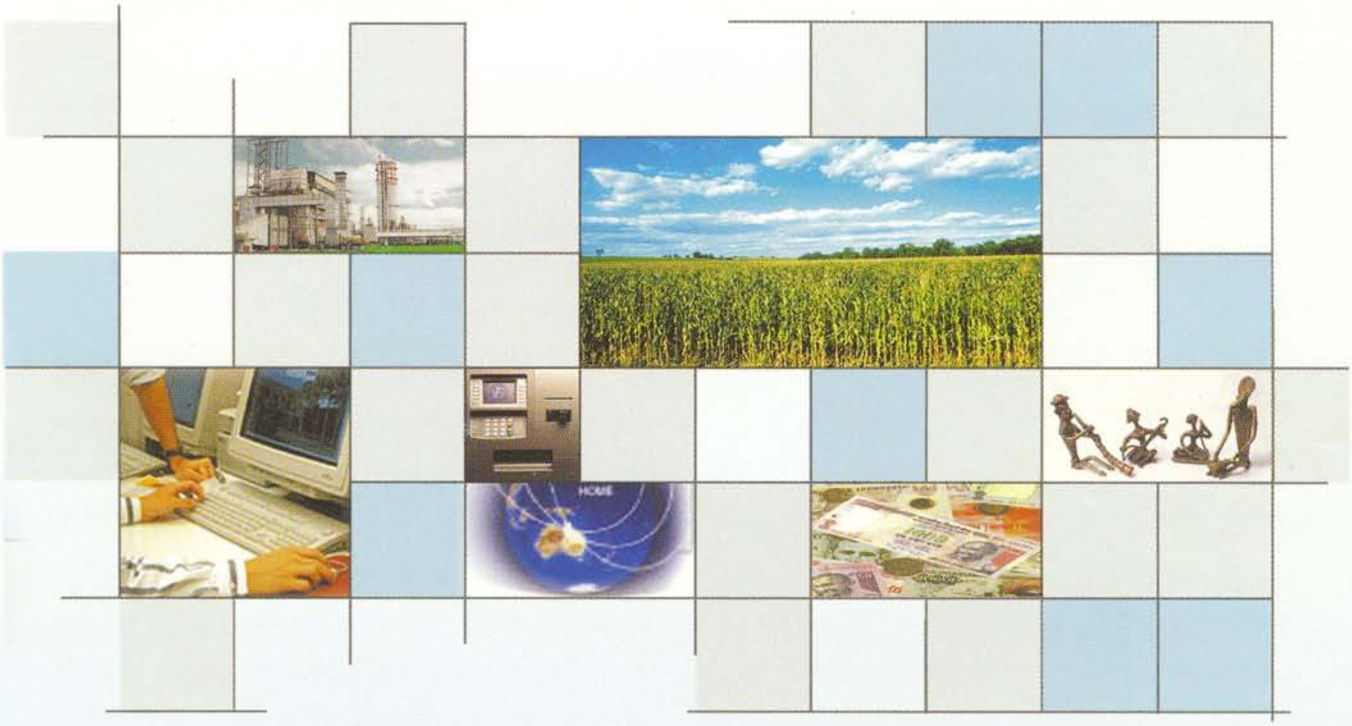
20 वीं वार्षिक रिपोर्ट 2001-02

20TH ANNUAL REPORT 2001-02



भारतीय निर्यात-आयात बैंक
EXPORT-IMPORT BANK OF INDIA

Global Trade in the WTO Environment

Free trade and globalisation have been the main engines of development since the industrial revolution. A major event in the history of global trade is the emergence of the World Trade Organisation (WTO) in the 1990s. The WTO hosts the institutional machinery for the establishment of a rule-based international trading system. It is the multilateral forum where the rules are drawn up, and mechanisms set in place to ensure compliance.

Trade in the WTO-era presents fresh opportunities and challenges. Given the unequal bargaining strength of trading nations, a multilateral forum such as the WTO offers a better opportunity for developing countries to air their concerns. By building a consensus among like-minded countries, developing countries can enhance their bargaining strength in the ongoing negotiations.

In the recent rounds of negotiations, more and more issues, such as trade and competition, trade and investment, transparency in government procurement and trade facilitation are being sought to be brought under the purview of the WTO. India therefore, needs to be in sync with the emerging global trade rules. Going one step further, it should take the initiative to push for liberalisation in areas where it has a comparative advantage. For instance, the presence of a huge pool of skilled manpower gives India a comparative advantage in services, which it could exploit to the fullest in the negotiations on trade in services.

The latest round of trade negotiations have also yielded the strongest commitment so far on reducing agricultural subsidies. This opens up new opportunities for India's agro-products. In this regard, Exim Bank has recently launched a series of initiatives for the promotion of India's agro-exports. For instance, agro-products have been included for the first time in the list of items eligible for export finance under Exim Bank's Lines of Credit to overseas banks and financial institutions.

With complete deregulation being one of the aims of the WTO, the domestic industry needs to gear up to face global competition. Exim Bank, as India's premier export finance institution, has over the years been playing an active role in creating export capability among Indian companies. The Bank has, in particular, played a key role in facilitating India's project exports. In the emerging global trade scenario, Exim Bank would continue to work closely with Indian industry to help them achieve global competitiveness and explore new markets.

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The Past Decade

(Rs in million)

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98#	1998-99#	1999-2000#	2000-01#	2001-02#	Cumulative (1992-2002)	Annual Average Growth %
Business												
Export Bids Approved	86370	144590	95880	72000	93219	121741	160826	160643	42880	n.a.	1050019	5
Commitments-in-Principle*	8900	1730	4101	1766	1076	7175	8562	14757	6878	n.a.	72847	42
Export Contracts Secured	12655	16769	17030	16030	23196	18946	33068	34440	18331	41620	242962	23
Loans												
Sanctions	15902	6508	29030	24657	12421	18406	18380	28318	21743	42407	229172	44
Disbursements	12956	8109	15561	21300	12566	13704	12707	17296	18964	34529	178765	20
Outstandings	18419	20337	25961	29302	34513	38248	42641	50833	56443	66102		15
Guarantees												
Commitments-in-Principle*	6018	7682	8700	9810	11388	12191	16743	22097	5230	10604	106984	16
Guarantees sanctioned	1268	1369	690	2027	1365	4024	2633	4404	2118	5450	20428	59
Guarantees issued	1043	1037	832	1731	1481	1912	2474	3017	1741	4164	16214	26
Guarantees outstanding	12134	7517	6836	9081	10215	12094	10553	11147	10740	11273		1
Resources												
Paid-up Capital	3356	3574	4403	5000	5000	5000	5000	5500	5500	6500		
Reserves	1819	2261	3119	3997	5445	7058	8352	9584	10664	12026		
Notes, Bonds & Debentures	5240	6498	6440	8861	9165	8267	12850	20944	22915	33158		
Deposits	—	1504	1620	1404	660	371	104	2617	2797	3416		
Other Borrowings	11034	10827	14431	13346	20352	21808	21285	20354	20255	16619		
Total Resources	26935	28916	36067	39694	49329	51201	56665	70264	73981	82734		
Performance												
Profit Before Tax (PBT)	467	580	788	1100	1516	2017	2400	2273	2047	2212	15400	21
Profit After Tax	467	580	788	1100	1516	2017	1650	1651	1541	1712	13022	
Dividend	120	140	160	200	310	410	330	350	380	420	2820	17
Staff (Numbers)@	112	112	104	116	126	136	147	150	154	163		
Ratios												
Capital Assets Ratio (%)**	19.2	20.2	20.9	22.7	21.2	23.1	23.6	21.5	21.8	22.4		
PBT on Capital (%)	14.8	16.7	19.8	23.4	30.3	40.3	48.0	43.3	37.2	36.9		
PBT on Capital and Reserves (%)	9.7	10.5	11.8	13.3	15.6	17.9	18.9	16.0	13.1	12.8		
PBT on Assets (%)	1.8	2.1	2.4	2.9	3.4	4.0	4.4	3.6	2.8	2.8		
PBT per Employee	3.96	5.18	7.30	10.00	12.53	15.39	16.96	15.31	13.47	13.96		

* Commitments-in-principle refer to the extent of financial assistance committed by Exim Bank at the bid submission stage. Such commitments convert into sanctions when bids materialise as contracts.

** Capital Assets Ratio is Capital and Reserves as a % of Assets at year end. Other ratios are based on average values for the year.

\# Loans and advances considered net of claims settled by ECGC.

@ Number of permanent employees.

Note: Data pertains to General Fund.

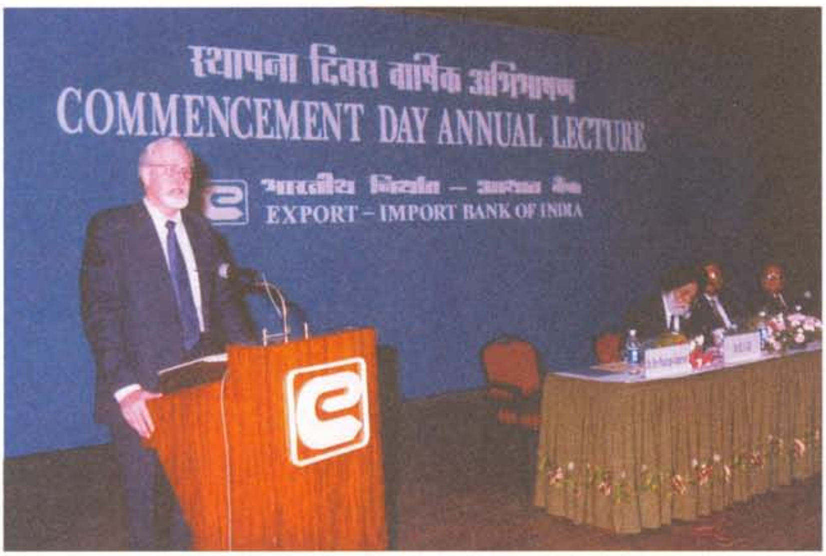
Economic Environment

GLOBAL ECONOMY

Global output registered a growth of 2.5 per cent during 2001, as compared with 4.7 per cent registered during the previous year. Reflecting deterioration in confidence and financing conditions, particularly in emerging markets, all the major regions of the world registered subdued activity. GDP growth in the advanced economies slowed down from 3.9 per cent in 2000 to 1.2 per cent in 2001, while developing countries also registered a lower growth of 4.0 per cent in 2001 compared with 5.7 per cent during 2000.

In the US, significant weakening in business investment, rapid depletion of inventories and reduced consumer demand and spending in the aftermath of the September 11 events led to a sharp slowdown in activity. As a result, real GDP grew by 1.2 per cent in 2001, down from 4.1 per cent in 2000. Nevertheless, significant macroeconomic stimuli, including reduction in interest rates and easing of fiscal policy, would contribute to strengthening of recovery in 2002. In Canada, real GDP growth also slowed down to 1.5 per cent in 2001 from 4.4 per cent in 2000, reflecting mainly the developments in the US.

In the Euro area, the slowdown in growth since mid-2000 continued and spread more widely during 2001. Real GDP growth slowed down to 1.5 per cent in 2001 from that of 3.4 per cent during the previous year. The weakening of domestic demand, downturns in equity markets and in the technology sector, and weakening employment growth in some countries had impacted overall economic activity. In Germany, real GDP growth slowed down to 0.6 per cent in 2001 from a growth of 3.0 per cent in 2000. In Italy, GDP growth at 1.8 per cent during 2001 was lower than the 2.9 per cent growth registered during the previous year. In France, GDP growth slowed down to 2.0 per cent in 2001 from 3.6 per cent during the previous year due to weakened consumer and business confidence, and rise in unemployment. Outside the Euro Area, economic activity and domestic demand in the UK, buoyed by strong private consumption growth and budgeted increases in government spending, showed greater resilience to the global downturn. Real GDP registered a growth of 2.2 per cent in 2001 as compared to 3.0 per cent during the previous year.



Dr. Per Pinstrup-Andersen, Director General, International Food Policy Research Institute, Washington D.C., delivered the Annual Commencement Day Lecture 2002. Dr. M. S. Gill, former Union Agriculture Secretary and former Chief Election Commissioner presided.

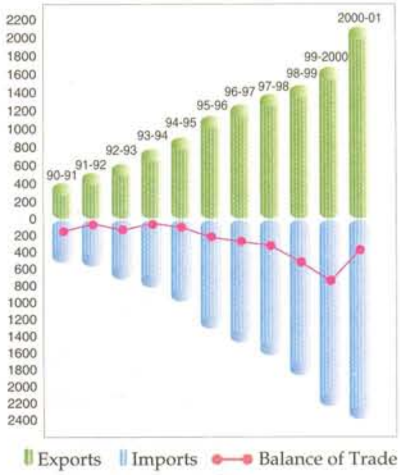
In Japan, economic conditions continued to deteriorate with GDP registering a decline of 0.4 per cent in 2001, from a growth of 2.2 per cent in 2000. Despite the adoption of the new monetary framework in March 2001, private consumption remains weak reflecting declining incomes, and concerns about rising unemployment and future corporate restructuring.

In Asia, the global slowdown, especially in the high technology sector, and weakening growth in Japan affected economic activity during 2001. The four newly industrialised economies (Hong Kong, Singapore, Taiwan and Korea) and Malaysia registered the steepest slowdown in the region, due to sharp decline in exports and in industrial production. GDP declined by 1.9 per cent and 2.1 per cent in Taiwan and Singapore during 2001 as compared to growth of 5.9 per cent and 10.3 per cent, respectively, during the previous year. In Korea, Hong Kong and Malaysia, GDP growth slowed down sharply to 3.0 per cent, 0.1 per cent and 0.4 per cent in 2001, from that of 9.3 per cent, 10.5 per cent and 8.3 per cent, respectively, in 2000. Both Indonesia and Thailand also registered lower growth during 2001. In contrast, economic activity in China remained relatively robust with a GDP growth rate of 7.3 per cent in 2001 as compared to 8.0 per cent registered in 2000. The strength of export demand, particularly the pace of recovery in technology sectors, would determine much of the prospects for countries in the region.

In Africa, overall GDP registered a growth of 3.7 per cent in 2001 as compared to 3.0 per cent in 2000. Despite the many challenges facing Africa, considerable progress has been achieved through improved macroeconomic management and continued structural progress in countries such as South Africa, Mauritius, Botswana, Cameroon, Ghana, Tanzania and Uganda. In contrast, ineffective policy performance, often combined with political uncertainty and conflict has severely affected prospects for sustained growth and reduction in poverty in countries such as Zimbabwe, Sierra Leone and Cote d'Ivoire. South Africa registered a real GDP growth of 2.2 per cent in

Presentation of Exim Bank's International Economic Research Award 2001 to Dr. Sajjid Chinoy, by Dr. Shankar Acharya, Chief Economic Advisor, Ministry of Finance.

Trends in India's Foreign Trade
(Rs. in billion)



2001 as compared to 3.4 per cent during the previous year, with sound macroeconomic policies having reduced the country's vulnerability to external shocks. In Morocco, real GDP registered a growth of 6.3 per cent in 2001 as compared to 2.4 per cent in 2000, reflecting the rebound in activity after the severe drought, while in Algeria economic growth was relatively well sustained at around 3.5 per cent in 2001. Marked improvement in fiscal and monetary discipline and enhanced macroeconomic stability in Ghana boosted real GDP growth from 3.7 per cent in 2000 to 4.0 per cent in 2001.

