South-South Cooperation and Global Trade Prospects

International trade as an engine of economic growth has gained increasing significance, particularly during the last few years. This has been more so in the case of developing countries that have now become more integrated into the world economy and emerged as important drivers of growth.

The growing importance of the South (developing countries) in global trade can be gauged from the fact that the share of South in global merchandise exports has increased from 20 per cent during mid-1980s to 45 per cent in 2007, an all time record level. Robust growth in exports from developing countries, which increased at an impressive annual average growth of around 19 per cent as compared to 11.7 per cent for industrial countries during the period 2001-2007, has underlined this trend. Developing countries, in fact, accounted for 52 per cent of the rise in global merchandise exports during the period. At the same time, the increasing share of the South in global GDP, which increased from 21 per cent in 2001 to 28 per cent in 2007, is also testimony to the emergence of the developing South in global arena.

Concomitantly, recent years have witnessed the increasing importance of intra-South trade, which has increased more than three-folds from US$ 915 billion in 2001 to surpass US$ 3 trillion in 2007. South-South trade now accounts for around 22 per cent of global trade and almost 50 per cent of developing countries' total merchandise trade. Among developing countries, India has today emerged as a vibrant economy fuelled by robust growth in its international trade and investment.

Stronger economic frameworks in many emerging economies have provided room for policy support, helping to a large extent to cushion the impact of the current unprecedented global economic crisis. While developing countries have also been impacted by the global slowdown, the recovery in global economic activity and trade expected in 2010 is envisaged to be driven primarily by the faster recovery in developing countries.

Export-Import Bank of India, ever since its inception in 1982, has played a catalytic role in effecting India's increasing integration with the global economy by promoting, financing and facilitating India's international trade and investment, with particular reference to the countries of the South and thereby contributing to South-South economic cooperation. The Asian Exim Banks Forum set up in 1996 to facilitate and enhance regional trade, as also the Global Network of Exim Banks and Development Finance Institutions (G-NEXID) set up in 2006 to foster enhanced South-South trade and investment cooperation, are some of the initiatives of the Bank in its endeavours in this direction.

The dawn of the twenty-first century was heralded with rapid globalisation and unprecedented global integration. Integral to this trade expansion has been the rise of the dynamic South and a rapid expansion in trade among developing countries. The South's impressive growth would provide a new impetus to a sustained growth of the global economy and contribute to the achievement of the Millennium Development Goals. This promises a win-win scenario, not only for the South, but also for industrial countries and economies in transition, as the rapid increase in demand from the South creates trading opportunities for all.

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Board of Directors

Dr. Arvind Virmani
Chief Economic Adviser
Ministry of Finance

Shri G. K. Pillai
Secretary
Department of Commerce
Ministry of Commerce & Industry
(upto June 10, 2009)

Dr. Rahul Khullar
Secretary
Department of Commerce
Ministry of Commerce & Industry
(from June 11, 2009)

Shri Ajay Shankar
Secretary
Department of Industrial
Policy & Promotion
Ministry of Commerce & Industry

Shri T.C. Venkat Subramanian
Chairman & Managing Director
Export-Import Bank of India

Shri H. S. Puri
Secretary (ER)
Ministry of External Affairs
(upto May 1, 2009)

Shri N. Ravi
Secretary (East)
Ministry of External Affairs
(from May 18, 2009)

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

Smt. Shyamala Gopinath
Deputy Governor
Reserve Bank of India

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Chairman & Managing Director
IDBI Bank Ltd.

Shri A. V. Muralidharan
Chairman & Managing Director
Export Credit Guarantee
Corporation of India Ltd.

Shri O. P. Bhatt
Chairman
State Bank of India

Dr. K. C. Chakrabarty
Chairman & Managing Director
Punjab National Bank

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

Dr. Nagesh Kumar
Director General
Research and Information Systems
for Developing Countries (RIS)
(upto June 5, 2009)

The Past Decade

(Rs. in mn)

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Cumulative (1999-2009)	Growth (CAGR)
LOANS												
Approvals	28318	21743	42407	78283	92657	158535	204887	267622	328045	336285	1558781	32%
Disbursements	17296	18964	34529	53203	69575	114352	150389	220760	271587	289327	1239982	37%
Loan Assets [1]	50833	56443	68260	87736	107751	129104	175931	228862	287767	341564		24%
GUARANTEES												
Approvals	4404	2118	5450	9328	10792	15887	43264	49978	21994	16184	179399	16%
Issuance	3017	1741	4164	7275	5743	16602	21959	16972	20386	10315	108174	15%
Guarantee Portfolio	11147	10740	11273	16133	15769	23727	34023	35360	34556	35401		14%
RESOURCES												
Paid-up Capital	5500	5500	6500	6500	6500	8500	9500	10000	11000	14000		
Reserves	9584	10664	12026	13171	14933	16625	17703	18741	21064	24681		
Notes, Bonds & Debentures	20944	22915	33158	64902	76701	98972	126727	154230	179273	215786		
Deposits [2]	2617	2797	3416	9121	20922	82	454	702	26741	28191		
Other Borrowings	20354	20255	16619	16467	21583	21064	32909	61684	111149	128046		
Total Resources	70264	73981	82734	123189	155192	156922	201401	262439	373006	442017		
PERFORMANCE												
Profit Before Tax (PBT)	2273	2047	2212	2686	3042	3144	3769	3909	5334	6101	34517	
Profit After Tax	1651	1541	1712	2066	2292	2579	2707	2994	3330	4774	25646	
Balance of Net Profits transferred/transferable to Central Government	350	380	420	450	470	654	868	956	1008	1157	6713	
Staff (Numbers) [3]	150	154	163	167	190	193	200	212	222	232		
RATIOS												
Capital to Risk Assets Ratio (%)	24.4	23.8	33.1	26.9	23.5	21.6	18.4	16.4	15.1	16.8		
PBT to Capital (%)	43.3	37.2	36.9	41.3	46.8	41.9	41.9	40.1	50.8	48.8		
PBT to Net Worth (%)	16.0	13.1	12.8	14.1	14.2	13.5	14.4	14.0	17.5	17.2		
PBT to Assets (%)	3.6	2.8	2.8	2.6	2.2	2.0	2.1	1.7	1.7	1.5		
PBT per Employee (Rs. mn)	15.3	13.5	14.0	16.3	17.0	16.4	19.2	19.0	24.6	26.9		

[1] Loan Assets are net of claims settled by ECGC, effective 1997-98 and also net of provisions for NPAs effective 2004-05

[2] Deposits are net of corresponding Deposits placed / Investments made with counter-parties for the years 2004-05 to 2006-07

[3] Denotes number of employees in the service of Exim Bank

Note: Data pertain to General Fund

Chairman's Statement

Notwithstanding the global financial crisis and its impact on global economic activity, the Indian economy continued to exhibit resilience compared to most other developing and developed countries during 2008-09. GDP growth is estimated at 6.7 per cent during 2008-09, compared to the growth of 9.0 per cent in 2007-08. On the external front, foreign direct investments remained buoyant, amounting to US$ 33.6 billion during 2008-09, reflecting the confidence of international investors in the Indian economy. India's exports, however, have been impacted by slowdown in import demand from major trade partners particularly during the second half of the year, with major export categories witnessing lower offtake. As regards imports, while decline in international oil prices have resulted in lower growth of oil imports, sustained growth in non-oil imports have resulted in sharp rise in India's trade deficit.

As India's premier export finance institution, and in line with the Government of India's foreign trade policy, Exim Bank proactively endeavours to facilitate and promote the internationalisation efforts of Indian companies, and also strives to enhance the global competitive edge of such companies through a comprehensive gamut of financing programmes and advisory and support services at all stages of the export business cycle. Exim Bank also facilitates two-way technology transfer by financing import of technology into India and investment abroad by Indian companies for setting up joint ventures/ subsidiaries/overseas acquisitions. The Bank also endeavours to create export capability in medium, small and micro enterprises, grassroots business enterprises and agro industries.

BUSINESS INITIATIVES

The Bank lays special emphasis on extension of Lines of Credit (LOCs) as an effective market entry mechanism and market diversification. During the year, 25 LOCs were extended aggregating US$ 783.5 mn to support export of projects, goods and services from India. The Bank now has in place 114 LOCs covering 94 countries in Africa, Asia, CIS, Europe and Latin America and Caribbean, with credit commitments aggregating US$ 3.75 billion. The Bank proactively seeks to expand the geographical reach and volumes under the LOC programme.

The Bank plays a pivotal role in supporting India's project exports. Rigorous efforts in this direction have seen 25 Indian exporters securing 72 project export contracts amounting to Rs. 267.1 billion covering 29 countries during the year demonstrating the competitiveness and capabilities of Indian contractors, suppliers and consultants to secure and execute diverse range of projects.

With Indian companies having established themselves as global investors, the Bank has endeavoured to provide a further impetus to such outward oriented corporates. Towards this end, 16 corporates were sanctioned funded and non-funded assistance during the year for part financing their overseas investments in diverse sectors covering different markets. The Bank has, over the years, supported 241 ventures set up by over 193 companies in 63 countries, in both industrial countries as also developing and emerging markets.

The Bank, during the year, signed an agreement for a long term loan of Euro 150 mn with European Investment Bank (EIB), the European Union's major long term lending institution. This is the first time in the past 15 years that EIB has extended a credit line to an Indian entity. The purpose of the EIB loan to Exim Bank is for supporting projects that contribute to climate change mitigation and to EU presence in India through FDI, transfer of technology or know-how from Europe. The borrowings under this facility will enable the Bank to on-lend for import of equipment for projects including renewable energy projects, energy efficiency enhancement, as well as projects that would reduce greenhouse gases emission, promote clean environment and afforestation.

During the year, Reserve Bank of India extended Refinance facility of Rs. 50 billion to Exim Bank. Reserve Bank of India also made available to the Bank, buy-sell swap facility of US$ 1 billion to provide liquidity support for disbursements under Lines of Credit extended by the Bank to overseas financial institutions, regional development banks, sovereign governments and other entities overseas.

The Bank continues its efforts to support globalisation of rural industries through its Rural Grassroots Business Initiative. The programme builds upon the Bank's other support programmes and seeks to address the needs of relatively disadvantaged sections of society while creating expanded opportunities for traditional craftspersons and artisans, and rural entrepreneurs of the country. The Bank has consciously sought to establish, nurture and foster various institutional linkages. Towards this end, the Memorandum of Cooperation signed between the Bank and the Ministry of Panchayati Raj (MOPR) has been leveraged to enhance the export promotion activities of MOPR through the Rural Business Hub (RBH) initiative and is in line with Exim Bank's initiatives in supporting exports from rural India. The Bank is also actively involved in extending export market access support to rural products through innovative export marketing services, effectively utilising its overseas offices and institutional linkages as also by the provision of Buyers' Credit facility to overseas buying houses and departmental stores for importing a variety of products from India.

To enhance support provided to the micro, small and medium enterprises (MSMEs), the Bank has partnered the Commonwealth Secretariat in organising programmes to assist Commonwealth member states in developing competitive strategies and policies on MSME development.

Research studies brought out by the Bank during the year include: Financial Liberalisation and its Distributional Consequences; Indian Capital Goods Industry: A Sector Study; Indian Textiles and Clothing Industry in Global Context: Salient Features and Issues; Fair Trade: Fair Way of Enhancing Export Value; Indian Automotive Industry: At the Crossroads; SAARC: An Emerging Vibrant Trade Block; ECOWAS: A Study of India's Trade and Investment Potential; IBSA: Enhancing Economic Cooperation Across Continents; and CARICOM: Gateway to the Americas. Exim Bank's Commencement Day Annual Lecture 2009 was delivered by Mr. Justin Yifu Lin, Chief Economist and Senior Vice President, The World Bank, and focused on "Beyond Keynesian Economics: A Stimulus for Development".

During the year, the Bank's Eximius Centre for Learning conducted 26 programmes on a wide range of topics to keep Indian companies abreast of developments in the global market. These included eight country/region specific Business Opportunities seminars. A series of seminars on the British Midlands Region was organised at Bhubaneswar, Bangalore and Hyderabad. Similar seminars were organised at Mumbai and Chennai on the City of Copenhagen; at Hyderabad with Northern Territory, Australia, and at Bangalore and Hyderabad on the Essex County, United Kingdom. Three seminars on Business Opportunities in Asian Development Bank Funded Projects were conducted at Mumbai, New Delhi and Kolkata, while seminars on Business Opportunities in African Development Bank Funded Projects were also organised at Mumbai and New Delhi. Seminars focusing on International Mergers & Acquisitions were organised at Bangalore and New Delhi. For enhancing export skill of SMEs, the Centre organised seminars on Export Procedure & Documentation at Bangalore, Gangtok, Hyderabad, Bhubaneswar, Kochi and Kolkata, as also a programme on Ayurveda Exports at Thrissur, Kerala. The Centre also organised workshops on Export Marketing of Rural Grassroots Industry Products at Ambikapur, Chhattisgarh and Bidar, Karnataka.

The Asian Exim Banks Forum, conceived and initiated by the Bank in 1996, held its 14th Annual Meeting in Sydney, Australia, in October 2008. The theme for the 2008 meeting was "The Changing Face of Asian Exim Banks - Managing Complexity", and covered a wide range of topics including challenges and future strategies of member institutions; global trade paradigm and implications to trade trends in the Asian region; implications of the global financial crisis to Asian Exim Banks; Asian Exim Banks in the Sub-Saharan African Region – drivers, challenges and business outlook. Under the aegis of the Asian Exim Banks Forum, the Bank organised a training programme on SME financing in Mumbai during November 2008, wherein participants from member institutions as also faculty from ITC, Geneva, shared their experiences in SME financing.

The Global Network of Exim Banks and Development Finance Institutions (G-NEXID), set up in Geneva in March 2006 through the Bank's initiative, under the auspices of UNCTAD, has endeavoured to foster enhanced South-South trade and investment cooperation. To foster sharing of experiences on the challenges and opportunities being faced by SMEs in the current global scenario, G-NEXID, in collaboration with Banque de Financement des Petites et Moyennes Entreprises (BFPME), Tunisia, organised a seminar in Tunis during January 2009, wherein member organisations shared their views and experiences with the participants on issues including SME growth and challenges; SME lending in the global context; SME lending strategies, risk management and best practices in SME lending.

The Bank has been conferred the 2009 "Trade Development Award" by The Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) in recognition of the Bank's "Overseas Investment Finance Programme" which seeks to catalyse trade creation through overseas investments with the underlying objective of assisting Indian firms to organise production optimally to serve regional or global markets. The Bank, through this programme, has contributed towards South-South cooperation and sharing of the Indian experience and expertise as also demonstrated the ability of Indian firms to ensure sustained performance in demanding and discerning markets.

BUSINESS RESULTS

Despite the challenges imposed by the current global financial crisis, Bank's performance has exhibited distinct growth, reflecting strong business fundamentals. Loan approvals aggregated Rs. 336.3 billion, while disbursements amounted to Rs. 289.3 billion during 2008-09. Loan assets of the Bank have risen to Rs. 345.1 billion, a rise of 18.4 per cent over the previous year.

Profit after tax amounted to Rs. 4.77 billion as compared to Rs. 3.33 billion in the previous year. Capital to Risk Assets Ratio stood at a healthy 16.77 per cent, while net NPAs to net loan assets declined to 0.23 per cent as on March 31, 2009. During the year, the Bank received capital of Rs. 3 billion from the Government of India, increasing the paid-up capital to Rs. 14 billion.

Foreign currency resources of US$ 725 mn equivalent were raised through bilateral / club loans and US$ 447 mn by way of buy-sell swaps. As on March 31, 2009, the Bank had a pool of foreign currency resources equivalent to

US$ 3.46 billion and outstanding Rupee borrowings including bonds/ commercial paper/certificates of deposit amounted to Rs. 225.6 billion.

As on March 31, 2009, the Bank was rated Baa3 (stable) by Moody's, BBB- (negative) by Standard & Poor's, BBB- (stable) by Fitch Ratings and BBB+ (stable) by Japan Credit Rating Agency (JCRA). All the above ratings are of investment grade or above and are the same as the sovereign rating.

INSTITUTIONAL INTERACTIONS

The Bank has developed relationships, both structured and informal, with agencies and institutions involved in promotion of trade and investment which have served to supplement the various endeavours of the Bank. CII, FICCI, ASSOCHAM, NASSCOM, FIEO, EEPC India, Project Exports Promotion Council of India, Indo-EU Chambers of Commerce, other Export Promotion Councils, Chambers of Commerce and Economic Research Institutes have been a valuable source of learning and support. The Bank has also received strength and value from interaction with industry, banks, financial institutions, Export Credit Guarantee Corporation of India Ltd., Ministries of Government of India, particularly the parent Ministry of Finance, Reserve Bank of India, and Indian Missions overseas.

BOARD OF DIRECTORS

There have been changes on the Board during the year. Shri N. Ravi, Secretary (East), Government of India, Ministry of External Affairs, who had relinquished the directorship on August 6, 2008, rejoined the Board on May 18, 2009; Shri H. S. Puri, Secretary (ER), Government of India, Ministry of External Affairs, who was appointed as a Director on the Board on August 7, 2008, relinquished the directorship on May 1, 2009, consequent upon change in office. Smt. Ravneet Kaur, Joint Secretary (IF), Government of India, Ministry of Finance, Department of Financial Services; Shri M. D. Mallya, Chairman and Managing Director, Bank of Baroda; and Dr. Nagesh Kumar, Director General, Research and Information Systems for Developing Countries, were appointed as Directors on the Board. Shri Rakesh Singh, Joint Secretary (IF), Government of India, Ministry of Finance, Department of Financial Services; Shri M. B. N. Rao, Chairman and Managing Director, Canara Bank; Shri S. P. Oswal, Chairman, Vardhman Group; Shri A. Vellayan, Chairman, EID Parry (India) Ltd.; and Smt. Kiran Mazumdar-Shaw, Chairman and Managing Director, Biocon Ltd., relinquished their directorships consequent upon completion of their term or change in office. The Bank gratefully acknowledges their invaluable contributions as Directors.

The staff of the Bank, which is the key resource, displayed high level of commitment and dedication to the pursuit of business growth and new initiatives and merits a special mention for carrying the Bank's mission forward. The Bank's participative and professional work culture has consistently remained a source of strength for the Bank.

T.C. Venkatsubramanian

(T.C. Venkat Subramanian)

May 21, 2009

Economic Environment

GLOBAL ECONOMY

The world economy is mired in the severest financial crisis since the Great Depression. The sub prime mortgage crisis widened during 2008 into deeper fissures across the global financial landscape and ended with the collapse of major banking institutions, precipitous falls on stock markets across the world and a credit freeze, resulting in a global economic slowdown across almost all developed and emerging economies. As a result, the global economy exhibited modest growth during 2008. According to the International Monetary Fund (IMF)'s World Economic Outlook, April 2009, the growth in global GDP is estimated to have decelerated to 3.2 per cent in 2008, primarily on account of slowdown in the growth of advanced economies, as compared to 5.2 per cent growth registered during the previous year. In the advanced economies, real GDP growth is estimated to have decelerated to 0.9 per cent in 2008 from 2.7 per cent in 2007, while the same in developing economies and emerging markets is estimated to have decreased to 6.1 per cent in 2008 as compared to 8.3 per cent in the previous year. In the light of the global economic recession, world output is projected to decline to a negative 1.3 per cent in 2009. However, on account of continued efforts to ease credit strains as well as expansionary fiscal and monetary policies, the global economy is projected to experience a gradual recovery in 2010, with growth picking up to 1.9 per cent, according to IMF forecasts.

The advanced economies are forecasted to decelerate sharply to a negative 3.8 per cent in 2009 from 0.9 per cent growth during 2008. The US is expected to decline to a negative 2.8 per cent in 2009 compared with a positive growth of 1.1 per cent in 2008. The economy has been fragile since 2007, with the major deterrent being the slump in the housing sector, while strong external demand and a sizeable fiscal stimulus package had kept the economy growing at a mild pace. With the intensification of the credit crisis, the domestic economy in the US deteriorated dramatically. The severe credit crunch has turned a sector-led slowdown into a full-scale retrenchment of households and businesses affecting the economy at large. Exports of the US have witnessed an exceptionally strong growth over the past two years. According to United Nations World Economic Situation and Prospects 2009, the volume of exports is estimated to have increased by almost 10 per cent in 2008. On the other hand, on account of weak domestic demand, the volume of imports has dropped by about 2 per cent. Exports growth is expected to decelerate sharply in 2009 as a result of slowdown in global demand. Moreover, imports are expected to fall further, as a result of retrenchment in both consumption and investment. Due to continued weak import demand, as well as a lower oil import bill, the current account deficit is expected to narrow further in 2009 to US$ 540 billion from US$ 700 billion in 2008.

The Canadian economy is expected to witness a pronounced slowdown

Mr. Justin Yifu Lin, Chief Economist & Senior Vice President, The World Bank, delivered the Bank's Commencement Day Annual Lecture 2009, speaking on "Beyond Keynesian Economics: A Stimulus for Development". Dr. Dilip M. Nachane, Director, Indira Gandhi Institute of Development Research, presided over the function.

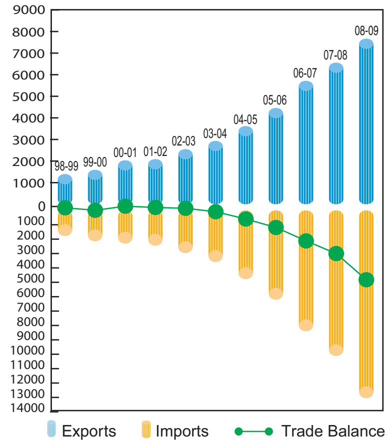
in growth from 2.7 per cent in 2007 to 0.5 per cent in 2008, and further to a negative 2.5 per cent in 2009. The short-term outlook is clouded by weaker prospects in the US and on account of the current economic slowdown.

The real GDP growth of the Euro area is estimated to have decelerated to 0.9 per cent in 2008 from 2.7 per cent in the previous year. Growth rates of almost all major European countries have witnessed a slowdown in 2008. Growth rate of GDP in Germany slowed down from 2.5 per cent in 2007 to 1.3 per cent in 2008. The corresponding decline in France was from 2.1 per cent to 0.7 per cent, in Italy from 1.6 per cent to a negative 1.0 per cent and in Spain from 3.7 per cent to 1.2 per cent. Export volumes decelerated sharply in the second quarter of 2008, and are estimated to grow by only 3.8 per cent in 2008 in the EU-15. For some countries, strong competitiveness, a favourable product mix coupled with the orientation towards the fast-growing Asian and oil-producing countries, provided some cushion. Nevertheless, all countries are expected to witness a significant slowdown in exports and imports in near future. Following sub-prime mortgage crisis, credit conditions are being tightened in Europe also. The growth in Euro area is projected to decelerate sharply to a negative 4.2 per cent in 2009. Outside the Euro area in Western Europe, growth in the United Kingdom also decelerated from 3.0 per cent in 2007 to 0.7 per cent in 2008 and is further projected to sharply decline to a negative 4.1 per cent in 2009 due to the severity of the impact of the global financial crisis.

