IMPORTANT NOTICE

THIS OFFERING CIRCULAR IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) UNDER RULE 144A (AS DEFINED BELOW) OR (2) NON-U.S. PERSONS (AS DEFINED IN REGULATION S (AS DEFINED BELOW)), PURCHASING THE SECURITIES OUTSIDE THE UNITED STATES (U.S.) IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S. NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE U.S.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offering Circular following this page, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE U.S. OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of the Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must be either (1) qualified institutional buyers ("**QIBs**") (within the meaning of Rule 144A under the Securities Act ("**Rule 144A**")) or (2) non-U.S. persons eligible to purchase the securities outside of the U.S. in an offshore transaction in reliance on Regulation S under the Securities Act (Regulation S). By accepting the electronic mail and accessing this Offering Circular, you shall be deemed to have represented to us (1) that you and any customers you represent are either (a) QIBs or (b) non-U.S. persons eligible to purchase the securities outside the U.S. in an offshore transaction in reliance on Regulation S under the Securities Act and that the electronic mail address that you gave us and to which this electronic mail has been delivered is not located in the U.S., and (2) that you consent to the delivery of this Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Circular to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities in this Offering Circular.

The materials relating to any offering of Notes under the Program to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that such offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arrangers or the Dealers (each as defined in this Offering Circular) or any person who controls the Arrangers or the Dealers, any director, officer, employee or agent of the Issuer, the Arrangers or the Dealers, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any discrepancies between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Arrangers or the Dealers.

Actions that you may not take: If you receive this document by electronic mail, you should not reply by electronic mail to this document, and you may not purchase any securities by doing so. Any reply by electronic mail communications, including those you generate by using the "Reply" function on your electronic mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

If you purchase any of the Rupee denominated Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase Rupee denominated Notes under applicable laws and regulations and that you are in compliance with the FATF/IOSCO Requirements (as defined in this Offering Circular) and you are not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling the Rupee denominated Notes. Foreign branches and subsidiaries of Indian banks, subject to applicable prudential norms, can participate as arrangers/underwriters/market-makers/traders for Rupee denominated Notes issued overseas as per ECB Guidelines (as defined in this Offering Circular) of India.

The Rupee denominated Notes may not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident of India.

OFFERING CIRCULAR **STRICTLY CONFIDENTIAL**

इंडिया एक्ज़िम बैंक
India Exim Bank

EXPORT-IMPORT BANK OF INDIA

(established in the Republic of India under The Export-Import Bank of India Act, 1981)

U.S.$10,000,000,000
GLOBAL MEDIUM TERM NOTE PROGRAM

On October 16, 2006, Export-Import Bank of India (the "**Issuer**" or the "**Bank**") acting through its Head Office in India or any other foreign branch entered into a U.S.$1,000,000,000 Medium Term Note Program (the Program, as amended, supplemented or restated) and prepared an Offering Circular dated October 16, 2006. Further offering circulars were issued on May 25, 2007, December 7, 2009, December 23, 2010, July 13, 2012, June 28, 2013, July 14, 2014, June 19, 2015, July 20, 2016, July 21, 2017, September 27, 2018, July 11, 2019, January 6, 2020, August 31, 2020, January 4, 2021 and August 31, 2021 pursuant to updates of the Program. The December 23, 2010 offering circular increased the size of the Program from U.S.$1,000,000,000 to U.S.$2,500,000,000. The Bank issued a supplemental offering circular dated November 19, 2012 pursuant to an increase in the aggregate nominal amount of the Program from U.S.$2,500,000,000 to U.S.$6,000,000,000. The June 19, 2015 offering circular increased the size of the Program from U.S.$6,000,000,000 to U.S.$10,000,000,000. This Offering Circular further updates the Program and supersedes any previous offering circular describing the Program. Any Notes (as defined below) issued under the Program on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued before the date of this Offering Circular.

Under the Program described in this Offering Circular, the Issuer, acting through its Head Office in India, London Branch, or any other foreign branch, as the case may be, may from time to time issue notes (the "**Notes**", which expression shall include Senior Notes, Subordinated Notes and Hybrid Tier I Notes (each as defined herein)) in bearer and/or registered form (respectively, "**Bearer Notes**" and "**Registered Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Program will not exceed U.S.$10,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Summary of the Program" and any additional Dealer appointed under the Program from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Notes.

Application has been made to the London Stock Exchange for the Notes to be admitted to the London Stock Exchange's International Securities Market ("**ISM**"). The ISM is not a regulated market for the purposes of Directive 2014/65/EU.

The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the United Kingdom Listing Authority. The London Stock Exchange has not approved or verified the contents of this Offering Circular.

Application has been made to Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST (the "**Official List**"). There can be no assurance that an application to the SGX-ST will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Program or the Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Tranche.

Application has been made to the Global Securities Market (GSM) of the India International Exchange IFSC Limited (the "**India INX**") for the Notes to be admitted to trading on the Global Securities Market (GSM) of the India INX. The India INX has not approved or verified the contents of the listing particulars.

The Program provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

The Issuer may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the SGX-ST and the Global Securities Market (GSM) of the India INX) a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Notes to be listed on the SGX-ST, the ISM and the Global Securities Market (GSM) of the India INX will be accepted for clearance through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") and/or The Depositary Trust Company ("**DTC**").

Each Tranche of Bearer Notes of each series (a "**Series**") (will initially be represented by either a temporary bearer global note (a "**Temporary Bearer Global Note**") or a permanent bearer global note (a "**Permanent Bearer Global Note**" and, together with a Temporary Bearer Global Note, the "**Bearer Global Notes**", and each a "**Bearer Global Note**") as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream.

On and after the date (the "**Exchange Date**") which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series. The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable for definitive Bearer Notes in certain limited circumstances.

Registered Notes of each Tranche sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"), outside the United States ("**U.S.**"), will be offered and sold only to non-U.S. persons and will initially be represented by a global note in registered form, without receipts or coupons (a "**Regulation S Global Note**"), which will be delivered on or prior to the original issue date of the Tranche to the Common Depositary for Euroclear and Clearstream, and registered in the name of a nominee of the Common Depositary.

Registered Notes of each Tranche may only be offered and sold in the U.S. to qualified institutional buyers ("**QIBs**") (within the meaning of Rule 144A under the Securities Act ("**Rule 144A**")) in transactions exempt from registration in reliance on Rule 144A or any other applicable exemption. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form, without receipts or interest coupons (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**", and each a "**Registered Global Note**"), which will be deposited with a custodian for, and registered in the name of, a nominee of DTC.

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered or sold in the U.S. unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the U.S. and any other jurisdiction. See "Form of the Notes" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer. See "Subscription and Sale and Transfer and Selling Restrictions".

This Offering Circular has not been and will not be registered or published as a prospectus or a statement in lieu of a prospectus with the Registrar of Companies, the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India in respect of a public offer or information memorandum or other offering material in respect of any private placement of securities under the Companies Act, 2013, as amended, and the rules framed thereunder or any other applicable Indian laws. This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India, including, but not limited to, the Securities and Exchange Board of India ("**SEBI**"), any Registrar of Companies, the Reserve Bank of India ("**RBI**"), or any stock exchange in India. This Offering Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities to the public or any person resident in India. The Notes have not been and will not be, offered or sold to any person resident in India.

Investing in Notes issued under the Program involves certain risk and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors should also have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular.

The Program is rated Baa3 by Moody's Investors Services, Inc., BBB- by S&P Global Ratings and BBB- by Fitch Ratings Limited. Such ratings of the Program does not constitute a recommendation to buy, sell or hold the Notes as may be issued under the Program and may be subject to revision or withdrawal at any time by either such rating organization. Each such rating should be evaluated independently of any other rating of the Program.

Joint Arrangers and Dealers

Barclays **Citi**

The date of this Offering Circular is July 7, 2022.

The Issuer accepts responsibility for the information contained in this Offering Circular. Having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer, having made all reasonable inquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the Program and the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Terms and Conditions of the Notes**" or the "**Conditions**") as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

No person is or has been authorized by the Issuer to give any information or to make any representation other than those contained in this Offering Circular or any other information supplied in connection with the Program or the Notes and, if given or made by any other person, such information or representations must not be relied upon as having been authorized by the Issuer, any of the Arrangers (as defined herein), the Dealers, the Trustee or the Agents (as defined in "*Terms and Conditions of the Notes*").

This Offering Circular is highly confidential and has been prepared by the Issuer solely for use in connection with the Program and the proposed offering of the Notes under the Program as described herein. The Issuer has not authorized its use for any other purpose. This Offering Circular may not be copied or reproduced in whole or in part. It may be distributed only, and its contents may be disclosed only, to the prospective investors to whom it is provided. By accepting delivery of this Offering Circular, each investor agrees to these restrictions.

Neither the Arrangers, the Dealers, the Trustee nor the Agents have independently verified the information contained herein or incorporated by reference and can give no assurance that this information is accurate, truthful or complete. To the fullest extent permitted by law, neither the Arrangers nor any Dealers, or any director, officer, employee, agent or affiliate of any such persons make any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy, completeness or sufficiency of any of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Program, and nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Arrangers, the Dealers or any director, officer, employee, agent or affiliate of any such persons. To the fullest extent permitted by law, neither the Arrangers nor the Dealers, nor any director, officer, employee, agent or affiliate of any such persons, accept any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by any of the Arrangers, the Dealers, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Offering Circular or any such statement.

Copies of each Pricing Supplement will be made available from the corporate office of the Issuer and the specified office of the Principal Paying Agent (as defined herein).

Certain information under the heading "*Book-Entry Clearance Systems*" has been extracted from information provided by the clearing systems referred to therein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Neither this Offering Circular, any Pricing Supplement, nor any other information supplied or incorporated by reference in connection with the Program or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, any of the Arrangers, the Dealers, the Trustee or the Agents, or any director, officer, employee, agency or affiliate of such persons, that any recipient of this Offering Circular or any other information supplied in connection with the Program or any Notes should purchase any of the Notes. Each potential investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation with its own tax, legal and business advisers as it deems necessary. Neither this Offering Circular nor any other information supplied in connection with the Program or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Arrangers, the Dealers, the Trustee or the Agents to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor any Pricing Supplement nor the offering, sale or delivery of any Notes shall in any circumstances create any implication that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Program is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Arrangers, the Dealers, the Trustee nor the Agents nor any agent or affiliate of any such persons expressly undertake to review the financial condition nor affairs of the Issuer during the life of the Program or to advise any investor in the Notes of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arrangers, the Dealers, the Trustee and the Agents do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, any of the Arrangers or the Dealers or the Trustee or the Agents which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the U.S., the European Economic Area, the United Kingdom, India, Singapore, Japan, Hong Kong, the United Arab Emirates and the Dubai International Financial Center. See "*Subscription and Sale and Transfer and Selling Restrictions*".

None of the Issuer, the Arrangers, the Dealers, the Trustee and the Agents makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

If a jurisdiction requires that an offering be made by a licensed broker or dealer and a Dealer or any affiliate thereof is a licensed broker or dealer in that jurisdiction, the offering shall be determined to be made by such Dealer or such affiliate on behalf of the Issuer in such jurisdiction.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance/target market – The Pricing Supplement may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

For a description of other restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilization Manager(s) (or persons acting on behalf of any Stabilization Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of Notes of the Series of which such Tranche forms a part at a level higher than that which might otherwise prevail for a limited period after the issue date of the relevant Tranche of Notes. However, there is no assurance that the Stabilization Manager(s) (or persons acting on behalf of a Stabilization Manager) will undertake stabilization action. Any stabilizing action, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Any stabilization action or over-allotment must be conducted by the relevant Stabilization Manager(s) (or persons acting on behalf of any Stabilization Manager(s)) in accordance with all applicable laws and rules.

In connection with the offering of any Series of Notes, each Dealer is acting or will act for the Issuer in connection with the offering and no one else and will not be responsible to anyone other than the Issuer for providing the protections afforded to clients of that Dealer nor for providing advice in relation to any such offering.

This Offering Circular does not describe all of the risk and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risk and investment considerations associated with such Notes. The risk and investment considerations identified in this Offering Circular and any applicable Pricing Supplement are provided as general information only. Investors should consult their own financial, legal and tax advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyze such investment and the suitability of such investment in their particular circumstances. Each person receiving this Offering Circular acknowledges that such person has not relied on the Arrangers, the Dealers or any director, officer, employee, agent or affiliate of any such persons in connection with its investigation of the accuracy of such information or its investment decision. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the U.S., nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

U.S. INFORMATION

This Offering Circular is being delivered on a confidential basis in the U.S. to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Program. Its use for any other purpose in the U.S. is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the U.S. or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (the "**Code**"), as amended and the Treasury regulations promulgated thereunder.

Registered Notes may be offered or sold within the U.S. only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together "**Legended Notes**") will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in the Trust Deed as defined under "*Terms and Conditions of the Notes*" to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

This Offering Circular has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act 2001, as amended (the "**Securities and Futures Act**") and the Notes will be offered pursuant to the exemptions under Sections 274 and 275 of the Securities and Futures Act. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes may not be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor or other person pursuant to Section 274 of the Securities and Futures Act, (ii) to a relevant person under Section 275(1) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

For a description of these and certain further restrictions on offers and sales of the Notes and distribution of this Offering Circular, see "*Subscription and Sale and Transfer and Selling Restrictions*".

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a statutory corporation constituted under the Export-Import Bank of India Act, 1981, as amended from time to time, under the laws of India. All of the officers and directors named herein reside outside the U.S. and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the U.S. As a result, it may not be possible for investors to effect service of process outside India upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside India predicated upon civil liabilities of the Issuer or such directors and officers under laws other than Indian law, including any judgment predicated upon U.S. federal securities laws.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless otherwise indicated, the financial information presented in this Offering Circular relating to the Issuer has been derived from the audited financial statements of the Issuer as of and for each of the financial years ended March 31, 2022, 2021 and 2020 (the "**Financial Statements**").

The Issuer maintains its financial books and records and prepares its financial statements in Rupees in accordance with generally accepted accounting principles in the Republic of India ("**Indian GAAP**"), as applicable to banks, which differ in certain important respects from generally accepted accounting principles in the United States of America ("**U.S. GAAP**"). For a discussion of the principal differences between Indian GAAP and U.S. GAAP as they relate to the Issuer, see "*Summary of Significant Differences between Indian GAAP and U.S. GAAP*". Unless otherwise stated, all financial data contained herein relating to the Issuer is stated on a non-consolidated basis.

CERTAIN DEFINITIONS

Capitalized terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in the "*Terms and Conditions of the Notes*" or any other section of this Offering Circular.

In this Offering Circular, unless otherwise specified, all references to India are to the Republic of India and all references to the Government are to the Government of India ("**GoI**"). All references to fiscal or fiscal year are to the year starting from April 1 and ending March 31.

All references in this document to "**Euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended and to "**Rupee**", "**Rupees**", "**INR**" and "**₹**" refer to Indian Rupees. In addition, references to "**Renminbi**", "**RMB**" and "**CNY**" are to the lawful currency of the People's Republic of China (the "**PRC**"), references to "**Sterling**" and "**£**" refer to Pounds Sterling and to "**U.S. Dollars**", "**U.S.$**" and "**$**" refer to United States Dollars.

Unless otherwise specified, where financial information in relation to the Issuer has been translated into U.S. dollars, it has been so translated, for convenience only, for financial information as of March 31, 2022, at the rate of ₹75.7925 per U.S.$1.00 (being the rates announced by the Foreign Exchange Dealer's Association of India as of March 31, 2022). Any discrepancies in any table between totals and sums of the amounts listed are due to rounding. No representation is made that the Rupee or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Rupee, as the case may be, at any particular rate, or at all.

All references to the "**ECB Guidelines**" in this circular shall mean the guidelines issued by the Reserve Bank of India (the "**RBI**") from time to time in relation to external commercial borrowings, including without limitation, (i) Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, notified pursuant to Notification No. FEMA 3R/2018-RB dated December 17, 2018, as amended from time to time; (ii) the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (RBI/FED/2018-19/67-FED Master Direction No. 5/2018-19) issued by the RBI, and as modified, revised, amended, supplemented and updated, from time to time; and (iii) Master Direction – Reporting under Foreign Exchange Management Act, 1999, dated January 1, 2016 (RBI/FED/2015-16/13-FED Master Direction No.18/2015-16) issued by the RBI and as modified, revised, amended, supplemented and updated from time to time, and such other circulars, rules, regulations, guidelines, notifications, press notes, directions and/or orders issued by the RBI varying, updating, amending, revising or replacing the same from time to time.

References to "crores" and "lakhs" in the Bank's financial statements are to the following:

One lac or lakh	100,000	(one hundred thousand)
One crore.	10,000,000	(ten million)
Ten crores	100,000,000	(one hundred million)
One hundred crores.	1,000,000,000	(one thousand million or one billion)

INDUSTRY AND MARKET DATA

Certain industry and market share data in this Offering Circular are derived from data of the RBI, the Director General of Commercial Intelligence and Statistics (the "**DGCIS**"), the Association of Retail Funds of India ("**ARFI**"), the Insurance Regulatory and Development Authority (the "**IRDA**") and the Database of Indian Economy ("**DBIE**"). Certain other information regarding market position, growth rates and other industry data pertaining to the Bank's business contained in this Offering Circular consists of estimates by the Bank based on data reports compiled by professional organizations and analysts, on data from other external sources and on the Bank's knowledge of its markets. This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analyses and estimates, so the Bank relies on internally developed estimates. While the Bank has compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Bank, the Arrangers, the Dealers, the Trustee nor the Agents has independently verified that data and neither the Bank, the Arrangers, the Dealers, the Trustee nor the Agents makes any representation regarding the accuracy of such data. Similarly, while the Bank believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither the Bank, the Arrangers, the Dealers, the Trustee nor the Agents can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes statements which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", "target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", "in management's judgment" and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with management's expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, the management's ability to successfully implement its strategy, future levels of impaired loans, the Bank's growth and expansion, the adequacy of the Bank's allowance for credit and investment losses, technological changes, investment income, the Bank's ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings the Bank is or may become a party to, the future impact of new accounting standards, management's ability to implement its dividend policy, the impact of Indian banking regulations on it, the Bank's ability to roll over its short-term funding sources and the Bank's exposure to market risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Offering Circular include, but are not limited to, the impact of any outbreak of contagious diseases (including the prolonged outbreak of COVID-19), general economic and political conditions in India, southeast Asia, and the other countries which have an impact on the Issuer's business activities or investments, political or financial instability in India or any other country caused by any factor including any terrorist attacks in India, the United States or elsewhere or any other acts of terrorism worldwide, any anti-terrorist or other attacks by the United States, a United States-led coalition or any other country, any military conflict worldwide (including the ongoing military conflict between Russia and Ukraine), the monetary and interest rate policies of India, political or financial instability in India or any other country caused by tensions between India and Pakistan related to the Kashmir region or military armament or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, changes in the value of the Rupee, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environment in India and regional or general changes in asset valuations. For a further discussion on the factors that could cause actual results to differ, see the discussion under "*Risk Factors*" contained in this Offering Circular.

Any forward-looking statements contained in this Offering Circular speak only as of the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

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DOCUMENTS INCORPORATED BY REFERENCE

The most recently published audited annual financial statements of the Issuer and the most recently published reviewed interim financial statements of the Issuer (see "*General Information*" for a description of the financial statements currently published by the Issuer) published from time to time after the date hereof shall be deemed to be incorporated in, and form part of, this Offering Circular.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available free of charge from the principal office of the paying agent in London (which for the time being is Citibank, N.A., London Branch) (the "**Principal Paying Agent**") for the Notes listed on the SGX-ST and the Global Securities Market (GSM) of the India INX.

If the terms of the Program are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, to an extent which is material in the context of the Program, a new offering circular will be prepared.

All future financials that are contemplated to be incorporated by reference into the Offering Circular will be made available on the website of the Issuer at https://www.eximbankindia.in/.

GENERAL DESCRIPTION OF THE PROGRAM

Under the Program, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Program and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*".

This Offering Circular and any supplement will only be valid for listing Notes on the SGX-ST, the ISM and the Global Securities Market (GSM) of the India INX in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Program, does not exceed U.S.$10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Program from time to time:

(a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;

(b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and

(c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the nominal amount of those Notes.

In accordance with applicable provisions of the ECB Guidelines, amended from time to time and as currently in force and as on the date of the Offering Circular, (a) only investors (being residents, including individuals) from jurisdictions that are Financial Action Task Force ("**FATF**") or International Organization of Securities Commission ("**IOSCO**") compliant; or (b) multilateral or regional financial institutions where India is a member country; or (c) foreign branches or subsidiaries of Indian banks (except that: (i) such foreign branches or subsidiaries of Indian banks can only subscribe to the Notes denominated in freely convertible currency other than the Indian Rupee; and (ii) Rupee Denominated Notes can only be subscribed by such foreign branches or subsidiaries of Indian banks in their capacity as underwriters or arrangers or market makers or traders, subject to compliance with applicable prudential norms); and in compliance with other requirements as may be specified by the RBI from time to time in relation to external commercial borrowings by Indian entities and are not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling the Notes, are eligible to the Notes.

The offering of the Notes will be made entirely outside India. This Offering Circular may not be distributed, directly or indirectly, in India or to residents of India and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident of India.

The Offering Circular has not been and will not be registered, produced or made available to all as an offer document (whether a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of any private placement or public issue under the Companies Act, 2013 along with the rules framed thereunder, as amended from time to time, or any other applicable Indian laws) with any Registrar of Companies of India or the Securities and Exchange Board of India or the Reserve Bank of India or any other statutory, regulatory body or adjudicatory body of like nature in India.

Each purchaser of the Notes will be deemed to represent that it is neither located in India nor a resident of India and that it is not purchasing for, or for the account or benefit of, any such person, and understands that the Notes may not be offered, sold, pledged or otherwise transferred to any person located in India, to any resident of India or to, or for the account of, such persons, unless determined otherwise in compliance with applicable law.

Any Rupee denominated Notes issued under the Program will be done so by the Issuer in accordance with the ECB Guidelines.

SUMMARY OF THE PROGRAM

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" or elsewhere in the Offering Circular shall have the same meanings in this summary.

Issuer: Export-Import Bank of India, acting through its Head Office in India, London Branch, or any other foreign branch (as specified in the relevant Pricing Supplement).

For the avoidance of doubt, the obligations of the Issuer under the Notes and the Trust Deed are obligations of Export-Import Bank of India and not merely the office or branch in question.

Legal Entity Identifier (LEI): 335800OFZ8YEIVN1QI11.

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfill its obligations under Notes issued under the Program. These are set out under "*Risk Factors*" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Program and these are set out under "*Risk Factors*" and include certain risks relating to the structure of a particular Series of Notes and certain market risks.

Description: Global Medium Term Note Program.

Arrangers: Barclays Bank PLC and Citigroup Global Markets Limited.

Dealers: Barclays Bank PLC and Citigroup Global Markets Limited.

and any other Dealers appointed from time to time by the Issuer either generally in respect of the Program or in relation to a particular Tranche of Notes in accordance with the Program Agreement (as defined under "*Subscription and Sale and Transfer and Selling Restrictions*").

Trustee: Citicorp Trustee Company Limited.

Principal Paying Agent, Exchange Agent and Transfer Agent: Citibank, N.A., London Branch.

Registrar: Citibank Europe plc, Germany Branch.

Certain Restrictions: Each issue of Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable at the date of this Offering Circular.

Notes issued by the Issuer through its Head Office

With regards to the Notes that may be issued under the Program by the Issuer through its Head Office, the Issuer will be required to comply with reporting/filing requirements under relevant guidelines/circulars issued by the RBI and the Government from time to time.

Program Size: . . . . U.S.$10,000,000,000 (or its equivalent in other currencies calculated as described under "*General Description of the Program*") in aggregate nominal amount of Notes outstanding at any time. The Issuer may increase the amount of the Program in accordance with the terms of the Program Agreement.

Method of Issue: . . . . Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The Notes will be issued in series (each, a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest). Each Series may be issued in tranches (each, a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment date of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement.

Currencies: . . . . Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

Redenomination: . . . . The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5 (*Redenomination*).

Maturities: . . . . Save for Hybrid Tier I Notes which are perpetual and have no maturity date, such maturities as may be agreed between the Issuer and the relevant Dealer and indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price: . . . . Notes may be issued on a fully-paid or (in the case of Notes other than Subordinated Notes and Hybrid Tier I Notes) a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes:	The Notes may be in bearer form or registered form. Bearer Notes will be in bearer form and will on issue be represented by either a Temporary Bearer Global Note (a "**Temporary Bearer Global Note**") or a permanent bearer global note (a "**Permanent Bearer Global Note**") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a Common Depositary for Euroclear and Clearstream. Temporary Bearer Global Notes will be exchangeable either for (i) interests in a Permanent Bearer Global Note, or (ii) Definitive Bearer Notes as indicated in the applicable Pricing Supplement. Permanent Bearer Global Notes will be exchangeable, in whole but not in part, for Definitive Bearer Notes upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event as described under "*Form of the Notes*". Registered Global Notes will either (x) be deposited with a custodian for, and registered in the name of, a nominee of DTC or (y) be deposited with the Common Depositary for Euroclear and Clearstream, and registered in the name of a nominee for the Common Depositary. Interests in a Registered Global Note will be exchangeable, in whole but not in part, for definitive Registered Notes only upon the occurrence of an Exchange Event as described under "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Fixed Rate Notes:	Fixed interest will be payable at such rate or rates in arrear and on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or the 2021 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as of the Issue Date of the first Tranche of the Notes of the relevant Series); (ii) by reference to EURIBOR, HIBOR, CNH HIBOR, SOFR Benchmark, SONIA Benchmark (or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin; or (iii) on such other basis as may be agreed between the Issuer, the Calculation Agent (as defined in the Terms and Conditions of the Notes) and the relevant Dealer. Interest periods will be specified in the applicable Pricing Supplement.

Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree and as may be specified in the applicable Pricing Supplement.
Other provisions in Floating Rate Notes and Index Linked Interest Notes:.	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree and as may be specified in the applicable Pricing Supplement.
Partly Paid Notes:	The Issuer may issue Notes in respect of which the issue price is paid in separate installments in such amounts and on such dates as the Issuer and the relevant Dealer may agree and as may be specified in the applicable Pricing Supplement.
Installment Notes:	The Issuer may issue Notes which may be redeemed in separate installments in such amounts and on such dates as the Issuer and the relevant Dealer may agree and as may be specified in the applicable Pricing Supplement.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Other Notes:	The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than (i) in specified installments, if applicable, or (ii) for taxation reasons (in the case of Subordinated Notes and Hybrid Tier I Notes, only with the prior approval of the RBI or such other relevant authority), or (iii) in the case of Hybrid Tier I Notes, for certain regulatory reasons (with the prior approval of the RBI or such other relevant authority or (iv) in the case of Senior Notes, following an Event of Default (as defined in Condition 11 (*Events of Default and Enforcement*))) or that such Notes will be redeemable at the option of the Issuer (in the case of Subordinated Notes and Hybrid Tier I Notes), only with the prior approval of the RBI or other relevant authority subject to the fulfillment of applicable conditions) and/or (except in the case of Subordinated Notes and Hybrid Tier I Notes) the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in the Terms and Conditions or as may be agreed between the Issuer and the relevant Dealer. The applicable Pricing Supplement may provide that Notes may be redeemable in separate installments in such amounts and on such dates as are indicated in the applicable Pricing Supplement.
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Taxation:	All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will (subject to certain customary exceptions as described in Condition 9.1 (*Payment without Withholding*)) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction. See Condition 9 (*Taxation*).
Negative Pledge:	The terms of the Notes (other than Subordinated Notes and Hybrid Tier I Notes) will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*).
Cross Default:	The terms of the Notes (other than Subordinated Notes and Hybrid Tier I Notes) will contain a cross default provision as further described in Condition 11.1 (*Events of Default relating to Senior Notes*).

Status of the Senior Notes: . . . . The Senior Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4 (*Negative Pledge*), unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

Status, Events of Default and other Terms of or relating to the Subordinated Notes: . . . . Subordinated Notes will be Upper Tier II Subordinated Notes or Lower Tier II Subordinated Notes, as indicated in the applicable Pricing Supplement. The status of the Subordinated Notes and Events of Default applicable to the Subordinated Notes are set out in Conditions 3.2 (*Status of the Subordinated Notes*) and 11.2 (*Events of Default relating to Subordinated Notes and Hybrid Tier I Notes*), respectively. Subordinated Notes do not have the benefit of a negative pledge or cross default provision.

Status, Events of Default and other Terms of or relating to Hybrid Tier I Notes: . . . . The status of the Hybrid Tier I Notes and Events of Default applicable to the Hybrid Tier I Notes are set out in Conditions 3.3 (*Status of the Hybrid Tier I Notes*) and 11.2 (*Events of Default relating to Subordinated Notes and Hybrid Tier I Notes*), respectively. Hybrid Tier I Notes do not have the benefit of a negative pledge or cross default provision.

Limited Right of Acceleration in respect of Subordinated Notes and Hybrid Tier I Notes: . . . . Subject to the provisions of Conditions 3.2(b) (*Payment Deferrals on Upper Tier II Subordinated Notes*) and 3.3(c) (*Payment Limitation on Hybrid Tier I Notes*), if default is made in the payment of any principal or interest due on the Subordinated Notes or the Hybrid Tier I Notes or any of them on the due date and, in the case of interest, such default continues for a period of 15 days the Trustee may, at its discretion and without further notice (subject to being indemnified and/or secured and/or pre-funded to its satisfaction), institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under the Subordinated Notes, the Hybrid Tier I Notes or the Trust Deed, provided that the Issuer shall not, by virtue of the institution of any such proceedings other than in the event of a winding-up of the Issuer, be obliged to pay any sums sooner than the same would otherwise have been payable by it.

If any order of the Government is made for the winding-up or liquidation of the Issuer, save for the purposes of reorganization on terms previously approved by an Extraordinary Resolution, the Trustee may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Subordinated Notes or (as the case may be) the Hybrid Tier I Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified and/or secured to its satisfaction) give notice to the Issuer that the Subordinated Notes or (as the case may be) the Hybrid Tier I Notes are, and they shall, subject to the prior approval of the RBI having been obtained, thereupon immediately become, due or repayable at the amount provided in, or calculated in accordance with, Condition 8.6 (*Early Redemption Amounts*), together with accrued interest as provided in the Trust Deed.

Listing:	Application has been made to SGX-ST for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List. There can be no assurance that an application to the SGX-ST will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
	Application has been made to the London Stock Exchange for the Notes to be admitted to the London Stock Exchange's ISM. The ISM is not a regulated market for the purposes of Directive 2014/65/EU.
	Application has been made to the Global Securities Market (GSM) of the India INX for the Notes to be admitted to trading on the Global Securities Market (GSM) of the India INX. The Global Securities Market (GSM) of the India INX has not approved or verified the contents of the listing particulars. The listing of the Notes is in compliance with the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021 as amended from time to time.
	Unlisted Notes may also be issued.
	The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Use of Proceeds:	The net proceeds of each issue of Notes to be issued by the Issuer, acting through its Head Office in India, will be utilized in compliance with the approval issued by the RBI and regulatory guidelines applicable to external commercial borrowings under Indian law (see "*General Information*") to provide funding for: (a) export lines of credit ("**LOCs**") and buyer's credit granted by the Issuer to overseas governments, banks, institutions and other entities; (b) loans for overseas investment and/or participation in equity of the overseas joint ventures; (c) import of capital goods by export-oriented units; (d) concessional financing scheme; and (e) foreign currency loans.
	The net proceeds of each issue of Notes to be issued by the Issuer, acting through its London Branch or any foreign branch, will be utilized for the business of the Issuer in compliance with the applicable laws and regulations of the jurisdiction of India and in which the relevant branch is established.
Rating:	The rating of certain Series of Notes to be issued under the Program may be specified in the applicable Pricing Supplement.

Governing Law:.	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law except that in the case of Subordinated Notes, Clause 2.7 (*Winding up*) of the Trust Deed (as defined under "*Terms and Conditions of the Notes*") and Condition 3.2 (*Status of the Subordinated Notes*) and, in the case of Hybrid Tier I Notes, Condition 3.3 (*Status of the Hybrid Tier I Notes*) will be governed by Indian law.
Clearing System:	Euroclear, Clearstream, DTC and/or any other clearing system, as specified in the applicable Pricing Supplement (see "*Form of the Notes*").
Selling Restrictions:.	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the Netherlands), the United Kingdom, Japan, India, Hong Kong, Singapore, the Dubai International Financial Center and the United Arab Emirates (excluding the Dubai International Financial Center) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "*Subscription and Sale and Transfer and Selling Restrictions*").
United States Selling Restrictions:. .	Regulation S, Category 2 and/or Rule 144A. TEFRA C or D (or any successor U.S. Treasury regulation section, including, without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010), or TEFRA not applicable, as specified in the applicable Pricing Supplement.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons ("**Coupons**") attached, or registered form, without Coupons attached. Bearer Notes will be issued only outside the U.S. to non-U.S. persons in reliance on Regulation S, and Registered Notes will be issued both outside the U.S. to non-U.S. persons in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in a private transaction that is exempt from the registration requirements of the Securities Act.

Notes to be listed on the SGX-ST, the Global Securities Market (GSM) of the India INX and/or ISM will be accepted for clearance through Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**") and/or The Depository Trust Company ("**DTC**") and/or any other clearing system as specified in the applicable Pricing Supplement.

Bearer Notes

Each Tranche of Bearer Notes will initially be represented by either a temporary bearer global note (a "**Temporary Bearer Global Note**") or a permanent bearer global note (a "**Permanent Bearer Global Note**" and, together with a Temporary Bearer Global Note, the Bearer Global Notes, and each a "**Bearer Global Note**") as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream. While any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the date on which the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note may be exchangeable (free of charge) in whole or in part for, upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Notes ("**Definitive Bearer Notes**") of the same Series with, where applicable, receipts, Coupons and/or Talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above, unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive Definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused.

If Definitive Bearer Notes and, where applicable, Receipts, Coupons and/or Talons have already been issued in exchange for all the Notes represented for the time being by the Permanent Bearer Global Note, then the Temporary Bearer Global Notes may only be exchanged for Definitive Bearer Notes and, where applicable, Receipts, Coupons and/or Talons pursuant to the Terms thereof.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, Receipts, Coupons and/or Talons attached upon the occurrence of an Exchange Event.

For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 11.1 (*Events of Default relating to Senior Notes*)) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so, and no successor or alternative clearing system satisfactory to the Trustee is available, or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect from an authorized officer of the Issuer has been given to the Trustee. If the Permanent Bearer Global Note is exchangeable following the occurrence of such Exchange Event, the Issuer will promptly give notice to the Noteholders in accordance with Condition 15 (*Notices*) upon the occurrence of such Exchange Event and Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes or Bearer Notes issued in compliance with TEFRA C) which have an original maturity of more than one year and on all Receipts, Coupons and Talons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections of the Internal Revenue Code referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any losses on Bearer Notes, Receipts, Coupons or Talons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, as the case may be.

Each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular nominal amount of the Notes represented by the Temporary Bearer Global Note or the Permanent Bearer Global Note, as the case may be (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes, save in the case of manifest error), shall be treated by the Issuer, the Trustee, the Principal Paying Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such nominal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of such Temporary Bearer Global Note or the Permanent Bearer Global Note, as the case may be, in accordance with and subject to the terms of the Trust Deed and such Temporary Bearer Global Note or the Permanent Bearer Global Note, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States, will initially be represented by a global note in registered form without receipts or coupons (a "**Regulation S Global Note**").

The Registered Notes of each Tranche offered and sold in the United States may only be offered and sold in private transactions to "qualified institutional buyers" within the meaning of Rule 144A ("**QIBs**"). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form without receipts or coupons (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**", and each a "**Registered Global Note**").

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (DTC), or (ii) be deposited with the Common Depositary for Euroclear and Clearstream, and registered in the name of a nominee for a Common Depositary for Euroclear and Clearstream, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form ("**Definitive Registered Notes**").

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the register (Register) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4 (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without Receipts, Coupons or Talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of such Registered Global Note registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no successor or alternative clearing system satisfactory to the Trustee is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, (iii) in the case of such Registered Global Note registered in the name of a nominee for a Common Depositary for Euroclear and Clearstream, the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor or alternative clearing system satisfactory to the Trustee is available, or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form and a certificate to that effect from an authorized officer of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, as the case may be, (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

A Registered Global Note is not a document of title. Entitlements are determined by entry in the Register and only the duly registered holder from time to time is entitled to payment in respect of such Registered Global Note.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Transfer Restrictions*".

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, at a point after the Issue Date of the further Tranche the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or otherwise approved by the Issuer, the Trustee and the Principal Paying Agent.

No Noteholder, Receiptholder or Couponholder (as defined below) shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Offering Circular or a supplement to this Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Program.

Date

Export-Import Bank of India
acting through its [Head Office in India]/[London Branch]/[specify other foreign branch]
Issue of
[Aggregate Nominal Amount of Tranche] [Title of Notes] under the
U.S.$10,000,000,000 Global Medium Term Note Program

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated July 7, 2022 [and the supplement[s] to it dated [●] [and [●]]] (the "**Offering Circular**"). This Pricing Supplement constitutes the final terms of the Notes and must be read in conjunction with such Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [*original date*]. This Pricing Supplement constitutes the final terms of the Notes and must be read in conjunction with the Offering Circular dated [*current date*] [and the supplement[s] to it dated [●] [and [●]]] (the "**Offering Circular**"), save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.]

[PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][1]

[**UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 ("**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

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1 Include if item 42 (Prohibition of Sales to EEA Retail Investors) is stated to be applicable.

2 Include if item 43 (Prohibition of Sales to UK Retail Investors) is stated to be applicable.

[**MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

UK MIFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore SFA Product Classification** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).[3]]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

1	Issuer:		Export-Import Bank of India, acting through its [Head Office in India]/[London Branch]/[*specify other foreign branch*]
2	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]
	(c)	Date of which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [identify earlier Tranches] on the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [date]]/[Not Applicable]

3 For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

3	Specified Currency or Currencies:		[●] *(In case of a denomination in INR, the below is to be included)* [The lawful currency of India (Indian Rupees or INR), provided that all payments in respect of the Notes will be made in United States Dollars (USD).]
4	Aggregate Nominal Amount:		
	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]
5	(a)	Issue Price:	[●] *(In case of a denomination in INR, the below is to be included)* [The Issue Price will be payable in U.S.$ and will be based on the Aggregate Nominal Amount (in INR) divided by the conversion rate reported by the Financial Benchmark India Limited and displayed on http://www.fbil.org.in/(or any successor page) at approximately [1:30] p.m., Mumbai, on [date].]
	(b)	Net proceeds:	[●]
	(c)	Private Bank Rebate/Selling Commission:	[●]
6	(a)	Specified Denominations: *(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*	[Authorized Denomination]/[●] *(N.B. Notes must have a minimum denomination of €100,000 or equivalent)* *(N.B. Where Bearer Notes with multiple denominations above [€100,000] or equivalent are being issued, the following sample wording should be followed; however, appropriate amendments should be made for different currencies:* *[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].)* *(N.B. If an issue of Notes is: (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Regulation, the [€100,000] minimum denomination is not required.)* *(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)* *(In case of a denomination in INR, the below is to be included)* *[INR[●] and integral multiples thereof.]*

	(b)	Calculation Amount:	[●] *(If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[specify/Issue Date/Not Applicable] *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8	Maturity Date:		[*Fixed rate – specify date/Floating rate* – Interest Payment Date falling in or nearest to [specify month and year]][4]
9	Interest Basis:		[[●] per cent. Fixed Rate] [[●] month [EURIBOR/SOFR Benchmark/SONIA Benchmark/HIBOR/CNH HIBOR/*specify other reference rate*] +/-[●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10	Redemption/Payment Basis:		[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] (*N.B. Not applicable for Subordinated Notes or Hybrid Tier 1 Notes*) [Installment] [*specify other*]
11	Change of Interest Basis or Redemption/Payment Basis:		[Applicable/Not Applicable] (*If applicable, specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis)* (*N.B. Conditions related to the maturity, redemption, put/call and similar features of Notes qualifying as regulatory capital will be subject to the guidelines issued by the RBI from time to time.*)
12	Put/Call Options:		[Investor Put] (*N.B. Investor Put is not possible for Subordinated Notes or Hybrid Tier 1 Notes*) [Issuer Call] [(further particulars specified below)] (*N.B. Conditions related to the maturity, redemption, put/call and similar features of Notes qualifying as regulatory capital will be subject to the guidelines issued by the RBI from time to time.*)

4 Note that for Renminbi-denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

13	Status of the Notes:		[Senior/Subordinated Notes/Hybrid Tier I Notes] *(If "Subordinated", specify either "Upper Tier II Subordinated" or "Lower Tier II Subordinated")*
14	(a)	Date of Board approval for issuance of Notes obtained:	[●] [and [●], respectively]/[None required] *(N.B. Only relevant where Board (or similar) authorization is required for the particular tranche of Notes)*
	(b)	Date of regulatory approval/consent for issuance of Notes obtained:	[●]/[None required] *(N.B. Only relevant where regulatory (or similar) approval or consent is required for the particular tranche of Notes)*
15	Listing:		[Singapore/specify other/None] *(N.B. Consider disclosure requirements under the EU Prospectus Regulation applicable to securities admitted to an EU regulated market)* *(N.B. for unlisted Notes issued by the London Branch, withholding tax may be applicable, see "Taxation – United Kingdom Taxation" in the Offering Circular)*
16	Method of distribution:		[Syndicated/Non-syndicated]
17	Fixed Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Rate(s) of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Fixed Interest Period:	[As set out in the Conditions]/[●]
	(c)	Interest Payment Date(s):	[●] in each year[5] up to and including the Maturity Date *(Amend appropriately in the case of irregular coupons)*
	(d)	Fixed Coupon Amount(s): *(Applicable to Notes in definitive form)*	[●] per Calculation Amount[6]
	(e)	Broken Amount(s): *(Applicable to Notes in definitive form)*	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]

5 Note that for certain Renminbi-denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong [and [●]]".

6 For Renminbi-denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for Renminbi denominated Fixed Rate Notes being rounded upwards".

	(f)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/Actual/360/Actual/365 (Fixed)[7]/[specify other]]
	(g)	Determination Date:	[[●] in each year]/[Not Applicable] *(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
18		Floating Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)* *([N.B. Presently Hybrid Tier 1 Notes and Subordinated Notes with a floating rate of interest are required to be referenced to a market determined Rupee interest benchmarked rate, under the guidelines issued by the RBI])*
	(a)	Interest Period(s)/Specified Period(s)	[As specified in the Conditions]
	(b)	Specified Interest Payment Dates:	[●] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below]/[not subject to any adjustment, as the Business Day Convention in (b) below is specified to be not applicable]
	(c)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*] [Not Applicable]
	(d)	Additional Business Center(s):	[TARGET2 System]/[●]
	(e)	Manner in which the Rates of Interest and Interest Amount are to be determined:	[ISDA Determination/Screen Rate Determination *specify other*]
	(f)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[●]
	(g)	Screen Rate Determination:	
		(i) Reference Rate:	[EURIBOR/SONIA Benchmark/SOFR Benchmark/ HIBOR/CNH HIBOR/*specify other Reference Rate*]
		(ii) Interest Determination Date(s):	[●] *(Second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR)*
		(iii) Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

7 Applicable to Renminbi-denominated Fixed Rate Notes.

(h)	SOFR:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(i)	SOFR Benchmark	[Compounded Daily SOFR/SOFR Index/Term SOFR/*specify other*]
(ii)	Compounded Daily SOFR	[SOFR Lookback/Not Applicable/*specify other*] (*Only applicable in the case of Compounded Daily SOFR*)
(iii)	Lookback Days	[Not Applicable/[●] U.S. Government Securities Business Day(s)] /specify other] *(Only applicable in the case of Compounded Daily SOFR (SOFR Lookback). Note that Interest Determination Date should fall at least 5 U.S. Government Securities Business Days prior to the Interest Payment Date unless otherwise agreed with the Calculation Agent.)*
(iv)	SOFR Observation Shift Days	[5/*specify other larger number*] U.S. Government Securities Business Days
(v)	SOFR $Index_{Start}$	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of SOFR Index)*
(vi)	SOFR $Index_{End}$	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of SOFR Index)*
(vii)	Term SOFR Rate	[Not Applicable/[●] Month Term SOFR/*specify other*] *(Only applicable in the case of Term SOFR)* *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(viii)	Interest Determination Date	[In accordance with the Condition 5.2(b)(iii)/*specify other*]
(ix)	Reference Time	[In accordance with the Condition 5.2(b)(iii)(C)/*specify other*]
(x)	Term SOFR Conventions	[●] *(Include any Term SOFR Conventions recommended by the ARRC or otherwise used by the market generally regarding the determination of the Term SOFR Tate)*
(i)	SONIA:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(i)	SONIA Benchmark	[Compounded Daily SONIA/*specify other*]

	(ii)	SONIA Observation Method:	[SONIA Observation Lag/SONIA Observation Shift/Not Applicable/*specify other*] *(Only applicable where the Reference Rate is Compounded Daily SONIA)*
	(iii)	SONIA Observation Period ("*x*"):	[5/specify other larger number] London Business Days]
(j)	ISDA Determination:		
	(i)	Floating Rate Option:	[●]
	(ii)	Designated Maturity:	[●]
	(iii)	Reset Date:	[As set out in the Conditions]/[●]
	(iv)	ISDA Definitions:	[2006/2021]
(k)	Margin(s):		[+/-][●] per cent. per annum
(l)	Minimum Rate of Interest:		[As set out in the Conditions]/[[●] per cent. per annum]
(m)	Maximum Rate of Interest:		[●] per cent. per annum
(n)	Day Count Fraction:		[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Other] (*See Condition 6 for alternatives*)
(o)	Rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:		[●]
(p)	Fallback provisions:		[Benchmark Discontinuation (General)/Benchmark Discontinuation (ARRC)/Benchmark Discontinuation (SOFR)/*specify other if different from those set out in the Conditions*)]

19	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Accrual Yield:	[●] per cent. per annum
	(b)	Reference Price:	[●]

	(c)	Any other formula/basis of determining amount payable for Zero Coupon Notes:	[●]
	(d)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30/360] [Actual/360] [Actual/365] [*specify other*]
20	Index Linked Interest Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	(If not applicable, delete the remaining subparagraphs of this paragraph)	[*give or annex details*]
	(b)	Calculation Agent:	[give name]
	(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Principal Paying Agent):	[●]
	(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[N.B. *need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(e)	Specified Period(s)/Specified Interest Payment Dates:	[●]
	(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
	(g)	Additional Business Center(s):	[●]
	(h)	Minimum Rate of Interest:	[●] per cent. per annum
	(i)	Maximum Rate of Interest:	[●] per cent. per annum
	(j)	Day Count Fraction:	[●]
21	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Rate of Exchange/method of calculating Rate of Exchange:	[give or annex details]
	(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent):	[●]

(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(d)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

22	Notice periods for Condition [*Redemption and Purchase – Redemption for taxation reasons*]:		Minimum period: [30] days Maximum period: [60] days
23	Issuer Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount and such amount(s):	[[●] per Calculation Amount/*specify other*/see Appendix]
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[●]
		(ii) Maximum Redemption Amount:	[●]
	(d)	Notice period (if other than as set out in the Conditions):	[●] *(N.B. When setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or the Trustee)*
24	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*/see Appendix]
	(c)	Notice period (if other than as set out in the Conditions):	[●] *(N.B. When setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or the Trustee)*

25 Final Redemption Amount: [●] per Calculation Amount/*specify other*/see Appendix

(In case of a denomination in INR, the below is to be included)

[The Final Redemption Amount per Calculation Amount will be payable in U.S.$ and determined by the Calculation Agent, on the Rate Fixing Date in respect of the Maturity Date, as follows:

Calculation Amount divided by the Reference Rate

Where:

Calculation Agent means Citibank N.A., London Branch.

Reference Rate means the rate used on each Rate Fixing Date which will be the USD/INR spot rate, expressed as the amount of Indian Rupees per one United States Dollar, for settlement in two Fixing Business Days, reported by the Financial Benchmark India Limited, which is displayed on http://www.fbil.org.in/(or any successor page) at approximately 1:30 p.m., Mumbai time, on each Rate Fixing Date. If a Price Source Disruption Event occurs on the Scheduled Rate Fixing Date, then the Reference Rate for such Rate Fixing Date shall be determined by the Calculation Agent in accordance with the Fallback Provisions set out below.

Rate Fixing Date means the Scheduled Rate Fixing Date, subject to a Valuation Postponement.

Scheduled Rate Fixing Date means the date which is two Fixing Business Days prior to the Interest Payment Date or the Maturity Date or such other date on which an amount in respect of the Notes is due and payable. If the Scheduled Rate Fixing Date is an Unscheduled Holiday, the Rate Fixing Date shall be the next relevant Fixing Business Day, subject to the Deferral Period for an Unscheduled Holiday set out below.

Unscheduled Holiday means a day that is not a Fixing Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Mumbai, two Fixing Business Days prior to the relevant Rate Fixing Date.

Adjustments to the Interest Payment Date and Maturity Date:

If a Scheduled Rate Fixing Date is adjusted for an Unscheduled Holiday or if Valuation Postponement applies, then the Interest Payment Date or Maturity Date relating to such Scheduled Rate Fixing Date shall be two Payment Business Days after the date on which the Reference Rate for such Interest Payment Date or Maturity Date is determined. If any Interest Payment Date or Maturity Date is adjusted in accordance with the preceding sentence, then such adjustment (and the corresponding payment obligations to be made on such dates) shall apply only to such Interest Payment Date or the Maturity Date, as applicable, and no further adjustment shall apply to the amount of interest payable.

Fallback Provisions:

Price Source Disruption Event means it becomes impossible to obtain the Reference Rate on a Rate Fixing Date.

Applicable Price Source Disruption Fallbacks:

In the event of a Price Source Disruption Event, the Calculation Agent shall apply each of the following Price Source Disruption Fallbacks for the determination of the Reference Rate, in the following order, until the Reference Rate can be determined:

Valuation Postponement. . .	(As defined below)
Fallback Reference Price . .	SFEMC INR Indicative Survey Rate (INR02)
Fallback Survey Valuation Postponement	(As defined below)
Calculation Agent Determination of Reference Rate	

Cumulative Events has the following meaning:

Notwithstanding anything to the contrary, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive calendar days in the aggregate.

Accordingly, (x) if, upon the lapse of any such 14 calendar day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Fixing Business Day, then such day shall be deemed to be a Rate Fixing Date, and (y) if, upon the lapse of any such 14 calendar day period, a Price Source Disruption Event shall have occurred or be continuing on the day following such period on which the Reference Rate otherwise would be determined, then Valuation Postponement shall not apply and the Reference Rate shall be determined in accordance with the next Price Source Disruption Fallback.

Valuation Postponement means that the Reference Rate will be determined on the Fixing Business Day first succeeding the day on which the Price Source Disruption Event ceases to exist, unless the Price Source Disruption Event continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption Event, would have been the Rate Fixing Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Reference Rate will be determined on the next Fixing Business Day after the Maximum Days of Postponement (which will, subject to the provisions relating to Fallback Survey Valuation Postponement, be deemed to be the applicable Rate Fixing Date) in accordance with the next applicable Price Source Disruption Fallback.

Maximum Days of Postponement means 14 calendar days.

SFEMC INR Indicative Survey means a methodology, dated as of December 1, 2004 as amended from time to time, for a centralized industry-wide survey of financial institutions that are active participants in the Indian Rupee/U.S. Dollar markets for the purpose of determining the SFEMC INR Indicative Survey Rate (INR02).

SFEMC INR Indicative Survey Rate (INR02) means that the Reference Rate for a given Rate Fixing Date will be the Indian Rupee/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Indian Rupees per one U.S. Dollar, for settlement in two Fixing Business Days, as published on the web site of the Singapore Foreign Exchange Market Committee (SFEMC) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such date. The Reference Rate shall be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC INR Indicative Survey (as defined below) for the purpose of determining the SFEMC INR Indicative Survey Rate.

Fallback Survey Valuation Postponement means that, in the event that the Fallback Reference Price is not available on or before the third Fixing Business Day (or the day that would have been a Fixing Business Day but for an Unscheduled Holiday) succeeding the end of either (i) a Valuation Postponement for a Price Source Disruption Event, a Deferral Period for an Unscheduled Holiday, or Cumulative Events, as applicable, then the Reference Rate will be determined in accordance with the next Applicable Price Source Disruption Fallback on such day (which will be deemed to be the applicable Rate Fixing Date). For the avoidance of doubt, Cumulative Events, if applicable, do not preclude postponement of valuation in accordance with this provision.

		Payment Business Day means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York and Mumbai. **Fixing Business Day** means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Mumbai. **Deferral Period for an Unscheduled Holiday:** In the event that the Scheduled Rate Fixing Date is postponed due to the occurrence of an Unscheduled Holiday, and if the Rate Fixing Date has not occurred on or before the 14th calendar day after the Scheduled Rate Fixing Date (any such period being a Deferral Period), then the next day after the Deferral Period that would have been a Fixing Business Day but for the Unscheduled Holiday shall be deemed to be the Rate Fixing Date.]
26	Early Redemption Amount payable on redemption for taxation or (where applicable) regulatory reasons or on event of default:	[●] per Calculation Amount/*specify other*/see Appendix *(N.B. If Hybrid Tier I Notes, to specify (i) Calculation Agent if the Agent is not the Calculation Agent and (ii) Day Count Fraction for the purpose of the Make Whole Amount)* *(In case of a denomination in INR, the below is to be included)* [The Final Redemption Amount as determined in accordance with item 25 above; provided that, for purposes of such determination, the Scheduled Rate Fixing Date shall be the date that is two Fixing Business Days prior to the date upon which the Notes become due and payable.]
27	Redemption of Hybrid Tier 1 Notes for Regulatory Reasons:	[Applicable/Not Applicable] *(N.B. Applicable only for Hybrid Tier I Notes) (if not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(a) Regulatory Redemption Amount	[Applicable/Not applicable]
	(b) Optional Redemption Date(s):	[●]
	(c) Notice period (if other than as set out in the Conditions):	[●]
	(d) Calculation Agent:	[●]
	(e) Day Count Fraction (for Make Whole Amount):	[●]
	(f) Applicable Spread (for Make Whole Amount):	[[●] per cent. per annum/Not Applicable]

28	Form of Notes:	[**Bearer Notes:** [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Bearer Global Note exchangeable for Definitive Notes on [●] day's notice] [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] *(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)]* [**Registered Notes:** [Regulation S Global Note (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]] [Rule 144A Global Note (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]] *(specify nominal amounts)]* *(Ensure that this is consistent with the language in the "Form of the Notes" section in the Offering Circular and the Notes themselves)*
29	Additional Financial Center(s) or other special provisions relating to Payment Date(s):	[Not Applicable/TARGET2 System/*give details*] *(Note that this item relates to the place of payment and not Interest Period end dates to which items 18(c) and 20(g) relate)*
30	Talons for future Coupons to be attached to Definitive Notes in bearer form (and dates on which such Talons mature):	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
31	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*] *(N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues)*

32	Details relating to Installment Notes:	
	(a) Installment Amount(s):	[Not Applicable/*give details*]
	(b) Installment Date(s):	[Not Applicable/*give details*]
33	Redenomination:	[Applicable/Not applicable] *(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*
34	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

35	Method of Distribution:	[Syndicated/Non-syndicated]
36	(a) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(b) Stabilization Manager(s) (if any):	[Not Applicable/*give name(s)*]
37	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name(s)*]
38	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA not applicable]
39	Additional selling restrictions:	[Not Applicable/*give details*]
40	U.S. Selling Restrictions:	[Regulation S [Category 1/Category 2]]/[Rule 144A]
41	Additional U.S. federal income tax considerations:	[Not Applicable/*give details*] [Not Applicable] [The Notes are [not] Specified Notes for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986.] [Based on market conditions on the date of this Pricing Supplement, the Issuer has made a preliminary determination that the Notes are [not] Specified Notes for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986. This is a preliminary determination only that is subject to change based on market conditions on the Issue Date. If the Issuer's final determination is different then it will give notice of such determination.] [Please contact [*give name(s) and address(es) of Issuer contact*] for further information regarding the application of Section 871(m) to the Notes.] *(The Notes will not be Specified Notes if they do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis would be required)*

42	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes may constitute "packaged" products and no key information document (which is required by Regulation (EU) No 1286/2014 for offering or selling the Notes or otherwise making them available to retail investors in the EEA) will be prepared, "Applicable" should be specified.)*
43	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If the Notes may constitute "packaged" products and no key information document (which is required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 for offering or selling the Notes or otherwise making them available to retail investors in the UK) will be prepared, "Applicable" should be specified.)*

OPERATIONAL INFORMATION

44	Any clearing system(s) other than Euroclear and Clearstream or DTC and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
45	Delivery:	Delivery [against/free of] payment
46	Additional Paying Agent(s) (if any):	[●]
47	ISIN:	[●]
48	Common Code: *(insert here any other codes such as CUSIP and CINS codes)*	[●]
49	CFI:	[●]
50	FISN:	[●]

GENERAL

51	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in [U.S. dollars]):	[Not Applicable/U.S.$]
52	[Ratings:	The Notes to be issued have been rated: [Fitch: [●]] [Moody's: [●]] [S&P: [●]] [Other: [●]] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)*]

[**LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$10,000,000,000 Global Medium Term Note Program of Export-Import Bank of India, acting through its [Head Office in India]/[London Branch]/[specify other foreign branch].]

[**USE OF PROCEEDS**

Give details if different from the "Use of Proceeds" section in the Offering Circular.]/[The Issuer shall use the proceeds towards the eligible projects as described under the [eligible green and/or social projects] set out in the ESG Framework.]

[STABILIZATION

In connection with this issue, [insert name of Stabilization Manager(s)] (the "**Stabilization Manager(s)**") (or persons acting on behalf of any Stabilization Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilization Manager(s) (or persons acting on behalf of a Stabilization Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilization Manager(s) (or persons acting on behalf of any Stabilization Manager) in accordance with all applicable laws and rules.]

RESPONSIBILITY

[The Singapore Exchange Securities Limited (the "**SGX-ST**") [and the London Stock Exchange's International Securities Market (the "**ISM**")] [and the Global Securities Market (the "**GSM**") of the India International Exchange IFSC Limited (the "**India INX**")] assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The admission of the Notes to the Official List of the SGX-ST [and the admission of the Notes to the ISM] [and the admission of the Notes to the GSM of the India INX] is not to be taken as an indication of the merits of the Issuer, the Program or the Notes.]

The Issuer accepts responsibility for the information contained in this Pricing Supplement. Signed on behalf of the Issuer:

By ______________________________

Duly authorized

TERMS AND CONDITIONS OF THE NOTES

The following, subject to alteration and except for the paragraphs in italics, are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Export-Import Bank of India (the "**Issuer**"), acting through its Head Office in India, London Branch or any other branch of the Issuer outside the Republic of India, as specified in the applicable Pricing Supplement, and constituted by an amended and restated Trust Deed dated July 7, 2022 (as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**" which expression shall include any successor as Trustee).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note (a Global Note), units of each Specified Denomination in the Specified Currency;

(ii) definitive Bearer Notes issued in exchange (or part exchange) for a Global Note; and

(iii) any Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Issue and Paying Agency Agreement dated July 7, 2022 (as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer, the Trustee, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent, together with the Principal Paying Agent, the "**Paying Agents**", which expression shall, unless the context otherwise requires, include any successors in their capacity as such and any substitute or any additional paying agents appointed in accordance with the Agency Agreement), as exchange agent (the "**Exchange Agent**", which expression shall include any successor exchange agent) and as transfer agent (the "**Transfer Agent**", which expressions shall include any substitute or any additional transfer agents appointed in accordance with the Agency Agreement) and Citibank Europe plc, Germany Branch as registrar (the "**Registrar**", which expression shall include any successor registrar). References herein to the "**Agents**" are to the Principal Paying Agent and the Paying Agents, and any reference to an "**Agent**" is to any of them.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons (the "**Coupons**") and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in installments have receipts ("**Receipts**") for the payment of the installments of principal (other than the final installment) attached on issue. Definitive Registered Notes do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions ("**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the "**applicable Pricing Supplement**" are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders, in accordance with the provisions of the Trust Deed.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee and the Principal Paying Agent. Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of the Trustee and the Principal Paying Agent save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Trustee or the Principal Paying Agent, as the case may be, as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed and the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1 FORM, DENOMINATION AND TITLE

The Notes may be in bearer form ("**Bearer Notes**") and/or in registered form ("**Registered Notes**") and, in the case of definitive Notes, will be serially numbered, in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") specified in the applicable Pricing Supplement. Save as provided in Condition 2 (*Exchange and Transfers of Registered Notes*), Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may also be an Index Linked Redemption Note, an Installment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Each Tranche of Bearer Notes will be initially represented by a temporary global Note without Receipts, Coupons or Talons (each, a "**Temporary Global Note**") which will be delivered to a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). On or after the date which is 40 days after the Issue Date, beneficial interests in a Temporary Global Note will be exchangeable upon a request as described therein either for interests in a permanent global Note without Receipts, Coupons or Talons (each, a "**Permanent Global Note**") or for definitive Bearer Notes (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification to the effect that the beneficial owner of interests in such Temporary Global Note is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury regulations. The applicable Pricing

Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent or (ii) only upon the occurrence of an "**Exchange Event**". For these purposes, Exchange Event means that (i) an Event of Default (as defined in Condition 11 (*Events of Default and Enforcement*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two authorised officers of the Issuer is given to the Trustee. The Issuer will promptly give notice to the Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange following an Exchange Event shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

Bearer Notes in definitive form are issued with Coupons and (if applicable) Receipts and Talons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Unless otherwise provided with respect to a particular series of Registered Notes, Registered Notes of each Tranche sold outside the United States in reliance on Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended, (the "**Securities Act**") will, unless otherwise specified in the applicable Pricing Supplement, be represented by a permanent global Registered Note, without Receipts, Coupons or Talons, (each, a "**Regulation S Global Note**"), deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**") for the accounts of Euroclear and Clearstream. Notes in definitive registered form ("**Definitive Registered Notes**") issued in exchange for Regulation S Global Notes or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Regulation S Global Notes, are referred to herein as "**Regulation S Notes**".

Registered Notes of each Tranche sold in private transactions in reliance upon Rule 144A under the Securities Act ("**Rule 144A**") to qualified institutional buyers within the meaning of Rule 144A ("**QIBs**") will, unless otherwise specified in the applicable Pricing Supplement, be represented by a permanent global Registered Note, without Receipts, Coupons or Talons (each, a "**Restricted Global Note**" and, together with any Regulation S Global Note, the "**Registered Global Notes**") deposited with a custodian for, and registered in the name of a nominee of, DTC. Notes in definitive form issued in exchange for Restricted Global Notes or otherwise sold or transferred in accordance with the requirements of Rule 144A, together with the Restricted Global Notes, are referred to herein as "**Restricted Notes**".

Restricted Notes shall bear a legend specifying certain restrictions on transfer (each, a "**Legend**"), such Notes being referred to herein as "**Legended Notes**". Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of a Legend, the Registrar shall (save as provided in Condition 2.4 (*Exchanges and transfers of Registered Notes generally*)) deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Subject as otherwise provided in Condition 2 (*Exchange and Transfers of Registered Notes*), Definitive Registered Notes may be exchanged or transferred in whole or in part in the Specified Denominations for one or more Definitive Registered Notes of like aggregate nominal amount.

Each Definitive Registered Note will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar.

Notes are issued in the Specified Denomination(s) set out in the applicable Pricing Supplement which, in the case of Registered Notes sold other than pursuant to Regulation S, shall be the Authorized Denomination (as defined below) and, in the case of Notes having a maturity of 183 days or less, the Specified Denomination shall be at least U.S.$500,000 (or the equivalent in any other currency or currencies).