Economic activity in the Middle East has been constrained by recent developments in oil markets. In Iran, strong growth in non-oil activities largely offset the constraints imposed by OPEC production limits, with real GDP registering a growth of 5.1 per cent in 2001 as compared to a growth of 4.9 per cent in 2000. In Saudi Arabia, growth slowed down to 2.2 per cent in 2001 from that of 4.5 per cent in the previous year. In Egypt, real GDP growth eased to 3.3 per cent in 2001, from a growth of 5.1 per cent in 2000, reflecting slowing of credit expansion and increased security concerns which impacted the tourism sector.

Economic activity in the developing countries of the Western Hemisphere has been dominated by the financial crisis in Argentina, where deteriorating economic situation and outlook has increased financial market concerns about the sustainability of fiscal, exchange rate and financial arrangements. In January 2002, Argentina devalued its currency, bringing to an end the decade old convertibility regime. As a result of these adverse developments, coupled with sharp decline in production, spending and confidence, real GDP in Argentina registered a further decline of 3.7 per cent in 2001 as compared to a decline of 0.8 per cent during 2000. In Brazil, reflecting the energy crisis and contagion from Argentina, real GDP growth slowed down to 1.5 per cent in 2001, from a growth of 4.4 per cent in 2000. Mexico's economy suffered a sharp slowdown due to developments in the US, global slowdown and stagnant domestic output. Real GDP declined by 0.3 per cent in 2001, from a growth of 6.6 per cent during the previous year.

In the CIS countries, real GDP registered a growth of 6.2 per cent in 2001 as compared to 8.3 per cent registered in the previous year. The strength of activity in Russia, with GDP growth of 5.0 per cent in 2001, contributed to firm growth in other countries of the region such as Ukraine. Real GDP growth rose to 9.1 per cent in 2001 from that of 5.9 per cent in 2000 in Ukraine. Long term growth for the region would hinge on reinvigorating the structural growth process, particularly on institution building and governance, enterprise restructuring, and transformation of the role of the state.

Signing of Line of Credit agreement with Mr. L. Enrique Garcia, Executive President, Corporación Andina de Fomento (CAF), in the presence of Shri Murasoli Maran, Union Minister for Commerce & Industry, at Caracas, Venezuela for promoting Indian exports to Andean region countries in South America.

World Trade

Reflecting the slowdown in global economic activity and demand in most regions, the volume growth of world trade slowed down sharply from 12.8 per cent in 2000 to a decline of 0.7 per cent in 2001. Both industrialised and developing countries registered significant slowdown in import demand. In the case of industrialised countries, the volume of import registered a decline of 2.0 per cent in 2001 from the growth of 11.9 per cent during 2000, while the developing countries showed a sharp slowdown in growth of import volume from 16.5 per cent in 2000 to 1.8 per cent during 2001.

Among the developing countries, all the major regions registered sharp slowdown in import demand. The imports of Asia, in volume terms, registered a sharp slowdown from 23.7 per cent during 2000 to 3.1 per cent in 2001. Import demand in the Western Hemisphere also underwent a sharp slow down, where volume of imports slow down from a growth of 11.6 per cent in 2000 to 1.3 per cent in 2001. In the case of Africa, however, volume growth of imports was 3.9 per cent in 2001 as compared to 4.3 per cent growth registered during 2000.

In the advanced economies, the sharp contraction in imports was spread across the major countries. In the US, import growth in volume terms registered a decline of 2.7 per cent in 2001 as compared to a robust growth of 13.4 per cent during 2000. In the Euro area, import growth in volume terms slowed down from 11.1 per cent in 2000 to 0.7 per cent in 2001. In the UK, volume of imports registered a lower growth of 2.8 per cent in 2001 as compared to growth of 10.9 per cent in 2000. In Japan, import demand fell substantially, with import volume registering a decline of 0.4 per cent in 2001 as compared to a growth of 9.6 per cent registered during the previous year.

As regards exports, developing countries in Africa and Asia registered subdued growth of 2.5 per cent and 2.1 per cent respectively in export volume during 2001 as compared to growth of 5.5 per cent and 22.8 per cent respectively during 2000. In the case of developing countries in the Western Hemisphere, export volume registered a growth of 3.8 per cent during 2001 as compared to that of 11.3 per cent in the previous year. Among the advanced economies, export volume declined by 4.6 per cent and 6.5 per cent in the United States and Japan respectively, during 2001, while the Euro Area registered a slowdown in growth of export volume to 2.5 per cent in 2001 from that of 12.3 per cent registered during the previous year.

Signing of Line of Credit agreement with Dr. (Ms) Marta Lucia Ramirez de Rincon, Minister of Foreign Trade, Colombia, for Banco de Comercio Exterior de Colombia, S.A. (Bancoldex), in the presence of Union Minister of State for External Affairs, Shri Omar Abdullah, at Bogota, Colombia for promoting Indian exports to Colombia.

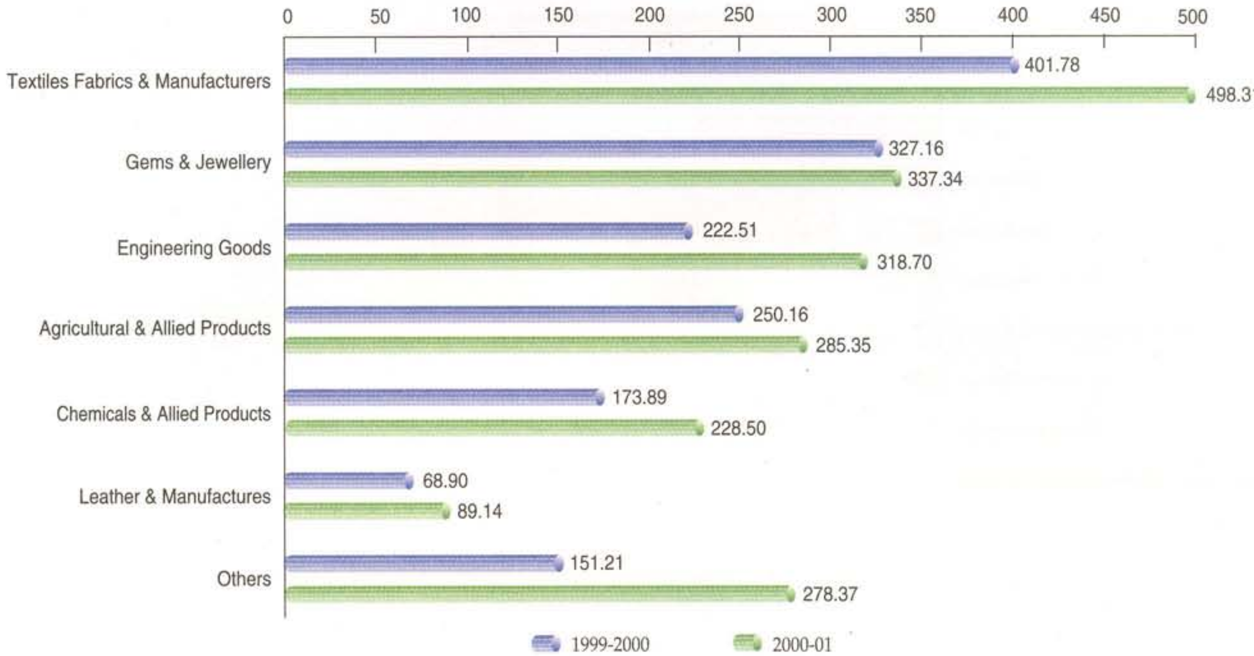
In terms of dollar values, world merchandise exports registered a decline of 4.3 per cent to US$ 5985.0 bn. during 2001, as compared to a rise of 12.8 per cent during the previous year. The contraction in global merchandise trade during 2001 reflected the deterioration in world commodity prices. Prices of manufactures registered a continued decline of 2.4 per cent in 2001 as compared to a steeper decline of 5.1 per cent during 2000. Prices of non-fuel primary commodities also fell by 5.5 per cent during 2001, as compared to a rise of 1.8 per cent during the previous year. In the case of oil, global prices suffered a steep decline of 14.0 per cent during 2001, in contrast to the sharp rise of 57.0 per cent during the previous year.

Private Capital Flows, Current Account Balances and External Debt

Net private capital flows to emerging market economies fell to US$ 131.9 bn. in 2001 from US$ 173.1 bn. during the previous year, which can be attributed to the global slowdown, and heightened uncertainty surrounding developments in Argentina and Turkey.

Composition of India's Exports

(Rs. in billion)



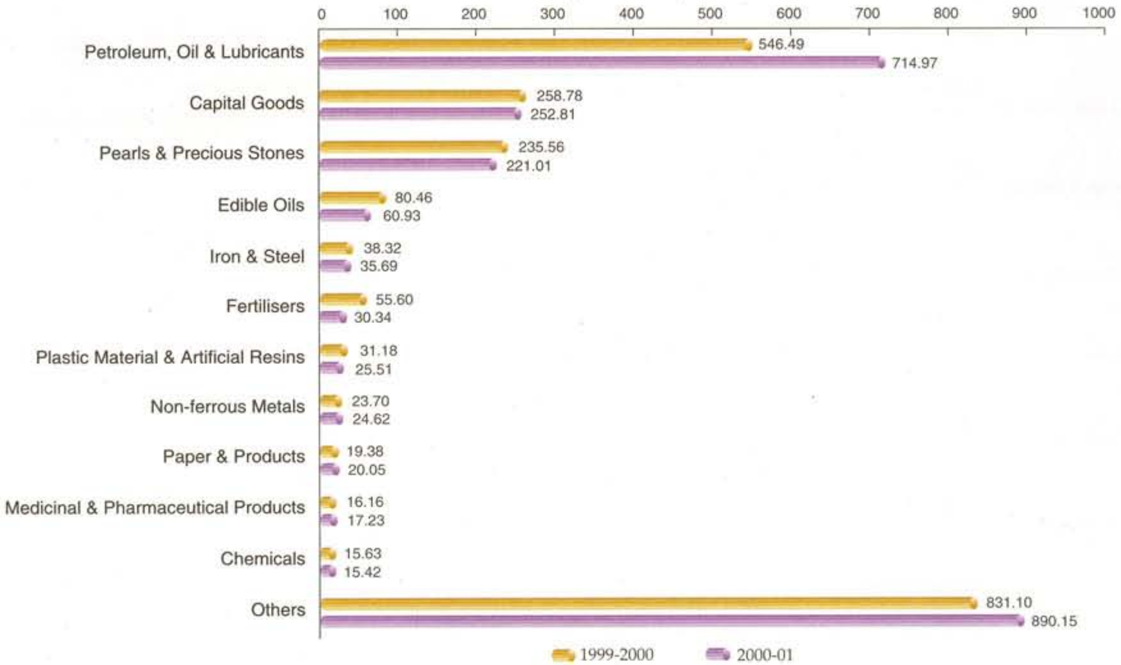
Emerging market economies in Europe accounted for bulk of the decline in capital flows in 2001. Net private capital flows to these countries declined from US$ 40.2 bn. in 2000 to US$ 16.7 bn. in 2001. The five Asian economies, viz. Korea, Indonesia, Malaysia, Thailand and Philippines registered a lower net inflow of US$ 2.7 bn. during 2001 as compared to that of US$ 10.8 bn. during the previous year. Net private capital flows to Latin American region registered continued decline from US$ 69.1 bn. in 1999 to US$ 57.5 bn. in 2000, and further to US$ 45.2 bn. in 2001, while capital flows to emerging markets in Asia and Pacific region moderated to US$ 60.8 bn. in 2001 from that of US$ 70.5 bn. during the previous year. In the case of Africa and Middle East, on the other hand, net private capital flows increased from US$ 5.0 bn. in 2000 to US$ 9.1 bn. in 2001.

During 2001, the combined current account balance of the emerging market economies amounted to a surplus of US$ 26.0 bn., representing a contraction from the surplus of US$ 48.6 bn. during the previous year. This, in turn, can be attributed to the reduction in the current account surplus of countries in Asia and Pacific region, which declined from US$ 65.0 bn. in 2000 to US$ 49.0 bn. during 2001. Further, the current account deficit of countries in Latin America widened from US$ 40.3 bn. to US$ 46.6 bn. during the same period. For countries in Africa and Middle East, the current account surplus registered a fall to US$ 4.9 bn. in 2001 from that of US$ 6.1 bn. during the previous year, while the current account surplus for emerging markets in Europe rose from US$ 17.8 bn. in 2000 to US$ 18.7 bn. in 2001.

External debt, as a proportion of exports of goods and services, for developing countries increased marginally from 142.5 per cent in 2000 to 144.5 per cent in 2001. For developing countries in the Western Hemisphere, external debt, as a proportion of exports of goods and services, was the highest amongst the developing countries at 213.0 per cent during 2001, followed by Africa (185.3 per cent), Middle East (154.2 per cent), and Asia (96.8 per cent). Debt service payments for

Composition of India's Imports

(Rs. in billion)



developing countries stood at 23.2 per cent in 2001 as compared to 22.7 per cent during the previous year.

Indian Economy

During 2001-02*, growth in India's GDP is estimated at 5.4 per cent, which is higher than the growth of 4.0 per cent registered during the previous year. The major factor leading to higher GDP growth has been the significant improvement in value added in the agriculture and allied sectors.

Agriculture and Industry

Overall agricultural production is estimated to have increased by 5.7 per cent in 2001-02 compared with a decline of 0.2 per cent during the previous year. Foodgrains production is expected to rise to 209 mn. tonnes in 2001-02 from the previous year's level of 196 mn. tonnes.

Industrial production registered a lower growth rate of 2.7 per cent during 2001-02 as compared to 5.0 per cent growth during the previous year. This overall slowdown was due to high real interest rates, infrastructure constraints in power and transport, lags in corporate restructuring and lack of both consumer and investment demand. The manufacturing sector recorded a growth of 2.7 per cent during 2001-02, as compared to 5.3 per cent growth in the previous year. The electricity sector also grew at a lower pace of 3.1 per cent during 2001-02, while the mining sector fared worse with a growth rate of 1.8 per cent during the same period. According to the use-based classification, during 2001-02, the consumer durables sector registered the highest growth of 11.6 per cent followed by consumer non-durables goods sector (3.8 per cent), basic goods sector (2.8 per cent) and the intermediate goods sector (1.5 per cent). The capital goods sector registered a negative growth of 4.0 per cent during 2001-02 as compared to a growth of 1.8 per cent during 2000-01.

Of the 17 sub-sectors within the manufacturing sector, two sectors registered growth rates exceeding 10 per cent during 2001-02. These are the beverages, tobacco and related products sector; and rubber, plastic,

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

petroleum and coal products registering growth rates of 12.0 per cent, and 10.7 per cent, respectively. Five sectors viz. food products, cotton textiles, jute and other vegetable fibre textiles (excluding cotton), wood and wood products and furniture and fixtures, and metal products and parts (except machinery and equipment) registered negative growth during this period.