In Japan, the economy continued to grow at a moderate rate of 2.4 per cent during 2007, falling to a negative 0.6 per cent in 2008. Although the exposure of Japanese financial system to the sub-prime crisis is limited, the economic growth for 2009 is projected to be severely affected and is expected to decline further to a negative 6.2 per cent during 2009. On the external front, Japan's exports too are severely affected due to the economic downturn, especially in the US, Japan's biggest export destination, as well as a stronger Yen. Demand from emerging markets, especially

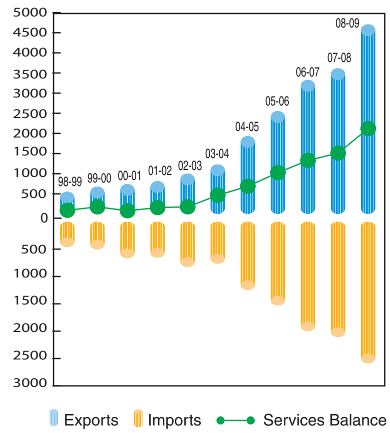
Trends in India's Merchandise Trade

(Rs. in billion)



Trends in India's Services Trade

(Rs. in billion)

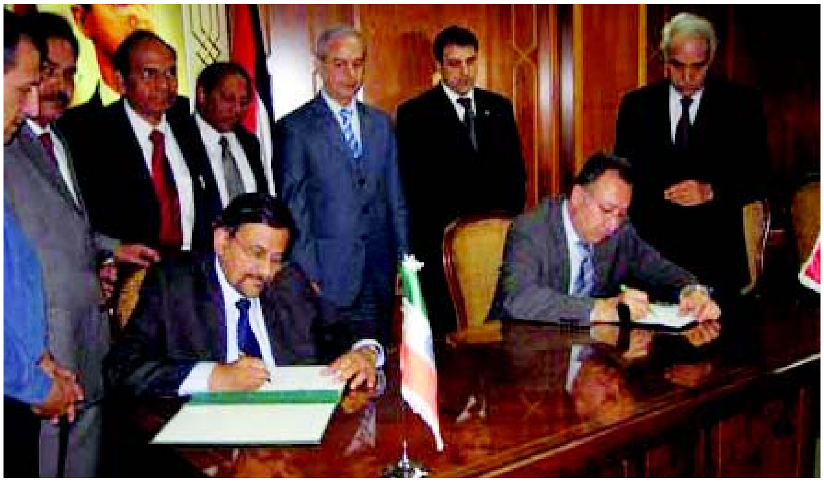


Turnkey project for methanol and carbon monoxide plant at Al-Jubail for Saudi Formaldehyde Chemical Co. Ltd., being executed by Larsen & Toubro Ltd., Mumbai, with financial support from Exim Bank.

China, has so far been a strong counterbalance to slower export demand from developed countries. However, the negative impact of the global crisis on economic activity in emerging markets could put further pressure on Japan's export performance.

In the Asian region, growth in developing Asia decelerated from 10.6 per cent in 2007 to a still reasonably high 7.7 per cent in 2008, primarily on account of a continued decent performance by China and India. However, owing to the severe global economic downturn, real GDP growth of China declined from 13.0 per cent in 2007 to 9.0 per cent in 2008. The newly industrialised Asian economies, too, faced a deceleration in growth rate from 5.7 per cent in 2007 to 1.5 per cent in 2008.

In Africa, most of the countries have grown robustly in recent years, helped by increasing trade openness. Oil-exporting countries have experienced rapid growth as reserve levels have been pushed up by export revenues. Supported by favourable environment, some of the countries in Sub-Saharan Africa emerged as attractive destinations for private capital flows. Net private inflows have risen significantly reaching record levels in 2007, mainly driven by FDI inflows. The African region grew by 6.2 per cent in 2007 before sliding down to 5.2 per cent in 2008 on account of a deteriorating global economic environment. However, the region managed to maintain its seventh consecutive year of growth of over 5.0 per cent, propped up by increased revenue from the continent's commodity exports in the first half of the year, as well as continued improvements in non-oil sectors, such as agriculture and tourism.



Line of Credit of US$ 25 mn extended by Exim Bank to Government of Syrian Arab Republic for financing export of goods and services from India was signed in Damascus, Syria, by Dr.Tayssir Raddawi, Chairman of the State Planning Commission, on behalf of the Government of Syrian Arab Republic, in the presence of Syria's Industry Minister H.E. Dr. Fouad Al-Jouni and India's Ambassador to Syria, Mr. Gautam Mukhopadhaya.

On account of high oil revenues, boom in construction sector, and tourism receipts boosting both public and private consumption in most countries, North Africa recorded a 5.1 per cent growth rate in 2008. In Central Africa, however, robust growth was mainly due to the rebound in oil production in Congo. East Africa, led by Ethiopia, continued to maintain the highest growth in the continent, benefiting from improved agricultural performance, healthy aid inflows and strong growth in tourism and investment in the first half of 2008. In Southern Africa, growth in economic activity moderated from 6.2 per cent in 2007 to 4.2 per cent in 2008, led by lower growth in South Africa owing to a tightening in consumer spending and the slowdown in mining and quarrying.

In the Middle East Region, the long spell of strong growth continued to be supported by robust domestic demand in the recent past. Real GDP growth of 6.3 per cent recorded in 2007 marginally declined to 5.9 per cent in 2008. However, in light of the aggravating global economic crisis, growth in the region is expected to fall sharply to 2.5 per cent in 2009 before recovering slightly to 3.5 per cent in 2010. Although investment in the oil sector stagnated in real terms because of increasing investment costs, real GDP growth in oil-exporting countries was sustained by expansion in the non-oil sectors, pushed by rising government spending out of oil revenues, foreign capital inflows, and rapidly growing domestic private credit.

In Latin America and Caribbean, real GDP growth moderated to 4.2 per cent in 2008 as compared to 5.7 per cent witnessed in 2007, on account of slowing activity, difficult external environment, and high inflation. After four years of strong output growth, the pace eased in most economies of the region during 2008, largely because of moderating exports. In 2008, while economic growth in Brazil (5.1 per cent), Chile (3.2 per cent), Colombia (2.5 per cent), Mexico (1.3 per cent), and Venezuela (4.8 per cent) was affected on account of the global financial crisis, growth in Bolivia (5.9 per cent), Ecuador (5.3 per cent), Peru (9.8 per cent), Suriname (6.5 per cent) and Uruguay (8.9 per cent) was still relatively high.

The Commonwealth of Independent States (CIS) region has not been immune to the recent financial turmoil, but this has come against the backdrop of the longest economic expansion since the beginning of transition. Real GDP growth in the region remained strong in 2007, accelerating to 8.6 per cent, before declining to 5.5 per cent in 2008. The robust expansion in the region, up to 2007, has been underpinned by high commodity prices, expansionary macroeconomic policies, strong capital inflows and rapid credit growth. The growth momentum in this region is, however, expected to sharply decline to a negative 5.1 per cent in 2009 as the weaker global economy and slower credit growth slow the pace of the expansion considerably. Consumption has remained the main driver of growth of Russian economy, supported by rising real incomes and easy access to credit, accompanied by pick up in investment till 2007. In 2008, the Russian economy expanded by 5.6 per cent, but is expected to decelerate sharply to a negative 6.0 per cent in 2009. Slowdown in the global economy has pulled down the commodity prices, a key driver of economic growth in the region, adversely affecting the external financing condition.

Dr. Arjun Jayadev, winner of Exim Bank International Economic Development Research Annual Award 2007 receives the citation from Mr. Y.R. Warerkar, Executive Director, World Trade Centre, at the award function in Mumbai.

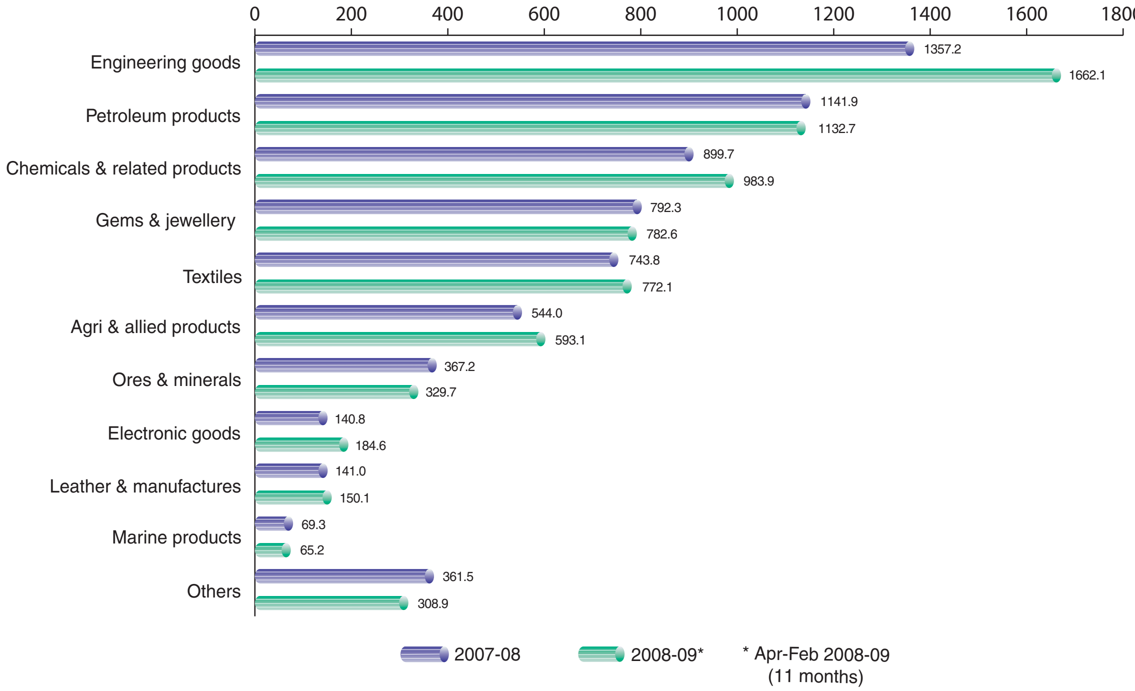
In Emerging Central and Eastern Europe, real GDP growth moderated to 2.9 per cent in 2008 from 5.4 per cent in 2007. Growth in most of the countries of the region has been supported by growth in domestic demand, which has substantially outpaced production in 2007. The region is expected to sharply decelerate to a negative 3.7 per cent in 2009 due to slowing down of domestic demand and deceleration in export growth owing to weakening demand from West Europe.

World Trade

During 2008, global exports of goods amounted to US$ 15.8 trillion implying a growth of 15.6 per cent over the previous year's total of US$ 13.7 trillion. In volume terms, the growth in global trade of goods in 2008 stood at 3.2 per cent as compared to 6.6 per cent witnessed in 2007. While advanced economies registered a subdued growth of 1.5 percent in volume of exports in 2008, emerging and developing economies registered a higher growth of 6.1 per cent. The world

Composition of India's Merchandise Exports

(Rs. in billion)



trade prices of non-fuel primary commodities rose by 7.5 per cent in US dollar terms in the year 2008, as against 14.1 per cent in 2007. Oil prices, which witnessed a growth of 10.7 per cent in 2007, rose by 36.4 per cent in 2008. World trade price of manufactures increased by 9.6 per cent in 2008, as compared to a growth of 8.8 per cent recorded in 2007. World export of services amounted to US$ 3.8 trillion in 2008, implying an increase of 12.0 per cent over the previous year's total of US$ 3.4 trillion. During 2009, reflecting the expected sharp contraction in imports in both advanced economies and developing and emerging economies, coupled with decline in global trade prices, the volume growth of global trade is forecast to register a sharp decline of a negative 11.5 per cent, before recovering to 0.7 per cent growth in 2010.

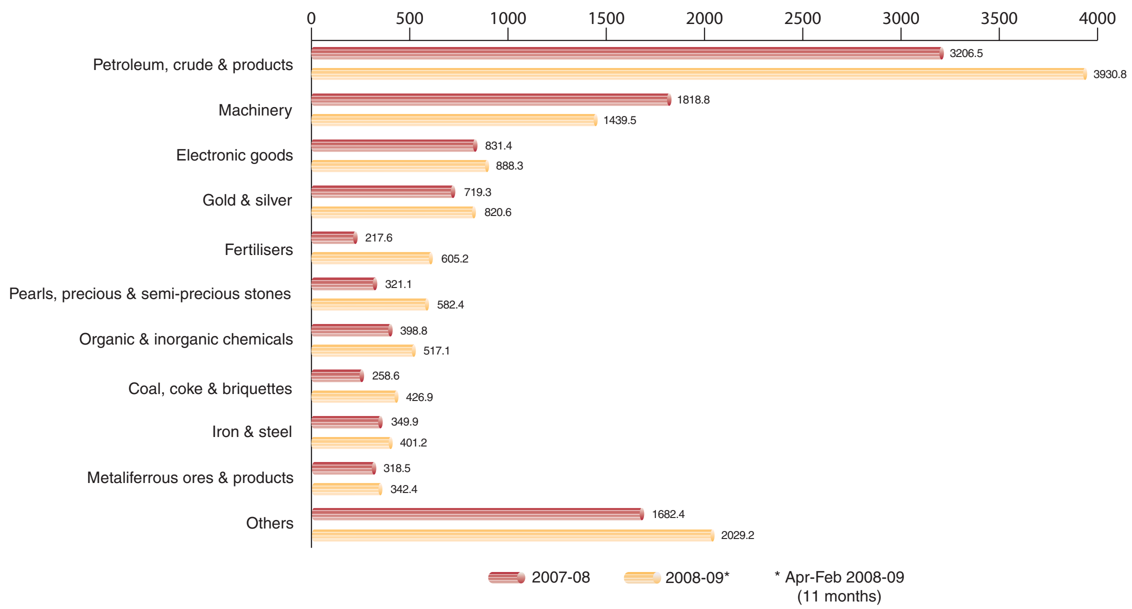
Private Capital Flows, Current Account Balances and External Debt of Emerging Economies

Many emerging market and developing countries have experienced historically high levels of net foreign exchange inflows, through both current and capital accounts, over the past years. In recent years, the net foreign exchange flows were largely contributed by significant rise in private capital flows. Net flows to emerging market economies had reached a record level of US$ 928.6 billion during 2007, before reducing to US$ 465.8 billion in 2008, on account of the recent financial crisis. While net direct investment stood at US$ 263.4 billion in 2008, compared to US$ 304.1 billion in the previous year, net portfolio investment is estimated to have declined steeply from US$ (-)8.0 billion in 2007 to US$ (-)89.3 billion in 2008.

Emerging Europe accounted for 54.6 per cent of the net private capital flows to the emerging economies with total inflows amounting to US$ 254.2 billion in 2008. In emerging Asian region, in spite of recording highest growth among all emerging economies, net private capital flows to the region substantially declined to US$ 96.2 billion in 2008 from US$ 314.8 billion in the previous year. This may be attributed to a sharp decline in net equity investment. Net direct investment to this region too declined from US$ 148.6 billion in 2007 to US$ 112.7 billion in 2008.

Composition of India's Merchandise Imports

(Rs. in billion)



Net private capital flows to Latin America also witnessed a large decline to US$ 89 billion in 2008 compared to US$ 183.6 billion in 2007.

Current account surplus of the emerging economies decreased to US$ 387.4 billion in 2008, implying a decrease of 10.7 per cent over the previous year's surplus of US$ 434 billion. In the emerging Asian region, current account surplus reduced from US$ 420.2 billion in 2007 to US$ 386.4 billion in 2008. In emerging Latin America, current account surplus sharply dropped to US$ 0.3 billion in 2008 from US$ 27.2 billion in the previous year. In emerging Europe, current account deficit of US$ 23.5 billion in 2007 widened to US$ 29.8 billion in 2008. On the contrary, the Africa and Middle East region is estimated to have witnessed an increase in current account surplus to US$ 31 billion in 2008 as compared to US$ 10 billion in the previous year.

External debt of emerging and developing economies, as a proportion of their exports of goods and services, decreased from 71.5 per cent in 2007 to 63.1 per cent in 2008. The ratio was high in 2008, though reduced over the previous year, in the case of Central & Eastern Europe and CIS region, which stood at 116.0 per cent and 92.1 per cent, respectively, as against 123.6 per cent and 113.5 per cent, respectively, in 2007. The ratio has also decreased for Middle East Region from 46.9 per cent in 2007 to 34.3 per cent in 2008. The ratio in emerging Asian region, marginally declined from 44.6 per cent in 2007 to 42.3 per cent in 2008. In Sub-Saharan Africa and the Latin America and Caribbean regions, the ratios have declined and stood at 55.3 per cent and 85.4 per cent, respectively, in 2008. Overall, the debt-service payments ratio of the emerging and developing economies declined to 10.7 per cent in 2008 from 12.8 per cent in 2007.

INDIAN ECONOMY

The global financial crisis and its impact on global economic activity notwithstanding, the Indian economy continued to exhibit resilience compared to most other developing and developed countries during 2008-09*. GDP growth is estimated at 6.7 per cent during 2008-09, as compared to the growth rate of 9.0 per cent in 2007-08. The growth in 2008-09 has mainly been due to the growth rates of over 5.0 per cent

* Statistics in this section correspond to the Indian fiscal year, which runs from April to March of the next year.

in the sectors of ‘construction’, ‘trade, hotels, transport and communication’, ‘financing, insurance, real estate and business services’, and ‘community, social and personal services’.

Agriculture

Agriculture and allied activities are estimated to have registered a modest 1.6 per cent growth in 2008-09, implying a slowdown from a growth of 4.9 per cent registered in the previous year. Foodgrains production in 2008-09 is estimated at 227.9 mn tonnes (MT), marginally lower as compared to the previous year’s total of 230.8 MT, primarily on account of decline in kharif foodgrains production. However, growth in allied sectors such as horticulture, livestock and fisheries is expected to remain favourable.

Industry

According to the Central Statistical Organisation (CSO), the industrial sector, which recorded a robust 8.1 per cent growth in 2007-08, moderated to 3.9 per cent in 2008-09, mainly on account of slowdown in manufacturing and electricity, gas & water supply sub-sectors. The growth of real GDP originating from manufacturing sector was subdued at 2.4 per cent during 2008-09 as compared to 8.2 per cent witnessed in the previous year, while ‘mining and quarrying’ recorded a higher growth of 3.6 per cent in 2008-09 from 3.3 per cent growth registered in the previous year. Growth of real GDP originating from ‘electricity, gas and water supply’ moderated to 3.4 per cent in 2008-09, as compared to 5.3 per cent growth recorded in the previous year. Construction sector registered 7.2 per cent growth in 2008-09 as compared to 10.1 per cent recorded in 2007-08.

The Index of Industrial Production (IIP) during 2008-09 stood at 2.4 per cent, lower than 8.5 per cent recorded during 2007-08. The deceleration in IIP was mainly due to slowdown in growth of manufacturing sector. As per the use-based classification, the growth of basic goods sector moderated to 2.5 per cent during 2008-09, as compared to 7 per cent growth witnessed during the previous year. The capital goods sector recorded a growth of 7 per cent during 2008-09 as compared to 18 per cent witnessed during 2007-08. Growth in intermediate goods sector also sharply declined to a negative 2.8 per cent during 2008-09 as compared to a growth of 9 per cent registered during the previous year. The consumer durables segment showed a pickup during 2008-09 registering a growth of 4.4 per cent, partially offsetting the slowdown in growth in consumer non-durables segment. As a result, growth in consumer goods sector recorded a marginal slowdown from 6.1 per cent during 2007-08 to 4.4 per cent during 2008-09.

Of the seventeen industrial sub-groups in the manufacturing sector, nine sub-sectors registered positive growth rates during 2008-09 as compared to the previous year. These nine sub-sectors were beverages, tobacco and related products (15.6 per cent); machinery and equipment other than transport equipment (8.7 per cent); basic metal and alloy industries (4.0 per cent); textile products (including wearing apparel)

Agreement for Exim Bank’s Line of Credit of US$ 17.34 mn to the Government of Lao PDR, to finance development of irrigation schemes in the Chamassack province of Laos, was signed in Vientiane, Lao PDR, by H.E. Mr. Somdy Douangdy, Minister of Finance, on behalf of Lao PDR, in the presence of India’s Ambassador to Lao PDR, Mr. Suresh Goel.

(3.7 per cent); basic chemicals & chemical products (except products of petroleum & coal) (2.9 per cent); transport equipment and parts (2.2 per cent); paper & paper products and printing, publishing & allied industries (1.3 per cent); non-metallic mineral products (1.0 per cent); and other manufacturing industries (0.5 per cent). Wood and wood products recorded the largest negative growth of 10.3 per cent during the year.

Services

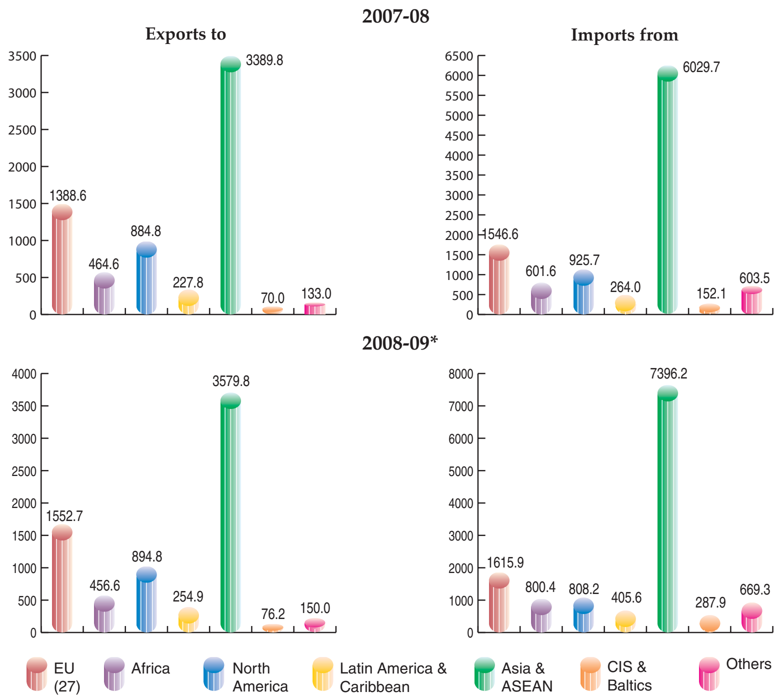
The growth of services sector continued to be broad-based registering a growth of 9.7 per cent in 2008-09, as compared to 10.9 per cent registered in the previous year. Within services sector, 'community, social and personal services' registered a growth of 13.1 per cent during 2008-09, higher than 6.8 per cent growth during the previous year. Growth in GDP for 'trade, hotels, transport and communications' sector stood at 9.0 per cent during 2008-09, while 'financing, insurance, real estate and business services' sector registered a growth of 7.8 per cent during 2008-09.