"**Authorized Denomination**" means, in the case of Restricted Notes, U.S.$100,000 (or its equivalent rounded upwards as specified in the applicable Pricing Supplement) and higher integral multiples of U.S.$10,000, or the higher denomination or denominations specified in the applicable Pricing Supplement.

Any minimum Authorized Denomination required by any law or directive or regulatory authority in respect of the currency of issue of any Note shall be such as applied on or prior to the date of issue of such Note.

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the books of the Registrar in Frankfurt. The Issuer, the Trustee, the Principal Paying Agent, any Paying Agent, the Registrar and any Transfer Agent may deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Bearer Notes is represented by a bearer Global Note held by a common depositary on behalf of Euroclear and/or Clearstream or for so long as DTC or its nominee is the registered holder of a Registered Global Note, each person (other than Euroclear, Clearstream or, as the case may be, DTC) who is for the time being shown in the records of Euroclear, Clearstream or, as the case may be, DTC as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream or, as the case may be, DTC as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, any Paying Agent, the Registrar and any Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Trustee, any Paying Agent, the Registrar and any Transfer Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as The Depository Trust Company ("**DTC**") or its nominee is the registered owner or holder of a Rule 144A Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Rule 144A Global Note for all purposes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream and DTC, as the case may be. References to Euroclear, Clearstream and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Trustee and the Principal Paying Agent.

2 EXCHANGE AND TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable and exchangeable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denomination(s) (or an integral multiple thereof) set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Conditions 2.3 (*Transfers of interests in Legended Notes*), 2.4 (*Exchanges and transfers of Registered Notes generally*) and 2.5 (*Registration of transfer upon partial redemption*) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Authorized Denominations set out in the applicable Pricing Supplement as Specified Denominations). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorized in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the transferor.

2.3 Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S; or

(ii) to a transferee who takes delivery of such interest through a Legended Note, where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.4 Exchanges and transfers of Registered Notes generally

Holders of Definitive Registered Notes may exchange such Definitive Registered Notes for interests in a Registered Global Note of the same type at any time.

Exchanges or transfers by a holder of a Definitive Registered Note for an interest in, or to a person who takes delivery of such Note through, a Registered Global Note will be made no later than 60 days after the receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the Definitive Registered Note to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

2.5 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8.3 (*Redemption at the Option of the Issuer (Issuer Call)*), the Issuer shall not be required:

(a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the 15th day before the date of the partial redemption and ending on the date on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or

(b) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.6 Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest or payment on that Note.

2.7 Costs of exchange or registration

Registration of transfers will be effected without charge by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to it provided that the Issuer shall not be responsible for any documentary stamp tax payable on the transfer of Notes effected in the Republic of India ("**India**") unless the Issuer is the counterparty directly liable for that documentary stamp tax.

2.8 Definitions

In these Conditions, the following expressions shall have the following meanings:

"**Legended Note**" means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a "**Legend**");

"**QIB**" means a qualified institutional buyer within the meaning of Rule 144A; "**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Global Note**" means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

"**Rule 144A**" means Rule 144A under the Securities Act;

"**Rule 144A Global Note**" means a Registered Global Note representing Notes sold in the United States or to QIBs; and

"**Securities Act**" means the United States Securities Act of 1933, as amended.

3 STATUS

3.1 Status of the Senior Notes

Notes, the status of which is specified in the applicable Pricing Supplement as Senior (the "**Senior Notes**") and any relative Receipts and Coupons, are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3.2 Status of the Subordinated Notes

This Condition 3.2 applies only to Notes specified in the applicable Pricing Supplement as Subordinated Notes and shall, to the extent applicable, be governed by Indian law. Subordinated Notes shall be either Upper Tier II Subordinated Notes ("**Upper Tier II Subordinated Notes**") or Lower Tier II Subordinated Notes ("**Lower Tier II Subordinated Notes**"). Upper Tier II Subordinated Notes and Lower Tier II Subordinated Notes are together referred to in these Conditions as "**Subordinated Notes**" which term, for the purposes of these Conditions and the Trust Deed, shall exclude Hybrid Tier I Notes.

The Subordinated Notes are not deposits of the Issuer and are not guaranteed or insured by the Issuer or any party related to the Issuer and they may not be used as collateral for any loan made by the Issuer or any of its subsidiaries or affiliates.

(a) Subordination

Subordinated Notes and any relative Receipts and Coupons are unsecured obligations of the Issuer and, in the event of the winding up of the Issuer, the claims of the holders of Subordinated Notes and any relative Receipts and Coupons pursuant thereto will be subordinated in right of payment to the claims of all other creditors (other than claims of holders of Subordinated Indebtedness ranking equal to or lower than the claims of the holders of Subordinated Notes and any relative Receipts and Coupons, if any) of the Issuer in the manner and to the extent provided in the Trust Deed. For the avoidance of doubt, the claims of holders of Subordinated Notes and any relative Receipts and Coupons shall be senior to the claims of holders of Tier I capital as defined in the Reserve Bank of India "RBI Circular on Capital Adequacy Standards FIC. No.842/01.02,00/93-94 addressed to Financial Institutions" dated March 29, 1994 (as amended from time to time, the "**RBI Guidelines**"), and the claims of holders of Lower Tier II Subordinated Notes and any relative Receipts and Coupons shall be senior to the claims of holders of Upper Tier II Subordinated Notes and any indebtedness classified as Upper Tier II capital by the RBI Guidelines.

Claims in respect of Subordinated Notes and any relative Receipts and Coupons may not be set-off, or be the subject of a counterclaim, by the holder against or in respect of any obligations of the holder to the Issuer or to any other persons and the holder of any Subordinated Note or relative Receipt or Coupon shall, by virtue of being the holder of such Subordinated Note or relative Receipt or Coupon, be deemed to have waived all such rights of set-off.

(b) Payment Deferrals on Upper Tier II Subordinated Notes

Unless otherwise provided in the applicable Pricing Supplement,

(i) If (A) the Issuer is not, or would be caused by any payment of the principal of and/or (as the case may be) interest on any Upper Tier II Subordinated Note not to be, in compliance with the Capital to Risk Assets Ratio Requirement (as defined below) but (B) the Issuer is in compliance with the Net Loss Requirement (as defined below), in each case on the due date for the relevant payment, the Issuer shall not be liable to pay such principal and/or interest (as the case may be and provided that interest cannot be paid in part) as provided in this Condition 3.2(b) until the date specified in (v) below and any such failure to pay will not constitute a default by the Issuer for any purpose; provided, however, that the Issuer shall not declare or pay any dividends on any share capital of the Issuer or make any payments in respect of liabilities of the Issuer (other than the liabilities under the Lower Tier II Subordinated Notes and any other indebtedness classified as lower tier II capital by the RBI) that rank equally with or junior to the Upper Tier II Subordinated Notes unless and until any and all Payments in Arrears (as defined in below) and other accrued interest on the Upper Tier II Subordinated Notes, including Additional Payments (as defined in (iv) below), have been paid in full.

(ii) If the Issuer is not, or would be caused by any payment of principal and/or interest (as the case may be) on any Upper Tier II Subordinated Note not to be, in compliance with (A) the Capital to Risk Assets Ratio Requirement and (B) the Net Loss Requirement, in each case on the due date for the relevant payment, the Issuer shall not make such payment on the due date and shall defer payment of such principal and/or interest (as the case may be) as provided in this Condition 3.2(b) until the date specified in (v) below and any such failure to pay will not constitute a default by the Issuer for any purpose; provided, however, that the Issuer shall not declare or pay any dividends on any share capital of the Issuer or make any payments in respect of liabilities of the Issuer (other than the liabilities under the Lower Tier II Subordinated Notes and any other indebtedness classified as tier II capital by the RBI Guidelines) that rank equally with or junior to the Upper Tier II Subordinated Notes unless and until any and all Payments in Arrears and other accrued interest on the Upper Tier II Subordinated Notes, including Additional Payments, have been paid in full.

(iii) If (A) the Issuer is not, or would be caused by any payment of interest on any Upper Tier II Subordinated Note not to be, in compliance with the Net Loss Requirement but (B) the Issuer is in compliance with the Capital to Risk Assets Ratio Requirement, in each case on the due date for the relevant payment, the Issuer shall not, without the prior approval of the Reserve Bank of India, make such payment of interest, and payment of such interest shall be deferred as provided in this Condition 3.2(b) until the date specified in (v) below and any such failure to pay will not constitute a default by the Issuer for any purpose; provided, however, that the Issuer shall not declare or pay any dividends on any share capital of the Issuer or make any payments in respect of liabilities of the Issuer (other than the liabilities under the Lower Tier II Subordinated Notes and any other indebtedness classified as tier II capital by the RBI Guidelines) that rank equally with or junior to the Upper Tier II Subordinated Notes unless and until any and all Payments in Arrears and other accrued interest on the Upper Tier II Subordinated Notes, including Additional Payments, have been paid in full.

(iv) Any principal or interest in respect of Upper Tier II Subordinated Notes not paid on the due date for payment thereof, together with any principal or interest in respect of Upper Tier II Subordinated Notes not paid on any other date, will, so long as the same remains unpaid, constitute "**Payments in Arrears**". Unless otherwise provided in the applicable Pricing Supplement, until paid (whether before or after the Maturity Date), Payments in Arrears will be made with compound interest at a rate (the "**Compound Rate**") which shall not exceed the interest rate payable on the relevant Upper Tier II Subordinated Note at that time (such additional interest amounts, "**Additional Payments**"). The Compound Rate in respect of each Tranche of Upper Tier II Subordinated Notes shall be set out in the applicable Pricing Supplement.

(v) Payments in Arrears and accrued interest, including Additional Payments, in respect of Upper Tier II Subordinated Notes will (subject to Condition 3.2(a) (*Subordination*)) become due in full on whichever is the earlier of (A) the next Compulsory Payment Date (as defined below) or (B) the occurrence of an event as specified in Condition 11.2 (*Events of Default relating to Subordinated Notes and Hybrid Tier I Notes*). If notice is given by the Issuer of its intention to pay the whole or any part of Payments in Arrears and other accrued interest, including Additional Payments, the Issuer shall be obligated (subject to Condition 3.2(a) (*Subordination*)) to make such payment upon the expiration of such notice.

In respect of any Payments in Arrears arising pursuant to Conditions 3.2(b)(i) to 3.2(b)(iv), any such Payments in Arrears and accrued interest, including Additional Payments, thereon may, at the option of the Issuer, be paid (in whole but not in part) at any time upon the expiration of not less than 14 days' notice to such effect given to the Paying Agent and to the holders of the Notes, subject always to the provisions of this Condition 3.2(b)(v).

For the avoidance of doubt, where any payment of principal and/or interest may only be made with the approval of the Reserve Bank of India, the Issuer will use its best endeavors to obtain such approval.

(vi) As used in this Condition 3.2 and in Condition 3.3 (*Status of the Hybrid Tier I Notes*):

"**Compulsory Payment Date**" means (A), in the case of principal, the first date (the "**Compliance Date**") following deferral of the relevant payment of principal and/or interest on which the Issuer, is either (I) in compliance with the Capital to Risk Assets Ratio Requirement and the Net Loss Requirement or (II) in compliance with the Capital to Risk Assets Ratio Requirement, not in compliance with the Net Loss Requirement (or any such payment would cause the Issuer not to be in compliance with the Net Loss Requirement), and has approval from the Reserve Bank of India to make the relevant payment of principal, in each case provided that any such payment will not cause the Issuer, to be in breach of the Capital to Risk Assets Ratio Requirement or in the case of (I) the Net Loss Requirement and (B), in the case of interest, the next Interest Payment Date (if any) following the Compliance Date or, if none, the Compliance Date.

"**Capital to Risk Assets Ratio Requirement**" means the requirement for the minimum capital to risk assets ratio ("**CRAR**") of the Issuer, determined in accordance with the guidelines of the Reserve Bank of India, which currently is 9.00 per cent.

"**Net Loss**" means a negative balance in the balance of the profit and loss account contained within reserves and surplus on the Issuer's balance sheet as shown in the most recent quarterly or, as the case may be, annual financial statements of the Issuer.

"**Net Loss Requirement**" means the Issuer not having a Net Loss.

"**Reserve Bank of India**" or "**RBI**" means the Reserve Bank of India or any successor thereto.

"**Subordinated Indebtedness**" means all indebtedness of the Issuer which by its terms is subordinated, in the event of the winding-up of the Issuer, in right of payment to the claims of unsubordinated creditors of the Issuer and so that, for the purpose of this definition, indebtedness shall include all liabilities, whether actual or contingent, under guarantees or indemnities.

The definitions set forth in this Condition 3.2(b)(vi) are subject to such interpretations, amendments and clarifications of the RBI Guidelines as may be stipulated by the Reserve Bank of India from time to time. The Issuer shall notify or procure notification of any such interpretations, amendments and clarifications of the Reserve Bank of India, to the Trustee, the Paying Agents, the Transfer Agents, the Registrar, the SGX-ST, the ISM and the Noteholders (in accordance with Condition 15 (*Notices*)) no later than five days from the announcement or publication of such.

(vii) On the fifth Business Day (as defined in Condition 6.6 (*Definitions*)) immediately preceding any date for payment of principal of and/or (as the case may be) interest on any of the Upper Tier II Subordinated Notes (the "**Payment Deferral Determination Date**"), the Issuer will determine, as of such Payment Deferral Determination Date, if it shall not be liable to or (as the case may be) is required to defer such payment of principal of and/or (as the case may be) interest on any of the Upper Tier II Subordinated Notes pursuant to any of Conditions 3.2(b)(i), 3.2(b)(ii) or 3.2(b)(iii). In the event that the Issuer determines that it shall or must defer such payment of principal of and/or (as the case may be) interest on any of the Upper Tier II Subordinated Notes as provided above, the Issuer shall (a) notify or procure notification, no later than the day immediately following the relevant Payment Deferral Determination Date, to the Trustee, the Paying Agents, the Transfer Agents, the Registrar, the SGX-ST, the ISM and the Noteholders (in accordance with Condition 15 (*Notices*)), of that fact and of the amount to be deferred and (b) deliver to the Registrar a certificate signed by two authorised officers of the Issuer (the "**Deferral Certificate**") stating such fact, the amount to be deferred in respect of such payment and the relevant sub-paragraph of this Condition 3.2(b) whereby such right of deferral arose.

PROVIDED THAT, in the event that the Issuer determines, on the relevant payment date, the circumstances giving rise to the right and/or (as the case may be) requirement to defer the relevant payment pursuant to Conditions 3.2(b)(i), 3.2(b)(ii) or 3.2(b)(iii) as set out in the Deferral Certificate no longer apply, the Issuer shall (x) notify or procure notification, no later than the day following the relevant payment date, to the Trustee, the Paying Agents, the Transfer Agents, the Registrar, the SGX-ST, the ISM and the Noteholders (in accordance with Condition 15 (*Notices*)), of the fact, and (y) make payment of the relevant amount of principal of and/or interest on the Upper Tier II Subordinated Notes as soon as practicable and in any event no later than two Business Days immediately following the relevant payment date.

3.3 Status of the Hybrid Tier I Notes

This Condition 3.3 applies only to Notes specified in the applicable Pricing Supplement as "**Hybrid Tier I Notes**" and shall, to the extent applicable, be governed by Indian law.

(a) Status

The Hybrid Tier I Notes are direct and unsecured obligations of the Issuer and are subordinated in the manner described in Condition 3.3(b) (*Subordination*).

The Hybrid Tier I Notes are not deposits of the Issuer and are not guaranteed or insured by the Issuer or any party related to the Issuer and they may not be used as collateral for any loan made by the Issuer or any of its subsidiaries or affiliates.

(b) Subordination

The Issuer, for itself, its successors and assignees, covenants and agrees, and each Noteholder by subscribing for or purchasing a Hybrid Tier I Note irrevocably acknowledges and agrees that:

(i) the indebtedness evidenced by the Hybrid Tier I Notes constitutes unsecured and subordinated obligations of the Issuer; and

(ii) the subordination is for the benefit of the holders of indebtedness that rank senior to the Hybrid Tier I Notes. Claims in respect of the Hybrid Tier I Notes will rank (i) *pari passu* and without preference among themselves (ii) *pari passu* with claims of creditors of the Issuer which are subordinated so as to rank *pari passu* with claims in respect of the Hybrid Tier I Notes and (iii) in priority to the rights and claims of holders of the equity shares of the Issuer.

The principal of, and interest and any additional amounts payable on, the Hybrid Tier I Notes will be subordinated in right of payment upon occurrence of any Winding Up Proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Issuer (including liabilities of all offices and branches of the Issuer wherever located and any subordinated debt securities of the Issuer that rank senior to the Hybrid Tier I Notes), except in each case to those liabilities which by their terms rank equally in right of payment with or which are subordinated to the Hybrid Tier I Notes, in the manner and to the extent provided in the Trust Deed.

No Noteholder, Receiptholder or Couponholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Hybrid Tier I Notes and each Noteholder, Receiptholder and Couponholder shall by virtue of its subscription, purchase or holding of any Hybrid Tier I Note, be deemed to have waived all such rights of set-off to the fullest extent permitted by law.

The Issuer agrees that so long as any of the Hybrid Tier I Notes remains outstanding, it will not create, issue, assume or otherwise incur any loan, debt, guarantee, instrument or other obligation which shall be, or shall purport to be, subordinated debt of the Issuer and which shall, at the time it is created, issued, assumed or otherwise incurred or at any time thereafter, be considered to be, innovative Tier I capital of the Issuer under applicable regulations which would rank (as regards interest, dividends or distributions on liquidation, dissolution or winding up) senior to the Hybrid Tier I Notes.

As a consequence of these subordination provisions, if a Winding Up Proceeding should occur, the Noteholders, Receiptholders and Couponholders may recover less rateably than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer. Moreover, holders of Hybrid Tier I Notes would likely be required to pursue their claims on the Hybrid Tier I Notes in proceedings in India as further described in Condition 11.3 (*Enforcement*).

Holders of the Hybrid Tier I Notes will not be entitled to receive notice of, or attend or vote at, any meeting of shareholders of the Issuer or participate in the management of the Issuer.

As of March 31, 2022, all of the Issuer's outstanding third party liabilities rank senior to the Hybrid Tier I Notes. Except as provided above, the Hybrid Tier I Notes do not limit the amount of liabilities ranking senior or equal to the Hybrid Tier I Notes.

To the extent that holders of the Hybrid Tier I Notes are entitled to any recovery with respect to the Hybrid Tier I Notes in any Indian proceedings, such holders may not be entitled in such proceedings to a recovery in U.S. dollars and may be entitled to a recovery in Rupees.

(c) Payment Limitation on Hybrid Tier I Notes

Unless otherwise provided in the applicable Pricing Supplement,

(i) If the Issuer is not, or would be caused by any payment of interest on any Hybrid Tier I Note not to be, in compliance with the Capital to Risk Assets Ratio Requirement, on the due date for the relevant payment, the Issuer shall not be liable to make payment of such interest as provided in this Condition 3.3(c) and any such failure to pay will not constitute a default by the Issuer for any purpose; provided, however, that the Issuer shall not declare or pay any dividends on any share capital of the Issuer or make any payments in respect of liabilities of the Issuer (other than the liabilities under the Subordinated Notes and any other indebtedness classified as tier II capital by the RBI Guidelines) that rank equally with or junior to the Hybrid Tier I Notes (each such declaration or (as the case may be) payment being a "**Subordinated Payment**") unless and until such time as all payments of interest under the Hybrid Tier I Notes are made by the Issuer, as and when such payments are due, for the Interest Period immediately preceding such Subordinated Payment.

    If the Issuer is not, or would be caused by any payment of interest on any Hybrid Tier I Note not to be, in compliance with the Net Loss Requirement on the due date for the relevant payment, the Issuer shall not, without the prior approval of the Reserve Bank of India, make such payment of interest, and any such failure to pay will not constitute a default by the Issuer for any purpose; provided, however, (a) that the Issuer shall not make any Subordinated Payment unless and until such time as all payments of interest under the Hybrid Tier I Notes are made by the Issuer, as and when such payments are due, for the Interest Period immediately preceding such Subordinated Payment and (b) that if the Issuer is in compliance with the Capital to Risk Assets Ratio Requirement, the Issuer shall apply to the Reserve Bank of India for approval to make such payment of interest. If the Reserve Bank of India grants such permission, notwithstanding any prior delivery of a Payment Limitation Certificate (as defined below), the Issuer shall, subject to compliance with such conditions as may be stipulated by the Reserve Bank of India while granting such approval, proceed to pay the interest due either (x) on the relevant Interest Payment Date or (y) within five Business Days from receipt of the approval from the Reserve Bank of India (such approval to be notified by the Issuer to the Trustee in a certificate signed by two authorised officers of the Issuer) if such approval is received after the date which is five Business Days prior to the relevant Interest Payment Date.

(ii) Interest on the Hybrid Tier I Notes will be non-cumulative. If any interest on the Hybrid Tier I Notes is not paid pursuant to and in accordance with this Condition 3.3(c), the right of Noteholders, Receiptholders and Couponholders to receive such amount of interest on the Hybrid Tier I Notes will be lost and the Issuer will have no further obligation in respect of such amount of interest on the Hybrid Tier I Notes whether or not any amount of interest is paid for any future Interest Period.

(iii) On the fifth Business Day (as defined in Condition 6.6 (*Definitions*)) immediately preceding any date for payment of interest on any of the Notes (the "**Payment Limitation Determination Date**"), the Issuer will determine, as of such Payment Limitation Determination Date, if it shall not be liable to make such payment of interest on any of the Hybrid Tier I Notes pursuant to any of Conditions 3.3(c)(i) or 3.3(c)(ii). In the event that the Issuer determines that it shall not make such payment of interest on any of the Hybrid Tier I Notes as provided above, the Issuer shall (a) notify or procure notification, no later than the day immediately following the relevant Payment Limitation Determination Date, to the Trustee, the Paying Agents, the Transfer Agents, the Registrar, the SGX-ST, the ISM and the Noteholders (in accordance with Condition 15 (*Notices*)), of that fact and of the amount that shall not be paid and (b) deliver to the Registrar a certificate signed by two authorised officers of the Issuer (the "**Payment Limitation Certificate**") stating such fact, the amount which shall not be paid in respect of such payment and the relevant sub-paragraph of this Condition 3.3(c) whereby such right of non-payment arose. PROVIDED THAT, in the event that the Issuer determines, on the relevant payment date, the circumstances giving rise to the Issuer's right to not pay the relevant payment pursuant to Conditions 3.3(c)(i) or 3.3(c)(ii) as set out in the Payment Limitation Certificate no longer apply, the Issuer shall (x) notify or procure notification, no later than the day following the relevant payment date, to the Trustee, the Paying Agents, the Transfer Agents, the Registrar, the SGX-ST, the ISM and the Noteholders (in accordance with Condition 15 (*Notices*)), of the fact, and (y) make payment of the relevant amount of interest on the Hybrid Tier I Notes as soon as practicable and in any event no later than two Business Days following the relevant payment date.

4 NEGATIVE PLEDGE

So long as any of the Senior Notes remain outstanding (as defined in the Trust Deed), the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") upon, or with respect to, any part of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Senior Notes and the Trust Deed (in respect of the Senior Notes) are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee in its absolute discretion; or

(ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (i) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the holders of the Senior Notes or (ii) as is approved by an Extraordinary Resolution (which is defined in the Trust Deed as a resolution duly passed by a majority of not less than three-fourths of the votes cast thereon) of the holders of the Senior Notes.

For the purposes of these Conditions, "**Relevant Indebtedness**" means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness.

5 REDENOMINATION

5.1 Redenomination

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders or the Couponholders, on giving 30 days' prior notice to the Trustee, the Paying Agents, the Transfer Agents, Euroclear, Clearstream and/or DTC as applicable, and at least 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of 0.01 with a nominal amount in euro for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent and the Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes are for the time being listed and the Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with Condition 5.1(d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes held (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than 1,000 or such smaller denominations as the Issuer in conjunction with the Agent may determine) euro 0.01 and such other denominations as the Issuer shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee. If payments cannot be effected by credit or transfer, then such payments will be made by a euro cheque;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

  (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

  (ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

  and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding;

(g) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest; and

(h) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Trustee and the Principal Paying Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

5.2 Definitions

In these Conditions, the following expressions have the following meanings:

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"**euro**" and "**€**" mean the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5.1 (*Redenomination*) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

6 INTEREST

The Hybrid Tier I Notes and the Subordinated Notes with floating rate of interest are required to be referenced to a market determined Rupee interest benchmarked rate, under guidelines issued by the RBI.

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the nominal amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

(a) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement:

   (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; or

(b) if "**30/360**" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**Sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, "**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating (i) where "2006 ISDA Definitions" are specified in the applicable Pricing Supplement, the 2006 ISDA Definitions or (ii) where "2021 ISDA Definitions" are specified in the applicable Pricing Supplement, the 2021 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as of the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Euro-zone inter-bank offered rate ("**EURIBOR**"), on the Hong Kong inter-bank offered rate ("**HIBOR**") or the CNH Hong Kong interbank offered rate ("**CNH HIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as SOFR Benchmark or SONIA Benchmark

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is EURIBOR, HIBOR or CNH HIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time, in the case of EURIBOR, or Hong Kong time, in the case of HIBOR) or as at 11.15 a.m.) Hong Kong time, in the case of CNH HIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, SOFR Benchmark, SONIA Benchmark, HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(iii) *Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any) in accordance with Condition 6.2(c), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Compounded Daily SOFR, SOFR Index or Term SOFR, as follows (subject to Condition 6.7 (*Benchmark Discontinuation*)):

(A) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Period.

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with the SOFR Lookback formula below:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-\times USBD}\times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"***d***" means the number of calendar days in the relevant Interest Period;

"d_o" means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"***i***" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first;

U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day(i)**");

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SOFR Benchmark is specified in the applicable Pricing Supplement as the Reference Rate to determine Compounded Daily SOFR, the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period;

"**Lookback Days**" means five U.S. Government Securities Business Days (or such other larger number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

"n_i", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day(i); and

"$SOFR_{i\text{-}xUSBD}$", for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i).

The following defined terms shall have the meanings set out below for purpose of this Condition 6.2(b)(iii):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(a) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(b) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(c) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6.7 shall apply as specified in the applicable Pricing Supplement;

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(B) If SOFR Index ("**SOFR Index**") is specified as applicable in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, provided that:

(a) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 6.2(b)(iii)(A); or

(b) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6.7 (*Benchmark Discontinuation*) shall apply as specified in the applicable Pricing Supplement;

"$SOFR\ Index_{End}$" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period (or in the final Interest Period, the Maturity Date);

"$SOFR\ Index_{Start}$" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of SOFR Observation Shift Days prior to the first day of such Interest Period;

"**SOFR Index Determination Time**" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period;

"**SOFR Observation Shift Days**" means five U.S. Government Securities Business Days (or such other larger number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement); and

"d_c" means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for purpose of this Condition 6.2(b)(iii)(B):

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SOFR Benchmark is specified hereon as the Reference Rate or where SOFR Index is specified as applicable hereon, the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period;

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFR Benchmark Replacement Date**" means the Benchmark Replacement Date with respect to the then-current SOFR Benchmark; and

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark.

(C) If Term SOFR ("**Term SOFR**") is specified as applicable hereon, the SOFR Benchmark for each Interest Period shall be equal to the Term SOFR Rate as specified in the applicable Pricing Supplement that is published by the Term SOFR Administrator on the TERM SOFR Administrator's Website at the Reference Time on the Interest Determination Date in question as determined by the Calculation Agent after giving effect to the Term SOFR Conventions.

The following defined terms shall have the meanings set out below for purpose of this Condition 6.2(b)(iii)(C):

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SOFR Benchmark is specified hereon as the Reference Rate and where Term SOFR is specified as applicable hereon, the fifth U.S. Government Securities Business Day prior to the start of each Interest Period;

"**Reference Time**" with respect to any determination of Term SOFR means (i) if the benchmark is Term SOFR, the time as specified in the applicable Pricing Supplement, and (ii) if the Issuer or its designee determines, in accordance with Condition 6.7 (*Benchmark Discontinuation*), that a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have occurred, the time as agreed between the Issuer and the Calculation Agent after giving effect to the Benchmark Replacement Conforming Changes in accordance with Condition 6.7 (*Benchmark Discontinuation*);

"**Relevant Governmental Body**" means the Federal Reserve and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve and/or the Federal Reserve Bank of New York or any successor thereto;

"**Term SOFR**" means the forward-looking term rate for the applicable period based on SOFR that has been selected or recommended by the Relevant Governmental Body and published by the Term SOFR Administrator;

"**Term SOFR Administrator**" means the CME Group or any other entity designated by the Relevant Governmental Body as the administrator of Term SOFR (or any successor administrator);

"**Term SOFR Conventions**" means any determination, decision, or election with respect to any technical, administrative, or operational matter (including with respect to the manner and timing of the publication of Term SOFR Rate, or changes to the definition of "Interest Period", timing and frequency of determining the Term SOFR Rate with respect to each Interest Period and making payments of interest, rounding of amounts or tenors, and other administrative matters) as set out in the applicable Pricing Supplement which reflect the use of the Term SOFR Rate as the SOFR Benchmark in a manner substantially consistent with market practice; and

"**Term SOFR Rate**" means, in respect of an Interest Period, the Term SOFR Rate as published on the Term SOFR Administrator's Website at the Reference Time on the relevant Interest Determination Date, provided that:

(a) if the value specified above does not appear and a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have not occurred, the "Term SOFR Rate" shall be calculated on any Interest Determination Date (for this purpose, such term as defined in Condition 6.2(b)(iii)(B)) with respect to an Interest Period, in accordance with the SOFR Index formula described above in Condition 6.2(b)(iii)(B); or

(b) if the value specified above does not appear and a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have occurred, the provisions set forth in Condition 6.7 (*Benchmark Discontinuation*) shall apply as specified in the applicable Pricing Supplement.

For the avoidance of doubt, if any of the foregoing provisions concerning the calculation of the Rate of Interest and interest payments during the Interest Period are inconsistent with any of the Term SOFR Conventions (as set out in the applicable Pricing Supplement), then the relevant Term SOFR Conventions (as set out in the applicable Pricing Supplement) will apply. Furthermore, if the Issuer or its designee determines, in accordance with Condition 6.7, that a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have occurred with respect to Term SOFR at any time when any of the Notes are outstanding, then the foregoing provisions concerning the calculation of the Rate of Interest and interest payments will be modified in accordance with the relevant benchmark transition provisions set out in Condition 6.7.

Absent manifest error, the Calculation Agent's determination of the Rate of Interest above for an Interest Period for the Notes will be binding and conclusive on the Issuer, the Noteholders, the Trustee and the other Agents and shall not be liable to the Issuer, any Noteholder, the Trustee, any other Agent or any other person as a result of such determination. Neither the Trustee nor any other Agent shall have any obligation or duty to confirm, verify or perform any such calculation or make such determination, or to procure any of the aforesaid to be done.

(iv) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SONIA Benchmark

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SONIA Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SONIA Benchmark.

The "**SONIA Benchmark**" will be determined based on Compounded Daily SONIA (subject to Condition 6.7) where "**Compounded Daily SONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average ("**SONIA**") rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{SONIA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where "**Applicable Period**" means, in relation to an Interest Period:

(1) where "SONIA Observation Lag" is specified as the SONIA Observation Method in the applicable Pricing Supplement, such Interest Period; or

(2) where "SONIA Observation Shift" is specified as the SONIA Observation Method in the applicable Pricing Supplement, the SONIA Observation Period relating to such Interest Period;

"$\boldsymbol{d}$" means the number of calendar days in the relevant Applicable Period;

"$\boldsymbol{d_o}$" means, for the relevant Applicable Period, the number of London Business Days in such Applicable Period;

"$\boldsymbol{i}$" means, for the relevant Applicable Period, a series of whole numbers from one to do, each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in such Applicable Period (each a "**London Business Day "*i*"**");

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SONIA Benchmark is specified in the applicable Pricing Supplement as the Reference Rate, the fifth London Business Day (or as otherwise specified in the applicable Pricing Supplement, which shall not be later than the fifth London Business Day) prior to the last day of each Interest Period;

"**London Business Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"$\boldsymbol{n_i}$", for any London Business Day "*i*", means the number of calendar days from and including such London Business Day "*i*" up to but excluding the following London Business Day;

"$\mathbf{SONIA}_i$" means, in respect of any London Business Day "*i*" in the Applicable Period, the SONIA Reference Rate for the SONIA Determination Date in relation to such London Business Day "*i*";

"**SONIA Determination Date**" means, in respect of any London Business Day "*i*":

(1) where "SONIA Observation Lag" is specified as the SONIA Observation Method in the applicable Pricing Supplement, the London Business Day falling "*x*" London Business Days prior to such London Business Day "*i*"; and

(2) otherwise, such London Business Day "*i*";

"**SONIA Observation Period**" means, for the relevant Interest Period, the period from (and including) the date falling "*x*" London Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date falling "*x*" London Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*x*" London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**SONIA Reference Rate**" means, in respect of any London Business Day, a reference rate equal to the daily SONIA rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page on the next following London Business Day or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors on such London Business Day or, if SONIA cannot be obtained from such authorised distributors, as published on the Bank of England's Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate); and

"***x***" means five London Business Days (or such other larger number of London Business Days as specified in the applicable Pricing Supplement).

If, subject to Condition 6.7, in respect of any London Business Day in the relevant Applicable Period, the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant London Business Day; plus

i. the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or

ii. if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof), and

in each case, $SONIA_i$ shall be interpreted accordingly.

Notwithstanding the paragraph above, and without prejudice to Condition 6.7.1, in the event the Bank of England publishes guidance as to: (aa) how the SONIA Reference Rate is to be determined; or (bb) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, to the extent that it is practicable, follow such guidance in order to determine the SONIA rate for the purpose of the relevant Series of Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors, provided that nothing in this paragraph shall apply if following such guidance would have the effect of imposing more onerous obligations upon the Calculation Agent or exposing the Calculation Agent to any additional duties, responsibilities or liabilities, or decreasing or amending the protections or rights or exculpatory provisions, of the Calculation Agent.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 6.2(b)(iv) by the Calculation Agent, subject to Condition 6.7, the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 11 (*Events of Default and Enforcement*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the Compounded Daily SONIA formula) and the Rate of Interest on such Notes shall, for so long as any such Notes remains outstanding, be that determined on such date.

(c) Minimum and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 6.2(b) (*Rate of Interest*) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 6.2(b) (*Rate of Interest*) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and Calculation of Interest Amounts

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. If required to be calculated by it, the Principal Paying Agent or, as the case may be, the Calculation Agent shall cause the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Installment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders and, if the Notes are listed on a stock exchange and the rules of such stock exchange or other relevant authority so require, such stock exchange or other relevant authority as soon as practicable after calculating the same.

The Principal Paying Agent will calculate the 'amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount, and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

(i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*). For the purposes of this Condition 6.2(e), the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(f) Determination or Calculation by Trustee

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with Condition 6.2(b)(i) (*ISDA Determination for Floating Rate Notes*) or Condition 6.2(b)(ii) (*Screen Rate Determination for Floating Rate Notes*) above or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with Condition 6.2(d) (*Determination of Rate of Interest and Calculation of Interest Amounts*) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 6, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent or the Calculation Agent, as applicable.

(g) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6, whether by the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the Principal Paying Agent, the Registrar, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of willful default and bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

6.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

6.5 Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) as provided in the Trust Deed.

6.6 Definitions

In these Conditions, if a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 0 (*Interest Payment Dates*) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Center (other than the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor system (the "**TARGET2 System**")) specified in the applicable Pricing Supplement;

(b) if the TARGET2 System is specified as an Additional Business Center in the applicable Pricing Supplement, a day on which the TARGET2 System is open or in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and

(c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal finance center of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

6.7 Benchmark Discontinuation

6.7.1 Benchmark Discontinuation (General)

Where the applicable Pricing Supplement specifies this Condition 6.7.1 as applicable:

(A) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.7.1(B)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 6.7.1(D)). In making such determination, the Independent Adviser appointed pursuant to this Condition 6.7 shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Noteholders, the Receiptholders or the Couponholders for any determination made by it pursuant to this Condition 6.7.

If (x) the Issuer is unable to appoint an Independent Adviser; or (y) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6.7.1(A) prior to the date falling 10 Business Days before the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 6.7.1(A).

(B) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

(x) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6.7); or

(y) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6.7).

(C) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(D) Benchmark Adjustments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 6.7 and the Independent Adviser, determines (x) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (y) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.7.1(E), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Agents of a certificate signed by an authorised officer of the Issuer pursuant to Condition 6.7.1(E), the Trustee and the Agents shall (at the request of the Issuer and at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or document supplemental to or amending the Trust Deed and/or the Agency Agreement) (and the Trustee and the Agents shall not be liable to the Issuer, any Noteholder or any other person for any consequences thereof), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or that Agent in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 6.7.1(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 6.7, none of the Trustee or the Agents is obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 6.7 to which, in the sole opinion of the Trustee or that Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or that Agent, as the case may be, in the Trust Deed, the Agency Agreement and/or these Conditions, as the case may be.

Notwithstanding any other provision of this Condition 6.7, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 6.7, the Calculation Agent shall notify the Issuer thereof as soon as reasonably practicable and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction or is otherwise unable to make such calculation or determination, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability to the Issuer, the Noteholders or any other person for not doing so.

(E) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6.7 will be notified promptly (in any event at least 10 business days before the relevant Interest Determination Date) by the Issuer to the Trustee and the Agents and, in accordance with Condition 15 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Agents of the same, the Issuer shall deliver to the Trustee and the Agents a certificate in English signed by an authorised officer of the Issuer:

(x) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate, (3) the applicable Adjustment Spread and (4) the specific terms of any Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 6.7; and

(y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee and the Agents shall be entitled to rely conclusively on such certificate (without liability to any person) as sufficient evidence thereof and none of them shall be liable to the Issuer, the Noteholders, the Couponholders or any other person for so doing. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the relevant Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agents and the Noteholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 6.7.1(A), 6.7.1(B), 6.7.1(C) and 6.7.1(D), the Original Reference Rate and the fallback provisions provided for in Condition 6.2 will continue to apply unless and until each of the Trustee and the Calculation Agent has been notified of the occurrence of the Benchmark Event, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 6.7.1(E).

(G) Definitions

As used in this Condition 6.7.1:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to the applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(C) (if the Independent Adviser determines that no such spread is customarily applied) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 6.7.1(B) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes;

"**Benchmark Amendments**" has the meaning given to it in Condition 6.7.1(D);
"**Benchmark Event**" means:

(A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(B) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(D) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(E) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or

(F) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market,

provided that (1) in the case of sub-paragraphs (B), (C) and (D), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and (2) in the case of sub-paragraph (F), the Benchmark Event shall occur on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement and, in each case of (1) and (2), not the date of the relevant public statement.

For the avoidance of doubt, none of the Trustee or the Agents shall have any responsibility for monitoring or determining whether or not a Benchmark Event has occurred or may occur.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by (and at the expense of) the Issuer under Condition 6.7.1(A);

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6.7.2 Benchmark Discontinuation (ARRC)

This Condition 6.7.2 shall only apply to U.S. dollar-denominated Notes where so specified in the applicable Pricing Supplement.

Where the Pricing Supplement specifies this Condition 6.7.2 as applicable:

(A) Benchmark Replacement

If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time, and the Issuer shall deliver to the Trustee and the Agents a certificate signed by an authorised officer of the Issuer:

(i) confirming that (1) a Benchmark Event has occurred and (2) the Benchmark Replacement, in each case as determined in accordance with the provisions of this Condition 6.7.2; and

(ii) certifying that the Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, Agency Agreement and these Conditions as may be required to give effect to this Condition 6.7.2(B), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or that Agent in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way. Noteholders' consent shall not be required in connection with the effecting of any such changes, including the execution of any documents or any steps by the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) *Decisions and Determinations*

Any determination, decision or election of Benchmark Replacement Conforming Changes that may be made by the Issuer or its designee pursuant to this Condition 6.7.2, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer or its designee's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from any other party.

(D) *Definitions*

As used in this Condition 6.7.2:

"**Benchmark**" means, initially, EURIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to EURIBOR or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

"**Benchmark Replacement**" means the Interpolated Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of:

(x) Term SOFR; and

(y) the Benchmark Replacement Adjustment;

(ii) the sum of:

(x) Compounded SOFR; and

(y) the Benchmark Replacement Adjustment;

(iii) the sum of:

(x) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor; and

(y) the Benchmark Replacement Adjustment;

(iv) the sum of:

(x) the ISDA Fallback Rate; and

(y) the Benchmark Replacement Adjustment;

(v) the sum of:

   (x) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated Floating Rate Notes at such time; and

   (y) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period" or "Interest Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Period and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark:

(i) in the case of sub-clauses (i) or (ii) of the definition of "Benchmark Transition Event," the later of:

   (x) the date of the public statement or publication of information referenced therein; and

   (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(ii) in the case of sub-clause (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Compounded SOFR**" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Issuer or its designee in accordance with:

(i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:

(ii) if, and to the extent that, the Issuer or its designee determines that Compounded SOFR cannot be determined in accordance with sub-clause (i) of this definition of "Compounded SOFR", then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar denominated Floating Rate Notes at such time.

Notwithstanding the foregoing, Compounded SOFR will include such lookback and/or suspension period as specified in the applicable Pricing Supplement as a mechanism to determine the interest amount payable prior to the end of each Interest Period or Interest Period;

"**Corresponding Tenor**", with respect to a Benchmark Replacement, means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**Federal Reserve Bank of New York's Website**" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org or any successor source;

"**Interpolated Benchmark**", with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between:

(i) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor; and

(ii) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

"**ISDA Definitions**" means (i) where "2006 ISDA Definitions" are specified in the applicable Pricing Supplement, the 2006 ISDA Definitions or (ii) where "2021 ISDA Definitions" are specified in the applicable Pricing Supplement, the 2021 ISDA Definitions, each published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**", with respect to any determination of the Benchmark, means the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

"**SOFR**", with respect to any day, means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website;

"**Term SOFR**" means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

6.7.3 Benchmark Discontinuation (SOFR)

This Condition 6.7.3 shall only apply to U.S. dollar-denominated Notes where so specified in the applicable Pricing Supplement.

The following provisions shall apply if Benchmark Discontinuation (SOFR) is specified as applicable in the applicable Pricing Supplement:

(A) Benchmark Replacement

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time, and the Issuer shall deliver to the Trustee and the Agents a certificate signed by an authorised officer of the Issuer:

(i) confirming that (1) a Benchmark Event has occurred and (2) the Benchmark Replacement, in each case as determined in accordance with the provisions of this Condition 6.7.3; and

(ii) certifying that the Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement.

For the avoidance of doubt, the Trustee and any of the Agents shall, upon receipt of such certificate and (subject to the immediately succeeding paragraph) at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 6.7.3(B), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, or as the case may be, the relevant Agent in these Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) in any way. Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Trustee or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable to the Issuer, the Noteholders, the Couponholders or any other person for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard. No such determination, decision or election shall be binding on the Trustee and the Agents and none of the Trustee and the Agents shall be obliged to concur in any consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 6.7.3 if in the opinion of the Trustee or the relevant Agent (as the case may be) it would impose more onerous obligations upon the Trustee or, as the case may be, the relevant Agent or expose the

Trustee or, as the case may be, the relevant Agent to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or, as the case may be, the relevant Agent in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) (as the case may be) or if they impact the operational feasibility of the Agents in any way.

(C) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 6.7.3, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) Definitions

The following defined terms shall have the meanings set out below for purpose of this Condition 6.7.3:

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of:

(a) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(b) the Benchmark Replacement Adjustment;

(ii) the sum of:

(a) the ISDA Fallback Rate; and

(b) the Benchmark Replacement Adjustment; or

(iii) the sum of:

(a) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and

(b) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) in the case of sub-paragraph (i) or (ii) of the definition of "Benchmark Event", the later of:

(a) the date of the public statement or publication of information referenced therein; and

(b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(ii) in the case of sub-paragraph (iii) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**ISDA Definitions**" means (i) where "2006 ISDA Definitions" are specified in the applicable Pricing Supplement, the 2006 ISDA Definitions or (ii) where "2021 ISDA Definitions" are specified in the applicable Pricing Supplement, the 2021 ISDA Interest Rate Derivatives Definitions, each published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or SOFR Index Determination Time (where SOFR Index is specified as applicable in the applicable Pricing Supplement), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

7 PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial center of the country of such Specified Currency (which, if the Specified Currency is New Zealand dollars, shall be Auckland and Wellington). If payments cannot be effected by credit or transfer, then such payments will be made by a cheque in such Specified Currency drawn on a bank in the principal financial center of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee. If payments cannot be effected by credit or transfer, then such payments will be made by a euro cheque; and

(c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to Section 871(m) of the Code ("**871(m) Withholding**"). In addition, in determining the amount of 871(m) Withholding imposed with respect to any amounts to be paid on the Notes, the Issuer shall be entitled to withhold on any "dividend equivalent" (as defined for purposes of Section 871(m) of the Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

With respect to Notes that provide for net dividend reinvestment in respect of either an underlying U.S. security (*i.e.*, a security that pays U.S. source dividends) or an index that includes U.S. securities, all payments on the Notes that reference such U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70 per cent. In such case, in calculating the relevant payment amount, the Issuer will withhold 30 per cent. of amounts that are or will be payable under the security (including possibly a portion of the payments at maturity of the security) that are potentially treated as U.S.-source dividend equivalent payments (as defined in Section 871(m) of the Code). The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

7.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America and its possessions).

Payments of Installment Amounts (if any) in respect of definitive Bearer Notes, other than the final installment, will (subject as provided below) be made in the manner provided in Condition 7.1 (*Method of payment*) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final installment will be made in the manner provided in Condition 7.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant installment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9.2 (*Interpretation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

7.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented.

7.4 Payments in respect of Registered Notes

Payments of principal (other than installments of principal (if any) prior to the final installment) in respect of Registered Notes (whether in definitive or global form) will be made in the manner specified in Condition 7.1 (*Method of payment*) to the persons in whose name such Registered Notes are registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are, and, in respect of Rule 144A Global Notes, DTC is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of such Registered Notes at the specified office of the Registrar.

Payments of interest due on a Registered Note (whether in definitive or global form) and payments of installments of principal (if any) due on a Registered Note (other than the final installment) will be made in the manner specified in Condition 7.1 (*Method of payment*) to the person in whose name such Note is registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are, and, in respect of Rule 144A Global Notes, DTC is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) (the "**Record Date**")) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered Notes is required by credit or transfer as referred to in Condition 7.1(a) (*Method of payment*), application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Principal Paying Agent to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream or DTC, as the case may be, for his share of each payment so made by the Issuer in respect of such Global Note.

Notwithstanding the foregoing provisions of this Condition 7, if any amount of principal and/or interest in respect of any Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

7.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 10 (*Prescription*)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (i) in the case of Notes in definitive form only, the relevant place of presentation; and

  (ii) each Additional Financial Center (other than the TARGET2 System) specified in the applicable Pricing Supplement;

  (iii) if TARGET2 System is specified as an Additional Financial Center in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the relevant Specified Currency which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland), (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (C) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; and

(c) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorized or required by law or regulation to be closed in New York City.

7.7 Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in installments, the Installment Amounts;

(f) in relation to Zero Coupon Notes, the Amortized Face Amount (as defined in Condition 8.6 (*Early Redemption Amounts*)); and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

8 REDEMPTION AND PURCHASE

For the avoidance of doubt, all payments made in respect of Subordinated Notes and Hybrid Tier I Notes under this Condition 8 shall be subject to such further interpretations, amendments and clarifications as may be stipulated by the Reserve Bank of India from time to time.

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note), save for any Hybrid Tier I Note, will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date, subject to compliance with the applicable regulatory requirements, including in the case of Upper Tier II Subordinated Notes, the prior approval of the Reserve Bank of India.

The Hybrid Tier I Notes are perpetual with no scheduled maturity date and may only be redeemed in accordance with Conditions 8.2 (Redemption for tax reasons), 8.3 (Redemption at the Option of the Issuer (Issuer Call)) or 8.4 (Redemption of Hybrid Tier I Notes for Regulatory Reasons) and subject to the conditions and limitations set forth therein.

8.2 Redemption for tax reasons

Subject to Condition 8.6 (*Early Redemption Amounts*), in the case of Senior Notes or Subordinated Notes, at any time prior to the applicable Maturity Date, or in the case of Hybrid Tier I Notes, at any time prior to the first Optional Redemption Date as specified in the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee (in its absolute discretion) immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes for such Series; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that (1) in the case of Subordinated Notes, the prior approval of the RBI or such other relevant authority shall have been obtained, if necessary, (2) in the case of Hybrid Tier I Notes, the Conditions for Redemption set out in Condition 8.12 (*Conditions for Redemption of Hybrid Tier I Notes*) having been satisfied, and (3) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which, the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 8, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders a certificate signed by an authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

As used in this Condition 8, "**authorised officer of the Issuer**" shall mean a person (a) who is duly authorized by (i) the Chairman and Managing Director of the Issuer or (ii) the Fund Management Committee of the Issuer or (b) who is a constituted attorney of the Issuer.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.6 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, (1) in the case of Subordinated Notes, having obtained the prior approval of the Reserve Bank of India or other relevant authority, if necessary, (2) in the case of Hybrid Tier I Notes, the Conditions for Redemption set out in Condition 8.12 (*Conditions for Redemption of Hybrid Tier I Notes*) having been satisfied, and (3) in the case of any Note having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*); and

(b) not less than seven days before the giving of the notice referred to in (a) above, notice to the Trustee and the Principal Paying Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream and/or, as the case may be, DTC. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 (*Notices*) not less than 15 days prior to the date fixed for redemption.

Hybrid Tier I Notes and Upper Tier II Subordinated Notes may be redeemable at the option of the Issuer only upon the expiry of ten years from the date of issuance of the first Tranche of the Notes of such Series. Lower Tier II Subordinated Notes may be redeemable at the option of the Issuer in accordance with such terms and conditions as may be stipulated by the RBI at the time of granting approval for issuance of such Lower Tier II Subordinated Notes and in accordance with applicable notification procedures, if any.

Any optional redemption of the Notes is subject to compliance with applicable regulatory requirements, including the prior approval of the RBI. The RBI, while considering the request of the Issuer to so redeem the securities, may take into consideration, amongst other things, the Issuer's capital adequacy position both at the time of the proposed redemption and thereafter.

8.4 Redemption of Hybrid Tier I Notes for Regulatory Reasons

Subject to the Conditions for Redemption in Condition 8.12 (*Conditions for Redemption of Hybrid Tier I Notes*) having been satisfied, the Hybrid Tier I Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time prior to the first Optional Redemption Date as specified in the applicable Pricing Supplement, on giving not less than 30 nor more than 60 days' notice to the Trustee, the Paying Agents, the Transfer Agents, the Registrar, the SGX-ST, the ISM and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee (acting in its absolute discretion) immediately before the giving of such notice that for any reason, there is more than an insubstantial risk that for the purposes of the Reserve Bank of India's capital adequacy requirements under applicable regulations from time to time applicable to the Issuer, the Hybrid Tier I Notes, after having qualified as such, will no longer qualify as Tier I capital of the Issuer under applicable regulations (other than for the reason that the amount of Hybrid Tier I Notes exceeds any limitations prescribed by the Reserve Bank of India with respect to the amount that qualifies as Tier I capital) provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which it is determined that there is more than an insubstantial risk that for the purposes of the Reserve Bank of India's capital adequacy requirements under applicable regulations from time to time applicable to the Issuer the Hybrid Tier I Notes will no longer qualify as Tier I capital of the Issuer.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee:

(1) a certificate signed by an authorised officer of the Issuer stating that the circumstances referred to in this Condition 8.4 exist and is prevailing (including the requirements of Condition 8.12 (*Conditions for Redemption of Hybrid Tier I Notes*)) and setting out the details of such circumstances; and

(2) an opinion of independent legal advisers of recognized standing experienced in such matters to the effect that there is more than an insubstantial risk that for the purposes of the Reserve Bank of India's capital adequacy requirements under applicable regulations from time to time applicable to the Issuer, the Hybrid Tier I Notes, after having qualified as such, will no longer qualify as Tier I capital of the Issuer under applicable regulations (other than for the reason that the amount of Hybrid Tier I Notes exceeds any limitations prescribed by the Reserve Bank of India with respect to the amount that qualifies as Tier I capital),

and the Trustee shall be entitled without further action or inquiry to accept the certificate as conclusive and sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Hybrid Tier I Notes redeemed pursuant to this Condition 8.4 will be redeemed at their Regulatory Redemption Amount.

For the purposes of this Condition 8.4:

"**Applicable Spread**" shall be as provided in the applicable Pricing Supplement;

"**Base Redemption Amount**" means the sum of (i) 100.00 per cent. of the aggregate principal amount of the Hybrid Tier I Notes being redeemed and (ii) an amount equal to unpaid interest, if any, thereon for the relevant Interest Period;

"**Make Whole Amount**" means an amount, as applied on any date of redemption of the Hybrid Tier I Notes pursuant to this Condition 8.4, equal to the sum of (i) the present value of the outstanding principal amount of the Hybrid Tier I Notes, assuming a repayment thereof on the first Optional Redemption Date as set out in the applicable Pricing Supplement, and (ii) the present value of the remaining payments of interest scheduled to be paid to and including such first Optional Redemption Date, in each case discounted to the redemption date on the basis of the Day Count Fraction set forth in the Pricing Supplement, at the applicable Treasury Yield plus the Applicable Spread;

"**Regulatory Redemption Amount**" means an amount equal to the greater of (a) the Make Whole Amount and (b) the Base Redemption Amount; and

"**Treasury Yield**" shall be calculated by an independent investment bank of international repute, appointed by the Issuer (and notice thereof is given to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 15 (*Notices*)) for the purposes of performing any of the functions expressed to be performed by it in this Condition 8.4 (the "**Independent Investment Bank**"), in consultation with the Issuer, by the appointment of three or more other primary U.S. Government securities dealers in New York City (each a "**Primary Treasury Dealer**") or their respective successors as reference dealers, provided, however, that if any such dealer ceases to be a Primary Treasury Dealer, the Independent Investment Bank will (in consultation with the Issuer) substitute such dealer with another Primary Treasury Dealer. The Independent Investment Bank will select a United States Treasury security having a maturity comparable to the time period between the redemption date and the first Optional Redemption Date as set out in the applicable Pricing Supplement (the "**Make Whole End Date**"), which would be used in accordance with customary financial practice to price new issues of corporate debt securities with a maturity comparable to the Make Whole End Date. The reference dealers will provide the Independent Investment Bank with the bid and ask prices provided by each reference dealer to obtain such reference dealer's quotation. The Independent Investment Bank will eliminate the highest and lowest quotations and then calculate the average of the remaining quotations; provided, however, that if the Independent Investment Bank obtains fewer than three quotations, it will calculate the average of all the quotations without eliminating any of them (the "**comparable treasury price**"). The applicable Treasury Yield will be determined by the Independent Investment Bank and will be the annual equivalent yield to maturity of a security whose price is equal to the comparable treasury price, in each case expressed as a percentage of its principal amount.

8.5 Redemption of the Senior Notes at the Option of the Noteholders (Investor Put)

(a) If Investor Put is specified in the applicable Pricing Supplement

If Investor Put is specified in the applicable Pricing Supplement with respect to Senior Notes only, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 15 (*Notices*) not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Senior Note on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

(b) Put Option Exercise Procedures

To exercise the right to require redemption of a Senior Note the holder of such Senior Note must deliver a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a "**Put Notice**") accompanied by, if the Senior Note is in definitive form, the definitive Senior Note, to the specified office of any Paying Agent, in the case of Bearer Notes, or of any Transfer Agent or the Registrar in the case of Registered Notes, at any time within the notice period during normal business hours of such Paying Agent, Transfer Agent or the Registrar. In the Put Notice the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 8.

Any optional redemption of the Notes is subject to compliance with applicable regulatory requirements, including the prior approval of the RBI, which approval may be subject to such terms and conditions which the RBI may deem appropriate to impose.

8.6 Early Redemption Amounts

For the purpose of Conditions 8.2 (*Redemption for tax reasons*) and 8.5 (*Redemption of the Senior Notes at the Option of the Noteholders (Investor Put)*) above and Condition 11 (*Events of Default and Enforcement*),

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed, at an amount (the "**Amortized Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount = RP x (1 + AY)y where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365),

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

8.7 Installments

Installment Notes will be redeemed in the Installment Amounts and on the Installment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.6 (*Early Redemption Amounts*) above.

8.8 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 and the applicable Pricing Supplement.

8.9 Purchases

The Issuer may at any time purchase (i) Senior Notes and (ii) (subject to obtaining the prior approval of the Reserve Bank of India or other relevant authority) Subordinated Notes and/or Hybrid Tier I Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer surrendered to any Paying Agent and/or the Registrar for cancellation subject to applicable laws.

8.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.9 (*Purchases*) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent (which shall notify the Registrar of such cancelled Notes in the case of Registered Notes) and may not be reissued or resold.

8.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 8.1 (*Redemption at maturity*), 8.2 (*Redemption for tax reasons*), 8.3 (*Redemption at the Option of the Issuer (Issuer Call)*) or 8.5 (*Redemption of the Senior Notes at the Option of the Noteholders (Investor Put)*) above or upon its becoming due and repayable as provided in Condition 11 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.6(b) (*Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the monies payable in respect of such Zero Coupon Note has been received by the Trustee or the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

8.12 Conditions for Redemption of Hybrid Tier I Notes

The Issuer shall not redeem any of the Hybrid Tier I Notes or purchase and cancel the Hybrid Tier I Notes unless (i) the Issuer is solvent at the time of payment and immediately thereafter and (ii) the prior written consent of the Reserve Bank of India shall have been obtained (collectively, the "**Conditions for Redemption**"). Prior to any redemption of Hybrid Tier I Notes under this Condition 8, the Issuer shall deliver to the Trustee a certificate signed by an authorised officer of the Issuer confirming that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing which Conditions have been satisfied and whether any consent of the Reserve Bank of India is required, and if so required in connection with any such redemption or a redemption under Condition 8.2 (*Redemption for tax reasons*) or 8.4 (*Redemption of Hybrid Tier I Notes for Regulatory Reasons*), attaching thereto a copy of such consent as well as a certificate as to the solvency of the Issuer executed by an authorised officer of the Issuer. Such certificates and attachments shall be made available for inspection by the Noteholders. The Trustee shall be entitled without further action or enquiry to accept the certificate and attachment as conclusive and sufficient evidence of the contents and matters set forth therein.

Noteholders should note that it is intended that the Hybrid Tier I Notes should constitute Tier I instruments of the Issuer and, accordingly, under statute and regulatory requirements prevailing at the date of issue of the Hybrid Tier I Notes relative to Tier I instruments, and by virtue of the above provisions, any redemption of such Notes is subject to the prior consent of the Reserve Bank of India at the relevant time.

9 TAXATION

9.1 Payment without Withholding

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction (the "**Additional Amounts**"); except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6 (*Payment Day*); or

(c) presented for payment by or on behalf of a holder of such Note, Receipt or Coupon who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim.

9.2 Interpretation

As used herein:

(i) "**Tax Jurisdiction**" means

(A) where the Issuer is acting through its Head Office in India, India or any political subdivision or any authority thereof or therein having power to tax payments made by the Issuer of principal or interest on the Notes, Receipts or Coupons; or

(B) where the Issuer is acting through any branch outside India as specified in the applicable Pricing Supplement, India or any political subdivision or any authority thereof or therein having power to tax or the jurisdiction in which such branch is situated or any political subdivision or any authority thereof or therein having power to tax payments made by the Issuer of principal or interest on the Notes, Receipts or Coupons; and

(ii) "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the monies payable has not been duly received by the Trustee or the Principal Paying Agent or, as the case may be, the Registrar on or prior to such due date, it means the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15 (*Notices*).

9.3 Transfers or Sales

The Issuer has in the Trust Deed agreed, subject to receipt of written evidence reasonably satisfactory to the Issuer in respect thereof, to indemnify any transferor or transferee of a Note (or any beneficial interest therein), other than a transferor or transferee who is liable to Indian tax by reason of his having a connection with India, apart from the mere holding of a Note, against any loss resulting from the imposition of Indian income, capital gains or gift tax on transfer or sale of a Note outside India, provided that (i) such indemnity shall not (a) extend to any penalty interest or tax incurred as a result of any delay or failure on the part of the relevant transferor or transferee in complying the applicable tax laws and regulations and (b) be enforceable by any person other than the relevant transferor or transferee and (ii) the Issuer shall incur no liability in respect of this indemnity towards any person other than the relevant transferor or transferee. The foregoing indemnity will terminate upon the Issuer providing (a) certification signed by two authorised officers of the Issuer and (b) a reasoned legal opinion in writing of a practicing Indian taxation lawyer acceptable to the Trustee, that it is satisfied, on the basis of an appropriate amendment of the Income Tax Act 1961 of India that the Notes are not and are not deemed to be situated in India.

Under current RBI regulations applicable to external commercial borrowings, the Issuer would require the prior approval of RBI before making any payment under this indemnity. Such approval may or may not be forthcoming.

10 PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9.2 (*Interpretation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 or Condition 7.2 (*Presentation of definitive Bearer Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 7.2 (*Presentation of definitive Bearer Notes, Receipts and Coupons*).

11 EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Events of Default relating to Senior Notes

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Senior Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but, in the case of the happening of any of the events described in Conditions 11.1(b) and 11.1(c) and 11.1(e) to 11.1(g) inclusive and 11.1(j) (in respect of any event which has an analogous effect to any of the events referred to in Conditions 11.1(e) to 11.1(g) below), only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interest of the Noteholders) give notice in writing to the Issuer that each Senior Note is, and each Senior Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an "**Event of Default**") shall occur:

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and, in the case of interest, the default continues for a period of 15 days; or

(b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

(c) if (i) any other present or future Indebtedness for Borrowed Money of the Issuer becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (ii) any such Indebtedness for Borrowed Money is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness for Borrowed Money other than, in relation to this subparagraph (iii) only, in circumstances where the Issuer is (A) contesting in good faith in appropriate proceedings the fact that any such amount is due or (B) prohibited from making payment of any such amount by the order of a court having appropriate jurisdiction, provided that the aggregate amount outstanding of the relevant Indebtedness for Borrowed Money or amounts payable under the guarantees and/or indemnities in respect of one or more events mentioned above in this Condition 11.1(c) exceeds U.S.$25,000,000 or its equivalent in other currencies; or

(d) if any order is made under the Export-Import Bank of India Act, 1981 (as amended) by the Government of India for the winding up or liquidation of the Issuer, save for the purposes of reorganization on terms previously approved by an Extraordinary Resolution; or

(e) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganization on terms previously approved by an Extraordinary Resolution, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due; or

(f) if the Issuer (or its directors or shareholders) makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(g) if any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets or shares of the Issuer without fair compensation, unless, and for so long as, the Trustee is satisfied that such compulsory purchase or expropriation is being contested in good faith and by appropriate proceedings; or

(h) if at any time the Government of India owns (directly or indirectly) less than 51.00 per cent. of the issued share capital of the Issuer; or

(i) a moratorium is agreed or declared by the Issuer in respect of any Indebtedness for Borrowed Money (including any obligations arising under guarantees) of the Issuer; or

(j) if any event occurs, which, under the laws of India, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in Conditions 11.1(d) to 11.1(i) inclusive.

For the purposes of this Condition 11, "**Indebtedness for Borrowed Money**" means (i) any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or (ii) any borrowed money or (iii) any liability under or in respect of any acceptance or acceptance credit.