Infrastructure

The six infrastructure and core industries, namely electricity generation, coal, steel, crude oil, refinery throughput and cement recorded a growth rate of 3.0 per cent during 2001-02, which is lower than 5.3 per cent recorded in the previous year. During 2001-02, cement, petroleum refinery products, coal, electricity, steel, and crude petroleum recorded growth rates of 7.4 per cent, 3.8 per cent, 4.2 per cent, 3.1 per cent, 2.5 per cent and –1.2 per cent, respectively, over the previous year.

Capital Markets

Net resource mobilisation by mutual funds during 2001-02 was lower at Rs. 71.7 bn. compared to Rs. 91.2 bn. during the previous year. Resource mobilisation increased by 23.6 per cent to Rs. 75.4 bn. through 35 issues during 2001-02, from Rs. 61.0 bn. during 2000-01.

Inflation

The rate of inflation, on a point-to-point basis, as measured by the Wholesale Price Index (WPI), declined from 4.9 per cent at end-March 2001 to 1.4 per cent at end-March 2002.

Growth in money supply (M3) during 2001-02 is estimated at 14.0 per cent, which is lower than the 16.8 per cent registered in the previous year.

Signing of Line of Credit agreement with Central American Bank for Economic Integration at Mexico City, Mexico to promote Indian exports to central American countries.

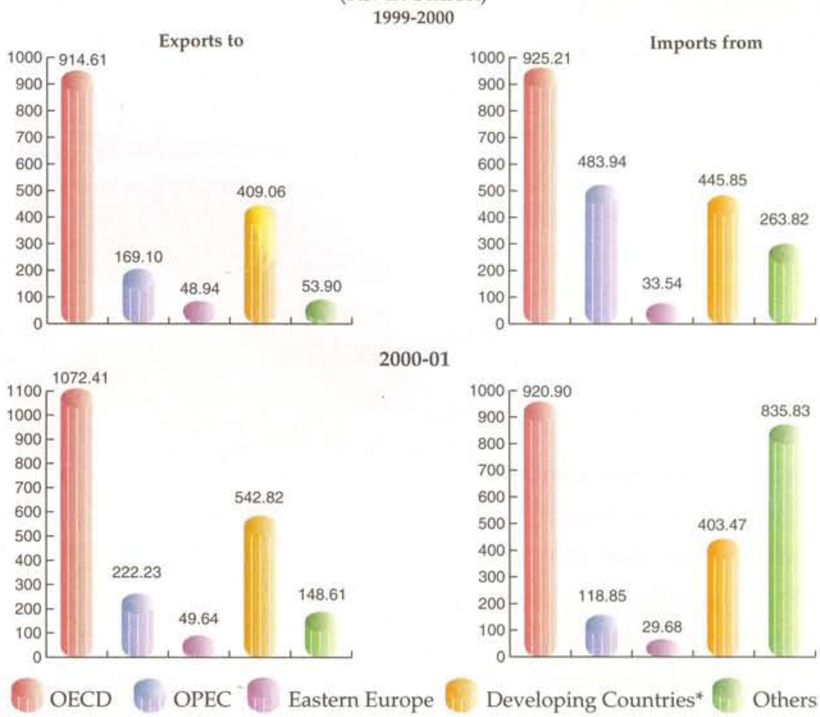
Foreign Trade & Balance of Payments

During 2001-02, merchandise exports registered a marginal decline of 0.08 per cent in US dollar terms. In absolute terms, merchandise exports were US$ 43.99 bn. during 2001-02, lower than the level of US$ 44.03 bn. during 2000-01. This does not include exports of software services which rose from US $ 6.2 bn. in 2000-01 to US $ 7.8 bn. in 2001-02, registering a growth of 25.8 per cent. During 2000-01, software exports had grown by 55 per cent. The sluggishness in exports has been mainly due to the weak global economy and a slowdown in the domestic economy. Export products which had registered high growth during April-January 2001-02 included: petroleum products, electronic goods, coir and manufactures, silk carpets, non-ferrous metals, coal, residual engineering items, processed foods, wheat, and sugar and molasses.

Imports registered an increase of 1.08 per cent during 2001-02 (in US Dollar terms). In absolute terms, imports increased to US$ 50.65 bn. during 2001-02 from US$ 50.11 bn. during the previous year. The increase in imports is led by increased non-oil imports implying a revival of domestic demand, which registered a rise of 7.36 per cent during 2001-02 to stand at US$ 36.99 bn.

Direction of India's Foreign Trade

(Rs. in billion)



* Excluding members of OPEC

Petroleum, Oil and Lubricants imports during the year stood at US$ 13.67 bn., which is a decline of 12.73 per cent, following a softening of international crude prices. Imports which registered high growth during April-January 2001-02 included: pulses, raw cotton, metaliferrous ores and metal scrap, gold and silver, electrical machinery, wood and wood products, organic and inorganic chemicals, professional instruments, non-ferrous metals, newsprint and artificial resins. Items which registered decline included: fertilizers, pearls, precious and semi precious stones, cashew, fruits and nuts, machine tools, and project goods. The trade deficit was higher at US$ 6.66 bn. during 2001-02 compared with US$ 6.08 bn. during the previous year.

During April-December 2001 net inflow of invisibles amounted to US$ 8.76 bn., a decrease of about 1.1 per cent over the corresponding period of the previous year. The deficit in the current account is estimated to remain below 1 per cent of the GDP during 2001-2002.

Foreign direct investment inflows during April-February 2001-02 were US$ 3.09 bn. which were higher than US$ 2.18 bn. in the corresponding period of the previous year. Net investment by Foreign Institutional Investors (FIIs) during April-February 2001-02 was US$ 1.23 bn. Total foreign exchange reserves amounted to US$ 54.15 bn. as on end-March, 2002 representing about 12.8 months of import cover.

India's total external debt increased from US$ 98.3 bn. at end-March 2000 to US$ 99.6 bn. at end-March 2001 and thereafter increased to US$ 100.4 bn. at end-September 2001. External debt to GDP ratio and the proportion of short-term debt to total external debt have also shown continued improvements. External debt to GDP ratio rose marginally to 22.3 per cent at end-March 2001 but declined to 21.0 per cent at end-September 2001. The proportion of short-term debt to total debt declined from 4.0 per cent at end-March 2000 to 3.5 per cent at end-March 2001, and further to 2.8 per cent at end-September 2001.

Policy Environment

With the aim of increasing the role of the agricultural sector, policies like removal of small-scale industry reservations related to various agricultural equipment items, decanalization of the export of agricultural commodities, phasing out of remaining export controls and expansion of futures and forward trading to cover all agricultural commodities have been introduced.

Policies and procedures relating to foreign investment have been further liberalised. Full convertibility of deposit schemes for Non Resident Indians (NRIs) has been introduced. NRIs will be free to repatriate in foreign currency their current earnings in India. Indian companies may now invest abroad up to US$ 100 mn. on an annual basis through the automatic route, up from the existing limit of US$ 50 mn. Indian companies may also make overseas investment in joint ventures abroad by market purchases without prior approval up to 50 per cent of their net worth. Indian mutual funds have been allowed to invest in rated securities in countries with fully convertible currencies, within the existing limits.

The Cash Reserve Ratio (CRR) was reduced from 8.0 per cent to 7.5 per cent in May 2001 and further to 5.5 per cent in December 2001. Bank Rate was reduced by 0.5 percentage points from 7.0 per cent to 6.5 per cent in October 2001.

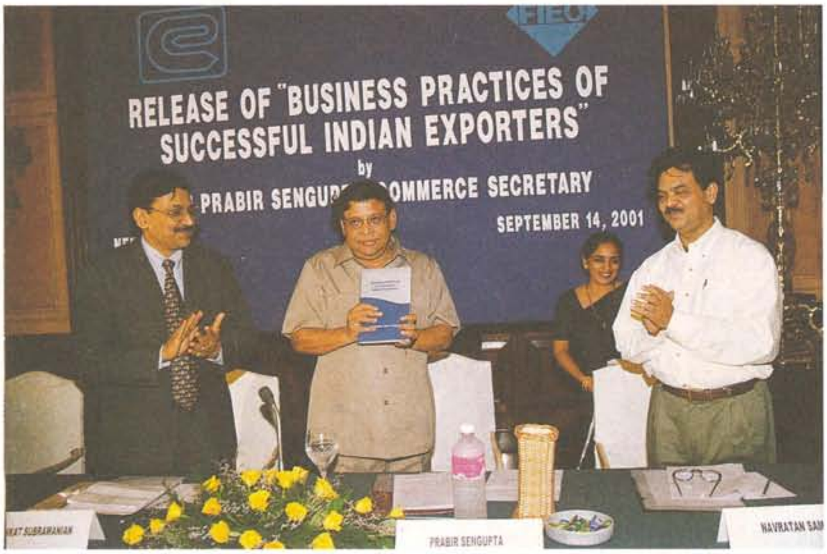
The peak rate of customs duty has been reduced from 35 per cent to 30 per cent, in accordance with the objective of having only two basic rates of customs duties, namely, 10 per cent covering raw materials, intermediates and components and 20 per cent covering final products, by the year 2004-05. Market Access Initiative scheme has been introduced to boost exports. The scheme intends to promote select Indian products and brands in the international market based on a "country-product focus" in partnership with the industry.

The Export-Import Policy 2002-07 was announced by the Government in March 2002, which contains a comprehensive package intended to give a massive thrust to India's exports (Box item on page 13).

Medium Term Export Strategy

A Medium Term Export Strategy was announced by the Government in January 2002. The strategy takes into account the current global situation and outlines policy measures required to achieve a quantum increase in exports over the next five years. The Medium Term Export Strategy aims at increasing India's share in world exports to 1 per cent in the next five years, implying a compound growth rate of 11.9% (in dollar terms) over the Tenth Five Year Plan, 2002-07.

Maintaining price competitiveness of exports, strengthening trade-defence mechanism, provision of WTO compatible subsidies, attracting higher FDI for export oriented industries, comprehensive VAT system to make tax rebate transparent and comprehensive, further reduction in transaction costs, upgradation of export infrastructure, strategic trade agreements, flexibility in labour policy, enhancement of export credit, involvement of states in trade negotiations, strengthening SSI export industry, further encouragement to setting up of SEZs by making the incentive package more attractive, market development programmes and dissemination of information, extension of regional focus, and thrust to service exports are the broad policy directions in the Medium-Term Export Strategy. Sector-specific export promotion strategies have also been outlined under the strategy.



Release of Bank's publication "Business Practices of Successful Indian Exporters".

India: Fast Forward

(Major Policy Changes in 2001-02)

- Rationalization of interest rates on export credit by indicating interest rates on export credit as PLR linked ceiling rates (as against specific rates) in respect of all categories of credit.
- CRR reduced from 8.0 per cent to 7.5 per cent in May 2001 and further to 5.5 per cent in December 2001.
- Bank Rate reduced by 0.5 percentage points from 7.0 per cent to 6.5 per cent in October 2001.

Credit Policy

- Indian companies allowed to invest abroad upto US$ 100 mn on an annual basis through the automatic route, up from the existing limit of US$ 50 mn.
- Indian companies allowed to make overseas investment in joint ventures abroad by market purchases without prior approval upto 50 per cent of their net worth.
- Indian mutual funds allowed to invest in rated securities in countries with fully convertible currencies, within the existing limits.

Investment Policy

- Peak rate of customs duty reduced from 35 per cent to 30 per cent.
- Introduction of a Market Access Initiative scheme to boost exports.
- Introduction of a special financial package for large value exports of selected products – pharmaceuticals, agro-chemicals, transport equipment, cement, iron and steel, electrical machinery, leather and leather goods and textiles – which are internationally competitive and have high value addition. Exporters under this package are to receive concessional rate of interest for extended period upto 365 days.
- To boost export of farm goods, quantitative restrictions on exports of agricultural items like wheat, wheat products, coarse grains, butter and non-basmati rice and packaging restriction on exports of pulses removed.
- Medium Term Export Strategy 2002-2007 announced.

Trade Policy

- Full convertibility of deposit schemes for Non Resident Indians (NRIs) introduced.
- NRIs allowed to repatriate in foreign currency their earnings in India.

Foreign Exchange Policy

Highlights of EXIM Policy, 2002-07

The Export–Import (EXIM) Policy 2002-07 was announced by the Government on March 31, 2002. The EXIM Policy 2002-07 is effective from April 1, 2002 and shall remain in force upto March 31, 2007, and will be co-terminus with the Tenth Five Year Plan (2002-07). Highlights of EXIM Policy 2002-07 are given below:

Special Economic Zones (SEZs)

- Offshore Banking Units (OBUs) shall be permitted in SEZs.
- Units in SEZ would be permitted to undertake hedging of commodity price risks, provided such transactions are undertaken by the units on stand-alone basis.
- It has also been decided to permit External Commercial Borrowings (ECBs) for a tenure of less than three years in SEZs.

Agriculture

- Restrictions on export of all cultivated (other than wild) varieties of seed, except Jute and Onion, removed.
- In order to promote diversification of agriculture, transport subsidy shall be available for export of fruits, vegetables, floriculture, poultry and dairy products.
- To promote export of agro and agro based products, 20 Agri export zones have been notified.

Cottage Sector and Handicrafts

- Under the Export Promotion Capital Goods (EPCG) scheme, these units will not be required to maintain average level of exports, while calculating the Export Obligation.
- An amount of Rs. 50 mn. under Market Access Initiative (MAI) has been earmarked for promoting cottage sector exports coming under the Khadi and Village Industries Commission.
- The units in the handicrafts sector can also access funds from MAI scheme for development of website for virtual exhibition of their products.

Towns of Export Excellence

With a view to encouraging further development of centres of economic and export excellence such as Tirupur for hosiery, woollen blanket in Panipat, woollen knitwear in Ludhiana, following benefits shall be available to small scale sector:

- Such areas will receive priority for assistance for identified critical infrastructure gaps from the scheme on Central Assistance to States.
- Entitlement for Export House status at Rs. 50 mn. instead of Rs. 150 mn. for others.

Textiles

- Sample fabrics permitted duty free within the 3 per cent limit for trimmings and embellishments.
- Duty Entitlement Passbook (DEPB) rates for all kinds of blended fabrics permitted. Such blended fabrics to have the lowest rate as applicable to different constituent fabrics.

Gem & Jewellery

- Customs duty on import of rough diamonds is being reduced to zero per cent. Licensing regime for rough diamond is being abolished.
- Value addition norms for export of plain jewellery reduced from 10 per cent to 7 per cent. Export of all mechanised unstudded jewellery allowed at a value addition of 3 per cent only.

Electronic Hardware

- The Electronic Hardware Technology Park (EHTP) scheme is being modified to enable the sector to face the zero duty regime under ITA (Information Technology Agreement)-1.

Chemicals and Pharmaceuticals

- Reimbursement of 50 per cent of registration fees for registration of drugs.
- Free export of samples without any limit.

Strategic Package for Status Holders

- Licence/Certificate/Permissions and Customs clearances for both imports and exports on self-declaration basis.
- Exemption from compulsory negotiation of documents through banks. The remittance, however, would continue to be received through banking channels.
- 100 per cent retention of foreign exchange in Exchange Earners' Foreign Currency (EEFC) account.
- Enhancement in normal repatriation period from 180 days to 360 days.