Infrastructure

The six infrastructure and core industries, viz. crude petroleum, petroleum refinery products, coal, electricity, cement, and finished steel, registered an average growth rate of 2.7 per cent during 2008-09, as compared to 5.9 per cent during the previous year. Growth has been especially subdued in the four sectors namely crude petroleum, petroleum refinery products, electricity and finished steel. Among the sectors, crude oil output recorded highest deceleration in growth at (-)1.8 per cent during 2008-09, as compared to 0.4 per cent during 2007-08. Petroleum refinery production grew by 3.0 per cent during 2008-09, as compared to 6.5 per cent during 2007-08. Electricity generation registered a subdued growth of 2.7 per cent during 2008-09, as compared to 6.3 per cent during 2007-08. Production of finished steel registered a modest growth of 0.4 per cent during 2008-09, as compared to 6.2 per cent during the previous year. Cement production registered a growth of 7.5 per cent during 2008-09, though marginally lower than the 8.1 per cent growth registered during 2007-08. In the case of coal, however, production grew by 8.1 per cent during 2008-09, higher than 6.0 per cent growth registered during the previous year.

Direction of India's Merchandise Trade

(Rs. in billion)



* Apr-Feb 2008-09 (11 months)

Inflation

The annual rate of inflation, based on Wholesale Price Index, calculated on point-to-point basis, after touching an intra-year peak of 12.8 per cent in August 2008 declined sharply to 0.3 per cent as on end March 2009. The declining trend in inflation rate was primarily due to reduction in prices of petroleum products, oilseeds and edible oils, raw cotton, cotton textiles and iron and steel, in line with the decline in international commodity prices particularly during the latter half of the year.

Capital Markets

Net portfolio investment in India in 2008-09 stood at US$ (-)13.86 billion, implying a sharp decrease from US$ 29.4 billion in 2007-08. This may be attributed to the considerable decrease in net investment by Foreign Institutional Investors (FIIs), from US$ 20.3 billion in 2007-08 to US$ (-)15.0 billion in 2008-09.

Foreign Trade and Balance of Payments

India's exports during 2008-09 amounted to US$ 168.7 billion, as compared to US$ 163.1 billion recorded during the previous year, registering a growth of 3.4 per cent. India's imports during the year stood at US$ 287.8 billion, as compared to US$ 251.7 billion during the previous year, registering a growth of 14.3 per cent. Overall, trade deficit for 2008-09 rose to US$ 119.1 billion from US$ 88.5 billion in the previous year. With regard to commodity composition of India's main exports in 2008-09 (April-February), growth was particularly robust in the case of transport equipments (64.6 per cent), primary and semi-finished iron and steel (21.8 per cent), and machinery and instruments (20.0 per cent). Oil imports increased to US$ 93.2 billion during 2008-09 from US$ 79.7 billion in the previous year, registering a growth of 16.9 per cent. Non-oil imports during 2008-09 stood at US$ 194.6 billion, which was 13.2 per cent higher than the level of such imports valued at US$ 171.9 billion in the previous year.

India's net inflow of invisibles increased to US$ 68.9 billion in 2008-09 (April-December) as compared to the net inflow of US$ 53.8 billion recorded in the corresponding period in 2007-08. The strong growth in services exports, especially of software and information technology (IT) services, and remittances from overseas Indians, have imparted stability to invisibles receipts. Services exports were valued at US$ 74.5 billion and net transfers at US$ 35.1 billion during the period 2008-09 (April-December). Services exports remained strong on account of the steady growth in software exports valued at US$ 34.6 billion during 2008-09 (April-December), coupled with growth in export of business services to US$ 12.7 billion and financial services to US$ 3.4 billion. Current account deficit widened to US$ 36.5 billion during 2008-09 (April-December) from US$ 15.5 billion in the corresponding period of 2007-08.

Supply of Kirloskar pump sets for irrigation to Senegal, financed under Exim Bank's Line of Credit of US$ 27 mn to Government of Senegal.

Reflecting the confidence of international investors in the Indian economy, foreign direct investment inflows stood at US$ 33.6 billion in 2008-09, with 83.0 per cent attributable to equity investments. During 2008-09 (April-December), 2,828 proposals amounting to US$ 16.4 billion were approved for investments abroad in JVs and WOSs. During the same period, total actual overseas investments from India amounted to US$ 11.3 billion.

India's foreign exchange reserves decreased to US$ 252 billion as at end-March 2009, from US$ 309.7 billion as at end-March 2008. India's external debt, which stood at US$ 224.8 billion as at end-March 2008 increased to US$ 230.9 billion as at end-December 2008, primarily on account of higher level of long term debt.

Outlook for Select Sectors

Textiles and Garments

The textiles and clothing sector has been affected by the recessionary trends in US and Europe, as also by rising competition, especially in the clothing sector, from other developing countries, such as Vietnam, Bangladesh and Sri Lanka. The slowdown in demand has resulted in closure / downscaling of several textile retail chains in US and Europe, thereby affecting the export operations of Indian textile industry.

During the period 2008-09 (April-February), textile and garments exports from India were around US$ 16.9 billion, a growth of 2.5 per cent over the corresponding period in the previous year. The slowdown in demand for textiles and clothing from major importers such as US and EU, is likely to affect the growth prospects of this sector.

The textile industry is the second largest employer after agriculture. Through its contribution to the industrial output, employment generation and export earnings, the industry plays an important role in the Indian economy. The industry is estimated to be contributing about 14 per cent of industrial production, 4 per cent of national GDP, 11 per cent of the country's exports, and provides direct employment to over 35 mn people.

Drugs and Pharmaceuticals

Economic conditions would impact the worldwide pharmaceutical market in 2009. It has been estimated that in the year 2009, the economic downturn would effectively reduce the growth in developed country markets. The global pharmaceutical sales are estimated to surpass US$ 820 billion in 2009. Major markets such as US, European Union (France, Germany, Italy, Spain, United Kingdom) and Japan, are expected to grow at slow pace, while emerging markets like China, Brazil, India, Mexico, Turkey and Russia are forecast to grow at a combined 14-15 per cent. The market will continue to contend with a number of forces – among them, the shift in growth from developed countries to emerging ones, specialist-driven products playing a larger role, blockbuster drugs losing patent protection, and the rising influence of regulators and stakeholders on healthcare decisions.

The Indian pharmaceutical industry is one of the fastest growing segments of Indian manufacturing sector. The size of Indian pharmaceutical industry is estimated to be over US$ 17 billion, of which around US$ 6 billion is being exported. It is estimated that Indian pharmaceutical industry is ranked 4th in terms of volume and 14th in terms of value, in the global pharmaceutical market. The industry has attained self-reliance in the production of formulations, and produces almost 70 per cent of bulk drug requirements of the country. India is also a major producer of generic drugs in the world.

In comparison with global pharmaceutical companies, Indian pharmaceutical manufacturers are producing medicines at competitive cost and also Indian generic majors have long-term contracts with their preferred suppliers. Export of drugs, pharmaceuticals and fine chemicals from India, during the period 2008-09 (April-February), has been valued at US$ 7.7 billion, a growth of 18.9 per cent over the corresponding period of previous year.

Exim Bank's research publication, 'Indian Capital Goods Industry: A Sector Study', was released by Mr. Ajay Shankar, Secretary, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India, during the 7th CII Manufacturing Summit, "Building Manufacturing, Building India" in the presence of Mr. Jamshyd N. Godrej, Chairman and Managing Director, Godrej & Boyce Manufacturing Co. Ltd.

Automotives

With the developments in the global financial sector, since September 2008, and the subsequent economic slowdown, the advantage of easier and better availability of auto finances in India has been diminishing significantly. Despite tough conditions, exports were robust for passenger vehicles with overseas shipments growing by 53 per cent during 2008-09. The year 2008-09 saw automobile exports registering a growth of 23.6 per cent with all segments except commercial vehicles, registering positive growth. However, sales of automobiles have been modest across all segments except passenger vehicles and multi-purpose vehicles where a marginal growth in profit has been witnessed. However, such a trend is not deterring the automakers from making fresh launches.

Indian auto-components industry, which generates 10-20 per cent of its total turnover from its sales in the Western markets, has been facing crisis, following sluggish demand from the Original Equipment Manufacturers (OEMs) worldwide. In the last few years, Indian auto-component industry has emerged as one of the fastest growing manufacturing sectors, and a globally competitive one. According to Auto Components Manufacturers Association (ACMA), the size of Indian auto components industry was around US$ 18 billion in the year 2007-08, with exports worth US$ 3.6 billion. Export orientation of Indian auto-components industry has increased from a level of 11 per cent in 1997-98 to over 20 per cent in 2007-08.

The slowdown in demand for vehicles, both in domestic and export markets, has led to announcement of production cuts by many vehicle manufacturers. In fact, some auto-majors have postponed their expansion plans following the financial crisis, owing to increase in cost of credit and slowdown in demand. Such trends affected the overall market prospects of Indian auto-component manufacturers. According to estimates, the Indian auto component industry is expected to witness a single-digit growth (of around 6 per cent), with significant drop in export earnings (of around 5.5 per cent) by leading players.

However, it may be noted that India's automotive industry has the capability to manufacture the entire range of vehicles and auto-components, at competitive costs. Steered by India's sophisticated engineering skills and established production lines, Indian automotive industry is expected to witness stronger growth in the years to come with onset of recovery of global economic activity.

Engineering goods

Amidst the dismal economic situation across the world, the Indian engineering goods sector is on a growth path fuelled by a well diversified market that produces a range of products such as capital goods / machinery and equipments, and light engineering goods. The Index of Industrial Production (IIP) computed by the Central Statistical Organisation, Government of India, shows a positive growth for sectors such as basic metals and alloy industries (4.0 per cent), machinery and equipments other than transport equipments (8.7 per cent) during 2008-09. However, while the transport equipment sector posted a moderate growth performance

Rural women making cotton hammocks for export market under a project supported by Exim Bank for an NGO, Trust for Village Self Governance at Kuthambakkam village in Tamil Nadu, aimed at generation of employment for rural poor women.

(2.2 per cent), the metal products and parts sector has shown a negative growth of (-) 4.0 per cent as compared to the previous year.

The performance of the Indian engineering industry over the years has been positive with exports during the period 2008-09 (April-February) reaching US$ 36.5 billion, a growth of 22.9 per cent over the corresponding period of previous year. However, the demand for Indian engineering goods has showed a perceptible dip in the traditional markets of US, Europe and South East Asia.

The capital goods sector, as per the IIP figures, registered a lower growth of 7.0 per cent during 2008-09 as compared to 8.6 per cent during the previous year. In the context of prevailing uncertainty and slowdown in global demand, firms are postponing their capital expansion plans. There has also been a piling of inventories with the engineering firms, especially in the SME segment, forcing them to look for alternative markets.

Chemicals

The performance and the outlook for the Indian chemical industry remain challenging, particularly in the context of global economic crisis, with major end-user segments facing reduced demand. The dyestuff sector is facing demand contraction due to slowdown in textile demand across the world. The paint industry is also facing demand contraction due to slowdown in construction demand and automobile sales. The industry group 'Basic Chemicals & Chemical products (except production of petroleum and coal)', as per IIP figures, registered a growth of 2.9 per cent during 2008-09.

The size of Indian chemical industry is estimated at around US$ 35 billion, which is equivalent to about 3 per cent of India's GDP. Indian chemical industry is positioned as the 12th largest in the world and 3rd largest in Asia. Currently, the per capita consumption of chemical products in India is about one-tenth of the world average. Over the last decade, the Indian chemical industry has evolved from being a basic chemical producer to becoming an innovative industry. With investments in R&D, the industry is registering significant growth in the knowledge sector comprising specialty and fine chemicals.

Delegation from Republic of Serbia, led by H.E. Mrs. Jasna Matic, State Secretary, Ministry of Economy of Republic of Serbia and H.E. Mr. Vuk Zugic, Ambassador of Republic of Serbia to India, is in discussion with Exim Bank, to enhance Bilateral Economic Cooperation between the two countries.

The prospects for the chemical industry, comprising large and SME units, depends upon the trends in the overall economy, as also the linkages with the rest of the manufacturing sector that are its end-users. However, companies with competitive advantages, like in the areas of high value added chemicals, conforming to international quality standards, might be able to translate their capabilities and establish a dominant presence in both domestic and international markets.

Petroleum Products

The volatility in global crude oil prices since 2008 has triggered a lot of uncertainty in the petroleum industry, both in upstream and downstream sectors. The production of crude petroleum has also come down during 2008-09 by (-) 1.8 per cent as compared to the 0.4 per cent growth witnessed in the previous year. The drop in crude oil production was due to the delay in production in some of the oil projects. There was also a significant dip in output from public as well as private/joint venture exploration companies. Production of petroleum refinery products witnessed a lower growth of 3 per cent during 2008-09, as compared to 6.5 per cent growth during the previous year.

The petroleum industry in India stands out as an example of the strides made by the country in its march towards self sufficiency in production of petroleum products. India has turned into a net exporter of petroleum products since 2001-02, with export growth being over 50 per cent in the last six years. The share of petroleum products exports in India's total exports grew from 4.8 per cent in 2001-02 to 17.4 per cent in 2007-08, and stood at 16.3 per cent during the period 2008-09 (April-February). As a result, petroleum products as a group ranked as second largest export item in India's export basket. During the period 2008-09 (April-February), export of petroleum products grew by 2.4 per cent to reach a level of US$ 24.8 billion.

The Eleventh Plan estimates indicate that the demand for petroleum products in the terminal year (2011-12) would be at over 140 mn tonnes, as against the anticipated consumption of 120 mn tonnes in 2006-07. The refining capacity is projected to go up to 240 mn tonnes per annum in the terminal year of the Eleventh Plan, as against the capacity level of around 150 mn tonnes in the beginning of the Eleventh Plan. Such an expansion would lead to a surplus in refining capacity by around 90 mn tonnes, which could be used for catering to export markets. The medium term outlook for refining industry looks positive, due to stretched utilization levels and new capacity buildup in the domestic market.

Electronics

Notwithstanding the overall export trend, India's exports of electronic goods during 2008-09 (April-February) were valued at US$ 4.1 billion, registering a growth of 30.4 per cent over the corresponding period of the previous year. In the case of imports, during 2008-09 (April-February), imports of electronic goods were US$ 19.5 billion, witnessing a growth of 6.4 per cent over the corresponding period of the previous year.

Visit of H.E. Mr. Eduardo Escandell, Deputy Minister, Ministry of Foreign Trade, Government of Republic of Cuba and Mrs. Nidia Ojeda Banos, First Secretary, Trade and Collaboration, Embassy of Cuba, to Exim Bank.

During 2007-08, total production of electronics in India touched US$ 20.1 billion. Consumer electronics took the largest share in the total electronics hardware production, with 27 per cent share during 2007-08 followed by computers (20 per cent), communication and broadcasting equipment (18 per cent), industrial electronics (15 per cent), components (12 per cent) and strategic electronics (8 per cent).

In the short term, there may be slowdown in demand in the domestic market, in the wake of liquidity conditions, and slowdown in consumer financing, which may hamper the growth of the industry. However, Indian market still holds promise because of the potential market size or volume of electronics consumption. Apart from this, the growing demand for better energy management / conservation, technology orientation for value engineering, and cost cutting strategies would enhance opportunities in new areas, despite the slowdown.

The Indian market for electronic products is over US$ 25 billion and is growing at around 30 per cent per annum. At this rate it is projected to exceed US$ 70 billion by 2010 and US$ 158 billion by 2015. The growth in telecom products demand has been robust and India is adding around 2 mn telephone subscribers every month. Penetration levels in other high growth products have also been impressive, as also the growth in demand for computer / IT products, auto electronics, medical, industrial, as well as consumer electronics.

Food Processing

Following the crisis in global financial markets, investment funds that have taken exposure in international commodity markets started liquidating their positions in agricultural commodities along with equities. There has been a bearish trend in international prices of coffee, edible oil / seeds, and other commodities, which is expected to continue in the medium term. While the reduction in some commodity prices may partially offset the rise in cost of production, this may also result in low price realisation and slowdown in top-line and bottom-line of the processing units. The food processing industry is facing the pressure of rising operating costs, despite a slowdown in commodity prices. The liquidity crunch is affecting this working-capital-intensive-industry, and it is expected that many units may also defer capex plans in view of the tight liquidity conditions. The industry may face constraints in investing in critical infrastructure (for creation of value chain), upgrading the technology, and investing in R&D.

Though the processed food product exports from India hold significant potential, the medium term outlook may be impacted by several factors, including the pressure on cost competitiveness. However, by virtue of its diverse agro-climatic conditions and large and wide-ranging raw material base, India provides ample opportunities for a well-developed food-processing sector. India's comparatively low-cost workforce provides further competitive advantage for the sector, if it is utilised effectively in setting up of large low cost production bases for both domestic and export markets. Important sub sectors that are likely to benefit from such a trend include grain processing, fruit and vegetable processing, fish processing, milk processing, meat and poultry processing, packaged / convenience foods, alcoholic beverages and soft drinks.

Sudan Diplomats visit Exim Bank, as part of a special course organised by Foreign Service Institute, Ministry of External Affairs, India.

The food processing industry is a dominant segment establishing the vital link between industry and agriculture, one of the largest sectors in the country in terms of production, consumption, export and GDP growth. The sector accounts for around 14 per cent of total industrial output and around 6 per cent of the GDP. The size of the industry is estimated at US$ 70 billion. At present, the sector employs about 13 mn people directly and about 35 mn people indirectly.

Policy Environment

Both the Government and the Reserve Bank have acted to protect the economy from the adverse impact of the global financial crisis. While the Government announced two major fiscal stimulus packages, the Reserve Bank effected measures to ensure ample rupee and dollar liquidity, and maintain a monetary policy environment conducive for the continued flow of credit to productive sectors. The government's fiscal stimulus packages include additional public spending, government guaranteed funds for infrastructure spending, cuts in indirect taxes, expanded guarantees cover for credit to micro and small enterprises, and additional support to exporters.

The Ministry of Commerce and Industry announced on February 26, 2009, several trade facilitation measures as supplement to the Foreign Trade Policy 2004-09 which include, besides others, provision of Rs 3.25 billion under promotional schemes for sectors such as leather and textiles, for exports made with effect from April 01, 2009; benefit of 5.0 per cent under Focus Product Scheme (FPS) notified for export of handmade carpets; inclusion of technical textiles and stapling machine under Focus Product Scheme; additional benefit of 2.5 per cent notified for export of dried vegetables under Vishesh Krishi and Gram Udyog Yojana (VKGUY); extension of export obligation period against advance authorisations upto 36 months in view of the present global economic slowdown; allowing domestic supplier to supply intermediate product directly from their factory to the port against Advance Intermediate Authorisation, for export by ultimate exporter; extension of provision of reduction of export obligation for all exporters of a product, which recorded a decline in exports by more than 5.0 per cent, under EPCG scheme, for the year 2009-10, for exports during 2008-09; and several procedural simplifications.

In view of persisting uncertainty in global financial markets and its impact on India and continuing liquidity crunch, the Reserve Bank of India reduced the Cash Reserve Ratio (CRR) by 400 basis points, in phases, from 9.0 per cent to 6.5 per cent effective from October 11, 2008, to 6.0 per cent effective from October 25, 2008, to 5.5 per cent effective from November 8, 2008, and further to 5.0 per cent effective from January 17, 2009. Further, potential liquidity has been made available through Liquidity Adjustment Facility (LAF) and export credit refinance for banks.

Measures aimed at managing foreign exchange liquidity include upward adjustment of the interest rate ceilings on the FCNR(B) and NR(E)RA deposits; substantial relaxation of the ECB regime; allowing NBFCs/ HFCs access to foreign borrowing and allowing corporates to buy back FCCBs. The Reserve Bank of India has also instituted a rupee-dollar swap facility for banks with overseas branches and to Exim Bank to assist in managing short-term funding requirements.

Measures of the central bank to encourage flow of credit to sectors that are being negatively affected include extension of the period of pre-shipment and post-shipment credit for exports; expansion of the refinance facility for exports; counter-cyclical adjustment of provisioning norms for all types of standard assets barring some exceptions; and reduction of risk weights on banks' exposure to certain sectors which had been increased earlier counter-cyclically. In order to provide liquidity support to exports, housing and micro & small (MSE) sectors, the Reserve Bank of India provided a refinance facility of Rs. 50 billion to Exim Bank, Rs. 40 billion to National Housing Bank (NHB), and Rs. 70 billion to Small Industries Development Bank of India (SIDBI). Customs Duty rates have been steadily reduced to promote competition and efficiency in the manufacturing sector.

India: Fast Forward

(Major Policy Changes during 2008-09)

Credit Policy

- Cash Reserve Ratio (CRR) reduced in phases, from 9.0 per cent in October 2008 to 5.0 per cent in January 2009.
- Repo rate reduced in phases, from 9.0 per cent in October 2008 to 5.0 per cent in March 2009, and further to 4.75 per cent in April 2009. Reverse repo rate also reduced from 6.0 per cent in December 2008 to 3.5 per cent in March 2009, and further to 3.25 per cent in April 2009.

Trade Policy

- Trade measures announced to support exports of leather, textiles and handmade carpets.
- Inclusion of technical textiles and stapling machine under Focus Product Scheme, and additional benefit of 2.5 per cent notified for export of dried vegetables under VKGUY.
- Extension of export obligation period against advance authorizations upto 36 months.

Liquidity Management

- Refinance facility of Rs. 50 billion to Exim Bank, Rs. 40 billion to National Housing Bank and Rs. 70 billion to Small Industries Development Bank of India, upto March 2010 to provide liquidity support to export, housing and micro and small sectors respectively.
- Upward adjustment of the interest rate ceilings on the FCNR(B) and NR(E)RA deposits.
- Allowing NBFCs/ HFCs access to foreign borrowing and allowing corporates to buy back FCCBs.
- Institution of rupee-dollar swap facility for banks with overseas branches and to Exim Bank to assist in managing short-term funding requirements.

ECB Norms

- ECBs upto US$ 500 mn per borrower per financial year permitted for rupee expenditure and/or foreign currency expenditure for permissible end-uses under the automatic route.
- Entities in the services sector, viz. hotels, hospitals and software companies permitted to avail ECBs upto US$ 100 mn in a financial year under the automatic route.
- Definition of infrastructure sector for availing ECBs expanded to include mining, exploration and refinery sectors.
- Celling on cost of raising ECBs removed upto December 31, 2009.

Directors' Report

The Directors are pleased to present the report of the working of the Bank with the audited Balance Sheet and accounts for the year ended March 31, 2009.