11.2 Events of Default relating to Subordinated Notes and Hybrid Tier I Notes

(a) *Subject to the provisions of Conditions 3.2(b) (Payment Deferrals on Upper Tier II Subordinated Notes) and 3.3(c) (Payment Limitation on Hybrid Tier I Notes), if default is made in the payment of any principal or interest due on the Subordinated Notes or the Hybrid Tier I Notes or any of them on the due date and, in the case of interest, such default continues for a period of 15 days the Trustee may, at its discretion and without further notice (subject to being indemnified and/or secured and/or pre-funded to its satisfaction), institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under the Subordinated Notes, the Hybrid Tier I Notes or the Trust Deed provided that the Issuer shall not, by virtue of the institution of any such proceedings other than in the event of a winding-up or liquidation of the Issuer, be obliged to pay any sums sooner than the same would otherwise have been payable by it.*

(b) *If any order of the Government of India is made for the winding up or liquidation of the Issuer, save for the purposes of reorganization on terms previously approved by an Extraordinary Resolution, the Trustee may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Subordinated Notes or (as the case may be) the Hybrid Tier I Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified and/or secured to its satisfaction) give notice to the Issuer that the Subordinated Notes or (as the case may be) the Hybrid Tier I Notes are, and they shall, subject to the prior approval of the Reserve Bank of India having been obtained, thereupon immediately become, due or repayable at the amount provided in, or calculated in accordance with, Condition 8.6 (Early Redemption Amounts), together with accrued interest as provided in the Trust Deed.*

11.3 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

12 REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and relevant stock exchange regulations at the specified office of the Principal Paying Agent or (where applicable) the Paying Agent in Singapore (in the case of Bearer Notes, Receipts, Coupons and Talons) or of the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 PRINCIPAL PAYING AGENT, REGISTRAR, EXCHANGE AGENT, PAYING AND TRANSFER AGENTS

The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Exchange Agent, the initial Registrar and the other initial Transfer Agents and their initial specified offices are set out below.

The Issuer is, with the prior written approval of the Trustee, entitled to vary or terminate the appointment of any Paying Agent, the Exchange Agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, Exchange Agents, Registrars or Transfer Agents and/or approve any change in the specified office through which any of the same acts, provided that:

(i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent and, if appropriate, a Registrar and Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;

(ii) so long as the Notes are listed on the SGX-ST or any successor thereto and the rules of the SGX-ST so require, there will at all times be a Paying Agent in Singapore where the Notes may be presented or surrendered for payment or redemption in the event that the Notes are issued in or exchanged for definitive form unless the Issuer obtains an exemption from the SGX-ST;

(iii) there will at all times be a Registrar and a Transfer Agent;

(iv) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent; and

(v) there will at all times be a Principal Paying Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 7.2 (*Presentation of definitive Bearer Notes, Receipts and Coupons*). Notice of any variation, termination, appointment or change in Paying Agents will be given promptly to the Noteholders in accordance with Condition 15 (*Notices*).

In acting under the Agency Agreement, the Principal Paying Agent, the Exchange Agent, the Registrar, the Paying Agents and the Transfer Agents act solely as agents of the Issuer and, in certain limited circumstances, of the Trustee and do not assume any obligation or trust for or with any Noteholders.

14 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*).

15 NOTICES

Notices to holders of Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by air mail to them at their respective addresses as recorded in the Register and will be deemed to have been validly given on the fourth day after the date of such mailing.

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading daily newspaper of general circulation in Asia or such other English language daily newspaper with general circulation in Asia as the Trustee may approve. It is expected that such publication will be made in the *Asian Wall Street Journal*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If, in the opinion of the Trustee, publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream or DTC, be substituted for such publication in such newspaper(s) or such delivery by mail the delivery of the relevant notice to Euroclear and/or Clearstream or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the first day after the day on which the said notice was given to Euroclear and/or Clearstream or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream or DTC, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream or DTC, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition 15 (*Notices*).

16 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10.00 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50.00 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons or the Trust Deed (including, inter alia, modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution,

(ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consent through the relevant clearing system(s) (or in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of, or to the waiver or authorization of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders to do so or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorization, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 16) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of an entity owned or controlled by the Issuer, subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (b) the Trustee being satisfied, in its absolute discretion, that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

Any such modification, waiver, authorization, determination or substitution shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, any such modification or substitution shall be promptly notified to Noteholders by the Issuer in accordance with Condition 15 (*Notices*).

17 INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (a) to enter into business transactions with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

18 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date on which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20 GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with any of the foregoing are governed by, and shall be construed in accordance with, English law except that, in the case of Subordinated Notes, Clause 2.7 (*Winding Up*) of the Trust Deed and Condition 3.2 (*Status of the Subordinated Notes*), and in the case of Hybrid Tier I Notes, Condition 3.3 (*Status of the Hybrid Tier I Notes*) is governed by, and shall be construed in accordance with, Indian law.

20.2 Submission to jurisdiction

(a) Subject to Condition 20.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (a "**Dispute**") and all Disputes will be submitted to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 20.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) This Condition 20.2(c) is for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders only. To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer irrevocably appoints the Export-Import Bank of India, London Branch at its specified office for the time being as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of the Export-Import Bank of India, London Branch being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

20.4 Waiver of immunity

The Issuer irrevocably and unconditionally with respect to any Dispute (i) waives any right to claim sovereign or other immunity from jurisdiction, recognition or enforcement and any similar argument in any jurisdiction, (ii) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts or the courts of any competent jurisdiction in relation to any Dispute and (iii) consents to the giving of any relief (whether by way of injunction, attachment, specific performance or other relief) or the issue of any related process, in any jurisdiction, whether before or after final judgment, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Dispute.

USE OF PROCEEDS

The Issuer may issue Notes, from time to time, acting through its Head Office in India, the London Branch or any foreign branch.

The net proceeds of each issue of Notes to be issued by the Issuer, acting through its Head Office in India, will be utilized in compliance with the approval issued by the RBI and regulatory guidelines applicable to external commercial borrowings under Indian law (see "*General Information*") to provide funding for: (a) export lines of credit ("**LOCs**") and buyer's credit granted by the Issuer to overseas governments, banks, institutions and other entities; (b) loans for overseas investment and/or participation in equity of the overseas joint ventures; (c) import of capital goods by export oriented units; (d) concessional financing schemes; and (e) foreign currency loans.

An example of such particular identified use of proceeds may be, if so designated in the relevant Pricing Supplement, the allocation of net proceeds from the issue of a certain Series or Tranche of Notes to finance or refinance, in whole or in part, new or existing eligible green and/or social projects under the Issuer's environment, social and governance framework ("**ESG Framework**"). The complete ESG Framework is available on the Issuer's website.

The net proceeds of each issue of Notes to be issued by the Issuer, acting through its London Branch or any foreign branch, will be utilized for the business of the Issuer in compliance with the applicable laws and regulations of the jurisdiction of India and the jurisdiction in which the relevant branch is established.

RISK FACTORS

This Offering Circular contains forward-looking statements that involve risks and uncertainties. Each investor should carefully consider the following risk factors as well as the other information contained in this Offering Circular prior to making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of the Bank and the terms of the offering of the Notes, including the merits and risks involved. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to the Bank or factors that the Bank currently deems immaterial may also adversely affect the Bank's business, financial condition, results of operations and prospects.

Risks relating to the business of the Bank

The global outbreak of COVID-19 has adversely affected, and may continue to adversely affect, the Bank's business.

The Bank's business has been affected, and may continue to be adversely affected, by the global outbreak of a novel strain of coronavirus (i.e. COVID-19). The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020. The COVID-19 pandemic has been one of the most significant global health crises in recent times and caused a global recession. The COVID-19 pandemic has exposed the risks of sudden restrictions of economic activity and supply chain disruptions worldwide. In addition, the emergence of new COVID-19 variants could lead to resurgence in infection rates and re-imposition of tight border control and disruptions and restrictions on movement and economic activities, posing further risk to economic growth. The resurgence in infection rates and fatalities could lead to further restrictions which in turn could prolong production and supply-chain disruptions and delay the restoration of business and consumer confidence. These may result in a prolonged global economic crisis or recession, which may in turn adversely impact the Bank's business, financial condition and results of operations.

In addition, COVID-19 has led to significant volatility in the global markets across all asset classes, including stocks, bonds, oil and other commodities and this volatility may persist for some time. Such uncertainties and volatilities may adversely affect the Indian economy and the economy globally, the Bank, its business and financial condition, results of operations, prospects, liquidity and capital position. Domestically, GDP growth in India rose by 8.7 per cent in fiscal year 2022, with the phased lockdown during the second wave of infections during the first quarter of the fiscal year 2022 and the omicron wave in January 2022 impairing economic activity. The deepening of the contraction in global activity and trade, accentuated by the rapid spread of COVID-19, has crippled external demand. In turn, this has impacted India's foreign trade sector as the exports and imports have contracted during the fiscal year 2022.Governments and central banks across the world, including in India, have introduced fiscal and monetary stimulus measures including direct subsidies, tax cuts, interest rates cuts, quantitative easing programs and suspension or relaxation of prudential bank capital requirements. These measures aim to contain the economic impact of the COVID- 19 pandemic, stabilize the capital markets and provide liquidity easing to the markets. In addition, the Indian regulators have promulgated a series of measures to encourage Indian financial institutions to increase financial support to business and consumers to combat the challenges arising from the COVID- 19 pandemic. The Indian regulators had suspended portions of the Insolvency and Bankruptcy Code, 2016 of India for six months (which was later extended further up to a year) as a result of the COVID-19 pandemic. Fresh insolvency proceedings were suspended on March 25, 2020 and such suspension has been lifted on March 24, 2021.

The RBI in March 2020 and May 2020 issued guidelines to lending institutions for certain regulatory measures to mitigate the burden of debt servicing of the existing borrowers, brought about by disruptions on account of the COVID-19 pandemic. The Bank offered the moratorium package to its entire commercial loan portfolio. Several borrowers of the Bank sought deferment of their principal and interest installments, falling due between March 1, 2020 and August 31, 2020. The moratorium period ended on August 31, 2020. In addition, the Bank approved policies in place for (a) implementing a resolution framework to address COVID-19 related stress for its eligible borrowers under the commercial loan portfolio and (b) a one-time restructuring of existing loans to micro, small and medium enterprises. The RBI, pursuant to its circular dated August 6, 2020, introduced One Time Restructuring (OTR) resolution framework for the borrowers facing stress on account of COVID-19. As on March 31, 2022, a total of ten borrowers with aggregate outstanding of ₹7.65 billion as on the date of implementation of OTR had requested the Bank for resolution under the said framework. OTR was successfully implemented for nine borrower accounts with aggregate outstanding of ₹7.39 billion.

Furthermore, as of March 31, 2020, 2021 and 2022, gross non-performing loans ("**NPLs**") of the Bank amounted to ₹93,618.34 million, ₹74,130.49 million and ₹43,470 million, respectively.

Further, while most parts of the world are moving from a pandemic into an endemic state of COVID-19, there is no assurance that another outbreak will not lead to decreased demand for services the Bank provides; nor is there assurance that the outbreak's adverse impact on the Indian economy and the Bank's customers, will not adversely affect the level of its non-performing loans. If the Bank is not able to control or reduce the level of non-performing loans, the overall quality of the Bank's assets may deteriorate which may materially and adversely affect the Bank's business, financial condition and results of operations.

The longer-term effects of the COVID-19 pandemic on the Bank's businesses are uncertain. Further, in the event a member or members of our management team contracts COVID- 19, it may potentially affect our Bank's operations. There can be no assurance that the Bank's financial performance for the year ending March 31, 2023 will not be materially and adversely affected by any such effects, whether direct or indirect, of COVID-19. Investors must exercise caution before making any investment decisions.

The ongoing military action between Russia and Ukraine could adversely affect the Bank's business, financial condition and results of operations.

On February 24, 2022, Russian military forces launched a military action in Ukraine, and sustained conflict and disruption in the region is likely. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

Russia's recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military action against Ukraine have led to an unprecedented expansion of sanction programs imposed by the United States, the European Union, the United Kingdom, Canada, Switzerland, Japan and other countries against Russia, Belarus, the Crimea Region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic, including, among others:

- blocking sanctions against some of the largest state-owned and private Russian financial institutions (and their subsequent removal from the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") payment system) and certain Russian businesses, some of which have significant financial and trade ties to the European Union;

- blocking sanctions against Russian and Belarusian individuals, including the Russian President, other politicians and those with government connections or involved in Russian military activities; and

- blocking of Russia's foreign currency reserves as well as expansion of sectoral sanctions and export and trade restrictions, limitations on investments and access to capital markets and bans on various Russian imports.

In retaliation against new international sanctions and as part of measures to stabilize and support the volatile Russian financial and currency markets, the Russian authorities also imposed significant currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non-Russian parties, banned exports of various products and other economic and financial restrictions. For further details on sanctions, see also "–The Bank's business may be affected by sanctions, export controls and similar measures targeting Russia and other countries and territories as well as other responses to Russia's military action in Ukraine." The situation is rapidly evolving as a result of the conflict in Ukraine, and the United States, the European Union, the United Kingdom and other countries may implement additional sanctions, export controls or other measures against Russia, Belarus and other countries, regions, officials, individuals or industries in the respective territories. Such sanctions and other measures, as well as the existing and potential further responses from Russia or other countries to such sanctions, tensions and military actions, could adversely affect the global economy and financial markets and could adversely affect the Bank's business, financial condition and results of operations.

We are actively monitoring the situation in Ukraine and assessing its impact on the Bank's business, including its business partners, suppliers and customers. To date, the Bank has not experienced any material interruptions in its infrastructure, supplies, technology systems, networks or any other areas needed to support its operations. We have no way to predict the progress or outcome of the conflict in Ukraine or its impacts in Ukraine, Russia or Belarus as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and the Bank's business for an unknown period of time. Any of the abovementioned factors could affect the Bank's business, financial condition and results of operations.

The Bank's business may be affected by sanctions, export controls and similar measures targeting Russia and other countries and territories as well as other responses to Russia's military action in Ukraine.

As a result of Russia's military action in Ukraine, governmental authorities in the United States, the European Union and the United Kingdom, among others, launched an expansion of coordinated sanctions and export control measures, including:

- blocking sanctions on some of the largest state-owned and private Russian financial institutions (and their subsequent removal from SWIFT);
- blocking sanctions against Russian and Belarusian individuals, including the Russian President, other politicians and those with government connections or involved in Russian military activities;
- blocking sanctions against certain Russian businessmen and their businesses, some of which have significant financial and trade ties to the European Union;
- blocking of Russia's foreign currency reserves and prohibition on secondary trading in Russian sovereign debt and certain transactions with the Russian Central Bank, National Wealth Fund and the Ministry of Finance of the Russian Federation;
- expansion of sectoral sanctions in various sectors of the Russian and Belarusian economies and the defense sector;
- United Kingdom sanctions introducing restrictions on providing loans to, and dealing in securities issued by, persons connected with Russia;
- restrictions on access to the financial and capital markets in the European Union, as well as prohibitions on aircraft leasing operations;
- sanctions prohibiting most commercial activities of U.S. and EU persons in Crimea and Sevastopol;
- enhanced export controls and trade sanctions targeting Russia's imports of technological goods as a whole, including tighter controls on exports and reexports of dual-use items, stricter licensing policy with respect to issuing export licenses, and/or increased use of "end-use" controls to block or impose licensing requirements on exports, as well as higher import tariffs and a prohibition on exporting luxury goods to Russia and Belarus;
- closure of airspace to Russian aircraft; and
- ban on imports of Russian oil, liquefied natural gas and coal to the United States.

As the conflict in Ukraine continues, there can be no certainty regarding whether the governmental authorities in the United States, the European Union, the United Kingdom or other counties will impose additional sanctions, export controls or other measures targeting Russia, Belarus or other territories.

The Bank's business must be conducted in compliance with applicable economic and trade sanctions laws and regulations, including those administered and enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council and other relevant governmental authorities. The Bank must be ready to comply with the existing and any other potential additional measures imposed in connection with the conflict in Ukraine.

The Bank does not currently have contracts directly with the entities or businesses on the sanctions list and it currently does not have operations in Russia, Belarus, the Crimea Region of Ukraine, the so- called Donetsk People's Republic or the so-called Luhansk People's Republic. We continuously review and monitor the Bank's contractual relationships with suppliers and customers to establish whether any are target of the applicable sanctions. In the unlikely event that we identify a party with which the Bank has a business relationship that is the target of applicable sanctions, we would immediately activate a legal analysis of what gives rise to the business relationship, including any contract, to estimate the most appropriate course of action to comply with the sanction regulations, together with the impact of a contractual termination according to the applicable law, and then proceed as required by the regulatory authorities. However, given the range of possible outcomes, the full costs, burdens, and limitations on the Bank and its customers' and business partners' businesses are currently unknown and may become significant.

Furthermore, even if an entity is not formally subject to sanctions, customers and business partners of such entity may decide to re-evaluate or cancel projects with such entity for reputational or other reasons. Depending on the extent and breadth of sanctions, export controls and other measures that may be imposed in connection with the conflict in Ukraine, it is possible that the Bank's business, financial condition and results of operations could be materially and adversely affected.

The business of lending carries the risk of default by borrowers.

Any lending activity is exposed to credit risk arising from the risk of defaults by borrowers. Credit risk is defined as the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into and that pledged collateral does not fully cover the lender's claims. As of March 31, 2022, approximately 21 per cent of the Bank's total loans outstanding was by way of unsecured loans, including refinanced loans to banks; approximately 19 per cent of the outstanding loans was classified as secured; and the remaining 60 per cent was outstanding under the LOC, BC-NEIA category. See also "*Selected Statistical Data*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". Changes in economic conditions and the level of systemic risk in the financial system may result in a deterioration in the value of security held against lending exposures and increase the risk of loss in the event of borrower default.

In addition, changes in the credit quality of the Bank's borrowers, and a failure by the Bank to manage changes in credit policy, could reduce the value of the Bank's assets and require increased provisions for bad and doubtful debts. The Bank extended LOCs, at the behest and with the support of the GoI, to foreign sovereigns, foreign central banks, national and regional development banks, overseas financial institutions and other parastatal agencies. The LOC portfolio is secured by an unconditional and irrevocable deed of guarantee issued by the GoI to the Bank, securing the repayment of principal and payment of interest. The sovereign borrowers under the LOCs remit the interest and principal installments with occasional delays due to time-consuming processes and requirement for budgetary approvals and allocations. In certain events such as economic slowdown, a borrower government may request the GoI for restructuring of an LOC, and the GoI, upon consideration, approves such restructuring involving deferment of the dues. The GoI continues to support such restructured LOCs through its unconditional and irrevocable guarantee. As per the RBI's Income Recognition, Asset Classification and Provisioning (IRACP) norms, such restructured accounts carrying GoI guarantee may continue to be classified as performing assets in the books of the Bank and the Bank recognizes income only on receipt basis where dues from such borrowers exceed 90 days. Although the Bank does not take any haircut or sacrifice in case of such restructuring, there is an ongoing discussion between the Bank and the RBI regarding making suitable provisions for such restructured accounts under the LOC portfolio while continuing to classify the accounts as performing assets. The Bank has initiated a discussion in the matter with the GoI and shall take a suitable decision in consultation with the GoI, based on the outcome of these discussions. In addition to the interest equalization support under the LOC portfolio provided by GoI to the Bank, GoI has also established a mechanism to provide additional budgetary support to the Bank and introduced a line item in the Union Budget, for payments to the Bank towards interest overdues of borrowers that are beyond 90 days. GoI, since 2019, makes payment for such overdues to the Bank based on claims submitted by the Bank until such time the payments are regularized by the borrowers under the LOC portfolio.

As of March 31, 2022, 3.56 per cent of the Bank's gross loan assets and 0.00 per cent of its net loans were classified as NPAs. See also "*Selected Statistical Data*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". Although the Bank has increased its efforts to tighten its credit appraisal systems, credit risk monitoring and management systems and to improve collections on existing NPAs, there is no assurance that it will continue to be successful in its efforts to reduce NPA levels, collect on existing NPAs or that the overall quality of its loan portfolio will not deteriorate in the future. There can also be no assurance that the percentage of NPAs that the Bank will be able to recover will be similar to the Bank's past experience of recoveries of NPAs. Furthermore, as of March 31, 2022, the Bank had NPAs amounting to ₹43.47 billion (US$0.57 billion). See also "*Selected Statistical Data*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". There can be no assurance that borrowers will be able to meet their obligations under their loans. Any resulting increase in delinquency levels may adversely impact the Bank's financial performance and the trading price of Notes. Further, any failure to recover the expected value of security provided to the Bank could have a direct impact on Bank's business and expose the Bank to losses and, in turn, could materially affect the Bank's business.

If the Bank is not able to continue to reduce its existing NPAs, or if there is a significant increase in the amount of new loans classified as NPAs, the Bank's asset quality may deteriorate, its provisioning for probable losses may increase and its business, future financial performance and the trading price of Notes could be adversely affected.

The Bank's business depends mainly on demand for Indian exports, which are concentrated by region and sector.

As India's export credit agency, the Bank supports Indian exporters, contractors and investors through various credit programs. Accordingly, the Bank's business and growth prospects depend significantly on the demand for Indian exports. The COVID-19 outbreak has resulted in many countries tightening border controls and restricting international movement, resulting in a lower level of export activity, thus affecting the demand for the Bank's products and services. Adverse changes in the general level of Indian exports would similarly affect demand for the Bank's products and services, and reduce the size of the Bank's loan portfolio. Merchandise exports and imports of India in fiscal year 2022 stood at US$421.9 billion and US$612.6 billion, respectively. India's merchandise trade as a percentage of its GDP rose to 33.0 per cent in fiscal year 2022 (as compared with 25.8 per cent in fiscal year 2021) as a result of recovery in external demand driven by the easing of pandemic related restrictions and economic stimulus packages. See also *"– A decline in the external trade environment could affect the Bank's business and the trading price of Notes*".

The business sector and geographic distribution of the loans extended by the Bank are closely related to the composition of Indian exports and policy business carried out on behalf of the Government, and the Bank's loan portfolio relates to exports concentrated in certain countries and sectors. As of March 31, 2022, approximately 43.03 per cent of the Bank's overseas country exposure (excluding exposures in India) related to Africa, 45.87 per cent to South Asia, 2.49 per cent to South East Asia and Pacific Region and 8.62 per cent to other countries. The Bank's country exposure arises from LOCs, overseas buyers' credits, buyers' credits under NEIA ("**BC-NEIA**"), concessional financing scheme and assistance extended to overseas ventures of Indian entities under the Overseas Investment Program and Direct Equity Participation program. Any deterioration of the political and economic conditions in these countries, or a downturn in any of these sectors, individually or in the aggregate, may adversely affect the general demand for Indian exports and the financial condition of the companies operating in such sectors and may result in, among other things, a decrease in loans to exporters, defaults on their obligations owed to the Bank or a need for the Bank to increase provisions in respect of such loans, any of which could have an adverse effect on the Bank's business, financial condition and results of operations.

The Indian corporate banking and financial services industry is very competitive.

The Bank faces increasing competition from Indian and foreign banks in its corporate products and services. Direct finance accounted for approximately 86 per cent of the Bank's total loans as of March 31, 2022. Competition from commercial banks for export credit and corporate financing has increased significantly in recent years on account of their access to low-cost retail/float funds, foreign currency non-resident funds. The Bank's funding costs are generally higher than those of commercial banks as it does not have access to funding from savings deposits of customers. Accordingly, the Bank's ability to compete with commercial banks in corporate lending will depend, to some extent, on its ability to obtain low-cost sources of funding in the future. Furthermore, the Bank has limited distribution capabilities as compared to other Indian banks due to its limited branch network. Competition in this market segment has also increased as a result of other liberalization measures affecting the banking industry in India and the Bank expects competition to intensify in the future.

Although the Bank has sought to address this limitation by entering into cooperation arrangements with select commercial banks, leveraging on the latter's distribution networks, and also by means of proactive business origination, if the Bank is unable to compete effectively with other banks, the Bank's business, future financial performance and the trading price of Notes may be adversely affected.

The Bank is entirely state-owned, is subject to government control and relies upon the Government for capital support.

The Bank is wholly owned by the Government and the interests of the Government may differ from those of Noteholders and there can be no assurance that the Government's policies and decisions regarding the Bank will not negatively affect Noteholders and the value of Notes. In particular, the Bank is an instrument of Government policy as India's official export credit agency, rather than being primarily a profit-oriented institution. The Bank has been mandated to support foreign trade and Indian investors operating overseas and certain of the other principal strategies of the Bank are determined by India's priorities, such as enhancing exports from India and promoting cross-border trade and investments. Moreover, although the Bank has not experienced pressure from the Government to date to conduct transactions upon more favorable terms with Indian state-owned or state-controlled legal entities or to deviate from its credit and lending policies and procedures, there can be no assurance that the Bank will not be directed or come under pressure to engage in activities with a lower profit margin than it would otherwise pursue, or to provide financing to certain companies or entities on favorable or non-market terms. Any such strategies or actions may not necessarily be the same as those pursued by an independent profit-oriented institution. Furthermore, the Bank's credit rating is also dependent on the rating of the Indian sovereign and any change in the sovereign credit rating is likely to have a direct impact on the Bank's credit rating and cost of borrowing.

The Bank's sources of funds include periodic capital contributions from the Government, which amounted to ₹15 billion for the year ended March 31, 2020, ₹13 billion for the year ended March 31, 2021 and ₹7.50 billion for the year ended March 31, 2022. As of March 31, 2022, the paid-up capital of the Bank was ₹159.09 billion.

The Act provides that the Bank's capital may only be subscribed to by the Government. While the Bank believes that it has a good relationship with the Government, there can be no assurance that Government support will continue in the future in the same manner or at all. Any reduction in capital contributions, loans and other forms of Government support could adversely affect the Bank's business, its future financial performance and the trading price of Notes.

The Bank's business is vulnerable to volatility in interest rates.

Over the last several years, the Government and the RBI have substantially deregulated interest rates. As a result, interest rates are now primarily determined by the market, which has increased the interest rate risk exposure of all banks and financial institutions, including the Bank. The Bank's results of operations are largely dependent upon the level of its interest margins. Interest rates are sensitive to factors beyond the Bank's control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors. Interest rate movements could lower the margins earned on interest-earning assets and could adversely affect the Bank's business, its future financial performance and the trading price of Notes. Although the Bank has adopted procedures and policies aimed at minimizing foreign exchange risks (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*"), these measures may not adequately protect the Bank's business, financial condition and results of operations from the effect of exchange rate fluctuations or may limit any benefit that the Bank might otherwise receive from favorable movements in exchange rates.

In addition, any inability of the Bank's borrowers to acquire U.S. dollars as a result of local foreign exchange controls, currency devaluation, or otherwise, could affect their ability to repay their loans, which in turn could have a material adverse effect on the Bank's business, results of operations, financial condition and cash flows.

The Bank may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.

The United States maintains comprehensive primary sanctions with respect to, *inter alia*, the following countries: (i) the Crimea region of Ukraine; (ii) Cuba; (iii) Iran; (iv) North Korea; and (v) Syria (collectively, the "**Sanctioned Countries**"). As an entity organized in India, the Bank is generally not directly subject to these sanctions, except to the extent that it engages in activities that occurs within the United States. The United States also maintains a secondary sanctions regime applicable to persons worldwide who knowingly engage in specified sanctionable activities. The United States' implementation of the Joint Comprehensive Plan of Action (the "**JCPOA**") on January 16, 2016 resulted in the temporary lifting of many of the United States' secondary sanctions with respect to Iran's nuclear program. However, on May 8, 2018 the previous president of the United States announced the decision to cease the U.S. participation in the JCPOA. The applicable sanctions came into full effect at the end of respective 90-day and 180-day wind-down periods. November 4, 2018 marked the final day of the 180-day wind-down period. On November 5, 2018, the United States fully re-imposed the sanctions on Iran that had been lifted or waived under the JCPOA. These are the toughest U.S. sanctions ever imposed on Iran, and will target critical sectors of Iran's economy, such as the energy, shipping and shipbuilding, and financial sectors. Country risk ratings of Iran has been downgraded by Dun & Bradstreet to DB6c (very high risk) from DB5b (high risk) with a deteriorating outlook as a result of the renewed sanctions. Foreign exchange risks, transfer risks therefore remain elevated because of the adverse impact on the domestic banking sector of Iran as well as the cash flow of Iranian companies. Cross border supply chain risks also remain high due to regional insecurity and political tensions. The launch of a special purpose vehicle ("**SPV**") in February 2019 known as INSTEX (Instrument in Support of Trade Exchanges) by France, Germany and the United Kingdom would provide some support to trade flows with Europe. This would be initially focusing on sectors like pharmaceuticals, medical devices and agricultural goods and equipment which are considered on humanitarian grounds. The first transaction under the INSTEX mechanism was completed in March 2020 to facilitate export of medical goods from Europe to the COVID-19 pandemic-hit Iran. As of July 2021, other sovereign states to join INSTEX are Belgium, Denmark, the Netherlands, Finland, Spain, and Sweden. INSTEX functions as a clearing house that facilitates the exchange of payment transactions between Europe and Iran. In coordination with the Iranian counterpart, the Special Trade and Finance Instrument ("**STFI**"), INSTEX settles mutual claims and liabilities by means of clearing debts (forfaiting) within a 'closed loop' financial system that minimises cross-border payments between Europe and Iran. INSTEX and STFI are exploring solutions to allow for the further expansion of trade activity.

The Russian economy is entering into an intensely difficult and uncertain phase due to major economic and trade sanctions being placed by the EU, the US, and other advanced economies such as Japan, Singapore, and South Korea. A range of sanctions under the "Russian Harmful Foreign Activities Sanctions" along with the "Ukraine-/Russia Related Sanctions" have been imposed by the US. The sanctions are severe and would adversely impact Russia's ability to effectively manage international trade. These include sanctions on Russia's foreign-exchange reserves, freezing of assets, and exclusion from the international banking payment system SWIFT and restrictions have been applied on products traded with Russia. According to the D&B, Russia's score has been downgraded to DB6d (very high risk) with a "rapidly deteriorating" outlook.

The Bank extends loans in the form of lines of credit that have been approved by the Government to foreign governments or their nominated agencies, such as: central banks, state-owned commercial banks and parastatal organizations; national or regional development banks; overseas financial institutions; overseas commercial banks; and other overseas entities that could be located in Sanctioned Countries. The recipients of these lines of credit use the funds for the import of Indian equipment, goods and services. The Bank may also offer buyer's credit either on its own or under the National Exports Insurance Account ("**NEIA**"), a trust set up by India's Ministry of Commerce and administered by the ECGC Ltd. (formerly Export Credit and Guarantee Corporation of India), to foreign governments and government-owned entities that could be located in Sanctioned Countries for import of goods and services from India on deferred credit terms. The Bank also supports overseas investment finance by Indian companies in joint ventures that could be located in Sanctioned Countries. The Bank may also, from time to time, extend certain other lines of credit, concessional financing schemes, buyer's credit, or provide overseas investment finance services, to entities located in Sanctioned Countries.

The Bank's exposure to recipients of lines of credit or overseas investment finance in comprehensive Sanctioned Countries (specifically, Cuba and Syria was US$152.87 million as of March 31, 2022, which represented approximately 0.59 per cent of the Bank's total credit exposure as of such date. The Bank had no direct exposure to the recipients of buyer's credit in such Sanctioned Countries as of March 31, 2022. The Bank had total loans outstanding to recipients of lines of credit or overseas investment finance in Cuba and Syria of approximately US$13.25 million as of March 31, 2022, which represented approximately 0.83 per cent of the Bank's total gross outstanding loans as of such date. The Export Development Fund (the "**EDF**") is a special fund of the Bank that is administered by the Bank but over which the Bank exercises few management rights as the Government must approve all investments by the EDF. In December 2014, the EDF entered into a framework agreement with seven Iranian banks (namely, Bank Keshavarzi, Bank of Industry and Mine, Bank Pasargad, En Bank (Bank Eghtesad Novin), Karafarin Bank, Parsian Bank and Saman Bank) for a buyer's credit facility of ₹9,000 million for financing the export of goods and services from India to Iran. In September 2015, the Government approved in principle a guarantee of 30,000 million for the EDF under the Fiscal Responsibility and Budget Management Act of 2003. On May 4, 2016, the EDF amended the Framework Agreement to increase the aforementioned buyer's credit facility from ₹9,000 million to ₹30,000 million. The Government's Department of Financial Services, Ministry of Finance has directed the Bank to raise the funds as an interim measure through appropriate market instruments in one or more tranches and invest the proceeds in the EDF to finance the above buyer's credit, until such time that the EDF raises resources and repays the Bank. As of March 31, 2022, an amount of ₹4.57 billion was outstanding as loans advanced by the EDF.

The Bank has significant credit exposure to certain borrowers and industries. If a substantial portion of these loans were to become non-performing, the asset quality of the Bank's loan portfolio could be adversely affected.

As of March 31, 2022, the Bank's total credit exposure, which comprises outstanding loans and guarantees and unutilized loan and guarantee sanctions to customers ("**Credit Exposure**") was ₹1,959.78 billion (US$25.86 billion). The ten largest individual borrowers and borrower groups of the Bank in aggregate accounted for approximately 7.67 per cent and 8.65 per cent respectively, of the Bank's total Credit Exposure as of March 31, 2022. The Bank's single largest borrower accounted for 15.49 per cent of the Bank's Total Capital Funds ("**TCF**") as of March 31, 2022. Credit losses on account of these exposures could affect the Bank's future performance, financial condition and the trading price of Notes. The Bank's major industrial Credit Exposures are to engineering procurement and construction services (12.20 per cent), financial services 10.69 per cent), chemical and dyes (8.83 per cent), construction (8.44 per cent), petrochemicals (5.91 per cent) and petroleum products (5.64 per cent), which together accounted for 51.72 per cent of the Credit Exposure (excluding exposure to banks and exposure to overseas entities under lines of credit and buyer's credit) and 18.14 per cent of the total Credit Exposure of the Bank as of March 31, 2022. If the loans to these borrowers or sectors were to become non-performing, the Bank's future financial performance and the trading price of Notes could be adversely affected.

The Bank has contingent liabilities.

As of March 31, 2022, the Bank had contingent liabilities of approximately ₹158.45 billion on account of guarantees, standby letters of credit, letters of credit, uncalled monies on partly paid investments and debentures, claims against the Bank not acknowledged as debt and disputed tax and legal claims. If the Bank's contingent liabilities materialize, this may have an adverse effect on the Bank's future financial performance and the trading price of Notes.

The Bank's risk management policies and procedures may leave the Bank exposed to unidentified or unanticipated risks, which could negatively affect its business or result in losses.

The Bank's hedging strategies and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. Although the Bank has established these policies and procedures, there can be no assurance that these policies and procedures will adequately control, or protect the Bank against, all credit, liquidity, market and other risks.

Certain covenants relating to the borrowings of the Bank are restrictive.

Certain of the agreements relating to the borrowings of the Bank contain restrictive covenants which preclude the Bank from undertaking any form of transfer of assets, merger or consolidation without the consent of the relevant lenders. Further, certain covenants also require the Government to hold a specified percentage of shareholding in the Bank. A breach of any of the above covenants may constitute an event of default triggering acceleration of the loan and the cross-default provisions under the various loan agreements. Any event which may result in the acceleration and prepayment of the facilities granted under the loan agreements prior to their maturity may have an adverse effect on the financial condition, future performance and the trading price of Notes.

The Bank relies on key management and qualified personnel.

The Bank is dependent on members of its Board of Directors and key management and qualified personnel for the implementation of its strategy. Moreover, the Bank's continued success will depend, in part, on its ability to continue to retain, motivate and attract, in cases where needed, qualified and experienced personnel. While the Bank believes it has effective staff recruitment, training and incentive programs in place, it is not possible to guarantee that constraints in human resources will not arise in the future. If the Bank loses the services of any of its existing key personnel without timely and suitable replacements, or is unable to attract and retain new personnel with suitable experience, the Bank's business, financial condition, results of operations and prospects may be materially and adversely affected.

Risks relating to India

The volatility of the Rupee may adversely affect the Bank's business.

The Rupee has depreciated against the U.S. dollar in the past few years as a result of factors such as rising crude oil prices and global trade tension. Continued depreciation in the Rupee's value may have an adverse impact on the Bank's business, prospects, financial condition, results of operations and cash flows.

According to RBI's Monetary Policy Report April 2022, the nominal exchange rate (the Indian rupee or INR vis-à-vis the US dollar) has exhibited two-way movements in a range of INR 74-77 per US dollar since October 2021. The INR exhibited a depreciating bias till the middle of December 2021 over concerns about the economic fallout from the Omicron wave, elevated crude oil prices, and expectations of faster rate hikes by the US Federal Reserve. Subsequently, as the Omicron caseloads declined sharply, the INR showed signs of appreciation. The INR came under pressure from late February 2022, as it depreciated amidst FPI outflows, the strengthening US dollar, increasing market expectations of a faster than anticipated monetary policy normalisation by the US Federal Reserve and other major AEs, rise in crude oil prices and escalating geopolitical tensions, touching a low of ₹76.92 per US dollar on March 7, 2022. The INR reversed some of these losses in the subsequent days with the correction in crude oil prices and stood at ₹75.81 on March 31, 2022. Overall, the INR depreciated by 0.4 per cent vis-à-vis the U.S. dollar during the fiscal year 2022. Should the INR depreciate by 5 per cent from the baseline, inflation could edge up by around 20 bps while GDP growth could be higher by around 15 bps through increased net exports; the exchange rate passthrough to inflation can, however, be non-linear and time-varying in an environment of high volatility in financial and commodity markets. On the other hand, given that India is among the fastest growing large economies with relatively better growth outlook, strong capital flows led by foreign direct investment could continue. In this scenario, if the INR appreciates by 5 per cent relative to the baseline, inflation and GDP growth could moderate by around 20 bps and 15 bps, respectively (Monetary Policy April 2022). However, most currencies have been depreciating because of the dollar upcycle. The Indian Rupee has performed relatively better than some of the other emerging market currencies vis-à-vis the dollar.

Domestic inflation may cause a rise in lending rates, which could have an adverse impact on the Bank.

The headline inflation based on the consumer price index ("**CPI**") stood at 5.5 per cent during the fiscal year 2021-22 compared to 6.2 per cent in the previous year. After easing to 4.3 per cent in September 2021, CPI inflation rose in the following months to reach 7.8 per cent in April 2022, driven by the increase in food and fuel inflation. According to the Monetary Policy Report April 2022 by the RBI, with international petroleum product prices remaining on upward trajectory, fuel group inflation remained in double digits during September to December 2021, moderating a little to 9.3 per cent in January 2022 and further to 8.7 per cent in February. Fuel price pressures were further seen in April 2022, with fuel group inflation at 10.7

per cent. Core inflation has remained elevated, sticking close to the upper tolerance threshold of 6.0 per cent as cost-push pressures impacted both manufactures and services. In March 2022, headline CPI inflation surged to 7.0 per cent and further to 7.8 per cent in April 2022 from 6.1 per cent in February, largely reflecting the impact of geopolitical spill overs. The rapid rise in inflation is occurring in an environment in which inflationary pressures are broadening across the world. The IMF projects inflation to increase by 2.6 percentage points to 5.7 per cent in advanced economies in 2022 and by 2.8 percentage points to 8.7 per cent in emerging market and developing economies. Heightened uncertainty surrounds the inflation trajectory, which is heavily contingent upon the evolving geopolitical situation. Global commodity price dynamics are driving the path of food inflation in India, including prices of inflation sensitive items that are impacted by global shortages due to output losses and export restrictions by key producing countries. International crude oil prices remain high but volatile, posing considerable upside risks to the inflation trajectory through both direct and indirect effects. Core inflation is likely to remain elevated in the coming months, reflecting high domestic pump prices and pressures from prices of essential medicines. Renewed lockdowns and supply chain disruptions due to resurgence of COVID-19 infections in major economies could sustain higher logistics costs for longer leading to higher inflation (RBI Monetary Policy Committee Meeting May 2022).

Uncertainties surrounding commodity prices, monsoon and weather-related disturbances, volatility in the prices of seasonal items and external developments through exchange rate and asset price fluctuations may bring about large and unanticipated changes in inflation trends. Furthermore, any slowdown in economic growth in India as a result of a rise in inflation could result in, among others, reduced loan demand, higher defaults among corporate, retail and rural borrowers and reduced investor confidence in India's economy and financial system generally, which, in turn, would adversely affect the Bank's business, its future financial performance and the trading price of Notes.

Any downgrading of India's credit rating by an international rating agency could have a negative impact on the Bank's business and the trading price of Notes.

Presently, Standard and Poor's ("**S&P**"), Fitch Ratings, Inc. ("**Fitch**") and Moody's have stable outlooks on their sovereign rating for India. The credit rating agencies may lower their sovereign ratings for India or the outlook on such ratings, which would also impact the Bank's ratings.

In July 2021, S&P retained India's sovereign ratings at "BBB minus" with a "stable" outlook with the expectation that India's economy will recover following the resolution of the COVID-19 pandemic, and that the country's strong external settings will act as a buffer against financial strains despite elevated government funding needs over the next 24 months.

In November 2019, Moody's had downgraded the Government of India's foreign currency and local currency long term issuer ratings to "Baa3" from "Baa2" while maintaining the "negative outlook" due to relatively weak implementation of reforms since 2017, a sustained period of relatively low growth, significant deterioration in the fiscal position of the government and the rising stress in the financial sector. In October 2021, Moody's upgraded India's sovereign rating outlook from a "negative" outlook to "stable" outlook while maintaining India's long term issuer ratings at "Baa3".

On June 10, 2022, Fitch upgraded the outlook on India's long-term foreign currency Issuer Default Rating ("**IDR**") to "stable" from "negative" and affirmed the rating at "BBB-". This upgrade was due to the rapid economic recovery and easing financial sector weakness, despite near-term headwinds from global commodity price shock. Fitch has downgraded India's outlook to "negative" on June 18, 2020, due to concerns over economic disruptions caused by the pandemic and the challenges associated with a high public debt burden. The above ratings continue to remain applicable as on June 15, 2022.Any adverse change in India's credit ratings by international rating agencies may adversely impact the Bank's own credit rating and limit its access to capital markets.

There can be no assurance that these ratings will not be further revised or changed by S&P, Fitch or Moody's or that any of the other global rating agencies will not downgrade India's credit rating. As the Bank's foreign currency ratings are pegged to India's sovereign ceiling, any adverse revision to India's credit rating for international debt will have a corresponding effect on the Bank's ratings. Therefore, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact the Bank's ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect the Bank's business, financial condition and results of operations.

Financial instability in other countries including the sovereign debt crisis in Europe and the referendum on the United Kingdom's membership in the European Union could disrupt Indian markets and the Bank's business.

In 2007, and particularly during the second half of 2008, the global financial services industry and the securities markets generally were materially and adversely affected by significant declines in the values of nearly all asset classes, including mortgages, real estate assets, leveraged bank loans and equities, and by a serious lack of liquidity. In recent years, factors such as inflation or deflation, energy costs, geopolitical issues, the availability and cost of credit, sovereign debt of various countries, uncertainty as to the global impact of the current United States administration, instability within the Euro zone, and trade disputes between the United States and the PRC continue to be a cause of concern despite concerted efforts by governments and international institutions to contain the adverse effect of these events on the global economy.

Furthermore, the sovereign debt crises in Europe posed serious challenges to the stability of the global credit and financial markets. The increasingly high levels of government debt in other developed countries are also adding to the uncertainty in international financial markets. Although certain policy interventions have been undertaken, a cautious approach still needs to be taken while lending to entities in Europe, and also while providing foreign currency export credit loans to Indian companies for the purposes of export to European countries. In the event of any significant financial disruptions, this could have an adverse effect on the Bank's cost of funding, loan portfolio, business, future financial performance and the trading price of Notes.

In addition, on March 29, 2017, the United Kingdom invoked Article 50 to leave the European Union ("**Brexit**"). In October 2019, a withdrawal agreement (the "**Withdrawal Agreement**") setting out the terms of the United Kingdom's exit from the European Union, and a political declaration on the framework for the future relationship between the United Kingdom and the European Union was agreed between the UK and EU governments. The Withdrawal Agreement, which became effective on January 31, 2020 includes the terms of a transition or "standstill" period until December 31, 2020, during which time the UK remained bound to the rules and regulations of the European Union. On April 29, 2021, the Council of Ministers ratified the EU-UK Trade and Cooperation Agreement, which sets out the trading relationship between the UK and the European Union, covering areas such as trade in goods and services. However, uncertainties remain over the impact of Brexit on general economic conditions in the United Kingdom and the European Union, and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments and this may also adversely affect the Bank's ability to raise medium/long-term funding in the international capital markets.

The Indian financial markets and the Indian economy are influenced by global economic and market conditions. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in other financial systems may cause volatility in Indian financial markets, including with respect to the movement of exchange rates and interest rates in India and, indirectly, in the Indian economy in general. Any such continuing or other significant financial disruption could have an adverse effect on the Bank's business, results of operations and financial condition.

In response to the global financial crisis, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets over the years. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on the Bank's business and future financial performance.

The conditions of global market economies may affect the Indian economy, which could have an adverse impact on the Bank.

The COVID-19 health crisis had inflicted a severe negative impact on world economic activity as a result of the widespread closures and restrictions to contain the spread of the virus. Even as many countries were recovering from the acute spread of the pandemic, the conflict between Russia and Ukraine has led to dampening of global economic prospects. Commodity prices remain volatile at elevated levels, and supply chain disruptions got worsened. Inflation pressures have heightened across geographies, and central banks are aggressively tightening monetary policy and liquidity conditions. As financial conditions become adverse in response, financial markets are unsettled and volatile, with emerging market economies ("**EMEs**") facing the brunt of a surge in risk averse sentiments among global investors. This is triggering capital outflows and currency depreciations amidst losses of reserves. EMEs face the risk of their hesitant and incomplete recoveries stifled which in turn can spill back on to the prospects for the broader global recovery. Because Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply. According to the IMF's World Economic Outlook Update, April 2022, the global economy is expected to grow at 3.6 per cent in 2022 moderating from 6.1 per cent in 2021, reflecting the above mentioned developments. Growth in the advanced economies is projected to moderate to 3.3 per cent in 2022 as compared to an expansion of 5.2 per cent in 2021, due to faster than anticipated monetary policy normalisation to rein in inflation and supply chain disruptions in trading partners. Growth in the United States is expected to moderate to 3.7 per cent in 2022 from 5.7 per cent in 2021 largely reflecting slower transmission of fiscal policy package and continued supply chain disruptions. The conflict in Ukraine and resulting sanctions imposed on Russia is expected to slower growth through international spillovers in the form of global commodity prices, trade and financial linkages, labour supply, and humanitarian impacts – notably in Euro area, leading to moderation of growth from 5.3 per cent in 2021 to 2.8 per cent in 2022. Significantly divergent economic recoveries were found between the advanced and emerging market and developing economies due to disparities in the magnitude of economic stimulus provided on account of the pandemic. The emerging and developing market economies are expected to grow by 3.8 per cent in 2022, as compared to a growth of 6.8 per cent in 2021. Tightening of global financial conditions, superimposed on elevated domestic inflation has impacted EMEs, in particular. The US dollar posted large appreciations vis-a-vis EME currencies, which are also weakened by stubbornly rising energy prices. Slowing growth in China's economy has wider ramifications for Asia and for commodity exporters. In China, growth is projected at 4.4 per cent in 2022, as compared to a growth of 8.1 per cent registered in 2021, as the combination of more transmissible variants and a strict zero-COVID strategy is expected to lead to frequent lockdowns, with adverse effects on private consumption in China. Recent lockdowns in key manufacturing and trading hubs such as Shenzhen and Shanghai will likely compound supply disruptions. This has been further exacerbated by a highly leveraged real estate sector and subdued investment. India's economy is projected to grow by 8.2 per cent in 2022 as compared to a growth of 8.9 per cent in 2021. Growth in the Latin America and the Caribbean region is also expected to moderate from 6.8 per cent in 2021 to 2.5 per cent in 2022 as it is likely to be affected by inflation and policy tightening. The two largest economies in Latin America, Brazil and Mexico, are projected to grow by 0.8 per cent and 2 per cent, respectively, in 2022, as compared to 4.6 per cent and 4.8 per cent in 2021. In Sub-Saharan Africa, food prices are also the most important channel of transmission, as higher food prices result in lower purchasing power especially in low-income households. Higher oil prices are expected to boost growth prospects in oil exporting countries. Overall, growth in sub-Saharan Africa is projected at 3.8 per cent in 2022 as compared to 4.5 per cent in 2021. Nigeria and South Africa are expected to grow at 3.4 per cent and 1.9 per cent in 2022 after undergoing an expansion of 3.6 per cent and 4.9 per cent respectively in 2021. Global growth is projected to remain at 3.6 per cent in 2023. Growth in the advanced economies is expected to moderate to 2.4 per cent while growth in emerging and developing economies is expected to increase by 4.4 per cent in 2023. According to the IMF, with a few countries as exceptions, global output is expected to remain below pre-pandemic trends through 2026. Adverse effects of the war as well as the pandemic are expected to be much larger in emerging market and developing economies than in advanced economies–reflecting limited policy support and generally slower vaccination. Overall, high uncertainty surrounds the global economic outlook with downside risks including from a possible worsening of the geopolitical conflict, escalation of sanctions on Russia, a sharper-than-anticipated deceleration in China and a renewed flare-up of the pandemic.

Domestically, according to the Ministry of Statistics and Program Implementation, GoI, India's economy is estimated to have expanded by 8.7 per cent in FY2022 after contracting by 6.6 per cent in FY 2021. After witnessing the unprecedented demand and supply shock in 2020-21 resulting from the COVID-19 pandemic, the Indian economy continued to face challenges on account of the second wave of infections during the first quarter of 2021-22 and the highly transmissible Omicron variant in January 2022. The spread of COVID-19 across the globe has resulted in a decline in economic activity and an increase in volatility in financial markets. The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may adversely affect the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during 2008 and 2009 and the recent COVID- 19 pandemic adversely affected market prices in the global securities markets, including India. Since the beginning of 2021, the number of COVID-19 cases in India peaked in the months of April and early-May 2021. Nevertheless, the data for daily new confirmed COVID-19 cases indicates that a reduction in case number. Since June 2021, India's case positivity rates have dropped, and subsequently India's recovery rate, which had dropped in the months of April and May 2021, also picked up. Along with managing to control the daily new case additions, India's vaccination pace has also increased significantly with 88 per cent of the population fully vaccinated (with both doses) as on May 28, 2022. (Source: Ministry of Health and Family Welfare, GoI). However, negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and increase volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also negatively impact the Indian economy, including the movement of exchange rates and interest rates in India, which in turn could adversely affect the business and financial performance of the Bank.

As a result of the COVID- 19 pandemic, debt markets and other capital market segments were experiencing heightened uncertainty. Any other global economic developments or the perception that any of them could occur may adversely affect global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity as well as restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could adversely affect the business, financial condition and results of operations of the Bank.

A significant portion of the Bank's operations and assets are based in India. A slowdown in economic growth in India could cause the Bank's business to suffer.

India's real GDP grew by 8.7 per cent in fiscal year 2021-22, compared to a contraction of 6.6 per cent recorded in the previous year and 1.5 per cent above the pre-pandemic (2019-20) level. The recovery in contact-intensive services is expected to be sustained, with the ebbing of the third wave of the COVID-19 pandemic and the growing vaccination coverage. Investment activity is expected to get an uplift from robust government capital expenditure, improving capacity utilisation, stronger corporate balance sheets and congenial financial conditions. However, the worsening external environment, elevated commodity prices and persistent supply bottlenecks pose formidable headwinds, along with volatility spillovers from monetary policy normalisation in advanced economies. According to the RBI's Monetary Policy Committee Meeting in April 2022, India's real GDP growth is expected to moderate to 7.2 per cent in 2022-23. According to the IMF World Economic Outlook (WEO) April 2022, India's GDP is expected to moderate to 8.2 per cent in 2022 and 6.9 per cent in 2023.

In relation to India's exports, it has increased by 44.6 per cent in fiscal year 2021-22, mainly owing to recovery in external demand.

Any slowdown in the Indian economy, India's export growth or future volatility of global commodity prices could adversely affect the Bank's borrowers and contractual counterparties and could result in lower credit demand and higher defaults among corporate, retail and rural borrowers, which could adversely impact the Bank's business, financial performance, shareholders' funds, its abilities to implement its business strategies and the trading price of Notes.

Any significant increase in the prices of crude oil and other commodities could adversely affect the Indian economy, which could adversely affect the Bank's business.

India imports 85.6 per cent of its requirements of crude oil, which comprised approximately 26.4 per cent of total imports in fiscal year 2022. Accordingly, a significant increase from current levels in the price of crude oil could adversely affect the Indian economy. Since 2004, there have been several periods of sharp increase in global crude oil prices due to increased demand and speculation and pressure on production and refinery capacity, and political and military tensions in key oil-producing regions, among other factors. In fiscal year 2020, international crude oil prices (Indian basket) have fluctuated within a wide range. These prices initially increased from late December 2019 to early January 2020 to around US$70 per barrel, triggered by U.S.-Iran tensions. Prices subsequently lowered, however, to reach US$51 by early March in anticipation of lower global demand following the outbreak of COVID- 19 and its rapid geographical spread. Brent prices crashed to US$32 on March 9, 2020 following Saudi Arabia's decision to cut prices and increase production over the failure to reach an agreement with Russia on production cuts. Brent fell further to US$23 on March 30, 2020 while U.S. crude prices dipped briefly below US$20. According to the World Bank (Pink Sheet), the price of crude oil brent further increased to an average of US$70.4 per barrel in 2021. Oil prices surged further during 2022 as a result of the Russia-Ukraine conflict since February 2022, as several countries imposed sanctions on imports of Russian energy. The price of brent crude averaged US$104.39/bbl during April 2022 as against US$118.81/bbl during March 2022 and US$64.70/bbl during April 2021. The Indian basket crude price averaged US$102.97/bbl during April 2022, as against US$112.87/bbl during March 2022 and US$63.40/bbl during April 2021. Given the current assessment of demand and supply, the Monetary Policy Report of the RBI April 2022 assumes in the baseline scenario that crude oil prices (Indian basket) are expected to average around US$100 per barrel during the fiscal year 2022-23 and the average exchange rate at ₹76 per US dollar in fiscal year 2023.

Any increase or volatility in oil prices and the pass-through of such increases to Indian consumers could have a material adverse impact on the Indian economy and on the Indian banking and financial system in particular, including through a rise in inflation and market interest rates and this would create negative consequences for the Bank's business. However, since India is a large crude oil importer, the country's economy and financial institutions would not face as large increases in capital outflows, reserve losses or sharp depreciations as oil-exporting countries would due to lower oil prices.

A significant change in the Government's economic liberalization and deregulation policies could disrupt the Bank's business.

With the advent of the liberalization policies of the Government in 1991, the Indian economy has progressed steadily over the years and has made a mark in the global economy. The Government has worked with various sectors of the economy to make them more competitive and productive. Given the global financial crisis, the Government as well as the RBI is expected to be cautious in its approach towards the wider opening up of the banking and insurance segments. The current Government has continued India's economic liberalization and deregulation programs. However, there can be no assurance that these liberalization policies will continue in the future. Any significant change in the Government's economic liberalization and deregulation policies could adversely affect business and economic conditions in India and could also adversely affect the Bank's business, its future financial performance and the trading price of Notes.

The increasing disintermediation in the Indian banking system could affect the Bank's business and the trading price of Notes.

Pursuant to the global financial situation, the extent of disintermediation in financial intermediaries has decreased and investors are preferring to keep their funds in the banks rather than investing in the markets. The gross domestic saving in India as a percentage of gross national disposable income stood at 27.8 per cent in fiscal year 2021 as compared to 29.4 per cent in fiscal year 2020 (as per latest data available). Any reversal of the current situation may affect the Bank's business, its future financial performance and the trading price of Notes.

A decline in the external trade environment could affect the Bank's business and the trading price of Notes.

India's contribution to global trade was approximately 2.2 per cent in 2021. In prior periods, there have been declines in the external trade environment that have led to declines in Indian exports. Exports from India declined by 15.47 per cent to US$262.3 billion in fiscal year 2016 but they subsequently increased by 5.17 per cent to US$275.9 billion in fiscal year 2017. Further, exports went up 10.02 per cent year on year in fiscal year 2018 to US$303.5 billion. In fiscal year 2019, exports grew at 8.8 per cent to US$330.1 billion. After three consecutive years of growth, India's exports declined by 6.9 per cent year-on-year to US$291.8 billion in fiscal year 2021 and subsequently rose by 44.6 per cent year on year to US$421.8 billion in fiscal year 2022.

India's services exports grew by 2.5 per cent to US$213.2 billion in the fiscal year 2020, declined by 3.3 per cent to US$206.1 billion in the fiscal year 2021 and subsequently grew by 21.3% to US$250 billion in the fiscal year 2022. According to the WTO, world merchandise trade volume is expected to grow 3% in 2022, moderating from a growth of 9.8% in 2021 and remains subject to downside risks arising from the uncertainty about the course of the conflict in Ukraine.

In fiscal year 2022-23, India's exports are expected to remain subject to significant uncertainties resulting in subdued external demand and supply chain constraints arising as a result of Russia Ukraine conflict and lockdown in China disrupting seaborne trade. During April 2022, India's exports stood at US$40.2 billion (year-on-year growth of 30.7 per cent) and imports stood at US$60.3 billion (year-on-year growth of 31 per cent). Accordingly, merchandise trade deficit rose from US$15.3 billion in April 2021 to US$20.1 billion in April 2022. With regard to the direction of India's exports, Asia accounts for 44.9 per cent, Europe for 20.4 per cent and North America for 18.9 per cent of India's exports in the financial year 2021-22. According to the WTO, the volume of global imports from Asia is expected to grow by 2 per cent and that of Europe and North America are expected to grow by 3.7 per cent and 3.9 per cent, respectively, in 2022, moderating from import growth levels in 2021. Accordingly, India's export growth remains subject to downside risks for the financial year 2022-23.

The foregoing factors may create some setbacks in the external trade environment, which may have an adverse impact on the Bank's financial performance and the trading price of Notes.

Downturn in the international commodity price cycle could reverse, which may affect the Indian economy and which in turn could have an adverse impact on the Bank.

Commodity prices surged during the first quarter of 2022, reflecting the effects of the war in Ukraine as well as continued growth in demand and various constraints on supply. Amid concerns about the Russia Ukraine conflict's disruptive effects on commodity supply, the increases in prices were particularly pronounced for commodities where Russia and Ukraine are large exporters, particularly energy, fertilizers, and some grains and metals. These developments have added to a broad-based rise in commodity prices that began in mid-2020 with a surge in demand driven by receding concerns about the COVID-19 pandemic. Demand for commodities rebounded as the global economy recovered, while commodity production increased more slowly, weighed down by several years of weak investment in new production capacity as well as various supply disruptions. According to the World Bank Commodity Markets Outlook April 2022, among energy commodities, brent crude oil prices are expected to average US$100/bbl in 2022, an increase of 42 per cent as compared to 2021. Agricultural prices are expected to rise by 18 per cent in 2022, reflecting war-related supply disruptions in Ukraine and Russia and higher costs of inputs, including fuel, chemicals, and fertilizers. Metal prices are projected to increase by about 16 per cent in 2022 relative to 2021 while remaining at historically elevated levels. The volatile geopolitical environment may hasten the process of revival of oil prices, thereby leading to a resurgence of inflationary pressures on the nascent conditions facilitating the recovery of the global economy. This, in turn, may affect the growth of the Indian economy which may adversely affect the Bank's business, its future financial performance and the trading price of Notes.

A significant decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy which could have an adverse impact on the Bank.

As of March 31, 2020, 2021 and 2022, foreign exchange reserves stood at US$477.8 billion, US$579.3 billion and US$607.3 billion, respectively. As of March 31, 2022, reserves were at a level equivalent to 12 months of imports and 43.1 per cent of short-term external debt (by residual maturity) (as of December 2021). With developed countries also trying to stabilize their economies, a significant decline in India's foreign exchange reserves could have an adverse effect on the Bank's business, its future financial performance and the trading price of Notes.

Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on the Bank's business and the trading price of Notes.

The Bank is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. See "*The Indian Financial Sector*". As an emerging market economy, the Indian financial system faces risks not typically faced in developed countries, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme. Certain Indian financial institutions have experienced difficulties during recent years. Some cooperative banks have also faced serious financial and liquidity crises. The problems faced by individual Indian financial institutions, and any instability in or difficulties faced by the Indian financial system generally, could create an adverse market perception about Indian financial institutions and banks. This in turn could adversely affect the Bank's business, future financial performance and the price of the Notes.

Investors may have difficulty enforcing foreign judgments in India against the Bank or its management.

The Bank was established as a corporation under the Export-Import Bank of India Act, 1981, as amended from time to time, and is wholly owned by the Government of India. Substantially all of the Bank's Directors and executive officers are residents of India and a substantial portion of the assets of the Bank and such persons are located in India. As a result, it may not be possible for investors to effect service of process on the Bank or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of the Bank or such directors and executive officers under laws other than Indian Law.

In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Indian Code of Civil Procedure, 1908, as amended from time to time (the "**Code**"). Section 44A of the Code provides that where a foreign judgment has been rendered by a superior court within the meaning of that section in any country or territory outside India that the Government of India has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, section 44A of the Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards, even if such awards are enforceable as a decree or judgment and except for any reciprocal arrangement that India has with foreign countries as notified from time to time under section 44(b) of the Arbitration and Conciliation Act, 1996, as amended from time to time. Furthermore, the execution of a foreign decree under Section 44A of the Civil Code is also subject to the exception under Section 13 of the Civil Code, as discussed below.

The United Kingdom, UAE, Singapore and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of section 44A of the Code, but the United States has not been so declared as yet. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. A judgment of a court in a jurisdiction that is not a reciprocating territory may be enforced only by a new suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Section 13 of the Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between the parties under whom they or any of them claim litigating under the same title, except: (i) where it has not been pronounced by a court of competent jurisdiction; (ii) where it has not been given on the merits of the case; (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of

India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where it has been obtained by fraud; or (vi) where it sustains a claim founded on a breach of any law in force in India.

Under section 14 of the Code, a court in India shall presume, upon production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India.

Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999, to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees at the rate of exchange prevalent on the date of the judgment and not as of the date of the payment. The Bank cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

Payments under the Notes may be subject to RBI guidelines regarding remittances of funds outside India.

Remittance of funds outside India by the Issuer pursuant to indemnity clauses under the Terms and Conditions of the Notes, the Trust Deed or any other agreements in relation to the Notes requires prior RBI approval under RBI regulations. If the Bank is unable to make payments with respect to the Notes from its overseas branches and instead makes payments from India, such payments shall be subject to RBI regulations governing the remittance of funds outside India. The Bank is under no obligation to maintain liquidity at its overseas branches to make interest payments due on the Notes. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and the Bank can give no assurance that it will be able to obtain such approvals.

Terrorist attacks, civil disturbances and regional conflicts in South Asia and elsewhere may have a material adverse effect on the Bank's business and on the market for securities in India.

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. India has also experienced terrorist attacks in some parts of the country. These hostilities, attacks and tensions could lead to political or economic instability in India and a possible adverse effect on the Bank's business, its future financial performance and the trading price of the Notes. In June 2020, the clash between Chinese and Indian soldiers in the Galwan River Valley resulted in numerous fatalities, which led to increased tension between the two countries. Further, India has also experienced social unrest in some parts of the country. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including the Notes.

Risks relating to the structure of a particular issue of Notes

A range of Notes may be issued under the Program. A number of these Notes may have features that contain particular risks for potential investors. Set out below is a description of the most common of such features.

If the Bank has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Bank may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may similarly be true prior to any redemption period.

