Contingencies

(₹ billion)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2016-17	2015-16
Provisions for depreciation on Investment	5.50	2.58
Provision towards NPA	17.91	13.82
Provision made towards Income tax	2.71	1.38
Other Provision and Contingencies	(0.07)	(0.13)

## 5.10 Provision Coverage Ratio

Particulars	2016-17	2015-16
Provision Coverage Ratio	54.54%	80.35%

## 6. Investment Portfolio: Constitution and Operations

### 6.1 Repo Transactions

Current Year:

(₹ billion)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2017
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, 2016
Securities sold under repos				
i) Government Securities	-	-	-	-
ii) Corporate Debt Securities	-	-	-	-
Securities Purchased under reverse repos				
i) Government Securities	-	-	-	-
ii) Corporate Debt Securities	-	-	-	-

## 6.2 Disclosure of Issuer Composition for Investment in Debt Securities

## Current 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	2.03	1.79	-	0.24	2.03**
3	Banks	0.27	0.10	-	0.17	0.17
4	Private corporate	27.47	27.41	-	27.47	24.94*
5	Subsidiaries/ Joint ventures	0.0032	-	-	0.0032	0.0032
6	Others	0.50	-	-	-	0.50
7	Provision held towards depreciation <sup>#</sup>	9.92	-	-	-	-
	<b>Total</b>	<b>30.31</b>	<b>29.30</b>	<b>-</b>	<b>27.92</b>	<b>27.68</b>

<sup>#</sup> Only aggregate amount of provision held to be disclosed in column 3

<sup>\*</sup> Out of which ₹ 22.13 billion represents investment in security receipts issued by Asset Reconstruction Companies (ARCs) and ₹ 2.76 billion of investments are in shares/debentures acquired as part of loan restructuring.

<sup>\*\*</sup> Out of which ₹ 1.79 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	2.23	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 <sup>#</sup>	4.64	-	-	-	-
	<b>Total</b>	<b>27.56</b>	<b>24.99</b>	<b>-</b>	<b>25.47</b>	<b>25.86</b>

<sup>#</sup> Only aggregate amount of provision held to be disclosed in column 3

<sup>\*</sup> 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.

<sup>\*\*</sup> 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.

### 6.3 Sale and Transfer to/from HTM Category

There has been no sale or transfer

## 7. Details of Financial Assets Purchased/Sold

### 7.1 Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

#### A. Details of Sales

(₹ billion)

Sr. No	Particulars	2016-17	2015-16
(i)	No. of Accounts	2	3
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	0.39	0.97
(iii)	Aggregate consideration	0.34	0.58
(iv)	Consideration realised in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain/(loss) over net book value	(0.05)	(0.39)

- 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.

#### B. Details of Book value of Investments in Security Receipts

(₹ billion)

Sr. No.	Particulars	Book value of Investments in Security receipts	
		2016-17	2015-16
(i)	Backed by NPAs sold by the Bank as underlying	13.67	17.65
(ii)	Backed by NPAs sold by banks/other financial institutions/non-banking financial companies as underlying	-	-
	<b>Total</b>	<b>13.67</b>	<b>17.65</b>

### 7.2 Details of Non Performing Financial Assets Purchased/Sold

#### A) Details of non performing financial assets purchased

	Particulars	2016-17	2015-16
1)	a) No. of accounts purchased during the year	-	-
	b) Aggregate outstanding	-	-
2)	a) Of these, number of accounts restructured during the year	-	-
	b) Aggregate outstanding	-	-

**B) Details of non performing financial assets sold**

	Particulars	2016-17	2015-16
1)	No. of accounts sold	-	-
2)	Aggregate outstanding	-	-
3)	Aggregate consideration received	-	-

**8. Operating Results**

Sr. No.	Particulars	2016-17	2015-16
(i)	Interest income as a percentage to average working funds	7.63	8.12
(ii)	Non-interest income as a percentage to average working funds	0.72	0.48
(iii)	Operating profit as a percentage to average working funds	2.24	2.48
(iv)	Return on average assets	0.04	0.30
(v)	Net Profit per (permanent) employee (in ₹ billion)	0.001	0.010

- 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.

**9. Credit Concentration Risk****9.1 Capital Market Exposure**

Sr. No.	Particulars	2016-17	2015-16
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-

(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/ issues;	-	-
(viii)	Underwriting commitments taken up by the Bank in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix)	Financing to stockbrokers for margin trading;	-	-
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	<b>Total Exposure to Capital Market</b>	-	-

## 9.2 Exposure to Country Risk

(₹ billion)

Risk Category	Exposure (net) as at March 2017	Provision held as at March 2017 <sup>®</sup>	Exposure (net) as at March 2016	Provision held as at March 2016 <sup>®</sup>
Insignificant	108.78	-	107.57	-
Low	452.30	-	390.91	-
Moderate	626.28	-	522.12	-
High	73.55	-	97.52	-
Very High	-	-	-	-
Restricted	114.78	-	75.41	-
Off-credit	-	-	-	-
<b>Total</b>	<b>1,375.69</b>	<b>-</b>	<b>1,193.53</b>	<b>-</b>

<sup>®</sup> The Bank is not required to provide for country concentration risk, as there is no circular addressed to FIs.