REVIEW OF OPERATIONS

Gross loan assets as on March 31, 2009 were Rs. 345.05 billion, registering an increase of 18.4 per cent over the previous year. Resources of the Bank at Rs. 410.7 billion as on March 31, 2009, were higher by 17.6 per cent as compared to Rs. 349.23 billion as on March 31, 2008. The Bank approved loans aggregating to Rs. 336.28 billion under various lending programmes during FY 2008-09 as against Rs. 328.05 billion during FY 2007-08. Loan disbursements during FY 2008-09 were Rs. 289.33 billion as against Rs. 271.59 billion during 2007-08, while loan repayments during FY 2008-09 amounted to Rs. 269.21 billion, as against Rs. 203.65 billion in FY 2007-08. During the year, the Bank sanctioned guarantees aggregating Rs. 16.18 billion as against Rs. 21.99 billion in 2007-08. Guarantees issued during 2008-09 amounted to Rs. 10.32 billion as against Rs. 20.39 billion in 2007-08. Guarantees in the books of the Bank as on March 31, 2009 were Rs. 35.40 billion as against Rs. 34.56 billion as on March 31, 2008 and Letters of Credit as on March 31, 2009 amounted to Rs. 9.39 billion as against Rs. 12.70 billion as on March 31, 2008. Rupee loans and advances accounted for 55.3 per cent of the total loan assets as on March 31, 2009 while the balance 44.7 per cent were in foreign currency. Short-term loans accounted for 24.6 per cent of the total loans and advances as on March 31, 2009.

The Bank registered profit before tax of Rs. 6.10 billion on account of General Fund during 2008-09 as against Rs. 5.33 billion for the year 2007-08. After providing for net income tax of Rs. 1.33 billion, profit after tax amounted to Rs. 4.77 billion during 2008-09 as against Rs. 3.33 billion during 2007-08. Out of this profit, an amount of Rs. 2.86 billion is transferred to Reserve Fund. In addition, the Bank has transferred Rs. 100 mn to Investment Fluctuation Reserve, Rs. 100 mn to Sinking Fund and Rs. 550 mn to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961. The balance of Rs. 1.16 billion will be transferred to Government of India as provided in the Exim Bank Act.

A Meeting of the Board of Directors of the Bank in progress at Bank's office in New Delhi.

Profit before tax of the Export Development Fund during 2008-09 was Rs. 39.69 mn as against Rs. 28.93 mn during 2007-08. After providing for net income tax of Rs. 6.89 mn, the post tax profit amounted to Rs. 32.82 mn as against Rs. 19.09 mn during 2007-08. The profit of Rs. 32.82 mn is carried forward to next year.

BUSINESS OPERATIONS

Review of Bank's business operations is presented below under the following heads:

I. Projects, Products and Services Exports
II. Building Export Competitiveness
III. Joint Venture
IV. New Initiatives
V. Financial Performance
VI. Information and Advisory Services
VII. Institutional Linkages
VIII. Information Technology
IX. Research and Analysis
X. Human Resources Management
XI. Progress in Implementation of the Official Language Policy
XII. Representation of Scheduled Castes, Scheduled Tribes and Other Backward Classes.

I. PROJECTS, PRODUCTS AND SERVICES EXPORTS

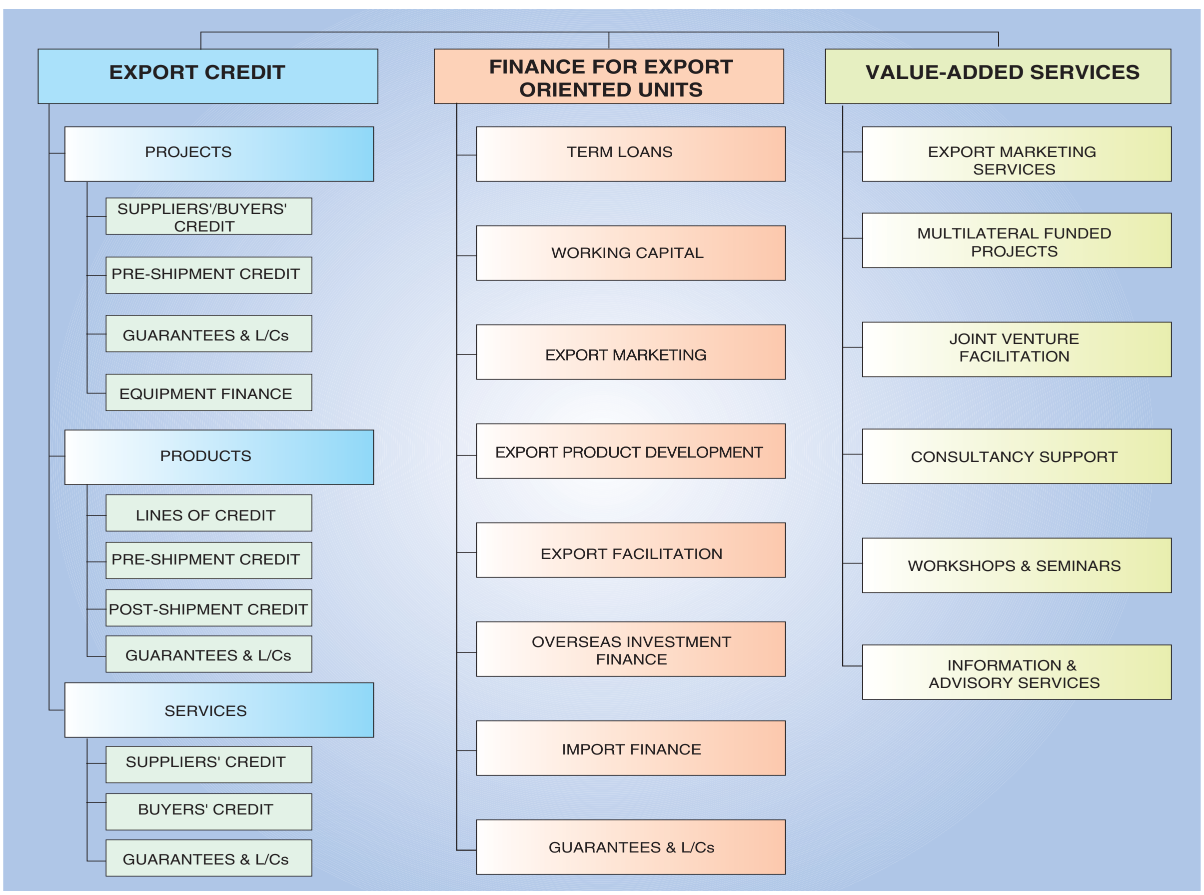
Export Contracts

Exim Bank plays the role of a co-ordinator and facilitator for the promotion of project exports and serves as the focal point of the Working Group[1] on Project Exports. During 2008-09, 1325 contracts amounting to Rs. 335.27 billion covering 105 countries were secured by 152 Indian exporters, as against 977 contracts worth Rs. 326.83 billion covering 92 countries, secured by 147 Indian exporters during 2007-08.

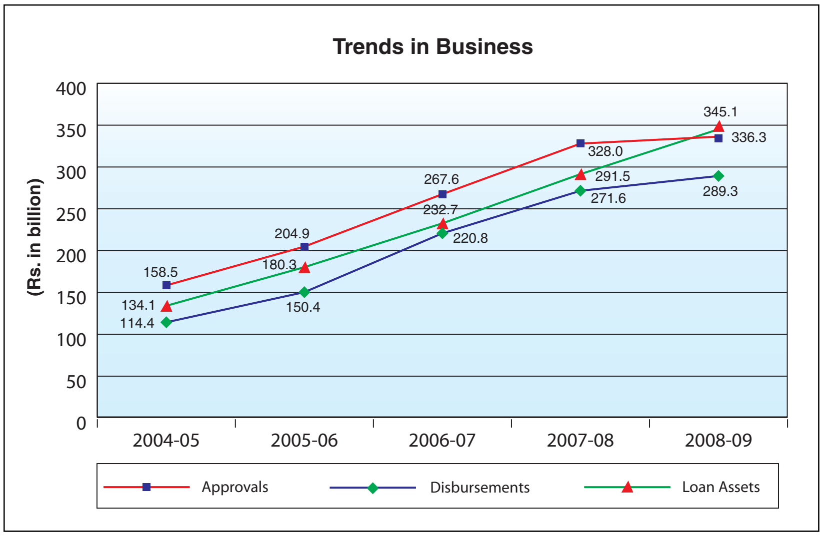
The contracts secured during the year consisted of 50 turnkey contracts valued at Rs.139.35 billion, 19 construction contracts valued at Rs. 126.33 billion, 1184 supply contracts valued at Rs. 39.06 billion and 3 technical consultancy and services contracts valued at Rs.1.40 billion. A number of contracts valued at Rs. 29.12 billion were secured under Lines of Credit extended by Exim Bank.

Some major turnkey contracts secured during the year included design, manufacture, supply, civil works, erection and commissioning of 2x200 mw thermal power plant extension project in Syria; mechanical, electrical and plumbing works for 2 hotels in the Kingdom of Bahrain; manufacture, supply and supervision of erection and commissioning of 2x135 mw boilers and auxiliaries for Koniambo power project in New Caledonia; supply, installation and commissioning of 32 high voltage substations and modifications and cable works for 19 high voltage substations in Qatar; supply, erection and commissioning of 500 kv double circuit overhead transmission line in Egypt;

Bank's Major Programmes



[1] The Working Group is an inter–institutional mechanism consisting of Exim Bank, Reserve Bank of India, Export Credit Guarantee Corporation of India Ltd., Government of India and commercial banks. It functions under the auspices of Exim Bank.



supply, erection and commissioning of 172 kms 400 kv overhead transmission lines in Kuwait; and design, engineering, supply, commissioning of urea granulator ammonia abatement project for fertilizer plant in Saudi Arabia.

Construction contracts included engineering, procurement, installation and commissioning for Strategic Gas Transmission project with 36 inch twin gas pipeline including high tension electrical works in Qatar; construction of double track railway line in Algeria; two contracts for engineering, procurement, installation and commissioning of water-sewerage-storm water mains and branch lines, roads in Libya; contract for construction of a luxury residential tower in Dubai, UAE; construction of Afghan Parliament building and Indian Chancery building consisting of civil works, internal and external electrical works, HVAC, lifts, fire fighting systems and addressable system at Kabul, Afghanistan; and construction of 2000 housing units, service buildings and related infrastructure in Libya.

Supply contracts secured during the year included export of BOPP films, chemicals & dyes, pharmaceuticals, agri processed foods, rice, minerals, textile products including yarn, fabrics and garments to countries such as Singapore, UK, Turkey, Malaysia and Brazil. Indian companies also secured contracts for export of products like colour coated steel sheets and coils, cut & polished diamonds, cycles and spare parts, heavy engineering goods, irrigation equipment, lead batteries, magnetic storage media and power transmission cables to countries that include Saudi Arabia, Belgium, Egypt, Sri Lanka, US, Hong Kong, Uganda, Zambia, Kenya and Republic of Yemen.

Tractor Assembly Plant in Gambia being set up by Mahindra & Mahindra Ltd., Mumbai, financed under Exim Bank's Line of Credit.

Technical consultancy and service contracts included a contract for project management and consultancy services for rehabilitation of Algiers refinery, Algeria and procurement advisory services for Bam earthquake emergency reconstruction project in Iran funded by World Bank.

Export Credits and Guarantees

During the year, the Bank approved loans aggregating Rs. 147.17 billion by way of suppliers' credit, buyers' credit, and finance for project exports as against Rs. 104.56 billion during the previous year. Disbursements amounting to Rs. 142.73 billion were made during the year, as compared to Rs. 112.72 billion during the previous year, an increase of 26.6 per cent.

Guarantees sanctioned and issued during the year amounted to Rs. 16.18 billion and Rs. 10.32 billion respectively, as against Rs. 21.99 billion and Rs. 20.39 billion during the previous year. These guarantees pertain to overseas projects in sectors such as power generation, transmission and distribution, infrastructure development and export obligation guarantees.

Buyers' Credit

Buyers' Credit is a unique programme of Exim Bank under which the Bank facilitates Indian exports by way of extending credit facility to the overseas buyers for financing their imports from India. Under Buyers' Credit programme, Exim Bank makes payment of eligible value to Indian exporters, without recourse to them. Buyers' credit is a safe and non-recourse mode of financing option available to Indian exporters, especially to small and medium enterprises, and motivates them to enter overseas markets.

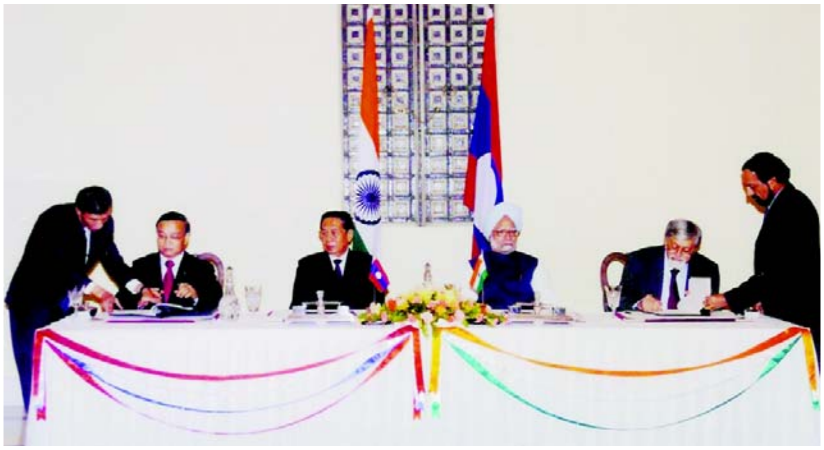
During 2008-09, the Bank extended Buyers' Credit facility to 13 overseas companies aggregating Rs. 5.50 billion. Disbursements under Buyers' Credit Programme aggregated Rs. 3.77 billion for exports to countries that include Italy, Singapore, Sri Lanka, South Africa, Thailand, UAE, UK and US. The products exported under the Buyers' Credit included transport vehicles and auto spare parts, fruits and vegetables, rice, plain and studded jewellery, steel wires and wire rods, pipe machinery, irrigation equipment, plastic products, incense sticks, cement clinker, petrochemicals, pharmaceuticals and readymade garments. Several exporters from small and medium enterprises were beneficiaries under the Buyers' Credit Programme, receiving non-recourse payment.

Lines of Credit

The Bank has placed special emphasis on extension of Lines of Credit (LOCs) as an effective market entry mechanism with particular focus on small and medium enterprises. Exim Bank extends LOCs to overseas financial institutions, regional development banks, sovereign governments and other entities overseas, to enable buyers in those countries to import developmental and infrastructural projects, equipment, goods and services from India, on deferred credit terms. Indian exporters can obtain payment of eligible value from Exim Bank, without recourse to them, against negotiation of shipping documents. LOC is a financing mechanism that provides a safe mode of non-recourse financing option to Indian exporters, especially to small and medium enterprises and serves as an effective market entry tool. Being in an increasingly competitive environment, Exim Bank is proactively seeking to expand geographical reach and volumes under the LOC Programme.

Besides its own Lines of Credit to overseas entities, Exim Bank, since 2003-04, also extends and operates, at the behest of and with the support of the Government of India, Lines of Credit to countries in the developing world.

During the year, the Bank extended 25 LOCs, aggregating US$ 783.5 mn, to support export of projects, goods and services from India. LOCs extended by Exim Bank during the year include LOCs to Myanma Foreign Trade Bank, Myanmar; National Bank of Uzbekistan, Uzbekistan; Governments of Angola, Burkina Faso, Central African Republic, Cote d'Ivoire, Ethiopia, Gambia, Ghana, Lao PDR, Madagascar, Malawi, Mozambique, Niger, Senegal, Sierra Leone, Sri Lanka,



The agreement for a Line of Credit of US$ 33 mn extended by Exim Bank at the behest of Government of India for financing a hydropower project and a transmission and rural electrification project in Lao PDR, was signed in the presence of Hon'ble Prime Minister of India, Dr. Manmohan Singh, and the visiting President of Lao PDR, H.E. Mr. Choummaly Sayasone.

Sudan, Suriname and Syria. These LOCs will finance and catalyse exports by way of supply of tractors and buses and export of projects like petrochemical complex, National Assembly Building Complex, IT and biotechnology park, ICT and Good Governance, hydropower plant, transmission lines, rural electrification, cement plant, steel plant, railway rehabilitation, irrigation, agro-processing plant, farm mechanisation for improved rice productivity, fertiliser production, tobacco-threshing plant, fisheries processing plant and development of sugar industry. 114 LOCs, covering 94 countries in Africa, Asia, CIS, Europe, Latin America and Caribbean, with credit commitments aggregating US$ 3.75 billion are currently available for utilisation, while a number of prospective LOCs are at various stages of negotiation.

II. BUILDING EXPORT COMPETITIVENESS

The Bank operates a range of financing programmes aimed at enhancing the export competitiveness of Indian companies. During 2008-09, Exim Bank sanctioned loans aggregating Rs. 152.86 billion under programmes for enhancing export competitiveness. Disbursements amounted to Rs. 126.53 billion under these programmes.

Loans to Export Oriented Units

During the year, the Bank approved term loans of Rs. 16.69 billion to 39 export oriented units. Disbursements amounted to Rs. 12.06 billion. Under Production Equipment Finance Programme, 16 exporting companies were sanctioned Rs. 5.06 billion for financing acquisition of production equipment. Disbursements amounted to Rs. 1.82 billion. 28 companies were sanctioned long-term working capital loans aggregating Rs. 18.69 billion. Disbursements amounted to Rs. 15.34 billion.

Technology Upgradation Fund Scheme (TUFS)

Exim Bank is one of the nodal agencies appointed by Government of India, Ministry of Textiles, to establish and approve the eligibility of projects under TUFS, and release subsidy directly to the approved projects. As on March 31, 2009, the Bank has accorded approval for 156 projects with aggregate cost of Rs. 99.40 billion. Loans approved and disbursed aggregate to Rs. 32.02 billion and Rs. 24.19 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 in terms of equity finance, loans, guarantees and advisory services to support Indian outward investment. During the year, 16 corporates were sanctioned funded and non-funded assistance aggregating Rs. 23.38 billion for part financing their overseas investments in 11 countries. Exim Bank has provided finance to 241 ventures set up by over 193 companies in 63 countries so far including Austria, Canada, China, Indonesia, Ireland, Italy, Malaysia, Mauritius, Morocco, Netherlands, Oman, Romania, Singapore, South Africa, Spain, Sri Lanka, UAE, UK and US. Aggregate assistance extended for overseas investment amounts to Rs. 123.29 billion covering various sectors including pharmaceuticals, home furnishings, ready made garments, construction, paper & paper products, textiles & garments, chemicals & dyes, computer software & IT, engineering goods, natural resources (coal & forests), metal & metal processing and agriculture & agro-based products. Overseas investments supported by Exim Bank during 2008-09 include: acquisition of an Italian high fashion apparel company along with the registered brands; acquisition of a US based company engaged in the production of natural soda ash; acquisition of an Australian marketing and distribution company engaged in the business of marketing prescription drugs and cosmeceuticals; acquisition of a US based diamond jewellery distribution company; setting up of an overseas company in Netherlands dedicated to design and development of marine engineering products including marine engines for luxury boats; setting up of a company in South Africa for manufacturing pre-stressed concrete sleepers to cater to the local railways; acquisition of an Italian company engaged in the business of manufacturing workwear/ related products.

FINANCE FOR IMPORTS

Bulk Import Finance

Under Bulk Import Finance Programme, sanctions and disbursements amounted to

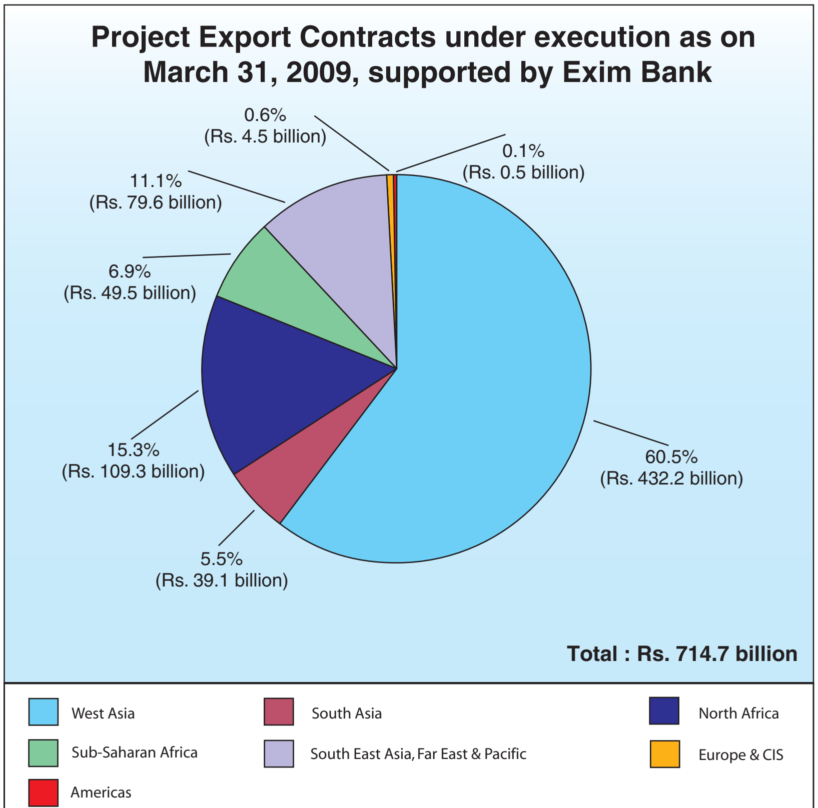
Rs. 17.15 billion and Rs. 17.30 billion, respectively.

Import Finance Programme

Under Import Finance Programme, companies were sanctioned term loans aggregating Rs. 5.87 billion. Disbursements amounted to Rs. 1.77 billion.

Credit Monitoring Group

A dedicated Loan Recovery Group takes pro-active steps as per the Board approved Loan Monitoring and Recovery Policy to prevent slippage of standard assets into non-performing assets. A system of ABC classification of loan accounts (including system for monitoring credit rating migration) is in place, based on Early Warning Signals and monthly review of Stressed Assets by a separate Committee. An independent Screening Committee comprising a retired Justice and two eminent persons with rich experience in the fields of law and banking has been constituted for examining all One Time Settlement (OTS) proposals and transfers to Asset Reconstruction Companies. The Committee submits its recommendation for consideration by the Board.



Note: As on March 31, 2009, 222 project export contracts valued at Rs. 714.7 billion were under execution in 39 countries by 45 Indian Companies. These cover construction, turnkey and consultancy contracts.

III. JOINT VENTURE

The Bank's joint venture, Global Procurement Consultants Ltd. (GPCL), recorded yet another year of profitable operations. The company recorded a consultancy income of Rs. 33.75 mn in 2008-09 with a pre-tax profit of Rs. 11.18 mn. GPCL is a joint venture between Exim Bank and 12 other reputed private and public sector companies with expertise in diverse fields. GPCL provides procurement related advisory and auditing services, primarily for projects funded by multilateral agencies in various developing countries.