Diversification of Markets

- Setting up of "Business Centre" in Indian missions abroad for visiting Indian exporters/businessmen.
- "Focus Africa"programme launched. The first phase of the Focus Africa programme shall include 7 countries namely, Nigeria, South Africa, Mauritius, Kenya, Ethiopia, Tanzania and Ghana. The exporters exporting to these markets shall be given Export House Status on export of Rs.50 mn.
- Links with CIS countries to be revived. Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, Ukraine and Azerbaijan to be in special focus in the first phase.

Re-location of Industries

- To encourage re-location of industries to India, plant and machineries would be permitted to be imported without a licence, where the depreciated value of such relocating plants exceeds Rs. 500 mn.

Reduction in Transaction Time & Costs

- A new 8-digit commodity classification for imports is being adopted by DGFT, Customs and DGCI&S, to eliminate the classification disputes and hence reduce transaction costs and time.
- Same day licensing introduced in all regional offices of DGFT.
- Reduction in the maximum fee limit for electronic applications under various schemes from Rs. 0.15 mn to Rs. 0.10 mn.

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, 2002.

REVIEW OF OPERATIONS

During 2001-02 (April-March), Bank sanctioned Rs. 42.41 bn. under various lending programmes as against Rs. 21.74 bn. in the year 2000-01 (April-March), registering a growth of 95.1 per cent. Disbursements during the year were Rs. 34.53 bn. as against Rs. 18.96 bn. during 2000-01 representing 82.1 per cent growth. Loan Outstandings as at March 31, 2002 were Rs. 66.10 bn., registering an increase of 17.1 per cent over the previous year. During the year, Bank sanctioned guarantees aggregating Rs. 5.45 bn. as against Rs. 2.12 bn. in 2000-01. Guarantees issued amounted to Rs. 4.16 bn. as against Rs. 1.74 bn. in 2000-01. Outstanding guarantees as at March 31, 2002 were Rs. 11.27 bn. as against Rs. 10.74 bn. as at March 31, 2001.

Rupee loans and advances accounted for 73.2 per cent of the total loans and advances outstanding as at March 31, 2002 while the balance 26.8 per cent were in foreign currency. Short-term loans accounted for 10.8 per cent of the total loans and advances.

Bank registered profit before tax of Rs. 2.21 bn. on account of General Fund during 2001-02 as against a profit of Rs. 2.05 bn. for the year 2000-01. After providing for income tax of Rs. 500 mn., profit after tax amounted to Rs. 1.71 bn. during 2001-02 as against Rs. 1.54 bn. during 2000-01, registering a growth of 11.0 per cent. Out of this profit, Rs. 420 mn. accounts for dividend to the Government of India (GOI). An amount of Rs. 522.8 mn. is transferred to Reserve Fund. In addition, Bank has transferred Rs. 150.0 mn. to Investment Fluctuation Reserve, Rs. 38.8 mn. to Sinking Fund (Lines of Credit) and Rs. 580.0 mn. to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961. Profit before tax of the Export Development Fund during 2001-02 was Rs. 25.5 mn. as against Rs. 24.9 mn. during 2000-01. After providing for tax of Rs. 9.1 mn., the post tax profit amounted to Rs. 16.4 mn. as against Rs. 15.0 mn. during 2000-01. The profit of Rs. 16.4 mn. is carried forward to next year.

Board of Directors' meeting in progress.

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. New Initiatives

IV. Financial Performance

V. Information and Advisory Services

VI. Promotional Programmes

VII. Information Technology

VIII. Research and Analysis

IX. Human Resources Management

X. Progress in Implementation of the Official Language Policy

XI. Representation of Scheduled Castes, Scheduled Tribes and Other Backward Classes.

I. PROJECTS, PRODUCTS AND SERVICES EXPORTS

Export Contracts

During the year, fifty nine contracts worth Rs.41.62 bn., covering twenty six countries, were secured by thirty four Indian exporters with Exim Bank's support as against thirty eight contracts worth Rs. 18.33 bn. covering twenty three countries secured by twenty one Indian exporters during the previous year. Exim Bank / Working Group* accords clearance to such export contracts. The contracts secured during the year consisted of twenty seven turnkey contracts valued at Rs. 30.51 bn., nineteen supply contracts valued at Rs. 7.03 bn., eleven service contracts valued at Rs. 2.74 bn. and two construction contracts valued at Rs. 1.34 bn. New markets where Indian companies secured project export contracts, with Exim Bank's support, for the first time during the last five years

* The Working Group is an inter-institutional mechanism consisting of Exim Bank, Reserve Bank of India, Export Credit Guarantee Corporation of India Limited, Government of India and commercial banks. It functions under the auspices of Exim Bank.

included Algeria, Australia, France, Netherlands and Uganda.

Some major turnkey contracts secured during the year included refinery dismantling project in Netherlands; transmission line projects in Oman and Algeria; supply and erection of gas turbine generators for power projects in Iraq and Australia; electro-mechanical work for an air force base project in Qatar; heating, ventilation and air-conditioning work for Queen Mary ship in France; and telecom network project in Saudi Arabia.

Construction contracts secured during the year comprised road rehabilitation and rail overbridge project in Bangladesh and steel water storage tanks project in UAE.

Major supply contracts secured during the year included export of coated steel pipes to Germany, ferro-chrome manufacturing equipment to Iran, irrigation pump sets to Zambia, stainless steel slabs to USA, LPG cylinders to Iraq, welded steel pipes to Nigeria and metal works machinery to Kenya.

Technical consultancy and services contracts secured during the year included operation and maintenance of cement plant in Saudi Arabia, modernisation of petroleum refining plant in Kuwait, managing contract for a petrochemical company in Iran, road improvement and maintenance project in Bangladesh, maintenance of locomotives in Malaysia, and study for privatisation of a regional development bank based in Uganda.

Export Credits and Guarantees

Bank sanctioned export credits aggregating Rs. 9.41 bn. during the year by way of supplier's credit, lines of credit, and finance for project exports. Disbursements of export credits amounted to Rs. 4.01 bn. With a renewed focus on Export Credits, the Bank's initiatives resulted in achieving sanctions and disbursements of more than three times in export portfolio as compared to the previous year.

Highest ever contracts in value terms, secured by Indian companies during the year with Exim Bank's support, reflected in increased sanction of guarantees for Rs. 5.43 bn. as compared to Rs. 2.12 bn. during the previous financial year and issue of guarantees for Rs. 4.15 bn. as compared to Rs. 1.74 bn. during the previous year. These guarantees related to overseas projects in sectors such as telecommunication, power generation, transmission and distribution, oil exploration, cement, petrochemicals, and infrastructural development.

While exporters do not require commitment at the bid stage in respect of bids on deferred payment terms, Bank made commitments-in-principle* aggregating Rs. 31.24 bn.

We are at all stages of the Business Cycle

* Commitments-in-principle include finance committed by Exim Bank at the export bid submission stage. Such commitments convert into sanctions when bids materialise as contracts.

during the year, comprising Rs. 20.64 bn. for loans and Rs. 10.60 bn. for guarantees in respect of project export bids.

Lines of Credit

Exim Bank's Lines of Credit (LOCs) facility extended to commercial banks, financial institutions, regional development banks and other entities overseas provide a safe mode of non-recourse financing option to Indian exporters, particularly SMEs. Being in an increasingly competitive environment, Exim Bank is renewing its focus on trade financing through the mechanism of LOCs. The Bank extended nine LOCs aggregating US$ 95.0 mn. during the year to support exports of goods and services from India. These were extended to Banco Bradesco (Brazil), Banco Centroamericano de Integración Económica (covering Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua), Banco de Comercio Exterior de Colombia (Colombia), Banco Industrial de Venezuela (Venezuela), Banco Nacional de Comercio Exterior (Mexico), Bank Markazi Jomhouri Islami Iran (Iran), Corporación Andina de Fomento (covering Bolivia, Colombia, Ecuador, Peru, Venezuela), Eastern and Southern African Trade and Development Bank (covering 16 countries in Africa) and Vnesheconombank (Russia). The above borrowing institutions are strong regional development financial institutions or central banks or specialised institutions like Exim Banks.

During the year, Reserve Bank of India (RBI) has enabled broad basing of coverage of products under Exim Bank's LOCs. Exports of all goods permissible under GOI's Exim Policy can be covered under Bank's LOCs. This will facilitate Bank's endeavours in boosting India's exports, since LOCs serve as effective market entry mechanism, particularly for SMEs. In the past, Bank's LOCs covered only the export of capital goods, industrial manufactures and consumer durables for financing.

Signing of Line of Credit agreement with Mr. A. L. Kostin, Chairman, Vnesheconombank, Russia, at Moscow for enhancing Indian exports to Russian Federation.

The Bank extended LOCs for financing imports of goods and services by importers in Latin American countries including Mexico, Brazil, Colombia, Bolivia, Ecuador, Peru, Venezuela, and countries of Central America. Bank is also in discussion with other institutions in Latin America to increase the coverage of LOCs to most parts of the region. This complements the special initiative of GOI under 'Focus LAC' for boosting trade between India and Latin America.

GOI authorised the Bank, during the year, to route its LOC for US$ 200 mn. to Iran through Exim Bank. The Bank is in discussion with its counterparts in Iran to make the credit line operational.

II. BUILDING EXPORT COMPETITIVENESS

Bank operates a range of financing programmes aimed at enhancing export competitiveness of Indian companies. During 2001-02, Bank sanctioned loans aggregating Rs. 33.0 bn. under the programmes for enhancing export competitiveness. Disbursements amounted to Rs. 30.52 bn. under these programmes.

Loans to Export Oriented Units

During the year, Bank sanctioned term loans of Rs. 4.78 bn. to thirty one export oriented units. Disbursements amounted to Rs. 4.24 bn.

Under Production Equipment Finance Programme, eighteen exporting companies were sanctioned Rs. 4.24 bn. for financing acquisition of production equipment. Disbursements amounted to Rs. 4.05 bn.

Fifty one companies were sanctioned working capital loans aggregating Rs. 7.55 bn. Disbursements amounted to Rs. 6.24 bn.

Export oriented units financed by the Bank cover a wide range of sectors such as consumer goods, computer software, electronic components, engineering, agro & food processing, auto components, textiles, chemicals, pharmaceuticals, ceramic tiles, home furnishings, and petrochemicals.

Technology Upgradation Fund Scheme

Bank, as a Primary Lending Institution under the Technology Upgradation Fund Scheme (TUFS) for the Textile and Jute Industries introduced by GOI, sanctioned loans aggregating Rs. 877.20 mn. to eight companies. Disbursements aggregated Rs. 811.4 mn.

Short Term Finance

Under the Short Term Finance programme, Bank sanctioned Rs. 13.41 bn. to 89 companies. Disbursements amounted to Rs. 12.74 bn.

Finance for Research & Development

Recognising the importance of R&D as a determinant of international competitiveness of Indian companies, Bank continued to support R&D activities of export oriented companies by way of loans at concessional interest rates. Five companies were sanctioned loans aggregating Rs. 72.8 mn. Disbursements aggregated Rs. 323.8 mn. Finance was extended to support R&D efforts in pharmaceuticals and chemicals.

Export Marketing Finance / Export Product Development

During the year, Bank sanctioned Rs. 37.7 mn. and disbursed Rs. 97.8 mn. for strategic export market development plans to penetrate and sustain presence in developed country markets in pharmaceuticals and engineering goods sectors.

Overseas Investment Finance

During the year, loans aggregating Rs. 60.0 mn. were sanctioned for setting up ventures abroad and for acquisition of overseas companies, including sanction of Rs. 10.0 mn which was by way of refinance to a commercial bank. Disbursements during the year amounted to Rs. 83.5 mn. The overseas ventures were in the home furnishings and dental care sectors in USA.

Direct Equity Participation in Indian Ventures Overseas

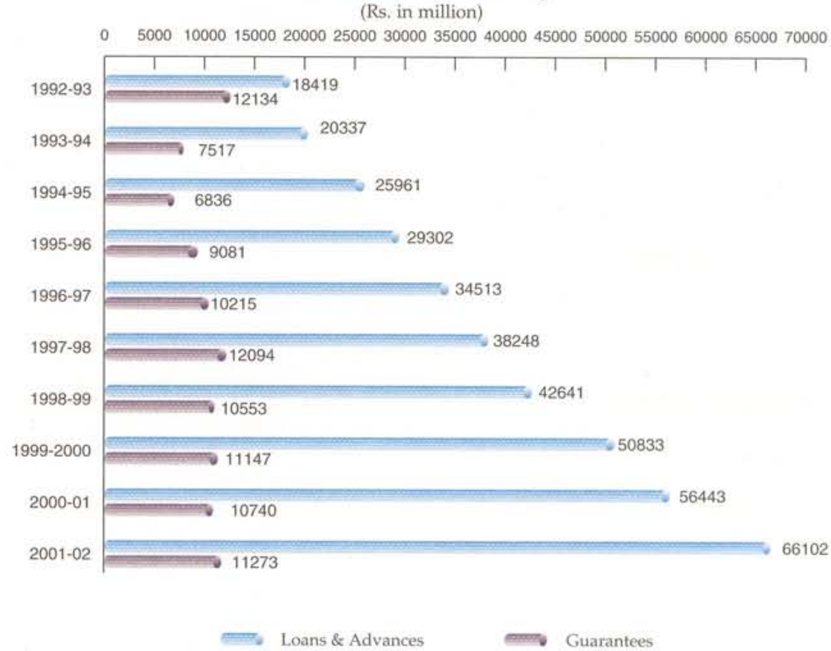
During the year, Bank made investment of Rs. 44.1 mn. in equity shares of one venture in Netherlands.

Export Facilitation Programme

During the year, Bank sanctioned Rs. 779.6 mn. to three companies for port services and bio-technology park. Disbursements amounted to Rs. 667.7 mn.

Bank's Total Lending

(Rs. in million)



Underwriting Programme

During the year, Bank subscribed to equity and fully convertible debenture issue to the extent of Rs. 157.1 mn. of two companies in the petrochemicals and textiles sectors for public issues underwritten by the Bank.

India Technology Venture Unit Scheme

India Technology Venture Unit Scheme (ITVUS) promoted by Unit Trust of India (UTI) is a 10 year close ended fund with an objective to invest in technology sectors. During the year 2001-02, Bank further invested Rs. 62.5 mn. in the fund.