### 9.3 Strategic Debt Restructuring (SDR) Scheme

(₹ billion)

No. of accounts	Aggregate amount outstanding	Amount of exposure converted into equity
7	5.24	0.68

### 9.4 Exposure on the Scheme for Sustainable Structuring of Stressed Assets (S4A)

(₹ billion)

Particulars	No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount Outstanding		Provision Held
			In Part A	In Part B	
Classified as Standard	1	2.43	1.28	1.15	1.22
Classified as NPA	-	-	-	-	-

### 9.5 Prudential Exposure Limits – Single Borrower Limit / Group Borrower Limit exceeded by the Bank

#### A. The number and amount of exposures in excess of the prudential exposure limits during the year

Sr. No	PAN No.	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as a % to Capital Funds
1.	AABCG5231F	HPCL Mittal Energy Ltd.	11101	Petroleum Products	Private	17.11	-	16.01

Approval of the Board was obtained, for additional exposure of 5% of TCF in line with RBI guidelines

#### B. Credit exposure as percentage to capital funds and as percentage to total assets

Particulars	Percentage to Capital Funds*	Percentage to Total Credit Exposure (TCE) <sup>®</sup>	Percentage to Total Assets
i) Largest single borrower	16.01	0.77	1.46
ii) Largest borrower group	31.45	1.52	2.87
iii) 20 largest single borrowers	193.26	9.35	17.61
iv) 20 largest borrower groups	281.99	13.65	25.70

\*Capital Funds as on March 31, 2016

<sup>®</sup> TCE: Loans + Advances + Unutilised 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, 2017 for whom exposure over 15% of capital funds was assumed with the approval of the Board. Exposure to this borrower as on March 31, 2017 stood at 16.01% of the capital funds of the Bank.

#### Previous Year:

	Particulars	Percentage to Capital Funds*	Percentage to Total Credit Exposure (TCE) <sup>@</sup>	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)	20 largest single borrowers	217.18	10.50	18.15
iv)	20 largest borrower groups	296.28	14.32	24.76

\* Capital Funds as on March 31, 2015

<sup>@</sup>TCE: Loans + Advances + Unutilised 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.

#### C. Credit exposure to the five largest industrial sectors

	Sector	Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i)	EPC Services	10.09	7.49
ii)	Ferrous Metals and Metal Processing	9.68	7.18
iii)	Oil and Gas	7.68	5.70
iv)	Textiles and Garments	6.53	4.85
v)	Construction	5.16	3.83

#### Previous Year:

	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	7.78	5.92
iv)	Oil and Gas	7.39	5.62
v)	Drugs and Pharmaceuticals	6.31	4.80

• The "credit exposure" has been reckoned as defined by RBI.

Credit exposure to banks and overseas institutions guaranteed by GOI/assumed at the behest of GOI, excluded for computing industry exposure.

**D. Unsecured Advances**

Unsecured advances aggregating to ₹ 60.14 billion were secured by corporate/personal guarantees, promissory notes, trust receipts, etc. the estimated value of which is at ₹ 10.05 billion.

**E. Factoring Exposures**

Exim Bank does not have any factoring exposure.

**F. Exposures where the FI had exceeded the prudential Exposures Limits during the year**

Sr. No	PAN No.	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as a % to Capital Funds
1.	AABCG5231F	HPCL Mittal Energy Ltd.	11101	Petroleum Products	Private	17.11	-	16.01

There was one borrower as on March 31, 2017 for whom exposure over 15% of capital funds was assumed with the approval of the Board. Exposure to this borrower as on March 31, 2017 stood at 16.01% of the capital funds of the Bank.

**10. Concentration of borrowings/lines of credit, credit exposures and NPAs****(a) Concentration of borrowings and lines of credit**

(₹ billion)

Particulars	2016-17	2015-16
Total borrowings from twenty largest lenders	103.48	119.61
Percentage of borrowings from twenty largest lenders to total borrowings of the Bank	10.77%	12.82%

**(b) Concentration of credit exposures**

(₹ billion)

Particulars	2016-17	2015-16
Total exposures to twenty largest borrowers	206.45	209.13
Percentage of exposures to twenty largest borrowers to Total Advances of the Bank	19.15	20.40
Total exposure to twenty largest borrowers/customers	206.45	209.13
Percentage of exposures to twenty largest borrowers/customers to Total exposure of the Bank on borrowers/customers	9.35%	10.50%
In the case of Exim Bank, percentage of total of top ten country exposures to total exposures	37.30%	45.79%

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



## (c) Sector-wise concentration of exposures and NPAs

(₹ billion)