To the extent that Notes have an optional redemption feature, the Bank may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on such Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed, and may only be able to do so at a significantly lower rate (or through taking on a greater credit risk). Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Bank has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Bank has the right to effect such a conversion, this may affect the secondary market and the market value of the Notes since the Bank may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Bank converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favorable than the then prevailing spreads on comparable floating rate notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Bank converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing market rates.

Dual Currency Notes and Notes by reference to a Relevant Factor.

The Bank may issue Notes with principal or interest determined by reference to a formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"), subject to the relevant regulatory approvals being obtained. In addition, the Bank may issue Notes with principal or interest payable in one or more currencies that may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment/repayment of principal or interest may occur at a different time or in a different currency than expected;
- they may lose all or a substantial portion of their principal;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to the Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of a Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

Partly Paid Notes.

The Bank may issue Notes where the issue price is payable in more than one installment. Failure to pay any subsequent installment could result in an investor losing all of its investment.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", including EURIBOR, SOFR Benchmark, SONIA Benchmark, HIBOR, CNH HIBOR, in particular with respect to certain Floating Rate Notes where the Reference Rate (as defined in the Terms and Conditions of the Notes) may be EURIBOR, SOFR Benchmark, SONIA Benchmark, HIBOR, CNH HIBOR or another such benchmark. The Pricing Supplement for the Notes will specify whether EURIBOR, SOFR Benchmark, SONIA Benchmark, HIBOR, CNH HIBOR or another such benchmark is applicable.

Interest rates and indices which are deemed to be "benchmarks" (including LIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently from in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on June 29, 2016 and will apply from January 1, 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorized or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognized or endorsed) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorized or registered (or, if non-EU based, not deemed equivalent or recognized or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

The elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks:

(i) discouraging market participants from continuing to administer or contribute to the benchmark;

(ii) trigger changes in the rules or methodologies used in the benchmark; or

(iii) lead to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Terms and Conditions of the Notes) occurs, including if an Original Reference Rate (as defined in the Terms and Conditions of the Notes) ceases to be published for a period of at least five business days or ceases to exist, or if it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or the Fiscal Agent, the Calculation Bank, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate. Benchmark Events include (amongst other events) permanent discontinuation of an Original Reference Rate. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavors to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is (x) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (y) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate or (z) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser, or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, or if a Successor Rate or Alternative Rate is not adopted because it could reasonably be expected to prejudice the qualification of the Subordinated Notes as Tier 2 Capital and/or eligible liabilities or loss absorbing capacity instruments for the purposes of applicable loss absorption regulations, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the floating rate Notes, in effect, becoming Fixed Rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in (i) if "2006 ISDA Definitions" is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions and (ii) if "2021 ISDA Definitions" is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions. If the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

Negative benchmark rates would reduce the rate of interest on the Floating Rate Notes.

The interest rate to be borne by Floating Rate Notes is based on a spread over the relevant benchmark, including EURIBOR, SOFR Benchmark, SONIA Benchmark, HIBOR, CNH HIBOR or another benchmark. Changes in the relevant benchmark rate will affect the rate at which Floating Rate Notes accrue interest and the amount of interest payments on Floating Rate Notes.

To the extent that the relevant benchmark rate decreases below 0.00% for any interest period, the rate at which the Floating Rate Notes accrue interest for such interest period may be reduced by the amount by which such benchmark rate is negative. Any such movements would be limited to a rate of 0.00% (unless otherwise set out in the relevant Pricing Supplement).

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to risk-free rates, as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. For example, on 29 November 2017, the Bank of England and the United Kingdom Financial Conduct Authority announced that the Bank of England's Working Group on Sterling Risk-Free Rates had been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the following four years across sterling bond, loan and derivatives markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. The New York Federal Reserve (the "**NY Federal Reserve**") also began to publish SOFR in April 2018, and the Alternative Reference Rates Committee (the "**ARRC**") has published its Paced Transition Plan which outlines the key milestones until the end of 2021 to facilitate a smooth and orderly transition from USD LIBOR to SOFR. In addition, market participants and relevant working groups are exploring alternative reference rates based on risk-free rates, examples of which include Term SONIA reference rates and Term SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA or SOFR rate over a designated term).

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to any that reference risk-free rates issued under the Programme. The Issuer may in the future also issue Notes referencing risk-free rates that differ materially in terms of interest determination when compared with any previous Notes referencing the same risk-free rate issued by it under the Programme. The development of risk-free rates as interest reference rates for the Eurobond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes issued under the Programme which references any such risk-free rate from time to time. Furthermore, the basis of deriving certain risk-free rates, such as SONIA Benchmark or SOFR Benchmark, may mean that interest on Notes which reference any such risk-free rate would only be capable of being determined after the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference any such risk- free rate to accurately estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, if Notes referencing SONIA Benchmark or SOFR Benchmark become due and payable as a result of an event of default under Condition 11, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date which the Notes become due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Notes.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of such risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk-free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

Since risk-free rates are relatively new market indices, Notes linked to any such risk-free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk-free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if any risk-free rate to which a series of Notes is linked does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to a risk-free rate may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Daily changes in such rates may also be more volatile than daily changes in other benchmarks or market rates, such that the value on and value of Notes linked to risk-free rates may fluctuate more than floating rate debt securities linked to less volatile rates. There can also be no guarantee that any risk-free rate to which a series of Notes is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes referencing such risk-free rate. If the manner in which such risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

Risks relating to the Notes generally

The Notes are unsecured obligations, the repayment of which may be jeopardized in certain circumstances.

The Bank's obligations under the Notes will constitute unsecured obligations of the Bank. The ability of the Bank to pay such obligations will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows, which could be affected by, *inter alia*, the circumstances described in these "*Risk Factors*".

Because the Notes are unsecured obligations, their repayment may be compromised if:

- the Bank enters into liquidation, reorganization or other winding-up procedures pursuant to an order of the Government;
- there is a default in payment under the Bank's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Bank's indebtedness.
- If any of these events occurs, the Bank's assets may not be sufficient to pay amounts due on any of the Notes.

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to and/or knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments/repayments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for change in economic conditions, interest rates and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Investors should pay attention to any modifications and waivers.

The conditions of the Notes contain provisions for calling meetings of holders of Notes to consider matters affecting their interest generally. These provisions permit defined majorities to bind all Noteholders including holders of Notes who did not attend and vote at the relevant meeting and holders of the Notes who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Notes may be adverse to the interests of the individual holder.

If the Bank substitutes the issuing office, branch or unit with another office, branch or unit, the interests of the Noteholders may be materially prejudiced as a result.

The Bank may elect to substitute the place of the office, unit or branch through which the Bank originally acted when the Notes were issued provided that certain conditions are met. See "*Terms and Conditions of the Notes – Meetings of Noteholders, Modification, Waiver and Substitution*". However, there is no assurance that the interests of the Noteholders may not be materially prejudiced as a result of the substitution. A substitution may in certain circumstances, among other things, have undesirable taxation consequences for the Noteholders.

Performance of contractual obligations.

The ability of the Bank to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Trustee, the Principal Paying Agent, the Paying Agents, the Transfer Agent, the Registrar and/or the Calculation Agent of their respective obligations. While the non-performance of any relevant parties will not relieve the Bank of its obligations to make payments in respect of the Notes, the Bank may not, in such circumstances, be able to fulfill its obligations to the Noteholders and the Couponholders.

The value of the Notes could be adversely affected by a change in English law or Indian law or administrative practice after the date of the issue of the relevant Notes.

The terms and conditions of the Notes are based on English law or Indian law (as the case may be) in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law, Indian law or administrative practice after the date of issue of the relevant Notes and any such change could materially adversely impact the value of any such Notes affected by it.

The insolvency laws of India and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar.

As the Bank is established in the Republic of India under The Export-Import Bank of India Act, 1981, as amended from time to time, any insolvency proceedings relating to the Issuer are likely to involve Indian insolvency laws (including the Insolvency and Bankruptcy Code, 2016 of India), the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar.

The Notes which are Subordinated Notes or Hybrid Tier I Notes are subordinated and have only limited rights of acceleration.

The relevant Pricing Supplement may specify that the Notes will be Subordinated Notes (as defined in Condition 3.2 of the Terms and Conditions of the Notes) or Hybrid Tier I Notes (as defined in Condition 3.3 of the Terms and Conditions of the Notes) which will be subordinated obligations of the Bank. Payments on the Subordinated Notes and the Hybrid Tier I Notes will be subordinate in right of payment upon the winding-up or liquidation of the Bank (pursuant to an order of the Government), to the prior payment in full of all deposits and other liabilities of the Bank, except those liabilities which rank equally with or junior to the Subordinated Notes or (as the case may be) the Hybrid Tier I Notes. As a consequence of these subordination provisions, in the event of a winding-up of the Bank's operations (pursuant to an order of the Government), the holders of the Subordinated Notes and Hybrid Tier I Notes may recover proportionately less than the holders of the Bank's deposit liabilities or the holders of its other unsubordinated liabilities. As of March 31, 2022, all of the Bank's outstanding liabilities (including notes/bonds, deposits, borrowings, guarantees and acceptances and other liabilities, but excluding provisions) ranked senior to the Subordinated Notes and the Hybrid Tier I Notes. Only those events described herein regarding the Bank's winding-up or liquidation (pursuant to an order of the Government) will permit a holder of a Subordinated Note or a Hybrid Tier I Note to accelerate payment of such Subordinated Notes or (as the case may be) Hybrid Tier I Notes. In such event, the only action the holder may take in India against the Bank is to cause, or make a claim in, the Bank's liquidation or reorganization. Furthermore, if the Bank's indebtedness were to be accelerated, its assets may be insufficient to repay in full borrowings under all such debt instruments, including the Notes.

Noteholders' rights to receive payments on the Notes are junior to certain tax and other liabilities preferred by law.

The Notes will be subordinated to certain liabilities preferred by law such as claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of the Bank's trading or banking transactions.

In particular, in the event of bankruptcy, liquidation or winding up, the Bank's assets will be available to pay obligations on the Notes only after all of those liabilities of the Bank that rank senior to such Notes have been paid. In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

The Notes may not qualify as Tier II Capital.

There is no guarantee that the Notes will qualify as Tier II capital as per the guidelines published by the RBI. The failure of the Notes to qualify as Tier II capital due to any reason (including changes in law, regulations or interpretations of the RBI or other government authorities) would adversely affect the Bank's capital adequacy ratio.

The Hybrid Tier I Notes may not qualify as Tier I Capital.

There is no guarantee that the Hybrid Tier I Notes will qualify as Tier I capital as per the guidelines published by the RBI. The failure of the Hybrid Tier I Notes to qualify as Tier I capital due to any reason (including changes in laws, regulations or interpretations of the RBI or other governmental authorities) would adversely affect the Bank's capital adequacy ratio.

The Hybrid Tier I Notes are subordinated to most of the Bank's liabilities and the terms of the Hybrid Tier I Notes contain no limitation on issuing debt or senior or pari passu securities.

The Hybrid Tier I Notes will constitute unsecured and subordinated obligations of the Bank which rank *pari passu* and without preference among themselves. The Hybrid Tier I Notes are not deposits and are not insured by the Bank or guaranteed or insured by any party related to the Bank and they may not be used as collateral for any loan made by the Bank. In the event of a winding-up of the Bank's operations, the claims of the holders of the Hybrid Tier I Notes will be subordinated in right of payment to the prior payment in full of all of the Bank's other liabilities (whether actual or contingent, present or future) including all deposit liabilities and other liabilities of the Bank and all of the Bank's offices and branches, except those liabilities which by their terms rank equal with or junior to the Hybrid Tier I Notes.

As a consequence of the subordination provision, in the event of a winding-up of the Bank's operations, the holders of the Hybrid Tier I Notes may recover less rateably than the holders of deposit liabilities or the holders of the Bank's other liabilities that rank senior to the Hybrid Tier I Notes. The Hybrid Tier I Notes, the Trust Deed and the Agency Agreement do not limit the amount of liabilities ranking senior to the Hybrid Tier I Notes which may be hereafter incurred or assumed by the Bank except for certain Tier I instruments.

Interest Amounts on the Hybrid Tier I Notes are not cumulative and will not be required to be paid under certain circumstances.

Interest may not be paid in full, or at all, in certain situations described in Condition 3.3(c). Interest payments on the Hybrid Tier I Notes are not cumulative. Accordingly, if interest is not paid on any Interest Payment Date as a result of the foregoing, holders of the Hybrid Tier I Notes will not be entitled to receive such interest on any subsequent Interest Payment Date or any other date.

The Hybrid Tier I Notes have no fixed maturity date and investors have no right to call for redemption of the Hybrid Tier I Notes.

The Hybrid Tier I Notes are perpetual unless the Bank elects to redeem the Hybrid Tier I Notes. Accordingly, the Hybrid Tier I Notes have no fixed final redemption date. In addition, holders of the Hybrid Tier I Notes have no right to call for the redemption of the Hybrid Tier I Notes. Although the Bank may redeem the Hybrid Tier I Notes at its option on the Optional Redemption Date or at any time following the occurrence of certain tax and regulatory events, there are limitations on redemption of the Hybrid Tier I Notes, including obtaining the prior written approval of the RBI and satisfaction of any conditions that the RBI and other relevant Indian authorities may impose at the time of such approval.

Investors will have limited rights under the Hybrid Tier I Notes.

Investors will not be entitled to receive notice of, or attend or vote at, any meeting of shareholders of the Bank or participate in the management of the Bank, except in limited circumstances (including certain instances of failure by the Bank to make payments of amounts due in relation to the Hybrid Tier I Notes). In the event of a default in payment on the Hybrid Tier I Notes, investors will have no right to accelerate payments on the Hybrid Tier I Notes, except if a court order is made or an effective resolution is passed for the winding-up of the Bank.

The Notes may have limited liquidity.

The Notes will not be registered under the Securities Act or the securities or blue sky laws of any state of the United States. The Notes are being offered, and may be resold outside of the United States within the meaning of and in compliance with Regulation S under the Securities Act. The Notes may also be offered, and may be resold, within the United States to institutional investors that qualify as "qualified institutional buyers", within the meaning of and in compliance with Rule 144A under the Securities Act; or pursuant to another exemption from the registration requirements of the Securities Act. Consequently, the Notes are subject to restrictions on transfer and resale.

The Notes constitute a new issue of securities for which there is no existing market. Application has been made to list the Notes on the SGX-ST, the ISM and the Global Securities Market ("**GSM**") of the India INX. However, if for any reason the Notes are not listed, the liquidity of the Notes may be negatively impacted. The offer and sale of the Notes is not conditional on obtaining a listing of the Notes on the SGX-ST, the ISM or the GSM of the India INX or any other exchange. Although the Dealers have advised the Bank that they currently intend to make a market in the Notes, they are not obligated to do so, and any market-making activity with respect to the Notes, if commenced, may be discontinued at any time without notice in their sole discretion. For a further discussion of the Initial Purchasers' planned market-making activities, see "*Subscription and Sale and Transfer and Selling Restrictions*". No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued depending on many factors, including:

- prevailing interest rates;
- the Bank's results of operations and financial condition;
- political and economic developments in and affecting India;
- the market conditions for similar securities; and
- the financial condition and stability of the Indian financial sector.

Transfers of interests in the Notes will be subject to certain restrictions and interests in Global Notes can only be held through a clearing system.

The Notes have not been and are not expected to be registered: (a) under the Securities Act or any applicable state's or other jurisdiction's securities laws; or (b) with the U.S. Securities and Exchange Commission or any other applicable state's or other jurisdiction's regulatory authorities. The offering of the Notes will be made pursuant to exemptions from the registration requirements of the Securities Act and from other securities laws. Prospective investors may not offer or sell any Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Similar restrictions will apply in other jurisdictions. Notes may not be offered, sold or otherwise transferred except in transactions that will not cause the Bank to become required to be registered as an investment company under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Accordingly, reoffers, resales, pledges and other transfers of interests in the Notes will be subject to certain transfer restrictions. Each investor is advised to consult its legal advisers in connection with any such reoffer, resale, pledge or other transfer. See "*Subscription and Sale and Transfer and Selling Restrictions*".

Because transfers of interests in the Global Notes can be effected only through book entries at DTC, Clearstream and/or Euroclear (as applicable) for the accounts of their respective participants, the liquidity of any secondary market for investments in the Global Notes may be reduced to the extent that some investors are unwilling to invest in notes held in book-entry form in the name of a participant in Clearstream, Euroclear or DTC, as applicable. The ability to pledge interests in the Notes may be limited due to the lack of a physical certificate. Beneficial owners of Global Notes may, in certain cases, experience a delay in the receipt of payments of principal or interest since such payments will be forwarded by the paying agent to Clearstream, Euroclear or DTC, as applicable, who will then forward payment to their respective participants, who (if not themselves the beneficial owners) will thereafter forward the payments to the beneficial owners of the interests in the Global Notes. In the event of the insolvency of Euroclear, Clearstream, DTC or any of their respective participants in whose name interests in the Notes are recorded, the ability of beneficial owners to obtain timely or ultimate payment of principal and interest on the Notes may be impaired.

Noteholders are required to rely on the procedures of the relevant clearing system and its participants while the Notes are cleared through the relevant clearing system.

Notes issued under the Program will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream. Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream and their respective Direct and Indirect Participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective Participants.

While the Notes are represented by Global Notes, the Bank will discharge its payment obligation under the Notes by making payments through the relevant clearing systems for distribution to their accountholders. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its Participants to receive payments under the Notes. The Bank has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

If an investor holds Notes which are not denominated in the investor's home currency, then such an investor will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Bank will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes, and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Bank to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal. An investor may also not be able to convert (at a reasonable exchange rate or at all) amounts received in the Specified Currency into the Investor's Currency, which could materially adversely affect the market value of the Notes. There may also be tax consequences for investors.

The Bank has not registered, and will not register, as an "investment company" under the Investment Company Act.

The Bank will seek to qualify for an exemption from the definition of "investment company" under the Investment Company Act and will not register as an investment company in the United States under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which will be applicable to the Bank or its investors.

Hiring Incentives to Restore Employment Act withholding may affect payments on the Notes.

The United States Hiring Incentives to Restore Employment Act imposes a 30.00 per cent withholding tax on amounts attributable to U.S.-source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. If the Bank or any withholding agent determines that withholding is required, neither the Bank nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Additionally, the Bank may withhold the full 30.00 per cent tax on any payment on the Notes subject to such withholding regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a holder is eligible for a reduced rate under an applicable tax treaty with the United States). Prospective investors should refer to the section "*Taxation – United States Federal Income Tax Considerations – Hiring Incentives to Restore Employment Act*".

Due to recent changes to Rule 15c2-11 under the Securities Exchange Act of 1934, investors may face difficulties in selling your Notes.

On September 16, 2020, the SEC adopted amendments to Rule 15c2-11 under the Securities Exchange Act of 1934 (the "**Exchange Act**"). This rule applies to brokers or dealers who quote securities that are not listed on a national securities exchange, such as the Notes. It generally prohibits them from publishing quotations for an issuer's securities unless they are based on current publicly available information about the issuer. While certain SEC no-action relief is currently in effect, recent changes to this rule could harm the liquidity and market price of the Notes once that relief expires. If the Bank cannot or does not publish current financial information about itself as specified by amended Rule 15c2-11, investors may face difficulties in selling their Notes at desired prices, quantities, or times, or at all.

Notes issued as green notes ("Green Notes") or social notes ("Social Notes") may not be a suitable investment for all investors seeking exposure to green or socially sustainable assets.

Any failure to use the net proceeds of any Series of Green Notes or Social Notes in connection with green, social or sustainable projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Notes or Social Notes may affect the value and/or trading price of the Green Notes or Social Notes, and/or may have consequences for certain investors with portfolio mandates to invest in green or socially sustainable assets.

We may issue Notes under the Program where the use of proceeds is specified in the applicable Pricing Supplement to be for the financing and/or refinancing of our specified "green", "social" or "sustainability" projects, in accordance with certain prescribed eligibility criteria prepared by us in the context of our ESG Framework as in each such case shall be set out in the applicable Pricing Supplement (any Notes which have such a specified use of proceeds are referred to as Green Notes or Social Notes respectively). In connection with the Program, the Bank has obtained a second-party opinion from Sustainalytics in connection with certain environmental and sustainability criteria as set out the ESG Framework (the "**Second-party Opinion**"). A copy of the Bank's ESG Framework may be obtained at https://www.eximbankindia.in/esg-framework-details.aspx and a copy of the Second-party Opinion may be obtained at: https://www.eximbankindia.in/assets/pdf/public-declarations/India%20Exim%20Bank%20ESG%20Framework%20SPO_13012022.pdf. The Second-party Opinion will not be incorporated into, and will not form part of, this Offering Circular or the applicable Pricing Supplement relating to any Green Notes or Social Notes. The Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Notes in the form of "Green Notes" or "Social Notes". The Second-party Opinion does not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released.

There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable", and therefore no assurance can be provided to potential investors that the green, social or sustainable projects to be specified in the applicable Pricing Supplement will meet all investors' expectations regarding sustainability performance or continue to meet the relevant eligibility criteria. Although applicable green, social and sustainable projects are expected to be selected in accordance with the categories recognised by the International Capital Markets Association ("**ICMA**") Green Bond Principles, the ICMA Social Bond Principles and/or the ICMA Sustainability Bond Guidelines, and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operation of any such green or sustainable projects. Where any negative impacts are insufficiently mitigated, green, social or sustainable projects may become controversial, and/or may be criticized by activist groups or other stakeholders. Further, although the Bank may agree at the Issue Date of any Green Notes or Social Notes to certain allocation and/or impact reporting and to use the proceeds for the financing and/or refinancing of green, social or sustainable projects (as specified in the applicable Pricing Supplement), it would not be an event of default under the Green Notes or Social Notes if (i) the Bank were to fail to comply with such obligations or were to fail to use the proceeds in the manner specified in the applicable Pricing Supplement and/or (ii) the Second-party Opinion were to be withdrawn. Any failure to use the net proceeds of any Series of Green Notes or Social Notes in connection with green or sustainable projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Notes or Social Notes may affect the value and/or trading price of the Green Notes or Social Notes, and/or may have consequences for certain investors with portfolio mandates to invest in green or socially sustainable assets which may cause one or more of such investors to dispose of the Green Notes or Social Notes held by them which may affect the value, trading price and/or liquidity of the relevant Series of Green Notes or Social Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets. Neither the Bank nor the Dealers make any representation as to the suitability for any purpose of the Second-party Opinion or whether any Green Notes or Social Notes fulfil the relevant environmental and sustainability criteria of any potential investor in the Notes. Prospective investors should have regard to the eligible green notes, social bond or sustainable bond projects and eligibility criteria described in the applicable Pricing Supplement. Each potential purchaser of any Series of Green Notes or Social Notes should determine for itself the relevance of the information contained in this Offering Circular and in the applicable Pricing Supplement regarding the use of proceeds and its purchase of any Green Notes or Social Notes should be based upon such investigation as it deems necessary.

Risks relating to an Investment in Rupee denominated Notes

Rupee denominated Notes are subject to selling restrictions and may be transferred only to a limited pool of investors.

Rupee denominated Notes can only be issued to and held by investors resident in jurisdictions which are a member of the Financial Action Task Force ("**FATF**") or a member of a FATF-style regional body and whose securities market regulator is a signatory to the International Organization of Securities Commission's ("**IOSCO's**") multilateral memorandum of understanding (Appendix A Signatories) or a signatory to a bilateral memorandum of understanding with the Securities and Exchange Board of India ("**SEBI**") for information sharing arrangements. Additionally, investors should not be residents of a country identified in the public statement of the FATF as: (i) a jurisdiction having strategic anti-money laundering or combating the financing of terrorism deficiencies to which countermeasures apply; (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies; or (iii) with other requirements as specified from the RBI from time to time in relation to the above.

Rupee denominated Notes are subject to exchange rate risks and exchange controls.

India maintains a managed floating exchange rate system under which market forces determine the exchange rate for INR. Under policies framed and issued by the RBI, the RBI may, however, intervene in the market to maintain orderly market conditions and limit sharp fluctuations in the exchange rate. Interventions by the RBI have taken the form of transparent measures and have included clearly delineated periods and amounts involved, as well as the explanations for these actions. RBI's foreign exchange policy objectives include maintaining price stability, promoting and maintaining monetary stability and the convertibility of the INR, protecting its international reserves during times of impending or ongoing exchange crises or national emergencies.

Rupee denominated Notes are denominated in INR and payable in foreign currency. This entails risks which are not associated with a similar investment in a foreign currency-denominated security. Such risks include, without limitation, the possibility of significant changes in the exchange rate between INR and the relevant foreign currency if such currency risk is unhedged by an investor or the possibility of imposition or modification of exchange controls by the RBI. Such risks are usually dependent on various economic and political events over which the Issuer does not have any control. Recently, exchange rates have been volatile and such volatility is expected in the near future as well, so the risk pertaining to exchange rate fluctuation persists. However, the recent fluctuations in exchange rates are not indicative in nature. If INR depreciates against the relevant foreign currency the effective yield on the Rupee denominated Notes will decrease below the interest rate on the global bonds, and the amount payable on maturity may be less than the investment made by the investors. This could result in a total or substantial loss of the investment made by the investor towards the Rupee denominated Notes. Rates of exchange between the foreign currency and INR may be significantly varied over time. However, historical trends do not necessarily indicate future fluctuations in rates, and should not be relied upon as indicative of future trends. Political, economic or stock exchange developments in India or elsewhere could lead to significant and sudden changes in the exchange rate between INR and the relevant foreign currency.

Furthermore, the overseas investors are eligible to hedge the above-mentioned exchange rate risk only by way of permitted derivative products with: (i) AD Category Banks in India; (ii) the offshore branches or subsidiaries of Indian Banks; or (iii) branches of foreign banks having a presence in India.

INR "Non-convertibility".

The convertibility of a currency is dependent, inter alia, on international and domestic political and economic factors, and on measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by revaluation or revaluation of a currency, or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency. The taking of any one or more of such measures could adversely affect the value of the Notes as well as any amount which may be payable upon redemption of the Notes.

Early redemption of Rupee denominated Notes prior to its stated average maturity or its stated maturity requires prior RBI or AD Bank approval, as the case may be.

Any early redemption of the Rupee denominated Notes (whether as a result of an event of default or any early redemption event) may require the prior approval of the RBI or the AD Bank, and as such may be subject to limitations on the ability of the Issuer to redeem the Notes prior to their stated maturity date. Any conditions specified in any such RBI or AD Bank approval will be required to be complied with fully. There can be no assurance that the RBI or the AD Bank will provide such approval in a timely manner or at all.

Risks relating to the market generally

The Bank may face certain risks associated with exchange rate fluctuations and any modifications to exchange controls.

The Bank will pay principal and interest on the Notes in the currency specified (the "**Settlement Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settlement Currency would decrease:

- the Investor's Currency-equivalent yield on the Notes;
- the Investor's Currency-equivalent value of the principal yield payable on the Notes; and
- the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The market value of the Notes may fluctuate.

Trading prices of the Notes are influenced by numerous factors, including the operating results, business and/or financial conditions of the Bank, political, economic, financial and any other factors that can affect the capital markets or the business of the Bank. Adverse economic developments, acts of war and health hazards in countries in which the Bank has business operations could have a material adverse effect on the Bank's operations, operating results, business, financial position and performance. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

Inflation risk.

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns of their investments in the Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Notes are legal investments for such potential investor;
- the Notes can be used as collateral for various types of borrowings; and
- other restrictions apply to its purchase or pledge of any of the Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Risks relating to Renminbi-denominated Notes

Notes denominated in Renminbi may be issued under the Program. RMB Notes contain particular risks for potential investors, including:

The Renminbi is not completely freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Notes.

Renminbi is not completely freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies despite the significant reduction over the years by the PRC government of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions under current accounts.

However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although starting from October 1, 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC government will continue to liberalize control over cross border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Bank to source Renminbi to finance its obligations under the Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Notes and the Bank's ability to source Renminbi outside the PRC to service the Notes.

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the People's Bank of China (the "**PBOC**") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**RMB Clearing Banks**"), including but not limited to Hong Kong (the "**Settlement Agreements**"), and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside the PRC is limited.

Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes. To the extent that the Bank is required to source Renminbi in the offshore market to service the Notes, there is no assurance that the Bank will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Notes is subject to exchange rate risks.

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal with respect to the Renminbi Notes will be made in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market place. If the value of the Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of the investment in U.S. dollar or other applicable foreign currency terms will decline.

An investment in Renminbi Notes is subject to interest rate risks.

The PRC government has gradually liberalized the regulation of interest rates in recent years. Further liberalization may increase interest rate volatility. The Renminbi Notes may carry a fixed interest rate. Consequently, the trading price of such Renminbi Notes will vary with fluctuations in interest rates. If a holder of Renminbi Notes tries to sell any Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

Payments in respect of the Notes will only be made to investors in the manner specified in the Notes.

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

All Renminbi payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by Global Notes held with a common depositary or custodian, as the case may be, for DTC, Euroclear and Clearstream or any alternative clearing system, by transfer to the Renminbi bank account maintained in Hong Kong in accordance with prevailing DTC, Euroclear and Clearstream rules and procedures, or (ii) for so long as the Renminbi Notes are in definitive form, by transfer to the Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than described in the Conditions, the Bank cannot be required to make payment by any other means (including in any other currency or in bank notes, by check or draft or by transfer to a bank account in the PRC).

CAPITALIZATION OF THE BANK

Capitalization of the Bank

The following table sets forth the capitalization and indebtedness of the Bank as of March 31, 2022. This table should be read in conjunction with the Bank's financial statements as of March 31, 2022 and the schedules and notes presented elsewhere herein.

	As of March 31, 2022 (audited)	
	(₹ in million)	**(U.S.$ in million)[1]**
Short-Term Debt[2][3]:		
Short-Term Debt (Rupee)	190,080.78	2,507.91
Short-Term Debt (Foreign Currency)	86,124.20	1,136.32
Total Short-Term Debts (a)	276,204.98	3,644.23
Long-Term Debt:		
Long-Term Debt (Rupee)	261,167.65	3,445.82
Long-Term Debt (Foreign Currency)	537,401.99	7,090.44
Total Long-Term Debts (b)	798,569.64	10,536.26
Total Debt (c) = (a+b)[4]	1,074,774.62	14,180.49
Capital and Reserves:		
Paid-up Capital	159,093.66	2,099.07
Reserve Fund	15,647.55	206.45
General Reserve	–	–
Other Reserves[5]	3,894.62	51.39
Special Reserve	13,640.00	179.97
Total Capital and Reserves (d)	192,275.83	2,536.87
Total Capitalization[6] = (b) + (d)	990,845.47	13,073.13

Notes:

(1) For figures as of March 31, 2022, U.S. dollar translations have been made using the exchange rate reported by the Foreign Exchange Dealer's Association of India on March 31, 2022, which was Rs.75.7925 = U.S.$1.00.

(2) In case of rupee borrowings, short-term debt relates to debt raised with original maturity up to one year.

(3) In case of foreign currency borrowings, short-term debt is defined as debt raised with original maturity of up to three years.

(4) As of March 31, 2022, the Bank's total borrowings amounted to Rs.1,074,774.62 million (U.S.$14,180.49 million).

(5) Includes Investment Fluctuation Reserve and Sinking Fund (Lines of Credit).

(6) Capitalization excludes short-term debt.

SELECTED FINANCIAL INFORMATION

The following selected financial information has been derived from the financial statements of the Bank contained elsewhere in this Offering Circular, and is qualified in its entirety by reference to such financial statements, including the respective audit reports and the related notes thereto (see "*Index to Financial Statements of Export-Import Bank of India*"). The audited annual financial statements which were prepared as per formats prescribed in the Export-Import Bank of India General Regulations, 2020, in accordance with Indian GAAP, which differs in some respects from U.S. GAAP. See "*Index to Financial Statements of Export-Import Bank of India*" for further information about Indian GAAP. A summary of the differences between the Indian GAAP and U.S. GAAP is contained in this Offering Circular under the heading "*Summary of Significant Differences between Indian GAAP and U.S. GAAP*".

Presentation of Financial Information

This Offering Circular contains the audited financial statements of the Bank as of and for the financial years ended March 31, 2022, 2021 and 2020 (see "*Index to Financial Statements of Export-Import Bank of India*").

The financial data mentioned in this Offering Circular pertains to the General Fund of the Bank, in which the Bank's entire business is accounted for. The Bank also administers the Export Development Fund ("**EDF**"), which was established by the Government in accordance with Section 15 of the Export-Import Bank of India Act, 1981 (the "**Act**") to extend financing to entities that are not likely to obtain funding from other institutions in their ordinary course of business. The Bank must obtain the prior approval of the Government before granting any loans or advances or entering into any arrangement with respect to the EDF. The financial data pertaining to the EDF appears only in Appendix B of the "*Index to Financial Statements of Export-Import Bank of India*".

Statutory Auditors of the Bank

In terms of Section 24(1) of the Act, the accounts of the Bank are required to be audited by auditors qualified to act as auditors under sub-section (1) of Section 226 of the Companies Act, 1956, who shall be appointed by the Government for such term and on such remuneration as the Government may decide. In the past, the Government has generally changed its recommended panel at least once every three years. In respect of the financial years ended March 31, 2020 and 2021, the statutory auditors of the Bank were JCR & Co. Chartered Accountants, Mumbai. In respect of the financial year ended March 31, 2022, the statutory auditors of the Bank were GMJ & Co., Chartered Accountants.

Selected Financial Information(1)

	As of/for the financial year ended March(2)(3)			
	2020	2021	2022	
	(₹ million)		(₹ million)	(US$ in million)(24)
Income Statement Data				
Interest Income(2)	82,463.66	79,798.06	79,763.83	1,052.40
Interest Expenses(3)	62,519.63	54,181.90	48,891.29	645.07
Net Interest Income	19,944.03	25,616.17	30,872.54	407.33
Non-interest Income(4)	4,066.75	5,966.17	3,870.41	51.07
Income (Net Interest + Non-Interest)	24,010.78	31,582.34	34,742.95	458.40
Non-interest Expenses(5)	3,697.50	3,347.42	3,438.76	45.37
Provisions/Write-offs(6)	17,875.85	24,671.68	9,806.68	129.39
Provision for Tax	1,198.95	1,023.36	14,120.99	186.31
Net Income	1,238.49	2,539.88	7,376.52	97.33

	As of/for the financial year ended March[2][3]			
	2020	2021	2022	
	(₹ million)		(₹ million)	(US$ in million)[24]
Balance Sheet Data[25]				
Cash and Bank Balances	128,790.54	144,922.67	32,733.78	431.89
Investments	108,370.66	100,172.24	109,025.26	1,438.47
Loans and advances[7]	994,465.01	1,038,513.46	1,176,191.61	15,518.57
Others[8]	76,781.23	64,407.79	49,464.63	652.63
Total Assets	1,308,407.44	1,348,016.15	1,367,415.28	18,041.56
Total Shareholders' Equity[9]	162,850.92	178,136.91	192,275.83	2,536.87
Deposits	2,348.78	2,051.74	1,774.86	23.42
Profit & Loss Account[10]	123.90	253.90	737.60	9.73
Other Borrowings[11]	1,049,347.91	1,094,118.32	1,072,999.74	14,157.07
Current liabilities and provisions for contingencies	31,337.59	33,014.06	47,758.58	630.12
Others	62,398.35	40,441.23	51,868.67	684.35
Total Liabilities	1,308,407.44	1,348,016.15	1,367,415.28	18,041.56
Other Data				
Return on Average Assets[12]	0.10%	0.19%	0.54%	0.54%
Return on Average Equity[13]	0.94%	1.70%	4.75%	4.75%
Net Interest Margin[14]	1.54%	1.84%	2.19%	2.19%
Net Interest Spread[15]	0.81%	1.31%	1.62%	1.62%
Non-Interest Income/Income (Net Interest + Non-Interest)	16.94%	18.89%	11.14%	11.14%
Operating Expenses/Income (Net Interest + Non-Interest)[16]	7.10%	6.23%	5.41%	5.41%
Credit Loss Provisions/Income (Net Interest + Non Interest)	74.68%	68.24%	3.27%	3.27%
Gross NPL Ratio[17]	8.75%	6.69%	3.56%	3.56%
Net NPL Ratio[18]	1.77%	0.51%	0%	0%
Loan Loss Coverage Ratio[19]	88.76%	96.74%	100.00%	100.00%
Equity/Assets[20]	12.45%	13.21%	14.06%	14.06%
Debt/Equity[21] (not in %)	6.46%	6.15%	5.59%	5.59%
Tier I Capital Adequacy Ratio[22]	18.70%	24.00%	28.58%	28.58%
Total Capital Adequacy Ratio[23]	20.13%	25.89%	30.49%	30.49%

Notes:

(1) Excludes EDF.

(2) Includes gross interest and discount income on loans of ₹54,506.03 million, ₹43,788.66 million and ₹43,392.58 million for the financial years ended March 31, 2020, 2021 and 2022, respectively, and gross income from investments/bank balances and swap interest received of ₹27,957.63 million, ₹36,009.40 million and ₹36,371.26 million for the financial years ended March 31, 2020, 2021 and 2022, respectively.

(3) Refers to interest paid on notes, bonds and debentures, deposits, borrowings, swap interest paid etc. and excludes credit insurance, fees and charges.

(4) Includes exchange, commission, brokerage and fees, net gain on sale of investments/land, buildings and other assets; and other income.

(5) Includes credit insurance, fees and charges, staff salaries, directors fees, audit fees, rent, taxes, electricity, insurance premia, communication expenses, legal expenses, other expenses and depreciation.

(6) Includes provisions/write-off of loans of ₹17,930.51 million, ₹21,553.20 million and ₹1,134.47 million for the financial years ended March 31, 2020, 2021 and 2022, respectively, and provisions/write-off (net of write-back) of investments and others ₹(54.70) million, ₹3,118.40 million and ₹8,672.21 million for the financial years ended March 31, 2020, 2021 and 2022, respectively.

(7) Includes loans and advances to industrial concerns, schedule banks, foreign governments and other financial institutions and bills of exchange and promissory notes discounted/rediscounted. Amounts stated are net of provisions for NPLs.

(8) Includes fixed assets and other assets.

(9) Includes capital and reserves.

(10) Figures as at March 31, 2020, 2021 and 2022 figures represent balance of net profits transferable to the Central Government in terms of section 23(2) of the Exim Bank Act, 1981.

(11) Includes notes, bonds and debentures, foreign currency borrowings and other borrowings.

(12) Computed as the ratio of the net profit after tax to the average total assets.

(13) Computed as the ratio of the net profit after tax to the weighted average equity.

(14) Net interest margin equals to interest earned less interest expended and credit insurance, fees and charges over the average of the gross earning assets of the current and previous year.

(15) Net interest spread is the difference between the average yield on total interest earning assets and the average cost on total interest-bearing liabilities.

(16) Operating expenses excludes interest expenses, audit fees, legal expenses, other expenses, depreciation and provisions.

(17) Computed as gross NPLs divided by gross loans and advances.

(18) Computed as net NPLs divided by net loan assets.

(19) Computed as provisions for NPLs divided by gross NPLs.

(20) Computed as total shareholders' equity divided by total assets.

(21) Computed as total debt (i.e. deposits, borrowings and notes, bonds and debentures) divided by shareholders' equity for the financial years ended March 31, 2020, 2021 and 2022, respectively.

(22) Computed as core capital as per RBI norms, divided by the total risk-weighted assets.

(23) Computed as total capital divided by total risk-weighted assets.

(24) U.S. dollar translations for Balance Sheet items have been made using the exchange rate of US$1.00 = ₹75.7925 as of March 31, 2022 (being the rate announced by the Foreign Exchange Dealer's Association of India as of March 31, 2022).

(25) Balance sheet data as at March 31, 2020, March 31, 2021 and March 31, 2022, respectively, is a period-end balance. Yield/cost figures are not annualized.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Bank's financial condition and results of operations are based on the Bank's financial statements and accompanying notes, which have been prepared in accordance with Indian GAAP and are included in this Offering Circular. This discussion should be read together with the "Selected Statistical Data" and the Bank's financial statements which were prepared as per formats prescribed in the Export-Import Bank of India General Regulations, 2020, in accordance with Indian GAAP, which differs in some respects from U.S. GAAP. See also "*Summary of Significant Differences Between Indian GAAP and U.S. GAAP*."

Overview

The Bank was established in September 1981 under the Export-Import Bank of India Act, 1981 (Act) for the purpose of financing, facilitating and promoting foreign trade of India. The Act specifically mandates the Bank to provide financial assistance to Indian exporters and importers and to function as the principal financial institution for coordinating the working of institutions engaged in financing the export and import of Indian goods and services. The Bank is charged with carrying out these functions with a view to promoting India's international trade. The Bank commenced its operations on January 1, 1982.

The Bank extends finance through a variety of lending programs and seeks to help Indian exporting firms in their endeavors by proactively assisting them in locating overseas business partners, and identifying trade and investment opportunities for them. The Bank provides financial assistance to export-oriented Indian companies by way of term loans for setting up new production facilities and expanding, modernizing and/or upgrading of existing facilities. Through the provision of lines of credit ("**LOCs**") to overseas entities, national governments, regional financial institutions and commercial banks, the Bank has supported many projects in developing countries.

The Bank extends funded and non-funded facilities to support project exports for overseas turnkey projects, civil construction contracts, technical and consultancy service contracts as well as supplies. The Bank also extends buyers' credit and suppliers' credit to finance and promote India's exports. The Bank supplements its financing programs with a wide range of value-added information, advisory and support services, which enable exporters to evaluate international risks, exploit export opportunities and improve competitiveness, thereby helping them in their globalization efforts. In addition, the Bank has also promoted one joint venture, namely GPCL Consulting Services Limited ("**GPCL**"), which is associated with a comprehensive range of procurement-related advisory services and inter-allied activities for projects in India and abroad. See "*Description of the Bank*".

The Bank, along with Infrastructure Leasing and Financial Services Limited, the State Bank of India and the African Development Bank launched a project development company, called Kukuza Project Development Company (Kukuza) to focus on development of infrastructure projects in Africa. Kukuza provides specialist project development expertise to African governments, utility and other private companies on infrastructure projects in Africa. Kukuza's initial authorized capital shall be US$25 million and the Bank's share in the capital is US$4.88 million. The shareholders' agreement for Kukuza was signed in July 2015. Kukuza is registered in Mauritius and has commenced operations in the financial year ended March 31, 2018. Kukuza currently has a pipeline of projects in sectors such as ports and healthcare in Africa.

The Bank, which has its Head Office located in Mumbai, has domestic regional offices in Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, New Delhi and Pune, and has overseas representative offices in Abidjan, Addis Ababa, Dhaka, Dubai, Johannesburg, Singapore, Washington, D.C. and Yangon as well as an overseas branch in London.

As of March 31, 2022, the total amount of outstanding gross loans provided by the Bank was ₹1,219.66 billion (US$16.09 billion), including ₹966.38 billion (US$12.75 billion) in outstanding export credit loans and ₹253.28 billion (US$3.34 billion) in outstanding export capability creation. As of March 31, 2022, the total amount of outstanding non-funded facilities issued by the Bank was ₹152.47 billion (US$2.01 billion).

For the year ended March 31, 2022, the Bank's net profit after tax amounted to ₹7,376 million (US$97.33 million), which was an increase of ₹4,837 million, or 190.51%, from ₹2,539 million for the year ended March 31, 2021. The increase in profit was primarily on account of steeper fall in total expenditure vis-à-vis total income.

Basis of Preparation

The Bank's financial statements have been prepared in accordance with the generally accepted accounting principles followed in India. The financial statements have been prepared under the historical cost convention on an accrual basis unless otherwise stated. The accounting policies that are applied by the Bank are consistent with those used in previous years. The form and manner in which the Bank's financial statements are prepared have been provided in the Export-Import Bank of India, General Regulations, 2020. Certain important financial ratios/data are disclosed as part of the "Notes to Accounts" in terms of RBI Master Direction DBR.FID.No. 108/01.02.000/2015-16 dated June 23, 2016 and thereafter.

Factors Affecting the Bank's Business, Financial Condition, Results of Operations and Prospects

The Bank's business, financial condition, results of operations and prospects have been, and are expected to be, influenced by numerous factors, including but not limited to those described below and those described under "*Risk Factors*". These are expected to affect the overall growth prospects of the Bank, including the level of credit disbursed by the Bank, the value of its asset portfolio and its ability to implement its strategy.

Indian economy

As a development financial institution with a significant portion of its operations in India (approximately 39% of the Bank's total credit exposure was located in India as of March 31, 2022), the Bank's business, results of operations, financial condition and prospects have been, and will continue to be, significantly affected by Indian political and economic factors, including overall economic growth, real sector development, export performance, rate of inflation and fluctuations in exchange and interest rates. See "*Risk Factors – Risks relating to the business of the Bank"* and *"Risk Factors – Risks relating to India.*"

Impact of the COVID-19 pandemic

The Bank's business has been affected, and may continue to be adversely affected, by the global outbreak of a novel strain of coronavirus (i.e. COVID-19). The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020. The COVID-19 pandemic has been one of the most significant global health crises in recent times and caused a global recession. The COVID-19 pandemic has exposed the risks of sudden stoppages of economies and supply chain disruptions worldwide. In addition, the emergence of new COVID-19 variants could lead to resurgence in infection rates and re-imposition of tight border control and disruptions and restrictions on movement and economic activities, posing further economic growth risk. The resurgence in infection rates and fatalities could lead to further restrictions, which in turn could prolong production and supply-chain disruptions and delay the restoration of business and consumer confidence. These may result in a prolonged global economic crisis or recession, which may in turn adversely impact the Bank's business, financial condition and results of operations.

In addition, the economic disruption caused by the COVID-19 pandemic has resulted in significant volatility in the global markets across all asset classes, including stocks, bonds, oil and other commodities and this volatility may persist for some time. Such uncertainties and volatilities may adversely affect the Indian economy and the economy globally, the Bank, its business and financial condition, results of operations, prospects, liquidity and capital position. Domestically, according to the provisional estimates released by the MOSPI on May 31, 2022, GDP growth in India expanded by 8.7% in fiscal year 2022 as compared to a contraction of 6.6% registered in the fiscal year 2021. The economy continued to face challenges in the form of the second wave of infections during the first quarter of 2021-22 and the highly transmissible Omicron variant in the last quarter of 2021. However, external demand recovered with the easing of mobility restrictions and economic stimulus provided by major trade partners which led to expansion of India's foreign trade sector during fiscal year 2022.

Governments and central banks across the world, including in India, had introduced fiscal and monetary stimulus measures including direct subsidies, tax cuts, interest rates cuts, quantitative easing programs and suspension or relaxation of prudential bank capital requirements. These measures aimed at containing the economic impact of the COVID- 19 pandemic, stabilize the capital markets and provide liquidity easing to the markets. In addition, the Indian regulators promulgated a series of measures to encourage Indian financial institutions to increase financial support to business and consumers to combat the challenges arising from the COVID- 19 pandemic. The Indian regulators had suspended the portions of the Insolvency and Bankruptcy Code, 2016 of India for six months (which was later extended up to a year) as a result of the COVID-19 pandemic. Fresh insolvency proceedings were suspended on March 25, 2020 and such suspension has been lifted on March 24, 2021.

The economic consequences of the COVID-19 pandemic have been much deeper in 2022. Nations around the world are facing a double whammy of tackling slower growth with inflation. In this regard, and as a move to address the rising inflation levels, the Indian regulators commenced liquidity withdrawal since April 2022.

Various factors such as a sustained rise in interest rates, negative developments in the economies and/or the sectors in which the Bank lends money, movements in global commodities markets and exchange rates, global competition and political and economic developments in key economies, as well as the continued spread of COVID-19, could have a material adverse effect on the quality of the Bank's portfolio. Some borrowers and counterparties may not be able to meet their financial obligations and this may result in loans being classified as non-performing assets. Adverse changes in the credit quality of the Bank's borrowers and counterparties or adverse changes arising from a deterioration in global, regional and sectoral economic conditions or asset values may lead to an increase in NPAs in the future and require an increase in the Bank's level of allowances for credit and other losses or increase the level of asset write-downs or write-offs experienced by the Bank. If the Bank is not able to control or reduce the level of non-performing loans, the overall quality of the Bank's assets may deteriorate which may materially and adversely affect the Bank's business, financial condition and results of operations.

The Emergency Credit Line Guarantee Scheme (ECLGS) was introduced as part of the ₹20 lakh crore comprehensive package announced by the Ministry of Finance, GoI to aid the MSME sector in view of the economic distress caused by the COVID-19 pandemic. The Bank also supported its existing clients under the ECLGS. During 2021-22, loans sanctioned under ECLGS 1.0, ECLGS 2.0 and ECLGS 3.0 cumulatively stood at ₹737.2 million. As of March 31, 2022, the total loans outstanding under the ECLGS schemes aggregated ₹1,424.8 million.

The Bank has also been receiving requests from foreign borrower governments ("**Borrower Governments**") for debt relief. As of March 31, 2022, the Bank has received requests from 20 Borrower Governments for debt relief. As of the date of this Offering Circular, the GoI has conveyed its approval to the Bank for the debt relief requests received from 16 Borrower Governments. The outstanding principal amount of US$2,468.84 million pertaining to these 20 countries represents 37.36% of the Bank's LOC portfolio outstanding and 15.31% of the total loan portfolio outstanding as of March 31, 2022. The dues sought to be deferred for these 20 countries amount to US$322.31 million.

In the Bi-monthly Monetary Policy Statement announced on August 6, 2020, the RBI announced a resolution framework for COVID-19-related stressed borrowers, through a special window under the Prudential Framework on Resolution of Stressed Assets issued on June 7, 2019. Further, stressed MSME borrowers were eligible for debt restructuring, provided their accounts with the concerned lender were classified as standard as of March 1, 2020 and the aggregate exposure of banks and NBFCs was not more than ₹25 crore. The restructuring had to be implemented by March 31, 2021, subject to certain conditions. The RBI also announced the reduction and harmonisation of capital charge for market risk for banks' investment in debt mutual funds and debt exchange traded funds, among others. These announcements may impact the Bank's business as applicable.

As per the Statement on Developmental and Regulatory Policies issued by RBI in February 2021, Scheduled Commercial Banks (SCBs) were allowed to deduct credit disbursed (exposures up to ₹25 lakh per borrower) to 'New MSME borrowers' from their NDTL for MSME borrowers that have not availed any credit facilities from the banking system as on January 1, 2021 and extended up to December 31, 2021. Banks were also allowed to utilize 100% of floating provisions/countercyclical provisioning buffer held as on December 31, 2020, for making specific provisions for NPAs up to March 31, 2022. According to the RBI Monetary Policy Statement of June 2021, lending institutions having aggregate exposure of up to ₹50 crore on MSMEs that had not availed restructuring and were classified as 'Standard' as on March 31, 2021, were eligible under Resolution Framework 2.0 and restructuring invoked till September 30, 2021.

See also "*Risk Factors – The global outbreak of COVID-19 has adversely affected, and may continue to adversely affect the Bank's business.*"

Economic Growth

According to the International Monetary Fund ("**IMF**"), India is currently the sixth largest economy globally (and the third largest globally when adjusted for purchasing power parity) with a nominal gross domestic product ("**GDP**") size of over US$3 trillion, and the second most populous country in the world with a population of approximately 1.4 billion people in 2021.

The global economy is expected to grow at 3.6% in 2022, moderating from a growth of 6.1% in 2021, amid ongoing geopolitical conflict, accompanying sanctions and resulting international spill overs via global commodity prices, trade and financial linkages, and labour supply, effects of which are expected to spread more widely. In April 2022, the IMF estimated India's projected real GDP growth in 2022 to be at 8.2%, noting that the growth remains subject to downside risks as external position is expected to deteriorate as India is a net importer of oil. Higher oil prices may affect domestic demand as they may weigh on private consumption and investment.

The global output growth had recovered from (3.1)% in 2020 to 6.1% in 2021 driven by economic stimulus provided by major economies and easing of mobility restrictions to mitigate the COVID-19 pandemic. Growth in the advanced economies is projected to expand by 3.3% in 2022 as compared to an expansion of 5.2% in 2021, due to faster than anticipated monetary policy normalisation to rein in inflation and supply chain disruptions in trading partners. The emerging and developing market economies are expected to grow by 3.8% in 2022, as compared to a growth of 6.8%% in 2021, as tightening of global financial conditions superimposed on elevated domestic inflation is expected to weigh down on growth. Besides these factors, supply chain disruptions caused by the Russia-Ukraine conflict and frequent lockdowns in China are also expected to have ramifications on emerging and developing market economies growth.

According to the National Statistical Office (the "**NSO**"), Ministry of Statistics and Program Implementation, the Indian economy grew at a rate of 8.7% during fiscal year 2022, moderating from a contraction of 6.6% in the preceding year. On the supply side, the mining sector benefited from rising global commodity prices and expanded during the fiscal year 2022. The manufacturing sector also recovered riding on increasing external demand but remained static in the last quarter as the Omicron wave impacted global demand and rising input costs reduced margins. Services expanded in both quarters but remain below the pre-pandemic level. On the demand side, growth in private consumption was supported by a release of pent-up demand during the Delta wave, while investment was crowded-in by increased government capital spending. Imports and exports remained the fastest growing sectors, with higher growth in imports than in exports, contributing to current account deficits. According to the World Bank, the Indian economy is expected to grow by 7.5% in fiscal year 2022 and thereafter growth is expected to be at 7.1% in the fiscal year 2023. The recovery in private consumption is likely to be constrained by the incomplete recovery in the labour market, and inflationary pressures weighing on households' purchasing power. The negative impact of the war in Ukraine on fiscal year 2022-23 growth is expected to be moderate. Credit offtake in the infrastructure sector is expected to continue growing in 2022 (power and roads). Business expectations and investment, which had improved, are likely to deteriorate amid elevated input prices and a faster-than-anticipated increase in borrowing costs. The travel services balance may improve as India allows international flights to resume, while exports of computer and professional services are expected to remain strong.

Real Sector Development

India's growth was observed to be broad based across the supply side components of output. The agriculture, forestry and fishing sector continued to observe a sustained growth at 3.0 per cent in 2021-22, as it was least impacted by the COVID-19 pandemic. The industrial sector grew by 10.3 per cent in fiscal year 2022 as compared to a contraction of 3.3 percent in fiscal year 2021. Industrial activity was mainly driven by the recovery of the mining sector (11.6% growth in fiscal year 2022 as compared to a contraction of 8.6% in fiscal year 2021) and manufacturing sector (9.9% growth during fiscal year 2022 as compared to contraction of 0.6% in fiscal year 2021) due to recovery in external demand. The electricity, gas, water and other utility services and the construction sector recovered by 7.5% and 11.5% during fiscal year 2022 as compared to a contraction in growth of 3.6% and 7.3% in fiscal year 2021. The services sector grew by 8.4% in fiscal year 2022 as compared to a contraction of 7.8% in fiscal year 2021, driven by public administration, defense and other services (12.6% growth in fiscal year 2022 as compared to a contraction of 5.5% in fiscal year 2021) and financial, real estate & professional services (4.2% growth in fiscal year 2022 as compared to a growth of 2.2% in fiscal year 2021). The contact intensive services sectors including trade, hotels, transport, communication, and service related to broadcasting (11.1% growth in fiscal year 2022 as compared to a contraction of 20.2% in fiscal year 2021) continued to remain below the pre-pandemic levels.

Export Performance

As the main activities of the Bank include providing a range of export credit services, developments in the export sector impact the Bank's business. Merchandise exports and imports of India in fiscal year 2022 stood at US$421.9 billion and US$612.6 billion, respectively. India's greater integration with the world economy was reflected by the trade openness indicator, merchandise trade to GDP, which increased from 13.9% in fiscal year 1992, to 27% in fiscal year 2005. However, it moderated to 29.4% in fiscal 2017 as a result of subdued exports and imports. It increased to 29.6% in fiscal year 2018 and 30.8% in fiscal year 2019 as a result of the recovery in global trade. India's merchandise trade as a percentage of GDP declined to 25.8% in fiscal year 2021 as a result of weak external demand, and subsequently increased to 33% in fiscal year 2022 in line with the recovery in external demand driven by easing of restrictions and economic stimulus provided to mitigate the impact of the pandemic.

India's merchandise exports saw a revival in fiscal year 2017 and grew for the third consecutive year at a rate of 8.8% in fiscal year 2019 compared to the previous fiscal year. However, India's merchandise exports witnessed a contraction of 5.1% in fiscal year 2020, mostly owing to weak external demand. It further contracted by 6.9% in fiscal year 2021 owing to the adverse impacts of the pandemic. Merchandise exports recovered by 44.6% in fiscal year 2022 driven by recovery in external demand, increase in production, and easing of pandemic related restrictions. Elevated commodity prices, also led to the increase in exports, in value terms Sectors such as petroleum products registered triple digit growth by 161.5%. All sectors registered positive growth except ores and minerals which contracted by 14.1% during the fiscal year 2022. India's imports also expanded from US$394.4 billion in fiscal year 2021 to US$612.6 billion in fiscal year 2022, principally as a result of higher oil prices and recovering domestic demand. As a result, India's trade deficit widened from US$102.5 billion in fiscal year 2021 to US$190.7 billion in fiscal year 2022. India emerged as the 18th largest global exporter in 2021, with a share of 2.2% in global merchandise trade according to the international trade and market access online database of the World Trade Organization ("**WTO**").

India's top 10 export sectors are petroleum products, chemicals and related products, base metals, textile and allied products, gems and jewellery, agriculture and allied products, machinery, transport equipment, electronic items and plastic and rubber articles which together accounted for 89.7% of total exports in fiscal year 2022 (compared to 83.2% in 2011). The growth rates registered by these sectors during fiscal year 2022 are – petroleum products (161.3%), chemical and related products (16.7%), base metals (70.6%), textile and allied products (41.4%), gems and jewellery (50.3%), agriculture and allied products (9%), machinery (36.1%), transport equipment (28.2%), electronics items (40.5%) and plastic and rubber articles (31.8%), as compared to fiscal year 2021.

In terms of direction of trade, share of exports to North America (comprising the USA and Canada) have increased to 18.9% in fiscal year 2022 from 10.7% in fiscal year 2011. Share of exports to the Commonwealth of Independent States (which includes Russia) and Baltics which was 1.1% in fiscal year 2011 remained at similar level. Share of exports to Africa increased from 7.9% in fiscal year 2011 to 9.5% in fiscal year 2022 and that to Latin America and the Caribbean (including Mexico) increased from 4.1% in fiscal year 2011 to 4.6% in fiscal year 2022. Share of exports to Europe increased marginally from 20.0% in fiscal year 2011 to 20.4% in fiscal year 2022. On the other hand, there was a decline in share of exports to Asia from 50.5% in fiscal year 2011 to 44.9% in fiscal year 2022.

In fiscal year 2022-23, India's exports are expected to remain subject to significant uncertainties resulting in subdued external demand and supply chain constraints arising as a result of Russia-Ukraine conflict and lockdown in China disrupting seaborne trade. During April 2022, India's exports stood at US$40.2 billion (year on year increase of 30.7%) and imports stood at US$60.3 billion (year on year increase of 31%). Accordingly, merchandise trade deficit rose from US$15.3 billion in April 2021 to US$20.1 billion during April 2022. With regard to the direction of India's exports, Asia accounts for 44.9%, Europe accounts for 20.4% and North America accounts for 18.9% of India's exports in the financial year 2021-22. According to the WTO, the volume of global imports from Asia is expected to grow by 2% and those of Europe and North America are expected to grow by 3.7% and 3.9%, respectively, in 2022, moderating from import growth levels in 2021. Accordingly, India's export growth remains subject to downside risks for the financial year 2022-23.

Inflation

High inflation rates in the Indian economy have impacted and could continue to impact the Bank's ability to sustain profitable interest margins given that such high rates could lower demand for the Bank's loans.

The inflation rate based on the Wholesale Price Index ("**WPI**"), which was at 1.3% in fiscal year 2021 increased to 13% in fiscal year 2022. This is as a result of elevated international commodity prices amidst a global economic recovery followed by geo-political developments have put pressure on domestic wholesale prices.

The base year for calculating WPI has been revised from 2004-05 to 2011-12 by the NSO to conform to the structure of the economy in 2011-12. In total, 199 new items have been added and 146 old items have been dropped. In the new WPI series, indirect tax is not included in the prices to remove the impact of fiscal policy. This complies with international practices and will make the new WPI conceptually closer to "Producer Price Index." In January 2012, inflation numbers based on the new consumer price index ("**CPI**") were released by the NSO, which included all rural and urban workers in India, and a base year of 2010. Since December 2012, inflation measured by the CPI remained in double digits even as WPI inflation moderated, leading to the widening of a gap between the two measures. This was due to higher weighting of food items in the CPI (47.6% in CPI compared to 24.3% in WPI). Following the revision of the CPI, with a revised base year at 2012 and the reduced weightage of food items, inflation measured by the CPI moderated from 10.1% in 2013 to 9.3% in 2014, to 5.8% in 2015, 3.6% in 2018, 3.4% in 2019, respectively. However, during fiscal year 2020, it increased to 4.8%. During fiscal year 2021, CPI inflation (annual average) moderated to 5.5% due to high base effect. CPI inflation since January 2022 has remained above 6% and reached 7.8% in April 2022 driven by higher food and fuel cost.

In February 2015, the RBI and the Ministry of Finance had agreed upon the Monetary Policy Framework Agreement ("**MPFA**"), which was conceived as a "modern monetary policy framework to meet the challenge of an increasingly complex economy." In May 2016, the RBI Act, 1934 was amended to provide a statutory basis for the implementation of the flexible inflation targeting framework. The amended RBI Act also provides for the inflation target to be set by the Government of India, in consultation with the RBI, once in every five years. Accordingly, the Central Government has notified in the Official Gazette, CPI inflation target of 4% for the period from August 5, 2016 to March 31, 2021 with the upper tolerance limit of 6% and the lower tolerance limit of 2%. According to the Monetary Policy Statement dated April 7, 2021, on March 31, 2021, the Government of India retained the inflation target at 4% with the lower and upper tolerance levels of 2% and 6%, respectively, for the period between April 2021 to March 2026.

Changes in interest rates

One of the primary factors affecting the Bank's profitability is the level of, and fluctuations in, interest rates in India as well as global interest rates over time, which in turn (along with volume) influence the interest income generated by the Bank's assets (primarily loans and advances) and the interest expense associated with its liabilities. See "*Selected Statistical Data*".

Interest rates in India are primarily determined by market forces, which results in increased interest rate risk exposure for all banks and financial intermediaries in India. The Bank's results of operations are substantially dependent upon the level of net interest margins. Changes in interest rates could affect the interest rates charged on interest-earning assets and the interest rates paid on interest bearing liabilities in different ways. As a result, the Bank's results of operations could be affected by changes in interest rates and the interest rate mismatch of its assets and liabilities. Further, volatility in interest rates could adversely affect the Bank's business, its future financial performance and the pricing of the Notes.

During the COVID-19 pandemic in 2020, the width of the Liquidity Adjustment Facility ("**LAF**") corridor was widened to 90 basis points (bps) by asymmetric adjustments in the reverse repo rate *vis-à-vis* the policy repo rate. With a view to fully restore the pre-pandemic liquidity management framework of February 2020 and in view of the gradual return to normalcy in financial markets, the RBI in its Monetary Policy Committee Meeting on April 8, 2022, decided to restore the width of the LAF corridor to its pre-pandemic level. With the introduction of the Standing Deposit Facility at 3.75 per cent, the policy repo rate being at 4.00 per cent and the MSF rate at 4.25 per cent, the width of the LAF corridor was restored to its pre-pandemic configuration of 50 bps.

Rising international commodity prices induced by geopolitical tensions have heightened domestic inflationary pressures. Therefore, in the Monetary Policy Meeting in May 2022, the Monetary Policy Committee ("**MPC**") of the RBI decided to increase the policy repo rate by 40 basis points to 4.40 per cent. The MPC decided to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target of 4% within a band of +/- 2% going forward, while supporting growth. On June 8, 2022, the MPC decided to further increase the repo rate by 50 bps to 4.90 per cent, and decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target. The table below sets out the bank rate, repo rate and reverse repo rate, as determined by the RBI, for the periods indicated.