III. NEW INITIATIVES

Agri Business Cell

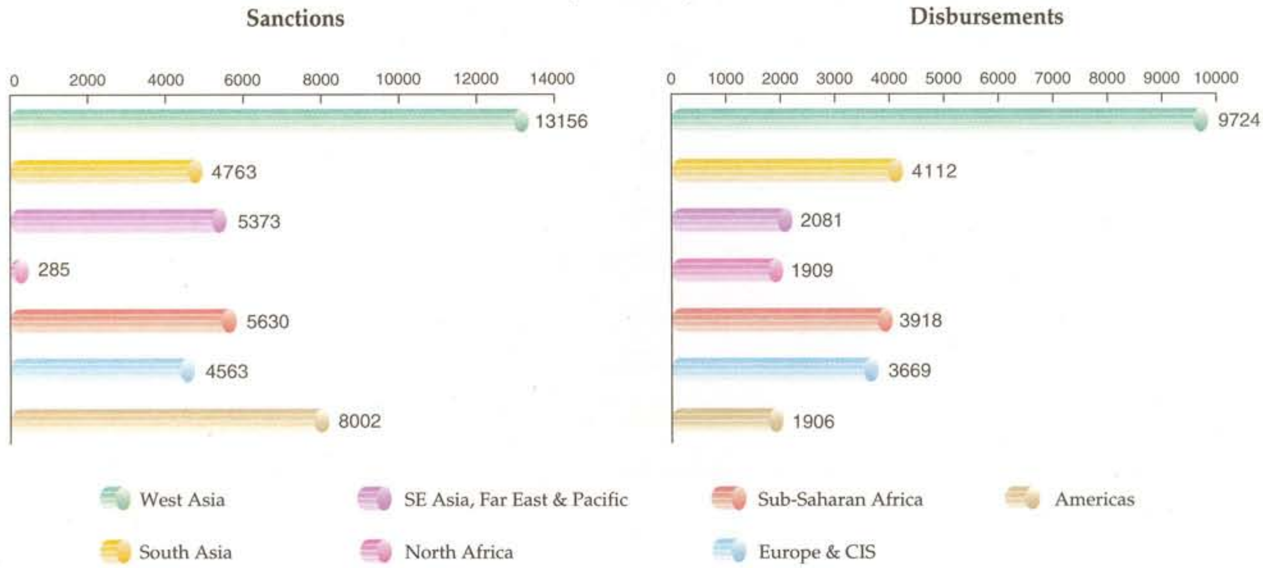
The emerging WTO regime offers considerable scope for export of Indian agricultural products to the global market, requiring a closer look at the opportunities offered by agri-products and at their competitiveness in the international markets. With this focus, the Bank has put in place an Agri Business Cell in December 2001. This cell will look for viable projects and for export transactions in the agriculture sector for financing.

The Bank organised a National Seminar on Export of Agricultural Products: Prospects and Challenges in association with Bank of Maharashtra at Pune. This seminar served as a forum for making an assessment of the present scenario and evolving a strategic market development plan. Also, a bi-monthly publication titled 'Agri Export Advantage' is being brought out by the Bank in English, Hindi and select Indian languages.

In view of the criticality of the agriculture sector for India's economic growth in general, and growth in exports in particular, Exim Bank is in the process of launching a series of new initiatives for the promotion of India's agri-exports. The Agro industry can now avail of a comprehensive range of products and services that Exim Bank offers such as Export Credit, Finance for Export Oriented Companies and Advisory Services. Exim Bank would provide farm finance to exporters entering into backward linkages through contract farming with farmers on partnership basis for exports. Exim Bank would also provide finance for developing strategic forward linkages for Indian agri exports by identification of overseas markets/ market segments, direct marketing of product and overseas business opportunities through its international network comprising overseas offices, co-operation partners, correspondent banks and financial institutions.

Regional Distribution of Loans Sanctioned and Disbursed : 1992-2002

(Rs. in million)



Export Marketing Service for Indian Companies

The Bank has launched a new initiative by way of offering Export Marketing Service for Indian Companies. Exim Bank's network of overseas offices will play an active role and the services will be offered on success fee basis. This new service of the Bank has been put in place to cater to the growing needs of exploring overseas markets for the products of well reputed and quality conscious Indian companies, particularly in the SME sector. This activity includes initial discussions with the buyers/importers overseas, introducing the parties to each other and providing support and guidance to the Indian exporter with the Bank acting as a facilitator to conclude the deal. Trial orders have already been received for supply of pharma grade glass bottles and textile fabrics to Hungary; and packaged snack foods to South Africa and Italy.

Joint Venture

Global Trade Finance Private Limited (GTF), a Joint Venture, promoted by Exim Bank, with Westdeutsche Landesbank Girozentrale (WestLB), Germany and International Finance Corporation (IFC), Washington D.C., commenced business in September 2001. GTF's objective is to promote market driven export-financing solutions for small and medium sized Indian exporters (SMEs) operating in an increasingly competitive world trade environment. GTF offers, for the first time in India, structured foreign trade financing products such as forfaiting and factoring.

Inauguration of the Global Trade Finance Pvt. Ltd., promoted by Exim Bank, by the Union Minister of State for Commerce & Industry, Shri Rajiv Pratap Rudy.

Interaction with Industry

Exim Bank has been having regular interaction and exchange of views with the industry and has been in regular contact with experts and select exporting companies through an interactive website.

Loan Recovery Group

Loan monitoring and credit recovery have been further strengthened within the Bank. A Loan Recovery Group has been instituted and a Loan Monitoring and Recovery Policy has been put in place during the year. Procedures are adopted to prevent slippage of standard assets into Non-Performing Assets through operationalisation of a system of ABC classification of loan accounts together with a system of early warning signals.

IV. FINANCIAL PERFORMANCE

Resources

As at March 31, 2002, Bank's resources including paid-up capital of Rs. 6.50 bn. and reserves of Rs. 12.03 bn. aggregated Rs. 82.73 bn. As on March 30, 2002, outstanding RBI-National Industrial Credit (Long Term Operations) fund loan has been transferred from the books of RBI to GOI and GOI has subscribed to 8 per cent, 2022 bonds issued by the Bank. These bonds qualify for Tier I capital of the Bank. Bank's resource base includes bonds, certificates of deposit, commercial papers and foreign currency borrowings/swaps.

Bank undertook sell/buy US$/Re swaps equivalent to Rs. 2.24 bn. and issued Commercial Paper for Rs. 1.50 bn. (face value) as part of short-term liquidity management. During the year, Bank raised Rs. 6.25 bn. through market borrowings by way of private placement of bonds for 5 years. Besides, Bank raised Rs. 1.14 bn. (face value) by way of certificates of deposit for a period of one year.

Bank's debt instruments continued to enjoy the highest rating viz. 'AAA' from the rating agencies, CRISIL and ICRA. As at March 31, 2002, outstanding Rupee borrowings including bonds and certificates of deposit/commercial paper amounted to Rs. 33.28 bn.

The Bank also raised US$ 20 mn. by way of US$/Re long term swap with National Housing Bank. The Bank received GOI approval to raise foreign currency borrowings out of FCNR (B) funds of commercial banks. During the year borrowing out of FCNR (B) funds amounted to US$ 36 mn. As at March 31, 2002, Bank had a pool of foreign currency resources equivalent to US$ 407.2 mn. comprising medium/long term swaps of US$ 42.5 mn., deposits by way of swap/borrowings out of FCNR (B) funds of commercial banks US$ 106.0 mn., syndicated loans/lines of credit of US$ 258.7 mn. Short-term Inter-Bank borrowings against Bank's deposits amounted to US$ 43.4 mn.

Industrial Distribution of Loans Sanctioned 1992-2002

(Rs. in million)

Income/Expenditure

The profit before tax (PBT) and profit after tax (PAT) of the Bank were at Rs. 2.21 bn. and Rs. 1.71 bn. during the year 2001-02 compared with the previous year's PBT and PAT of Rs. 2.05 bn. and Rs. 1.54 bn. respectively. Business income comprising interest, discount, exchange commission, brokerage and fees during 2001-02 was Rs. 6.70 bn. compared with Rs. 6.92 bn. in 2000-01. Interest outgo in 2001-02 (including credit insurance, guarantee fee) at Rs. 4.56 bn. was lower by Rs. 0.26 bn. due to combined effect of lower incremental cost for raising bonds and decline in 6 month USD LIBOR. The average cost of borrowings (interest expenditure as a percentage of average borrowings) decreased from 10.06 per cent as at March 31, 2001 to 8.59 per cent as at March 31, 2002.

Capital Adequacy

The Capital to Risk Asset Ratio (CRAR) was 33.13 per cent as at March 31, 2002 compared with

23.83 per cent as at March 31, 2001, as against 9 per cent Norm stipulated by RBI. The increase in Tier I capital is due to additional capital of Rs. 1.0 bn. received from GOI and conversion of RBI -NIC (LTO) loan of Rs. 5.32 bn. into bonds with 20 year maturity subscribed by GOI, which are eligible for Tier I capital. The Debt-Equity Ratio as at March 31, 2002 was 2.57:1 as compared to 2.84:1 as at March 31, 2001.

Exposure Norms

RBI has prescribed credit exposure limits for all-India term lending institutions, at 15 per cent of the financial institutions' (FIs) capital funds (paid-up capital and free reserves), effective from March 31, 2002, for exposure to individual borrowers and at 40 per cent for group borrowers.

The Bank's exposures (loan outstandings plus unutilised sanctions plus 50 per cent of guarantee commitments) to single and group borrowers as at March 31, 2002 were within the limit of 15 per cent and 40 per cent of capital funds respectively, as 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 for the Bank are 15 per cent of total loan portfolio except in the case of textiles for which it is 20 per cent. The Bank's exposure to a single industry sector was not more than 11 per cent of its total exposure as at March 31, 2002.

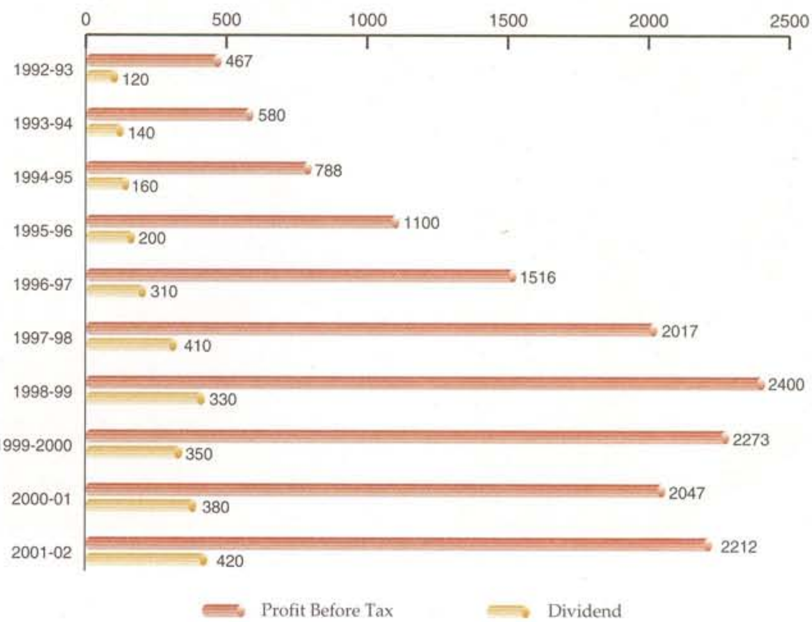
Treasury

The Corporate Finance Group handles integrated treasury, resources / investments and accounting functions. The Bank enhanced its treasury operations during 2001-02. The Bank converted a part of its fixed rate borrowings into floating rate liabilities and commenced extending floating rate loans to its clients. The Bank also transacted a few Interest Rate Swaps/Forward Rate Agreements during the year as part of its liability management exercise to hedge exposure on its own account. The Bank is one of the first banks/ institutions to become a member of Negotiated Dealing System (NDS) implemented by RBI. The Bank became a member of Clearing Corporation of India Limited (CCIL) both in securities and forex clearing segments. The Bank, as part of its treasury activities, issues letters of credit and guarantees on behalf of its customers through Society for Worldwide Interbank Financial Telecommunications (SWIFT).

Asset-Liability Management (ALM)

The Bank's Asset Liability Management Committee (ALCO) meets at least once a month to review liquidity/interest rate risks and to take remedial measures. Resources plan is prepared at the beginning of the year and borrowings are raised in tranches during the year. Prudential limits have been fixed for gaps in the ALM profile. These are reviewed periodically. An ALM software package is being implemented.

Earnings
(Rs. in million)



Risk Management

Bank has designed a risk management framework based on the recommendations of a consulting firm. As per the new organisation structure, risk management function is independent of operating groups and reports directly to top management. A Risk Management Committee has been set up to assess macro aspects of various risks including credit risk, market risk, operational risk and liquidity risk.

Asset Quality

As per Reserve Bank of India prudential norms, a credit/loan facility in respect of which interest and/or principal has remained overdue for more than 180 days is defined as a Non-Performing Asset (NPA). The Bank's NPAs (net of provisions) worked out to 7.38 per cent of its loans and advances (net of provisions) as at March 31, 2002 as compared to 8.17 per cent for the previous year.

Asset Classification

'Substandard Assets,' are those where interest and/or principal remains overdue for more than 180 days but not exceeding 18 months. Where the asset remained as an NPA for period exceeding 18 months, the assets are classified as 'Doubtful Assets.' 'Loss Assets' are those considered uncollectable. Out of net NPAs at 7.38 per cent of total loans and advances as at March 31, 2002, substandard and doubtful assets worked out to 4.07 per cent, and 3.31 per cent respectively and loss assets have been fully provided for.

Internal Audit

The Internal Audit Function of the Bank is overseen by the Audit Committee (AC) of the Board of Directors. The AC meets atleast six times in a year. Objective of the Bank's AC is to provide 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 audit reports and Reserve Bank of India inspection reports.

Shri Balasaheb Vikhe Patil, Union Minister of State for Finance (Expenditure, Banking & Insurance), delivering the inaugural address at the National Seminar on 'Export of Agricultural Products : Prospects & Challenges' at Pune.

V. INFORMATION AND ADVISORY SERVICES

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 include market-related information, sector and feasibility studies, technology supplier identification, partner search, investment facilitation, development of joint ventures both in India and abroad.

During the year, Bank provided a range of services to companies in India and abroad. Market information was provided to Indian companies on automotive aftermarket industry in Australia and Brazil; perfume market in China; Canadian buyers of bandage cloth; Hungarian importers for chemicals, spices, tea, coffee, fruit juices and select equipment; pharmaceutical industry in Brazil; and buyers/ importers in agriculture, automobile and other engineering industries of South Africa. Assistance was provided to an Indian company by arranging meetings with prospective buyers in

South Africa in the field of earthmoving and mining equipment. Information provided to an overseas company in USA included market study for computer training industry in Hungary. Information was also provided to two overseas institutions on suppliers of food processing equipment from India; US importers of ginger and cassava and information on tariff reductions on manufactured products in the Indian budget.

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. Bank disseminated information on 185 overseas business opportunities among Indian exporting companies.

Eximius Club

Bank provided information and advisory services to members of the Eximius Club set up by the Bank. This package of services to member companies was focussed on improving their prospects for securing business in projects funded by Multilateral Agencies. These companies have wide ranging interests in sectors such as engineering, power transmission, education, telecommunications, construction and engineering design consultancy. Three new companies joined the Eximius Club during the year.

Inauguration of the Bank's Hyderabad Office by Shri N. Chandrababu Naidu, Chief Minister of Andhra Pradesh.

Institutional Linkages

With a view to enlarging networking with international organisations and other service providers, Bank entered into co-operation agreements and Memoranda of Understanding (MOU) with DEIK (Foreign Economic Relations Board), Turkey; PT Bank Ekspor (BEI), Indonesia; Banco Mercantil C.A., Venezuela; and Hatton National Bank Limited, Sri Lanka. A high-level delegation from The Export-Import Bank of China visited the Bank during October 2001. Working level meetings were held where sharing of experience between the two institutions took place. Such international linkages facilitate exchange of trade and investment related information, identification of joint venture partners, organising seminars/ workshops, exchange of faculty, and concluding lines of credit.