Sr. No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A)	<b>Domestic Sector</b>	356.40	62.02	17%	347.59	20.90	6%
1)	<b>Total Export Finance</b>	307.51	60.52	20%	286.99	20.89	7%
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	272.88	49.25	18%	259.40	16.86	6%
	Ferrous Metals & Metal Processing	44.26	20.39	46%	39.64	2.53	6%
	Oil and Gas	7.89	0.93	12%	6.13	0.93	15%
	Textiles & Garments	-	-	-	41.12	1.41	3%
	Services Sector	34.63	11.27	33%	27.58	4.04	15%
	Aviation Services	2.94	-	-	3.04	-	-
	EPC Services	14.75	10.04	68%	17.99	2.64	15%
	Shipping Services	9.29	0.62	7%	1.21	0.65	54%
2)	<b>Total Import Finance</b>	48.89	1.50	3%	60.60	0.01	0.01%
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	41.97	0.01	0.02%	51.93	0.01	0.01%
	Ferrous Metals & Metal Processing	1.44	-	-	0.21	-	-
	Oil and Gas	11.37	-	-	11.90	-	-
	Services Sector	6.92	1.49	22%	8.68	-	-
	EPC Services	1.92	1.49	78%	3.97	-	-
	Shipping Services	3.51	-	-	3.20	-	-
3)	<b>Of (A), exposures guaranteed by the Government of India</b>	-	-	-	-	-	-
B)	<b>External Sector</b>	184.67	37.60	20%	175.58	21.85	12%
1)	<b>Total Export Finance</b>	184.67	37.60	20%	175.58	21.85	12%
	Agricultural Sector	-	-	-	-	-	-
	Industrial Sector	152.74	25.03	16%	148.47	10.87	7%
	Ferrous Metals & Metal Processing	26.29	1.62	6%	23.75	-	-
	Oil and Gas	29.98	8.19	27%	29.75	0.30	1%
	Textiles & Garments	-	-	-	5.91	2.23	38%
	Services Sector	31.93	12.56	39%	27.11	10.97	40%
	Aviation Services	5.10	-	-	-	-	-
	EPC Services	12.25	4.33	35%	7.14	3.56	50%
	Shipping Services	4.45	3.38	-	8.64	4.36	50%
2)	<b>Total Import Finance</b>	-	-	-	-	-	-
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	-	-	-	-	-	-
	Services Sector	-	-	-	-	-	-
3)	<b>Of (B), exposures guaranteed by the Government of India</b>	-	-	-	-	-	-

C	Other Exposures <sup>#</sup>	536.93	-	-	502.19	-	-
D	Total exposures (A+B+C)	1,078.00	99.62	9.24%	1,025.37	42.75	4.17%

<sup>#</sup> includes advances under Lines of Credit, BC-NEIA, Concessional Finance Scheme, refinance to commercial banks and advances counter-guaranteed by banks

## 11. Derivatives

### 11.1 Forward Rate Agreement/Interest Rate Swap

(₹ billion)

Sr. No.	Particulars	2016-17		2015-16	
		Hedging	Trading	Hedging	Trading
1.	The Notional Principal of swap agreements	290.75	-	224.74	-
2.	Losses, which would be incurred if counter parties failed to fulfill their obligations under the agreements	0.37	-	0.65	-
3.	Collateral required by the Bank upon entering into swaps	-	-	-	-
4.	Concentration of credit risk arising from Swaps	All transactions fall within approved credit exposure limits	-	All transactions fall within approved credit exposure limits	-
5.	The fair value of the swap book	(6.73)	-	1.68	-

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.

### 11.2 Exchange Traded Interest Rate Derivatives

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 <sup>st</sup> March, 2017 (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)	-

### 11.3 Disclosures on risk exposure in derivatives

#### A. Qualitative Disclosures

- 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 synchronizing 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, 2017 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 Disclosures

(₹ billion)

Sr. No.	Particulars	2016-17		2015-16	
		Currency Derivatives	Interest rate Derivatives	Currency Derivatives	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)				
	a) For hedging	371.84	290.75	348.75	224.74
	b) For trading	-	-	-	-
2	Marked to Market Positions				
	a) Asset (+)	-	-	-	1.68
	b) Liability (-)	32.72	6.73	38.01	-
3	Credit Exposure	21.50	1.64	22.77	4.41
4	Likely impact of one percentage change in interest rate (100*PV01)				

	a) On hedging derivatives	13.69	16.44	14.78	9.14
	b) On trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) On hedging				
	(i) Maximum	14.66	18.22	15.75	9.85
	(ii) Minimum	13.69	8.98	13.60	7.98
	b) On trading				
	(i) Maximum	-	-	-	-
	(ii) Minimum	-	-	-	-

## 12. Letters of comfort issued by the Bank

During the year, the Bank has issued Letter of Comfort to Punjab National Bank aggregating ₹ 2.00 billion (previous year to Bank of India aggregating ₹ 0.22 billion). As on March 31, 2017, no financial obligation has arisen on the above commitments.