IV. NEW INITIATIVES

Framework Loan Agreement with European Investment Bank

The Bank, during the year, signed an agreement for a long term loan of Euro 150 mn with European Investment Bank (EIB), the

Exim Bank signs Euro 150 mn Framework Loan Agreement with European Investment Bank, the largest development bank in the EU, in Luxembourg, for supporting projects that contribute to climate change mitigation and to enhance EU's presence in India through FDI, transfer of technology or know-how from Europe.

European Union's major long term lending institution. EIB has extended a credit line to an Indian entity for the first time in the past 15 years. The purpose of the EIB loan to Exim Bank is for supporting projects that contribute to climate change mitigation and to EU presence in India through FDI, transfer of technology or know-how from Europe. The borrowings under this facility will enable the Bank to on-lend for import of equipment for projects including renewable energy projects (eg. wind, solar, biomass), energy efficiency enhancement (eg. fuel switching, plant modernisation), as well as projects that would reduce greenhouse gases emission, promote clean environment and afforestation.

Rural Grassroots Business Initiatives

The Bank continues its efforts to support globalisation of rural industries through its Rural Grassroots Business Initiatives. The programme builds upon the Bank's other support programmes and seeks to address the needs of relatively disadvantaged sections of society while creating expanded opportunities for traditional craftspersons and artisans, and rural entrepreneurs of the country. The Bank has consciously sought to establish, nurture and foster various institutional linkages. Towards this end, the Memorandum of Cooperation signed between the Bank and the Ministry of Panchayati Raj (MOPR) has been leveraged to enhance the export promotion activities of MOPR through the Rural Business Hub (RBH) initiative and is in line with Exim Bank's initiatives in supporting exports from rural India.

The Bank, under this cooperation arrangement, has been designated as the gateway agency for implementing rural business hubs in Wayanad, Kerala; Nagapattinam, Tamil Nadu; and Bastar, Chhattisgarh. The Bank organised a workshop for rural craftpersons and artisans at Wayanad, Kerala, during March 2009, for dissemination of information about the concept of RBH and identification of potential products and services from the region. Further, in Nagapattinam District, Tamil Nadu, the Bank, in association with Periyar Maniammai University, has facilitated generation of employment for the rural poor under the RBH initiative in activities including dairy development and production of vermin compost.

Workshop on 'Implementation of Rural Business Hub' organised in Wayanad, Kerala, in March 2009 by Exim Bank, as the Gateway Agency in association with the Ministry of Panchayati Raj (MOPR), Government of India, as part of the Bank's Rural Grassroots Business Initiatives programme.

Under its rural initiatives, Bank has also sought to act as an enabling agency. Thus for instance, Bank facilitated Trust for Village Self Governance, Kuthambakkam (TVSG), an NGO near Chennai, to tie-up with the Agarbatti Business Unit of ITC Ltd. for rolling of incense sticks, Inca Hammock Ltd. for netting of hammocks and Inca Radiant Ltd. for assembling of filters. Bank also facilitated the setting up by TVSG of a rural BPO employing educated youth from the village for data entry/ data capturing tasks for a leading e-publishing company. Bank has entered into formal cooperation arrangements with select broad-based NGOs in order to directly reach out to the artisans by helping in capacity building, quality improvement, market access, training.

Exim Bank is also actively involved in extending export market access support to rural products through innovative export marketing services, effectively utilising its overseas offices and institutional linkages as also by the provision of Buyers' Credit facility to overseas buying houses and departmental stores for importing a variety of products from India. The Bank has also earmarked funds for setting up a Rural Technology Export Development Fund to promote exports as also enhance the export-worthiness of rural grassroots innovative technologies from India.

Corporate Social Responsibility

Exim Bank is supporting the Rugby Team of the Kalinga Institute of Social Sciences, which won the under-14 International School Rugby Championship held in London, UK, in September 2007. The Kalinga Institute of Social Sciences (KISS) provides a combination of formal education with vocational education for more than 7000 tribal children of Orissa. The mission of KISS is to bring a paradigm shift from mere schooling to innovative learning for the poorest tribal children from different parts of Orissa, with focus on formal and livelihood education and scope for all-round development.

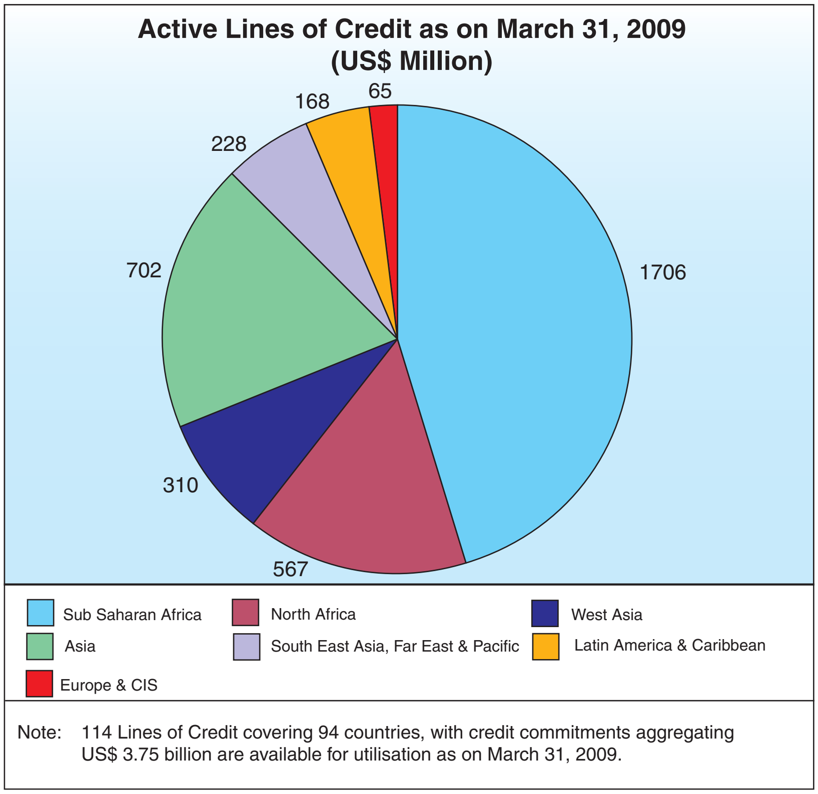
As part of its endeavours in supporting social causes, Exim Bank's support to the Rugby Team of KISS encompasses training facilities with associated infrastructure, participation in select domestic/ international tournaments. In August 2008, the Bank facilitated a visit of the KISS Rugby Team to Australia to play several exhibition matches with renowned local rugby clubs in Australia, and one of the players was awarded the "Sir Edward Weary Dunlop" Award by the Victorian Schools' Rugby Union for excellent performance and character during the tour. Further, the KISS rugby team won the under-16 All India Rugby Tournament held in Bhubaneswar during November 2008, while three under-19 KISS rugby players have been selected for the training camp being held in Pune for the Indian team probables for the 2010 Commonwealth Games to be held in New Delhi. The Bank at present is also supporting the girls' rugby team.

Tribal boys of Under-14 Rugby team of the Kalinga Institute of Social Sciences, Bhubaneswar, won number of matches in Australia during its tour to Australia, sponsored by Exim Bank with the support of local agencies. Seen above is Mr. Sujan R. Chinoy, Consul General of India in Sydney.

Innovative Programme for SMEs

The Bank has entered into a cooperation arrangement with International Trade Centre (ITC), Geneva, for implementing a unique Enterprise Management Development Services (EMDS) program, which is an IT based solution provider to enable small enterprises to prepare business plans with international market in focus. This is a pioneering initiative for supporting SMEs and for providing term loans and export finance facilities to the identified units to help them in their globalisation efforts. The Bank has partnered ITC in implementing this project. The Bank thus supports small enterprises through capacity building and assistance in formulation of viable proposals. It is envisaged that the learning from this programme would be transferred to other developing countries, and thus assist in capacity creation and institution building in the global arena.

The Bank has partnered the Commonwealth Secretariat in the 8th Commonwealth – India Small Business Competitiveness Development Programme held at Chennai and Puducherry during June 2008 on the theme "MSMEs as Agents of Economic Growth and Export Development". The objective of the programme is to undertake capacity development initiative that promotes economic development (increased employment, investment, trade and economic activity) in Commonwealth member states by providing competitive strategies and policies on SME development to practitioners and policy makers, and to build and develop institutional capacity.



International Credit Rating

As on March 31, 2009 the Bank was rated Baa3 (stable) by Moody's, BBB- (negative) by Standard & Poor's, BBB- (stable) by Fitch Ratings and BBB+ (stable) by Japan Credit Rating Agency (JCRA). All the above ratings are of investment grade or above and are the same as the sovereign rating.

V. FINANCIAL PERFORMANCE

Resources

During the year, the Bank received capital of Rs. 3 billion from the Government of India. As at March 31, 2009, the Bank's total resources including paid-up capital of Rs. 14 billion and reserves of Rs. 24.68 billion, aggregated to Rs. 410.70 billion. Exim Bank's resource base includes bonds, certificates of deposit, commercial paper, term deposits, term loans and foreign currency/bonds/notes/ borrowings. The Bank's domestic debt instruments continued to enjoy the highest, 'AAA' rating from the rating agencies, CRISIL and ICRA. During the year, the Bank raised borrowings of varying maturities aggregating to Rs. 176.5 billion comprising rupee resources of Rs. 117.08 billion and foreign currency resources of US$ 1.17 billion equivalent. Foreign currency resources of US$ 725 mn equivalent were raised through bilateral/club loans and US$ 447 mn by way of buy-sell swaps. As on March 31, 2009, the Bank had a pool of foreign currency resources equivalent to US$ 3.46 billion and outstanding Rupee borrowings including bonds/commercial paper/certificates of deposit amounted to Rs. 225.56 billion. The Bank's rupee term deposits increased from Rs. 2.84 billion as on March 31, 2008 to Rs. 9.50 billion as on March 31, 2009 with the number of depositors around 15,000. Market borrowings as on March 31, 2009 constituted 81.4 per cent of the total resources of the Bank.

Exim Bank participated in the panel discussion at the UNCTAD XII Ministerial Conference & 1st World Investment Forum held in Accra, Ghana, in April 2008 on "Addressing the Opportunities and Challenges of Globalisation for Development".

RBI Refinance Facility of Rs. 50 billion

During the year, Reserve Bank of India extended Refinance facility of Rs. 50 billion to Exim Bank. Reserve Bank of India also made available to the Bank, buy-sell swap facility of US$ 1 billion to provide liquidity support for disbursements under Lines of Credit extended by the Bank to overseas financial institutions, regional development banks, sovereign governments and other entities overseas.

Income/Expenditure

The profit before tax (PBT) and profit after tax (PAT) of the Bank were at Rs. 6.10 billion and Rs. 4.77 billion respectively during the year 2008-09, as compared to the previous year's PBT and PAT of Rs. 5.33 billion and Rs. 3.33 billion, respectively. Business income comprising interest, discount, exchange, commission, brokerage and fees during 2008-09 was Rs. 26.56 billion as compared to Rs. 19.53 billion in 2007-08. Investment income, interest on bank deposits etc. during 2008-09 was Rs. 7.93 billion as compared to Rs. 8.62 billion in 2007-08. Interest expenses in 2008-09 at Rs. 24.16 billion were higher by Rs. 4.09 billion mainly due to increase in the borrowings. Administrative expenses as a percentage of total expenses (excluding provisions for contingencies) worked out to 1.92 per cent during 2008-09 as against 1.81 per cent during 2007-08. The average cost of borrowings (interest expenditure as a per cent of average borrowings) reduced from 7.17 per cent p.a. during 2007-08 to 7.01 per cent p.a. during 2008-09, mainly due to the lower Libor reset on foreign currency borrowings.

Capital Adequacy

The Capital to Risk Assets Ratio (CRAR) was 16.77 per cent as on March 31, 2009, as compared to 15.13 per cent as on March 31, 2008, as against a minimum 9.0 per cent norm stipulated by RBI. The Debt-Equity Ratio as on March 31, 2009 was 9.47:1, as compared to 9.72:1 as on March 31, 2008.

Seminar on "Business Opportunities with Asian Development Bank (ADB)" jointly organised by Exim Bank, Federation of Indian Export Organisations and Builders Association of India, in collaboration with ADB, in Mumbai, to encourage more Indian companies to participate in ADB funded projects overseas.

Exposure Norms

Reserve Bank of India (RBI) has prescribed credit exposure limits for all-India term lending institutions, at 15 per cent of the financial institutions' capital funds, effective from March 31, 2002, for exposure to individual borrowers and at 40 per cent for group borrowers. An additional exposure upto 5 per cent (i.e. a total exposure upto 20 per cent of capital funds of the Financial Institution for Single Borrowers and 45 per cent of capital funds for Borrower Groups) can be taken in exceptional circumstances, with the prior approval of the Board. The exposure ceilings for individual borrowers and borrower groups can be exceeded by an additional five percentage points (i.e. 5 per cent of total capital funds) and ten percentage points (i.e. 10 per cent of total capital funds) respectively (over and above the maximum limits of 20 per cent and 45 per cent respectively), provided the additional credit exposure is on account of infrastructure projects in India. The Bank's credit exposures to single and group borrowers as at March 31, 2009 were within the limits stipulated by RBI.

RBI has advised Financial Institutions to adopt internal limits on exposures to specific industry sectors so that the exposures are evenly spread over various sectors. The industry exposure limits adopted by the Bank for each industry sector are 15 per cent of the Bank's credit exposure to all industry sectors, except in the case of textiles for which the limit is 20 per cent. The Bank's exposure to a single industry sector was not more than 13.07 per cent of its total exposure as on March 31, 2009.

Treasury

The Bank's integrated treasury handles fund management functions including investment of surplus funds, money market and forex operations and securities trading. The Bank has segregated front/middle/back office functions and has set up a state-of-the-art dealing room. The range of products offered by the Bank's treasury to its borrowers include foreign exchange deals, collection/negotiation of export documents, issuance of inland/foreign letters of credit/guarantees, structured loans etc. The Bank uses financial derivative transactions for raising cost effective funds and hedging its balance sheet exposures, with an objective of reducing market risks. The Bank is a member of the Indian Financial Network (INFINET) and has registration authority status from Institute for Development Research in Banking Technology (IDRBT), the certifying authority. The Bank holds a digital certificate to deal through the Negotiated Dealing System – Order Matching segment (NDS-OM) of RBI, which provides the electronic dealing platform for trading in GOI securities. The securities/foreign exchange transactions of the Bank are routed through the Guaranteed Settlement Facility provided by the Clearing Corporation of India Ltd. (CCIL). The Bank is an active member of Collateralised Borrowing & Lending Obligation (CBLO) segment of CCIL. During FY 2008-09, Bank became a member of CROMS (Clearcorp Order Matching System), the Repo Dealing System of CCIL. CROMS is a Straight Through Processing (STP) enabled anonymous Order Matching Platform launched by CCIL during the year 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 already migrated to SWIFTNet Phase 2 during the year.

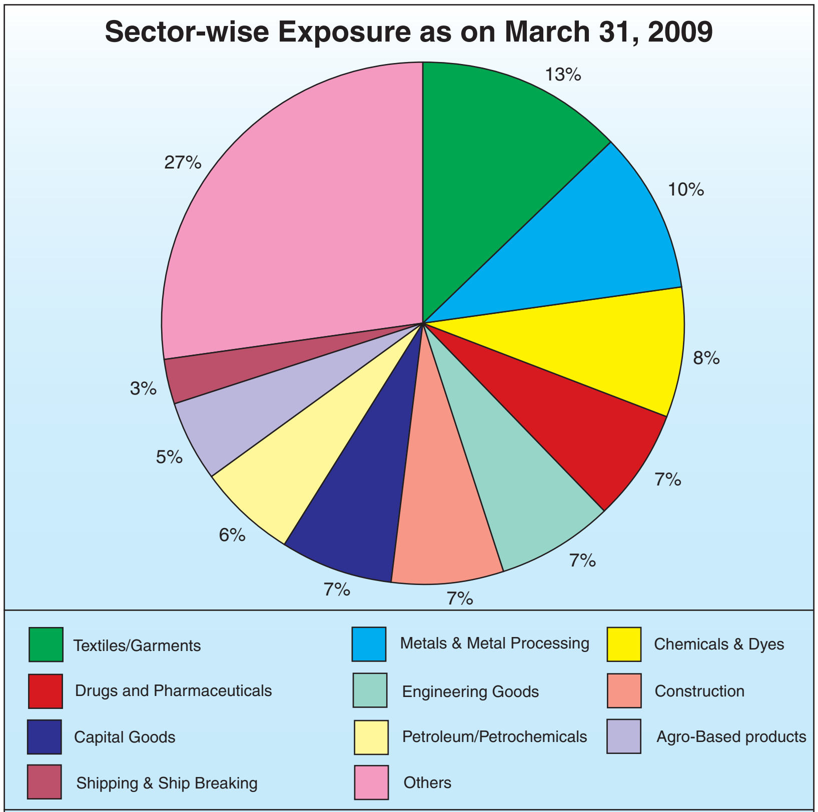
Exim Bank in partnership with African Development Bank (AfDB) organised workshops to highlight opportunities available to Indian companies in AfDB funded projects. Mr. Laurent Guye, Executive Director, representing India on the Board of AfDB and Dr. Anup K. Pujari, Joint Secretary, Ministry of Finance, Government of India inaugurated the workshops.

Asset-Liability Management (ALM)

The Asset-Liability Management Committee (ALCO) of the Bank oversees the monitoring & management of market risk with support from the Bank's mid-office. Liquidity/interest rate risks are managed by ALCO as per the comprehensive ALM / Liquidity policies approved by the Board. 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, formulating contingency funding plans and identifying a suitable ALM strategy based on the quantum of interest rate risk as measured through a) assessment of sensitivity of net interest income to interest rate movements and b) sensitivity of economic value using duration gap analysis. Value-at-risk is computed for the Bank's held-for-trading and available-for-sale portfolio of GOI securities. The Funds Management Committee (FMC) decides on the investments / disinvestments and raising of resources as per the Fund Management / Resources Plan approved by the Board at the beginning of each financial year and reviewed during the year. The Audit Committee & Management Committee of the Board periodically review the functioning of ALCO / FMC.

Risk Management

The Bank has an Integrated Risk Management Committee (IRMC), which is independent of operating groups and reports directly to the top management. The IRMC reviews the Bank's risk management policies in relation to various risks (portfolio, liquidity, interest rate, off-balance sheet and operational risks), investment policies and strategy, and regulatory and compliance issues in relation thereto. The IRMC oversees the operations of the Asset Liability Management Committee (ALCO), the Funds Management Committee (FMC) and the Credit Risk Management Committee (CRMC), all of which have cross-functional representation. While ALCO deals with issues relating to ALM policy and processes and analyses the overall market risk (liquidity, interest rate risk and currency risk) of the Bank, CRMC deals with credit policy and procedures and analyses, manages and controls credit risk on a bank-wide basis. Loan proposals are independently analysed by the Chief Risk Officer of the Bank who evaluates the risk profile of the proposals and provides inputs to the approving authority. The Bank has in place an advanced Credit Risk Model (CRM) that has enabled improved credit appraisal decision support (by incorporating a broad range of qualitative as well as quantitative parameters/ measures) and superior portfolio management capability. The Bank also undertakes an annual review of the Business Continuity & Disaster Recovery Plans (BCDRPs) of all its offices. Each of the plans is vetted for completeness with regard to critical Business Continuity Risk Events (BCREs) and safeguards in place, for mitigating the impact thereof.



Note:"Others" include auto & auto ancillaries, computer software, electronics, infrastructure, plastics & packaging, financial services, paper, shipping, consumer goods, jute, ceramics and gems & jewellery.

Under the aegis of the Asian Exim Banks Forum, the Bank organised the 9th training programme on 'Financing of Small & Medium Enterprises' during November 2008 in Mumbai. Dr. Roger Megelas, Senior Advisor, Trade Finance for SMEs, International Trade Centre, Geneva shared his expertise and experience with the participants.

Asset Quality

As per 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 Rs. 4.28 billion worked out to 1.24 per cent of the total loans and advances as at

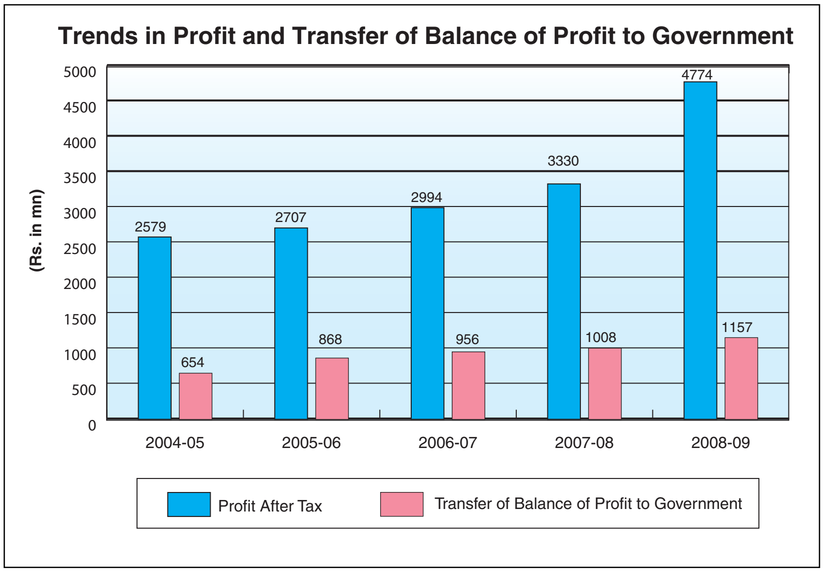
March 31, 2009. The Bank's NPAs (net of provisions) at Rs. 0.79 billion worked out to 0.23 per cent of its loans and advances (net of provisions) as at March 31, 2009, as compared to 0.29 per cent as at March 31, 2008.

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 uncollectible. Out of Gross NPAs at 1.24 per cent, sub-standard assets worked out to 0.08 per cent, doubtful assets worked out to 1.01 per cent, while loss assets worked out to 0.15 per cent. Out of net NPAs at 0.23 per cent of net loans and advances as at March 31, 2009, sub-standard assets worked out to 0.06 per cent, doubtful assets worked out to 0.17 per cent while loss assets have been fully provided for.

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. A senior official in the rank of a Chief General Manager has been made responsible in respect of compliance issues with all applicable statutes, regulations and other procedures, policies as laid down by GOI / RBI and other regulators and the Board, and for reporting to the Board. The Bank's Board held five meetings during the FY 2008-09 and the MC, six meetings.



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 and Asset-Liability Management Committee. The Audit Committee met six times during the FY 2008-09.