Exim Bank signed a MOU with UTI Bank Ltd. for co-financing exports and export-oriented companies, as also for providing value added services to support the internationalisation efforts of small and medium-sized externally oriented companies.

ADFIAP Development Awards 2002

The Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) has instituted the ADFIAP Awards starting from year 2002 in line with their 25th anniversary. The 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 that have implemented or enhanced outstanding and innovative development projects.

The Bank won the award under the 'Trade Development' category which involves the development of a financing programme facility that assisted the country in developing, promoting and boosting its international trade.

Asian Trade Expansion through Regional Co-operation

The Bank participated in the seventh Annual Meeting of the Asian Export Credit Agencies (ECAs) hosted by Exim Bank of Korea in October 2001 held at Seoul, Korea. Representatives of ECAs from India, China, Indonesia, Japan, Korea, Malaysia, Philippines, and Thailand participated in the meeting. The meeting was also attended by an observer from Asian Development Bank. The meeting was held to discuss ways to foster a long-term relationship within the Asian ECAs Community and strengthen financial co-operation through enhancing intra regional trade.

The initiative for holding annual meeting of Asian ECAs to exchange information and share ideas in a structured manner was originally taken by Exim Bank of India, which also hosted the first two meetings in India at Bangalore in February 1996 and at Mumbai in June 1996. Since then it has become an annual event, hosted by an ECA by rotation. The previous annual meetings following the first two were held in Tokyo (1997), Beijing (1998), Bali (1999) and Bangkok (2000).

VI. PROMOTIONAL PROGRAMMES

Consultancy Support Programme

Bank has arrangement for sponsoring and part financing Indian consultants for providing consultancy services to private sector small and medium enterprises in developing countries under Technical Assistance Programme of International Finance Corporation (IFC), Washington D.C. and other international agencies. During the year, Bank sponsored ten Indian Consultants for various projects under Africa Project Development Facility, Mekong Project Development Facility, African Management Services Company, South-east Europe Enterprise Development, Technical Assistance Trust Funds and Executive Services Overseas Programme. These consultants were selected for various assignments in Bangladesh, Bosnia, Ghana, Kenya, Namibia, Nigeria, Swaziland and Vietnam in areas such as Housing Finance, Juice Production, Pharmaceuticals, Trading House, Cashew Nut Processing and Management Information System.

During the year, two of the Bank's officers successfully completed consultancy assignments in Bosnia and Vietnam, viz. Development of a long-term marketing and advertising strategy for a Bosnian Pharmaceutical Company and Review of the IT System of a bank in Vietnam.

Eximius Centre for Learning

During the year, the Bank's Eximius Centre for Learning, Bangalore, conducted twenty-three programmes. These included five country specific business opportunities seminars covering countries like Belgium, Botswana, South Africa, Australia and New Zealand. The Centre conducted seven workshops: How to win Consultancy Contracts in Asian Development Bank funded projects; A Practical Guide to IT Exports in Europe; Skill Development for Indian IT Industry; Global Certification Systems and Schemes; Foreign Currency Risk Management;

Packaging and Preservation of Food Products; and Structuring Tax Efficient Joint Ventures and Technical Cooperation Agreements. The Centre conducted series of training programmes on Marketing Strategy for Indian Engineering Goods targeting Europe, at Mumbai, Pune, New Delhi and Kolkata, in association with CBI, Netherlands. Other seminars conducted by the Centre at multiple locations covered Customised Solutions for Indian Exporters – Factoring and Forfaiting; and IT Enabled Services: Opportunities in Australia.

Award for Business Excellence

Bank in association with CII has instituted an Annual Award for Business Excellence for best TQM practices adopted by an Indian company. The award is based on the Model of European Foundation for Quality Management (EFQM) Award. In 2001, no company managed to reach the level of performance required to qualify for the award. One company viz. Infosys Technologies Limited was awarded the Significant Achievement Certificate. Three companies, viz. Bharat Heavy Electricals Ltd., Trichy; J K Tyres; and Raychem RPG Limited were given commendation certificates for their strong commitments to TQM on the journey towards Business Excellence.

VII. INFORMATION TECHNOLOGY

The Bank continued its initiatives in enhancing the use of knowledge management tools for better sharing of information and addressing the main objective of enhancing system intelligence capabilities.

An emphasis was laid on streamlining the workflows and processes and during the year agreement was signed to install advanced electronic Trade Finance, Treasury and Asset Liability Management Systems. The systems are in the customisation stage and are to be implemented with an interface with the integrated system.

Web Technology

A corporate portal is being developed, which will replace the existing website (www.eximbankindia.com) of the Bank with features including customer servicing, corporate web mail, and interactive FAQs.

To augment the Agri Business initiative, Bank is in the process of setting up an agro-portal which is an IT initiative to promote knowledge-based agriculture enterprise. The development of the portal is being done in-house. The objectives of the portal include development of a reliable information base sourced from reputed international agencies on agriculture and allied activities with a focus on value-addition and widening the geographical market reach. The portal will provide information and advisory services on export markets, agri products, organic farming, case studies, events, useful links and information related to WTO.

VIII. RESEARCH AND ANALYSIS

In 1989, Bank instituted an Annual Award for research in 'International Economics, Trade and Related Financing'. The objective is to promote research in international economics, trade and related financing by Indian nationals at universities and academic institutions in India and abroad. The Award consists of a sum of one hundred thousand rupees and a citation. The winner for the 2001 Award is Dr. Sajjid Chinoy of Stanford University, USA for his thesis 'Currency Risk Premia and Unhedged Foreign Currency Borrowing in Emerging Markets'.

Seven Occasional Papers were published by the Bank during the year covering the following topics: Machine Tools: A Sector Study; Agro and Processed Foods: A Sector Study; Currency Risk Premia and Unhedged Foreign Currency Borrowing in Emerging Markets; Mercosur: A Gateway to Latin American Countries; Indian Silk Industry: A Sector Study; Select COMESA Countries: A Study of India's Trade and Investment Potential; and Sri Lanka: A Study of India's Trade and Investment Potential.

During the year, the Bank also brought out a book titled 'Business Practices of Successful Indian Exporters'. The study, based on a sample of 138 leading firms in 21 locations across the country, highlights the reasons for success of Indian exporters in select sectors and delineates the business practices followed by them.

IX. HUMAN RESOURCES MANAGEMENT

As on March 31, 2002, Bank had a total staff of 163 in its service including 110 professional staff, comprising engineers, economists, bankers, chartered accountants, business school graduates, legal and language experts, library and documentation experts and personnel and computer specialists. The professional team is supported by Administrative Officers. Bank aims at continuous upgradation of skills of its officers. During 2001-02, 125 officers attended training programmes and seminars on a variety of subjects relevant to the Bank's operations. Programmes included project appraisal, risk analysis and monitoring, NPA management and recovery strategies, foreign exchange and treasury management, credit risk management, tools and techniques of asset-liability management, strategies for increasing / improving lending to agriculture, post harvest management of horticulture products, upgradation of computer literacy, project supervision and remedial management, organisation and human resource management, financial and economic appraisal of investment projects and credit analysis and risk asset management in project finance.

X. 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: (i) Bank Nagar Rajbhasha Karyanvayan Samiti, Mumbai, constituted under the auspices of Dept. of Official Language, Ministry of Home Affairs, Government of India, has awarded the first prize to Exim Bank's Head Office for commendable performance in implementing Hindi among all Financial Institutions for the fourth time for the year 2000-01; (ii) State Level Banker's Committee (O.L.), Pune, has awarded the first prize to Bank's Head Office for commendable performance in implementing Hindi among all Financial Institutions for the year 2000-01. Bank's Kolkata Office received Certificate of merit from Bank Nagar Rajbhasha Karyanvayan Samiti, Kolkata, for best performance in implementing Hindi during the year 2000-01.

During the period under review, the Bank continued its efforts to strengthen the implementation of the Official Language Policy. The Third Sub-Committee of Parliament on Official Language reviewed the implementation of Hindi in November 2001.

In order to impart training in Hindi noting and drafting to officers of the Bank, nineteen Hindi workshops were organised during the year. A scheme offering incentives aimed at encouraging officers to use Hindi in their day-to-day work is in place in the Bank. Three officers were awarded prizes under the scheme. Checkpoints are in operation to ensure compliance and smooth implementation of the Official Language Policy and to achieve targets fixed in the annual programme.

In compliance with the provisions of Section 3(3) of the Official Languages Act, circulars, press releases and reports were issued in Hindi. Loan Agreements were translated into Hindi. All letters received in Hindi were replied to in Hindi. Apart from literature on Bank's operations and procedures, Annual Commencement Day Lecture and Occasional Papers were also published in Hindi.

In pursuance of Government's directives, a Hindi fortnight commencing from September 1, 2001 was celebrated. As a part of this celebration, a Hasya Kavi Sammelan was organised. Hindi version of the 'Eximius: Export Advantage,' a quarterly publication of the Bank, is published under the title 'Eximius: Niryaat Laabh.'

Bank's in-house magazine 'Eximius' has a Hindi section. A special Hindi issue of 'Eximius' for the quarter ended September 2001 was published. Cash awards were presented to three officers of the Bank for best contributions made in Special Hindi issue of `Eximius.'

In pursuance of Government policy regarding progressive use of Hindi and to achieve targets fixed in the annual programme for 2001-02, new books on International Trade Finance and other subjects as well as classical and contemporary literature were added to the Bank's Library. 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.

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

Bank, with a total staff strength of 163 in its service as on March 31, 2002 has 20 Scheduled Caste, 11 Scheduled Tribe and 9 Other Backward Class staff members. Bank provided training in computers and other areas to these staff members. Bank continues to grant scholarships for scheduled caste, scheduled tribe and other backward class students at the Indian Institute of Foreign Trade, New Delhi and Bharathidasan Institute of Management, Tiruchirapalli.

Bank received Commendation Certificate for Hindi usage in the House Journal Competition, from Dr. Bimal Jalan, Governor, Reserve Bank of India.

ACKNOWLEDGEMENTS

Bank has developed useful relationships, both structured and informal with agencies involved in promotion of trade and investment. CII, FICCI, ASSOCHAM, NASSCOM, FIEO, EEPC, Indo-EU Chambers of Commerce, other Export Promotion Councils, Chambers of Commerce and Economic Research Institutes at various centres have been a valuable source of learning and support in the Bank's work. 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 and Reserve Bank of India and Indian Missions abroad in its endeavour to support exports. Bank thanks all multilateral agencies, international banking community and other international institutions for their support.

The staff of the Bank displayed a high level of commitment and dedication to the pursuit of business growth and new initiatives. Bank's participative and professional work culture has consistently remained a source of strength for the Bank.

BOARD OF DIRECTORS

There have been changes on the Board during the year. Shri Dipak Chatterjee, Secretary, Dept. of Commerce, Ministry of Commerce & Industry, Shri Shashank, Secretary (ER), Ministry of External Affairs, Shri V. Govindarajan, Secretary, Dept. of Industrial Policy and Promotion, Ministry of Commerce & Industry, Shri S. L. Parmar, Executive Director, Reserve Bank of India, Shri P. P. Vora, Chairman & Managing Director, Industrial Development Bank of India, Shri R. V. Shastri, Chairman and Managing Director, Canara Bank, Shri S. C. Basu, Chairman and Managing Director, Bank of Maharashtra, Shri Pulin B. Nayak, Professor of Economics, Delhi School of Economics, University of Delhi, Dr. S. Chandra, Management Consultant, Pan Asian Management Foundation, New Delhi, Dr. Vinayshil Gautam, Professor, Management Department, Indian Institute of Technology, New Delhi, and Dr. Budhajirao R. Mulik, Vice President, Asian Association of Agricultural Engineering, Pune were appointed as Directors on the Board. Shri P. G. Mankad, Secretary, Dept. of Industrial Policy and Promotion, Ministry of Commerce & Industry, Shri Prabir Sengupta, Secretary, Dept. of Commerce, Ministry of Commerce & Industry, Shri R. S. Kalha, Secretary (West), Ministry of External Affairs, Shri D. P. Sarda, Executive Director, Reserve Bank of India relinquished their directorships consequent upon completion of their term or change in office as directors of Exim Bank. The Board placed on record the invaluable contributions made by them as Directors. Bank's endeavours were keenly supported and encouraged by the members of the Board.

Shri Y. B. Desai, Managing Director of the Bank since August 1997, relinquished charge on April 30, 2001. The Board placed on record its deep appreciation of his contribution and the invaluable benefit derived by the Bank therefrom.

Bank received ADFIAP Trade Development Award from Mr. Isoa Kaloumaira, Chairman, ADFIAP Board of Directors in the presence of Dr. Orlando Pena, Secretary General, ADFIAP.

ASSOCIATION OF DEVELOPMENT FINANCING INSTITUTIONS IN ASIA AND THE PACIFIC

ADFIAP DEVELOPMENT AWARDS

Export-Import Bank of India

Winner: Trade Development

The Export-Import Bank of India promotes the country's international trade and investment, operating a wide range of lending, service and support programs.

The Bank has implemented a program that provides financial support to exporters. The program has its genesis in a World Bank-funded project in which Exim Bank was designated as the agency to operate the Export Marketing Fund component.

Now funded from the Bank's resources, the program supports SMEs that are trying to break into industrialized markets.

In 2001, the Bank extended lines of credit to a number of banks and financial institutions overseas, including Latin America, the Caribbean, and Commonwealth of Independent States countries. These lines of credit serve as effective market-entry mechanisms for smaller enterprises.

This award recognizes Exim Bank's important role in India's export marketing efforts.