## 13. Asset Liability Management

Current Year:

(₹ billion)

Particulars	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Rupee Advances	4.72	10.22	105.12	48.39	47.17	30.41	23.17	37.44	306.64
Rupee Investments	-	0.10	0.57	0.56	0.11	2.85	1.53	45.24	50.96
Rupee Other Assets	26.22	4.71	27.18	17.71	29.87	154.99	95.15	298.10	653.93
Rupee Deposits	1.37	0.02	0.37	23.93	9.50	0.54	0.19	-	35.92
Rupee Borrowings	27.63	0.40	100.89	6.00	7.30	83.27	52.43	158.97	436.89
Rupee Other Liabilities	3.20	4.94	28.81	26.56	33.76	103.78	32.88	194.31	428.24
Foreign Currency Assets	36.95	10.40	39.91	95.66	115.11	185.74	168.12	320.54	972.43
Foreign Currency Liabilities	5.69	2.49	11.08	89.38	90.06	246.75	209.80	304.98	960.23

## Previous Year:

(₹ billion)

Particulars	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Rupee Advances	14.48	20.16	61.07	50.21	72.76	37.20	28.37	28.94	313.19
Rupee Investments	-	-	0.06	0.03	0.70	3.66	0.55	47.94	52.94
Rupee Other Assets	40.21	0.30	17.94	13.30	47.60	164.40	106.04	258.44	648.23
Rupee Deposits	0.19	0.07	0.30	1.08	45.70	1.88	0.25	-	49.47
Rupee Borrowings	27.98	-	86.12	5.41	46.38	81.97	29.23	143.57	420.66
Rupee Other Liabilities	25.05	1.55	8.20	30.75	39.41	96.26	31.07	180.47	412.76
Foreign Currency Assets	51.48	14.61	31.17	62.96	86.20	232.52	204.66	343.07	1,026.67
Foreign Currency Liabilities	26.67	14.48	38.91	65.51	71.56	299.16	241.15	262.36	1,019.80

## 14. Draw Down from Reserves

The Bank has not drawn any amount from the Reserves.

## 15. Business Ratios

Particulars	2016-17	2015-16
Return on Equity	0.62%	5.58%
Return on Assets	0.04%	0.30%
Net Profit Per Employee (₹ billion)	0.001	0.010

## 16. Disclosure of Penalties Imposed by RBI

There are No Penalties imposed by the Reserve Bank of India under the Reserve Bank of India Act, 1934, for contraventions of any of the provisions of the Act or noncompliance with any other requirements of the Act, order, rule or condition specified by Reserve Bank of India.

## 17. Disclosure of Complaints

### Customer Complaints

Sr. No.	Particulars	2016-17	2015-16
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	2	-
(c)	No. of complaints redressed during the year	2	-
(d)	No. of complaints pending at the end of the year	-	-

## 18. Off-Balance Sheet SPVs Sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
-	-

### Disclosure as per specific Accounting Standards

## 19. 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
<b>Gross Block</b>			
Cost as on 31 <sup>st</sup> March 2016	1.73	0.90	2.63
Additions	0.33	0.14	0.47
Disposals	0.00	0.02	0.02
Cost as on 31 <sup>st</sup> March 2017 (A)	2.06	1.02	3.08
<b>Depreciation</b>			
Accumulated as on 31 <sup>st</sup> March 2016	0.84	0.79	1.63
Provided during the year	0.08	0.09	0.17
Eliminated on Disposals	0.00	0.02	0.02
Accumulated as on 31 <sup>st</sup> March 2017 (B)	0.92	0.86	1.78
<b>Net Block (A-B)</b>	<b>1.14</b>	<b>0.16</b>	<b>1.30</b>

## Previous Year:

(₹ billion)

Particulars	Premises	Others	Total
<b>Gross Block</b>			
Cost as on 31 <sup>st</sup> March 2015	1.70	0.85	2.55
Additions	0.03	0.08	0.11
Disposals	0.00	0.03	0.03
Cost as on 31 <sup>st</sup> March 2016 (A)	1.73	0.90	2.63
<b>Depreciation</b>			
Accumulated as on 31 <sup>st</sup> March 2015	0.77	0.73	1.50
Provided during the year	0.07	0.09	0.16
Eliminated on Disposals	0.00	0.03	0.03
Accumulated as on 31 <sup>st</sup> March 2016 (B)	0.84	0.79	1.63
<b>Net Block (A-B)</b>	<b>0.89</b>	<b>0.11</b>	<b>1.00</b>

## 20. 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.

## 21. 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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue	85.15	82.31	7.20	5.50	92.35	87.81
Assets	1,050.53	1,032.40	121.54	119.78	1,172.07	1,152.18

## 22. 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 Limited
  - (ii) Key Managerial Personnel:
    - **Shri Yaduvendra Mathur** (Chairman and Managing Director) (up to February 19, 2017)
    - **Shri David Rasquinha** (Deputy Managing Director) (up to February 19, 2017) and (Managing Director – additional charge) (from February 20, 2017)
    - **Shri Debasish Mallick** (Deputy Managing Director)
- The Banks' related party balances and transactions are summarised as follows:

(₹ million)

Particulars	Joint Venture		Key Managerial Personnel	
	2016-17	2015-16	2016-17	2015-16
Loans granted	-	-	-	-
Guarantees issued	-	3.26	-	-
Interest received	-	-	-	-
Guarantee commission received	0.02	0.02	-	-
Receipts towards services rendered	-	0.03	-	-
Term Deposit Accepted	6.62	10.20	0.50	1.00
Interest on Term Deposits	0.81	0.74	0.49	0.75
Amounts written-off/written-back	-	-	-	-
Term Deposit Outstanding	6.62	10.20	3.44	5.17
Loans outstanding at year-end	-	-	-	-
Guarantees outstanding at year-end	3.26	3.26	-	-
Investments outstanding at year end	3.23	3.23	-	-
Maximum Loan outstanding during the year	-	-	-	-
Maximum Guarantees outstanding during the year	3.26	3.26	-	-
Salary including perquisites	-	-	9.36	7.00
Rent paid	-	-	0.25	0.24