As of March 31,	Bank Rate	Repo Rate	Reverse Repo
2020	4.65	4.40	4.00
2021	4.25	4.00	3.35
2022 (June 8, 2022)	5.15	4.90	3.35

Source: RBI.

Market borrowings constituted 100% of the total borrowings of the Bank and 85% of its total Lendable resources as of March 31, 2022. The Bank extends loans and advances to its clients both in Rupee and foreign currency. The Bank, being a development financial institution, measures such as the cash reserve ratio ("**CRR**"), statutory liquidity ratio, priority sector lending, current account and savings account, among others, which are applicable to commercial banks, are not applicable to the Bank. Both the Bank's funding and loan pricing dynamics are therefore different from commercial banks due to the nature of its activities and mandate. The monetary policy of the RBI has and would continue to have bearing on the Bank's Rupee cost of funds as it generally follows the direction of the interest rates set by the RBI for its commercial portfolio.

The Bank's net interest income is affected by a number of factors including the general level of interest rates, its ability to allocate its funds to assets that provide high interest rates and its cost of funding. While the Bank's Rupee and foreign currency loans are funded by its borrowings which are based on market dynamics, the yield on its lines of credit portfolio is intentionally kept low, since it does not seek to maximize profits, given its government mandate to support exports and also as the exposures are backed by sovereign guarantee from the Government of India. The foreign currency advances are predominantly funded by foreign currency borrowings, to insulate the portfolio from basis and re-pricing risks. Fixed-rate FC borrowings are converted into floating-rate liabilities by means of currency/interest rate swaps (unless the funds are required for extending fixed-rate FC loan assets, if any), so that both the lending and borrowing rates are based on the same benchmark, LIBOR. Consequently, changes in LIBOR, as well as changes in the spreads charged by the Bank for its various FC lending products, result in changes in its interest rates charged on newly originated FC loans and outstanding medium-term and long-term FC loans, which ultimately affects its interest income. In addition, as the Bank borrows in foreign currencies to fund its foreign currency lending activities, changes in market rates also affect its interest expense.

Forex Reserves

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy which could have an adverse impact on the Bank's business.

According to the RBI's Weekly Statistical Statement, India's foreign exchange reserves stand at a robust level of approximately US$607.3 billion, as of March 31, 2022, equivalent to approximately 12 months of imports. India's net foreign direct investment during fiscal year 2022 stood at US$39.3 billion as against approximately US$44 billion in the previous fiscal year. According to the RBI's foreign investment flows data, India's net portfolio investment during fiscal year 2022 stood at (-) US$14.5 billion as compared to a net portfolio investment of US$38.7 billion in the previous year. The capital outflows are mainly on the back of the monetary policy tightening in advanced economies and Russia-Ukraine conflict leading to heightened uncertainty among investors. The ratio of short-term debt (residual maturity) to foreign exchange reserves was approximately 43.1%, as of December 2021. As a percentage of foreign exchange reserves, volatile capital flows, defined to include cumulative portfolio inflows and short-term debt, declined from a high of 94% in 2013 to 65.0% as of December 2021.

Sovereign Ratings of India

A change in sovereign ratings of India may affect the Bank's business, liquidity position and the cost of funds as the Bank's ratings are on par with the sovereign ratings of the country.

In July 2021, Standard and Poor's ("**S&P**") retained India's sovereign ratings at "BBB minus" with a "stable" outlook with the expectation that India's economy will recover following the resolution of the COVID-19 pandemic, and that the country's strong external settings will act as a buffer against financial strains despite elevated government funding needs over the next 24 months.

In November 2019, Moody's had downgraded the Government of India's foreign currency and local currency long term issuer ratings to "Baa3" from "Baa2" while maintaining the "negative outlook" due to relatively weak implementation of reforms since 2017, a sustained period of relatively low growth, significant deterioration in the fiscal position of the government and the rising stress in the financial sector. In October 2021, Moody's upgraded India's sovereign rating outlook from a "negative" outlook to "stable" outlook while maintaining India's long term issuer ratings at "Baa3."

On June 10, 2022, Fitch Ratings, Inc. ("**Fitch**") upgraded the outlook on India's long-term foreign currency Issuer Default Rating ("**IDR**") to "stable" from "negative" and affirmed the rating at "BBB-". This upgrade was due to the rapid economic recovery and easing financial sector weakness, despite near-term headwinds from global commodity price shock. Fitch has downgraded India's outlook to "negative" on June 18, 2020, due to concerns over economic disruptions caused by the pandemic and the challenges associated with a high public debt burden.

Presently, S&P, Fitch and Moody's have stable outlooks on their sovereign rating for India. The credit rating agencies may lower their sovereign ratings for India or the outlook on such ratings, which would also impact the Bank's ratings. There is no assurance that India's credit ratings will not be downgraded in the future, which could lead to downgrade of long-term issuer rating of the Bank. The above ratings continue to remain applicable as on June 15, 2022.

Global Economy

Even as many countries were recovering from the acute spread of the COVID-19 pandemic, the conflict between Russia and Ukraine has led to dampening of global economic prospects. Commodity prices remain volatile at elevated levels, and supply chain disruptions got worsened. Inflation pressures have heightened across geographies, and central banks are aggressively tightening monetary policy and liquidity conditions. As financial conditions become adverse in response, financial markets are unsettled and volatile, with emerging market economies ("**EMEs**") facing the brunt of a surge in risk averse sentiments among global investors. This is triggering capital outflows and currency depreciations amidst losses of reserves. EMEs face the risk of their hesitant and incomplete recoveries stifled which in turn can spill back on to the prospects for the broader global recovery. As Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply. According to the IMF's World Economic Outlook April 2022, the global economy is expected to undergo a growth of 3.6 per cent in 2022 moderating from 6.1 per cent in 2021 reflecting the above-mentioned developments. Growth in the advanced economies is projected to moderate to 3.3 per cent. in 2022 as compared to an expansion of 5.2 per cent. in 2021 due to faster than anticipated monetary policy normalisation to rein in inflation and supply chain disruptions in trading partners. Growth in the United States is expected to moderate to 3.7 per cent in 2022 from 5.7 per cent in 2021 largely reflecting slower transmission of fiscal policy package and continued supply chain disruptions. The conflict in Ukraine and resulting sanctions imposed on Russia is expected to slower growth through international spill overs in the form of global commodity prices, trade and financial linkages, labour supply, and humanitarian impacts – notably in Euro area, leading to moderation of growth from 5.3 per cent in 2021 to 2.8 percent in 2022. Significantly divergent economic recoveries were found between the advanced and emerging market and developing economies due to disparities in the magnitude of economic stimulus provided on account of the pandemic. The emerging and developing market economies are expected to grow by 3.8 per cent. in 2022, as compared to a growth of 6.8 per cent. in 2021. Tightening of global financial conditions, superimposed on elevated domestic inflation has impacted EMEs, in particular. The US dollar posted large appreciations vis-a-vis EME currencies, which are also weakened by stubbornly rising energy prices. Slowing growth in China's economy has wider ramifications for Asia and for commodity exporters. In China, growth is projected at

4.4 per cent. in 2022, as compared to a growth of 8.1 per cent. registered in 2021, as the combination of more transmissible variants and a strict zero-COVID strategy is expected to lead to frequent lockdowns, with adverse effects on private consumption in China. Recent lockdowns in key manufacturing and trading hubs such as Shenzhen and Shanghai will likely compound supply disruptions. This has been further exacerbated by a highly leveraged real estate sector and subdued investment. India's economy is projected to grow by 8.2 per cent in 2022 as compared to a growth of 8.9 per cent. in 2021. Growth in the Latin America and the Caribbean region is also expected to moderate from 6.8 per cent in 2021 to 2.5 per cent in 2022 as it is likely to be affected by inflation and policy tightening. The two largest economies, Brazil, and Mexico are projected to grow by 0.8 per cent. and 2 per cent, respectively, in 2022, as compared to 4.6 percent and 4.8 percent in 2021. In sub-Saharan Africa, food prices are also the most important channel of transmission, as higher food prices result in lower purchasing power especially in low-income households. Higher oil prices are expected to boost growth prospects in oil exporting countries. Overall, growth in sub-Saharan Africa is projected at 3.8 per cent in 2022 as compared to 4.5 per cent in 2021. Nigeria and South Africa are expected to grow at 3.4 per cent. and 1.9 per cent. in 2022 after undergoing an expansion of 3.6 per cent. and 4.9 per cent. respectively in 2021. Global growth is projected to remain at 3.6 per cent. in 2023. Growth in the advanced economies is expected to moderate to 2.4 per cent while growth in emerging and developing economies is expected to increase by 4.4 per cent. in 2023. According to the IMF, with a few countries as exceptions, global output is expected to remain below pre-pandemic trends through 2026. Adverse effects of the war as well as the pandemic are expected to be much larger in emerging market and developing economies than in advanced economies – reflecting limited policy support and generally slower vaccination. Overall, high uncertainty surrounds the global economic outlook with downside risks including from a possible worsening of the geopolitical conflict, escalation of sanctions on Russia, a sharper-than-anticipated deceleration in China and a renewed flare-up of the pandemic.

According to the WTO, world merchandise trade volume is expected to grow 3% in 2022, moderating from a growth of 9.8% in 2021 and remains subject to downside risks arising from the uncertainty about the course of the conflict in Ukraine.

Credit risk and provisioning for impaired loans

Managing the risk that a counterparty to a financial contract with the Bank will fail to perform according to the terms and conditions of the contract and cause the Bank to suffer a loss, or "credit risk", is a key aspect of the Bank's financing and investment activities. See "*Risk Management*" for further information.

As per RBI guidelines, the Bank classifies advances to borrowers as "performing" or "non-performing" assets based on the recovery of principal and interest. NPAs are further classified as sub-standard, doubtful and loss assets. Provisioning requirements for NPAs are governed as per the RBI guidelines. As of March 31, 2022, the Bank had a provision coverage ratio of 100% compared to 96.74% as of March 31, 2021 and 88.76% as of March 31, 2020. The Bank believes its current level of provisions is adequate for the level of credit risk to which the Bank is exposed. The Bank's provision towards NPLs as of March 31, 2022 was ₹43,470 million (US$573.54 million). The Bank's provision for NPLs to gross NPLs as of March 31, 2022 was 3.56%. As of March 31, 2022, provisions for NPLs decreased by 36.82% to 43,470 million (US$573.54 million) compared to ₹68,800 million as of March 31, 2021, primarily on account of technical write-offs implemented by the Bank during the year and lower fresh slippages during the year.

As mentioned, as of March 31, 2020, 2021 and 2022, gross NPLs amounted to ₹93,618.34 million, ₹74,130.49 million and ₹43,470 million, respectively. The proportion of the Bank's gross NPLs to gross loans and advances was 8.75%, 6.69% and 3.56%, as of March 31, 2020, 2021 and 2022, respectively.

Indian Banking Sector Policies and Regulations

The Indian banking industry is regulated by the RBI and operates within a framework that provides guidelines on capital adequacy, corporate governance, management, anti-money laundering and provisioning for NPAs. The RBI can alter any of these policies at any time and can introduce new regulations to control any particular line of business. The RBI's ability to cause an increase in capital requirements could in turn have an impact on the Bank's results of operations.

There has been closer coordination between the Government and the RBI in formulating policies and in regulations. In fact, the agreement on monetary policy framework signed between the Government and the RBI in February 2015 has shaped the monetary policy stance in 2016. In May 2016, the RBI Act, 1934 was amended to provide a statutory basis for the implementation of the flexible inflation targeting framework. The amended RBI Act also provides for the inflation target to be set by the Government of India, in consultation with the RBI, once in every five years. Accordingly, the Central Government has notified in the Official Gazette, CPI inflation target of 4% for the period from August 5, 2016 to March 31, 2021 with the upper tolerance limit of 6% and the lower tolerance limit of 2%. On March 31, 2021, the Government retained the inflation target at 4% with the lower and upper tolerance levels of 2% and 6%, respectively, for the period of April 2021 to March 2026.

Government monetary policy is heavily influenced by the condition of the Indian economy, and changes in monetary policy will affect the interest rates on loans as well as bond prices in the financial sector. The RBI responds to fluctuating levels of economic growth, concerns about banks' liquidity position and inflationary pressures in the economy by adjusting the required CRR and repo rate. The RBI has also instituted several prudential measures to moderate credit growth including increase in risk weights for capital adequacy computation and general provisioning for various asset classes.

Pursuant to the Banking Regulation (Amendment) Ordinance 2017 passed in May 2017, and the Banking Regulation (Amendment) Bill passed in July 2017, the Government of India had authorized the RBI to direct banking companies to resolve specific stressed assets by initiating an insolvency resolution process, where required. The amendments to the Banking Regulation Act, 1949, introduced through the Ordinance, and the notification issued thereafter by the Central Government empowered RBI to issue directions to any banking company or banking companies to initiate an insolvency resolution process in respect of a default, under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). It also enables the RBI to issue directions with respect to stressed assets and specify one or more authorities or committees with such members as the Bank may appoint or approve for appointment to advise banking companies on the resolution of stressed assets.

However, RBI's circular dated February 12, 2018 in relation to stressed assets giving default companies 180 days to agree on a resolution plan with lenders or be taken to bankruptcy court to recover debt of ₹20,000 million and above was struck down by the order of the Supreme Court on April 2, 2019. The circular underscored the IBC's status as the cornerstone of India's bad-loan resolution framework, scrapping all previous mechanisms, such as corporate debt restructuring, strategic debt restructuring and the scheme for sustainable structuring of stressed assets. The order of the Supreme Court mandates RBI to exercise its powers under Section 35AA of the Banking Regulation Act, 1949 in respect of specific defaults by specific debtors. The order came as a relief to companies in stressed sectors such as power, shipping, steel, telecom, infrastructure, sugar and fertilizer.

Pursuant to the RBI's circular on prudential framework for resolution of stressed assets guidelines dated June 7, 2019, in the event of a default by a borrower, all lenders to the borrower are required to put in place a resolution plan ("**RP**") within 30 days of such default ("**Review Period**"). During this 30-day Review Period, the lenders would decide on a resolution strategy, which includes sale of the loan, legal action for debt recovery, immediate referral to NCLT, restructuring or change in ownership. In the event a RP is implemented, the lenders are required to enter into an intercreditor agreement ("**ICA**") during the review period. The ICA shall provide that any decision agreed by lenders representing 75% by value of total outstanding credit facilities (fund based as well non-fund based) and 60% of the lenders by number shall be binding upon all the lenders. In addition, the ICA would provide for rights and duties of majority lenders, duties and protection of rights of dissenting lenders and treatment of lenders with priority in cash flows and differential security interest. In particular, the RPs shall provide for payment not less than the liquidation value due to the dissenting lenders. In respect of accounts with aggregate exposure above a threshold with the lenders (large borrowers), on or after the 'reference date', the RP shall be implemented within 180 days from the end of Review Period. (Source: RBI).

The measures announced on March 27, 2020 and April 17, 2020 by the RBI were pertaining to: (a) granting of 3 months moratorium on term loan installments; (b) deferment of interest for 3 months on working capital facilities; (c) easing of working capital financing requirements by reducing margins or reassessment of working capital cycle; (d) exemption from being classified as 'defaulter' in supervisory reporting and reporting to credit information companies; (e) extension of resolution timelines for stressed assets; and (f) asset classification standstill by excluding the moratorium period of 3 months, etc. by lending institutions.

In view of the extension of the lockdown and continuing disruptions on account of COVID-19, on May 22, 2020, the above measures were extended by another three months from June 1, 2020 till August 31, 2020 taking the total period of applicability of the measures to six months (i.e. from March 1, 2020 to August 31, 2020). The lending institutions were permitted to restore the margins for working capital to their original levels by March 31, 2021. Similarly, the measures pertaining to reassessment of working capital cycle were extended up to March 31, 2021. Additionally, it was decided by the RBI to permit lending institutions to convert the accumulated interest on working capital facilities over the total deferment period of 6 months (i.e. March 1, 2020 up to August 31, 2020) into a funded interest term loan which shall be fully repaid during the course of the current financial year, FY2021.

The RBI on August 6, 2020, announced a resolution framework for COVID-19 related stressed borrowers, through a special window under the Prudential Framework on Resolution of Stressed Assets issued on June 7, 2019. Further, stressed MSME borrowers were eligible for debt restructuring, provided their accounts with the concerned lender were classified as standard as of March 1, 2020. Among other measures announced, the capital charge for market risk for banks' investment in debt mutual funds and debt exchange traded funds was revised. The RBI on May 5, 2021, released "Resolution 2.0" which allowed lenders to carry out a fresh round on restructuring of retail and MSME accounts. The resolution process was to be invoked in 30 days and the last day for invocation was September 30, 2021. Thereafter, the resolution plan was to be implemented within 90 days or latest by December 31, 2021. The moratorium period on loans will be a maximum of two years, starting soon after invocation.

LIBOR Transition: To ensure a smooth transition for Regulated Entities ("**REs**") and financial markets, the RBI issued an advisory on July 8, 2021, encouraging banks and other REs to cease entering into new contracts that use LIBOR as a reference rate and instead adopt any widely accepted Alternative Reference Rate ("**ARR**") as soon as practicable and in any event, no later than December 31, 2021. Regulatory changes have been made to make provision for use of ARRs in export credit, foreign currency non-resident (FCNR) (B) deposits, external commercial borrowings ("**ECBs**") and trade credit ("**TC**"). To take into account differences in credit and term premia between LIBOR and the ARRs, the all-in-cost ceiling has been revised upwards by 100 bps for existing ECBs/TCs and by 50 bps for new ECBs/TCs. As the change in reference rate from LIBOR is a "force majeure" event, changes in the terms of a derivative contract on its account would not be treated as restructuring.

Infusion of Capital in Overseas Branches and Subsidiaries of Banks and Retention/Repatriation/Transfer of Profits by these entities: Banks incorporated in India currently seek prior approval of RBI for infusing capital in their overseas branches and subsidiaries as well as for retention and repatriation/transfer of profits from these centers. To provide operational flexibility to banks, the RBI has allowed the banks meeting the regulatory capital requirements with the approval of their Boards, infuse capital in their overseas branches and subsidiaries; retain profits in these centers; and repatriate/transfer profits therefrom, without prior approval of RBI, subject to post facto reporting (RBI Press Release December 8, 2021).

Liquidity Facility for the Bank

The RBI in the past had provided the Bank a credit cum swap facility as a backstop arrangement, in the event that the Bank was unable to raise foreign currency funds in the international markets due to adverse market conditions. The last of such facility was provided by RBI in May 2020 wherein it had extended a line of credit of ₹150 billion to the Bank for a period of 90 days to enable the Bank to avail a US dollar swap facility. RBI also approved a US Dollar swap facility of up to USD2 billion through customized swaps to the Bank in May 2020. The Bank managed its operations without availing the said facility.

Measures to Support International Trade

The deepening of the contraction in global activity and trade, accentuated by the rapid spread of COVID-19, has crippled external demand. In turn, this has impacted India's exports and imports, with both undergoing sharp contraction in recent months. In order to alleviate genuine difficulties being faced by exporters in their production and realization cycles, the RBI increased the maximum permissible period of pre-shipment and post-shipment export credit sanctioned by banks from the existing one year to 15 months, for disbursements made up to July 31, 2020.

With a view to providing greater flexibility to importers in managing their operating cycles in a COVID-19 environment, the time period for completion of outward remittances against normal imports (i.e. excluding import of gold/diamonds and precious stones/jewellery) into India was also extended from six months to twelve months from the date of shipment for such imports made on or before July 31, 2020. The Interest equalization Scheme, announced in April 2015, gives subsidy on interest provided on pre-and post-shipment export credit varying between 3% and 5% to exporters. The Interest Equalization Scheme for exporters has been extended to March 31, 2024.

Automatic caution-listing of exporters was discontinued. However, caution-listing based on case-specific recommendations of the authorized dealer (AD) bank is to be continued by the RBI. With a view to further enhance the ease of doing business and quicken the approval process, more powers have been delegated by the RBI to the AD category – I banks (AD banks) with respect to export of goods and services. The RBI permitted AD Banks to (a) regularise cases of direct dispatch of shipping documents by the exporter irrespective of the value of export shipment; (b) write off unrealized export bills without limits in specified circumstances; (c) allow set-off of export receivables against import payables with overseas group/associate companies under certain conditions when both the export and import legs have taken place within the same calendar year; and (d) consider refund of export proceeds without insisting on import of goods which are perishable in nature or had been auctioned/destroyed by port/customs/health authorities/any other accredited agency in the importing country, subject to production of documentary evidence.

Exchange Rates

Exchange rates determine Rupees earned per U.S. dollar of exports (and Rupees paid per U.S. dollar of imports). Thus, exchange rates shape the price competitiveness of India's exports in the international market and the profitability of exports for Indian companies. It also influences the relative profitability of exports, compared with sales in the domestic market, which is particularly important in India because most exports are products that can be sold either in the international market or in the domestic market. Since a major portion of the Bank's assets and liabilities are denominated in foreign currencies, particularly in U.S. dollars, changes in exchange rates can impact the Bank's results of operations and financial condition, subject to the Bank's foreign exchange strategy.

According to RBI's Monetary Policy Report April 2022, the nominal exchange rate (the Indian rupee or INR *vis-à-vis* the US dollar) has exhibited two-way movements in a range of INR74-77 per US dollar since October 2021. The INR exhibited a depreciating bias till the middle of December 2021 over concerns about the economic fallout from the Omicron wave, elevated crude oil prices, and expectations of faster rate hikes by the US Federal Reserve. Subsequently, as the Omicron caseloads declined sharply, the INR showed signs of appreciation. However, the INR came under pressure from late February 2022, as it depreciated amidst FPI outflows, the strengthening US dollar, increasing market expectations of a faster than anticipated monetary policy normalisation by the US Federal Reserve and other major AEs, rise in crude oil prices and escalating geopolitical tensions, touching a low of ₹76.92 per US$ on March 7, 2022. The INR reversed some of these losses in the subsequent days with the correction in crude oil prices and stood at ₹75.81 on March 31, 2022.

Overall, on an average the INR depreciated by 0.4% vis-à-vis the US dollar during the fiscal year 2022.

The RBI has updated the Nominal/Real Effective Exchange Rate Indices (NEER/REER) of the Indian Rupee in January 2021 taking into account the structural changes in the Indian economy and shifts in pattern of India's foreign trade. The base year has been shifted from 2004-05 to 2015-16; and, the existing basket has been expanded from 36 to 40 currencies, with the inclusion of eight new currencies (Angola, Chile, Ghana, Iraq, Nepal, Oman, Tanzania, and Ukraine) and exclusion of four currencies (Argentina, Pakistan, Philippines, and Sweden) based on the evolution of the bilateral trade share. In terms of the 40-currency nominal effective exchange rate ("**NEER**"), the INR depreciated by 1.1% in fiscal year 2022 as compared to fiscal year 2021, and the 40-currency real effective exchange rate ("**REER**") depreciated by 2.1% in fiscal year 2022 as compared to fiscal year 2021 (*RBI Monetary Policy Report April 2022).*

As an all-India term lending institution, the Bank maintains separate books for foreign currency transactions, and all foreign currency resources are on-lent on a back-to-back basis as foreign currency loans. The Bank does not deploy its foreign currency resources in Rupee denominated loans or *vice versa*, except on the basis of back-to-back swaps.

As part of its strategy to manage the impact of exchange rates and to hedge against foreign exchange exposure, the Bank enters into swap transactions and engages in hedging activities. As of March 31, 2022, the Bank entered into swap transactions involving long-term interest rate and cross currency swaps with notional amount of ₹748,872.55 million and short-term currency swaps (with original maturity less than one year) for liquidity and currency risk purposes with a notional amount of ₹58,151.06 million. The Bank has been prescribed a leverage multiple of 10 times of its net owned funds ("**NOF**") by the RBI. Given that the Bank's reporting currency is in Rupees, the translation effect of any depreciation in the Rupee due to the Bank's foreign currency borrowings could potentially increase the outstanding aggregate borrowings of the Bank thereby constraining its capacity for future borrowings. As of March 31, 2022, the Bank's leverage multiple was 7.09 times its NOF.

Investments

The Bank maintains an investment portfolio which consists of held to maturity securities, held for trading securities and available for sale securities. Available for sale securities include Government securities, other approved securities, shares, debentures and bonds, commercial papers and mutual fund units. The Bank maintains this investment portfolio to provide liquidity, if necessary. The Bank's gross investments amounted to ₹132,748 million (US$1,751.47 million) as of March 31, 2022 (excluding investments technically written off); of this amount, ₹66,407 million (US$876.17 million), or 50%, was classified as held to maturity, and ₹66,341 million (US$875.30 million), or 50%, was classified as available for sale.

Income derived from the Bank's investment securities amounted to ₹6,888.90 million (US$90.89 million) for the year ended March 31, 2022, accounting for 8.64% of total interest and discount income for the period, and amounted to ₹6,697.58 million (US$91.61 million) for the year ended March 31, 2021, accounting for 8.39% of total interest and discount income for such period. The Bank's net investments increased to 7.97% of total assets as of March 31, 2022 from 7.43% as of March 31, 2021, primarily due to redemption of mutual fund investments held in HFT category, as on March 31, 2021.

Results for the year ended March 31, 2022 compared to the year ended March 31, 2021

	Year ended March 31,		
	2021	**2022**	**% change**
	(₹ in millions, except percentages)		
Net interest income	25,616.17	30,872.54	20.52
Non-interest income	5,966.17	3,870.41	(35.13)
Non-interest expense	3,347.42	3,438.76	2.73
Operating income	31,582.34	34,742.95	10.01
Total income	85,764.23	83,634.25	(2.48)
Operating profit	28,234.92	31,304.20	10.87
Provisions and contingencies (including tax provision)	25,695.03	23,927.67	(6.88)
Net interest margin	1.84	2.19	19.02
Net profit after tax	2,539.88	7,376.52	190.43

Net interest income increased by 5,256.37 million, or 20.52%, from ₹25,616.17 million for the year ended March 31, 2021 to ₹30,872.54 million for the year ended March 31, 2022, primarily due to increase in income from investments, income booked upon implementation of One-Time Restructuring ("**OTR**")/June 7 Resolution framework, coupled with effective liability management leading to significant decrease in interest expenditure.

Non-interest income decreased by ₹2,095.76 million, or 35.13%, from ₹5,966.17 million for the year ended March 31, 2021 to ₹3,870.41 million for the year ended March 31, 2022, primarily because non-interest income for the year ended March 31, 2021 consisted of gain on sale of G-sec portfolio in the available for sale ("**AFS**") category.

Non-interest expense increased by ₹91.34 million, or 2.73%, from ₹3,347.42 million for the year ended March 31, 2021 to ₹3,438.76 million for the year ended March 31, 2022, primarily as a result of normalisation of administrative expenses owing to increase in the business activities such as travel, hospitality, etc.

Operating income (comprising net interest income and non-interest income) increased by ₹3,160.61 million, or 10.01%, from ₹31,582.34 million for the year ended March 31, 2021 to ₹34,742.95 million for the year ended March 31, 2022, primarily as a result of income booked upon implementation of OTR/June 7 Resolution framework, coupled with effective liability management leading to significant decrease in interest expenditure and increase in fee based income.

Total income decreased by ₹2,129.98 million, or 2.48%, from ₹85,764.23 million for the year ended March 31, 2021 to ₹83,634.25 million for the year ended March 31, 2022, primarily as a result of the reduction in other income and to a smaller extent by a drop in interest income from loans and advances, which was compensated by increase in treasury income.

Operating profit (comprising net interest income and non-interest income less operating expenses) increased by ₹3,069.28 million, or 10.87%, from ₹28,234.92 million for the year ended March 31, 2021 to ₹31,304.20 million for the year ended March 31, 2022, primarily as a result of increase in income from investments, income booked upon implementation of OTR/June 7 Resolution framework, coupled with effective liability management leading to significant decrease in interest expenditure and increase in fee based income.

Provisions and contingencies (including tax provision) decreased by ₹1,767.36 million, or 6.88%, from ₹25,695.03 million for the year ended March 31, 2021 to ₹23,927.67 million for the year ended March 31, 2022, primarily as a result of net reversal of NPA provisions on account of technical/bad debts write off as well as upgradation of loans which was offset by an increase in the provision for taxation which included the impact on account of the transition to the new tax regime, including re-measurement of accumulated deferred tax asset as at April 1, 2021.

Net interest margin (being interest income on loans and investments deducting interest expense over average gross earning assets (including cash and bank balances, investments, loan assets (including bills rediscounted)) increased by 19.02% from 1.84% for the year ended March 31, 2021 to 2.19% for the year ended March 31, 2022, primarily as a result of increase in income from investments, income booked upon implementation of OTR/June 7 Resolution framework, coupled with effective liability management leading to significant decrease in interest expenditure.

As a result of the foregoing, the Bank's net profit after tax increased by ₹4,836.64 million, or 190.43%, from ₹2,539.88 million for the year ended March 31, 2021 to ₹7,376.52 million for the year ended March 31, 2022.

Net Interest Income

The following table sets forth the components of net interest income.

	Year ended March 31,		
	2021	**2022**	**% change**
	(₹ in millions, except percentages)		
Interest and Discount on loans and advances/bills discounted/rediscounted	43,788.66	43,392.57	(0.90)
Income on investments/bank balances (including swap income)	36,009.40	36,371.26	1.00
Interest expense	54,181.89	48,891.29	(9.76)
Net interest income	25,616.17	30,872.54	20.52

Interest and discount on loans and advances/bills discounted/rediscounted decreased by ₹396.09 million, or 0.90%, from ₹43,788.66 million for the year ended March 31, 2021 to ₹43,392.57 million for the year ended March 31, 2022, primarily as a result of lower 6-month USD Libor rates during a majority part of the year ended March 31, 2022 as well as low interest rate regime in the domestic market due to the accommodative stance adopted by RBI. The proportion of net commercial loan portfolio as a percentage of net loans and advances has fallen to 25.21% as of March 31, 2022, from 39% of the net loans and advances as of March 31, 2021.

Income on investments/bank balances (including swap income) increased by ₹361.86 million, or 1.00%, from ₹36,009.40 million for the year ended March 31, 2021 to ₹36,371.26 million for the year ended March 31, 2022, primarily as a result of an increase in interest income on commercial paper, interest income on GOI securities and net swap income earned on onshore short-term buy-sell swaps undertaken to generate USD funds.

Interest expense decreased by ₹5,290.60 million, or 9.76%, from ₹54,181.89 million for the year ended March 31, 2021 to ₹48,891.29 million for the year ended March 31, 2022, primarily as a result of reduction in the foreign currency borrowing cost as the 6-month USD Libor rates remained low during a majority part of the year ended March 31, 2022, maturity of higher cost bonds/swaps during the year ended March 31, 2022, effective liability management thereby achieving reduction in the overall cost of foreign currency borrowing as also falling interest rate scenario in the domestic markets on account of accommodative stance adopted by the RBI.

As a result of the foregoing, net interest income increased by ₹5,256.37 million, or 20.52%, from ₹25,616.17 million for the year ended March 31, 2021 to ₹30,872.54 million for the year ended March 31, 2022.

Non-Interest Income

The following table sets forth the components of non-interest income.

	Year ended March 31,		
	2021	**2022**	**% change**
	(₹ in millions, except percentages)		
Exchange, commission, brokerage and fees	2,501.88	3,715.62	48.51
Net profit on sale/revaluation of investments	2,715.92	(284.00)	(110.46)
Net profit (loss) on sale of land, buildings and other assets	(0.08)	2.26	– 0
Others	748.44	436.53	(41.67)
Total non-interest income	5,966.17	3,870.41	(35.13)

Exchange, commission, brokerage and fees increased by ₹1,213.74 million, or 48.51%, from ₹2,501.88 million for the year ended March 31, 2021 to ₹3,715.62 million for the year ended March 31, 2022, primarily as a result of increase in service fee, processing fee on loan applications and guarantee/SBLC commission.

Net profit on sale/revaluation of investments decreased by ₹2,999.92 million, or 110.46%, from income of ₹2,715.92 million for the year ended March 31, 2021 to loss of ₹284.00 million for the year ended March 31, 2022, primarily because net profit on sale/revaluation of investment for the year ended March 31, 2021 consisted of gain of ₹1,758.30 million on sale of G-sec portfolio in AFS category as against ₹50 million during the year ended March 31, 2022, coupled with decrease in gain on revaluation of mutual fund investments and loss on sale of shares acquired by way of restructuring during the year ended March 31, 2022.

The Bank made a net loss on sale of land, buildings and other assets amounting to ₹(0.082) million for the year ended March 31, 2021 compared to a net profit of ₹2.26 million for the year ended March 31, 2022, primarily as a result of disposal of obsolete assets.

Other non-interest income decreased by ₹311.91 million, or 41.67%, from ₹748.44 million for the year ended March 31, 2021 to ₹436.53 million for the year ended March 31, 2022, as a result of decrease in income from interest on Income Tax refund.

As a result of the foregoing, non-interest income decreased by ₹2,095.76 million, or 35.13%, from ₹5,966.17 million for the year ended March 31, 2021 to ₹3,870.41 million for the year ended March 31, 2022.

Provisions and Contingencies

The following table sets forth the components of provisions and contingencies.

	Year ended March 31,		
	2021	**2022**	**% change**
	(₹ in millions, except percentages)		
Provision for income tax (including deferred tax credit)	1,023.36	14,120.99	1279.86
Provision on loans and advances	21,549.61	1,134.47	(94.74)
Provision on investments.	524.23	718.88	37.13
Others	2,597.83	7,953.33	206.15
Total provisions and contingencies	25,695.03	23,927.67	(6.88)

Provision for income tax (including deferred tax credit) increased by ₹13,097.63 million, or 1,279.86%, from ₹1,023.36 million for the year ended March 31, 2021 to ₹14,120.99 million for the year ended March 31, 2022, primarily as a result of the impact on account of transition to the new tax regime which was included in tax provision for the year ended March 31, 2022, including re-measurement of accumulated deferred tax asset.

Provision on loans and advances decreased by ₹20,415.14 million, or 94.74%, from ₹21,549.61 million for the year ended March 31, 2021 to ₹1,134.47 million for the year ended March 31, 2022, primarily due to write back of provision on NPAs as a result of principal recovery, upgradation of loan accounts due to implementation of OTR framework/recovery of overdues and technical write offs implemented during the year.

The Bank made provision on investments amounting to ₹524.23 million for the year ended March 31, 2021 compared to provision on investment of ₹718.88 million for the year ended March 31, 2022, leading to an increase in investment provision primarily as a result of provision on G-sec portfolio based on the mark-to-market valuation in view of adverse movement in the G-sec yields.

Other provisions moved by ₹5,355.50 million, or 206.15%, from ₹2,597.83 million for the year ended March 31, 2021 to ₹7,953.33 million for the year ended March 31, 2022, primarily as a result of proactive provision made towards non-fund based facilities and additional provisions made towards stressed standard assets.

As a result of the foregoing, provisions and contingencies decreased by ₹1,767.36 million, or 6.88%, from ₹25,695.03 million for the year ended March 31, 2021 to ₹23,927.67 million for the year ended March 31, 2022.

Financial Condition

Assets

The following table shows a breakdown of the components of the Bank's assets as of March 31, 2021 and March 31, 2022.

	Year ended March 31,		
	2021	**2022**	**% change**
	(₹ in millions, except percentages)		
Cash and bank balances	144,922.67	32,733.78	(77.41)
Investments (net)	100,172.24	109,025.26	8.84
Loans and advances (net of provisions)	1,024,413.45	1,145,615.81	11.83
Bills of exchange and promissory notes discounted/rediscounted	14,100.00	30,575.80	116.85
Fixed assets (net)	3,959.15	3,689.34	(6.81)
Other assets	60,448.64	45,775.29	(24.27)
Total	1,348,016.15	1,367,415.28	1.44

Cash and bank balances decreased by ₹112,188.89 million, or 77.41%, from ₹144,922.67 million as of March 31, 2021, to ₹32,733.78 million as of March 31, 2022, primarily as a result of deployment in assets and utilisation towards debt servicing obligations.

Investments (net) increased by ₹8,853.02 million, or 8.84%, from ₹100,172.24 million as of March 31, 2021 to ₹109,025.26 million as of March 31, 2022, primarily as a result of increase in investment in Commercial Paper and Treasury Bills.

Loans and advances (net of provisions) increased by ₹121,202.36 million, or 11.83%, from ₹1,024,413.45 million as of March 31, 2021 to ₹1,145,615.81 million as of March 31, 2022, primarily as a result of growth in the policy business and refinance portfolio. As of March 31, 2022, the policy business of the Bank comprising GOI-LOCs, BC-NEIA and other policy lending programs of the Bank constituted 60.32% of net loan assets. The policy business of the Bank increased by 12.21% from ₹632.24 billion as of March 31, 2021, to ₹709.44 billion as of March 31, 2022. The commercial loan portfolio improved in FY 2022 due to pick up in credit demand from corporates, as the economy is steadily recovering from the impact of COVID-19 pandemic and subdued economic activity.

Bills of exchange and promissory notes discounted/rediscounted increased by ₹16,475.80 million, or 116.85%, from ₹14,100.00 million as of March 31, 2021 to ₹30,575.80 million as of March 31, 2022, in the ordinary course of business.

Fixed assets (net) decreased by ₹269.81 million, or 6.81%, from ₹3,959.15 million as of March 31, 2021 to ₹3,689.34 million as of March 31, 2022, primarily as a result of disposal of obsolete assets and depreciation charged during the year.

Other assets decreased by ₹14,673.35 million, or 24.27%, from ₹60,448.64 million as of March 31, 2021 to ₹45,775.29 million as of March 31, 2022, primarily as a result of reversal of deferred tax asset ("**DTA**") on account of transition to new tax regime which included the impact of re-measurement of DTA as at April 1, 2021 considering the tax rates prescribed under section 115BAA of the Income Tax Act, 1961.

As a result of the foregoing, the Bank's total assets increased by ₹19,399.13 million, or 1.44%, from ₹1,348,016.15 million as of March 31, 2021 to ₹1,367,415.28 million as of March 31, 2022.

Liabilities

The following table shows a breakdown of the components of the Bank's liabilities as of March 31, 2021 and March 31, 2022.

	Year ended March 31,		
	2021	**2022**	**% change**
	(₹ in millions, except percentages)		
Capital	151,593.66	159,093.66	4.95
Reserves	26,543.24	33,182.17	25.01
Profit and loss account	253.90	737.60	190.51
Notes, bonds and debentures	965,345.34	911,445.74	(5.58)
Bills payable	–	–	–
Deposits	2,051.74	1,774.86	(13.49)
Borrowings	128,772.98	161,554.00	25.46
Current liabilities and provisions for contingencies	33,014.06	47,758.58	44.66
Other liabilities	40,441.23	51,868.67	28.26
Total	1,348,016.15	1,367,415.28	1.44

Capital increased by ₹7,500 million, or 4.95%, from ₹151,593.66 million as of March 31, 2021 to ₹159,093.66 million as of March 31, 2022, primarily as a result of capital infusion by GOI.

Reserves increased by ₹6,638.93 million, or 25.01%, from ₹26,543.24 million as of March 31, 2021 to ₹33,182.17 million as of March 31, 2022, primarily as a result of increase in profit after tax which has been transferred to the Reserve Fund.

Profit and loss account (the balance of the net profits transferable to the Central Government in terms of Section 23(2) of the Act) increased by ₹483.70 million, or 190.51%, from ₹253.90 million as of March 31, 2021 to ₹737.60 million as of March 31, 2022, primarily due to increase in profit after tax during the year ended March 31,2022.

Notes, bonds and debentures decreased by ₹53,899.60, or 5.58%, from ₹965,345.34 million as of March 31, 2021 to ₹911,445.74 million as of March 31, 2022, primarily as a result of redemptions during the year ended March 31, 2022.

There were no bills payable as of March 31, 2021, or as of March 31, 2022, which have fallen due for payment.

Deposits decreased by ₹276.88 million, or 13.49%, from ₹2,051.74 million as of March 31, 2021 to ₹1,774.86 million as of March 31, 2022, primarily as a result of maturity of deposits during the year ended March 31, 2022.

Borrowings increased by ₹32,781.02 million, or 25.46%, from ₹128,772.98 million as of March 31, 2021 to ₹161,554.00 million as of March 31, 2022, in the ordinary course of business.

Current liabilities and provisions for contingencies (which relate to provisions on standard loans) increased by ₹14,744.52 million, or 44.66%, from ₹33,014.06 million as of March 31, 2021 to ₹47,758.58 million as of March 31, 2022 primarily as a result of proactive provision made by the Bank towards Standard assets and non-fund based facilities.

Other liabilities increased by ₹11,427.44 million, or 28.26%, from ₹40,441.23 million as of March 31, 2021 to ₹51,868.67 million as of March 31, 2022, primarily as a result of increase in outstanding swaps due to increase in exchange rate.

As a result of the foregoing, the Bank's total liabilities increased by ₹19,399.13 million, or 1.44%, from ₹1,348,016.15 million as of March 31, 2021 to ₹1,367,415.28 million as of March 31, 2022.

Results for the year ended March 31, 2021 compared to the year ended March 31, 2020

	Year ended March 31,		
	2020	**2021**	**% change**
	(₹ in millions, except percentages)		
Net interest income	19,944.03	25,616.17	28.44
Non-interest income	4,066.75	5,966.17	46.71
Non-interest expense	3,697.50	3,347.42	(9.47)
Operating income	24,010.78	31,582.34	31.53
Total income	86,530.41	85,764.23	(0.89)
Operating profit	20,313.28	28,234.92	39.00
Provisions and contingencies (including tax provision)	19,074.80	25,695.03	4.71
Net interest margin	1.54	1.84	19.45
Net profit after tax	1,238.49	2,539.88	105.08

Net interest income increased by ₹5,672.14 million, or 28.44%, from ₹19,944.03 million for the year ended March 31, 2020 to ₹25,616.17 million for the year ended March 31, 2021, primarily due to steeper fall in interest expenditure vis-à-vis interest income.

Non-interest income increased by ₹1,899.42 million, or 46.71%, from ₹4,066.75 million for the year ended March 31, 2020 to ₹5,966.17 million for the year ended March 31, 2021, primarily as a result of gain on sale of G-Sec portfolio in AFS category.

Non-interest expense decreased by ₹350.08 million, or 9.47%, from ₹3,697.50 million for the year ended March 31, 2020 to ₹3,347.42 million for the year ended March 31, 2021, primarily as a result of decrease in administrative expenses on account of reduced discretionary expenses owing to the lockdown situation during the COVID-19 pandemic during the year ended March 31, 2021.

Operating income (comprising net interest income and non-interest income) increased by ₹7,571.56 million, or 31.53%, from ₹24,010.78 million for the year ended March 31, 2020 to ₹31,582.34 million for the year ended March 31, 2021, primarily as a result of steeper fall in interest expenditure vis-à-vis interest income, increase in fee based income and gain on sale of the G-secs portfolio.

Total income decreased by ₹766.18 million, or 0.89%, from ₹86,530.41 million for the year ended March 31, 2020 to ₹85,764.23 million for the year ended March 31, 2021, primarily as a result of the sharp decrease in the average 6-month USD LIBOR by 163 bps and falling interest rates in the domestic market due to the reduction in the Repo rate by 115 bps since January 2020 resulting in fall in interest income on loans and deceleration in growth of our commercial portfolio due to the subdued economic environment on account of COVID-19.

Operating profit (comprising net interest income and non-interest income less operating expenses) increased by ₹7,921.63 million, or 39%, from ₹20,313.28 million for the year ended March 31, 2020 to ₹28,234.92 million for the year ended March 31, 2021, primarily as a result of steeper fall in total expenditure vis-à-vis total income as stated above.

Provisions and contingencies (including tax provision) increased by ₹6,620.24 million, or 34.71%, from ₹19,074.80 million for the year ended March 31, 2020 to ₹25,695.03 million for the year ended March 31, 2021, primarily as a result of increase in investment provision on account of adverse movement in G-sec yields and proactive additional provisions set aside by the Bank on non-performing advances, standard advances as well as non-fund based facilities based on its assessment of likely slippages/recovery prospects as well as the impact of the COVID-19 pandemic.

Net interest margin (being interest income on loans and investments deducting interest expense over average gross earning assets (including cash and bank balances, investments, loan assets (including bills rediscounted)) increased by 19.45% from 1.54% for the year ended March 31, 2020 to 1.84% for the year ended March 31, 2021, primarily as a result of steeper fall in interest expenditure (primary interest expenditure and other expenses) vis-à-vis interest income.

As a result of the foregoing, the Bank's net profit after tax increased by ₹1,301.40 million, or 105.08%, from ₹1,238.49 million for the year ended March 31, 2020 to ₹2,539.88 million for the year ended March 31, 2021.

Net Interest Income

The following table sets forth the components of net interest income for the year ended March 31, 2021 compared to the year ended March 31, 2020.

	Year ended March 31,		
	2020	**2021**	**% change**
	(₹ in millions, except percentages)		
Interest and Discount on loans and advances/bills discounted/rediscounted	54,506.03	43,788.66	(19.66)
Income on investments/bank balances (including swap income)	27,957.63	36,009.40	28.80
Interest expense	62,519.63	54,181.90	(13.34)
Net interest income	19,944.03	25,616.17	28.44

Interest and discount on loans and advances/bills discounted/rediscounted decreased by ₹10,717.37 million, or 19.66%, from ₹54,506.03 million for the year ended March 31, 2020 to ₹43,788.66 million for the year ended March 31, 2021, primarily as a result of sharp decrease in average 6 month USD LIBOR by 163 bps and falling interest rates in domestic market due to the reduction in the Repo rate by 115 bps since January 2020 as well as deceleration in the commercial loan portfolio. The proportion of net commercial loan portfolio as a percentage of net loans and advances has fallen to 39% as of March 31, 2021, from 40% of the net loans and advances as of March 31, 2020.

Income on investments/bank balances (including swap income) increased by ₹8,051.77 million, or 28.80%, from ₹27,957.63 million for the year ended March 31, 2020 to ₹36,009.40 million for the year ended March 31, 2021, primarily as a result of net swap income earned on onshore short-term Buy-Sell swaps.

Interest expense decreased by ₹8,337.73 million, or 13.34%, from ₹62,519.63 million for the year ended March 31, 2020 to ₹54,181.90 million for the year ended March 31, 2021, primarily as a result of sharp reduction in average 6 month USD LIBOR rates by 163 bps, fall in interest rates in domestic market due to the reduction in the Repo rate by 115 bps since January 2020 and maturity of higher cost bonds/swaps.

As a result of the foregoing, net interest income increased by ₹5,672.14 million, or 28.44%, from ₹19,944.03 million for the year ended March 31, 2020 to ₹25,616.17 million for the year ended March 31, 2021.

Non-Interest Income

The following table sets forth the components of non-interest income for the year ended March 31, 2021 compared to the year ended March 31, 2020.

	Year ended March 31,		
	2020	**2021**	**% change**
	(₹ in millions, except percentages)		
Exchange, commission, brokerage and fees	2,321.41	2,501.88	7.77
Net profit on sale/revaluation of investments	1,364.17	2,715.92	99.09
Net profit (loss) on sale of land, buildings and other assets.	1.43	(0.082)	(105.74)
Others	1379.75	748.44	97.09
Total non-interest income	4,066.75	5,966.17	46.71

Exchange, commission, brokerage and fees increased by ₹180.47 million, or 7.77%, from ₹2,321.41 million for the year ended March 31, 2020 to ₹2,501.88 million for the year ended March 31, 2021, primarily as a result of increase in income from guarantee commission.

Net profit on sale/revaluation of investments increased by ₹1,351.75 million, or 99.09%, from ₹1,364.17 million for the year ended March 31, 2020 to ₹2,715.92 million for the year ended March 31, 2021, primarily as a result of gain on sale of G-Sec portfolio in AFS category.

The Bank made a net profit on sale of land, buildings and other assets amounting to ₹1.43 million for the year ended March 31, 2020 compared to a net loss of ₹0.08 million for the year ended March 31, 2021, primarily as a result of disposal of obsolete assets.

Other non-interest income increased by ₹368.69 million, or 97.09%, from ₹379.75 million for the year ended March 31, 2020 to ₹748.44 million for the year ended March 31, 2021, as a result of interest on Income Tax refund.

As a result of the foregoing, non-interest income increased by ₹1,899.42 million, or 46.71%, from ₹4,066.75 million for the year ended March 31, 2020 to ₹5,966.17 million for the year ended March 31, 2021.

Provisions and Contingencies

The following table sets forth the components of provisions and contingencies for the year ended March 31, 2021 compared to the year ended March 31, 2020.

	Year ended March 31,		
	2020	**2021**	**% change**
	(₹ in millions, except percentages)		
Provision for income tax (including deferred tax credit)	1,198.95	1,023.36	(14.65)
Provision on loans and advances	17,930.51	21,549.61	20.18
Provision on investments.	(1,538.23)	524.23	134.08
Others	1,483.57	2,597.83	75.11
Total provisions and contingencies	19,074.80	25,695.03	34.71

Provision for income tax (including deferred tax credit) decreased by ₹175.59 million, or 14.65%, from ₹1,198.95 million for the year ended March 31, 2020 to ₹1,023.36 million for the year ended March 31, 2021, primarily as a result of decline in taxable profit on account of technical write offs and bad debts written off during the year.

Provision on loans and advances increased by ₹3,619.10 million, or 20.18%, from ₹17,930.51 million for the year ended March 31, 2020 to ₹21,549.61 million for the year ended March 31, 2021, primarily due to proactive additional provisions made by the Bank on non-performing advances and standard advances based on its assessment of likely slippages, recovery prospects as well as the impact of the COVID-19 pandemic.

The Bank made provision on investments amounting to ₹(1,538.23) million for the year ended March 31, 2020 compared to provision on investment of ₹524.23 million for the year ended March 31, 2021, leading to an increase in provisions primarily as a result of adverse movement in G-sec yields.

Other provisions moved by ₹1,114.26 million, or 75.11%, from ₹1,483.57 million for the year ended March 31, 2020 to ₹2,597.83 million for the year ended March 31, 2021, primarily as a result of provision towards overdue interest on the loans under moratorium as per COVID package of RBI and proactive additional provisions made towards non-fund based facilities on account of likely invocation.

As a result of the foregoing, provisions and contingencies increased by ₹6,620.23 million, or 34.71%, from ₹19,074.79 million for the year ended March 31, 2020 to ₹25,695.03 million for the year ended March 31, 2021.

Financial Condition

Assets

The following table shows a breakdown of the components of the Bank's assets as of March 31, 2020 and March 31, 2021.

	Year ended March 31,		
	2020	**2021**	**% change**
	(₹ in millions, except percentages)		
Cash and bank balances	128,790.54	144,922.67	12.53
Investments (net)	108,370.66	100,172.24	(7.57)
Loans and advances (net of provisions)	980,515.01	1,024,413.45	4.48
Bills of exchange and promissory notes discounted/rediscounted	13,950.00	14,100.00	1.08
Fixed assets (net)	3,729.13	3,959.15	6.17
Other assets	73,052.10	60,448.64	(17.25)
Total	1,308,407.44	1,348,016.15	3.03

Cash and bank balances increased by ₹16,132.12 million, or 12.53%, from ₹128,790.54 million as of March 31, 2020 to ₹144,922.67 million as of March 31, 2021, primarily an increase in balances held in bank deposits for immediate debt servicing requirements, treasury management and to meet any COVID-19 related exigencies. As many disbursements projected during the year did not materialize due to subdued economic activity in the background of the COVID-19 pandemic, the Bank decided to retain high liquidity levels.

Investments (net) decreased by ₹8,198.42 million, or 7.57%, from ₹108,370.66 million as of March 31, 2020 to ₹100,172.24 million as of March 31, 2021, primarily as a result of redemption of mutual funds held in HFT category, as on March 31, 2020.

Loans and advances (net of provisions) increased by ₹43,898.44 million, or 4.48%, from ₹980,515.01 million as of March 31, 2020 to ₹1,024,413.45 million as of March 31, 2021, primarily as a result of growth in the policy business and refinance portfolio. As of March 31, 2021, the policy business of the Bank comprising GOI-LOCs, BC-NEIA and other policy lending programs of the Bank constituted 61% of net loan assets. The policy business of the Bank increased by 5.75% from ₹597.84 billion as of March 31, 2020 to ₹632.24 billion as of March 31, 2021. The commercial loan portfolio declined in FY 2021 on account of lack of corporate investment projects, as well as slow growth in overseas project exports due to the COVID-19 pandemic.

Bills of exchange and promissory notes discounted/rediscounted increased by ₹150.00 million, or 1.08%, from ₹13,950.00 million as of March 31, 2020 to ₹14,100.00 million as of March 31, 2021, in the ordinary course of business.

Fixed assets (net) increased by ₹230.02 million, or 6.17%, from ₹3,729.13 million as of March 31, 2020 to ₹3,959.15 million as of March 31, 2021, primarily as a result of acquisition of new fixed assets.

Other assets decreased by ₹12,603.46 million, or 17.25%, from ₹73,052.10 million as of March 31, 2020 to ₹60,448.64 million as of March 31, 2021, primarily as a result of decrease in accrued interest on loans and advances in line with falling interest rate scenario in domestic markets as well as decrease in average 6-month LIBOR rates.

As a result of the foregoing, the Bank's total assets increased by ₹39,608.71 million, or 3.03%, from ₹1,308,407.44 million as of March 31, 2020 to ₹1,348,016.15 million as of March 31, 2021.

Liabilities

The following table shows a breakdown of the components of the Bank's liabilities as of March 31, 2020 and March 31, 2021.

	Year ended March 31,		
	2020	**2021**	**% change**
	(₹ in millions, except percentages)		
Capital	138,593.66	151,593.66	9.38
Reserves	24,257.26	26,543.24	9.42
Profit and loss account	123.90	253.90	104.92
Notes, bonds and debentures	906,280.90	965,345.34	6.52
Bills payable	–	–	–
Deposits	2,348.78	2,051.74	(12.65)
Borrowings	143,067.01	128,772.98	(9.99)
Current liabilities and provisions for contingencies	31,337.59	33,014.06	5.35
Other liabilities	62,398.35	40,441.23	(35.19)
Total	1,308,407.44	1,348,016.15	3.03

Capital increased by ₹13,000.00 million, or 9.38%, from ₹138,593.66 million as of March 31, 2020 to ₹151,593.66 million as of March 31, 2021, primarily as a result of capital infusion by GOI.

Reserves increased by ₹2,285.98 million, or 9.42%, from ₹24,257.26 million as of March 31, 2020 to ₹26,543.24 million as of March 31, 2021, primarily as a result of increase in profit after tax for FY 2021.

Profit and loss account (the balance of the net profits transferable to the Central Government in terms of Section 23(2) of the Act) increased by ₹130.00 million, or 104.92%, from ₹123.90 million as of March 31, 2020 to ₹253.90 million as of March 31, 2021, primarily due to increase in profit after tax and representing 10% of post-tax profits to be paid to the Central Government by way of transfer of balance profits for FY 2020-21.

Notes, bonds and debentures increased by ₹59,064.44, or 6.52%, from ₹906,280.90 million as of March 31, 2020 to ₹965,345.34 million as of March 31, 2021, primarily as a result of issuance of bond of US$1 billion in the 144A/Reg-S format in January 2021.

There were no bills payable as of March 31, 2020 or as of March 31, 2021, which have fallen due for payment.

Deposits decreased by ₹297.04 million, or 12.65%, from ₹2,348.78 million as of March 31, 2020 to ₹2,051.74 million as of March 31, 2021, primarily as a result of maturity of deposits.

Borrowings decreased by ₹14,294.03 million, or 9.99%, from ₹143,067.01 million as of March 31, 2020 to ₹128,772.98 million as of March 31, 2021, in the ordinary course of business.

Current liabilities and provisions for contingencies (which relate to provisions on standard loans) increased by ₹1,676.47 million, or 5.35%, from ₹31,337.59 million as of March 31, 2020 to ₹33,014.06 million, primarily as a result of increase in proactive additional provisions made on standard advances and non-fund based facilities.

Other liabilities decreased by ₹21,957.12 million, or 35.19%, from ₹62,398.35 million as of March 31, 2020 to ₹40,441.23 million as of March 31, 2021, primarily as a result of maturity of swaps and revaluation of outstanding swaps at reduced exchange rates.

As a result of the foregoing, the Bank's total liabilities increased by ₹39,608.71 million, or 3.03%, from ₹1,308,407.44 million as of March 31, 2020 to ₹1,348,016.15 million as of March 31, 2021

Liquidity

The following table sets forth the Bank's cash flows for each of the periods indicated:

	Year ended March 31,		
	2020	**2021**	**2022**
Cash flow statement data			
Net cash flow (used in)/raised from operating activities	17,303.64	(6,753.64)	48,894.78
Net cash (used in)/raised from investing activities	(15,532.91)	10,282.27	(9,256.16)
Net cash (used in)/raised from financing activities	84,900.29	12,603.49	(151,827.51)
Net increase/(decrease) in cash & cash equivalents	86,671.02	16,132.12	(112,188.89)
Opening cash and cash equivalents	42,119.52	128,790.54	144,922.67
Closing cash and cash equivalents	128,790.54	144,922.67	32,733.78

Operating activities

Net cash flow generated from operating activities for the year ended March 31, 2022 was ₹48,894.78 million (US$645.11 million). This resulted primarily from increase in profit before tax, decrease in provision for loan losses/contingencies and increase in current liabilities.

Net cash flow used in operating activities for the year ended March 31, 2021 was ₹6,753.64 million, primarily as a result of increase in profit before tax offset by increase in gain on sale of investment and reduction in current and other liabilities.

Net cash flow generated from operating activities for the year ended March 31, 2020 was ₹17,303.64 million, primarily as a result of the increase in profit before tax and decrease in provisions for loan losses/contingencies during the year offset by the increase in gains on the sale of investments.

Investing activities

The Bank's investments used up net cash of ₹9,256.16 million (US$122.13 million) for the year ended March 31, 2022 as against net cash used of ₹10,282.27 million during the year ended March 31, 2021. This resulted primarily due to deployment of funds towards investment in commercial paper and T-Bills.

Net cash generated from investing activities was ₹10,282.27 million (US$140.64 million) for the year ended March 31, 2021. This resulted primarily from redemption of mutual fund investment held in HFT category as at March 31, 2020 and increase in gain on sale of investments.

Net cash used in investing activities for the year ended March 31, 2020 was ₹15,532.91 million (US$205.29 million). This resulted primarily from investment in special GOI securities of ₹5,500 million and investment in mutual funds of ₹12,000 million in the HFT category.

Financing activities

Net cash used in financing activities was ₹151,827.51 million for the year ended March 31, 2022. This primarily resulted from reduction in borrowings during the year ended March 31, 2022, deployment in loans and advances which was offset by a capital infusion of ₹7,500 million by the Government of India during the year ended March 31, 2022.

Net cash generated from financing activities was ₹12,603.49 million (US$172.39 million) for the year ended March 31, 2021. This primarily resulted from capital infusion of ₹13,000 million by the Government of India and an increase in borrowings (net of repayments) during the year ended March 31, 2021.

Net cash generated from financing activities for the year ended March 31, 2020 was ₹84,900.29 million (US$1,122.05 million), primarily from a capital infusion in the amount of ₹15,000 million by the Government of India and an increase in borrowings (net of repayments) during the year ended March 31, 2020.

Contingent Liabilities

The table below sets forth, as of the dates indicated, the principal components of the Bank's contingent liabilities.

	Year ended March 31,		
	2020	**2021**	**2022**
		(₹ in millions)	
Acceptances, guarantees, endorsements and other obligations	145,486.08	136,925.75	138,112.01
On outstanding forward exchange contracts	4,925.98	1,504.01	–
Uncalled liability on partly paid investments	178.54	180.04	178.28
Claims on the Bank not acknowledged as debts	9,408.60	7,752.50	5,082.00
Other monies for which the Bank is contingently liable	11,409.91	5,580.81	15,076.16
Total	171,049.10	151,943.10	158,448.45

The Bank's contingent liabilities increased by ₹6,505.35 million, or 4.28%, from ₹151,943.10 million as of March 31, 2021 to ₹158,448.45 million as of March 31, 2022. This increase was primarily due to increase in guarantee and LC portfolio.

The Bank's contingent liabilities decreased by ₹19,106.00 million, or 11.17%, from ₹171,049.10 million as of March 31, 2020 to ₹151,943.10 million as of March 31, 2021. This decreased was primarily due to decrease in guarantee and LC portfolio.

Guarantees

The Bank provides guarantee facilities to Indian companies in connection with their export activities which include advance payment guarantees, performance guarantees and retention money guarantees required for the execution of project export contracts, and guarantees for overseas borrowings in connection with such contracts. The Bank also provides deferred payment guarantees for the import of equipment by Indian export-oriented units and guarantees for Indian ventures overseas making local borrowings. The credit risks associated with these guarantees are similar to those relating to other types of financial instruments. The Bank extends guarantees on its own or in participation with commercial banks in India.

The Bank's guarantee portfolio (including risk participation) increased by ₹1.19 billion or 0.87%, from ₹136.92 billion as of March 31, 2021, to ₹138.11 billion as of March 31, 2022. The increase was largely on account of issuance of new guarantees during FY2021-22.

Critical Accounting Policies

Revenue Recognition

Income and expenditure are recognized on an accrual basis except in respect of interest on NPAs, non-performing investments and stressed assets, interest on loans under Strategic Debt Restructuring, Central Government guaranteed loans having overdues more than 90 days, commitment charges and dividends, all of which are accounted on a cash basis. NPAs are determined as per RBI guidelines issued to All-India Term Lending Institutions. Discount and redemption premium offered on the Bank's bonds issued in the international markets has been amortized over the tenor of the bonds and included in interest expenses.

Asset Classification and Provisioning

Loans and advances shown in the balance sheet comprise only principal outstanding net of provisions for NPAs. Interest receivables are grouped under "Other Assets".

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

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:

(a) Government securities;

(b) Other approved securities;

(c) Shares;

(d) Debentures and bonds; and

(e) Subsidiaries/joint ventures; Others (commercial papers, mutual fund units, etc.).

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

DESCRIPTION OF THE BANK

Overview

The Bank was established in 1981 under the Export-Import Bank of India Act, 1981 ("**Act**") for the purpose of financing, facilitating and promoting foreign trade in India. Specifically, the Act mandates the Bank to provide financial assistance to Indian exporters and importers, and to function as the principal financial institution for coordinating the working of institutions engaged in financing the export and import of such goods and services. The Bank is charged with carrying out these functions with a view to promoting India's international trade. The Bank commenced its operations on January 1, 1982.

The Bank is classified as a Public Financial Institution under section 4A of the Companies Act, 1956. Since its establishment, the Bank has been wholly owned by the Government. Although the Government periodically offers strategic advice to the Bank, and certain members of the Bank's Board of Directors concurrently hold positions in the Government, the Bank is vested with absolute independence in formulating its business and operational policies, which are primarily market-driven.

The Bank's primary goal is to develop commercially viable relationships with a target set of export-oriented companies by offering a comprehensive range of products and services intended to support the efforts of such companies in entering and consolidating their presence in the global markets. The main focus of the Bank is on export finance and export capability creation. Through its export credits line of business, the Bank finances the export of Indian machinery, manufactured goods, consultancy and technology services on deferred payment terms. The Bank extends lines of credit ("**LOCs**") to overseas financial institutions, regional development banks, sovereign governments and other entities overseas to finance and promote the exports of Indian companies. A large majority of the LOCs are those routed through the Bank by the Government, which guarantees the repayment of principal and interest, and provides interest equalization support in respect of such LOCs. The Bank also extends buyer's credit under the National Export Insurance Account ("**BC-NEIA**"). BC-NEIA is a unique mechanism for promoting India's project exports to traditional as well as new markets in developing countries, which need deferred credit on a medium or long-term basis. Under this facility, the Bank facilitates project exports from India by way of extending credit to overseas sovereign governments and government-owned entities for import of Indian goods and services from India on deferred credit terms. The Bank obtains credit insurance cover under National Export Insurance Account ("**NEIA**") through ECGC Limited. NEIA is a trust set up by the Ministry of Commerce and administered by the ECGC.