MR. ISOA KALOUMAIRA
Chairman
ADFIAP Board of Directors

Balance Sheet as at March 31, 2002 and Profit & Loss Account for 2001-02

Presentation of dividend cheque for 2000-01 to Shri Yashwant Sinha, Union Finance Minister

Balance Sheet

as at 31st March, 2002

Liabilities

		Schedules	This Year (As at 31.03.2002) Rs	Previous Year (As at 31.03.2001) Rs
1.	Capital	I	6,499,918,881	5,499,918,881
2.	Reserves	II	12,026,412,246	10,663,800,021
3.	Profit & Loss Account	III	420,000,000	380,000,000
4.	Notes, Bonds & Debentures		33,158,105,018	22,914,915,470
5.	Bills Payable		—	—
6.	Deposits	IV	3,416,000,000	2,797,200,000
7.	Borrowings	V	16,619,145,938	20,254,662,765
8.	Current Liabilities & Provisions		9,185,255,542	7,979,845,440
9.	Other Liabilities		1,408,703,116	3,490,749,521
10.	Reserve for possible loan losses		—	—
	Total		82,733,540,741	73,981,092,098

Contingent Liabilities

		This Year	Previous Year
(i)	Acceptances, Guarantees, endorsements & other obligations	11,273,281,000	10,739,964,000
(ii)	On outstanding forward exchange contracts	—	—
(iii)	On underwriting commitments	—	50,000,000
(iv)	Uncalled Liability on partly paid investments	14,640,000	13,986,000
(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	19,590,000	32,781,000
	Total	11,307,511,000	10,836,731,000

Assets

		Schedules	This Year (As at 31.03.2002) Rs	Previous Year (As at 31.03.2001) Rs
1.	Cash & Bank Balances	VI	2,995,374,533	6,487,520,783
2.	Investments	VII	9,919,765,964	7,747,909,237
3.	Loans & Advances	VIII	66,102,416,362	56,443,054,454
4.	Bills Purchased, Discounted, Rediscounted	IX	—	—
5.	Fixed Assets	X	504,734,438	355,143,511
6.	Other Assets	XI	3,211,249,444	2,947,464,113
7.	Profit & Loss Account		—	—
	Total		82,733,540,741	73,981,092,098

S. Sridhar
Executive Director

T.C. Venkat Subramanian
Managing Director

R.M.V. Raman
Executive Director

Dipak Chatterjee **Shashank** **Shekhar Agarwal**
S. L. Parmar **Janki Ballabh**
Dr. S. Chandra **Dr. Vinayshil Gautam** **Dr. Budhajirao Mulik**
Directors

As per our attached report of even date
For G. P. Ghose & Associates
Chartered Accountants

G. P. Ghose
Partner

Mumbai
Dated : April 27, 2002

Profit & Loss Account

for the year ended 31st March, 2002

Expenditure

		This Year	Previous Year
		Rs.	Rs.
1.	Interest	4,257,052,997	4,519,830,811
2.	Credit Insurance (Including Guarantee Fee)	38,944,163	37,355,693
3.	Staff Salaries,Allowances etc. and Terminal Benefits	57,902,454	73,439,552
4.	Directors' and Committee Members' Fees and Expenses	429,941	168,518
5.	Audit Fees	200,000	200,000
6.	Rent,Taxes,Electricity and Insurance Premia	43,591,321	40,465,745
7.	Postage,Telegrams and Telex	14,514,854	15,998,547
8.	Legal Expenses	11,935,572	3,439,075
9.	Other Expenses	139,828,708	158,243,212
10.	Depreciation	60,313,847	38,108,207
11.	Transferred to Reserve for possible loan losses	—	—
12.	Profit carried down	2,211,573,566	2,046,951,174
	Total	6,836,287,423	6,934,200,534
	Provision for Income Tax	500,000,000	505,500,000
	Balance of profit transferred to Balance Sheet	1,711,573,566	1,541,451,174
		2,211,573,566	2,046,951,174

Report of the Auditors

We have audited the attached Balance Sheet of General Fund of Export-Import Bank of India as at 31st March, 2002 and also the Profit and Loss Account of General Fund of the Bank for the year ended on that date annexed thereto and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.
2. 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.
3. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet is a full and fair Balance Sheet containing all the necessary particulars and is properly drawn up so as to exhibit a true and fair view of the state of affairs of the General Fund of the Bank as at 31st March, 2002.

For G. P. Ghose & Associates
Chartered Accountants

Mumbai,
Dated: April 27, 2002.

G. P. Ghose
Partner

General Fund

Income

	This Year	Previous Year
	Rs.	Rs.
(Less provision made during the year for bad and doubtful debts and other usual and necessary provisions)		
1. Interest and Discount	6,008,494,756	6,739,509,727
2. Exchange, Commission, Brokerage and Fees	694,852,610	179,315,960
3. Other Income	132,940,057	15,374,847
4. Loss carried to Balance Sheet	—	—
Total	6,836,287,423	6,934,200,534
Profit brought down	2,211,573,566	2,046,951,174
Excess Income/Interest tax provision of earlier years written back	—	—
	2,211,573,566	2,046,951,174

Note : 1. Other expenses include Export Promotion Expenses - Rs.7,126,762 (Previous year Rs.27,014,064)
2. Income includes Rs.1.62 bn. on account of treasury operations, investment & bank deposits (Previous year Rs.1.87 bn.)

S. Sridhar
Executive Director

R.M.V. Raman
Executive Director

T.C. Venkat Subramanian
Managing Director

Dipak Chatterjee **Shashank** **Shekhar Agarwal**
S. L. Parmar **Janki Ballabh**
Dr. S. Chandra **Dr. Vinayshil Gautam** **Dr. Budhajirao Mulik**
Directors

As per our attached report of even date
For G. P. Ghose & Associates
Chartered Accountants

G. P. Ghose
Partner

Mumbai
Dated : April 27, 2002

Schedules to the Balance Sheet

as at 31st March, 2002

		This Year (As at 31.03.2002)	Previous Year (As at 31.03.2001)
		Rs	Rs
Schedule I :	**Capital :**		
	1. Authorised	10,000,000,000	10,000,000,000
	2. Issued and Paid-up : (Wholly subscribed by the Central Government)	6,499,918,881	5,499,918,881
Schedule II :	**Reserves :**		
	1. Reserve Fund	9,467,981,682	8,801,669,457
	2. General Reserve	—	—
	3. Other Reserves :		
	Reserve for Guarantee cum Refinance Programme	—	72,500,000
	Investment Fluctuation Reserve	415,211,500	265,211,500
	Sinking Fund (Lines of Credit)	433,219,064	394,419,064
	4. Special Reserve u/s 36(1)(viii) of Income Tax Act,1961	1,710,000,000	1,130,000,000
		12,026,412,246	10,663,800,021
Schedule III :	**Profit & Loss Account :**		
	1. Balance as per annexed accounts	1,711,573,566	1,541,451,174
	2. Less: Appropriations:		
	- Transferred to Reserve Fund	522,773,566	718,892,703
	- Transferred to Investment Fluctuation Reserve	150,000,000	5,791,000
	- Transferred to Sinking Fund	38,800,000	40,887,471
	- Transferred to Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	580,000,000	310,000,000
	- Provision for tax on distributed profit by way of dividend	—	85,880,000
	3. Balance of the net profits (Transferable to the Central Government in terms of Section 23(2) of the Exim Bank Act,1981)	420,000,000	380,000,000
Schedule IV :	**Deposits:**		
	(a) In India	—	—
	(b) Outside India	3,416,000,000	2,797,200,000
		3,416,000,000	2,797,200,000
Schedule V :	**Borrowings :**		
	1. From Reserve Bank of India :		
	(a) Against Trustee Securities	—	—
	(b) Against Bills of Exchange	—	—
	(c) Out of the National Industrial Credit (Long Term Operations)Fund	—	6,170,000,000
	2. From Government of India	123,000,002	139,333,335
	3. From Other Sources :		
	(a) In India	—	—
	(b) Outside India	16,496,145,936	13,945,329,430
		16,619,145,938	20,254,662,765
Schedule VI :	**Cash & Bank Balances :**		
	1. Cash in Hand	276,417	249,825
	2. Balance with Reserve Bank of India	3,709,929	246,664
	3. Balances with other Banks:		
	(a) In India	153,377,839	823,888,360
	(b) Outside India	2,438,010,348	4,483,335,934
	4. Money at call and short notice	400,000,000	1,179,800,000
		2,995,374,533	6,487,520,783

General Fund

	This Year (As at 31.03.2002)	Previous Year (As at 31.03.2001)
	Rs.	Rs.
Schedule VII : Investments:		
1. Securities of Central and State Governments	1,128,615,000	746,050,000
2. Equity Shares & Stocks	1,081,459,489	943,751,441
3. Preference Shares and Stocks	—	—
4. Notes,Debentures and Bonds	3,421,051,475	2,789,467,796
5. Others	4,288,640,000	3,268,640,000
	9,919,765,964	7,747,909,237
Schedule VIII : Loans & Advances:		
1. Foreign Governments	486,761,906	814,419,788
2. Banks:		
(a) In India	341,710,481	392,902,389
(b) Outside India	1,228,085,943	2,322,952,364
3. Financial Institutions:		
(a) In India	—	—
(b) Outside India	42,957,872	47,184,928
4. Others	64,002,900,160	52,865,594,985
	66,102,416,362	56,443,054,454
Schedule IX : Bills Purchased,Discounted, Rediscounted:		
(a) In India	—	—
(b) Outside India	—	—
	—	—
Schedule X : Fixed Assets :		
(At cost less depreciation)		
1. Premises	441,158,804	321,002,142
2. Others	63,575,634	34,141,369
	504,734,438	355,143,511
Schedule XI : Other Assets :		
1. Accrued interest on investments and on loans	1,127,480,517	1,483,938,139
2. Prepaid insurance premium - paid to Export Credit Guarantee Corporation of India Ltd.	1,589,596	2,031,475
3. Deposits with sundry parties	5,345,768	5,309,755
4. Others	2,076,833,563	1,456,184,744
	3,211,249,444	2,947,464,113

Balance Sheet

as at 31st March, 2002

Liabilities

	This Year (As at 31.03.2002)	Previous Year (As at 31.03.2001)
	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	39,247,318	27,905,318
5. Profit and Loss Account	129,947,802	113,547,705
Total	297,502,907	269,760,810

Contingent Liabilities

	This Year	Previous Year
(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 : Section 37 of Exim Bank Act, 1981 (which provided, inter alia, that any income, profits or gains accruing to the Export Development Fund or any amount received to the credit of that Fund would not be charged to tax), was omitted by Finance (No. 2) Act 1998 with effect from April 1, 1999. Exim Bank was advised that since the said Section was in force till March 31, 1999, the exemption would be available in respect of income accruing or arising to it upto the end of accounting year 1998-99. The Income tax authorities have passed the assessment order and Exim Bank had made payment of tax of Rs.6.62 mn. for that year without prejudice to its rights in the matter. The Bank is pursuing the matter for refund of tax paid for A.Y. 1999-2000.

Export Development Fund

Assets

		This Year (As at 31.03.2002)	Previous Year (As at 31.03.2001)
		Rs	Rs
1.	Bank Balances	255,015,272	239,932,491
2.	Investments	—	—
3.	Loans & Advances :		
	(a) In India	—	—
	(b) Outside India	8,505,318	8,505,318
4.	Bills Purchased/Discounted :		
	(a) In India	—	—
	(b) Outside India	—	—
5.	Other Assets	33,982,317	21,323,001
6.	Profit and Loss Account	—	—
	Total	297,502,907	269,760,810

S. Sridhar
Executive Director

R.M.V. Raman
Executive Director

T.C. Venkat Subramanian
Managing Director

Dipak Chatterjee **Shashank** **Shekhar Agarwal**
S. L. Parmar **Janki Ballabh**
Dr. S. Chandra **Dr. Vinayshil Gautam** **Dr. Budhajirao Mulik**
Directors

As per our attached report of even date
For G. P. Ghose & Associates
Chartered Accountants

G. P. Ghose
Partner

Mumbai
Dated : April 27, 2002

Profit & Loss Account

for the year ended 31st March, 2002

Expenditure

	This Year	Previous Year
	Rs	Rs
1. Interest	—	—
2. Other Expenses	—	—
3. Profit carried down	25,506,097	24,893,895
Total	25,506,097	24,893,895
Provision for Income Tax	9,106,000	9,900,000
Balance of profit transferred to Balance Sheet	16,400,097	14,993,895
Total	25,506,097	24,893,895

Report of the Auditors

We have audited the attached Balance Sheet of Export Development Fund of Export-Import Bank of India as at 31st March, 2002 and also the Profit and Loss Account of Export Development Fund of the Bank for the year ended on that date annexed thereto and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.
2. 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.
3. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet is a full and fair Balance Sheet containing all the necessary particulars and is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Export Development Fund of the Bank as at 31st March, 2002.

For G. P. Ghose & Associates
Chartered Accountants

Mumbai,
Dated: April 27, 2002.

G. P. Ghose
Partner

Export Development Fund

Income

	This Year	Previous Year
	Rs	Rs
(Less provision made during the year for bad and doubtful debts and other usual and necessary provisions)		
1. Interest and Discount	25,506,097	24,893,895
2. Exchange, Commission, Brokerage and Fees	—	—
3. Other Income	—	—
4. Loss carried to Balance Sheet	—	—
Total	25,506,097	24,893,895
Profit brought down	25,506,097	24,893,895
Excess Income/Interest tax provision of earlier years written back	—	—
Total	25,506,097	24,893,895

S. Sridhar
Executive Director

R.M.V. Raman
Executive Director

T.C. Venkat Subramanian
Managing Director

Dipak Chatterjee **Shashank** **Shekhar Agarwal**
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Directors

As per our attached report of even date
For G. P. Ghose & Associates
Chartered Accountants

G. P. Ghose
Partner

Mumbai
Dated : April 27, 2002

Notes to Accounts — General Fund

1. As Exim Bank is acting only in the capacity of an agency to facilitate certain transactions relating to Indian contractors, foreign currency receivables advised to the Bank equivalent to Rs. 33,539,634,580 (Previous year Rs. 32,029,361,549) held on agency account including a sum of Rs. 27,773,531,219 assigned to GOI are not included in the Balance Sheet.

2. 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. Exim Bank was advised that since the said Section was in force till March 31, 1999, the exemption would be available in respect of income accruing or arising to it upto the end of accounting year 1998-99. However, Exim Bank had made a provision for taxation and has created a Special Reserve u/s 36(1)(viii) of the Income-tax Act, 1961. The Bank had also made a total payment of Rs. 792.2 mn. for that year without prejudice to its rights in the matter and is pursuing the matter for refund of the tax paid for A.Y. 1999-2000.

3. The outstanding forward contracts amounted to Rs. 315.2 mn. (previous year Rs. 173.3 mn.) as at March 31, 2002 and these have been fully hedged.

4. Capital as on March 31, 2002

a)

(i)	Capital to Risk Assets Ratio (CRAR)	33.13%
(ii)	Core CRAR	31.77%
(iii)	Supplementary CRAR	1.36%

(b) As on March 30, 2002, outstanding RBI-NIC (LTO) fund loan has been transferred from the books of RBI to Government and the Government has subscribed to 8% 2022 Bonds issued by the Bank. These Bonds would be unsecured and would rank junior to all borrowings/deposits/subordinated debts of the Bank and qualify for Tier I Capital of the Bank subject to certain conditions prescribed by RBI/Government.

(c) The amount of subordinated debt raised and outstanding as on March 31, 2002 as Tier-II capital : NIL

(d) As on March 31, 2002, the outstanding balance of Rs. 72.5 mn. in Reserve for Guarantee-cum-Refinance Programme and Rs. 71.04 mn. in Staff Welfare Account has been merged with Reserve Fund.

(e) Risk weighted assets :

(i) 'On' balance sheet items : Rs. 65.98 bn.

(ii) 'Off' balance sheet items: Rs. 6.68 bn.

(f) The share holding pattern as on the date of the balance sheet : Wholly subscribed by Govt. of India.