## 23. Accounting for Taxes on Income

(a) Details of Provision for Tax for current year:	(₹ billion)
(i) Tax on Income	6.76
(ii) Less: Net deferred tax Asset	4.05
	2.71
 (b) Deferred Tax Asset:	 (₹ billion)
The composition of deferred tax assets and liabilities into major items is given below:	
<b>Particulars</b>	
Deferred Tax Assets	
1. Provision Disallowed (Net)	23.56
2. Depreciation on Fixed Assets	0.05
	23.61
Less: Deferred Tax Liability	
1. Amortisation of Bond issue expenses	0.55
2. Special Reserve created under section 36(1)(viii)	4.49
	5.04
 Net Deferred Tax Assets [included in 'Other Assets' in the 'Assets' side of the Balance Sheet]	 18.57

## 24. Financial Reporting of Interest in Joint Ventures

I.

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

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

(₹ million)

Liabilities	2016-17	2015-16	Assets	2016-17	2015-16
Capital & Reserves	24.40	21.75	Fixed Assets	0.09	0.14
Loans	-	-	Investments	10.09	9.27
Other Liabilities	5.62	3.41	Other Assets	19.84	15.75
<b>Total</b>	<b>30.02</b>	<b>25.16</b>	<b>Total</b>	<b>30.02</b>	<b>25.16</b>

Contingent Liabilities: NIL (previous year: NIL)

(₹ million)

Expenses	2016-17	2015-16	Income	2016-17	2015-16
Other Expenses	12.52	8.96	Consultancy Income	15.62	11.80
Provisions	1.26	1.40	Interest income and Income from investment	0.35	0.56
Profit after Tax	2.93	2.17	Other Income	0.74	0.17
<b>Total</b>	<b>16.71</b>	<b>12.53</b>	<b>Total</b>	<b>16.71</b>	<b>12.53</b>

Note: Figures for GPCL for FY 2016-17 are unaudited and provisional

## 25. 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, 2017 requiring recognition in terms of the said standard.

## 26. 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	0.826	0.116
Present value of Benefit Obligation at the end of the period	0.919	0.135
Funded Status	(0.093)	(0.019)
Unrecognised past service cost at the end of the period	-	-
Unrecognised transitional liability at the end of the period	-	-
<b>Net Liability recognised in the Balance Sheet</b>	<b>0.093</b>	<b>0.019</b>

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

(₹ billion)

Particulars	Pension Fund	Gratuity
Current Service Cost	0.023	0.010
Interest Cost	0.060	0.009
Expected Return on Plan Assets	(0.055)	(0.007)
Actuarial Losses/(Gains)	0.023	0.006
Past Service Cost – non-vested benefit	-	-
Past Service Cost – vested benefit	-	-
Transitional liability	-	-
Expense recognised in Profit and Loss Account	0.049	0.019
Contributions by Employer	(0.011)	(0.027)

## C) Summary of Actuarial Assumptions

Particulars	Pension Fund	Gratuity
Discount Rate (p.a.)	7.09%	7.52%
Expected Rate of Return on Assets (p.a.)	7.09%	7.52%
Salary Escalation Rate (p.a.)	7.00%	7.00%

In addition to the above, for the year 2016-17 the amount of Defined Benefit Obligation of Leave Encashment works out to ₹ 0.10 billion, which has been fully provided for.

27. 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. Jayendra P. Shetty, Chief Operating Officer

**Address:**

Axis House,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai - 400 025.