The Bank has diversified its lending activities to cater to the financing needs of export-oriented companies covering various stages of the business cycle, including export production, export product development, export marketing and overseas investment. Through its Finance for Export Capability Creation ("**FECC**") line of business, the Bank offers financing to export-oriented Indian companies ("**FECC Loans**"), including loan programs for project finance, equipment finance, working capital requirements and other corporate financing requirements, and provides overseas investment finance to Indian companies investing in ventures overseas. The Bank also engages in the financing of infrastructure projects for export development.

As of March 31, 2020, 2021 and 2022, the total outstanding gross loans extended by the Bank were ₹1,070.52 billion, ₹1,107.31 billion and ₹1,219.66 billion (U.S.$16.09 billion), respectively, (including ₹966.38 billion (U.S.$12.75 billion) in outstanding export credit loans and ₹253.28 billion (U.S.$3.34 billion) in outstanding finance for export capability creation loans). As of March 31, 2020, 2021 and 2022, the total non-fund-based portfolio of the Bank was ₹158.69 billion, ₹142.29 billion and ₹152.47 billion (U.S.$2.01 billion), respectively.

In addition to finance, the Bank provides information and advisory services to enable Indian exporters to evaluate international risks and export opportunities, and to assess their competition. These services include country studies, merchant banking services, advice on international marketing and data needed for effective participation in projects funded by multilateral institutions. In addition, through its network of overseas representative offices and strategic alliances with financial institutions, trade promotion agencies and information-providers around the world, the Bank assists export-oriented Indian companies in entering or expanding their presence in overseas markets. These services include providing information on trade and investment issues, identifying technology suppliers, providing corporate finance, counselling and commercial consulting services and promoting joint ventures.

The Bank's head office is located in Mumbai. As of the date of this Offering Circular, the Bank has domestic regional offices in Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, New Delhi and Pune and overseas representative offices in Abidjan, Addis Ababa, Dhaka, Dubai, Johannesburg, Singapore, Washington D.C. and Yangon and an overseas branch in London.

Strategy

Since its establishment in 1981, the Bank's long-term strategy has evolved from a narrow focus on export credits to an emphasis on making available a broader range of financial products aimed at promoting India's international trade. Whereas the Bank initially positioned itself as a traditional export credit agency, it later broadened its goals to encourage the creation of export capability through the arrangement of competitive financing at various stages of the export cycle. The Bank's current long-term strategic vision is to develop commercially viable relationships with a target set of export-oriented companies by offering a comprehensive range of products and services, aimed at enhancing the internationalization efforts of such companies. Accordingly, the Bank aims to provide financing to support the production and distribution of Indian exports including overseas investments, and to supplement these activities with value-added information and advisory services.

The Bank's Medium-Term Business Strategy

The Bank's medium-term business plans, as well as short-term initiatives for implementing these plans, are set out in its Medium-Term Business Strategy ("**MTBS**"). The MTBS outlines long-term macro-objectives as well as micro-level tactical goals. The Bank seeks to position itself as the premier source of trade finance in India covering both its traditional area of medium/long-term export credit as well as short-term export credit. Further, the Bank aims to increase its investment and treasury operations to generate non-lending income and increase its profitability. The Bank also seeks to increase its fee-based income by introducing a wider range of advisory and fee-based services.

The MTBS sets out the following specific strategic goals for the Bank:

- The planned split between export credit and export-capability creating credit would be determined on the basis of the overall net interest margin in order to strengthen the Bank's profitability in the context of pressure on margins.

- Emphasise Policy Business comprising GOI supported Lines of Credit (LOCs), Buyer's Credit under National Export Insurance Account (BC-NEIA) and Concessional Financing Scheme (CFS).

- Focus on supporting Indian project exporters to enable them to secure high value overseas contracts through a suite of fund based and non-fund based products.

- Focus on the small and medium enterprises ("**SMEs**"), which have the potential to emerge as future champions in their respective fields with good export potential. This will be pursued through the Bank's 'Ubharte Sitaare' Program launched during FY20-21 and Trade Assistance Program ("**TAP**") approved by the Board during FY21-22.

- Continued emphasis on the development of new products and financing of export funding gaps.

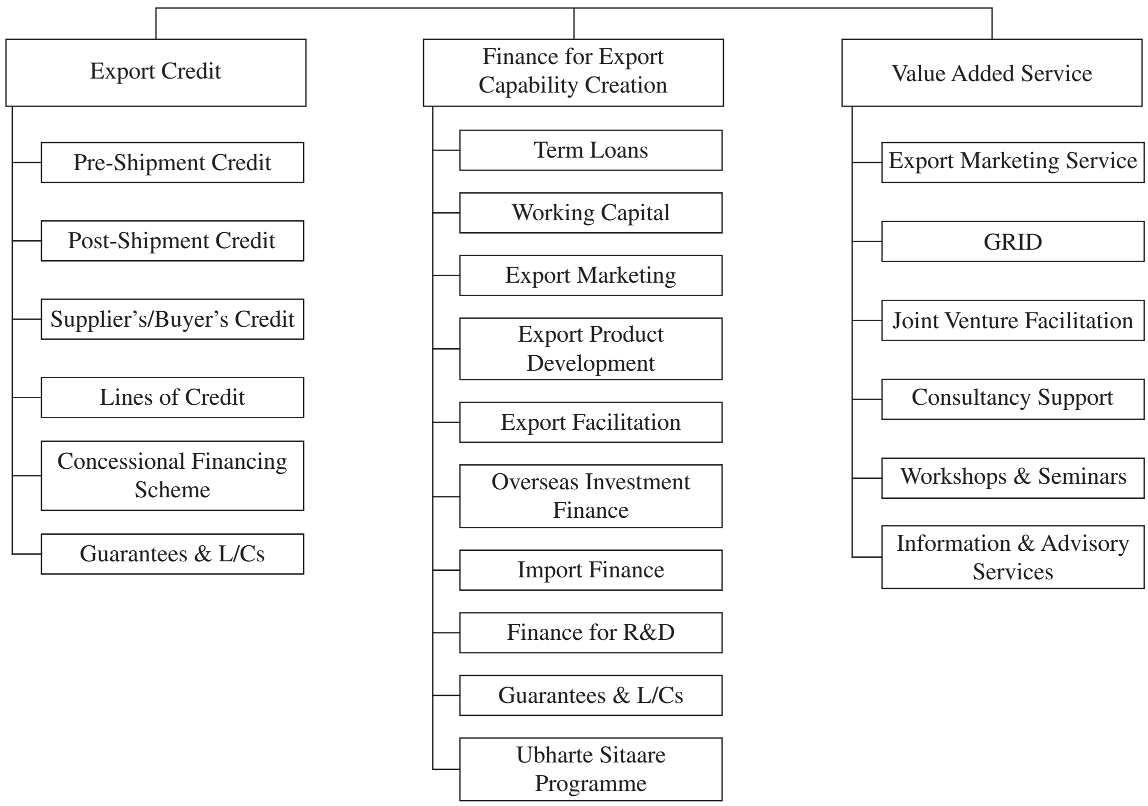
- Focused efforts to achieve improvement in fee-based income through the Bank's non-funded business, loan/corporate/project advisory services and export marketing services.

The Bank has been implementing plans and strategies for meeting the qualitative objectives of the MTBS. These include, *inter alia*: (i) improving the loan portfolio by increasing the ratio of higher rated companies; (ii) careful selection of new clients through strengthening of credit standards; (iii) focus on cash recoveries from NPAs; (iv) ensuring against deterioration of standard loan assets into sub-standard loan assets; (v) churning of loan assets to generate higher returns; (vi) enhanced presence in promising, high-growth sectors (such as pharmaceuticals, chemicals, engineering, auto and auto ancillary, food processing, and electronics); (vii) focus on the SME sector both directly and through refinancing or LOCs and providing both financial and non-financial assistance; and (viii) developing and introducing new products to cater to the financing gaps faced by Indian exporters.

The Bank engaged an external consultant in April 2019, for recommending a Medium-Term Business Strategy for the Bank. The recommendations of the consultant were placed before the Board of Directors for approval during FY 2019-20. Subsequently, Interactive Analysis Groups ("**IAGs**") consisting of top management officials were constituted to recommend implementation strategies for the key action points identified by the consultant. Recommendations of the IAG were presented to the Board of Directors, which broadly accepted the recommendations and suggested additional inputs for incorporation. The recommendations of the IAGs on business strategy along with the Board's inputs are being implemented. At the suggestion of the Board, external professional experts have been engaged for suggesting implementation strategies for the non-business action points like organizational structure, manpower planning, leadership development, as well as identification of key performance indicators for the Bank. In February 2022, the Bank engaged a leading management consultancy firm for preparation of a vision document including the medium-term business strategy of the Bank as there has been a significant change in the overall dynamics of the global and country's exports in the post-pandemic world. It is expected that the consultancy firm will submit its final report in 2022 and implementation will commence during the current financial year following the Board's approval.

Products and Services

The Bank's business is organized into two major business segments, Export Credit and Finance for Export Capability Creation (FECC), and is supplemented by fee based advisory services. The following chart illustrates the various product groups within each business segment:



The principal activity of the Bank is lending, designed to offer externally-oriented Indian companies a range of products and services aimed at enhancing their internationalization efforts. In addition to the pre-shipment and post-shipment export credits traditionally associated with export-import banks, the Bank aims to offer products and services at all stages of the export cycle, from export product development and the import of technology to export production, export marketing and investments abroad.

The Bank's financing programs are offered pursuant to two operating segments: Export Credit and FECC in India. The Bank's principal export credit products are buyer's credit under the National Export Insurance Account, supplier's credit, finance for project exports, pre-shipment credits, Lines of Credit (LOC), Concessional Financing Scheme (CFS), and guarantees, each of which are described below. The Bank's principal FECC products are loans to export-oriented units (for project finance, equipment finance or working capital), overseas investment finance, import finance, R & D and export facilitation products, each of which are described below. The Bank also provides information and advisory services to Indian exporters. In addition, the Bank has promoted a joint venture, which is associated with a comprehensive range of procurement-related advisory services and inter-allied activities for projects in India and abroad.

In the financial year ended March 31, 2022, the Bank sanctioned or committed loans of ₹548.08 billion under various lending programs. The Bank's total disbursements amounted to ₹522.71 billion as of March 31, 2022, an increase of 53.19 per cent. from the ₹341.21 billion of total disbursements as of March 31, 2021. As of March 31, 2022, the Bank sanctioned non-fund-based facilities aggregating ₹140.55 billion and issued non-fund-based facilities amounting to ₹39.84 billion. The following table sets forth the total amounts of the Bank's loans sanctioned during the financial years ended March 31, 2020, 2021 and 2022, categorized by the type of credit:

	During the financial year ended 31 March					
	2020		2021		2022	
	(₹ billion)	(As a % of total)	(₹ billion)	(As a % of total)	(₹ billion)	(As a % of total)
Export Credits						
Lines of Credit (including those provided under the Concessional Finance Scheme)	104.90	26.06	113.95	31.20	32.74	5.97
Buyer's Credit (including BC-NEIA)	58.92	14.64	18.58	5.09	51.21	9.34
Finance for Project Exports/Medium-Term Supplier's Credit	2.69	0.67	3.09	0.85	0.36	0.07
Short-Term Pre-shipment Credit	10.98	2.73	8.68	2.38	2.39	0.44
Refinance of Export Credit to Commercial Banks	19.88	4.94	96.89	26.53	138.95	25.35
Other Programs(1)	86.72	21.54	47.68	13.05	165.41	30.18
Total Export Credits	284.09	70.57	288.87	79.10	391.06	71.35
Finance for Export Capability Creation						
Loans to Export Oriented Units	33.94	8.43	7.04	1.93	43.09	7.86
Import Finance	9.00	2.24	28.07	7.69	25.91	4.73
Export Facilitation Program	0.00	0.00	5.38	1.47	4.96	0.91
Overseas Investment Finance	28.37	7.05	7.42	2.03	24.94	4.55
Other Programs(2)	47.16	11.71	28.43	7.78	58.10	10.60
Total Finance for Export Capability Creation	118.47	29.43	76.34	20.90	157.02	28.65
Total Export Credits and Finance for Export Capability Creation	402.55	100.00	365.21	100.00	548.08	100.00
Non-funded	71.40		64.22		140.55	

Notes:

(1) Includes advances under rediscounting facilities and short-term working capital.

(2) Includes advances under the Production Equipment Finance Program, Long-Term Working Capital Loan, Export Product Development and staff loans. etc.

The following table sets forth the Bank's disbursements during the financial years ended March 31, 2020, 2021 and 2022, categorized by type of credit:

	During the financial year ended 31 March					
	2020		2021		2022	
	(₹ billion)	(As a % of total)	(₹ billion)	(As a % of total)	(₹ billion)	(As a % of total)
Export Credits						
Lines of Credit (including those provided under the Concessional Finance Scheme)	75.91	22.50	67.09	19.66	81.34	15.56
Buyer's Credit (including BC-NEIA)	34.40	10.20	34.45	10.10	47.90	9.16
Finance for Project Exports/Medium-Term Supplier's Credit	2.76	0.82	4.98	1.46	3.87	0.74
Short-Term Pre-shipment Credit	10.55	3.13	9.01	2.64	3.80	0.73
Refinance of Export Credit to Commercial Banks	18.72	5.55	96.82	28.37	139.16	26.62
Other Programs(1)	86.72	25.71	42.66	12.50	164.98	31.56
Total Export Credits	229.07	67.90	255.01	74.73	441.05	84.38
Finance for Export Capability Creation						
Loans to Export Oriented Units	23.10	6.85	9.80	2.87	9.37	1.79
Import Finance	16.40	4.86	21.67	6.35	14.83	2.84
Export Facilitation Program	3.77	1.22	4.92	1.44	5.84	1.12
Overseas Investment Finance	17.55	5.20	5.01	1.47	19.66	3.76
Other Programs(2)	47.46	14.07	44.80	13.14	31.95	6.11
Total Finance for Export Capability Creation	108.29	32.10	86.20	25.27	81.66	15.62
Total Export Credits and Finance for Export Capability Creation	337.35	100.00	341.21	100.00	522.71	100.00%
Non-funded	67.94		34.41		49.19	

Notes:

(1) Includes advances under rediscounting facilities and short-term working capital.

(2) Includes advances under the Production Equipment Finance Program, Long-Term Working Capital Loan, staff loans. etc.

The following table sets forth the Bank's loan assets outstanding as of March 31, 2020, 2021 and 2022, categorized by type of credit:

	During the financial year ended 31 March					
	2020		2021		2022	
	(₹ billion)	(As a % of total)	(₹ billion)	(As a % of total)	(₹ billion)	(As a % of total)
Export Credits						
Lines of Credit (including those provided under the Concessional Finance Scheme)	496.06	46.34	525.11	47.42	596.46	48.90
Buyer's Credit (including BC-NEIA)	123.57	11.54	131.25	11.85	162.29	13.31
Finance for Project Exports/Medium-Term Supplier's Credit	14.41	1.35	14.74	1.33	15.31	1.26
Short-Term Pre-shipment Credit	10.08	0.94	7.76	0.70	3.62	0.30
Refinance of Export Credit to Commercial Banks	18.00	1.68	103.47	9.35	154.32	12.65
Other Programs(1)	19.97	1.87	21.98	1.99	34.38	2.82
Total Export Credits	682.09	63.72	804.31	72.64	966.38	79.23
Finance for Export Capability Creation						
Loans to Export Oriented Units	148.32	13.85	116.20	10.49	104.73	8.59
Import Finance	42.23	3.94	32.21	2.91	27.94	2.29
Export Facilitation Program	26.36	2.46	27.59	2.49	17.64	1.45
Overseas Investment Finance	112.17	10.48	72.01	6.50	51.56	4.23
Other Programs(2)	59.35	5.54	54.99	4.97	51.42	4.22
Total Finance for Export Capability Creation	388.42	36.28	303.00	27.36	253.28	20.77
Total Export Credits and Finance for Export Capability Creation	1,070.52	100.00	1,107.31	100.00	1,219.66	100.00
Non-funded	158.70		142.29		152.47	

Notes:

(1) Includes advances under rediscounting facilities and short-term working capital.

(2) Includes advances under the Production Equipment Finance Program, Long-Term Working Capital Loan, staff loans etc.

Export Credits

Export credits are loans extended by the Bank to either domestic suppliers or foreign buyers to finance export transactions. As of March 31, 2022, export credits extended by the Bank accounted for approximately 79.23 per cent. of its total loans outstanding. For certain borrowers, repayment is secured by the escrowing of receivables or the taking of *pari passu* or exclusive security. Repayment may also be secured by way of insurance cover from ECGC Limited.

During the financial year ended March 31, 2022, the Bank sanctioned loans amounting to ₹391.06 billion (U.S.$5.16 billion) by way of export credits. In the financial year ended, March 31, 2022 the Bank's disbursements in respect of export credits amounted to ₹441.01 billion (U.S.$5.82 billion).

Lines of Credit (including those provided under the Concessional Finance Scheme)

The Bank extends concessional finance under Lines of Credit and Concessional Financing Scheme (LOCs) at the behest and with the support of the GOI, under the Indian Development and Economic Assistance Scheme (IDEAS) of GOI. The LOCs are extended with the objective of sharing India's development experience with partner countries to (i) support economic and infrastructure projects; (ii) generate socio-economic benefits; (iii) promote bilateral trade in goods and services; and (iv) support capacity building and skills transfer. The LOCs aim to generate goodwill, strengthen long term partnerships, and share India's expertise in project planning, design and implementation in diverse areas of socio-economic development. In addition, the Bank also extends commercial LOCs to finance and promote India's exports of goods and services.

During the financial year ended March 31, 2022, the Bank extended six LOCs amounting to U.S.$1.13 billion (approximately ₹85.65 billion) to support the export of equipment, goods and services from India. As of March 31, 2022, 310 LOCs, extended by the Bank were available for utilization covering 66 countries and with credit commitments amounting to U.S.$31.96 billion (approximately ₹2,422.33 billion). The amount outstanding under LOCs as of March 31, 2022 was ₹500.91 billion (U.S.$6.61 billion), and outstanding of ₹95.55 billion under the Government of India's Concessional Finance Scheme ("**CFS**"). The LOCs that the Bank extends are financing mechanisms intended to provide a safe, non-recourse financing option to Indian exporters, especially SMEs, and to provide an effective market entry tool for such exporters. LOCs extended by the Bank in the financial year ended March 31, 2022 include LOCs extended to the Governments of Guyana, Kyrgyz Republic, Madagascar, Myanmar, Palestine, and Sri Lanka. Since 2003, the Government of India has routed LOCs being extended to foreign countries through the Bank. Since LOCs supported by the Government of India are not extended in accordance with the Bank's lending criteria, the principal and interest on these LOCs are fully guaranteed by the Government of India. Given that such LOCs are offered at concessional terms, the Government of India partly compensates the Bank by way of interest equalization support. Due to the unprecedented economic impact of the COVID-19 pandemic, in April 2020, an agreement was reached in the G-20 meeting of Finance Ministers and Central Bank Governors, between the Paris Club and official bilateral creditors, for debt service suspension/debt relief for the world's poorest countries that request forbearance. All G-20 official bilateral creditors are required to participate in the G20 Debt Service Suspension Initiative ("**DSSI**"). The broad terms of the agreement provide, *inter alia*, that such debt relief will be made available for deferment of interest and principal installments falling due during deferment period i.e., from May 2020 to December 2021, in accordance with national law and internal procedure, to the world's poorest countries eligible for International Development Association ("**IDA**") lending, which have been current in their debt servicing with the International Monetary Fund ("**IMF**") and the World Bank. As per the agreement, the deferred installments of interest and principal would be repaid over the period as per DSSI terms.

As of March 31, 2022, a total of 20 DSSI requests (net of withdrawal) have been received from foreign borrower governments ("**Borrower Governments**") are under consideration for approval. As of the date of this Offering Circular, the Government of India has conveyed its approval to the Bank for the debt relief requests received from 16 Borrower Governments. The outstanding principal amount of U.S.$2,468.84 million pertaining to the above stated 20 represents 37.36 per cent of the Bank's LOC portfolio and 15.31 per cent. of the total outstanding loan portfolio as of March 31, 2022.

The estimated dues sought to be deferred for these 20 countries amount to U.S.$322.31 million. Five countries have accepted the offer and documentation for the same is presently underway.

In addition, the Bank operates the CFS, the primary objective of which is to support Indian companies bidding for strategically important infrastructure projects overseas. Under the CFS, the Bank offers concessional finance to any foreign government or foreign government owned or controlled entity, if any Indian company succeeds in securing the contract for the execution of a project tendered by such foreign entity and the project is considered strategically important. CFS is a financing mechanism intended to provide a safe, non-recourse financing option to Indian contractors or companies and aims to provide an effective market entry tool for such entities. Financing under the CFS is supported by the Government of India and is not extended in accordance with the Bank's lending criteria; the principal and interest on these are fully guaranteed by the Government of India. Given that such credit facilities are offered at concessional terms, the Government of India partly compensates the Bank by way of interest equalization support.

The Bank has extended a term loan of U.S.$1.60 billion, under the CFS to Bangladesh India Friendship Power Company Ltd., a 50:50 joint venture company of NTPC Ltd., India and Bangladesh Power Development Board, at the behest of the Government of India for setting up the Maitree Power Project, a 1320 (2x660) MW ultra-super-critical coal-fired power project, valued approximately at U.S.$2.00 billion, located at Rampal Upazila of Bagerhat District in Khulna, Bangladesh. The contract for the project has been awarded to BHEL, India. The amount outstanding under the CFS as of March 31, 2022 was U.S.$1,260.69 million.

In the financial year ended March 31, 2022, the Bank disbursed U.S.$168.58 million under the CFS scheme extended at the request of the Borrowing Government.

On March 31, 2022, the GoI issued the revised Indian Development and Economic Assistance Scheme on Lines of Credit (LOCs) and for Concessional Financing (IDEAS 2022) to support Indian entities bidding for strategically important overseas infrastructure projects.The revised guidelines aim to further streamline the processes. Key changes in IDEAS 2022 include (i) mandatory appointment of PMC for project cost more than U.S.$10 million; (ii) the requirement for Borrowing Government to enter into a comprehensive maintenance contract for three to five years, after commissioning of the project and completion of the warranty period; (iii) streamlining of various timelines in respect of the LOC; and (iv) an amount up to 0.50% of the LOC can be utilized for evaluation of the project on completion by the Lending Bank or an independent agency appointed by it.

Buyer's Credit under National Export Insurance Account to Boost Project Exports from India

The Bank's strong emphasis on increasing project exports from India has been enhanced by the introduction of buyer's credit under the Government of India's BC-NEIA. BC-NEIA is a unique financing mechanism that provides a safe mode of non-recourse financing to Indian exporters and serves as an effective market entry tool to traditional as well as new markets in developing countries that need deferred credit on a medium or long-term basis. The response to the program has been encouraging since May 2011. As of March 31, 2022, the Bank sanctioned U.S.$3.01 billion (approximately ₹228.14 billion), thereby supporting a total of 34 projects valued at U.S.$3.29 billion. The projects supported by the Bank include projects for: (i) setting up water treatment plants and distribution to reservoirs – projects in Sri Lanka; (ii) setting up an integrated LPG storage facility at the Beira Port in Mozambique; (iii) supply of vehicles and spares to Cote d'Ivoire, Senegal and Tanzania; (iv) setting up transmission line projects in Cameroon, Mauritania, Senegal, Zambia and Kenya; (v) constructing railway line in Ghana; (vi) an irrigation project in Suriname; (vii) supply of solar water pumps in Uganda and water supply project in Cameroon; and (viii) Road Projects in Maldives and Zambia (city decongestion project).

As of March 31, 2022, the Bank has also given its in-principle commitment for supporting 24 projects from various sectors with an aggregate amount of U.S.$2.93 billion valued at U.S.$3.41 billion under the BC-NEIA program.

Buyer's Credit, Finance for Project Exports/Medium-Term, Supplier's Credit

The Bank's principal export credits include supplier's credit, buyer's credit and finance for project exports. Supplier's credit is term credit (in Indian rupees or Foreign Currency) extended to an Indian exporter, which in turn extends credit, on deferred payment terms, to an overseas buyer to finance the export of its products. Under such a program, the domestic borrower is liable to repay the Bank irrespective of whether or not the overseas buyer repays the borrower.

Buyer's Credit is a program of the Bank under which the Bank facilitates Indian project exports by way of extending credit facility to overseas buyers or banks and institutions for facilitating imports from India. Under the Buyer's Credit program, the Bank makes payment of eligible value to Indian exporters, without recourse to them. Finance for project exports includes medium-term pre-shipment credit, post-shipment credit, financing of rupee expenditures for project-export contracts and foreign currency loans for projects and contracts overseas. In the financial year ended March 31, 2022, the Bank sanctioned ₹190.52 billion (U.S.$2.51 billion) by way of supplier's credit (including the refinance of export credit to commercial banks), buyer's credit (including under NEIA) and finance for project exports. Disbursements under these programs amounted to ₹190.93 billion (U.S.$2.52 billion) as of March 31, 2022.

Pre-Shipment Credits

The Bank's pre-shipment credit facility, in Indian Rupees as well as foreign currency, provides access to finance at the manufacturing stage, enabling exporters to purchase raw materials and other inputs. In the financial year ended March 31, 2022, the Bank sanctioned ₹2.39 billion (U.S.$0.03 billion) by way of short-term pre-shipment credit. Disbursement of short-term pre-shipment credits amounted to ₹3.80 billion (U.S.$0.05 billion) during the financial year ended March 31, 2022.

Other Programs

Trade Credits

The Bank's trade credits portfolio also includes finance for consultancy and technology services (offered to Indian companies, commercial banks and overseas entities) rediscounting facilities (offered to commercial banks in India) and relending facilities (offered to foreign importers, governments and financial institutions) and finance for deemed exports. Credit for consultancy and technology services is deferred credit to overseas buyers of Indian consultancy, technology and other services. Rediscounting facilities enable commercial banks in India to rediscount short-term export bills of their customers, including micro, small and medium enterprises ("**MSMEs**"). Refinancing of export credit allows commercial banks to obtain refinancing in respect of deferred payment loans extended for the export of eligible Indian goods. Finance for deemed exports covers potential cash flow deficits of Indian companies executing contracts within India, categorized as Deemed Exports in the Foreign Trade Policy of India or contracts secured under international competitive bidding or contracts under which payments are received in foreign currencies.

Finance for Export Capability Creation (FECC)

Although the Bank was initially established to provide export credits linked to particular export contracts, over the years it has expanded its lending activities to cover general FECC. FECC programs accounted for approximately 20.77 per cent. of the Bank's total outstanding loans as of March 31, 2022. The Bank offers financing products and services that are not export credits only to Indian export-oriented companies. The export-oriented companies financed by the Bank cover a wide range of sectors, including textiles, pharmaceuticals, chemicals and engineering. In the financial year ended March 31, 2022, the Bank sanctioned loans amounting to ₹157.02 billion (U.S.$2.07 billion) under its FECC programs. In the financial year ended March 31, 2022, disbursements amounted to ₹81.66 billion (U.S.$1.08 billion) under these programs.

Loans to EOUs

Under the FECC programs, the Bank offers loans to export-oriented units ("**EOUs**") to cover primarily project finance, equipment finance, working capital, research and development, technology upgrading and green field export-oriented projects. The loans provided to such EOUs are typically term loans in both rupees and foreign currencies. Maturities typically range from one to two years for short-term working capital loans, ordinarily up to 10 years (including suitable moratorium) for term loans. All term loans to EOUs are secured, typically, by way of a *pari passu* first charge on fixed assets. The Bank also refinances commercial banks for term loans sanctioned to EOUs. In the financial year ended March 31, 2022, the Bank sanctioned term loans to EOUs (including refinance to commercial banks) amounting to ₹182.04 billion (U.S.$2.40 billion). In the financial year ended March 31, 2022, the Bank disbursed term loans to EOUs amounting to ₹9.37 billion (U.S.$0.12 billion). As of March 31, 2022, ₹104.73 billion of direct loans under EOUs were outstanding.

Import Finance

The Bank provides transaction-specific import financing to Indian companies, including companies that are not EOUs, provided the companies use such loans to import capital goods or raw materials. In the financial year ended March 31, 2022, the Bank sanctioned ₹25.91 billion (U.S.$0.34 billion) in import finance (including refinance). Disbursements under the program amounted to ₹14.83 billion (U.S.$0.20 billion) in the financial year ended March 31, 2022. While the Bank's import finance program covers the import of capital goods and related services, the Bank's bulk import finance program caters to the import of raw materials, which is in the nature of working capital.

Export Facilitation Program

Through its export facilitation program, the Bank finances export-related infrastructure projects, including ports, airports, bulk/container/cargo handling terminals, cold chains, warehouses at airports and ports etc. As of March 31, 2022, the Bank's disbursements under the program (including refinance) amounted to ₹5.84 billion (U.S.$0.08 billion).

Overseas Investment Finance

In addition to term loans, under the FECC programs, the Bank provides overseas investment finance in the form of loans to Indian companies to invest in ventures overseas or to on-lend to their overseas joint ventures or wholly-owned subsidiaries. The Bank also lends directly to Indian joint ventures/wholly-owned subsidiaries overseas. The Bank's overseas investment finance takes the form of rupee term and/or foreign currency loans, with maturities of ordinarily up to seven years, extended to Indian promoter companies or directly to their overseas ventures. The Bank requires security for such financing by way of a first charge over the fixed assets of the Indian promoters, a pledge over shares in the overseas ventures, assignment of equity-related receivables from the overseas ventures, assignment of overseas investment insurance cover from the ECGC Ltd. or the Multilateral Investment Guarantee Agency, etc. In the financial year ended March 31, 2022, the Bank sanctioned ₹24.94 billion (U.S.$0.33 billion) towards overseas investment finance. Disbursements in the financial year ended March 31, 2022, amounted to ₹19.66 billion (U.S.$0.26 billion). During the fiscal year ended March 31, 2022, 16 corporates were granted funded and non-funded assistance under overseas investment finance. As of March 31, 2022, under its overseas investment finance program, the Bank has provided finance to 652 ventures set up by 483 companies in 78 countries, amounting to ₹24.94 billion.

R&D Financing Program

The Bank has a lending program to finance research and development ("**R&D**") activities of export-oriented companies. The R&D finance provided by the Bank is in the form of a debt, equity or a hybrid facility of up to 80 per cent. of the cost of the R&D. Research foundations, institutions and special purpose vehicles promoted by companies are also eligible to apply for this program. The program covers both capital and revenue expenditures, such as land and buildings for R&D facilities, equipment, acquisition of technology from India and overseas, computer software and hardware, costs of regulatory approvals, surveys, technology demonstration studies, salaries of R&D personnel, etc.

Other FECC Programs (Other Programs under Industrial Loans)

In addition to term loans and overseas investment financing, the Bank offers a range of other products to Indian EOUs. The Bank provides finance for export marketing to Indian companies seeking to implement strategic export marketing plans, or to develop and upgrade or improve their products. The Bank also provides deferred payment guarantees for the import of equipment by Indian EOUs and guarantees for Indian ventures overseas making local borrowings.

Non-Fund-Based Facilities

The Bank provides non-fund-based facilities for Indian companies in connection with their business operations including guarantees (advance payment guarantees and performance guarantees required for the execution of project export contracts and guarantees for overseas borrowings in connection with such contracts), letters of credit, standby letters of credit ("**SBLC**"), comfort letters outstanding and Risk Participations with other Banks. The Bank extends guarantees on its own or in participation with commercial banks in India. The guarantees which the Bank provides may be secured by an ECGC counter-guarantee of up to 90.00 per cent. of the guarantee amount. LCs and SBLCs may be secured by a charge over fixed and current assets. In the financial year ended March 31, 2022, the Bank sanctioned non-fund-based facilities amounting to ₹140.55 billion (U.S.$1.85 billion).

Direct Equity Participation

In a few selected cases, the Bank takes direct equity participation in Indian overseas ventures. The Bank makes such investments in order to leverage its name and reputation to enhance the credibility and acceptability of Indian ventures overseas. Each equity investment by the Bank carries a minimum assured return with an exit option offered by the Indian promoter company. The Bank is limited by its internal policy to making a maximum direct investment of U.S.$5 million per project and up to 25 per cent. of the equity capital of overseas ventures if it is a joint venture between Indian and overseas entities (up to 50 per cent. in the case of Indian subsidiaries).

Re-organization of Commercial Business

The Bank internally reorganized its commercial business verticals in January 2021, moving from a product-centric structure to a process-centric structure. The new structure clearly demarcates responsibilities along various stages of commercial lending to minimise conflict of interest and enhanced monitoring; besides having done away with duplication of a few tasks, for faster and smoother credit delivery.

Ubharte Sitaare Program

The Ubharte Sitaare Program ("**USP**") is aimed at identifying Indian companies that are future champions with good export potential. The identified Indian company should have potential advantages by way of technology, product or process, but may currently be under-performing or lacking the ability to tap their latent potential to emerge bigger. The program diagnoses the hurdles and remedies and provides a mix of structured support, both financial and advisory services through (a) debt (funded and non-funded facilities); (b) investments in equity and equity like instruments; and (c) technical assistance.

USP is anchored by the Bank together with SIDBI joining as a partner institution and has an initial corpus of ₹1,000 crore with contribution of ₹40 crore each from the Bank and SIDBI for setting up an Alternative Investment Fund, christened Ubharte Sitaare Fund, ₹10 crore each towards technical assistance and the balance of ₹900 crore for debt facilities from the Bank, SIDBI and other Banks.

The objectives of USP are:

(a) to enhance India's competitiveness in select sectors through finance and extensive handholding support;

(b) to identify and nurture companies having differentiated technology, products or processes, to enhance their export business;

(c) to assist units with export potential which are unable to scale up their operations for want of finance;

(d) to identify and mitigate challenges faced by successful companies which hinder their exports; and

(e) to assist existing exporters to widen their basket of products and target new markets through a strategic and structured export market development initiative.

The Bank has undertaken extensive market outreach by engaging with various stakeholders such as industry associations, academic institutions, chambers of commerce, banks, and other institutions for developing a collaborative approach for identification of eligible companies.

As on March 31, 2022, the Bank under the portfolio has sanctioned credit facilities, both fund and non-fund based, aggregating ₹387.50 crore and has disbursed ₹153.63 crore, both fund and non-fund facilities under various sanctions spread across diversified sectors such as auto and auto components, aerospace and defence, drugs and pharmaceuticals, engineering goods, electronics, plastics and plastics products, consumer durables, leather goods, printing and publishing. The sanctions also include two equity investments aggregating to ₹13.50 crore made by the Bank.

Ubharte Sitaare Fund ("**USF**"), co-sponsored by the Bank and SIDBI have been successfully registered with SEBI in July 2021. The first close of USF was announced by SIDBI Venture Capital Limited, the Investment Manager on March 16, 2022. The investment committee meetings of USF are being held periodically for consideration of equity investments in potential companies.

USP shall play a catalytic role in contributing to the growth of the identified Ubharte Sitaare and would also have downstream benefits such as growth and diversification of India's exports, impetus to brand India and employment generation.

Trade Assistance Programme

Trade Assistance Programme ("**TAP**") is the latest initiative of the Bank, for providing support through credit enhancement to trade instrument(s) thereby enhancing the capacity of commercial banks to support cross-border trade transactions involving untapped markets where trade lines are constrained or where the potential has not been harnessed, and transactions may not materialize in the absence of such support.

The key objectives of this program include (i) creating an enabling environment for counterparties in settlement of trade transactions; (ii) supporting incremental exports by accessing identified untapped markets; (iii) providing market entry mechanism, while enhancing the geographical coverage for exporters, including MSMEs; (iv) providing risk coverage for challenging international trade transactions; and (v) enabling local banks in target countries in establishing working partnerships with commercial banks in India.

Under TAP, the Bank, by leveraging its experience and network of alliances, is building a network of partnerships among commercial banks in India and identified overseas banks that can seek risk mitigation support from the Bank.

TAP offers participating commercial banks in India partial or full guarantees to cover payment risk on banks from the emerging markets, and at the same time also facilitates Indian banks in meeting their commitment by counter-guaranteeing their guarantees to encourage participation of Indian contractors to win and execute project in the overseas market. These credit mechanisms are transaction-specific covering (a) confirmation of trade finance instruments; (b) irrevocable reimbursement undertaking; (c) bid bond, performance, advance payment, retention money guarantees; and (d) risk participation.

Credit Line from the European Investment Bank ("EIB")

The Bank signed an agreement for a long-term loan of EUR150 million having a tenor of up to 20 years with EIB in March 2013. The purpose of the EIB loan is to support various projects in the renewable energy and energy efficiency sectors in India that contribute to climate change mitigation. The borrowings under this facility enable the Bank to, in turn, on-lend to entities engaged in electricity, heat generation, wind, solar photovoltaic, concentrated solar power, hydropower, geothermal and biomass projects. EIB has approved 19 projects aggregating EUR 150 million as of the date of this Offering Circular. The Bank has an outstanding credit of U.S.$15.38 million under this facility as on March 31, 2022.

ESG Considerations

In its endeavor to align with the global ESG considerations, and enhancing transparency and communication with its stakeholders, the Bank set up its ESG framework to issue green, social or sustainable bond and loans. The ESG Framework outlines India Exim Bank's intent to enter into sustainable financing transactions to finance projects that have a positive environmental and/or social impact while supporting its business strategy. The ESG Framework defines eligibility criteria in six green and four social areas, being renewable energy, sustainable water and wastewater management, pollution prevention and control, clean transportation, green buildings, energy efficiency, access to essential services and basic infrastructure, food security and sustainable food systems, MSME financing, and affordable housing. This ESG Framework has been reviewed by a Second Party Opinion ("**SPO**") provider – Sustainalytics. The SPO has confirmed that the ESG Framework is 'Credible and Impactful' and is aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021, as administered by International Capital Market Association (ICMA), and Green Loan Principles 2021 and Social Loan Principles 2021, as administered by Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), and Loan Syndications and Trading Association (LSTA). The SPO also states that the Bank is well-positioned to address common environmental and social risks associated with projects. As per the ESG Framework, each sustainable financing transaction will adopt procedures for managing the use of proceeds, project evaluation and selection, management of proceeds and reporting. The use of proceeds of such bonds are required to be used exclusively to finance or re-finance, in whole or in part, new or existing eligible green and/or social projects aligned to ICMA Principles.

In March 2022, the Bank strengthened its ESG policy by setting in place the board-approved ESG policy – 'Environment, Social and Governance Policy of the Bank for Sustainable Development/Responsible Financing'. The key objectives of the policy include promoting ESG competitiveness of Indian companies; contributing to GoI's carbon neutrality goal; expanding social value creation; and enhancing predictability, transparency, and accountability of the Bank's financing decisions through measurement and management of ESG risks.

The Bank has also set up a sustainable financing committee ("**SFC**"), including representations from the Bank's operating, compliance and legal groups. The SFC has the authority to classify a project as green, sustainable or social in line with the criterion mentioned in the ESG Framework. In addition to the above, an annual review of all such projects will be undertaken by the SFC and projects which no longer meet the criteria will be removed. Any such changes to the overall portfolio considered under the green, sustainable or social categories including removal and addition of individual projects from the portfolio shall have to be cleared by the SFC. The annual reporting of the allocation of proceeds of each ESG bond and loan shall be reviewed by SFC prior to its publication in any domain, including the Bank's annual report, ESG or sustainability report.

Value Added Services

The Bank provides Indian companies and overseas entities with a range of information, advisory and support services, which complement its financing program. These services are offered on a fee basis and include the provision of market-related information, export marketing services, sector and feasibility studies, technology supplier identification, partner search, investment facilitation and development of joint ventures both in India and overseas.

BRICS Interbank Financial Cooperation Mechanism

The Bank is a nominated member development bank under the BRICS (Brazil, Russia, India, China, and South Africa) Interbank Cooperation Mechanism. The Bank also participates in the annual meeting of the BRICS financial forum, as part of the events associated with the BRICS Summit. Other nominated member development banks from BRICS nations include: Banco Nacional de Desenvolvimento Economico e Social, Brazil; the State Corporation Bank for Development and Foreign Economic Affairs, (Vnesheconombank) Russia; the China Development Bank Corporation; and the Development Bank of Southern Africa.

The 10th BRICS Summit was held in 2018 in Johannesburg, South Africa. During the Summit, the Bank entered into a multilateral co-operation agreement on 'Collaborative Research on Distributed Ledger and Block Chain Technology' in the context of the development of the digital economy, with the development banks of BRICS nations.

The 11th BRICS Summit was held in 2019 in Rio de Janeiro, Brazil, on November 13 and 14, 2019. During the Summit, the Bank entered into a Memorandum of Understanding (MoU) with the development banks of the BRICS nations for the Mobilization of Private Investment in Infrastructure. Under the framework of the MoU, member development banks have agreed to explore the possibilities of financing, co-financing or guaranteeing private investment in the infrastructure sphere.

The 12th BRICS Summit was hosted by Russia and held virtually in November 2020 on the theme, 'Global Stability, Shared Security and Innovative Growth'. The Bank is the nominated member development bank from India under the BRICS Interbank Co-operation Mechanism. The Bank entered a Memorandum of Understanding ("**MoU**") with the development banks of the BRICS nations on the Principles of Responsible Financing. Under the framework of the MoU, member development banks have agreed to explore the possibilities of adopting the common principles of responsible financing. The Bank also participated in the Annual Meeting and the Financial Forum of the BRICS Interbank Co-operation Mechanism and associated meetings organized online by Russia's State Development Corporation, on November 16, 2020.

The 13th BRICS Summit was hosted by India and held virtually in September 2021 on the theme, 'BRICS@15: Intra-BRICS cooperation for continuity, consolidation and consensus'. This was India's third BRICS Presidency since its inception (after 2012 and 2016). The Bank hosted the Annual Meeting and the Financial Forum of the BRICS Interbank Co-operation Mechanism and associated meetings virtually on September 8, 2021.

During the Fifth BRICS Summit held on 26th – 27th March 2013 in Durban, South Africa, the BRICS Business Council was established, with an objective to constitute a platform to promote and strengthen trade and investment ties among the business communities of the BRICS countries. There are nine working groups in the areas of Infrastructure, Manufacturing, Financial Services, Energy & Green Economy, Skills Development, Agribusiness, Deregulation, Aviation and Digital Economy formed under the aegis of the BRICS Business Council. The main objectives of these Working Groups are to facilitate interaction amongst businesses with a view to better understand the market opportunities and build synergies based on their respective competitive strengths and to promote industrial development and job creation. The Bank chairs the India Chapter of the Financial Services Working Group.

Asian Exim Banks Forum

In 1996, the Bank took the initiative of forming Asian Exim Banks Forum ("**AEBF**"). Presently, members of AEBF include Export Credit Agencies from Australia, China, India, Japan, Korea, Malaysia, Thailand, Indonesia, Philippines, Turkey and Vietnam.

The 25th annual meeting of the AEBF was hosted by the Export-Import Bank of Korea in Jeju, Korea, in November 2019. The theme of the meeting was 'Facing a New Decade: Revisiting Asian ECAs role in the Shifting Global Economic Landscape – Rising needs for Proactive, Flexible and Sustainable ECAs'. The meeting was chaired by Korea Exim and had representatives at the highest level from member institutions – Australia, China, India, Indonesia, Japan, Korea, Malaysia, Philippines, Thailand, Turkey and Vietnam. The meeting saw the participation of Asian Development Bank, the multilateral financing institution, as a permanent invitee, as well as three other observers – the U.K. Export Finance representing Europe, Export Development Canada representing the Americas, and the Abu Dhabi Fund for Development representing the Middle East.

The twenty-sixth Annual Meeting of the AEBF could not be organized due to the COVID-19 pandemic during 2020-21. However, Turk Eximbank hosted a virtual Technical Working Group Meeting in June 2020 which was attended by all member institutions. AEBF provides a sound platform for knowledge sharing by way of training programs that have helped the staff of the member institutions learn the best practices in areas as diverse as project financing, capital markets, ship financing, SME financing, commodity financing, country risk, cross border investment, etc. Due to the travel restrictions imposed by the COVID-19 pandemic, the training programs under the tutelage of AEBF are being organized on an online mode. The first online training program was organized by Export-Import Bank of Korea on the theme 'Environmental & Social Considerations and Actions That Need to Be Taken' in July 2020.

The Twenty-Sixth Annual Meeting of the AEBF was eventually held on November 2, 2022, virtually due to the Covid-19 pandemic. Türk Eximbank hosted the Meeting with participation from 11 AEBF Regular Members and the Permanent Observer. Türk Eximbank also hosted a virtual Technical Working Group Meeting on May 26, 2021, which was attended by all member institutions. Due to the travel restrictions imposed by the pandemic, the training programs under the tutelage of the AEBF are being organized, through the online mode, which includes training on 'Green Finance' on November 12, 2021, and training on 'LIBOR Transition' on March 24, 2022, conducted by Export-Import Bank of China and the Asian Development Bank (ADB), respectively.

Global Network of Exim Banks and Development Finance Institutions

The Global Network of Exim Banks and Development Finance Institutions ("**G-NEXID**") was set up in Geneva in March 2006 through the Bank's initiative and with the support of the United Nations Conference on Trade and Development. With the active support of many Exim banks and development finance institutions from developing countries, G-NEXID aims to foster enhanced trade, investment and cooperation among such developing countries. The G-NEXID held its Steering Committee Meeting in Geneva in June 2019, which was followed by the Annual General Assembly and the 4th Exchange Program hosted by African Exim Bank in Cairo in October 2019.

The Annual General Assemblies in 2020 and in 2021 were held virtually on September 23, 2020, and on November 10, 2021, due to the pandemic. The 5th Exchange Programme, which was due in Ghana in 2020, also got postponed as a result. Nevertheless, the Network has used the opportunity to offer an introductory online program on "Blockchain Technology" from September to November 2020 followed by an intermediate online program from March to May 2021, which was attended by participating officials from among the G-NEXID members cohort across the globe.

In addition to these training, an online capacity building program on Sustainable Finance was held from September to November 2021. During 2021-22, G-NEXID focused on discussion on various themes, which inter-alia, included the following – Intra G-NEXID COVID dialogue; Improving access to trade finance for SMEs through transactional connectivity; Green Sukuk and resource mobilisation for sustainable infrastructure in Sub-Saharan Africa; Saudi EXIM Bank's: Objectives, Products and Portfolio; Public-Private Partnerships (PPPs) in transport infrastructure and logistics: LIBOR transition; and Frauds in trade finance: Recent cases and toolbox for preventing intentionally deceptive actions.

Moreover, on January 18, 2022, UNCTAD and UNDESA, in partnership with G-NEXID, organized a Trade Policy Dialogue on Trade Finance under Covid-19: where development banks in developing countries shared their experiences, where the Bank also participated. The outcome of the discussion will be reflected in the Inter-Agency Task Force on Financing for Development Report on Financing for Sustainable Development for 2022.

Grassroots Initiative and Development (GRID) and Marketing Advisory Services (MAS)

The Bank, through its grassroots initiative, envisages supporting globalization of small and micro-enterprises, generally based out of rural India. The main objective of the program is to address the socio-economic needs of the disadvantaged sections of the society by creating expanded opportunities for traditional craft-persons, artisans and rural entrepreneurs of the country.

The Bank plays a promotional role in creating opportunities and enhancing capabilities of grassroot micro-enterprises, aimed at augmenting their globalization efforts. To this endeavor, the Bank assists by way of providing grants and organizing various capacity building programs. The Bank also leverages its international associations, knowledge of international trade and practices and established institutional linkages, coupled with its physical presence and e-marketing efforts, to support such micro enterprises in their marketing efforts (especially overseas), on a success fee basis.

The Bank, through its Grassroots Initiative and Development ("**GRID**") and Marketing Advisory Services ("**MAS**") programs, extends financial support to promote grassroots enterprises and innovations, particularly the ones with export potential, and help artisans, producer groups, clusters, small enterprises, and NGOs' realize remunerative return on their produce and facilitate exports from these units. The GRID-MAS objective also aims to augment operational efficiencies, achieve higher value addition, employment generation, enhanced market outreach for the handicraft/handloom/agro-based products, both – in India and overseas, thereby securing higher value for their products and enabling a sustainable livelihood.

Workshops & Training Programs

The Bank, under its grassroots initiatives, has been supporting and assisting rural artisans, craftsmen, weavers, clusters, SHGs, NGOs, grassroot and micro-enterprises in capacity building and marketing activities by organizing design, skill-building and training workshops. As part of this endeavor, the Bank supported a training program on 'Design Development for 30 weavers of M/s Silk N Touch (SNT) in Varanasi, UP.

Silk weaving is a dominant manufacturing industry in Varanasi and employs millions of people. The craft is indigenous to several traditional weavers in Varanasi who have mastered it and closely guard the treasured secrets involved in this artform. It is a tedious, time-consuming craft that requires teamwork to create delicate silk sarees from concept to completion, involving multiple steps, especially to maintain the fine work involving gold and silver brocade or zari, finest silk and opulent embroidery that is unique to a Banarasi saree. Training on new/modern designs based on market requirement.

Such a training programme for the artisans provided a good opportunity for the weavers to gain knowledge and exposure to innovative ideas in modern techniques/new designs, that enabled wider appeal and acceptance of this fading art.

In July 2021, the Bank has organized a Training Programme in 'Product and Design Development' for Warli Hastakala Group, Raitali (WHG), Dahanu, Palghar, Maharashtra for 15-20 artisans. Warli painting is a style of tribal art mostly created by the tribal community from the North Sahyadri Range in Maharashtra, India.

The purpose of the training programme fits in with the overarching objective of the Bank's GRID-MAS initiative, which is to support and promote grassroot enterprises, especially in the handicraft and handloom sector through focused interventions, such as assistance in skill development, product development and export capability creation.

Events and Exhibitions

The Bank has over the last decade, been assisting several artisans to participate in renowned and popular exhibitions. Apart from these, the Bank also organises the 'Exim Bazaar' as an exclusive marketing platform for the artisans hitherto supported by the Bank under its various capacity building, financing, training and market outreach programs. Since its inception in 2017, 'Exim Bazaar', has gained considerable prominence having found favour with both the local population and artisans alike. The Seventh edition of Exim Bazaar was organised at 'Ahmedabad Haat', Ahmedabad during the period from October 1, 2001 to October 4, 2021, and the Eighth edition of 'Exim Bazaar' at MVIRDC World Trade Centre's Expo Centre, Cuffe Parade, Mumbai during the period from December 19, 2021 to December 21, 2021. Such fairs have contributed significantly to connecting the crafts persons' directly to a wide customer base and thereby, through improved margins, making these traditional arts and crafts a sustainable means of livelihood and dignity for the skilled artisans.

Marketing Advisory Services (MAS)

The Bank assists in identification of market opportunities overseas and seeks to help Indian firms in their globalization efforts by proactively assisting in locating overseas distributors, buyers and partners for their products and services on a success fee basis through its Marketing Advisory Services (MAS) program. During the year, the Bank secured mandates from seven exporters seeking the Bank's support in identifying potential customers overseas. These exporters are from diverse sectors including manufacture of automotive parts, thermoplastic road marking paints and primers, COVID-19 hygiene products, tea, and recyclable paper products, and services such as development of full-stack integrated algorithms software and hardware platforms and diagnostics services.

Information Advisory Services

The Bank provides a wide range of information, advisory and support services, which complements its financing programs, whilst also underlining its role as a policy Bank. These services are provided to the Bank's stakeholders including state governments, Indian public and private sector and overseas entities. These services are provided to the Bank's stakeholders including state governments, Indian public and private sector and overseas entities. The scope of services includes policy inputs and papers for the state governments, market-related information, sector and feasibility studies, technology supplier identification, partner search, capacity building exercises, investment facilitation and development of joint ventures both in India and abroad. The Bank also provides assistance to a number of institutions in the developing world through its well knitted advisory and consultancy services.

Research Activities

The Bank published 14 research papers, in the form of working papers and occasional papers as well as four special publications during the financial year ended March 31, 2022, namely:

Working Papers

1. Indian Sports Goods Industry: Strategies for Tapping the Export Potential

2. Indian Solar Sector: Fostering Growth and Sustainable Development

3. India's Trade and Investment Relations with Australia: Recent Trends and Potential

4. Building a Resilient Africa: Enhanced Role of India

5. India-United Kingdom Bilateral Relations: Trends, Opportunities and Way Ahead

6. India's Creative Industry for Export Sustainability

7. Re-connecting India and Central Asia: Prospects for Enhancing Trade and Investment

8. Enhancing India's Engagements with UAE

Occasional Papers

1. Essay in International Trade in Post Liberalization India

2. Empirical Studies in International Trade

3. Indian Dairy Sector: Trends and Prospects for Greater Export Orientation

4. Project Exports from India: Tapping Potential Amid Changing Dynamics

5. India's Engagement in Free Trade Agreements: Looking Ahead

6. Export Potential of India's Shrimps and Prawns

Special Publications

1. Exports From Uttar Pradesh: Trends, Opportunities and Policy Perspective

2. Enhancing BRICS Cooperation: Way Forward

3. Reorienting Trade Policy: Towards a Synchronized Trade and Investment Framework for India

4. Enhancing India-CARIFORUM Economic Relations and Prospects for Cooperation

Joint Ventures

GPCL Consulting Services Limited

As set out in the Bank's audited financials for the year ended March 31, 2022, the Bank's joint venture, which changed its name from Global Procurement Consultants Limited to GPCL Consulting Services Limited ("**GPCL**") during FY 2021-22, recorded a total revenue of ₹50.34 million with a net profit of ₹9.02 million. In fiscal year 2022, GPCL secured several procurement and technical consulting assignments including projects funded by the World Bank and African Development Bank (the "**AfDB**"). GPCL is a joint venture between the Bank and 10 reputed Indian private and public sector companies with expertise in diverse fields.

GPCL provides consultancy services in the procurement, technical and financial domains including training and capacity building services both within India and abroad in various sectors having successfully carried out assignments in over 40 countries worldwide.

Kukuza Project Development Company

The Bank along with IL&FS, the State Bank of India and the AfDB launched a project development company, called Kukuza Project Development Company ("**Kukuza**") to focus on the development of infrastructure projects in Africa. Kukuza provides specialist project development expertise to African Governments, and utility and other private companies on infrastructure projects in Africa.

Kukuza's initial capital was U.S.$25 million and the Bank's share in the capital was U.S.$4.88 million. The shareholders' agreement for the project development company was signed in July 2015. The company is registered in Mauritius and commenced operations in fiscal year 2018. The company currently has a pipeline of projects in sectors such as ports, healthcare, etc., in Africa.

Export Development Fund

The Export Development Fund ("**EDF**") is a special fund administered by the Bank. The EDF was set up on March 31, 1986, by a notification issued by the Government. In terms of the Export-Import Bank of India Act, 1981, the EDF is a distinct fund, separate from the General Fund of the Bank.

Pursuant to the receipt of approval from the Government in December 2014, the EDF on December 23, 2014, signed a framework agreement with Iranian banks for extending a buyer's credit facility of ₹9.00 billion for the export of steel rails from India. Subsequently, pursuant to the receipt of approval of the Government in April 2016, the facility covered under the framework agreement was enhanced from ₹9.00 billion to ₹30.00 billion, by way of an amendatory agreement dated May 4, 2016, to cover the Chabahar Port Development project in addition to the export of steel rails and related items from India to Iran. The modalities of utilization of the credit will be decided in accordance with a framework agreement. As of March 31, 2022, the total assets of EDF stood at ₹4.98 billion.

Under the framework agreement, the first contract for an aggregate value of ₹8.19 billion, for supply of 150,000 tonnes of steel rails from India to the Railway of the Islamic Republic of Iran through the Bank of Industry and Mine, Iran, was approved under the Buyer's Credit Facility. As of March 31, 2022, disbursements aggregating ₹8.11 billion have been made under the contract by the EDF. The physical and financial completion has been achieved under the contract. The outstanding amount under the facility as on March 31, 2022, stood at ₹4.56 billion. Financing for the balance steel rails contract and the contract for the Chabahar Port project are at various stages of negotiation and finalization.

Information Technology Systems

The Bank continued its initiatives for enhancing the use of knowledge-based tools for authentic communication across its various constituents for better sharing of information, customer empowerment and system intelligence capabilities. Systems were supported and upgraded in various areas, including those of the core banking system, business intelligence, digital documentation, automatic workflows, networks, infrastructure, and security. The Bank strengthened its systems and procedures in compliance with international standards for IT governance. The Bank's corporate websites (www.eximbankindia.in and www.eximmitra.in) continue to disseminate information on various lending programs, activities, and advisory services of the Bank.

The Bank has state-of-the-art Data Centre (DC) and Disaster Recover Site located at Mumbai and Bengaluru respectively. The DC and the DR have -active setup and have remote monitoring capabilities, which ensures compliance with recovery time and point objectives (RTO & RPO). Both the Primary and DR Data Centres are ISO 27001 certified. The Bank has implemented secured remote access based IT infrastructure which enables seamless transition between work from office (WFO) and work from home (WFH). Cloud and device-based audio-video conferencing facility enabled seamless business communication among stakeholders during the year.

The Bank continues, to invest on infrastructure to support the growing need of business and upgraded networks across the offices, Data Centre, computing, and other crucial equipment. Seamless integration between the Bank's core banking system and payment channels (RTGS/NEFT and SWIFT) supports better fund management and real time appropriation of funds.

The Bank has implemented early warning signals (EWS) system for monitoring of assets. The system has Application Programming Interface (API) based integration with various external and internal databases to track macro and micro events, incidents for borrowers and industry, and generates alerts as per the scoring matrix of the Bank.

During the year, the Bank designed the medium-term IT strategy to facilitate seamless information flow, analytics led decisioning, state of the art stakeholder experience and compliance with regulatory norms. The IT strategy has been designed keeping automation, integration and digitization in focus, for example, 100% digital file journey, API-fication based open architecture for external data sourcing plug-n-play, cloud first models for new implementations.

E-Governance and E-Payment:

Systems are in place for business operations, MIS, business intelligence, document management, workflow, networks and security. The Bank has developed technology-enabled "E-Note" process that minimize paperwork and ensure seamless processing with minimal manual intervention. The Bank is a member of the National e-Governance Services Ltd. (NeSL). The Bank has created an internal online database on negative lists and on information received from the Central Economic Intelligence Bureau, which are being referred during loan appraisal cycles. The Bank is using the SWIFT Alliance Access software platform to securely transmit financial and non-financial messages across countries. The messages are created in the Finacle Application (Core and Treasury) and transmitted to the SWIFT application by a Straight Through Process.

Exim Mitra

The Bank works in close coordination with multilateral, regional banks and financial institutions to promote trade between India and the rest of the world. The Bank leveraged its several decades of institutional linkages and experience in export promotion, and launched the Exim Mitra portal, to provide the exporters and importers an effective, single gateway to a wide range of trade information services. The portal contributes to the ongoing efforts towards reducing the asymmetry in information and availability of trade finance and credit insurance facilities amongst MSME entrepreneurs.

The platform also provides exhaustive trade-related data and information, allowing the users to make informed decisions for their internationalization ambitions. This, inter alia, includes assessment of demand across products and markets; information pertaining to market standards, sanitary/phytosanitary requirements; rules and regulations in key markets, like the USA and the EU; government incentives across various sectors; relevant contact information of handholding agencies; cost and duration of shipments from across the globe, and country ratings.

The Bank coordinates with several significant organizations like commercial banks, Financial Institutions, and ECGC Ltd (Export Credit Guarantee Corporation) in India to provide information and guidance to exporters. The Bank has partnered with 12 banks/financial institutions for facilitating financial services through the portal. Prospective exporters can use the platform to fill and submit an online form on the portal, which captures preliminary data pertaining to loan applications. These details are auto forwarded to the partner banks/financial institutions selected by the exporter. Thus, the first step towards desirable trade finance has been made as hassle free as possible. The portal therefore acts as a much-needed intermediary between suppliers and users of trade finance.

The Bank recognizes that the full potential of knowledge dissemination can be fructified only through a two-way exchange of information. To facilitate this, the portal has a helpline section to cater to specific queries of exporters and importers. As of March 31, 2022, Exim Mitra helpline has catered to over 1,050 queries of exporters from an array of sectors. Majority of the queries have been from small players and MSME exporters in labor intensive sectors such as agro and food products, and textile and garments which have significant lack of resources in information, research, and development.

The Bank was awarded by Latin American Association of Development Financing Institutions, the ALIDE Award 2020 in the category of Extra-regional Bank, for the Exim Mitra portal. The ALIDE Award recognizes and promotes the dissemination and sharing of development bank initiatives such as financial and non-financial programs, products, and services.

To supplement the portal's portfolio of disseminating export -related information, the Bank in 2020-2021 started a new initiative called 'Exim Connect', a monthly e-newsletter. The e-newsletter comprises information pertaining to a focus sector, latest trade notifications, foreign trade news highlights, FAQs, forthcoming events, Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) alerts and exports-explained.

It is essential for Exim Mitra to keep up with ever- changing technology, pay attention to services provided by the competitor portals and consider both internal and external feedback. Considering this, the Bank is planning to develop an Exim Mitra Mobile App. The philosophy of the app is to develop an export-import related app with content that is specifically curated towards its users. The Exim Mitra app will have uncomplicated information, user-friendly features, and personalized content keeping MSME exporters as its target audience.

Legal Proceedings

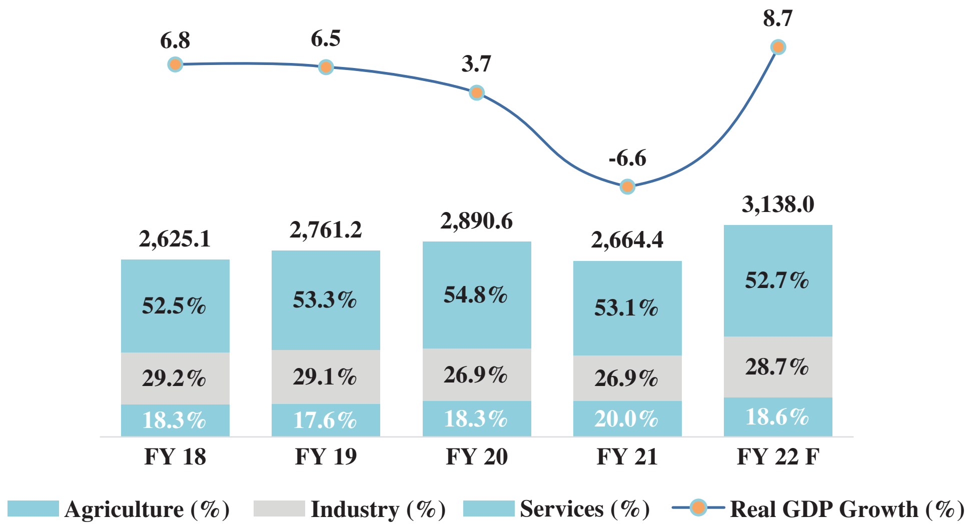
The Bank is involved in certain legal proceedings in the ordinary course of its business. However, excluding the legal proceedings discussed below, the Bank is not a party to any proceedings, and no proceedings are known to the Bank to be contemplated by governmental authorities or third parties, which, if adversely determined, would have a material adverse effect on the Bank's financial condition or results of operations.