KYC, AML and PML measures of the Bank

The Bank has put in place a policy approved by the Board on 'Know your Customer (KYC), Anti Money Laundering (AML) and Prevention of Money Laundering (PML)' measures of the Bank. The Policy conforms to RBI guidelines in the matter. The KYC, AML & PML policy covers (a) Customer Acceptance Policy (b) Customer Identification Procedure (c) Monitoring of transactions (d) Risk Management (e) KYC for existing customers. All the customers of the Bank are subjected to minimum KYC standards, which establish the identity of the natural/ legal person and those of the 'beneficial owners'. The Bank obtains data required for ensuring compliance by its counter party banks with regard to KYC norms through a suitable questionnaire. Exim Bank maintains information in respect of certain transactions in accordance with the procedure and manner as may be specified by RBI and SEBI, as the case may be, from time to time and the records are maintained for a period of ten years from the date of the transaction. The Bank has appointed a Principal Officer for KYC, AML and PML measures of the Bank. The KYC & AML Policy is on the Bank's website.

Fair Practices Code for Lenders

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

VI. INFORMATION AND ADVISORY SERVICES

The Bank provides a wide range of information, advisory and support services, which complement its financing programmes. These services are provided on a fee basis to Indian companies and overseas entities. The scope of services includes market-related information, sector and feasibility studies, technology supplier identification, partner search, investment facilitation and development of joint ventures both in India and abroad. During the year, the Bank provided a range of services to companies. Information in the form of a list of importers/ exporters across different industries and sectors was provided to Indian firms active in international trade.

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 World Bank, Asian Development Bank, African Development Bank, and European Bank for Reconstruction and Development. During the year, the Bank disseminated information on numerous overseas business opportunities to various Indian companies covering various sectors including construction, energy, infrastructure, education, information technology and telecom.

Line of Credit agreement for US$ 10.6 mn extended by Exim Bank at the behest of Government of India to the Government of Suriname for financing export of goods and services from India was signed in Paramaribo, Suriname, by H.E. Mr. Humphrey S. Hildenberg, Minister of Finance, on behalf of Government of Suriname, in the presence of Mr. Anand Sharma, Minister of State for External Affairs, Government of India, at the 4th Joint Commission Meeting between India & Suriname.

Exim Bank as a Consultant

The Bank's experience in evolving as an institution supporting international trade and investment, in addition to functioning as an export credit agency in a developing country context, is of particular relevance to other developing countries. The Bank has been sharing its experience and expertise by undertaking consultancy assignments.

Exim Bank also shares its experience and expertise through provision of on-site exchange of personnel programmes aimed at providing a first-hand experience to the employees of its institutional partners. Thus, under this initiative, the Bank organised a skill development programme for officials of the Nigerian Export-Import Bank. Two teams of officials visited Exim Bank during the year to gain insights into the functional aspects of the Bank. The programme was part of a Memorandum of Cooperation between Exim Bank of India and Nigerian Export-Import Bank, which inter alia, envisages expertise/ experience sharing.

Export Marketing Services

During the year, the Bank provided assistance to several Indian companies, to enable them establish their products in overseas markets through its Export Marketing Services, starting from identification of prospective business partners to facilitating placement of final orders. The Bank also identifies acquisition/ joint venture/ distributorship/ consultancy opportunities abroad for Indian companies.

The Bank facilitated orders for Indian companies for export of spices, Indian handicrafts, and wooden jewellery boxes to Singapore, and incense sticks to the US, as also export of diesel generators, alternators, water pumps, pipes and accessories to Senegal. Export orders have been facilitated for small and medium enterprises located in different parts of India. The Bank has identified an Indian consultant to prepare a feasibility technical study for setting up of a caustic soda plant in Kenya. The Bank is also assisting Indian companies in the ceramic sector in identifying distributors and buyers for their products in Hungary, Brazil and Central, West and Southern Africa.

Eximius Centre for Learning

During the year, the Bank's Eximius Centre for Learning conducted 26 programmes on a wide range of topics to keep Indian companies abreast of developments in the global market. These included eight country/region specific Business Opportunities seminars. A series of seminars on the British Midlands Region was organised at Bhubaneswar, Bangalore and Hyderabad. Similar seminars were organised at Mumbai and Chennai on the City of Copenhagen; at Hyderabad with Northern Territory, Australia; and at Bangalore and Hyderabad on the Essex County, United Kingdom.

Three seminars on Business Opportunities in Asian Development Bank Funded Projects were conducted at Mumbai, New Delhi and Kolkata, while seminars on Business Opportunities in African Development Bank Funded Projects were also organised at Mumbai and New Delhi.

An interactive session was also held in Bangalore with international delegates under a training programme of National Institute of Small Industry Extension and Training (NISIET), Hyderabad. Seminars focusing on International Mergers & Acquisitions were organised at Bangalore and New Delhi.

The 14th Annual Meeting of the Asian Exim Banks Forum hosted by EFIC, Australia at Sydney in October 2008, on "The Changing Face of Asian Exim Banks – Managing Complexity" attended by CEOs of nine Asian Exim Banks deliberated on challenges and strategies of member institutions, implications of the global financial crisis, and Asian Exim Banks in the Sub-Saharan African region.

For enhancing export skill of SMEs, the Centre organised seminars on Export Procedure & Documentation at Bangalore, Gangtok, Hyderabad, Bhubaneswar, Kochi and Kolkata. The Centre conducted a programme on Ayurveda Exports at Thrissur, Kerala.

The Centre organised workshops on Export Marketing of Rural Grassroots Industry Products at Ambikapur, Chhattisgarh, and Bidar, Karnataka.

VII. 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.

To provide further impetus to its rural grassroots business initiative, the Bank has in place an MOC with the Ministry of Panchayati Raj (MOPR) for its Rural Business Hub (RBH) initiative. RBH is a unique concept of Public-Private-Panchayat Partnership and seeks to establish direct linkages between rural economy and industry. The Bank also forged partnerships with Small Industries Development Bank of India (SIDBI) to further cooperation and to provide support to grassroots enterprises and SMEs.

Asian Exim Banks Forum

The 14th Annual Meeting of the Asian Exim Banks Forum was held in Sydney, Australia, in October 2008 hosted by Export Finance and Insurance Corporation (EFIC), Australia. The Forum had been conceived and initiated by Exim Bank of India in 1996. The theme for the 2008 Meeting was "The Changing Face of Asian Exim Banks - Managing Complexity". The meeting had representatives at the highest level from the nine member institutions viz. Australia, China, India, Indonesia, Japan, Korea, Malaysia, the Philippines and Thailand, with Asian Development Bank, the multilateral financing institution, as a permanent invitee.

At the Annual Meeting, information and working sessions covered a wide range of topics including the mandate and missions, challenges and future strategies of member institutions; global trade paradigm and implications to trade trends in the Asian region; implications of the global financial crisis to Asian Exim Banks; Asian Exim Banks in the Sub-Saharan African Region – drivers, challenges and business outlook. Member institutions also signed the Action Statement of Initiatives in support of the Forum's mandate to enhance co-operation and forge stronger relationship among member institutions in promoting global trade and development.

Under the aegis of the Asian Exim Banks Forum, the Bank organised a training programme on SME financing in Mumbai during November 2008, wherein participants from member institutions as also faculty from ITC, Geneva, shared their experiences in SME financing in respective countries.

Global Network of Exim Banks and Development Finance Institutions

The Global Network of Exim Banks and Development Finance Institutions (G-NEXID), was set up in Geneva in March 2006 through the Bank's initiative, under the auspices of UNCTAD. With the active support of 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 cooperation, characterised among others, by the launching of the G-NEXID's website (www.gnexid.org) and annual meetings of the Forum. 'Observer Status' in UNCTAD underscores support for the Forum, while acceptance of the vision of the Forum by developing countries can be assessed from the fact that the membership of the Forum has reached 24 by March 2009.

Memorandum of Cooperation was signed between Global Network of Exim Banks and Development Finance Institutions (G-NEXID) and Mr. Lars H. Thunell, Executive Vice President & CEO, International Finance Corporation (IFC), in Geneva, during the 4th Annual Meeting of G-NEXID, in the presence of Dr. Supachai Panitchpakdi, Secretary-General, UNCTAD, to enhance cooperation for promoting South-South trade through effective financing programmes.

To foster sharing of experiences on the challenges and opportunities being faced by SMEs in the current global scenario, G-NEXID, in collaboration with Banque de Financement des Petites et Moyennes Entreprises (BFPME), Tunisia, organised a seminar in Tunis during January 2009, wherein G-NEXID member organisations shared their views and experiences with the participants on issues including SME growth and challenges; SME lending in the global context; SME lending strategies, risk management and best practices in SME lending. Participants at the seminar also included delegates from Multilateral Institutions such as African Development Bank, UNCTAD, Berne Union.

ADFIAP Development Award

The Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) Development Award recognises and honours ADFIAP member institutions, which have assisted projects that have created a development impact in their respective countries. Awards are given to member institutions, which have implemented or enhanced outstanding and innovative development projects during the year.

The Bank has been conferred the 2009 "Trade Development Award". The Award is in recognition of the Bank's "Overseas Investment Finance Programme" which seeks to catalyse trade creation through overseas investments with the underlying objective being to assist Indian firms to organise production optimally to serve regional or global markets. Under this programme, the Bank seeks to cover the entire cycle of Indian investment overseas including financing requirements of Indian Joint Ventures and Wholly Owned Subsidiaries, particularly of outward oriented small and medium enterprises, supplemented by advisory and support services in terms of provision of analytical information, partner identification, feasibility studies, review and due diligence. The Bank, through this programme, has contributed towards South-South cooperation and sharing of the Indian experience and expertise as also demonstrated the ability of Indian firms to ensure sustained performance in demanding and discerning markets.

Award for Excellence

The Bank, in association with CII, has instituted an Annual Award for Business Excellence for best Total Quality Management (TQM) practices adopted by an Indian company. The Award is based on the European Foundation for Quality Management (EFQM) model.

In the past, six companies, Tata Consultancy Services Limited (2006), Tata Motors Limited (Commercial Vehicle Business Unit) (2005), Infosys Technologies Limited (2002), Tata Steel Limited (2000), Maruti Udyog Limited (1998), and Hewlett Packard (India) Limited (1997) were conferred the award. In 2006, Heavy Electrical Equipment Plant, Haridwar of Bharat Heavy Electricals Limited (BHEL), was adjudged the prize winner. In 2007, though there was no winner for the Award, ten companies were commended by the jury for significant achievement in their journey towards business excellence.

Exim Bank, in association with the Confederation of Indian Industry, has instituted an annual award for Business Excellence for best total quality management by an Indian corporate. The Tinplate Company of India Limited was awarded the prize in 2008 at the CII Quality Summit held in Bangalore in November 2008.

In 2008, though there was no winner for the Award, the Tinplate Company of India Ltd. was awarded the Prize; eight large companies and four small and medium companies were commended by the jury for significant achievement in their journey towards business excellence. The eight large companies were BHEL (Heavy Electricals Plant), Bhopal; Godrej & Boyce Mfg. Co. Ltd. (Locks Division); BHEL (Power Sector – Northern Region), Noida; JSW Steel Limited, Vijayanagar Works; Exide Industries Ltd., Hosur; NTPC Ltd. (Ramagundam Super Thermal Power Station); Rallis India Ltd.; and Bosch Ltd. (Diesel Systems Business), Bangalore. The four small and medium companies were Aditya Auto Products & Engg (I) Pvt. Ltd., Bangalore; PSG Institute of Management, Coimbatore; IP Rings Ltd., and Susira Industries Ltd., Chennai. The jury also commended 27 large companies and 10 small and medium companies for their strong commitment to TQM.

VIII. INFORMATION TECHNOLOGY

Bank continued its initiatives in business and technology alignment. Focus continued on systems in functional areas besides other areas such as knowledge management, communication across various constituents for better sharing of information, user empowerment and system intelligence capabilities. Bank is a member of INFINET (Indian Financial Network) and digitally participates in the market through industry-wide systems initiated by regulatory and industry institutions such as Reserve Bank of India, The Clearing Corporation of India Limited, Credit Information Bureau (India) Ltd. and Society for Worldwide Interbank Financial Telecommunication.

Systems were supported and upgraded in various areas including those of Operational Business Intelligence; Bank-wide system; Document Management and Workflow. Bank also initiated a pilot for automating credit appraisal using XBRL (Extensible Business Reporting Language), an open standard which supports information modeling and the expression of semantic meaning commonly required in business reporting.

Bank's corporate website (www.eximbankindia.in) disseminates information in organised manner on the various research activities conducted in the Bank, business opportunities and leads in international trade. Besides, it features relevant information on the Bank's various lending programmes and information and advisory services.

The Bank's agro-portal (www.eximbankagro.in), continues to provide product-wise information and advisory services. Bank is a member of Asian Exim Banks Forum and G-NEXID and Bank maintains websites for the two fora.

IX. RESEARCH AND ANALYSIS

The International Economic Development Research Annual (IEDRA) Award was instituted by the Bank in 1989. The objective of the Award is to promote research in international economics, trade and development, and related financing, by Indian nationals at universities and academic institutions in India and abroad. The Award consists of a sum of Indian Rupees One Hundred Thousand and a citation. The winner for the year 2008 is Dr. Ramaa Vasudevan, Assistant Professor, Colorado State University, USA, for her doctoral thesis titled "International Trade, Finance and Money: Essays in Uneven Development". Dr. Vasudevan received her doctoral degree from New School for Social Research, NY, USA in 2006.

Nine Occasional Papers were published by the Bank during the year, namely, Financial Liberalisation and its Distributional Consequences; Indian Capital Goods Industry: A Sector Study; Indian Textiles and Clothing Industry in Global Context: Salient Features and Issues; Fair Trade: Fair Way of Enhancing Export Value; Indian Automotive Industry: At the Crossroads; SAARC: An Emerging Vibrant Trade Block; ECOWAS: A Study of India's Trade and Investment Potential; IBSA: Enhancing Economic Cooperation Across Continents; and CARICOM: Gateway to the Americas.

Exim Bank's Commencement Day Annual Lecture series, instituted in 1986 to commemorate the commencement of the Bank's business, has earned recognition as an important milestone in contributing to the debate and discussions on contemporary trade and development issues impacting the global economy. Mr. Justin Yifu Lin, Chief Economist and Senior Vice President, The World Bank, delivered the Bank's Twenty Fourth Commencement Day Annual Lecture for the year 2009.

Line of Credit of US$ 10 mn extended by Exim Bank to the Government of Gambia for financing construction of National Assembly Building Complex in Gambia, was signed in New Delhi by H.E. Mr. Mambury Njie, Ambassador of Gambia.

Mr. Lin spoke on "Beyond Keynesian Economics: A Stimulus for Development". Dr. Dilip M. Nachane, Director, Indira Gandhi Institute of Development Research (IGIDR), Mumbai, presided over the function.

X. HUMAN RESOURCES MANAGEMENT

As on March 31, 2009, the Bank had a total staff of 232 in its services including 182 professional staff, comprising engineers, economists, bankers, chartered accountants, business school graduates, legal and language experts, library and documentation experts and human resources and computer specialists. The professional team is supported by Administrative Officers. The Bank aims at continuous upgradation of skills of its officers. During 2008-09, 149 officers attended training programmes and seminars on a variety of subjects relevant to the Bank's operations. Programmes included International Financial Reporting Standards, Follow-up & Monitoring of Loans & Advances, Financial Derivatives, Risk Management & Financial Disclosures, Trade Finance, Letters of Credit, Lending Strategies to SMEs & Business Continuity Management.

XI. PROGRESS IN IMPLEMENTATION OF THE OFFICIAL LANGUAGE POLICY

Bank's efforts for accelerating the use of Hindi for official purposes received recognition from various authorities, as follows:

(i) Bank Nagar Rajbhasha Karyanvayan Samiti, Mumbai, constituted under the auspices of Department of Official Language, Ministry of Home Affairs, Government of India has awarded the Second Prize to Exim Bank's Head office for commendable performance in implementing Hindi among all Financial Institutions for the year 2007-08.

(ii) State Level Bankers Committee (O.L.), Pune, constituted under the auspices of Department of Official Language, Ministry of Home Affairs, Government of India has awarded the Second Prize to Bank's Head office for commendable performance in implementing Hindi among all Financial Institutions for the year 2007-08.

(iii) Bank Nagar Rajbhasha Karyanvayan Samiti, Delhi, constituted under the auspices of Department of Official Language, Ministry of Home Affairs, Government of India has awarded the Second Prize to Exim Bank's Delhi office for commendable performance in implementing Hindi among all Financial Institutions for the year 2007-08.

(iv) Bank Nagar Rajbhasha Karyanvayan Samiti, Kolkata, constituted under the auspices of Department of Official Language, Ministry of Home Affairs, Government of India has awarded the Merit certificate to Exim Bank's Kolkata office for commendable performance in implementing Hindi.

During 2008-09, the Bank continued its efforts to strengthen the implementation of the Official Language Policy. In compliance with the provisions of Section 3 (3) of the Official Language Act, circulars, press releases and reports were issued in Hindi. All letters received in Hindi were replied to in Hindi.

In order to impart training in Hindi noting and drafting to officers of the Bank, Hindi workshops were organised as per targets. A scheme offering incentives aimed at encouraging officers to use Hindi in their day-to-day work is in place in the Bank. During the Calendar year 2008, five officers were given prizes for maximum use of Hindi for Official work.

Rajya Sabha Committee on Government Assurances, led by Shri A. Vijayaraghavan Hon'ble Member of Parliament, held discussions with Exim Bank.

In pursuance of Government's directives, a Hindi fortnight commencing from September 14, 2008 was celebrated in the Bank. On this occasion, various Hindi competitions were organised for the staff members; special issue of Eximius, namely 'Rajbhasha Visheshank' was published; two special Hindi workshops were conducted and an exhibition of Hindi publications was organised.

As required under Annual Programme for year 2008-09, use of Hindi was promoted by increased use of information technology tools. Information related to business and operations of the Bank was updated/ made available on Hindi website for wider dissemination. Help and reference material along with useful information for use of staff members was made available on Bank's intranet.

Apart from literature on Bank's operations and procedures, all Research Briefs and select Occasional Papers and Working Papers were translated into Hindi. Hindi versions of all the issues of 'Eximius Export Advantage', a quarterly publication of the Bank, were published under the title 'Eximius: Niryaat Laabh'. All the issues of 'Agri Export Advantage', a bi-monthly publication of the Bank, were also published in Hindi under the title 'Krishi Niryaat Laabh'. Bank's in-house magazine 'Eximius' has a Hindi section. Bank's Commencement Day Lecture booklet has also been published in Hindi.

In pursuance of Government policy regarding progressive use of Hindi, new books particularly on foreign trade, commerce, finance, banking, information technology and other subjects were added to Bank's Library.

Checkpoints are in place to ensure compliance and smooth implementation of the Official Language policy and to achieve targets fixed in the Annual Programme. Official Language Implementation Committees at Bank's Head Office and other offices met at quarterly intervals to monitor the progress made in achieving targets fixed for use of Hindi in the Bank.

XII. REPRESENTATION OF SCHEDULED CASTES, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

The Bank, with total staff strength of 232 in its services, as on March 31, 2009, has 26 Scheduled Caste, 19 Scheduled Tribe and 16 Other Backward Class staff members. The Bank provided training in computers and other areas to these staff members. Bank continues to grant scholarships for scheduled caste and scheduled tribe and other backward class students at the Indian Institute of Foreign Trade, New Delhi. The Bank has now instituted scholarships for the reserved category students at the Kalinga Institute of Industrial Technology (KIIT) University, Orissa.

Exim Bank has been conferred the 2009 "Trade Development Award" by the Association of Development Financing Institutions in Asia and the Pacific, in recognition of the Bank's "Overseas Investment Finance" Programme which seeks to catalyse trade creation through overseas investments.

Balance Sheet as at March 31, 2009 and Profit & Loss Account for 2008-09

Turnkey project for supply and erection of 500 kv Single Circuit suspension tower in Kazakhstan executed by KEC International Ltd., Mumbai, assisted under Exim Bank's programme for project exports.

Balance Sheet

as at 31st March, 2009

Liabilities	Schedules	This Year (As at 31.03.2009) Rs.	Previous Year (As at 31.03.2008) Rs.
1. Capital	I	13,999,918,881	10,999,918,881
2. Reserves	II	24,680,933,487	21,063,809,742
3. Profit & Loss Account	III	1,157,000,000	1,007,700,000
4. Notes, Bonds & Debentures		215,786,254,779	179,272,533,879
5. Bills Payable		—	—
6. Deposits	IV	28,190,875,291	26,741,319,094
7. Borrowings	V	128,045,705,242	111,149,390,142
8. Current Liabilities & Provisions for contingencies		26,922,057,452	19,222,513,707
9. Other Liabilities		3,234,326,152	3,548,788,815
Total		**442,017,071,284**	**373,005,974,260**

Contingent Liabilities

	This Year Rs.	Previous Year Rs.
(i) Acceptances, Guarantees, endorsements & other obligations	35,401,225,800	34,555,519,900
(ii) On outstanding forward exchange contracts	3,041,619,300	9,221,318,900
(iii) On underwriting commitments	—	—
(iv) Uncalled Liability on partly paid investments	68,907,000	60,334,500
(v) Claims on the Bank not acknowledged as debts	3,178,720,000	3,178,720,000
(vi) Bills for collection	—	—
(vii) On participation certificates	—	—
(viii) Bills Discounted/Rediscounted	—	—
(ix) Other monies for which the Bank is contingently liable	9,635,976,100	13,248,142,600
Total	**51,326,448,200**	**60,264,035,900**

General Fund

Assets		This Year (As at 31.03.2009)	Previous Year (As at 31.03.2008)
	Schedules	Rs.	Rs.
1. Cash & Bank Balances	VI	46,156,869,070	34,087,105,966
2. Investments	VII	21,609,739,830	21,696,015,554
3. Loans & Advances	VIII	335,564,461,890	276,266,602,644
4. Bills of Exchange and Promissory Notes Discounted/Rediscounted	IX	6,000,000,000	11,500,000,000
5. Fixed Assets	X	884,493,357	753,367,923
6. Other Assets	XI	31,801,507,137	28,702,882,173
Total		**442,017,071,284**	**373,005,974,260**

'Notes to Accounts' attached.
Note :- Previous year figures have been regrouped, wherever necessary

For and on behalf of the Board

S. R. Rao
Executive Director

T. C. Venkat Subramanian
Chairman & Managing Director

N. Shankar
Executive Director

Dr. Arvind Virmani
Smt. Shyamala Gopinath

Shri G. K. Pillai
Smt. Ravneet Kaur
Dr. K. C. Chakrabarty

Shri N. Ravi
Shri A. V. Muralidharan

Directors

As per our attached report of even date
For Batliboi & Purohit
Chartered Accountants

New Delhi
Dated : May 19, 2009

(Atul Mehta)
Partner (M. No. 15935)

Profit & Loss Account

for the year ended 31st March, 2009

Expenditure

		Schedules	This Year Rs.	Previous Year Rs.
1.	Interest		24,138,272,730	20,039,975,462
2.	Credit Insurance, fees and charges		26,012,229	30,029,073
3.	Staff Salaries, Allowances etc. and Terminal Benefits		123,024,338	100,557,181
4.	Directors' and Committee Members' Fees and Expenses		30,500	99,500
5.	Audit Fees		455,000	455,000
6.	Rent, Taxes, Electricity and Insurance Premia		71,538,003	59,937,920
7.	Communication expenses		17,318,007	14,576,578
8.	Legal Expenses		11,923,707	8,594,215
9.	Other Expenses	XII	475,278,615	319,829,419
10.	Depreciation		91,270,227	79,533,134
11.	Provision for loan losses/contingencies depreciation on investments		3,437,201,526	2,164,144,072
12.	Profit carried down		6,101,349,347	5,333,588,053
	Total		**34,493,674,229**	**28,151,319,607**
	Provision for Income Tax [net of Deferred tax credit of Rs. 704,981,398 (previous year - Rs. 140,073,281)]		2,077,225,602	2,003,126,719
	Balance of profit transferred to Balance Sheet		4,774,123,745	3,330,461,334
			6,851,349,347	**5,333,588,053**

Report of the Auditors

To The President of India

1) We have audited the attached Balance Sheet of General Fund of Export-Import Bank of India ('the Bank') as at 31st March, 2009, and also the Profit and Loss Account of General Fund of the Bank for the year ended on that date and the Cash Flow Statement for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
b. In our opinion, the Balance Sheet and the Profit and Loss Account and the Cash Flow Statement are properly drawn up in accordance with the requirements of the Export-Import Bank of India Act, 1981 and the Regulations framed thereunder;
c. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, read with the notes thereon, is a full and fair Balance Sheet, contains all the necessary particulars and is properly drawn up so as to exhibit a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the General Fund of the Bank as at 31st March, 2009.