Tel.: (022) 6226 0050/54

Fax: (022) 2425 3000

E-mail: debenturetrustee@axistrustee.com

Website: www.axistrustee.com

28. Previous year's figures have been regrouped, wherever necessary.

For and on behalf of the Board

**Shri David Rasquinha**

*Managing Director  
(Additional Charge)*

**Shri Pankaj Jain**

**Smt. Arundhati Bhattacharya**

**Shri Debasish Mallick**

*Deputy Managing Director*

**Dr. M. D. Patra**

**Smt. Geetha Muralidhar**

As per our attached report of even date

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

*Chartered Accountants*

Firm Regn. No. 110417W

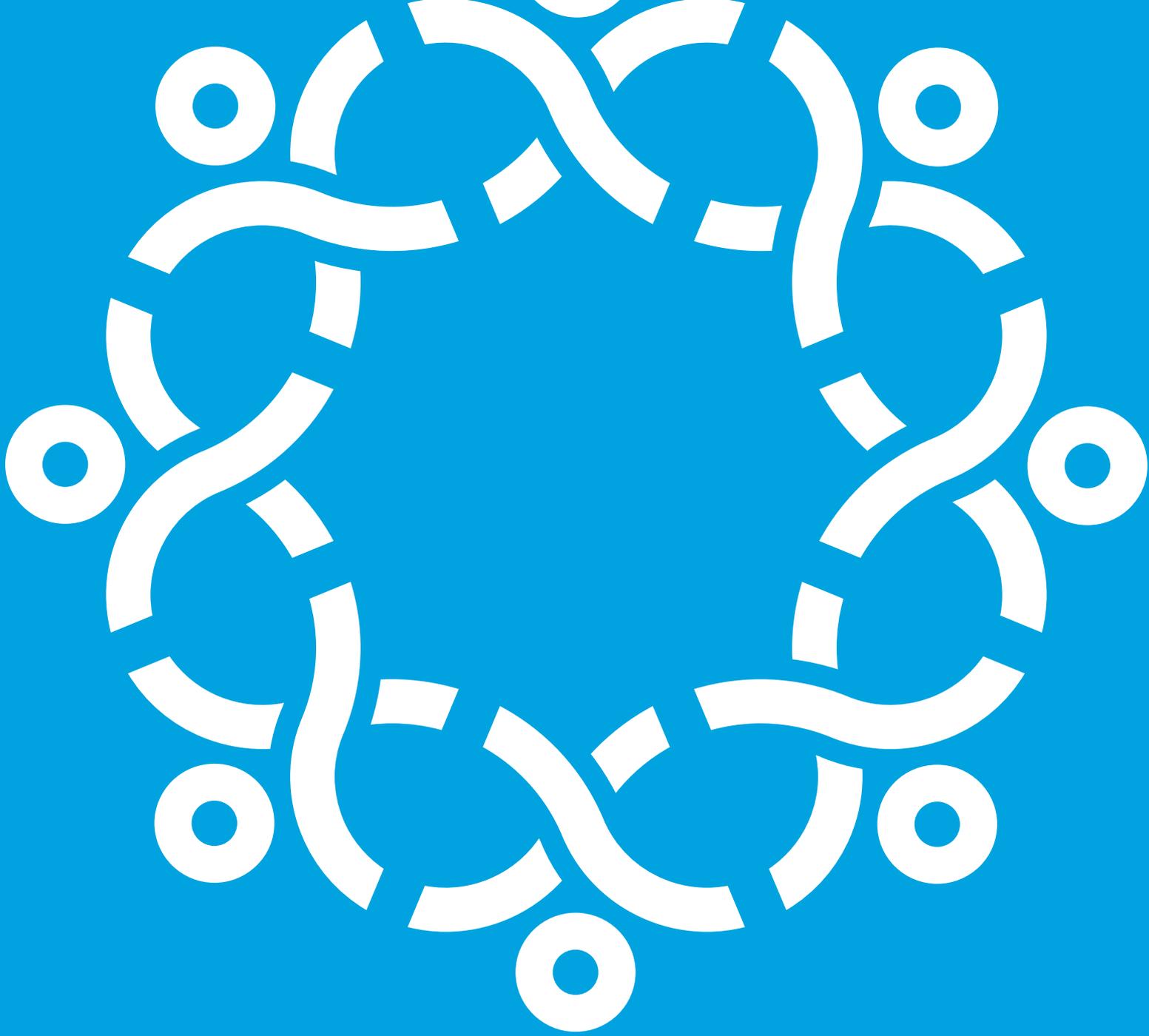
**(CA N. D. Anklesaria)**

*Partner*

M. No. 010250

New Delhi, May 17, 2017





# THE 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, shall establish a special fund to be called the Export Development Fund (EDF). The EDF was duly notified by the Central Government on March 31, 1986, and was accordingly established as on the same date.

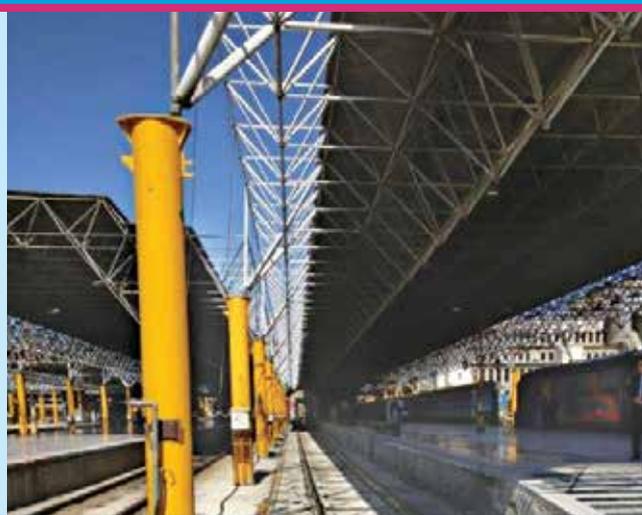
The Central Government, on March 31, 1986, transferred an initial corpus of ₹ 100 million to the EDF. Subsequently, the Central Government transferred further amounts of ₹ 35 million on March 23, 1987, and ₹ 6.52 million on March 29, 1989. This corpus, along with interest accrued by way of investment, and net of tax paid to the Central Government, had grown to an aggregate bank balance 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). Since March 31, 1997, up to March 31, 2017, the EDF corpus has grown to ₹ 6,323.14 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 utilized 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:

- 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.
- 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."
- 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 bank / financial institutions.