As of March 31, 2022, eleven lawsuits have been filed against the Bank in connection with claims made against the Bank involving a total amount equivalent to U.S.$67.05 million. Based on consultation with its legal counsels, the Bank's management believes that these claims made against the Bank and being contested in the lawsuits are frivolous and untenable, and that their ultimate resolution will not have a material adverse effect on the Bank's results of operations, financial condition or liquidity.

Indian Economic Data

Gross Domestic Product (GDP)

According to the World Economic Outlook's ("**WEO**") database of the International Monetary Fund ("**IMF**") released in April 2022, India is the sixth largest economy globally in terms of nominal GDP (and the third largest globally when adjusted for purchasing power parity) in 2021. The Ministry of Statistics and Program Implementation ("**MOSPI**") estimated the GDP growth rate of India for fiscal year 2022 at 8.7 per cent. The Indian economy experienced moderation in growth in the services sector in fiscal year 2022. The following chart shows the nominal GDP and real GDP growth of India between fiscal year 2022 along with the sectoral composition:

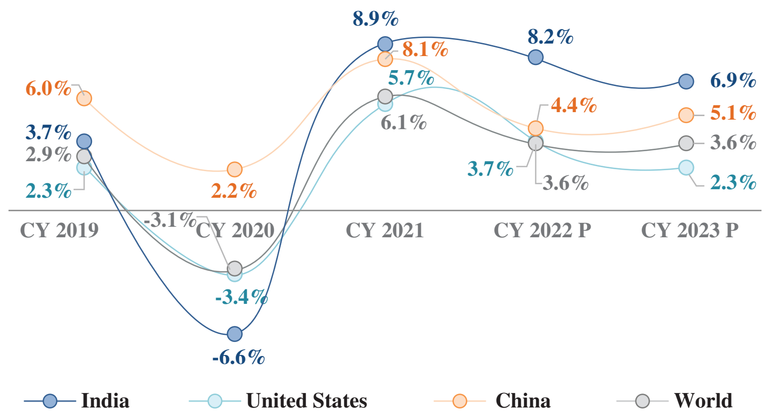


Note:

(1) F = Institute of International Finance (**IIF**) Forecast

Sources: IIF and MOSPI.

The following graph shows the growth of India's real GDP as compared to China, the United States and the world for the periods indicated. IMF estimates India's growth in 2023 to be at 6.9 per cent, which is nearly double the world average growth estimate of 3.6 per cent. In 2021, India's nominal GDP is estimated to be approximately U.S.$3.2 trillion and U.S.$10.2 trillion when measured by purchasing power parity. According to the WEO April 2022 Update, India's economy is projected to expand by 8.2 per cent. in 2022 as compared to an expansion of 8.9 per cent in 2021. Though growth has moderated, India is expected to be the fastest growing economy in 2022.



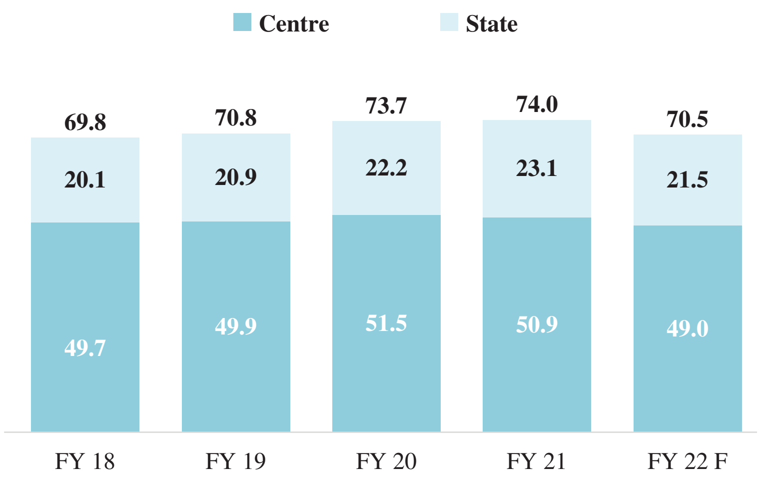
Note:

(1) P – International Monetary Fund (**IMF**) Projections; Data for calendar year

Sources: IMF World Economic Outlook April 2022

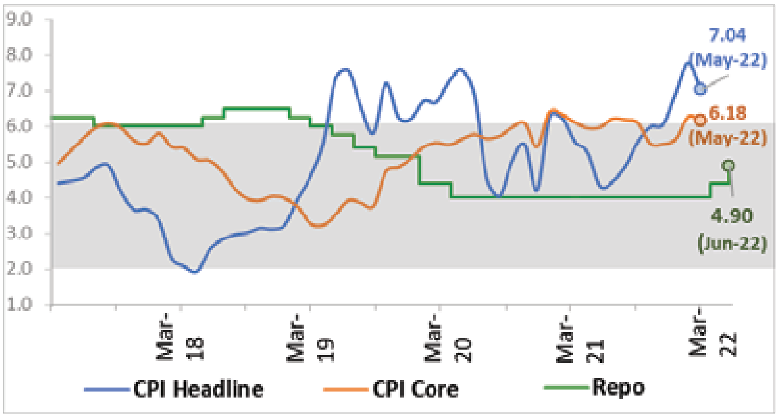
Key Economic Indicators

According to the IIF, general government debt as a percentage of GDP stood at 69.8 per cent., 70.8 per cent., 73.7 per cent., 74.0 per cent. and 70.5 per cent. for fiscal years 2018, 2019, 2020, 2021 and 2022, respectively. The following chart shows the general government debt as a percentage of GDP for the periods indicated.



Source: IIF

According to data from the RBI, consumer price inflation ("**CPI**") (headline) inflation rate was 3.6 per cent., 3.4 per cent., 4.8 per cent., 6.2 per cent. and 5.1 per cent. for fiscal years 2018, 2019, 2020, 2021 and 2022, respectively. Core CPI was at 4.6 per cent., 5.5 per cent., 3.8 per cent., 5.5 per cent and 6.1 per cent. for fiscal years 2018, 2019, 2020, 2021 and 2022, respectively. According to the RBI Annual Report 2021-22, CPI inflation remained high during the fiscal year 2022. Supply shocks impacted food inflation intermittently, exacerbated by imported price pressures, especially from global edible oil prices. The core inflation during fiscal year 2022 also remained elevated mainly due to crude oil prices. The policy rate of the RBI, repo rate has been successively reduced from 6.25 per cent in March 2019 to 4.0 per cent in May 2020. In May 2022, the repo rate was increased to 4.4 per cent, and further to 4.9 per cent. in June 2022. In June 2022, the Monetary Policy Committee decided to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target of 4 per cent. within a band of +/- 2 per cent. going forward, while supporting growth. The following chart shows co-movement of the CPI (headline and core) and the repo rate for the periods indicated.



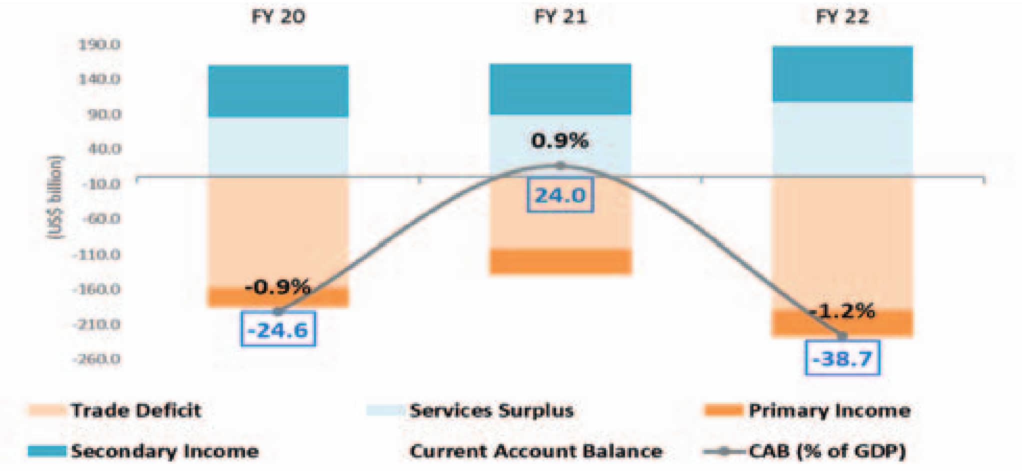
Source: RBI. The base year for CPI inflation 2012=100.

According to the estimates derived from the data published by the National Statistical Office, Ministry of Statistics and Program Implementation, India's gross domestic savings as a percentage of GDP stood at 28.2 per cent in fiscal year 2021 compared to 29.9 per cent. in fiscal year 2020. Gross domestic investment as a percentage of GDP was 27.3 per cent in fiscal year 2021 compared to 30.7 per cent in fiscal year 2020. Gross fixed capital formation as a percentage of GDP increased from 26.6 per cent in fiscal year 2021 to 28.6 per cent in fiscal year 2022. According to the Ministry of Finance, fiscal deficit as a percentage of GDP decreased to 6.7 per cent in fiscal year 2022 from 9.2 per cent in fiscal year 2021. Revenue deficit as a percentage of GDP decreased from 7.3 per cent in fiscal year 2021 to 4.4 per cent. in fiscal year 2022. According to the RBI, foreign direct investment inflows increased from U.S.$81.9 billion in fiscal year 2021 to U.S.$83.6 billion in fiscal year 2022. The average exchange rate was ₹74.5 = U.S.$1.00 in fiscal year 2022, compared to ₹74.2 = U.S.$1.00 in fiscal year 2021.

According to the RBI, the banking sector as a percentage of GDP stood at 99.0 per cent. in fiscal year 2021 as compared to 89.7 per cent. in fiscal year 2020. The credit deposit ratio of scheduled commercial banks decreased from 71.5 per cent. in fiscal year 2021 to 71.9 per cent. in the fiscal year 2022. The banking sector capital to risk weighted assets ratio ("**CRAR**") stood at 16.7 per cent in fiscal year 2022, as compared to 16.3 per cent in fiscal year 2021. Net NPAs of the banking sector as a percentage of gross advances declined from 2.4 per cent in fiscal year 2021 to 1.7 per cent in fiscal year 2022. Provisioning coverage ratio increased from 67.6 per cent in fiscal year 2021 to 70.9 per cent in fiscal year 2022. The CRAR of the non-banking financial companies ("**NBFCs**") increased to 26.9 in fiscal year 2022, as compared to 26.3 per cent in fiscal year 20212. The net NPAs of the NBFCs rose from 2.7 per cent. in fiscal year 2021 to 3.3 per cent in fiscal year 2022.

External Sector

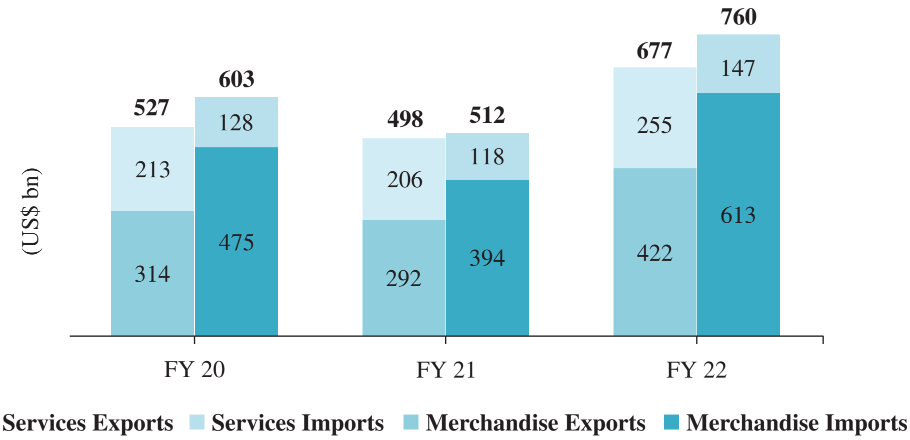
According to the Balance of Payments Statistics of the RBI, the current account balance was U.S.$48.7 billion, U.S.$57.2 billion and U.S.$24.6 billion for fiscal years 2018, 2019, and 2020, respectively. In fiscal year 2021 the current account turned to a surplus of U.S.$24.0 billion, following which it moved into a deficit of U.S.$38.7 billion for fiscal year 2022. Therefore, the current account deficit as a percentage of GDP was 1.9 per cent., 2.1 per cent., and 0.9 per cent. for fiscal years 2018, 2019, and 2020, respectively, and current account surplus as a percentage of GDP was 0.9 per cent in fiscal year 2021. In fiscal year 2022 it moved into a deficit of 1.2% of GDP. The following graph shows the current account deficit of India for the periods indicated:



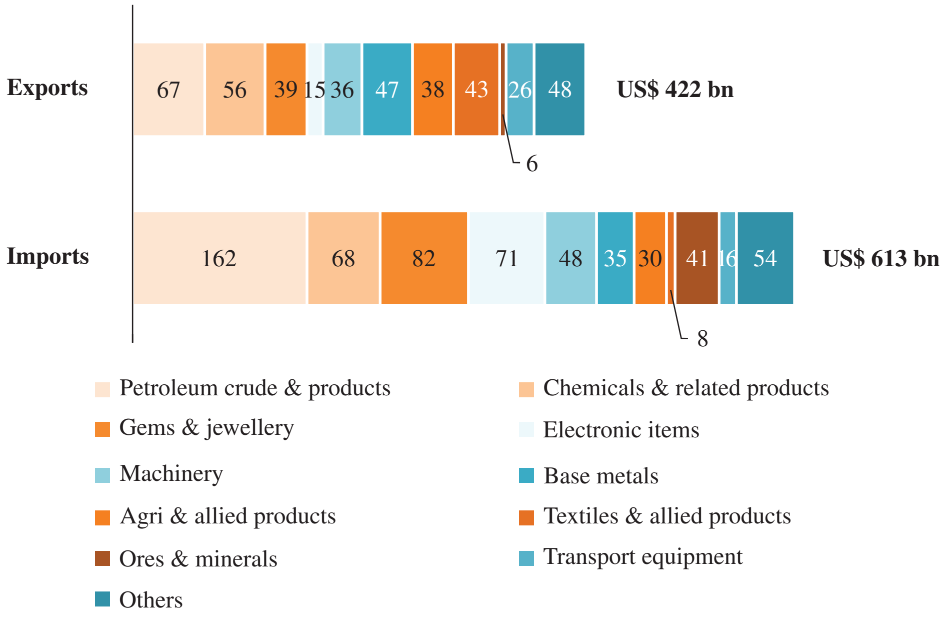
Source: Balance of Payment Statistics, RBI; CAB – Current Account Balance

Merchandise Trade Patterns in FY2022

The following charts show the trends of merchandise trade and services trade, as well as India's export and import patterns for the periods indicated:

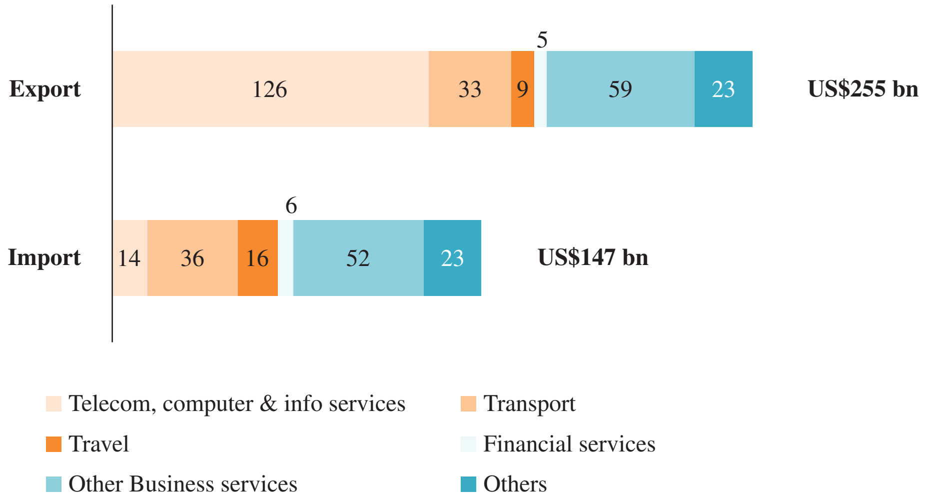


Sources: Ministry of Commerce and Industry (MOCI), GoI & RBI.



Source: MOCI.

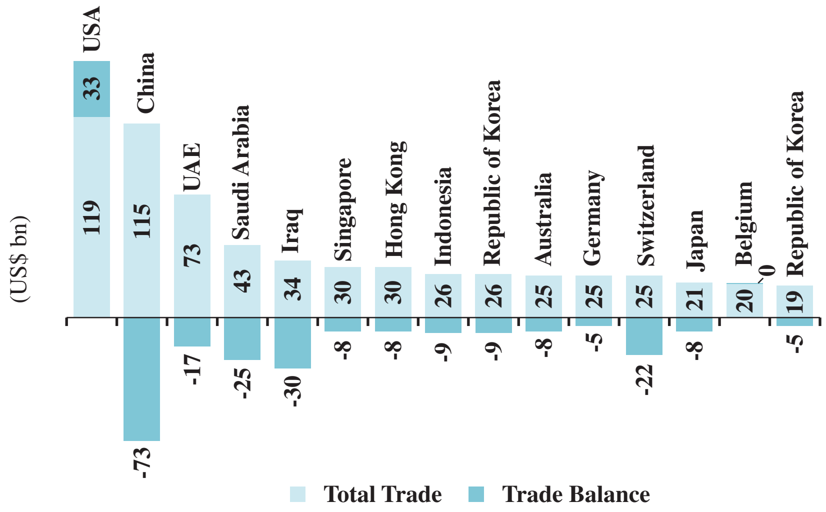
Services Trade Pattern in FY2022



Source: Balance of Payment Statistics, the RBI.

Major Trading Partners

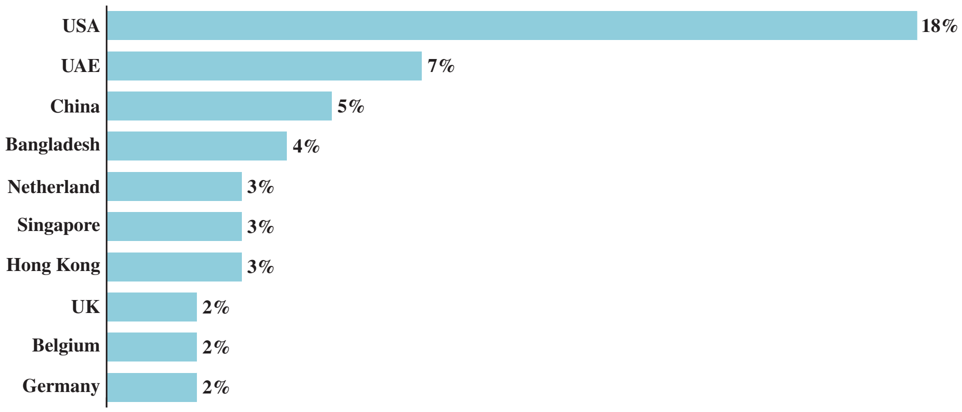
The following chart shows the direction of India's merchandise trade illustrating its major trading partners:



Source: MOCI.

India's Export Markets

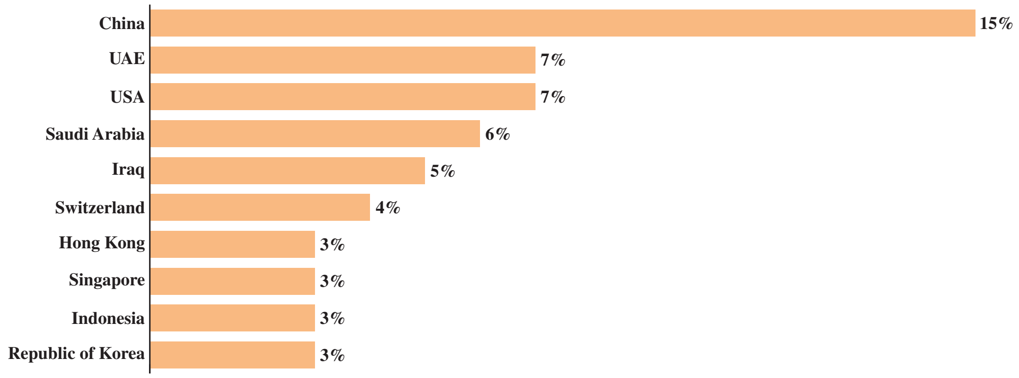
The following chart shows the major export destinations of India in the fiscal year 2022:



Source: MOCI, GoI.

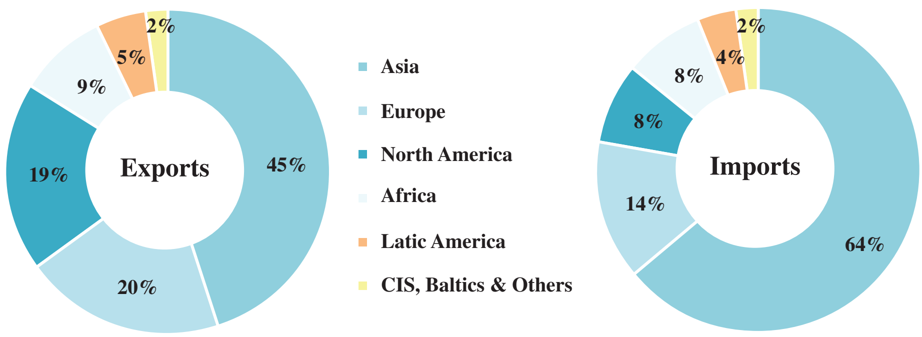
India's Import Sources

The following chart shows the major import sources for India during the fiscal year 2022:



Source: MOCI.

Regional Trade Direction



Notes:

(1) Data for North America does not include Mexico, which is included in Latin America.

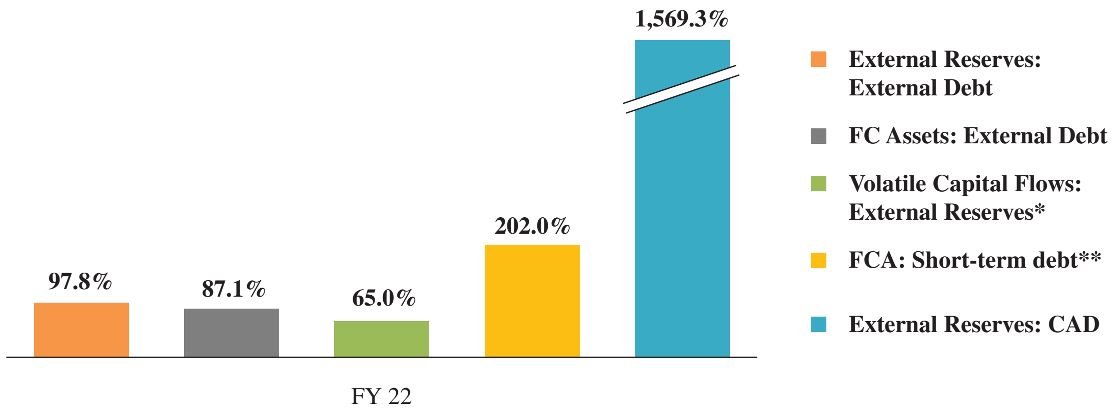
(2) The above charts represent India's merchandise trade for FY2022.

Source: MOCI.

According to the MOCI and the IIF, merchandise trade (exports and imports) as a percentage of GDP was 33 per cent. in fiscal year 2022. According to the World Trade Organization, India's share in global merchandise trade stood at 2.2 per cent. in 2021. In 2021, India emerged as the 18th largest merchandise exporter, accounting for 1.8 per cent. Of global merchandise exports, and the 8th largest exporter of services, accounting for 3.9 per cent. of global services exports.

External Debt and External Reserves

According to the RBI and the Ministry of Finance, in fiscal years 2018, 2019, 2020, 2021 and 2022, India's external debt stood at U.S.$529.7 billion, U.S.$543.1 billion, U.S.$558.4 billion, U.S.$573.7 billion and U.S.$620.7 billion, respectively. Foreign exchange reserve as a percentage of external debt was 80.1 per cent., 76.0 per cent., 85.6 per cent., 100.6 per cent. and 97.8 per cent. in fiscal years 2018, 2019, 2020, 2021 and 2022, respectively. In fiscal years 2018, 2019, 2020, 2021 and 2022 foreign currency assets as a percentage of external debt was 75.4 per cent., 71.0 per cent., 79.2 per cent., 93.6 per cent. and 87.1 per cent, respectively. Foreign currency assets as a percentage of short-term debt (residual maturity) was 176.6 per cent., 179.5 per cent, 163.9 per cent., 186.8 per cent., 211.0 per cent. and 202.0 per cent., in fiscal years 2018, 2019, 2020, 2021 and 2022, respectively. As a percentage of foreign exchange reserves, volatile capital flows (which includes cumulative portfolio inflows and short-term debt) was 85.3 per cent., 88.7 per cent., 82.6 per cent., 67.0 per cent. and 65 per cent. for fiscal years 2018, 2019, 2020, 2021 and 2022 (as on December 31, 2021) respectively.



Notes:

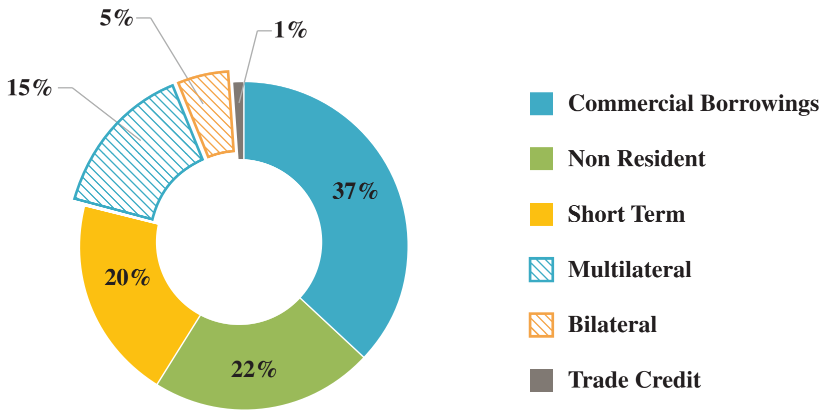
(1) 'Volatile Capital Flows' is defined to include cumulative portfolio inflows and short-term debt.

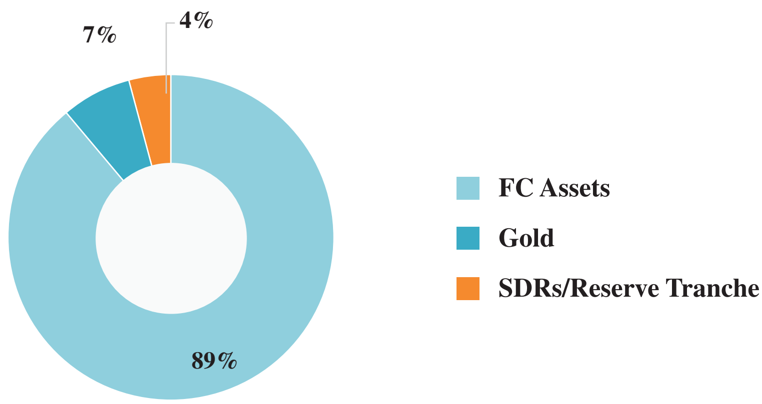
* Volatile Capital Flows: External Reserves data is as on December 31, 2021.

** Short-term debt with residual maturity.

Source: the RBI, Ministry of Finance, GoI.

The following charts set forth information about India's external debt and foreign exchange reserve portfolios for as at December 31, 2021:





Source: the RBI, Ministry of Finance, GoI.

RISK MANAGEMENT

Risk Management

As a financial institution engaged in lending, the Bank is exposed to various kinds of risk, in particular, credit risk (the potential for loss due to the failure of a counterparty or borrower to meet its financial obligations), market risk (the risk that changes in interest rates, foreign exchange rates, prices of debt securities and other financial contracts may have an adverse effect on the Bank's financial condition) and operational risk (includes risk arising from inadequate or failed operational processes, people and systems). The risk management architecture of the Bank is built around the following five main pillars:

- Organization Structure;
- Integrated Risk Management Policy and Risk Appetite Policy, approved by the Board;
- Risk Management processes and systems;
- Management Information Systems and Human Resources Management; and
- Monitoring and Review.

The Bank has a comprehensive risk management system and it has dedicated a Risk Management Group ("**RMG**"). The RMG is headed by the Chief Risk Officer. The RMG oversees the risk in the Bank's business processes and formulates the Bank's risk management strategy. Under the Bank's organizational structure, the risk management function is independent of operating groups and reports directly to the senior management. A separate risk management committee of the Board has been set up for monitoring and managing Bank-wide risks, and for overseeing the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk. The Bank is also using a sophisticated credit risk model with the assistance of a reputed consultancy firm for assessing internal credit ratings of borrowers.

A system of committees has been set in place to identify, measure, review, and control risks.

Asset-Liability and Funds Management Committees

The Asset-Liability Management Committee ("**ALCO**") addresses market risk. The ALCO is chaired by a Deputy Managing Director ("**DMD**") and comprises the Chief Risk Officer ("**CRO**"), Chief Financial Officer ("**CFO**"), Group Heads and other senior officers of the Operating Groups, the Treasury and Accounts Group and the Risk Management Group. ALCO meets on a monthly basis (or more often as necessary) and the minutes of the meetings are reviewed by the Managing Director. The operations of ALCO are reviewed by the Risk Management Committee on a quarterly basis. It addresses issues of asset-liability management, interest rate and exchange rate risk and liquidity risk, among others.

A Funds Management Committee ("**FMC**") was constituted in 2006 to periodically review the funds flow position and to decide on actual investments/disinvestments/raising of resources. Accordingly, FMC regularly reviews the currency-wise dynamic funds position, approves individual investment/disinvestment, resource-raising and derivative transactions.

Credit Risk Management Committee

The Credit Risk Management Committee (the "**CRMC**") addresses credit risk. The CRMC meets on a monthly basis and the minutes of the meetings are reviewed by the Managing Director. The CRMC addresses rating and pricing standards, prudential limits on various exposure categories (country, sector, single and group borrower, unsecured exposures, program-wise exposures) and sector-wise outlook, among others. It reviews exposure concentration on a monthly basis. The CRMC is chaired by a DMD and comprises the CRO, Group Heads and other senior officers of the Operating Groups, the Treasury and Accounts Group and the Risk Management Group.

Operational Risk Management Committee ("ORMC")

ORMC reviews the occurrence of operational risk events in the Bank and recommends corrective actions to prevent recurrence. The charter for the ORMC includes identification, assessment, measurement, monitoring, control and mitigation of operational risks arising from internal processes, people and systems including IT assets of the Bank. The Bank's ORMC comprises two Deputy Managing Directors, CRO and has representation from the legal, treasury, operating and service groups. ORMC minutes are reviewed by the Managing Director.

Risk Management Committee

The Risk Management Committee of the Board ("**RMC**") is responsible for monitoring and managing Bank-wide risks, and oversees the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk. The RMC also reviews the other policies approved by the Board such as loan policies, loan monitoring and recovery policy, business continuity and disaster recovery policy, among others. The RMC is tasked with developing policies and procedures for integration of various risks at the Bank level, and following up the progress on introduction of risk measurement and/or management models for various risks introduced from time to time. It also reviews the roles and responsibilities of the other Risk Management Committees, namely, the Operational Risk Management Committee, the Credit Risk Management Committee and the Asset Liability Management Committee, and provides guidance or directives on the matters raised by the such committees, as may be required.

Risk Appetite Policy

The Board has approved a Risk Appetite Policy ("**RAP**") for the Bank which came into effect on April 1, 2021. The RAP provides a broad description of the amount of risk the Bank is willing to accept or retain in order to achieve its business and strategic objectives. The Policy comprises Risk Appetite Statement, risk capacity, tolerance limits, governance and mitigation action. Tolerance limits represent quantitative measures based on forward looking assumptions that allocate the Bank's aggregate risk appetite statement (for example, measure of loss or negative events) to relevant risk appetite parameters such as capital position, profitability, credit risk, concentration risk, liquidity risk, market risk, operational risk, compliance risk and reputation risk. The Bank has defined limits for all the parameters defined under each material risk dimension identified. In case of a breach in limit for a parameter (red zone) in the risk appetite statement, the Bank shall develop a corrective action plan which shall be reported to the Board.

Credit Policies

The two main operating divisions of the Bank, Export Credit and Export Capability Creating Credit, formulate and revise internal policies and procedures for their respective lending activities. These policies cover eligibility and financial norms for various lending programs, prudential requirements (including exposure ceilings for industry, individual/group borrowers, unsecured loans and countries), risk identification, risk grading, internal reporting and mitigation policies, credit administration, early warning system, detection and management of problem loans and credit review. Standard Operating Procedure ("**SOP**"), which spell out the credit processes and systems, are approved by the Executive Committee ("**EC**") (composed of all executives of the rank of General Manager and above, except for the Chairman/Managing Director) of the Bank. All policies and SOP are reviewed by RBI Inspection teams. All revisions in policies and procedures are carried out with the approval of the Board of Directors and EC, respectively.

Credit Processes

In order to achieve operational efficiency and adapt best practices in the area of credit delivery under the commercial business portfolio, the activities of the Operating Groups for the Commercial Business as well the Domestic Regional Offices were reorganized under different verticals viz. Credit Appraisal Group ("**CAG**"), Loan Operations Group ("**LOG**") and Loan Monitoring Group ("**LMG**") with effect from January 1, 2021. The roles of these groups are briefly mentioned below.

CAG: CAG is responsible for credit appraisal and business development activities. CAG conducts credit appraisal for loan proposals, along with detailed due diligence. Post appraisal, CAG obtains necessary approval from competent authorities as per the Delegation of Powers ("**DOP**"). Post sanction, CAG issues a sanction letter to the borrower/guarantor and after obtaining acceptance of the same, the account is transferred to LOG for documentation, disbursement and other related operations.

LOG: The functional areas of LOG broadly range from documentation to first disbursement under respective sanctions, which includes legal documentation/approval, security creation, compliances with pre-disbursement terms & conditions, LC/Guarantee issuance/amendments, loan accounting and disbursement.

LMG: LMG is mainly responsible for monitoring of performing loan accounts. It, inter alia, includes loan monitoring related compliances, modification in sanction terms, restructuring, exposure review, attending lenders' meetings, information exchange, site visits, early warning signal identification, red flagged accounts reporting, monitoring account discipline and other related activities.

A three-stage process for evaluating the proposals is in place. At the first stage, proposals are initially screened by a Preliminary Screening Committee ("**PSC**") at Head Office which comprises executives/officers drawn from different Groups. Proposals cleared by PSC are considered for detailed appraisal by CAG. After the detailed appraisal is completed, a copy of the sanction note is sent to the Credit Risk Monitoring Team ("**CRMT**") for its clearance/comments. The response to observations of the CRMT is included in the appraisal note. All proposals are sanctioned under scheme of DOP approved by the Board of Directors including the Credit Committee ("**CC**"), Executive Committee ("**EC**") or Management Committee of the Board of Directors, depending on the quantum of financial assistance. All Decisions taken by the CC and EC are reviewed by the Managing Director.

During the credit evaluation process, loan applications are reviewed on the basis of the feasibility and viability of the project/proposal from a technical, financial, managerial and economic point of view. In conducting such a review, the following factors are considered: the borrower's profile, management structure, past financial performance and credit ratings and the Bank's exposure to the company, industrial group and/or industry in light of prudential exposure norms, industry outlook and financial projections for the borrower company and/or project. In the case of overseas financing, appraisals also include an assessment of the overseas venture in terms of commercial risk, political risk and currency risk, an assessment of the relevant international market, an analysis of the benefits from the overseas venture likely to accrue to the Indian promoter and compliance with regulatory guidelines. The Bank may also conduct a sensitivity analysis, which includes variables such as debt servicing ratios and internal rates of return.

The Bank disburses funds to a borrower strictly as per the terms of the sanction and after all necessary documentation has been completed. Specific approval must be sought from the competent authority before deviating from the terms of the sanction.

The Bank's policy requires security for all commercial loans except in the case of unsecured loans extended to borrowers rated AA-and above (A-and above for PSUs) for long term loans, short-term (not exceeding 360 days/1 year) unsecured loans to companies having a high short-term rating of A1 and above, and refinancing to commercial banks. The security normally takes the form of an appropriate charge on assets by way of hypothecation, mortgage and other security enhancement structures such as corporate and/or personal guarantees, pledges of shares held by promoters in the Indian borrower company or associate companies, escrows of receivables, commercial or political risk insurance assigned in favour of the Bank (in the case of an Indian company investing overseas or overseas borrowers), insurance cover from ECGC Ltd. (in the case of export credit loans) and pledges of shares held by Indian promoters (in the case of overseas investment finance).

Exposure Limits

The Bank's prudential exposure norms are in line with the norms laid down by the RBI for All Indian term-lending institutions/financial institutions. As per these norms, the Bank's exposure by way of direct assistance to any single borrower may not exceed 15.00% (extendable to 20.00% in the case of infrastructure projects) of the Bank's capital funds (Tier I and Tier II capital) and the Bank's exposure to any single business group may not exceed 40.00% (extendable to 50.00% in the case of infrastructure projects) of the Bank's capital funds. An additional exposure up to 5.00% (i.e. a total exposure up to 25.00% of capital funds of the FI for Single Borrowers and 55.00% of capital funds for Borrower Groups) can be taken in exceptional circumstances, with the prior approval of the Management Committee/Board.

As of March 31, 2022, there is one borrower with individual credit exposure exceeding 15% of the Bank's total capital funds (please refer to the Bank's financial statements for the year ended March 31, 2022). The RBI has advised all financial institutions to adopt internal limits on exposures to specific industry sectors to mitigate the risk of being concentrated in a limited number of sectors. The Bank has developed internal industry exposure guidelines which have been approved by the Board of Directors. Pursuant to these guidelines, the Bank's industry exposure to a particular sector shall not exceed 15.00% of its Total Industry Exposure. As of March 31, 2022, none of the Bank's exposure to any single industry sector exceeded 15% of its total industry exposure.

The Bank's country exposure arises from LOCs, overseas buyer's credits, Buyer's Credit under NEIA ("**BC-NEIA**") and assistance extended to overseas ventures of Indian entities under the Overseas Investment Program and Direct Equity Participation program. The RBI Guidelines do not set any limits on country exposure. However, the RBI, in its circular "Risk Management Systems in Banks – Guidelines on Country Risk Management" dated February 19, 2003, advised banks to put in place appropriate systems internally to assess country risk by using a variety of internal and external sources as a means to measure country risk. The RBI also encouraged banks to set country exposure limits in relation to the banks' regulatory capital, the basis of which is, however, left to the discretion of the banks' boards, with a condition that for any country, the exposure limit should not exceed its regulatory capital, except in the case of the insignificant risk category. Accordingly, the Bank has developed an internal Country Exposure Model for setting country exposure limits for BC-NEIA and commercial exposures undertaken by the Bank. The Bank's internal country exposure model classifies countries into various risk categories, which are then linked to total capital funds of the Bank to arrive at country exposure limits. The model is based on various quantitative and qualitative parameters reflecting the risk and potential of the countries concerned. Quantitative parameters include, among others, Gross Domestic Product ("**GDP**") at market prices, real GDP growth, GDP per capita, inflation rate, investment rate, savings rate, current account balance as percentage of GDP, import cover, export cover, export to GDP ratio, index of sector dependence, external debt to GDP ratio, debt service ratio, short term debt to GDP ratio, and exchange rate movements. Qualitative parameters include, among others, factors such as young dependency ratio and working population, GDP growth outlook, political and internal stability, business climate, competitiveness, sovereign ratings, access to bank finance and capital markets, exchange rate arrangements, level of control on investment, various risk parameters including sanctions, and the Bank's experience with the country on repayment aspects.

In addition, a Comprehensive Exposure Model has been developed to facilitate the setting up of exposure limits to individual banks and financial institutions by way of refinancing and treasury exposure.

Adherence to prudential limits for risk concentration is reviewed on a monthly basis by the Credit Risk Management Committee and reported to the Risk Management Committee on a semi – annual basis.

Follow-up and Monitoring

The Bank has devised a comprehensive system for assessing the quality of advances so as to be able to monitor and follow up advances. For the purposes of internal monitoring, the various loan accounts of the Bank are classified into three categories; namely A, B and C, based on conduct and experience of each account. This method of ABC classification helps to highlight loan accounts encountering problems so that suitable remedial measures may be taken by the Bank and the borrowers to counter further incidences of NPAs. The ABC system of classification of account determines downstream monitoring imperatives like frequency of monitoring visits etc. All advances are reviewed at regular intervals, with reference to factors such as past performance, immediate and future prospects and asset backing. The review mechanisms in place for the Bank's loan accounts include:

- Annual management reviews for large accounts;
- Quarterly review and prognosis of NPAs by the Audit Committee and the Board;
- Semi-annual reporting of industry sector exposures;
- Monthly review of PA Overdues (Overdues Review Committee);
- Monthly review of Stressed Assets (Stressed Assets Committee);

- Yearly review of assigned cases by Committee of Executives;
- Monthly review of all Regional Offices; and
- Monthly review of and semi-annual reporting to the Risk Management Committee risk concentration by the Credit Risk Management Committee.

In addition, the Bank has established a system to generate early warning signals for identifying potentially problematic loans based on a track record of debt servicing, financial and operational performance, and compliance with loan covenants.

While the Bank's internal audit group monitors the compliance with the policies and procedures by the operating divisions, the management information systems group gathers data on the Bank's operating groups and produces various internal and external reports.

The Bank's Board of Directors has approved a multi-pronged strategy for reducing NPAs, which encompasses:

- rigorous screening, appraisal and due diligence of credit proposals;
- close monitoring and identification of early warning signals to prevent slippage of standard assets into NPAs; and
- focusing attention on the monitoring of loan accounts which are under stress and strengthening recovery measures for NPAs.

The Bank has a dedicated group to handle stressed assets called Special Situations Group ("**SSG**"), which takes pro-active steps towards loan recovery as per the Board-approved Loan Monitoring and Recovery Policy and rehabilitation of NPAs which are viable. The Bank also focuses on recovering from NPA accounts where legal action is contemplated. Monthly reviews of NPAs are done by the committee within the SSG. By setting up yearly targets for the recovery of NPAs, the Bank accords highest priority to the recovery of NPAs through a multipronged strategy comprising restructuring, legal action, sale of assets through court receiver, negotiations, one-time settlements, transfer/assignment of NPAs, possession and subsequent sale of assets under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act ("**SARFAESI Act**"), filing suits against debtors and their directors, personal and corporate guarantors before the Debt Recovery Tribunal ("**DRT**") and referring the company or guarantors to the National Company Law Tribunal ("**NCLT**") under the Insolvency and Bankruptcy Code ("**IBC**").

The Bank's NPAs are closely monitored by the Audit Committee and the Board, which reviews all NPA loan accounts on a quarterly basis. At the management level, reviews are carried out through the Stressed Assets Committee, which comprise officials of the Bank's different groups. This committee meet every month and carry out a detailed portfolio review with a focus on evaluating and recommending a course of action for recovering NPAs.

The Bank is focused on a multi-dimensional approach for resolution of its NPAs and the various initiatives taken by the Bank to reduce its overall NPA level and expected recovery and reduction are summarized as under:

(a) Upgrading – The Bank will endeavor to upgrade the relevant account to standard assets through continuous and rigorous follow-up for recovery of dues.

(b) Restructuring – Certain accounts may be affected by industry downturn or global economic slowdown; however, the underlying assets and business are viable in the long term. Thus, restructuring of loans is being considered as a resolution mechanism in such cases in line with the extant RBI guidelines. The Bank also remains engaged with the borrower for recovery of dues.

(c) Resolution under the IBC – The implementation of the IBC has made the resolution of stressed assets possible within a defined period and made it feasible for corporates to exit or attempt a revival of their businesses while preserving the economic value of the assets, thereby making a change in NPAs climate for the banks. As of March 31, 2022, 66 accounts with loan outstanding of ₹2,634.84 crore (provisions there against of ₹2,634.84 crore), excluding the technically written-off accounts, representing 60.61% of the Bank's gross NPAs have either been admitted or have been referred to the NCLT under the IBC. For cases being resolved through the IBC, the Bank plays a proactive role in the Committee of Creditors meetings and ensures that its interest is not compromised.

(d) Sale of securities – To assist banks and financial institutions in recovering their dues and to ensure financial discipline among borrowers, the Government enacted the SARFAESI Act in December 2002. The SARFAESI Act provides the legal framework for the securitization of financial assets and the foreclosure of NPA accounts without the intervention of a court. The SARFAESI Act enables secured lenders, including the Bank, to take possession of assets charged as security for loans and sale the assets, which have become NPAs.

(e) Settlement or sale of assets to ARCs or other entities – Over the years, the model for assignment or sale of NPAs to ARCs or other entities has changed. Recent sale of assets in the banking industry has been mainly all cash deals. With changing times, the Bank's approach towards the sale of NPAs to ARCs or other entities has also changed. The Bank has been increasingly selective in employing such strategy in cases where majority lenders (approximately 66%) have already sold their exposure to ARC or cases which are undergoing resolution in the IBC and where resolution is delayed due to various litigation hurdles, delaying the Bank's recovery. Introduction of the IBC has generated interest from various overseas distress funds and other entities as well, over and above ARCs operating in India, leading to better price discovery possibility in the sale of NPAs by Indian banks. Accordingly, in such instances, the Bank will decide based on the options available and if the sale of the NPA is the most suitable option, such proposal would be considered subject to approval from the relevant authority. Till now, the lenders had constraints of assigning the stressed assets of large value to ARCs. The Govt of India ("**GOI**") has conceptualized a structure where the stressed assets with exposure of ₹500 crore and above will be transferred to a National Asset Reconstruction Company Ltd. ("**NARCL**"). The structure is expected to be operationalized during the financial year ended March 31, 2023 and will lead to better resolution from the assignment perspective. The assignment transaction is expected to be in the form of CASH-SRs structure in the ratio of 15:85. The USP is the proposed guarantee of Govt. of India for Security Receipts ("**SRs**") to be issued by NARCL. Due to GOI guarantee these SRs will be readily tradable in SEBI authorized Electronic Platforms which will lead to better price discovery/realization to the lenders.

(f) Legal action – Resolution of NPAs is also being undertaken by way of initiating legal action at the Debt Recovery Tribunal and other relevant laws (such as under section 138, winding-up and others).

The following table shows the Bank's restructured accounts (including rescheduled and renegotiated accounts) during the financial years ended March 31, 2020, 2021 and 2022 and as a percentage of the Bank's total loans as of those dates.

	During the financial years ended March 31,								
	2020			2021			2022		
	(₹ million)	(US$ million)(1)	(%)	(₹ million)	(US$ million)(1)	(%)	(₹ million)	(US$ million)(1)	(%)
Total of standard loan and debenture assets which have been restructured . . .	0.00	0.00	0.00	0.00	0.00	0.00	6,906.48	91.12	0.57
Total of substandard/doubtful assets which have been restructured	0.00	0.00	0.00	209.49	2.87	0.02	5,626.72	74.24	0.46

Note:

(1) Indian rupees have been translated into U.S. dollars for the convenience of the reader at the exchange rate of ₹75.7925 to US$1.00, which translation represents the exchange rate published by the Foreign Exchange Dealers' Association of India as of March 31, 2022.

The Bank had not restructured any standard assets during the fiscal years ended March 31, 2020 and March 31, 2021. However, three standard assets were restructured during fiscal year ended March 31, 2022 with an aggregate amount of ₹6,906.48 million (US$91.12 million).

During the fiscal year ended March 31, 2020 no accounts were restructured by the bank. During fiscal year ended March 31, 2021, two doubtful assets with an aggregate amount of ₹209.49 million (US$2.87 million) were restructured. During fiscal year ended March 31, 2022, two doubtful assets with an aggregate amount of ₹5,626.72 million (US$74.24 million) were restructured.

The Bank has set up an independent Screening Committee for One Time Settlement ("**SCOTS**"), which is headed by a retired High Court judge and comprises three retired senior bankers, to examine all OTS proposals/assignment of loan assets and make recommendations to the Committee of Executives/Management Committee/Board of Directors as the case may be, for each proposed OTS or assignment case.

In the case of lack of cooperation by a borrower, the Bank may initiate legal action to enforce security to recover the Bank's debt and such borrower will be reported to the RBI/Credit Information Companies for inclusion in a list of non-cooperative borrowers. In any case, where a debtor is found to be earning profits but not clearing overdues, the case will be reported to the RBI/Credit Information Companies for inclusion in a list of wilful defaulters, while simultaneously initiating legal action.

While the Bank has been making concerted efforts to expedite recovery and reduce NPAs, the banking sector has been facing multiple challenges in India due to various legal and other challenges. The Government and RBI have responded by enacting new laws, issuing new instructions and amending some of the existing ones, wherever required. The focus of the government and the regulator is towards timely resolution of stress account which will benefit the banking industry. The Bank also has been proactively deciding its strategies for each of its stress account which are in sync with changing industry scenario for stress assets and has been able to achieve desired outcome.

The Bank has written off a total of ₹16.35 billion in the past five years including the discount on account of the sale of assets to the Asset Reconstruction Companies ("**ARCs**").

Asset and Liability Management

With progressive financial deregulation in India, especially after the financial sector reforms of 1991, there has been a gradual enlargement of the Bank's exposure to market risks. The Bank recognizes that these market risks, mainly liquidity, interest rate and foreign exchange risks, need to be measured, monitored and managed. The Bank's ALCO manages market risk in a coordinated manner and also to ensure compliance with RBI Guidelines related to market risk. The Board of Directors has approved an Integrated Risk Management Policy for the Bank, comprising guidelines for asset-liability management in the Bank, taking into account the operational guidelines issued by RBI from time to time. The Board of Directors has set prudential limits for liquidity gaps and ratios, prudential limits for interest-rate sensitivity measured both on the basis of volatility of net-interest income and leverage-adjusted duration gap and certain conditions for stress testing. ALCO meets at least once a month to perform its delegated functions, which include:

- conducting balance sheet planning from a risk-return perspective;
- review currency-wise as well as consolidated structural liquidity position of the Bank under different maturity buckets;
- articulating strategy on the desired maturity profile and mix of incremental assets and liabilities, based on the interest-rate sensitivity analysis;
- articulating the current interest policy of the Bank; and
- monitoring the levels of each type of market risks.

Liquidity Risk

Liquidity risk comprises the risk of not being able to raise necessary funds from the market to meet operational and debt servicing requirements. The Bank has put in place a Board-approved Integrated Risk Management Policy, which covers Liquidity Risk Management. A key objective of this policy is to maintain an optimal asset versus liability maturity profile so as to minimize liquidity risk. To this end, the Bank's Integrated Risk Management Policy prescribes monitoring of the Bank's currency-wise structural liquidity position, ensuring compliance with prudential limits for both bucket-wise and cumulative negative gaps, monitoring liquidity ratios, stress testing and determining suitable actions for covering any anticipated liquidity shortfall. The Risk Management Committee reviews, on a quarterly basis, the Bank's currency-wise liquidity position, interest rate sensitivity position and the exceeding of any prudential limits, as well as any corrective actions taken thereto.

The Bank's resource-raising is undertaken with the twin objectives of timing such resource-raising to take advantage of favorable market opportunities and conditions, as well as meeting all funding requirements of loans and advances. ALCO actively monitors market conditions and undertakes suitable measures to address identified liquidity risk. The Bank also maintains a reasonable level of investment in liquid securities, which can be cashed at short notice.

The maturity profile of the assets and liabilities of the Bank as of March 31, 2022 is as follows[(1)]:

	Less than or equal to 1 year	More than 1 and up to 3 years	More than 3 and up to 5 years	More than 5 and up to 7 years	More than 7 years	Total Outstanding Amount
			(₹ billions)			
Assets						
Rupee Assets.	435	314	195	73	249	1,265
Foreign Currency Assets. .	276	286	256	211	282	1,312
Total Assets	711	601	451	284	531	2,578
Liabilities						
Rupee Liabilities	449	195	66	18	294	1,022
Foreign Currency Liabilities	335	372	177	92	208	1,184
Total Liabilities	783	567	244	110	502	2,206

Note:

(1) Includes both principal and interest payments pertaining to assets and liabilities as well as undisbursed loan commitments as of March 31, 2022.

Interest Rate Risk

Interest rate risk arises from movement in interest rate levels, which in turn may be impacted by various economic and political factors and changes in policies and regulatory framework. As a financial institution, the Bank is exposed to interest rate risk arising from a maturity mismatch or re-pricing mismatch between its assets and liabilities. The Bank addresses this risk by continuously evaluating movements in market rates and measuring interest-rate sensitivity of net interest income in addition to the traditional gap analysis, which is a key input in determining its incremental mix of assets and liabilities. The Bank's Board of Directors has approved a model for measuring the sensitivity of net interest income and net worth under different scenarios of interest rate movements. The Risk Management Committee of the Board monitors the Bank's interest rate sensitivity position on a quarterly basis. The Bank uses inter alia interest rate swaps, buy-sell swaps and currency swaps in its management of interest rate and currency risk.

Since July 1, 2021, the Bank uses Marginal Cost of Fund Based Lending Rates as benchmark for pricing its Rupee loans. The new benchmark replaced Long Term Minimum Lending Rate and Short Term Minimum Lending Rate as benchmarks being used by the Bank and it is expected that the new benchmarks will lead to improvement in interest rate risk management. Further, the Bank has revamped its risk-based pricing framework to ensure that the loan pricing adequately factors in the credit risks for commercial credit.

Foreign Exchange Risk

As a matter of policy, the Bank maintains a currency-wise matching of assets and liabilities. The foreign currency advances are predominantly funded by foreign currency borrowings. The lending and borrowing rates are predominantly linked to the same benchmark rate and reset with the same periodicity so as to hedge both exchange risk and basis risk.

LIBOR Transition

The Bank has a Board approved policy to deal with issues arising out of the LIBOR transition. A multi-disciplinary Steering Committee comprising senior officials of the Bank has been constituted to address the issues related to the transition. With effect from October 2020, all new loan agreements have appropriate fallback provisions for transition to new benchmark. The Bank has mapped the assets, liabilities and derivative exposures, which are linked to LIBOR as on March 31, 2022. For the legacy contracts, appropriate amendatory agreements are being executed with the borrowers, which will have adequate fallback provisions in the event of cessation of LIBOR. From January 1, 2022, all new foreign currency loans are being approved with rates linked to new ARRs. Similarly, all foreign currency borrowings since January 1, 2022 are linked to new ARRs. Presently, the Bank is at an advance stage of renegotiating and updating its underlying financial contracts and arriving at an ARR for continuation of the existing contracts and transactions. The Bank has upgraded its IT systems for addressing any issues arising out of this transition, particularly in derivative, borrowing and lending transactions, thereby also enabling the Bank to undertake fresh ARR linked transactions. Further, to ensure the smooth transition, the Bank has also adhered to the ISDA 2020 IBOR Fallbacks protocol. With this, the risk of transition to alternate benchmark for derivative contracts is expected to be minimal. In its endeavour to constantly spread awareness about the transition and to support its existing and new customers, the Bank published general FAQs on its website.

The Bank does not expect any significant risk arising from LIBOR transition as the LIBOR linked assets and liabilities will transition almost at the same time. The Bank will also use the same new benchmark both in the asset and liability side transactions thus avoiding basis risk. The Bank's assets and liabilities are mostly denominated in US Dollars linked to 3-month and 6-month LIBORs and as such there is time up to June, 2023 to complete the transition of the legacy contracts.

Operational Risk

The Board approved Integrated Risk Management Policy comprises an Operational Risk Management framework for the Bank. Operational risk loss events relevant to the Bank have been identified and an external firm has been assigned the task of tracking the occurrence of these events, as well as identifying additional material risk events, if any, based on which the ORMC suggests suitable corrective actions in relation to processes and systems, as may be applicable. Capital charge for operational risk is identified as per the Basic Indicator Approach where the capital for operational risk equals the average over the previous three years of a fixed percentage of positive annual gross income. All treasury transactions, loan disbursements and customer accounts are effected from/maintained at the Head Office, thus operational risks are minimized considerably. The nine regional offices in India, the London Branch and the eight overseas representative offices maintain bank accounts essentially for administrative expenditure within the approved revenue expenditure budget. The accounting system is computerized and the Bank uses Core Banking Solution. Mechanisms for mitigating operational risk and safeguarding against technical and human errors are set in place. Compliance with internal systems and procedures and adequacy of internal controls and systems is monitored by the Internal Audit Group. The Internal Audit Group undertakes the Risk Based Internal Audit and oversees the concurrent audit which is conducted by an external audit firm. Concurrent audit covers 100.00% of treasury transactions and 100.00% of loan transactions over a threshold limit. The Bank's staff is being trained to adequately discharge various risk management functions. A Business Continuity and Disaster Recovery Plan approved by the Board is in place, compliance with which is reported to the Risk Management Committee on an annual basis.

Internal Audit

In accordance with guidelines issued by the RBI, the Board of Directors constituted an Audit Committee for the Bank as a sub-committee of the Board. The Audit Committee oversees the internal audit function in the Bank and meets at least six times in a year. The objective of the Audit Committee is to direct the total audit function of the Bank in order to enhance its effectiveness as a management tool and review the progress in follow-up on the Internal Audit, Concurrent Audit, Statutory Audit and RBI inspection reports.

The internal audit is conducted in terms of the procedures contained in the Audit Policy Manual approved by the Audit Committee of the Board. The Audit Manual contains the objectives and the scope of the Risk-Based Internal Audit and Concurrent Audit, the procedures to be followed, documents to be verified, periodicity, scheduling and the procedure for review of follow-up actions. The Risk-Based Internal Audit reports are submitted to the Bank's management on a quarterly basis while Concurrent Audit reports are submitted on a monthly basis.

The scope of coverage for risk-based internal audit includes rupee investments, foreign currency fund management, Foreign Exchange Transactions (including audit of SWIFT messaging systems and its operations, checking of all SWIFT messages including SBLCs issued), derivatives/interest rate swaps/forward rate agreements, guarantees (including checking correctness of guarantee commission charged and collected), Loans and Advances-including inter alia Revenue Audit, letters of credit, standby letters of credit, Compliance with KYC norms, lines of credit, bank and cash, payroll, arrangements with vendors/suppliers/contractors, fixed assets, housekeeping, inter-office/units control accounts, overseas representative offices, Domestic Regional Offices, borrowings, Exim Bank bonds, term deposits, CDs/CPs/term money, other balance sheet items, maturity pattern of assets and liabilities, compliance with capital to risk assets ratio ("**CRAR**") and Income Recognition and Asset Classification norms, library audit, RBI disclosure requirements, Management Information System audit with special reference to returns submitted to RBI, Information System ("**IS**") audit and Information Technology ("**IT**") related areas, verifying the handling of export documents, fund transfer pricing, periodic verification of legal documents/balance confirmations from borrowers for loan/investment portfolios and Audit of the Compliance function. The coverage of concurrent audit includes rupee investments, foreign currency fund management, Foreign Exchange Transactions (including audit of SWIFT messaging systems and its operations, checking of all SWIFT messages including SBLCs issued), derivatives/interest rate swaps/forward rate agreements, guarantees (including checking correctness of guarantee commission charged and collected), Loans and Advances – including inter alia Revenue Audit to assess the extent of revenue leakage in respect of collection of fees (processing, service fees, documentation fees, commitment fees, upfront fees etc.), interest, penal interest, liquidated damages, additional interest to be charged as per sanction terms on prospective or retrospective basis on account of any delay in creation of security stipulated (including mortgage, escrow, pledge of shares), non-compliance with sanction terms, checking of principal repayment schedules in Finacle and advised to Borrowers, checking the correctness of rate of interest entered in Finacle, reset details entered (spread and base rate, date of next interest reset) and interest rate related fields (inter alia whether LIBOR/other base rate reset frequencies are selected correctly) and/or any other income leakage, letters of credit, standby letters of credit, compliance with KYC norms and Specific audit and certification of Lines of Credit including, inter alia, loan documentation, compliance with conditions stipulated for government guarantee, recovery of commitment charges/management fees etc, Overseas Representative Offices, Domestic Regional Offices, Borrowings, Exim Bank Bonds, Term Deposits/CDs/CPs/Term Money Technology Upgradation Fund Scheme audit and Vendor Payments for capital and revenue expenses.

The observations contained in the Concurrent Audit and Risk-Based Internal Audit reports, along with compliances and responses by the Bank's business groups, are submitted to the Audit Screening Committee. The Audit Screening Committee screens the observations and then refers the same to the EC for review and recommendation. After review by the EC, open observations are submitted to the Audit Committee for its review. All audit observations are reviewed, followed up and monitored until full compliance is achieved.

Funding and Capital Adequacy

Sources of Funding

The Bank's principal sources of funds are the issuance of bonds in the international and domestic capital markets, borrowings from domestic and foreign institutions, market-related borrowings, including commercial paper and certificates of deposit, internally-generated funds and capital contributions from the Government.

The Bank relies on commercial papers and long and medium-term borrowings as its source of funds. Accordingly, its costs of funds are generally higher than those of most Indian commercial banks, which predominantly rely on low-cost deposits. The Bank's average cost of borrowings (cost on quarterly average interest-bearing liabilities) was 6.36%, 5.20% and 4.59% in the fiscal years of 2020, 2021 and 2022, respectively.

Each year, the Bank prepares a resource plan that is approved by the Board of Directors. The overall borrowings of the Bank are as per the Board-approved resource plan. The Bank's Funds Management Committee approves the terms and conditions for each fund-raising instrument.

Set out below is a summary of the Bank's outstanding debt as of March 31, 2020, 2021 and 2022:

	As of March 31,		
	2020	**2021**	**2022**
		(₹ billions)	
Domestic issue of unsecured bonds	255.75	246.92	251.82
Borrowings from and supported by the Government . .	0.00	0.00	0.00
Foreign currency borrowings	674.05	646.00	623.53
Commercial Papers and other borrowings	121.86	203.25	199.43
Total Debt Outstanding	1,051.66	1,096.17	1,074.78

Note:

(1) Indian rupees have been translated into U.S. dollars for the convenience of the reader at the exchange rate of ₹75.7925 to US$1.00, which translation represents the exchange rate published by FEDAI as of March 31, 2022.

Rupee Borrowings

The Bank primarily raises rupee resources through market borrowings – bonds, term loans, certificates of deposit, commercial paper and tri-party repo ("**TREPS**"). As of March 31, 2020, 2021 and 2022, the Bank's total outstanding rupee borrowings, including bonds, borrowings from banks, term deposits, certificates of deposit and commercial paper and TREPs amounted to ₹377.61 billion, ₹450.17 billion and ₹451.25 billion, respectively.

Of the respective amount, ₹251.82 billion in unsecured bonds, ₹106.92 billion in commercial paper and ₹92.51 billion in certificates of deposit/term deposits/borrowings under CBLO were outstanding as of March 31, 2022.

Of the respective amount, ₹246.92 billion in unsecured bonds, ₹156.51 billion in commercial paper and ₹46.74 billion in certificates of deposit/term deposits/borrowings under CBLO were outstanding as of March 31, 2021.

Of the respective amount, ₹255.75 billion in unsecured bonds, ₹51.96 billion in commercial paper and ₹69.90 billion in certificates of deposit/term deposits/borrowings under TREPS were outstanding as of March 31, 2020.

In the fiscal year 2022, the Bank raised ₹28.10 billion of bonds at benchmark rates for tenors of three years with put/call option after two year from the allotment date, ₹300.50 billion of commercial paper with tenors of 86 to 212 days and ₹60.70 billion of certificates of deposits/term deposits with tenors of 1 to 5 years. The Rupee borrowings are raised by the Bank in compliance with RBI guidelines issued from time to time.

In the fiscal year 2021, the Bank raised ₹20.40 billion of bonds at benchmark rates for tenors of five years, ₹307.76 billion of commercial paper with tenors of 76 to 245 days and ₹46.47 billion of certificates of deposits/term deposits with tenors of 1 to 5 years. The Rupee borrowings are raised by the Bank in compliance with RBI guidelines issued from time to time.