For Batliboi & Purohit
Chartered Accountants
(Atul Mehta)
Partner
M. No. 15935

Place : New Delhi
Dated : May 19, 2009

General Fund

Income

	Schedules	This Year Rs.	Previous Year Rs.
INCOME			
1. Interest and Discount	XIII	31,265,210,395	24,338,616,613
2. Exchange, Commission, Brokerage and Fees		1,227,259,017	945,588,625
3. Other Income	XIV	2,001,204,817	2,867,114,369
4. Loss carried to Balance Sheet		—	—
Total		**34,493,674,229**	**28,151,319,607**
Profit brought down		6,101,349,347	5,333,588,053
Excess Income/Interest tax provision of earlier years written back		750,000,000	—
		6,851,349,347	**5,333,588,053**

'Notes to Accounts' attached.

For and on behalf of the Board

S. R. Rao
Executive Director

T. C. Venkat Subramanian
Chairman & Managing Director

N. Shankar
Executive Director

Dr. Arvind Virmani
Smt. Shyamala Gopinath

Shri G. K. Pillai
Smt. Ravneet Kaur
Dr. K. C. Chakrabarty

Shri N. Ravi
Shri A. V. Muralidharan

Directors

As per our attached report of even date
For Batliboi & Purohit
Chartered Accountants

New Delhi
Dated : May 19, 2009

(Atul Mehta)
Partner (M. No. 15935)

Schedules to the Balance Sheet

as at 31st March, 2009

		This Year (As at 31.03.2009)	Previous Year (As at 31.03.2008)
		Rs.	Rs.
Schedule I :	**Capital :**		
	1. Authorised	20,000,000,000	20,000,000,000
	2. Issued and Paid-up : (Wholly subscribed by the Central Government)	13,999,918,881	10,999,918,881
Schedule II :	**Reserves :**		
	1. Reserve Fund	18,736,438,678	15,869,314,933
	2. General Reserve	—	—
	3. Other Reserves :		
	Investment Fluctuation Reserve	914,175,745	814,175,745
	Sinking Fund (Lines of Credit)	1,120,319,064	1,020,319,064
	4. Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	3,910,000,000	3,360,000,000
		24,680,933,487	**21,063,809,742**
Schedule III :	**Profit & Loss Account :**		
	1. Balance as per annexed accounts	4,774,123,745	3,330,461,334
	2. Less: Appropriations:		
	— Transferred to Reserve Fund	2,867,123,745	1,722,761,334
	— Transferred to Investment Fluctuation Reserve	100,000,000	100,000,000
	— Transferred to Sinking Fund	100,000,000	100,000,000
	— Transferred to Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	550,000,000	400,000,000
	3. Balance of the net profits (Transferable to the Central Government in terms of Section 23(2) of the EXIM Bank Act,1981)	**1,157,000,000**	**1,007,700,000**
Schedule IV :	**Deposits:**		
	(a) In India	28,190,875,291	26,741,319,094
	(b) Outside India	—	—
		28,190,875,291	**26,741,319,094**

General Fund

		This Year (As at 31.03.2009)	Previous Year (As at 31.03.2008)
		Rs.	Rs.
Schedule V :	**Borrowings :**		
	1. From Reserve Bank of India :		
	(a) Against Trustee Securities	—	—
	(b) Against Bills of Exchange	30,000,000,000	—
	(c) Out of the National Industrial Credit (Long Term Operations) Fund	—	—
	2. From Government of India	26,666,671	40,000,004
	3. From Other Sources :		
	(a) In India	25,941,626,352	50,487,656,556
	(b) Outside India	72,077,412,219	60,621,733,582
		128,045,705,242	**111,149,390,142**
Schedule VI :	**Cash & Bank Balances :**		
	1. Cash in Hand	123,042	134,013
	2. Balance with Reserve Bank of India	1,998,550	357,098
	3. Balances with other Banks:		
	(a) In India		
	i) in current accounts	109,595,061	340,709,578
	ii) in other deposit accounts	30,885,600,000	28,089,300,000
	(b) Outside India	13,959,881,094	5,595,617,484
	4. Money at call and short notice / Lending under CBLO	1,199,671,323	60,987,793
		46,156,869,070	**34,087,105,966**
Schedule VII :	**Investments:** ***(net of diminution in value, if any)***		
	1. Securities of Central and State Governments	7,868,412,950	8,321,003,801
	2. Equity Shares & Stocks	1,400,607,192	1,451,011,705
	3. Preference Shares and Stocks	288,130,660	370,855,450
	4. Notes, Debentures and Bonds	8,056,025,292	7,800,644,598
	5. Others	3,996,563,736	3,752,500,000
		21,609,739,830	**21,696,015,554**

		This Year (As at 31.03.2009)	Previous Year (As at 31.03.2008)
		Rs.	Rs.
Schedule VIII :	**Loans & Advances:**		
	1. Foreign Governments	57,626,726,205	31,077,433,515
	2. Banks:		
	(a) In India	85,002,000,000	62,715,064,494
	(b) Outside India	3,269,146,597	3,032,578,086
	3. Financial Institutions:		
	(a) In India	—	—
	(b) Outside India	6,224,230,796	3,825,284,885
	4. Others	183,442,358,292	175,616,241,664
		335,564,461,890	**276,266,602,644**
Schedule IX :	**Bills of Exchange and Promissory Notes Discounted/Rediscounted:**		
	(a) In India	6,000,000,000	11,500,000,000
	(b) Outside India	—	—
		6,000,000,000	**11,500,000,000**
Schedule X :	**Fixed Assets :**		
	(At cost less depreciation)		
	1. Premises	845,510,926	712,662,702
	2. Others	38,982,431	40,705,221
		884,493,357	**753,367,923**
Schedule XI :	**Other Assets :**		
	1. Accrued interest on		
	a) investments / bank balances	3,473,680,918	4,824,234,520
	b) loans and advances	2,098,286,919	2,501,699,101
	2. Prepaid insurance premium - paid to Export Credit Guarantee Corpn. of India Ltd.	—	130,730
	3. Deposits with sundry parties	25,450,070	24,474,281
	4. Advance Income Tax paid	11,294,785,669	8,406,730,129
	5. Others [including Deferred tax asset of Rs. 495,652,020 (previous year - Rs.Nil)]	14,909,303,561	12,945,613,412
		31,801,507,137	**28,702,882,173**

		This Year (As at 31.03.2009)	Previous Year (As at 31.03.2008)
		Rs.	Rs.
Schedule XII :	**Other Expenses :**		
	1. Export Promotion Expenses	8,338,732	2,776,781
	2. Expenses on and related to Data Processing	5,942,680	2,270,782
	3. Repairs and Maintenance	49,116,859	41,086,959
	4. Printing and Stationery	11,832,282	10,327,460
	5. Others	400,048,062	263,367,437
		475,278,615	**319,829,419**
Schedule XIII :	**Interest and Discount :**		
	1. Interest and Discount on loans and advances/bills discounted/rediscounted	25,227,131,105	19,052,738,299
	2. Income on Investments/bank balances	6,038,079,290	5,285,878,313
		31,265,210,395	**24,338,616,613**
Schedule XIV :	**Other Income :**		
	1. Net Profit on sale/ revaluation of investments	1,351,026,318	2,845,118,435
	2. Net Profit on sale of land, buildings and other assets	912,683	372,804
	3. Others	649,265,816	21,623,130
		2,001,204,817	**2,867,114,369**

Note : 1. Deposits under 'Liabilities' [ref. Schedule IV (a)] include `on shore' foreign currency deposits aggregating US$ 368.50 mn. (Previous year US$ 595.77 mn.) 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 Rs. 14.75 billion (Previous year Rs. 20.77 billion) on account of swaps. Investments under 'Assets' [ref. Schedule VII 4.] include bonds aggregating Rs. 3.07 billion (Previous year Rs. 3.17 billion) on account of swaps.

2. Net profit on sale / revaluation of investments for FY 2007-08 includes Rs. 1.99 billion being gain on disinvestment of Bank's 40% stake in Global Trade Finance Limited in March 2008.

Balance Sheet
as at 31st March, 2009

Liabilities

		This Year (As at 31.03.2009)	Previous Year (As at 31.03.2008)
		Rs.	Rs.
1.	Loans :		
	(a) From Government	—	—
	(b) From Other Sources	—	—
2.	Grants:		
	(a) From Government	128,307,787	128,307,787
	(b) From Other Sources	—	—
3.	Gifts, Donations, Benefactions :		
	(a) From Government	—	—
	(b) From Other Sources	—	—
4.	Other Liabilities	84,469,318	70,979,318
5.	Profit and Loss Account	251,318,293	218,502,780
	Total	**464,095,398**	**417,789,885**

Contingent Liabilities

(i)	Acceptances,Guarantees, endorsements & 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.

Export Development Fund

Assets	**This Year (As at 31.03.2009)**	**Previous Year (As at 31.03.2008)**
	Rs.	**Rs.**
1. Bank Balances		
a) in current accounts	242,506	242,506
b) in other deposit accounts	362,940,513	340,097,583
2. Investments	—	—
3. Loans & Advances :		
(a) In India	—	—
(b) Outside India	8,505,318	8,505,318
4. Bills of Exchange and Promissory Notes Discounted, Rediscounted :		
(a) In India	—	—
(b) Outside India	—	—
5. Other Assets		
(a) Accrued interest on		
i) Loans and Advances	—	—
ii) Investments/bank balances	7,101,215	6,858,775
(b) Advance Income Tax paid	73,648,703	62,085,703
(c) Others	11,657,143	—
Total	**464,095,398**	**417,789,885**

For and on behalf of the Board

S. R. Rao
Executive Director

T. C. Venkat Subramanian
Chairman & Managing Director

N. Shankar
Executive Director

Dr. Arvind Virmani
Smt. Shyamala Gopinath

Shri G. K. Pillai
Smt. Ravneet Kaur
Dr. K. C. Chakrabarty

Shri N. Ravi
Shri A. V. Muralidharan

Directors

As per our attached report of even date
For Batliboi & Purohit
Chartered Accountants

New Delhi
Dated : May 19, 2009

(Atul Mehta)
Partner (M. No. 15935)

Profit & Loss Account

for the year ended 31st March, 2009

Expenditure

		This Year	Previous Year
		Rs.	**Rs.**
1.	Interest	—	—
2.	Other Expenses	—	—
3.	Profit carried down	39,687,513	28,925,601
	Total	**39,687,513**	**28,925,601**
	Provision for Income Tax	13,490,000	9,832,000
	Balance of profit transferred to Balance Sheet	32,815,513	19,093,601
		46,305,513	**28,925,601**

Report of the Auditors

To The President of India

1) We have audited the attached Balance Sheet of Export Development Fund of Export-Import Bank of India ('the Bank') as at 31st March, 2009, and also the Profit and Loss Account of Export Development Fund of the Bank for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
b. In our opinion, the Balance Sheet and the Profit and Loss Account are properly drawn up in accordance with the requirements of the Export-Import Bank of India Act, 1981 and the Regulations framed thereunder;
c. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, read with the notes thereon, is a full and fair Balance Sheet, contains all the necessary particulars and is properly drawn up so as to exhibit a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Export Development Fund of the Bank as at 31st March, 2009.

For Batliboi & Purohit
Chartered Accountants
(Atul Mehta)
Partner
M. No. 15935

Place : New Delhi
Dated : May 19, 2009

Export Development Fund

Income	This Year	Previous Year
	Rs.	Rs.
1. Interest and Discount		
(a) loans and advances	—	—
(b) investments / bank balances	34,648,370	28,925,601
2. Exchange, Commission, Brokerage and Fees	—	—
3. Other Income	5,039,143	—
4. Loss carried to Balance Sheet	—	—
Total	**39,687,513**	**28,925,601**
Profit brought down	39,687,513	28,925,601
Excess Income/Interest tax provision of earlier years written back	6,618,000	—
	46,305,513	**28,925,601**

For and on behalf of the Board

S. R. Rao
Executive Director

T. C. Venkat Subramanian
Chairman & Managing Director

N. Shankar
Executive Director

Dr. Arvind Virmani
Smt. Shyamala Gopinath

Shri G. K. Pillai
Smt. Ravneet Kaur
Dr. K. C. Chakrabarty
Directors

Shri N. Ravi
Shri A. V. Muralidharan

As per our attached report of even date
For Batliboi & Purohit
Chartered Accountants

New Delhi
Dated : May 19, 2009

(Atul Mehta)
Partner (M. No. 15935)

Cash Flow Statement

for the year ended 31st March, 2009

Particulars	This Year	Amount (Rs. in Mn.) Previous Year
Cash flow from Operating Activities		
Net Profit before tax and extra-ordinary items	6,101.3	5,333.6
Adjustments for		
— (Profit)/Loss on sale of fixed assets (Net)	(0.9)	(0.4)
— (Profit)/Loss on sale of Investments (Net)	(1,351.0)	(2,845.1)
— Depreciation	91.3	79.6
— Discount/Expenses on bond issues written off	162.5	156.8
— Transfer from Investment Fluctuation Reserve	—	—
— Provisions/Write Off of Loans/Investments & other provisions	3,437.2	2,164.1
— Others - to specify	—	—
	8,440.4	4,888.6
Adjustments for		
— Other Assets	872.6	(13,200.3)
— Current liabilities	1,375.0	2,481.2
Cash generated from operations	**10,688.0**	**(5,830.5)**
Payment of income tax/interest tax	(2,888.0)	(2,172.1)
Net cash flow from operating activities	**7,800.0**	**(8,002.6)**
Cash flow from Investing activities		
— Net purchase of fixed assets	(221.5)	(20.4)
— Net change in investments	1,437.3	(2,689.8)
Net cash used in / raised from Investing activities	**1,215.8**	**(2,710.2)**

General Fund

	This Year	Amount (Rs. in Mn.) Previous Year
Cash Flow from Financing activities		
— Equity capital infusion	3,000.0	1,000.0
— Loans borrowed (net of repayments made)	54,859.6	74,556.7
— Loans lent, bills discounted & rediscounted (net of repayments received)	(53,797.9)	(58,904.1)
— Dividend on equity shares & tax on dividend (Balance of Net profits transferred to Central Government)	(1,007.7)	(956.2)
Net cash used in / raised from Financing activities	**3,054.0**	**15,696.4**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**12,069.8**	**4,983.6**
OPENING CASH & CASH EQUIVALENTS	34,087.1	29,103.5
CLOSING CASH & CASH EQUIVALENTS	46,156.9	34,087.1

For and on behalf of the Board

S. R. Rao
Executive Director

T. C. Venkat Subramanian
Chairman & Managing Director

N. Shankar
Executive Director

Dr. Arvind Virmani
Smt. Shyamala Gopinath

Shri G. K. Pillai
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Dr. K. C. Chakrabarty

Shri N. Ravi
Shri A. V. Muralidharan

Directors

As per our attached report of even date
For Batliboi & Purohit
Chartered Accountants

New Delhi
Dated : May 19, 2009

(Atul Mehta)
Partner (M. No. 15935)

Notes to Accounts

I Significant Accounting Policies

(i) Financial Statements

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 and these are also generally consistent with international accounting standards. The form and manner in which the Balance Sheet and the Profit and Loss Account of Exim Bank are prepared have been provided in Export-Import Bank of India, General Regulations, 1982 approved by Board of Directors with the previous approval of Government of India under Section 39 (2) of Export-Import Bank of India Act, 1981 (28 of 1981). Certain important financial ratios / data are disclosed as part of the "Notes to Accounts" in terms of Reserve Bank of India (RBI) Circular DBS.FID.No.C-18/ 01.02.00/2000-01 dated August 13, 2005 and thereafter.

(ii) Revenue Recognition

Income/Expenditure is recognized on accrual basis except in respect of interest on Non–performing Assets (NPA) and "Stressed Assets", penal interest and commitment charges, 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 outstandings net of provisions for Non Performing Assets (NPA). Interest receivables are grouped under "Other Assets".

Loan Assets are classified in to 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 and valuation 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 over twenty years on owned buildings and over four years on other assets.

(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 of, discarded, demolished or destroyed, the net surplus or deficiency is adjusted in Profit and Loss Account.

(vi) 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.

(vii) Guarantees

(a) Expired guarantees are included as Contingent Liabilities till cancellation of original documents.

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

(viii) Provision for Terminal Benefits of Employees

The Bank has set up a separate Provident Fund, Gratuity Fund and Pension Fund, which are recognised by Commissioner of Income-Tax. Liabilities towards Gratuity and Pension are estimated on actuarial basis and the respective amounts due, if any, are transferred to Gratuity Fund and Pension Fund every year. Liability towards leave encashment is provided for on the basis of actuarial valuation at year-end.

(ix) 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 reasonable certainty of realisation.

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 Rs. 34.86 billion (previous year Rs. 27.57 billion) held on agency account including a sum of Rs. 31.50 billion (previous year Rs. 24.92 billion) assigned to Government of India (GOI) are not included in the above Balance Sheet.

2. Income-Tax

   Section 37 of Exim Bank Act, 1981 (which provided, inter alia, that any income, profits or gains derived or any amount received by Exim Bank would not be charged to tax), was omitted by Finance (No. 2) Act, 1998 with effect from April 1, 1999. Since the said Section 37 was in force till March 31, 1999, as per professional advice, the exemption would be available to Exim Bank in respect of income accruing or arising to it upto the end of accounting year 1998-99. Exim Bank had made a provision for taxation for FY 1998-1999. The Bank had also made a total payment of Rs. 0.79 billion towards income-tax and Rs.0.06 billion towards interest-tax for that year without prejudice to its rights in the matter and pursued the matter with Income Tax authorities. In respect of both, income tax and interest tax, the Income Tax Appellate Tribunal (ITAT) has held that the income / interest income of the Bank for the year ended March 31, 1999 is not chargeable to tax, as the omission of Section 37 of Exim Bank Act, 1981 is with effect from April 1, 1999. Accordingly, the Bank has received refund orders in respect of both, income tax and interest tax paid for FY 1998-99.

   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 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 ITAT 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 Rs. 9.69 billion (previous year Rs. 10.60 billion), yet to be cancelled in books.

   (b) Claims not acknowledged as debts

   The amount of Rs. 3.18 billion (previous year Rs. 3.18 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. 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, 2009 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 amortized 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. The Bank has sought RBI permission for 'market maker' status in respect of rupee derivatives, which is awaited.

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 total profit on such translation is Rs. 0.26 billion (previous year, Rs. 0.08 billion).

ADDITIONAL INFORMATION AS REQUIRED BY RESERVE BANK OF INDIA

4. Capital

(a)

Particulars	As on March 31, 2009	As on March 31, 2008
(i) Capital to Risk Assets Ratio (CRAR)	16.77%	15.13%
(ii) Core CRAR	14.79%	13.41%
(iii) Supplementary CRAR	1.98%	1.72%

(b) 'Notes, Bonds and Debentures' include 8% 2022 Bonds subscribed by Government amounting to Rs. 5.59 billion (previous year Rs. 5.59 billion). These Bonds are unsecured and rank junior to all borrowers/deposits/subordinated debts of the Bank and qualify for Tier-I Capital of the Bank subject to certain conditions prescribed by Reserve Bank of India (RBI)/Government.

(c) The amount of subordinated debt raised and outstanding as on March 31, 2009 as Tier-II capital : Rs. NIL (previous year: Rs. NIL)

(d) Risk weighted assets –

(Rs. billion)

Particulars	As on March 31, 2009	As on March 31, 2008
(i) 'On' balance sheet items	246.55	228.08
(ii) 'Off' balance sheet items	31.43	29.95

(e) The share holding pattern as on the date of the balance sheet : Capital Wholly subscribed by 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).

5. Asset quality and credit concentration as on March 31, 2009

(a) Percentage of net Non-performing Assets (NPAs) to net loans and advances : 0.23 (previous year 0.29)

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

(Rs. billion)

Particulars	As on March 31, 2009		As on March 31, 2008	
	Amount	Percentage	Amount	Percentage
Sub-standard Assets	0.21	0.06	0.41	0.14
Doubtful Assets	0.58	0.17	0.42	0.15
Loss Assets	—	—	—	—
Total	0.79	0.23	0.83	0.29

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

(Rs. billion)

Particulars	2008-09	2007-08
Standard Assets	3.88	1.44
NPAs	0.76	1.13
Investments (other than those in the nature of advance)	(0.22)	0.54
Income Tax	2.08	2.00

(d) Movement in net NPAs :

(Rs. billion)

Particulars	2008-09	2007-08
Net NPAs at the beginning of the year	0.83	1.15
Add : New NPAs during the year	0.44	0.41
Less : Recoveries / upgradations during the year	0.48	0.73
Net NPAs at the end of the year	0.79	0.83

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

(Rs. billion)

Particulars	2008-09	2007-08
Opening balance as at the beginning of the year	3.75	3.88
Add : Provisions made during the year	0.76	1.13
Less: Write off / write back of excess provision	1.02	1.26
Closing balance at the end of the year	3.49	3.75

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

Sr.	Particulars	2008-09	2007-08
(i)	No. of Accounts	0	2
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	NIL	Rs. 0.52 billion
(iii)	Aggregate consideration	NIL	Rs. 0.59 billion
(iv)	Consideration realised in respect of accounts transferred in earlier years	Rs. 0.15 billion	Rs. 0.20 billion
(v)	Aggregate gain over net book value	NIL	Rs. 0.01 billion

- 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.