<b>Country</b>	: Iran
<b>Programme</b>	: Buyer's Credit
<b>Value</b>	: ₹ 8.19 billion
<b>Purpose</b>	: Supply of 150,000 tonnes of steel rails from India to The Railways of the Islamic Republic of Iran.
<b>Impact</b>	: A part of the steel rails procured from State Trading Corporation of India Ltd. has been utilised in Tehran Railway Station. The project will enhance rail infrastructure and improve connectivity in the region.



The Department of Financial Services (DFS), Ministry of Finance 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 for extending 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. 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, the DFS conveyed its approval for 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 financing import of steel rails by train from India, and development of the Chabahar port.

Under the Framework Agreement, an amount of ₹ 8.19 billion, for financing a contract for import of 150,000 tonnes of steel rails from India by 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. A letter of credit has been opened by the Iranian side and disbursements aggregating ₹ 5.80 billion have been made by the EDF. The balance amount will be disbursed based on the progress of shipments.

Profit before tax of the Export Development Fund during FY 2016-17 was ₹ 101.67 million as against ₹ 47.94 million during FY 2015-16. After providing for tax of ₹ 35.19 million, the post-tax profit amounted to ₹ 66.49 million, as against ₹ 31.29 million during FY 2015-16. The profit of ₹ 66.49 million is carried forward to next year.



# 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 31<sup>st</sup> March, 2017 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 judgments 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 31<sup>st</sup> March, 2017;
  - (ii) In the case of the Profit and Loss Account, of the profit for the year ended 31<sup>st</sup> March 2017.

**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 account and the returns.
  - ii) In our opinion, proper books of account 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, 17<sup>th</sup> May, 2017.

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017****EXPORT DEVELOPMENT FUND**

	This year (As at 31.03.2017) ₹	Previous year (As at 31.03.2016) ₹
<b>LIABILITIES</b>		
1. Loans:		
a) From Government	-	-
b) From Other Sources	5,374,610,504	-
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	309,162,861	182,248,318
5. Profit and Loss Account	511,063,467	444,577,173
<b>Total</b>	<b>6,323,144,619</b>	<b>755,133,278</b>
<b>ASSETS</b>		
1. Bank Balances:		
a) In current accounts	163,809	476,740
b) In other deposit accounts	204,000,000	563,000,000
2. Investments	-	-
3. Loans and Advances:		
a) In India	-	-
b) Outside India	5,809,030,094	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	98,617,251	-
ii) Investments/bank balances	10,301,762	9,519,517
b) Advance Income Tax paid	201,031,703	173,631,703
c) Others	-	-
<b>Total</b>	<b>6,323,144,619</b>	<b>755,133,278</b>

## EXPORT DEVELOPMENT FUND

	This year (As at 31.03.2017) ₹	Previous year (As at 31.03.2016) ₹
<b>CONTINGENT LIABILITIES</b>		
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 David Rasquinha**

*Managing Director  
(Additional Charge)*

**Shri Pankaj Jain**

**Smt. Arundhati Bhattacharya**

**Shri Debasish Mallick**

*Deputy Managing Director*

**Dr. M. D. Patra**

**Smt. Geetha Muralidhar**

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 17, 2017



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017****EXPORT DEVELOPMENT FUND**

	This year ₹	Previous year ₹
<b>EXPENDITURE</b>		
1. Interest	90,924,855	-
2. Other Expenses	794,779	-
3. Profit carried down	101,673,294	47,941,508
<b>Total</b>	<b>193,392,928</b>	<b>47,941,508</b>
Provision for Income Tax	35,187,000	16,650,000
Balance of profit transferred to Balance Sheet	66,486,294	31,291,508
	<b>101,673,294</b>	<b>47,941,508</b>
<b>INCOME</b>		
1. Interest and Discount:		
a) loans and advances	98,617,251	-
b) investments/bank balances	43,277,262	47,941,508
2. Exchange, Commission, Brokerage and Fees	51,498,415	-
3. Other Income	-	-
4. Loss carried to Balance Sheet	-	-
<b>Total</b>	<b>193,392,928</b>	<b>47,941,508</b>
Profit brought down	101,673,294	47,941,508
Excess Income/Interest tax provision of earlier years written back	-	-
	<b>101,673,294</b>	<b>47,941,508</b>

For and on behalf of the Board

**Shri David Rasquinha***Managing Director  
(Additional Charge)***Shri Pankaj Jain****Smt. Arundhati Bhattacharya****Shri Debasish Mallick***Deputy Managing Director***Dr. M. D. Patra****Smt. Geetha Muralidhar**

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 17, 2017



# OUR GLOBAL FOOTPRINT

## Head Office

Centre One Building, 21<sup>st</sup> Floor, World Trade Centre Complex,  
Cuffe Parade, Mumbai - 400 005.  
Ph.: (91 22) 22172600 | Fax: (91 22) 22182572  
E-mail: ccg@eximbankindia.in | Website: www.eximbankindia.in