- *The CRAR and other related parameters, have been determined as per the extant capital adequacy norms prescribed by RBI for the FIs.*

5. Asset quality and credit concentration as on March 31, 2002

(a) Percentage of net Non-Performing Assets (NPAs) to net loans and advances : 7.38 (previous year 8.17)

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

	Amount (Rs. bn.)	Percentage
Substandard Assets	2.47	4.07
Doubtful Assets	2.01	3.31
Loss Assets	—	—
	4.48	7.38

(c) Amount of provisions made during the year :

	Amount (Rs. mn.)
Standard Assets	474.7
NPAs	592.7
Investments (other than those in the nature of an advance)	181.1
Income Tax	500.0

(d) Movement in net NPAs :

	Amount (Rs. bn.)
Net NPAs as on April 1, 2001	4.07
New NPAs during 2001-02	1.45
Recoveries/upgradations during 2001-02	1.04
Net NPAs as on March 31, 2002	4.48

(e) Provision for Non-Performing Assets (comprising loans, bonds and debentures in the nature of advance and inter-corporate deposits)

(excluding provision for standard assets)

	Amount (Rs. bn.)
Opening balance as at the beginning of the financial year	4.78
Add : Provision made during the year	1.23
Less : Write off, write back of excess provision	0.63
Closing balance at the close of the financial year	5.38

(f) Provisions for depreciation in investments :

	Amount (Rs. mn.)
Opening balance as at the beginning of the financial year	60.1
Add :	
i. Provision made during the year	181.1
ii. Appropriation, if any, from Investment Fluctuation Reserve Account during the Year	Nil
Less :	
i. Write off during the year	Nil
ii. Transfer, if any, to Investment Fluctuation Reserve Account	Nil
Closing balance as at the close of the financial year	241.2

(g) Restructured Standard Assets as on March 31, 2002 : Rs. 1.18 bn. (previous year Rs. 2.27 bn.).

(h) Restructured Substandard Assets as on March 31, 2002 : Rs. 2.19 bn. (previous year Rs. 297.0 mn.).

(i) Credit Exposure :

	Percentage to Capital Funds	Percentage to Adjusted Total Credit Exposure (ATCE)
i) Largest single borrower	13.21	2.52
ii) Largest borrower group	13.21	2.52
iii) 10 largest single borrowers	89.74	17.13
iv) 10 largest borrower groups	91.92	17.55

ATCE : Loans + Advances + Unutilised sanctions + 50% of Guarantees outstanding.

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

Sector	Percentage to Adjusted Total Credit Exposure (ATCE)
i) Textile & Garments	10.87
ii) Drugs & Pharmaceuticals	9.47
iii) Chemicals & Dyes	6.55
iv) Metal & Metal Processing	5.42
v) Engineering Goods	5.33

- *The 'credit exposure' has been reckoned as defined in RBI circular DoS.FID.No. 17/01.02.00/96-97 dated June 28, 1997.*

6. Liquidity :

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

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

(Rs. in bn.)

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	26.89	23.38	13.91	9.00	20.84	94.02
Foreign currency assets	10.99	6.31	6.92	2.34	2.61	29.17
Total assets	37.88	29.69	20.83	11.34	23.45	123.19
Rupee liabilities	14.36	20.20	9.49	2.98	36.64	83.67
Foreign currency liabilities	12.12	8.51	0.82	0.84	6.11	28.40
Total liabilities	26.48	30.71	10.31	3.82	42.75	112.07

- *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.*

7. Operating results :

(a) Interest income as a percentage to average working funds : 7.79 (previous year 9.36)

(b) Non-interest income as a percentage to average working funds : 1.07 (previous year 0.27)

(c) Operating profit as a percentage to average working funds : 3.59 (previous year 2.91)

(d) Return on average assets : 2.22% (previous year 2.14%)

(e) Net Profit per (permanent) employee : Rs. 10.5 mn. (previous year Rs. 10.0 mn.)

- *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.*

8. Forward Rate Agreements/Interest Rate Swaps in terms of RBI Guidelines dated July 7, 1999

1.	No. of transactions outstanding	4
2.	Total outstandings notional principal	Rs. 2.5 bn.
3.	Nature of swaps	All transactions for hedging purpose/liability management in the nature of "Fixed-Floating" or "Floating-Fixed" based on market benchmarks such as GOI-Sec yields.
4.	Terms	The transactions are for periods between 5 and 10 years.
5.	Loss which would be incurred in case counter-parties fail to fulfil their obligations	Rs. 23.4 mn.
6.	Collateral required	—
7.	Concentration of credit risk arising from swaps	All transactions fall within exposure limits.
8.	Fair value of swap book	Rs. 1.1 mn.

S. Sridhar
Executive Director

R.M.V. Raman
Executive Director

T.C. Venkat Subramanian
Managing Director

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S. L. Parmar **Janki Ballabh**
Dr. S. Chandra **Dr. Vinayshil Gautam** **Dr. Budhajirao Mulik**
Directors

As per our attached report of even date
For G. P. Ghose & Associates
Chartered Accountants

G. P. Ghose
Partner

Mumbai
Dated : April 27, 2002

Significant Accounting Policies

(i) **Financial Statements**

Balance Sheet and Profit and Loss account of Export-Import Bank of India 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 March 23, 2001 and thereafter.

(ii) **Revenue Recognition**

(a) Income/Expenditure is recognised on accrual basis except in respect of penal interest and commitment charges, which are accounted on cash basis. Discount / redemption premium offered on Exim Bank Bonds has been amortised over the tenor of the bond and included in interest expenses.

(b) Interest & Discount is stated at Gross interest less interest on Non-Performing Assets (NPAs). NPAs are determined as per RBI guidelines issued to All-India Term Lending Institutions.

(iii) **Asset Classification and Provisioning**

Loans and Advances shown in Balance Sheet comprise only principal outstandings net of claims settled by Export Credit Guarantee Corporation of India Ltd. (ECGC). Interest receivables are grouped under "other assets".

Loan Assets are classified in 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. Provisions for funded facilities are made 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 & Bonds v) Subsidiaries/joint ventures vi) Others (CP, Mutual Fund Units, etc.).

The classification of various instruments of investments, categorization, shifting among categories and valuation of investments are done in accordance with the norms laid down by RBI vide its circular dated November 9, 2000 issued 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 Revenue Account.

(vi) **Accounting for Foreign Currency Transactions**

(a) Foreign currency liabilities and foreign currency assets of the Bank are converted at the market exchange rate prevailing on the date of Balance Sheet except in case of NPAs (in accordance with RBI guidelines).

(b) Assets and Liabilities pertaining to overseas Representative Offices of the Bank are translated at the exchange rate as on the date of the Balance Sheet. Their income and expenses are translated at average exchange rate of remittances.

(c) The Exchange difference, if any, arising out of the translations at (a) and (b) above is debited/credited to "Reserve for Exchange Rate Fluctuations" except on account of currency swaps where the exchange difference is grouped under "Other Assets/Other Liabilities".

(d) Exchange income in respect of loans, advances designated for repayment in foreign currency is recognised on realisation.

(vii) **Guarantees**

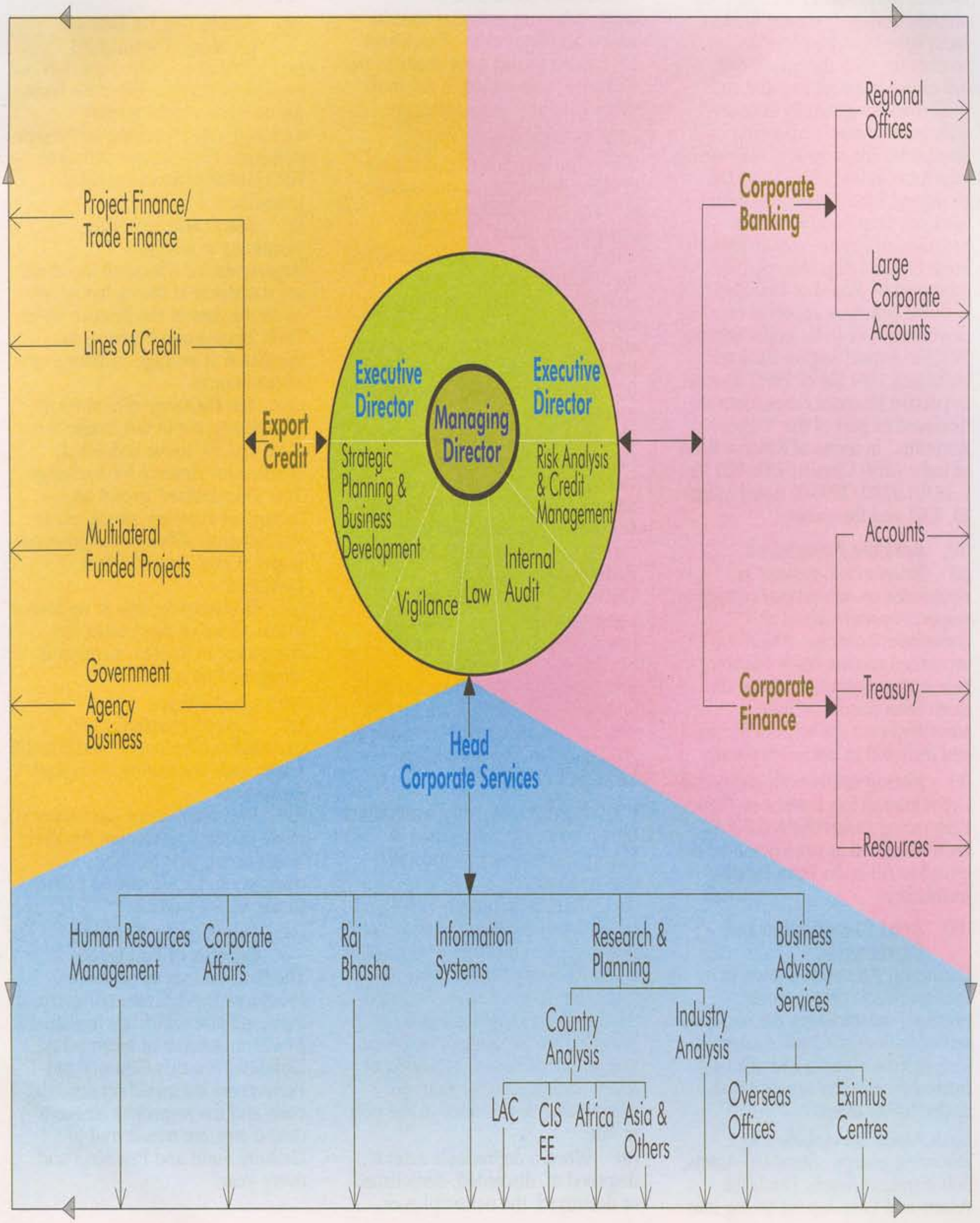
(a) Expired guarantees are included as Contingent Liabilities till return and cancellation of original documents.

(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 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.

Organisation



प्रबंधन दल

Management Team

प्रबंध निदेशक
Managing Director

टी. सी. वेंकट सुब्रमणियन
T. C. Venkat Subramanian

कार्यपालक निदेशक Executive Directors

एस. श्रीधर
S. Sridhar

आर. एम. वी. रामन
R. M. V. Raman

समूह प्रमुख Group Heads

एस. आर. राव
निगमित सेवाएँ
S. R. Rao
Corporate Services

पी. ए. मकवाना
निर्यात ऋण
P. A. Makwana
Export Credit

एस. भट्टाचार्य
रणनीतिक आयोजना एवं व्यवसाय विकास
S. Bhattacharyya
Strategic Planning & Business Development

एन. ई. ऊकाभाय
विधिक
N. E. Ookabhoy
Legal

ए. एम. सोनमाले
जोखिम विश्लेषण एवं ऋण प्रबंधन
A. M. Sonmale
Risk Analysis & Credit Management

सुश्री एच. एस. अडवानी
निगमित बैंकिंग
Ms. H. S. Advani
Corporate Banking

एन. शंकर
निगमित वित्त
N. Shankar
Corporate Finance

सुश्री ए. वी. हेरवाडकर
मानव संसाधन प्रबंधन एवं राजभाषा
Ms. A. V. Herwadkar
Human Resources Management & Raj Bhasha

क्षेत्रीय प्रमुख Regional Heads

यथा 30 जून 2002 को
As on June 30, 2002

भारत स्थित कार्यालय Indian Offices

अहमदाबाद
विनोद गोयल
Ahmedabad
Vinod Goel

बैंगलूर
डी. जी. प्रसाद *
(30 जून 2002 तक)
Bangalore
D. G. Prasad*
(upto June 30, 2002)

बैंगलूर
मोती साईराम
(1 जुलाई 2002 से प्रभावी)
Bangalore
Mothi Sayeeram
(wef July 1, 2002)

चेन्नै
के. मुत्थुकुमारन
Chennai
K. Muthukumaran

हैदराबाद
जे. सेम्युअल जोसेफ
Hyderabad
J. Samuel Joseph

कोलकाता
संजय सरकार *
(30 जून 2002 तक)
Kolkata
Sanjay Sarkar*
(upto June 30, 2002)

कोलकाता
हितेन्द्र रावल
(1 जुलाई 2002 से प्रभावी)
Kolkata
Hitendra Rawal
(wef July 1, 2002)

मुंबई
सुश्री संगीता शर्मा
Mumbai
Ms. Sangeeta Sharma

नई दिल्ली
सुनील त्रिखा
New Delhi
Sunil Trikha

पुणे
आर. डब्ल्यू. खन्ना
Pune
R. W. Khanna

विदेश स्थित कार्यालय Overseas Offices

बुडापेस्ट
समीर कान्ट्रेक्टर
Budapest
Sameer Contractor

जोहॉनिस्बर्ग
श्रीराम सुब्रमणियन
Johannesburg
Sriram Subramanian

मिलान
मुकुल सरकार
Milan
Mukul Sarkar

सिंगापोर
सुश्री दया चन्द्रहास
Singapore
Ms. Daya Chandrahas

वाशिंग्टन डी. सी.
डेविड रस्किन्हा
Washington D. C.
David Rasquinha

* समूह प्रमुख के रूप में मुंबई को स्थानांतरण के अधीन * Under transfer to Mumbai as Group Head

एक्ज़िम बैंक का उद्देश्य भारत के अंतरराष्ट्रीय व्यापार का संवर्धन करना है। यह प्रतीक चिह्न इस उद्देश्य को प्रकट करता है। इस प्रतीक चिह्न का दोतरफा वैशिष्ट्य है। आयात से संबंधित भुजा निर्यात वाली भुजा से पतली है। यह चिह्न निर्यातों में मूल्य योजन के उद्देश्य को भी प्रकट करता है।

उद्देश्य

भारतीय निर्यात-आयात बैंक की स्थापना "देश के अंतरराष्ट्रीय व्यापार के संवर्धन की दृष्टि से निर्यातकर्ताओं को वित्तीय सहायता प्रदान करने के लिए तथा माल और सेवाओं के निर्यात और आयात के वित्तपोषण में लगी संस्थाओं के कार्यकरण का समन्वय करने के लिए प्रमुख वित्तीय संस्था के रूप में कार्य करने के उद्देश्य से की गई है..."

: भारतीय निर्यात-आयात बैंक अधिनियम, 1981.

प्रधान कार्यालय

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भारत स्थित कार्यालय

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यू टी आइ हाउस, पहली मंज़िल,
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दूरभाष : (044) 5224714/5224749
फैक्स : (044) 5224082
ई-मेल : chenexim@vsnl.com

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6-3-639/640, राज भवन रोड,
खैरताबाद, हैदराबाद 500 004.
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फैक्स : (040) 3317843
ई-मेल : eximhyd@roltanet.com

कोलकाता
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71, पार्क स्ट्रीट, कोलकाता 700 016.
दूरभाष : (033) 2293416-17/2494630
फैक्स : (033) 2172357
ई-मेल : eximca@vsnl.com

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