(g) Non-performing Investments

(Rs. billion)

Particulars	2008-09	2007-08
Opening balance as at the beginning of the year	0.29	0.38
Additions during the year	0.06	0.09
Reductions during the year	0.00	0.18
Closing balance at the end of the year	0.35	0.29
Total provisions held	0.30	0.24

(h) Provisions for depreciation in investments

(Rs. billion)

Particulars	2008-09	2007-08
Opening balance as at the beginning of the year	1.45	0.91
Add :		
(i) Provisions made during the year / (written back)	(0.22)	0.54
(ii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	—	—
Less :		
(i) Write off during the year	—	—
(ii) Transfer, if any, to Investment Fluctuation Reserve Account	—	—
Closing balance as at the end of the year	1.23	1.45

(i) Particulars of accounts restructured during FY 2008-09

(Rs. billion)

Category	Details	CDR Mechanism	SME Debt Mechanism	Others
Standard Advances restructured	No. of Borrowers	6	5	8
	Amount Outstanding	1.86	0.33	3.81
	Sacrifice (diminution in the fair value)	0.17	—	0.03
Sub-Standard Advances restructured	No. of Borrowers	—	—	—
	Amount Outstanding	—	—	—
	Sacrifice (diminution in the fair value)	—	—	—
Doubtful Advances restructured	No. of Borrowers	—	—	1
	Amount Outstanding	—	—	0.13
	Sacrifice (diminution in the fair value)	—	—	—
Total	No. of Borrowers	6	5	9
	Amount Outstanding	1.86	0.33	3.94
	Sacrifice (diminution in the fair value)	0.17	—	0.03

Note: Applications for restructuring of loans aggregating Rs. 2.82 billion in respect of fourteen borrowers are under process as on March 31, 2009

Previous year (Particulars of accounts restructured during FY 2007-08)

(Rs. billion)

Category	Details	CDR Mechanism	SME Debt Mechanism	Others
Standard Advances restructured	No. of Borrowers	2	—	—
	Amount Outstanding	0.58	—	—
	Sacrifice (diminution in the fair value)	0.04	—	—
Sub-Standard Advances restructured	No. of Borrowers	—	—	—
	Amount Outstanding	—	—	—
	Sacrifice (diminution in the fair value)	—	—	—
Doubtful Advances restructured	No. of Borrowers	—	1	1
	Amount Outstanding	—	0.04	0.16
	Sacrifice (diminution in the fair value)	—	—	—
Total	No. of Borrowers	2	1	1
	Amount Outstanding	0.58	0.04	0.16
	Sacrifice (diminution in the fair value)	0.04	—	—

(j) Credit Exposure:

Particulars	Percentage to Capital Funds *	Percentage to Total Credit Exposure (TCE) @	Percentage to Total Assets
i) Largest single borrower	21.11**	1.37	1.86
ii) Largest borrower group	44.47	2.88	3.93
iii) 10 largest single borrowers	132.94	8.61	11.74
iv) 10 largest borrower groups	189.57	12.27	16.75

* Capital Funds as on March 31, 2008

** Owing to depreciation of INR vis-à-vis US$, though the exposure in terms of US$ has declined by US$ 1.65 mn during 2008-09. As on March 31, 2008, exposure to the same borrower worked out to 19.35% of Capital Funds (as on March 31, 2007).

Previous Year:

Particulars	Percentage to Capital Funds *	Percentage to Total Credit Exposure (TCE) @	Percentage to Total Assets
i) Largest single borrower	19.85	1.33	1.93
ii) Largest borrower group	48.67	3.26	4.74
iii) 10 largest single borrowers	147.02	9.83	14.32
iv) 10 largest borrower groups	222.50	14.88	21.67

* Capital Funds as on March 31, 2007

@ TCE: Loans + Advances + Un-utilized Sanctions + Guarantees + 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 borrowers exposure.

2) There were 2 borrowers during FY 2008-09 for whom exposure over 15% of capital funds was assumed with the approval of the Board / Management Committee. Exposure to these borrowers as on March 31, 2009 stood at 21.11% and 16.84% of the capital funds of the Bank.

3) There was 1 Borrower Group during FY 2008-09 for whom exposure over 40% of capital funds was assumed with the approval of the Board / Management Committee. Exposure to this Borrower Group as on March 31, 2009 stood at 44.47% of the capital funds.

(k) Credit exposure to the five largest industrial sectors:

Sector	Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i) Textile / Garments	13.07	11.60
ii) Metal & Metal Processing	9.66	8.57
iii) Chemicals & Dyes	8.47	7.51
iv) Drugs and Pharmaceuticals	7.46	6.62
v) Engineering Goods	6.82	6.05

Previous Year :

Sector	Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i) Textile / Garments	12.60	12.87
ii) Chemicals & Dyes	7.85	8.01
iii) Construction	7.49	7.65
iv) Metal & Metal Processing	7.35	7.50
v) Capital Goods	7.34	7.49

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

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

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

(Rs. 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	0.05	—	—	0.05	0.05
2	FIs	3.31	3.07	—	0.24	3.31**
3	Banks	0.25	0.15	—	0.10	0.10
4	Private corporates	6.84	6.03	—	3.99	3.16*
5	Subsidiaries / Joint ventures	—	—	—	—	—
6	Others	3.99	—	—	—	—
7	# Provision held towards depreciation	0.70	—	—	—	—
	Total	14.44	9.25	—	4.38	6.62

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

* Out of which Rs. 2.32 billion represents investment in security receipts issued by ARCIL and Rs. 0.76 billion of investments are in shares/ debentures acquired as part of loan restructuring.

** Out of which Rs. 3.07 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:

(Rs. 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	0.05	—	—	0.05	0.05
2	FIs	3.41	3.17	—	0.24	3.41**
3	Banks	0.25	0.15	—	0.10	0.10
4	Private Corporates	6.75	5.91	—	4.25	3.41*
5	Subsidiaries / Joint ventures	—	—	—	—	—
6	Others	3.81	—	—	0.06	0.06
7	# Provision held towards depreciation	0.84	—	—	—	—
	Total	14.27	9.23	—	4.70	7.03

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

* Out of which Rs. 2.47 billion represents investment in security receipts issued by ARCIL and Rs. 0.81 billion of investments are in shares/ debentures acquired as part of loan restructuring.

** Out of which Rs. 3.17 billion were by way of US$ / INR Swap undertaken with RBI approval.

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

6. Liquidity

(a) Maturity pattern of rupee assets and liabilities; and

(b) Maturity pattern of foreign currency assets and liabilities.

(Rs. billion)

Items	Less than or equal to 1 year	More than 1 year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	169.85	68.64	86.03	26.91	32.30	383.73
Foreign currency assets	99.02	61.27	61.83	18.37	53.51	294.00
Total assets	268.87	129.91	147.86	45.28	85.81	677.73
Rupee liabilities	166.03	58.32	63.83	10.01	61.17	359.36
Foreign currency liabilities	97.83	61.00	61.60	18.30	53.15	291.88
Total liabilities	263.86	119.32	125.43	28.31	114.32	651.24

Previous Year:

(Rs. billion)

Items	Less than or equal to 1 year	More than 1 year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years	Total
Rupee assets	142.06	85.59	57.29	35.72	40.88	361.54
Foreign currency assets	69.09	44.83	46.26	24.78	24.02	208.98
Total assets	211.15	130.42	103.55	60.50	64.90	570.52
Rupee liabilities	127.86	82.81	48.35	15.63	58.78	333.43
Foreign currency liabilities	68.30	44.61	46.05	24.35	23.69	207.00
Total liabilities	196.16	127.42	94.40	39.98	82.47	540.43

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

(c) Repo Transactions:

(Rs. billion)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2009
Securities sold under repos	—	—	—	—
Securities purchased under reverse repos	—	13.26	2.03	—

Previous Year:

(Rs. billion)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2008
Securities sold under repos	—	—	—	—
Securities purchased under reverse repos	—	—	—	—

7. Disclosure on risk in derivatives in terms of RBI Guidelines dated July 01, 2008

a) Qualitative Disclosure

1. The Bank uses financial derivative transactions predominantly for raising cost-effective funds and hedging its balance sheet exposures, with the objective of reducing market risks. 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 and in 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, 2009 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) are not included in Outstanding Forward Exchange Contracts under Contingent Liabilities as per the Derivative Policy.

b) Quantitative Disclosure

(Rs. billion)

Sr. No.	Particulars	2008-09		2007-08	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
1	Derivatives (Notional Principal Amount)				
	a) For hedging	110.86	18.47	89.04	18.25
	b) For trading	—	—	—	—
2	Marked to Market Positions				
	a) Asset (+)	11.01	0.23	11.37	—
	b) Liability (-)	—	—	—	—
3	Credit Exposure	16.90	0.27	15.08	0.28
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	1.00	0.16	1.05	0.30
	b) on trading derivatives	—	—	—	—
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	(i) Maximum	1.02	0.29	1.07	0.43
	(ii) Minimum	0.84	0.16	0.96	0.30
	b) on trading				
	(i) Maximum	—	—	—	—
	(ii) Minimum	—	—	—	—

c) Disclosure on Interest Rate derivatives traded on exchanges

Sr. No.	Particulars	Amount
1.	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	NIL
2.	Notional Principal amount of exchange traded interest rate derivatives outstanding as on 31st March, 2009 (instrument-wise)	NIL
3.	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL
4.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL

d) Disclosure on Forward Rate Agreements and Interest rate swaps

(Rs. billion.)

Sr. No.	Particulars	2008-09		2007-08	
		Hedging	Trading	Hedging	Trading
1.	The Notional Principal of swap agreements	18.4744	—	18.2456	—
2.	Losses, which would be incurred if counter parties failed to fulfill their obligations under the agreements	0.0156	—	0.0059	—
3.	Concentration of credit risk arising from Swaps	All transactions fall within approved credit exposure limits.	—	All transactions fall within approved credit exposure limits.	—
4.	The fair value of the swap book	0.2336	—	0.0008	—

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.

8. Operating results

Sr. No.	Particulars	2008-09	2007-08
(i)	Interest income as a percentage to average working funds	7.75	7.57
(ii)	Non-interest income as a percentage to average working funds	0.80	1.19
(iii)	Operating profit as a percentage to average working funds	2.36	2.33
(iv)	Return on average assets	1.18	1.04
(v)	Net Profit per (permanent) employee (in Rs. Mn.)	20.58	15.00

- 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, the end of the succeeding half 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. Details of Fixed Assets

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

(Rs. billion)

Particulars	Premises	Others	Total
Gross Block			
Cost as on 31st March 2008	1.11	0.39	1.50
Additions	0.19	0.03	0.22
Disposals	0.00	0.01	0.01
Cost as on 31st March 2009 (A)	1.30	0.41	1.71
Depreciation			
Accumulated as on 31st March 2008	0.39	0.35	0.74
Provided during the year	0.06	0.03	0.09
Eliminated on Disposals	0.00	0.01	0.01
Accumulated as on 31st March 2009 (B)	0.45	0.37	0.82
Net Block (A-B)	0.85	0.04	0.89

Previous Year :

(Rs. billion)

Particulars	Premises	Others	Total
Gross Block			
Cost as on 31st March 2007	1.11	0.37	1.48
Additions	0.00	0.02	0.02
Disposals	0.00	0.00	0.00
Cost as on 31st March 2008 (A)	1.11	0.39	1.50
Depreciation			
Accumulated as on 31st March 2007	0.34	0.33	0.67
Provided during the year	0.05	0.02	0.07
Eliminated on Disposals	0.00	0.00	0.00
Accumulated as on 31st March 2008 (B)	0.39	0.35	0.74
Net Block (A-B)	0.72	0.04	0.76

10. 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.

11. Segment Reporting

The Bank's operations predominantly comprise of only one segment i.e. financial activities, hence there are no separate reportable segments under AS–17 Segment Reporting issued by the ICAI.

12. 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 Venture:
    - — Global Procurement Consultants Limited (GPCL)
  - (ii) Key Management Personnel :
    - — Shri T. C. Venkat Subramanian, Chairman of GPCL
- The Banks' related party balances and transactions are summarised as follows :

(Rs. mn)

Particulars	Joint Venture 2008-09	Joint Ventures 2007-08
Loans granted	—	—
Interest received	—	4.47
Receipts towards services rendered	—	—
Term Deposit Accepted	7.06	4.26
Interest on Term Deposits	0.45	0.18
Amounts written-off / written-back	—	—

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

Investments outstanding at year end : Rs. 2.60 mn. (previous year Rs. 2.60 mn)

Maximum Loan outstanding during the year : Nil (previous year Rs. 1,000.00 mn).

- RBI circular DBOD No. BP.BC.89/21.04.018/2002-03 dated March 29, 2003, issued to Commercial Banks, excludes disclosure of transactions where there is only one related party in any category (i.e. Key Management Personnel).

13. Accounting for Taxes on Income

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

	(Rs. mn.)
(i) Tax on Income	2776.60
(ii) Fringe benefit tax	5.61
	2782.21
(iii) Less : Net reversal of deferred tax liability	704.98
	2077.23

(b) Deferred Tax Asset :

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

Particulars	(Rs. mn) Year ended March 31, 2009
Deferred Tax Assets	
1. Provision Disallowed (Net)	1859.65
2. Depreciation on Fixed Assets	33.68
	1893.33
Less : Deferred Tax Liability	
1. Amortization of Bond issue expenses	149.60
2. Special Reserve created under section 36 (1) (viii)	1248.08
	1397.68
Net Deferred Tax Assets [included in 'Other Assets' in the 'Assets' side of the Balance Sheet]	495.65

14. Financial Reporting of Interest in Joint Venture

I.

Jointly Controlled Entity	Country	Percentage of holding	
		Current Year	Previous Year
Global Procurement Consultants Limited	India	26%	26%

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

(Rs. mn)

Liabilities	2008-09	2007-08	Assets	2008-09	2007-08
Capital & Reserves	10.46	9.54	Fixed Assets	0.28	0.06
Loans	0.00	0.00	Investments	4.87	4.42
Other Liabilities	4.91	3.86	Other Assets	10.22	8.92
Total	15.37	13.40	Total	15.37	13.40

Contingent Liabilities : NIL (Previous year NIL)

(Rs. mn)

Expenses	2008-09	2007-08	Income	2008-09	2007-08
Other Expenses	6.77	5.86	Consultancy Income	8.78	8.68
Provisions	1.22	1.07	Interest income & Income from investment	0.88	0.31
			Other Income	0.01	0.00
			Deferred Tax Liability Written back	0.00	0.02
Total	7.99	6.93	Total	9.67	9.01

15. 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, 2009 requiring recognition in terms of the said standard.

16. Employee benefits

The Bank has adopted Accounting Standard 15(R) – Employee Benefits, issued by The Institute of Chartered Accountants of India (ICAI) w.e.f. April 01, 2007. The Bank recognizes 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 recognized in the Balance Sheet

(Rs. mn)

Particulars	Pension Fund	Gratuity
Present Value of Funded Obligations	150.19	36.34
Fair Value of Plan Assets	(136.82)	(37.33)
Present Value of Unfunded Obligations	—	—
Unrecognized Past Service Cost	—	—
Amount not recognized as an Asset	—	—
Net Liability	13.37	(0.99)

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

(Rs. mn)

Particulars	Pension Fund	Gratuity
Current Service Cost	6.89	2.42
Interest on Defined Benefit Obligation	10.64	2.80
Expected Return on Plan Assets	(9.16)	(2.52)
Net Actuarial Losses / (Gains) recognized in year	8.30	(1.26)
Past Service Cost	—	—
Losses / (Gains) on "Curtailments & Settlements"	—	—
Losses / (Gains) on "Acquisition / Divestiture"	—	—
Total, included in "Employee Benefit Expense"	16.67	1.44
Contributions by Employer	3.70	—

C) Summary of Actuarial Assumptions

Particulars	Pension Fund	Gratuity
Discount Rate (p.a.)	8.00%	8.00%
Expected Rate of Return on Assets (p.a.)	7.50%	7.50%
Salary Escalation Rate (p.a.)	8.00%	8.00%

In addition to the above, for the year 2008-2009 the Bank has made provisions for increase in the present value of funded obligations in its balance sheet as per Actuarial valuation of Rs. 4.37 mn for Leave encashment and accordingly the aggregate amount of Defined Benefit Obligation of Leave Encashment works out to Rs. 25.54 mn.

During the year, an amount of Rs. 1.70 mn has been contributed towards Provident Fund for the benefit of the employees.

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

For and on behalf of the Board

S. R. Rao
Executive Director

T. C. Venkat Subramanian
Chairman & Managing Director

N. Shankar
Executive Director

Dr. Arvind Virmani

Smt. Shyamala Gopinath

Shri G. K. Pillai

Smt. Ravneet Kaur

Dr. K. C. Chakrabarty

Shri N. Ravi

Shri A. V. Muralidharan

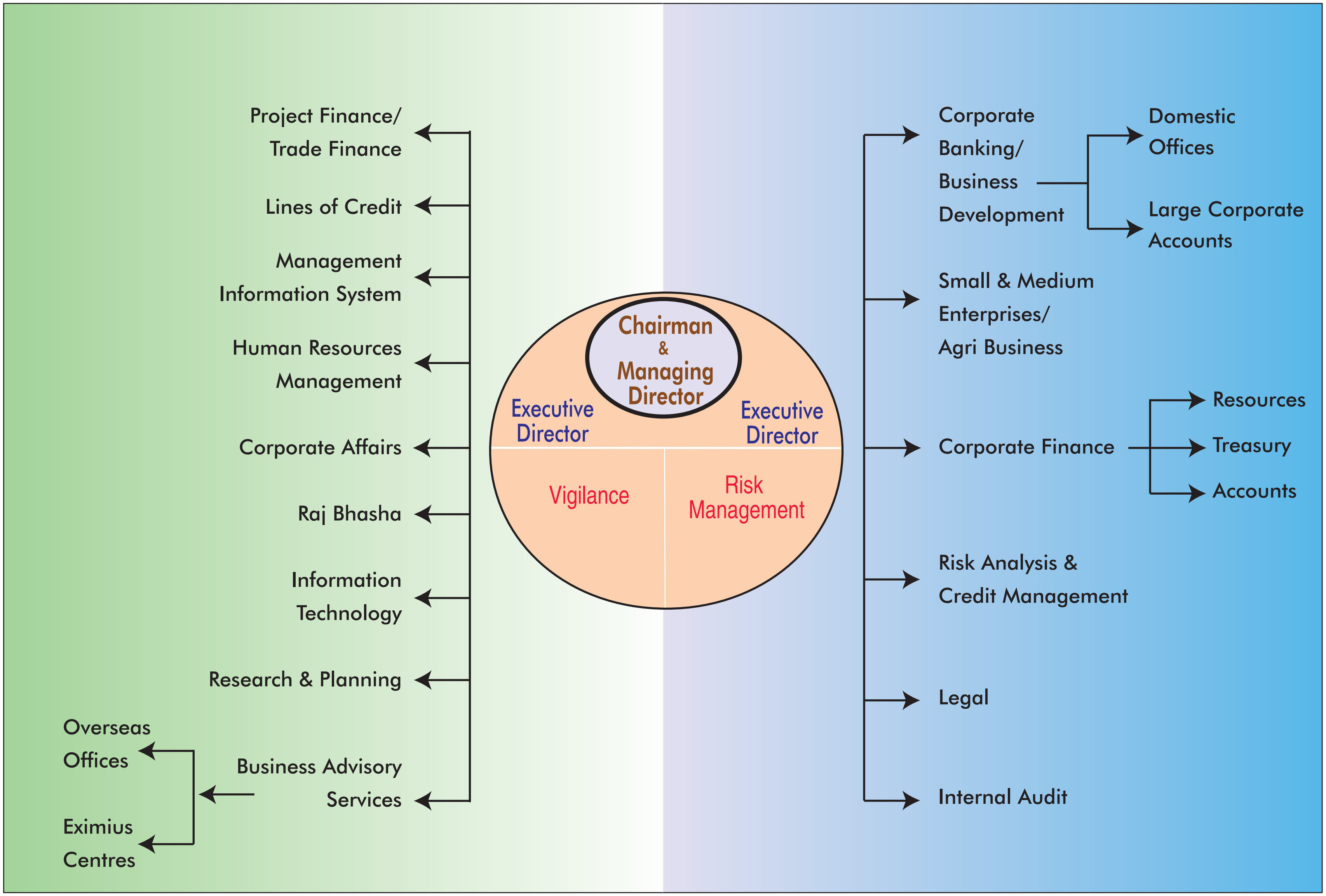
Directors

As per our attached report of even date
For Batliboi & Purohit
Chartered Accountants

New Delhi
Dated : May 19, 2009

(Atul Mehta)
Partner (M. No. 15935)

Organisation Chart



Exim Bank's Key Resource: Its Human Capital

Management Team

Sitting from left:

C. P. Ravindranath, Chief General Manager
John Mathew, Chief General Manager
Prabhakar Dalal, Chief General Manager
S.R. Rao, Executive Director
T.C. Venkat Subramanian, Chairman & Managing Director
N. Shankar, Executive Director
R.W. Khanna, Chief General Manager
K. Muthukumaran, Chief General Manager
David Rasquinha, Chief General Manager

Standing from left:

Nadeem Panjetan, General Manager
T. V. Rao, General Manager
David Sinate, General Manager
S. Srinivas, General Manager
Daya Chandrahas, General Manager
Sunita Sindwani, General Manager
Sangeeta Sharma, General Manager
Mukul Sarkar, General Manager
A. Nithiyanandam, General Manager
Samuel Joseph, General Manager
Prahalathan S. Iyer, General Manager

Regional Heads

Indian Offices

Ahmedabad
Rikesh Chand

Bangalore
Ravidas Pyage

Chennai
T. D. Sivakumar

Guwahati
Shonly Litting

Hyderabad
M. Srinivasa Rao

Kolkata
Saumar Sonowal

Mumbai
Meghana Joglekar

New Delhi
Sunil Trikha

Pune
Lokesh Kumar

Overseas Offices

Dakar
O'Neil Rane

Dubai
Nirmit Ved

Durban
Vinod Goel

London
Gaurav Bhandari

Singapore
Deepali Agrawal

Washington D. C.
Tarun Sharma

The Exim Bank aims to promote India's international trade. The Logo reflects this.The Logo has a two-way significance. The import arrow is thinner than the export arrow. It also reflects the aim of value addition to exports.

Objectives

The Export-Import Bank of India was established "for providing financial assistance to exporters and importers, and for functioning as the principal institution for co-ordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade ..."

: The Export-Import Bank of India Act, 1981.

EXPORT-IMPORT BANK OF INDIA

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