## Domestic Offices

### AHMEDABAD

Sakar II, 1<sup>st</sup> Floor, Next to Ellisbridge Shopping Centre,  
Ellisbridge P. O., Ahmedabad - 380 006.  
Ph.: (91 79) 26576852/26576843 | Fax: (91 79) 26577696  
E-mail: eximahro@eximbankindia.in

### BANGALORE

Ramanashree Arcade, 4<sup>th</sup> Floor, 18, M. G. Road,  
Bangalore - 560 001.  
Ph.: (91 80) 25585755/25589101-04 | Fax: (91 80) 25589107  
E-mail: eximbro@eximbankindia.in

### CHANDIGARH

C- 213, 2<sup>nd</sup> Floor, Elante Offices,  
Industrial Area Phase -1, Chandigarh.  
Ph.: (91 172) 4629171-73 | Fax: (91 172) 4629175  
E-mail: eximcro@eximbankindia.in

### CHENNAI

Overseas Towers, 4<sup>th</sup> and 5<sup>th</sup> Floor, 756-L,  
Anna Salai, Chennai - 600 002.  
Ph.: (91 44) 28522830/31 | Fax: (91 44) 28522832  
E-mail: eximchro@eximbankindia.in

### GUWAHATI

NEDFI House, 4<sup>th</sup> Floor, GS Road, Dispur, Guwahati - 781 006.  
Ph.: (91 361) 2237607/609 | Fax: (91 361) 2237701  
E-mail: eximgro@eximbankindia.in

### HYDERABAD

Golden Edifice, 2<sup>nd</sup> Floor, 6-3-639/640, Raj Bhavan Road,  
Khairatabad Circle, Hyderabad - 500 004.  
Ph.: (91 40) 23307816-21 | Fax: (91 40) 23317843  
E-mail: eximhro@eximbankindia.in

### KOLKATA

Vanijya Bhawan, 4<sup>th</sup> Floor, (International Trade Facilitation Centre),  
1/1 Wood Street, Kolkata - 700 016.  
Ph.: (91 33) 22833419/20 | Fax: (91 33) 22891727  
E-mail: eximkro@eximbankindia.in

### NEW DELHI

Statesman House, Ground Floor,  
148, Barakhamba Road, New Delhi - 110 001.  
Ph.: (91 11) 23474800 | Fax: (91 11) 23322758/23321719  
E-mail: eximndro@eximbankindia.in

### PUNE

44, Shankarsheth Road, Pune - 411 037.  
Ph.: (91 20) 26403000 | Fax: (91 20) 26458846  
E-mail: eximpro@eximbankindia.in

## Overseas Offices

### ABIDJAN

5<sup>th</sup> Floor, Azur Building, 18-Docteur Crozet Road,  
Plateau, Abidjan, Côte d'Ivoire.  
Ph.: (225) 20 24 29 51 | Mobile: (225) 79707149  
Fax: (225) 20 24 29 50  
E-mail: eximabidjan@eximbankindia.in

### ADDIS ABABA

Bole Kifle Ketema, Kebele - 19, (03/05),  
House No. 015-B, Addis Ababa, Ethiopia.  
Ph.: (251 116) 630079 | Fax: (251 116) 610170  
E-mail: aaro@eximbankindia.in

### DHAKA

Modhumita Plaza Concord, Floor 12, Plot No. 11,  
Road No. 11, Block G, Banani, Dhaka - 1213.  
Ph.: +88 01 708 520 444  
E-mail: eximdhaka@eximbankindia.in

### DUBAI

Level 5, Tenancy 1B, Gate Precinct Building No. 3, Dubai  
International Financial Centre, PO Box No. 506541, Dubai, UAE.  
Ph.: (971 4) 3637462 | Fax: (971 4) 3637461  
E-mail: eximdubai@eximbankindia.in

### JOHANNESBURG

2<sup>nd</sup> Floor, Sandton City Twin Towers East, Sandhurst Ext. 3,  
Sandton 2196, Johannesburg, South Africa.  
Ph.: (27 11) 3265103/13 | Fax: (27 11) 7844511  
E-mail: eximjro@eximbankindia.in

### SINGAPORE

20, Collyer Quay, #10-02, Singapore - 049319.  
Ph.: (65) 65326464 | Fax: (65) 65352131  
E-mail: eximsingapore@eximbankindia.in

### WASHINGTON D.C.

1750 Pennsylvania Avenue NW, Suite 1202,  
Washington D.C. 20006, United States of America.  
Ph.: (1 202) 223 3238 | Fax: (1 202) 785 8487  
E-mail: eximwashington@eximbankindia.in

### YANGON

House No. 54/A, Ground Floor, Boyarynyunt Street,  
Dagon Township, Yangon, Myanmar.  
Ph.: (95) 1389520 | Mobile: (95) 1389520  
E-mail: eximyangon@eximbankindia.in

## London Branch

5<sup>th</sup> Floor, 35 King Street,  
London EC2V 8BB, United Kingdom.  
Ph.: (44) 20 77969040 | Fax: (44) 20 76000936  
E-mail: eximlondon@eximbankindia.in



Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400 005.



+91-22-22172600



+91-22-22182572



ccg@eximbankindia.in



www.eximbankindia.in