In the fiscal year 2020, the Bank raised ₹9.90 billion of bonds at benchmark rates with tenor of five years, ₹201.25 billion of commercial papers with tenor of 29 days to 182 days and ₹38.28 billion of certificate of deposits/term deposits with tenors of 1 to 5 years. The Rupee borrowings are raised by the Bank in compliance with the RBI guidelines issued from time to time.

The Bank's medium and long-term domestic debt instruments are given the following ratings by either one or more of the rating agencies: CRISIL AAA by the CRISIL Ratings Limited ("**CRISIL**") and ICRA AAA by ICRA Limited ("**ICRA**"). The Bank's commercial paper and certificate of deposits are given the following ratings by either one or more of the rating agencies: CRISIL A1+ by CRISIL and ICRA A1+ by ICRA. These are the highest ratings awarded by CRISIL and ICRA.

Foreign Currency Borrowings

The Bank raises foreign currency ("**FC**") resources by issuance of FC bonds/Floating Rate Notes in international markets, medium/short-term syndicated loans including bilateral/club deals, medium/long-term rupee-dollar swaps and borrowings from onshore funds of commercial banks in India. The original maturities of the outstanding medium/long-term funds are up to 20 years.

As of March 31, 2022, the Bank's outstanding foreign currency resources amounted to approximately US$11,577 million, trade credit in foreign currencies and short-term loans and bonds amounted to US$1,136 million, currency swaps and deposits amounted to US$3,363 million and medium-long term bonds and loans amounted to US$7,078 million.

During the fiscal year 2022, the Bank raised foreign currency resources aggregating US$2,415 million, comprising short-term funds of US$1,356 million, medium-long term funds of US$690 million, and onshore funds through buy/sell swaps of US$369 million.

The Bank's long-term foreign currency is given the following ratings by either one or more of the rating agencies: Baa3 (Stable) by Moody's, BBB- (Negative) by Fitch, BBB- (Stable) by S&P, and BBB+ (Stable) by Japan Credit Rating Agency.

Government Capital Contributions

The Bank receives contributions of equity capital from the Government through its budgetary allocations. The Government holds the entire paid-up capital of ₹159.09 billion of the Bank. Under the Act, the maximum authorized capital of the Bank is ₹200 billion. The Bank's authorized capital can be further increased by an amendment to the Act by the Parliament. In each of the fiscal years of 2020, 2021 and 2022, the Bank received ₹15 billion (out of which ₹5.50 billion through recapitalization bonds (Special GoI securities)), ₹13 billion and ₹7.50 billion, respectively, by way of a capital contribution from the Government. Further, a provision of ₹15 billion has been made in the union budget for fiscal year 2023 towards the Bank's capital.

Internal Generation of Funds

The Bank generates funds internally by way of principal and interest payments on its loans from borrowing companies, fees from guarantee operations and other services, income from marketable securities held by the Bank, fees and sale of investments in shares and bonds of companies and dividends from the Bank's equity holdings.

The Bank's total income (comprising interest and fee-based income) for the financial years ended March 31, 2020, 2021 and 2022 amounted to ₹86.53 billion (US$1.14 billion), ₹85.76 billion (US$1.13 billion) and ₹83.63 billion (US$1.10 billion), respectively.

Of the total internally-generated funds for the financial year ended March 31, 2022, the Bank received ₹79.76 billion in interest and discounts, ₹3.72 billion in exchange, commissions, brokerage and fees and ₹0.15 billion in other miscellaneous income.

Capital Adequacy

As of March 31, 2022, the Bank's total CRAR was 30.49% (25.89% as of March 31, 2021 and 20.13% as of March 31, 2020) and its Tier I CRAR was 28.58% (24.00% as of March 31, 2021 and 18.70% as of March 31, 2020).

As of March 31, 2020, 2021 and 2022, the Bank's debt-to-equity ratio was 6.46, 6.15 and 5.59, respectively.

The following table sets out the key capital ratios for the Bank as of March 31, 2020, 2021 and 2022:

	As of March 31,		
	2020	**2021**	**2022**
Capital Ratios			
Debt to Equity (:1)	6.46	6.15	5.59
Capital to Risk Assets Adequacy Ratio (CRAR) (%)	20.13	25.89	30.49
Core CRAR (%)	18.70	24.00	28.58
Supplementary CRAR (%)	1.43	1.89	1.91

SELECTED STATISTICAL DATA

The following information should be read together with the Bank's financial statements included in this Offering Circular as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations." All amounts presented in this section have been prepared in accordance with Indian GAAP.

Average Balance Sheet of the Bank

The table below presents the average balances for interest-earning assets and interest-bearing liabilities of the Bank together with the related interest revenue and expense amounts, resulting in the presentation of the average yields and cost for each period. The average balance is the average of quarterly balances outstanding. The average yield on average assets is the ratio of interest revenue to average interest-earning assets (except that investments include equity investments and interest revenue with respect to investments includes dividends on such equity investments). The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities.

	Year ended March 31,								
	2020			2021			2022		
	Average Balance	Interest Income/ Expense(1)	Avg. Yield/ Cost (%)	Average Balance	Interest Income/ Expense(1)	Avg. Yield/ Cost (%)	Average Balance	Interest Income/ Expense(1)	Avg. Yield/ Cost (%)
	(₹ in millions, except percentages)								
Interest-earning assets									
Loans and advances and bills of exchange and promissory notes discounted/rediscounted	962,469.77	54,506.03	5.66	1,003,156.47	43,788.66	4.37	1,122,815.29	43,392.58	3.86
Investments	103,551.18	6,733.20	6.50	103,251.65	6,697.58	6.49	104,269.06	6,888.90	6.61
Cash and bank balances	83,824.52	21,224.43	25.32	120,583.78	29,311.82	24.31	56,912.39	29,443.21	51.73
Total interest-earning assets	1,149,845.47	82,463.66	7.17	1,226,991.90	79,798.06	6.50	1,283,996.74	79,763.83	6.21
Non-interest earning assets									
Fixed assets	2,597.48	–	–	3,701.71	–	–	3,779.60	–	–
Other assets	75,945.44	–	–	75,744.24	–	–	57,321.64	–	–
Total non-interest earning assets	78,542.92	–	–	79,445.95	–	–	61,101.24	–	–
Total assets	1,228,388.39	82,463.66	6.71	1,306,437.85	79,798.06	6.11	1,345,097.98	79,763.83	5.93
Interest-bearing liabilities									
Subordinated loan	–	–	–	–	–	–	–	–	–
Notes, bonds and debentures	845,602.58	43,485.93	5.14	909,074.16	44,019.13	4.84	899,953.45	41,874.99	4.65
Deposits	2,332.48	452.54	19.40	2,123.83	224.50	10.57	1,883.39	69.11	3.67
Borrowings	134,343.29	18,581.16	13.83	131,427.33	9,938.27	7.56	162,669.85	6,947.19	4.27
Total interest-bearing liabilities	982,278.35	62,519.63	6.36	1,042,625.32	54,181.90	5.20	1,064,506.69	48,891.29	4.59
Non-interest bearing liabilities									
Capital and reserves	156,889.98	–	–	176,422.42	–	–	185,421.63	–	–
Bills payable	–	–	–	–	–	–	–	–	–
Other liabilities	89,220.07	–	–	87,390.11	–	–	95,169.66	–	–
Total non-interest bearing liabilities	246,110.05	–	–	263,812.53	–	–	280,591.29	–	–
Total liabilities	1,228,388.40	62,519.63	5.09	1,306,437.85	54,181.90	4.15	1,345,097.98	48,891.29	3.63

Notes:

(1) Interest income includes interest and discount. Interest earned on other interest-earning assets and interest expended on other interest-bearing liabilities include interest earned and expended on swaps contracted for hedging purposes, which are off-balance sheet items.

(2) Other liabilities include balance of net profits (transferable to the Central Government in terms of Section 23(2) of the Exim Bank Act, 1981).

Yields, Spreads and Margins

The following table sets forth, for the periods indicated, the yields, spreads and interest margins on the Bank's interest-earning assets.

	Year ended March 31,			
	2020	2021	2022	2022
	(in millions, except percentages)			(U.S.$ in millions)[1]
Interest income on interest-earning assets. .	82,463.66	79,798.06	79,763.83	1,052.40
Interest expense on interest-bearing liabilities	62,519.63	54,181.90	48,891.29	645.07
Average interest-earning assets	1,149,845.47	1,226,991.90	1,283,996.74	16,940.95
Average interest-bearing liabilities.	982,278.35	1,042,625.32	1,064,506.69	14,045.01
Average total assets	1,228,388.39	1,306,437.85	1,345,097.98	17,747.11
Average interest-earning assets as a percentage of average total assets.	93.61%	93.92%	95.46%	95.46%
Average interest-bearing liabilities as a percentage of average total assets.	79.96%	79.81%	79.14%	79.14%
Average interest-earning assets as a percentage of average interest-bearing liabilities	117.06%	117.68%	120.62%	120.62%
Yield[2]	7.17%	6.50%	6.21%	6.21%
Cost of funds[3]	6.36%	5.20%	4.59%	4.59%
Spread[4]	0.81%	1.31%	1.62%	1.62%
Net interest margin[5]	1.54%	1.84%	2.19%	2.19%

Notes:

(1) For the reader's convenience, U.S. dollar translations of Indian Rupee amounts have been provided at a rate of US$1.00 = ₹75.7925, which was the FEDAI exchange rate as of March 31, 2022.

(2) Yield is interest income divided by average interest-earning assets.

(3) Cost of funds is interest expense divided by interest-bearing liabilities.

(4) Spread is the difference between yield and cost of funds.

(5) Net interest margin equals to interest earned less interest expended and credit insurance, fees and charges over the average of the gross earning assets of the current and previous year.

Analysis of Changes in Interest Revenue and Interest Expense by Volume and Rate

The following table sets forth, for the periods indicated, the allocation of the changes in the Bank's interest revenue and interest expense between average volume and changes in average rates.

	Fiscal year 2021 vs. Fiscal year 2020			Fiscal year 2022 vs. Fiscal year 2021		
	Increase (Decrease) due to[1]					
	Net Change	Change in Average Volume	Change in Average Rate	Net Change	Change in Average Volume	Change in Average Rate
	(₹ in millions)					
Interest revenue						
Advances.	(10,717.37)	2,304.15	(13,021.52)	(396.08)	5,223.21	(5,619.29)
Investments	(35.62)	(19.48)	(16.14)	230.46	66.00	164.46
Cash and bank balances	8,087.39	9,307.47	(1,220.08)	131.39	(15,477.41)	15,608.80
Total interest-earning assets	(2,665.60)	11,592.14	(14,257.74)	(34.23)	(10,188.20)	10,153.97

	Fiscal year 2021 vs. Fiscal year 2020			Fiscal year 2022 vs. Fiscal year 2021		
	Increase (Decrease) due to[1]					
	Net Change	Change in Average Volume	Change in Average Rate	Net Change	Change in Average Volume	Change in Average Rate
	(₹ in millions)					
Interest expenses						
Notes, bonds and debentures	533.20	3,264.09	(2,730.89)	(2,144.14)	(441.64)	(1,702.50)
Deposits	(228.04)	(40.48)	(187.56)	(155.39)	(25.42)	(129.97)
Borrowings	(8,642.89)	(403.31)	(8,239.58)	(2,991.08)	2,362.50	(5,353.58)
Total interest-bearing Liabilities	(8,337.73)	2,820.30	(11,158.03)	(5,290.61)	1,895.44	(7,186.05)

Note:

(1) The changes in interest revenue and interest expense between periods have been attributed to either volume or rate changes.

Financial Ratios

The following table sets forth certain key financial indicators as of and for the dates and periods indicated for the Bank.

	As of and for the year ended March 31,		
	2020	2021	2022
	(per cent.)		
Net interest margin	1.54	1.84	2.19
Return on average equity[1]	0.94	1.70	4.75
Return on average assets[2]	0.10	0.19	0.54
Dividend payout ratio[3]	10.00	10.00	10.00
Cost to average assets[4]	0.12	0.15	0.14
Tier I capital adequacy ratio	18.70	24.00	28.58
Tier II capital adequacy ratio	1.43	1.89	1.91
Total capital adequacy ratio	20.13	25.89	30.49
Net non-performing assets ratio[5]	1.77	0.51	–
Allowance as percentage of gross non-performing assets[6]	88.76	96.74	100.00
Solvency ratio[7]	9.27	33.42	Not applicable
Average net worth to total average assets[8]	12.77	13.50	13.78

Notes:

(1) Return on average equity is the ratio of the net profit after tax to the weighted average equity.

(2) Return on average assets is the ratio of the net profit after tax to the average total assets.

(3) Dividend payout ratio is the ratio of dividend (i.e. balance of net profits transferable to the Central Government) to net profit after tax.

(4) Cost to average assets is the ratio of the operating expenses (excluding interest expenses, audit fees, legal expenses, other expenses, depreciation and provisions), to the average total assets.

(5) Net non-performing assets ratio is the ratio of net non-performing assets divided by net advances.

(6) Allowance as a percentage of gross non-performing assets is the ratio of non-performing asset provisions made to the gross non-performing assets.

(7) The solvency ratio is the ratio of capital plus reserves to net NPAs. The solvency ratio for FY22 is not applicable because net NPA is nil for FY22.

(8) Average net worth to average total assets is the ratio of average capital and reserves divided by average total assets.

Capital Infusion

The Government has allotted ₹15 billion in FY20, ₹13 billion for FY21 and ₹7.50 billion for FY22.

Capital Adequacy

The following table sets forth, as of the dates indicated, the Bank's capital adequacy ratios.

	As of and for the year ended March 31,		
	2020	2021	2022
CRAR	20.13	25.89	30.49
Tier 1 CRAR	18.70	24.00	28.58
Tier 2 CRAR	1.43	1.89	1.91

Investment Portfolio

As of March 31, 2022, the Bank's net investments comprised 7.97 per cent. of its total assets, while net total advances were 86.02 per cent. of the Bank's total assets. The Bank carries out its investment activities according to its investment policies. These policies set forth delegation of powers, types of instruments, maximum limits on investments in different types of securities, position limits, stop loss limits and duration limits.

The surplus funds of the Bank are invested by the integrated Treasury. These investments are in conformity with the Bank's policy on investments and the risk limits set by the Bank's board.

Total Investment Portfolio

The following tables set forth, as of the dates indicated, information relating to the Bank's total investment portfolio. Domestic investments constituted 99.17 per cent. of the Bank's investment portfolio as of March 31, 2022.

	As of March 31,											
	2020				2021				2022			
	Gross Book Value	Market Value(4)	Unrealized Gain	Unrealized Loss	Gross Book Value	Market Value(4)	Unrealized Gain	Unrealized Loss	Gross Book Value	Market Value(4)	Unrealized Gain	Unrealized Loss
	(₹ in million)											
Government Securities	88,161.17	88,492.60	(367.89)	36.46	93,851.10	94,358.34	(177.55)	454.91	93,449.27	93,341.36	(13.53)	698.68
Other debt securities(1)	2,476.61	2,529.03	(111.92)	59.51	2,544.34	2,619.78	(265.28)	284.04	14,453.97	13,941.77	(258.70)	724.16
Total debt securities	90,637.78	91,021.63	(479.81)	95.96	96,395.44	96,978.12	(442.83)	738.95	107,903.24	107,283.13	(272.23)	1,422.84
Non-debt securities(2)	38,503.71	20,548.08	(2,861.13)	20,816.77	26,203.17	7,472.05	(3,381.04)	21,953.08	24,841.89	6,813.24	(3,772.2)	21,617.89
Subsidiaries/joint ventures – at cost(3)	3.23	3.23	–	–	3.23	3.23	–	–	3.23	3.23	–	–
Total	129,144.72	111,572.94	(3,340.94)	20,912.73	122,601.84	104,453.40	(3,823.87)	22,962.03	132,748.36	1,14,096.37	(4,044.46)	23,040.73

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(3) Investments classified under held to maturity are not marked to market and carried at acquisition cost as per prudential norms issued by the RBI for classification, valuation and operation of investment portfolio by banks. Market value includes market values actually available or derived as per norms.

Available for Sale Investments

The following tables set forth, as of the dates indicated, information related to the Bank's investments available for sale.

	As of March 31,											
	2020				2021				2022			
	Gross Book Value	Market Value[4]	Unrealized Gain	Unrealized Loss	Gross Book Value	Market Value[4]	Unrealized Gain	Unrealized Loss	Gross Book Value	Market Value[4]	Unrealized Gain	Unrealized Loss
	(₹ in million)											
Government Securities . . .	27,877.33	28,208.76	(367.89)	36.46	27,901.10	27,623.74	(177.5))	454.91	27,499.27	26,814.12	(13.53)	698.68
Other debt securities[1] . .	2,137.10	2,189.52	(111.92)	59.51	2,317.46	2,298.70	(265.28)	284.04	14,227.22	13,761.77	(258.70)	724.16
Total debt securities . . .	30,014.43	30,398.28	(479.81)	95.96	30,218.56	29,922.44	(442.83)	738.95	41,726.49	40,575.89	(272.23)	1,422.84
Non-debt securities[2] . .	25,621.28	7,635.62	(2,831.11)	20,816.77	25,976.18	7,404.15	(3,381.04)	21,953.08	24,614.90	6,769.23	(3,772.2)	21,617.89
Subsidiaries/joint ventures – at cost[3]	–	–	–	–	–	–	–	–	–	–	–	–
Total	55,635.71	38,033.90	(3,310.92)	20,912.73	56,194.74	37,326.59	(3,823.87)	22,962.03	66,341.39	47,345.12	(4,044.46)	23,040.73

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(3) Market value includes market values actually available or derived as per norms.

(4) Unrealized gain/loss pertains to gain/loss at the individual level, i.e. for each investment.

Held to Maturity Investments

The following tables set forth, as of the dates indicated, information related to the Bank's investments held to maturity.

	As of March 31,											
	2020				2021				2022			
	Gross Book Value	Market Value[4]	Unrealized Gain	Unrealized Loss	Gross Book Value	Market Value[4]	Unrealized Gain	Unrealized Loss	Gross Book Value	Market Value[4]	Unrealized Gain	Unrealized Loss
	(₹ in million)											
Government Securities . . .	60,283.84	60,283.84	–	–	65,950	65,950	–	–	65,950	65,950	–	–
Other debt securities[1] . .	339.51	339.51	–	–	226.88	226.88	–	–	226.75	226.75	–	–
Total debt securities . . .	60,623.36	60,623.36	–	–	66,176.88	66,176.88	–	–	66,176.75	66,176.75	–	–
Non-debt securities[2] . .	382.43	382.43	–	–	226.99	226.99	–	–	226.99	226.99	–	–
Subsidiaries/joint ventures – at cost[3]	3.23	3.23	–	–	3.23	3.23	–	–	3.23	3.23	–	–
Total	61,009.02	61,009.02	–	–	66,407.10	66,407.10	–	–	66,406.97	66,406.97	–	–

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(3) Investments classified under held to maturity are not marked to market and carried at acquisition cost as per prudential norms issued by the RBI for classification, valuation and operation of investment portfolio by banks.

Held for Trading Investments

The following tables set forth, as of the dates indicated, information related to the Bank's investments held for trading.

	As of March 31,											
	2020				2021				2022			
	Gross Book Value	Market Value[4]	Unrealized Gain	Unrealized Loss	Gross Book Value	Market Value[4]	Unrealized Gain	Unrealized Loss	Gross Book Value	Market Value[4]	Unrealized Gain	Unrealized Loss
	(₹ in million)											
Government Securities	–	–	–	–	–	–	–	–	–	–	–	–
Other debt securities[1]	–	–	–	–	–	–	–	–	–	–	–	–
Total debt securities	–	–	–	–	–	–	–	–	–	–	–	–
Non-debt securities[2]	12,500.00	12,530.02	(30.02)	–	–	–	–	–	–	–	–	–
Subsidiaries/joint ventures – at cost[3]	–	–	–	–	–	–	–	–	–	–	–	–
Total	12,500.00	12,500.00	(30.02)	–	–	–	–	–	–	–	–	–

Notes:

(1) Market value includes market values actually available or derived as per norms.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(3) Market value includes market values actually available or derived as per norms.

Residual Maturity Profile

Available for sale

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as available for sale and their weighted average market yields.

	As of March 31, 2022							
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(₹ in millions, except percentages)							
Government securities (A)[1] . . .	8,580.44	4.26	16,481.35	7.33%	1,699.04	7.88%	53.29	7.95%
Corporate debt securities (B) . . .	492.48	0.44	1,193.74	5.44%	1,577.43	10.79%	88.37	12.26
% Other debt securities (C). . . .	21.78	4.40%	337.61	6.35%	285.75	6.45%	–	–
Total debt securities market value (A)+(B)+(C)	9,072.92	–	18,012.70	–	3,561.75	–	141.66	–
Gross book value	20,855.36	–	19,291.4	–	3,794.23	–	497.29	–

Note:

(1) Refers only to Government investments calculated at market yields.

Held to maturity

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as held to maturity and their weighted average market yields.

	As of March 31, 2022							
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(₹ in millions, except percentages)							
Government securities (A)[1] . . .	–	–	16,027.24	7.14	32,770	7.28%	17,730	7.29%
Corporate debt securities (B) . . .	–	–	–	–	180.00	11.41%	–	–
Total debt securities market value (A)+(B)+(C)	–	–	16,027.24	–	32,950	–	17,730	–
Gross book value	–	–	15,450	–	32,954.37	–	17,730	–

Note:

(1) Refers only to Government investments calculated at market yields.

Held for trading

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as held for trading and their weighted average market yields.

	As of March 31, 2022							
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(₹ in millions, except percentages)							
Government securities	–	–	–	–	–	–	–	–
Other debt securities	–	–	–	–	–	–	–	–
Total debt securities market value	–	–	–	–	–	–	–	–
Gross book value	–	–	–	–	–	–	–	–

Funding

The Bank's funding operations are designed to ensure stability, low cost of funding and effective liquidity management. The Bank's principal sources of funds are borrowings through issuances of bonds and commercial papers ("**CPs**"), certificates of deposits ("**CDs**") and loans.

Short-term Borrowings

The following table sets forth, for the periods indicated, information related to the Bank's short-term Rupee borrowings, which are comprised of money-market borrowings (CPs, CDs[4] and CBLO borrowings) and term deposits.

	Year ended March 31,		
	2020	2021	2022
	(₹ in millions, except percentages)		
Period end balance	121,331.60	194,035.18	190,080.78
Average balance during the period[1]	113,020.57	171,173.16	187,204.77
Average interest rate during the period[2]	6.10%	4.10%	3.68%
Interest at period end[3]	6,895.46	7,012.53	6,881.96

Notes:

(1) Average daily balances outstanding.

(2) Represents the ratio of interest expense on short-term borrowings to the average daily balances of short-term borrowings during the period.

(3) Represents the total interest expense on account of short-term borrowings during the period.

(4) CDs having original maturity of up to one year are included in the above table.

The following table sets forth, for the periods indicated, information related to the Bank's short-term foreign currency borrowings, in U.S. dollar equivalent, which are comprised primarily of short-term loans and short-term borrowings from banks.

	Year ended March 31,		
	2020	**2021**	**2022**
	(U.S.$ in millions, except percentages)		
Period end balance[4]	905.06	1,244.10	1,136.32
Average balance during the period[1]	677.59	1,027.90	1,322.47
Average interest rate during the period[2]	2.33%	1.42%	1.19%
Interest at period end[3]	15.86	14.62	15.76

Notes:

(1) Average daily balances outstanding.

(2) Represents the ratio of interest expense on short-term borrowings to the average daily balances of short-term borrowings during the period.

(3) Represents the total interest expense on account of short-term borrowings during the period.

(4) Short-term borrowings represent borrowings with maturity of up to three years.

Cash Flow Mismatch Analysis

The following table sets forth the Bank's structural liquidity gap position for its operations, for rupee assets and liabilities, as of March 31, 2022:

	As of March 31, 2022[1][2][3]				
	Up to 3 Months	**Over 3 Months to 1 Year**	**Over 1 Year to 5 Years**	**Over 5 Years**	**Total**
	(Rs. in millions, except percentages)				
Cash and bank balance	4,722	0	0	0	4,722
Advances	65,879	113,654	63,973	115	243,621
Investments	9,343	10,684	33,332	54,876	108,236
Fixed assets	0	0	0	3,689	3,689
Other assets	113,635	116,584	411,989	262,786	904,995
Total assets	193,579	240,922	509,295	321,467	1,265,263
Capital and reserves	0	0	0	185,637	185,637
Borrowings	117,545	122,311	154,892	56,500	451,248
Other liabilities	90,777	117,938	106,539	69,811	385,065
Total liabilities	208,321	240,249	261,431	311,948	1,021,950
Liquidity gap	(14,742)	673	247,863	9,519	243,313
Cumulative liquidity gap	(14,742)	(14,069)	233,794	243,313	NA
Cumulative liabilities	208,321	448,570	710,002	1,021,950	NA
Cumulative liquidity gap as a % of cumulative liabilities	(7)%	(3)%	33%	24%	NA

Notes:

(1) Classification methodologies are based on the Asset Liability Management Guidelines issued by the RBI.

(2) Assets and liabilities are classified into categories as per residual maturity. Liabilities include contingent liabilities.

(3) Assets and liabilities that do not mature or have ambiguous maturities are classified as per historical behavioral analysis or management judgment.

The following table sets forth the Bank's structural liquidity gap position for its operations, for foreign currency assets and liabilities, as of March 31, 2022:

	As of March 31, 2022(1)(2)(3)				
	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Total
	(U.S. $ in millions, except percentages)				
Cash and bank balances	6	0	0	0	6
Advances	190	1,235	5,730	5,150	12,304
Investments	363	0	0	10	374
Fixed assets	0	0	0	0	0
Other assets	784	1,068	1,424	1,356	4,632
Total assets	1,343	2,303	7,154	6,516	17,316
Capital and reserves	0	0	0	0	0
Borrowings	1,002	2,366	5,539	3,904	12,810
Other liabilities	576	472	1,709	60	2,818
Total liabilities	1,578	2,838	7,248	3,964	15,628
Liquidity gap	(235)	(535)	(94)	2,552	1,688
Cumulative liquidity gap	(235)	(770)	(864)	1,688	NA
Cumulative liabilities	1,578	4,416	11,664	15,628	NA
Cumulative liquidity gap as a % of cumulative liabilities	(15)%	(17)%	(7)%	11%	NA

Notes:

(1) Classification methodologies are based on the Asset Liability Management Guidelines issued by the RBI.

(2) Assets and liabilities are classified into categories as per residual maturity. Liabilities include contingent liabilities.

(3) Assets and liabilities that do not mature or have ambiguous maturities are classified as per historical behavioral analysis or management judgment.

Loan Portfolio and Credit Substitutes

As of March 31, 2022, the Bank's total net loan assets amounted to ₹1,176.19 billion (U.S.$15.52 billion) while outstanding gross loan assets amounted to ₹1,219.66 billion (U.S.$16.09 billion). Export finance, overseas investment finance, term loan to exporters, import finance and export facilitation program accounted for 80.09 per cent., 3.11 per cent., 11.88 per cent., 3.38 per cent. and 1.49 per cent., respectively, of the Bank's outstanding net loan assets as of March 31, 2022.

As of March 31, 2022, the Bank's gross loan portfolio was ₹1,219.66 billion. As of that date, the Bank's gross non-fund based exposure was ₹152.47 billion. As of March 31, 2022, the Bank's outstanding non-fund-based facilities amounted to ₹152,466.82 million (U.S.$2.01 billion). Performance guarantees, advance payment guarantees, financial guarantees, letters of credits, retention money guarantees and bid bond guarantees accounted for 48.81 per cent., 28.32 per cent., 14.24 per cent., 4.66 per cent., 2.40 per cent. and 1.57 per cent. respectively, of the Bank's outstanding non-fund-based facilities as of March 31, 2022.

The Bank makes loans to Indian exporters and overseas importers, and extends lines of credit to overseas financial institutions, national or regional development banks, sovereign governments and other overseas entities to finance and promote India's exports to its trading partners, particularly in developing countries. As of March 31, 2022, 45.87% per cent. of the Bank's country exposure related to South Asia, 5.21% per cent. to Central Africa, 14.60% per cent. to East Africa, 9.52% per cent. to Southern Africa, 12.48% per cent. to West Africa, 1.23% per cent. to North Africa, 2.49% per cent. to Southeast Asia and the Pacific, 1.77% per cent. to Europe, 2.42% per cent. to the Americas, 2.35% per cent. to West Asia and 1.38% per cent. to East Asia.

The following table describes the asset quality of the PA exposure of the commercial portfolio of the Bank, which excludes refinancing extended to banks, as of March 31, 2022:

External Ratings	% of Total Commercial Portfolio
A & above	82
BBB	7
BB & below	5
No Rating	6
	100

The following tables set forth the Bank's advances by segment as of the dates indicated.

	As of March 31,					
	2020		2021		2022	
	(₹ in billions)	(% of Total)	(₹ in billions)	(% of Total)	(₹ in billions)	(% of Total)
Government directed/guaranteed business						
Lines of credit	433.04	40.45	445.16	40.20	500.91	41.07
Buyer's credit (BC-NEIA)	96.18	8.98	102.14	9.22	109.45	8.97
Concessional Finance Scheme	63.03	5.89	79.84	7.21	95.55	7.83
Commercial business						
Lines of credit	–	–	0.10	0.01	0.14	0.01
Buyer's credit	27.39	2.56	29.11	2.63	52.84	4.33
Finance for project exports/medium-term supplier's credit	14.41	1.35	14.74	1.33	15.31	1.26
Short-term pre-shipment credit	10.08	0.94	7.76	0.70	3.62	0.30
Refinance of export Credit to commercial banks	18.00	1.68	103.47	9.34	154.32	12.65
Loans to export oriented units	148.32	13.85	116.20	10.49	104.73	8.59
Import finance	42.23	3.94	32.21	2.91	27.94	2.29
Export facilitation program	26.36	2.46	27.59	2.49	17.64	1.45
Overseas investment finance	112.17	10.48	72.01	6.50	51.56	4.23
Other programs(1)	79.32	7.41	76.98	6.95	85.66	7.02
	1,070.52	100	1,107.31	100	1,219.66	100
Less provisions	76.05	–	68.80	–	43.47	–
Net advances	994.46	–	1,038.51	–	1,176.19	–

Note:

(1) Includes advances under re-discounting facilities, advances under production equipment finance program, long-term working capital loan and staff loans etc.

Interest Rate Sensitivity Analysis

The following table sets forth the interest rate sensitivity analysis of the Bank's rupee assets and liabilities for the Bank's Indian operations as of March 31, 2022:

	Up to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Non Sensitive	Total
			(₹ in millions)			
Assets						
Cash and balances with (₹ in millions) RBI	0	0	0	0	1,302	1,302
Balances with other banks	1,750	0	0	0	1,670	3,420
Advances	143,494	105,852	17,780	(23,504)	0	243,621
Investments	9,343	10,684	33,332	52,586	2,291	108,236
Fixed assets	0	0	0	0	3,689	3,689
Other assets	63,713	57,901	141,471	53,243	24,240	340,567
Forex swaps	0	0	0	0	0	0
Total assets	218,300	174,436	192,583	82,324	33,191	700,835
OBS items	9,242	32,683	131,973	143,725	0	317,625
Total RSA	227,543	207,120	324,556	226,050	33,191	1,018,460
Liabilities						
Capital and reserve	0	0	0	0	185,637	185,637
Borrowings	117,545	122,311	154,892	56,500	0	451,248
Other liabilities	5,894	9,149	0	0	48,907	63,950
Repos	0	0	0	0	0	0
Forex swaps	0	0	0	0	0	0
Total liabilities	123,439	131,461	154,892	56,500	234,543	700,835
OBS items	3,994	12,687	40,646	20,905	0	78,231
Total RSL	127,432	144,147	195,538	77,405	234,543	779,066

The following table sets forth the interest rate sensitivity analysis of the Bank's foreign currency assets and liabilities for the Bank's Indian operations as of March 31, 2022:

	Up to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	Non Sensitive	Total
			(U.S.$ in millions)			
Assets						
Cash and balances with RBI	0	0	0	0	0	0
Balances with other banks	0	0	0	0	6	6
Advances	5,561	6,401	0	343	0	12,304
Investments	363	0	0	10	0	374
Fixed assets	0	0	0	0	0	0
Other assets	21	36	0	0	54	111
Forex swaps	0	0	0	0	0	0
Total assets	5,945	6,436	0	353	60	12,795
OBS items	78	347	1,093	825	0	2,343
Total RSA	6,023	6,784	1,093	1,178	60	15,137
Liabilities						
Capital and reserve	0	0	0	0	0	0
Borrowings	3,708	9,102	0	0	0	12,810
Other liabilities	60	44	0	0	(119)	(15)
Repos	0	0	0	0	0	0
Forex swaps	0	0	0	0	0	0
Total liabilities	3,768	9,146	0	0	(119)	12,795
OBS items	15	94	366	179	0	654
Total RSL	3,783	9,240	366	179	(119)	13,449

Concentration of Loans and Credit Substitutes

Pursuant to RBI guidelines, exposure ceilings are 15.00 per cent of capital funds in the case of a single borrower and 40.00 per cent. in the case of a borrower group. The single borrower exposure limit is extendable by another 5.00 per cent., up to 20.00 per cent. of capital funds. The borrower group exposure limit is extendable by another 10.00 per cent., up to 50.00 per cent. of capital funds, provided that the additional exposure is for the purpose of financing infrastructure projects in India. In addition, the banks may, in exceptional circumstances and with the approval of their respective board of directors, consider increasing their exposure to a single borrower up to a maximum of an additional 5.00 per cent. of capital funds. There are generally no restrictions in India on exposure to a particular industry. RBI norms specify exposure to capital markets, real estate, sensitive commodities listed by the RBI, venture capital funds, stockbrokers, financing for acquisition of overseas entities and credit to overseas joint ventures. For further information, see "*Supervision and Regulation.*" The following tables set forth, at the dates indicated, the Bank's gross fund-based loans outstanding and gross NPLs as a percentage of gross fund-based loans outstanding, categorized by borrower industry or economic activity. The Board-approved limit for the Bank's exposure to an industrial sector is 15.00 per cent of the Bank's total industry exposure (both fund-based and non-fund based) under its commercial portfolio (excluding refinance portfolio).

	As of March 31,								
	2020			2021			2022		
	Amount	Gross NPLs as a % of Gross Loans % of Outstanding	% Total	Amount	Gross NPLs as a % of Gross Loans % of Outstanding	% Total	Amount	Gross NPLs as a % of Gross Loans % of Outstanding	% Total
	(₹ in millions, except percentages)								
Industry classification of loans									
Financial Services[(1)]	61,092.37	–	5.71%	133,049.36	–	12.02%	222,309.93	–	18.23%
Chemicals and Dyes	37,835.21	2.31%	3.53%	34,818.34	9.69%	3.14%	32,353.96	8.97%	2.65%
Textiles and Garments	32,189.22	5.71%	3.01%	29,636.22	8.74%	2.68%	26,062.24	11.87%	2.14%
Petroleum Products	23,247.49	–	2.17%	19,562.31	–	1.77%	25,435.55	–	2.09%
Petrochemicals	31,565.84	5.40%	2.95%	30,688.75	6.59%	2.77%	23,639.55	11.65%	1.94%
Auto & Auto components	9,994.80	0.54%	0.93%	11,130.88	0.69%	1.01%	17,617.86	1.17%	1.44%
Ferrous Metals and Metal Processing	44,924.90	4.22%	4.20%	32,390.87	5.09%	2.93%	17,328.40	4.07%	1.42%
Drugs and Pharmaceuticals	22,168.28	2.90%	2.07%	16,922.40	2.86%	1.53%	12,351.82	0.16%	1.01%
EPC services	11,242.38	8.94%	1.05%	10,308.98	10.05%	0.93%	10,715.70	17.26%	0.88%
Shipping Services	15,228.02	1.31%	1.42%	13,612.64	1.57%	1.23%	10,330.77	–	0.85%
Oil and Gas	38,016.73	24.61%	3.55%	15,980.57	7.18%	1.44%	10,080.85	0.33%	0.83%
Construction	9,953.63	6.45%	0.93%	10,772.05	9.81%	0.97%	9,377.83	12.37%	0.77%
Others[(2)]	119,523.69	28.82%	11.17%	124,647.17	57.58%	11.26%	92,007.32	32.17%	7.54%
Unclassified[(3)]	598,180.70	–	55.88%	632,729.96	–	57.14%	710,050.59	–	58.22%
Grand total	1,070,051.01	100%	100%	1,107,313.46	100%	100%	1,219,662.37	100%	100%

Notes:

(1) Includes outstanding to banks by way of refinance.

(2) Others include other industries that do not appear in the above list.

(3) Includes advances under lines of credit, buyer's credit under NEIA and staff loans which cannot be classified under any particular sector.

As of March 31, 2022, the aggregate exposure of the Bank's ten largest corporate group borrowers amounted to ₹169.51 billion representing 94.35 per cent. of the Bank's total capital as of March 31, 2022, which comprises ₹168.40 billion Tier I and ₹11.26 billion Tier II capital. The Bank's exposure to the single largest corporate group borrower on such date was ₹35.99 billion representing 23.07 per cent. of the Bank's Total Capital Funds.

The Bank's exposure to its ten largest individual corporate borrowers as of March 31, 2022, was ₹150.29 billion, or approximately 7.67 per cent. of its total credit exposure.

As of March 31, 2022, the Bank classifies its risk exposure as 60.32 per cent. GOI risk, 18.62 per cent. secured portfolio of corporates/banks and 21.07 per cent. towards corporates unsecured portfolio.

Exim Bank-Business lines

The Bank's business is classified into four categories.

- medium-/long-term and short-term loans;
- direct and refinance loans;
- rupee and foreign currency loans; and
- policy and commercial business.

The following table sets forth the proportion of the Bank's net loan portfolio under each of the above categories over the periods mentioned:

	As of March 31,		
	2020	2021	2022
		(%)	
Medium-/long-term loans (more than 1 year)	92	86	82
Short-term loans (up to 1 year)	8	14	18
Direct loans	95	89	86
Refinance loans	5	11	14
Rupee-denominated loans	16	20	23
Foreign currency loans.	84	80	77
Policy (government-directed) business	60	61	60
Commercial business	40	39	40

Bank's Asset Quality

The following table sets forth, for the periods indicated, information about the Bank's gross NPA ratio, net NPA ratio, PCR, slippage ratio and credit cost ratio:

	As of March 31,		
	2020	2021	2022
		(%)	
Gross NPA ratio	8.75	6.69	3.56
Net NPA ratio.	1.77	0.51	0.00
PCR ratio.	89	97	100
Slippage ratio(1)	1.94	1.52	0.24
Credit cost ratio(2)	1.70	2.27	0.84

Notes:

(1) Computed as the ratio of new NPAs during the period to standard assets at the beginning of the year.

(2) Computed as the ratio of the provision for loan loss and contingency to average gross loans.

As of March 31, 2022, the Bank's credit watch list is ₹71.94 billion which includes Shapoorji Pallonji group exposure of ₹11.63 billion. There can be no assurance that the borrowers of the Bank will be able to meet their obligations under their loans or that the total amounts of the NPAs will not increase. See "*Risk Factors*" in the Original Offering Circular.

Asset Liability Management

The following table sets forth the maturity profile of the assets and liabilities of the Bank as of March 31, 2022:

	Less than or equal to 1 year	More than 1 year and up to 3 years	More than 3 years and up to 5 years	More than 5 years and up to 7 years	More than 7 years
			(₹ Billion)		
Maturing Assets	276	286	256	211	282
Maturing Liabilities	335	372	177	92	208

As of March 31, 2022, foreign currency resources, Rupee resources, and share capital and reserves constituted 67 per cent., 18 per cent. and 15 per cent., respectively, of the Bank's total lendable resources. As of the same period, foreign currency total assets and Rupee total assets constituted 69 per cent. and 31 per cent., respectively, of the Bank's total loan assets.

Non-Performing Assets

The banking sector has been dealing with higher slippages and asset quality issues. The Bank employs various strategies for the recovery of NPAs. The Bank, apart from tightening the norms and processes for credit origination, appraisal, sanction and monitoring, also endeavors to reduce NPAs through effective loan recovery measures. See also "– *NPA Reduction Strategy*."

The management of NPAs has been one of the focus areas of the Bank. To this end, the Bank has put in place the following measures:

- the Bank has a dedicated Special Situations Group ("**SSG**"), which takes pro-active steps towards loan recovery as per the Board-approved Loan Monitoring and Recovery Policy and rehabilitation of NPAs which are viable. SSG also focuses on recovery from NPA accounts where legal action is contemplated. Monthly reviews of NPAs are done by the committee within the SSG. By setting up yearly targets for the recovery of NPAs, the Bank accords highest priority to the recovery of NPAs through a multipronged strategy comprising of restructuring, legal action, sale of assets through court receiver, negotiations, one-time settlements, transfer or assignment of NPAs, possession and subsequent sale of assets under provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act ("**SARFAESI Act**"), filing suits against the debtors and its directors, personal and corporate guarantors before Debt Recovery Tribunal ("**DRT**") and referring the company/guarantors to the National Company Law Tribunal ("**NCLT**") under the Insolvency and Bankruptcy Code ("**IBC**");

- identifying Special Mention Accounts and closely monitoring such accounts, including the conduct of frequent reviews and making timely decisions to prevent slippage of such accounts; and

- strengthening of staff capabilities through trainings conducted by specialized agencies and of the credit audit function, with emphasis on sharing and exchange of market information.

The Bank's gross NPA ratio decreased from 8.75 per cent. as of March 31, 2020 to 6.69 per cent. as of March 31, 2021, and further decreased to 3.56 per cent. as of March 31, 2022. The Bank's net NPA ratios decreased from 1.77 per cent. as of March 31, 2020 to 0.51 per cent. as of March 31, 2021, and further decreased to 0.00 per cent. as of March 31, 2022. (As on March 31, 2022 Bank has fully provided for all its GNPAs). See "*Risk Factors – Risks relating to the business of the Bank – The business of lending carries the risk of default by borrowers.*"

The following table sets forth, for the periods indicated, information about the Bank's NPA portfolio[(1)].

	As of March 31,		
	2020	2021	2022
	(₹ in millions, except percentages)		
Non-Performing Assets			
Gross NPAs	93,618.34	74,130.50	43,470.00
Specific provisions	76,050.00	68,800.00	43,470.00
Floating provisions	–	–	–
NPA net of provisions and nettable credits	17,568.34	5,330.50	0.00
Gross customer assets[(2)]	1,229,215.01	1,249,603.50	1,372,130.00
Net customer assets[(2)]	1,153,165.01	1,180,803.50	1,328,660.00
Gross NPAs/gross customer assets (%)	7.62%	5.93%	3.17%
Net NPAs/net customer assets (%)	1.52%	0.45%	0.00%
Specific provision as a percentage of gross NPAs[(3)]	81.23%	92.81%	100.00%
Total provision as a percentage of gross NPAs[(3)]	81.23%	92.81%	100.00%
Provision cover (including prudential (write-offs))	88.76%	96.74%	100.00%

Notes:

(1) Information on provisions in this table pertains to NPA provisions only.

(2) Gross/net customer assets include the non-funded portfolio of the Bank.

(3) Computed in accordance with RBI guidelines.

The Bank's net provisioning coverage ratio as of March 31, 2022, computed as per RBI guidelines, was 100 per cent.

As of March 31, 2022, the Bank's gross NPAs amounted to ₹43.47 billion (U.S.$0.57 billion). Segregation of NPAs based on the major lending programs of the Bank as of March 31, 2022 is as follows:

Lending Program	**% to Total NPA**	**% of Gross Loans**
Overseas Investment Finance	25.25	0.90
Term Loan to Exporters	44.08	1.57
Export Finance	22.91	0.82
Import Finance	7.63	0.27
Export Facilitation	0.13	0.00
Total	100.00	3.56

Provisions for NPAs

The following table sets forth, for the periods indicated, movements in the Bank's provisions against NPAs.

	For the year ended March 31,		
	2020	2021	2022
	(₹ in millions)		
Specific provisions:			
Specific provisions at the beginning of the period	93,900.00	76,050.00	68,800.00
Additions during the period	20,882.32	24,705.60	863.00
Reductions during the period on account of recovery and write-offs	(38,732.32)	(31,955.60)	(26,193.00)
Specific provisions at the end of the period	76,050.00	68,800.00	43,470.00

	For the year ended March 31,		
	2020	2021	2022
	(₹ in millions)		
Floating provisions:			
Floating provisions at the beginning of the period	–	–	–
Additions during the period	–	–	–
Utilizations during the period	–	–	–
Floating provisions at the end of the period	–	–	–
Total specific and floating provisions at the end of the period	76,050.00	68,800.00	43,470.00

The following table sets forth the classification of gross loan assets of the Bank at the dates indicated.

	As at March 31,		
	2020	2021	2022
	(₹ in billions)		
Standard	976.90	1,033.18	1,176.19
Non-performing assets	93.62	74.13	43.47
Sub-standard assets	16.14	11.06	0.28
Doubtful assets	77.47	63.07	43.19
Loss assets	–	–	–

The following table sets forth the Bank's NPAs for its ten largest accounts, broken down by industry, as of March 31, 2022.

	Gross Principal Outstanding
	(₹ in millions)
Industry	
EPC Services	7,505.12
Construction	5,377.83
Textiles and Garments	5,160.44
Petrochemicals	5,064.81
Chemicals and Dyes	3,898.12
Renewable energy	2,986.44
Hospitality and Tourism	2,463.26
Agro and Food Processing	2,096.35
Ferrous Metals and Metal Processing	1,757.02
Power	1,697.02
Grand Total	38,006.41

Recognition of NPAs and Provisioning

RBI Classification and Provisioning Requirements

The Bank classifies its assets in accordance with the RBI guidelines. Under these guidelines, an asset is classified as non-performing if any amount of interest or principal remains overdue for more than 90 days.

Assets are classified as described below:

Standard asset	A standard asset is one which does not disclose any problem and which does not carry more than normal risks attached to the business. Such asset is not an NPA.
Sub-standard asset	A sub-standard asset is one which has remained an NPA for a period of less than or equal to 12 months.
Doubtful asset	A doubtful asset is one which has remained in the sub-standard category for a period of 12 months and more.
Loss asset	A loss asset is one where loss has been identified by the Bank or internal or external auditors or the RBI inspection, but the amount has not been written off wholly. In other words, such an asset is considered uncollectible.

The following table provides a summary of the Bank's gross loan assets as of the dates indicated, in accordance with RBI classifications.

	As of March 31,		
	2020	**2021**	**2022**
		(₹ in millions)	
Asset Category			
Standard assets.	976,896.67	1,033,182.97	1,176,191.61
Sub-standard assets.	16,143.78	11,056.60	276.79
Doubtful assets.	77,474.56	63,073.88	43,193.96
Loss assets.	–	–	–

The following table sets forth the Bank's provisions for possible credit losses (provisions on NPAs) at the dates indicated.

	As of March 31,		
	2020	**2021**	**2022**
		(₹ in millions)	
Asset Category			
Provision held	76,050.00	68,800.00	43,470.00
Provision held as percentage of gross advances	7.10%	6.21%	3.56%
Provision held as percentage of gross NPAs.	81.23%	92.81%	100.00%

Restructured Assets

The Reserve Bank of India ("**RBI**") on June 7, 2019 issued a new prudential framework for the resolution of stressed assets, effectively replacing its February 12, 2018 circular and withdrawing with immediate effect schemes such as the corporate debt restructuring scheme, framework for Revitalising Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring Scheme ("**SDR**"), Change in Ownership outside SDR, and Scheme for Sustainable Structuring of Stressed Assets ("**S4A**"). Accordingly, the Joint Lenders' Forum ("**JLF**") as mandatory institutional mechanism for resolution of stressed accounts also stands discontinued.

A fully secured Standard Asset can be restructured by rescheduling principal repayments and/or the interest element, but it must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written-off, or provision is made to the extent of the sacrifice involved. Similar guidelines apply to sub-standard assets. The sub-standard accounts which have been subjected to restructuring, whether in respect of a principal installment or an interest amount, are eligible to be upgraded to the standard category only after all outstanding loans or facilities in the account from all lenders demonstrate satisfactory performance during the 'monitoring period' and 'specified period' as defined in the RBI circular dated June 7, 2019.

RBI on August 6, 2020 issued a framework for resolution of stressed assets on account of COVID-19. The period for invocation of resolution of eligible borrowers under this framework was till December 31, 2020. The sub-standard accounts which have been subjected to restructuring under this framework are eligible to be upgraded to standard category upon implementation of the resolution plan i.e. within 180 days from the date of invocation for corporate accounts. 50 percent of the provisions may be reversed upon repayment of 20 percent of the restructured debt, the other 50 percent may be reversed upon repayment of another 10 per cent of the restructured debt, subject to asset classification being maintained.

Until April 1, 2015, regulatory guidelines allowed regulatory forbearance on asset classification of restructured accounts subject to certain conditions, i.e. standard accounts are allowed to retain their asset classification and NPA accounts are allowed not to deteriorate further in asset classification on restructuring. The asset classification benefit is also available on the change of date of commencement of commercial operation ("**DCCO**") for projects under the infrastructure sector as well for projects under the non-infrastructure sector. The extant asset classification benefits available on restructuring on fulfilling certain conditions has been withdrawn for all restructurings effective from April 1, 2015 with the exception of provisions related to changes in DCCO in respect of infrastructure as well as non-infrastructure project loans.

Provisioning and Write-Offs

RBI guidelines on provisioning and write-offs are as follows:

Standard asset . . . . The general provisioning requirement for "standard advances" is 0.40 per cent., with the exception of the banks direct advances to the agricultural and SME sectors. For specific sectors, such as commercial real estate, provisioning at 1.00 per cent. is required.

Sub-standard asset . . . . A general provision of 15.00 per cent. on the total outstanding amount and 25.00 per cent. of the outstanding on the "unsecured exposures" identified as "sub-standard." Unsecured exposure is an exposure where realizable value of security is not more than 10.00 per cent., ab initio, of the outstanding exposure.

Doubtful asset . . . . Provision at 100.00 per cent. of the extent to which the advances is not covered by realizable value of security. In regard to the secured portion, provision is to be made in accordance with the table below:

Period for which advance remained in "Doubtful" category	Provision requirement
	(%)
Up to one year	25
One to three years.	40
More than three years	100

Loss asset . . . . The entire asset is written off or 100.00 per cent. provision is made on the outstanding amount.

See "*Supervision and Regulation – RBI Regulations.*"

Floating Provisions

In June 2006, the RBI issued prudential norms on the creation and utilization of floating provisions (i.e., provisions which are not made in respect of specific non-performing assets or are made in excess of regulatory requirements for provisions for Standard Assets). The norms state that floating provisions can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining approval from the Board of Directors and with the prior permission of the RBI. Floating provisions for advances and investments would be held separately and cannot be reversed by credit to the profit and loss account. Until utilization of such provisions, they can be netted out from gross non-performing assets to arrive at disclosure of net non-performing assets. Alternatively, floating provisions can be treated as part of Tier II capital within the overall ceiling of 1.25 per cent. of total risk-weighted assets.

Non-Performing Loans (“NPL”)

As of March 31, 2022, the Bank’s gross NPLs amounted to ₹43.47 billion (U.S.$0.57 billion). Segregation of NPAs based on the major lending programs of the Bank as of March 31, 2022 is as follows:

Lending Program	% to Total NPL	% of Bank’s Exposure
Overseas investment finance	25.25	23.15
Term loan to exporters	44.08	12.06
Export Finance	22.91	4.10
Import Finance	7.63	7.70
Export Facilitation	0.13	0.33
Total	100.00	47.34

Analysis of Non-Performing Loans by Industry Sector

The following tables set forth, for the periods indicated, the Bank’s NPAs, by borrowers’ industry or economic activity and as a percentage of its loans in the respective industry or economic activities sector. These figures do not include unclassified industry.

	As of March 31,								
	2020			2021			2022		
Name of Industry	Gross Loans	NPA	% of NPA in Industry	Gross Loans	NPA	% of NPA in Industry	Gross Loans	NPA	% of NPA in Industry
	(₹ in millions, except percentages)								
Hospitality and Tourism	2,459.11	2,459.11	100%	2,376.08	2,376.08	100%	2,463.26	2,463.26	100%
Trading	3,825.34	554.38	14%	2,820.79	554.38	20%	554.38	554.38	100%
Consultancy Services	510.52	260.52	51%	259.82	259.82	100%	259.82	259.82	100%
EPC Services	11,242.38	8,369.60	74%	10,308.98	7,449.91	72%	10,715.70	7,505.12	70%
Construction	9,953.63	6,035.46	61%	10,772.05	7,272.05	68%	9,377.83	5,377.83	57%
Renewable Energy	9,491.09	4,848.10	51%	7,024.80	4,343.82	62%	5,248.75	2,986.44	57%
Glass and Glassware	1,753.90	853.90	49%	1,808.31	808.31	45%	1,754.77	796.37	45%
Mining and Minerals	11,917.57	9,158.76	77%	10,386.88	7,618.64	73%	3,668.31	1,178.33	32%
Agro and Food Processing	11,987.53	5,593.27	47%	10,267.38	6,189.44	60%	6,799.21	2,096.35	31%
Petrochemicals	31,565.84	5,056.29	16%	30,688.75	4,885.55	16%	23,639.55	5,064.81	21%
Power	7,555.11	2,135.72	28%	7,393.17	2,135.72	29%	8,368.04	1,697.02	20%
Textiles and Garments	32,189.22	5,374.74	17%	29,636.22	6,482.63	22%	26,062.24	5,160.44	20%
Capital Goods	1,971.02	1,971.02	100%	1,483.71	1,483.71	100%	5,617.28	1,105.20	20%
Healthcare Services	4,270.03	475.84	11%	3,546.33	475.84	13%	3,719.02	469.80	13%
Chemicals and Dyes	37,835.21	2,159.32	6%	34,818.34	7,186.76	21%	32,353.96	3,898.12	12%
Ferrous Metals and Metal Processing	44,924.90	3,954.09	9%	32,390.87	3,774.42	12%	17,328.40	1,757.02	10%
Gems and Jewellery	4,748.51	4,103.63	86%	1,092.47	463.30	42%	532.06	46.40	9%
Software and ITES/KPO	1,033.61	514.14	50%	857.20	17.00	2%	453.73	17.00	4%
Engineering Goods	4,983.84	732.94	15%	2,574.00	93.43	4%	2,102.69	75.20	4%
Consumer Goods	4,123.13	102.21	2%	1,165.71	102.21	9%	2,778.35	89.21	3%
Miscellaneous	1,163.16	46.65	4%	1,136.34	46.65	4%	1,611.73	46.65	3%
Auto and Auto Components	9,994.80	509.55	5%	11,130.88	509.55	5%	17,617.86	509.55	3%
Non-Ferrous Metals and Metal Processing	9,214.16	142.50	2%	8,045.77	59.19	1%	2,962.73	57.83	2%
Oil and Gas	38,016.73	23,036.28	61%	15,980.57	5,325.02	33%	10,080.85	145.24	1%
Port Services	5,356.00	301.07	6%	4,303.77	301.07	7%	6,044.67	38.10	1%
Drugs and Pharmaceuticals	22,168.28	2,713.91	12%	16,922.40	2,118.32	13%	12,351.82	67.97	1%
Plastic Products	1,801.14	106.16	6%	1,492.89	7.29	0%	2,083.93	7.29	0%
Printing and Publishing	63.51	14.61	23%	49.62	14.61	29%	18.16	–	–
Handicrafts	3.46	–	–	9.26	1.40	15%	5.54	–	–

Name of Industry	2020 Gross Loans	2020 NPA	2020 % of NPA in Industry	2021 Gross Loans	2021 NPA	2021 % of NPA in Industry	2022 Gross Loans	2022 NPA	2022 % of NPA in Industry
	As of March 31,								
	(₹ in millions, except percentages)								
Paper and Paper Products	3,667.48	812.56	22%	4,559.61	610.88	13%	4,618.31	–	–
Shipping Services	15,228.02	1,222.03	8%	13,612.64	1,163.49	9%	10,330.77	–	–
Telecommunications	2,736.34	–	–	1,486.74	–	–	2,720.51	–	–
Others	722,766.55	–	–	826,911.09	–	–	985,418.14	–	–
Total	1,070,515.01	93,618.34	8.75%	1,107,313.46	74,130.49	6.69%	1,219,662.37	43,470.76	3.56%

Top Ten Non-Performing Corporate Loans

The following table sets forth, for the period indicated information regarding its ten largest NPAs, classified by industry sector, as well as the value of the collateral securing the loan, as of March 31, 2022. However, the net realizable value of such collateral may be substantially less, if anything. See "*Risk Factors – Risks Relating to the business of the Bank – The business of lending carries the risk of default by borrowers*."

Industry	Type of Banking Arrangement	Gross Principal Outstanding	Provisions	Principal Outstanding Net of Provisions for Credit Losses	Security
		(₹ in millions)			
EPC Services	Sole and Consortium	7,310.40	7,310.40	–	–
Petrochemicals	Consortium	5,064.81	5,064.81	–	1,021.83
Textiles and Garments	Multiple Arrangement and Consortium	4,367.61	4,367.61	–	3,678.03
Chemicals and Dyes	Consortium	3,898.12	3,898.12	–	5,546.08
Hospitality & Tourism	Sole	2,463.26	2,463.26	–	2,134.98
Construction	Multiple Arrangement and Consortium	1,755.91	1,755.91	–	–
Construction	Sole	1,730.13	1,730.13	–	9,211.80
Agro and Food Processing	Consortium	1,728.60	1,728.60	–	10,880.90
Power	Multiple Arrangement	1,697.02	1,697.02	–	658.97
Renewable energy	Multiple Arrangement	1,661.49	5,064.81	–	–
Total		31,677.35	4,367.61	–	–

NPA Reduction Strategy

The Bank adopts a multipronged approach in the resolution of its NPAs. The Bank is focused on the monitoring of loan accounts which are under stress and strengthening recovery measures for NPAs. The Bank has a dedicated SSG, which takes pro-active steps towards loan recovery as per the Board-approved Loan Monitoring and Recovery Policy and rehabilitation of NPAs which are viable. SSG also focuses on recovering from NPA accounts where legal action is contemplated. Monthly reviews of NPAs are done by the committee within the SSG. By setting up yearly targets for the recovery of NPAs, the Bank accords highest priority to the recovery of NPAs through a multipronged strategy comprising of restructuring, legal action, sale of assets through court receiver, negotiations, one-time settlements, transfer/assignment of NPAs, possession and subsequent sale of assets under the provisions of the SARFAESI Act, filing suits against debtors and their directors, personal and corporate guarantors before the DRT and referring the company/guarantors to the NCLT under the IBC.

Exposure to National Company Law Tribunal Cases

Under the IBC, the NCLT was constituted on June 1, 2016 under Section 408 of the Companies Act, 2013 to be the single adjudicating authority for all corporate default cases, including insolvency resolution and liquidation for corporate persons. Summary of cases under IBC as of March 31, 2022 is as follows:

Particulars	**Outstanding Amounts**	**Provision[(1)] %**	**Net Book Value**	**Expected Recovery[(1)]**
		(₹ billion)		
(A) Exim Loans admitted/referred to NCLT	23.60	100%	–	13.09
(B) Guarantors for Exim Loans. . . .	2.75	100%	–	–
Total	26.35	100%	–	13.09

Note:

(1) The provision and expected recovery in respect of the cases under IBC have been determined based on the Bank's internal management estimate and are therefore subject to change. Such estimates are based on various key assumptions that may be affected by future market and economic conditions, as well as other exogenous factors. See also "*Risk Factors – The global outbreak of COVID-19 has adversely affected and may continue to adversely affect the Bank's business*."

DESCRIPTION OF THE BANK'S LONDON BRANCH

Background

The Bank opened its representative office in London, United Kingdom, in November 2005, to maintain close contact with the Bank's constituents in Europe and identify business opportunities for the Bank. After obtaining the required regulatory approvals in India and the approval of the former Financial Services Authority (the FSA), United Kingdom, the representative office was converted into a branch on September 27, 2010. The London branch was the first overseas branch of the Bank to be opened. As of March 31, 2022, the total net loan assets of the London branch stood at approximately US$641.05 million.

The United Kingdom is an important trade partner for India. The Bank believes that London is a key international financial centre which offers access to a large pool of global businesses through transparent and highly liquid markets.

Key Objectives of the London Branch

Some of the key objectives of the London branch are:

- raising resources from financial institutions such as banks, financial institutions, etc. and fund management;

- financing overseas subsidiaries, joint ventures of Indian corporates for their investment out of India and other corporates for their trade with India; and

- extending lines of credit and buyer's credit to entities outside India for financing imports from India.

Regulation of the London Branch

The London branch operations are governed by the corporate policies of the Bank framed by the Head Office in India.

The London Branch had received permission from the erstwhile FSA, to undertake the following regulated activities in the UK:

- accepting deposits (limited to wholesale business); and

- dealing in investments as principal.

Since the branch was not undertaking any of the above activities, the branch decided to surrender the authorisation to undertake the above activities and accordingly it filed an application for cancellation of the authorisation with the UK Regulators on March 31, 2015, which was accepted on December 23, 2015. Thus with effect from December 23, 2015 the London Branch is not authorized and regulated by the Prudential Regulatory Authority and the Financial Conduct Authority and is regulated only by the RBI.

The branch is registered with the FCA as an Annex I financial institution under the money laundering regulations and continues to be governed by the applicable money laundering legislations including but not limited to the Proceeds of Crime Act 2002, Terrorism Act 2000, Counter Terrorism Act 2008 and the Money Laundering Regulations 2017 of the United Kingdom as amended from time to time. The branch is also registered with the Information Commissioner in compliance with the provisions of the UK Data Protection Act 2018.

MANAGEMENT AND EMPLOYEES

The Bank is fully owned by the Government and is managed by a Board of Directors with representation, inter alia, from the Government, the RBI, IDBI Bank Ltd ("**IDBI**"), ECGC Limited ("**ECGC**"), other banks and domain experts. The Bank's operations are organized into the following operating divisions: project exports, lines of credit, corporate banking and marketing advisory services groups, which are in turn supported by research and analysis, treasury and accounts, information technology and corporate services groups.

Key Managerial Personnel (as on May 24, 2022)

Name	Function	Qualifications	Joining	Experience (in years)
Ms. Harsha Bangari Managing Director	Supervision of the Bank's operations and activities of various divisions of the Bank	B. Com., C.A.	January 25, 1995	27
Mr. N. Ramesh Deputy Managing Director	Supervision of the Bank's operations and activities of various divisions of the Bank	B.E. PGPPM	November 23, 2020	18
Mr. Mukul Sarkar Chief General Manager	Supervision of the Bank's Risk Management and Strategy division	B. Tech., MBA	August 24, 1998	31
Mr. David Sinate Chief General Manager	Supervision of the Bank's research and analysis division	M.A.	October 5, 1998	30
Mr. Prahalathan Iyer Chief General Manager	Supervision of the Bank's research and analysis division	M.A., MBA	July 20, 1998	34
Ms. Rima Marphatia Chief General Manager	Supervision of the Bank's Internal Audit division	ICWAI, PGDM	June 1, 1990	31
Ms. Manjiri Bhalerao Chief General Manager	Supervision of the Bank's Compliance Division and head – Sustainability Group	B.E., MIB	May 27, 1997	25
Ms. Deepali Agrawal Chief General Manager	Supervision of the Bank's Special Situations Division and Corporate Communications division	B. Com., MMS	May 25, 1995	27
Mr. Tarun Sharma Chief General Manager	Supervision of the Bank's operations and activities of Treasury & Accounts and Information Technology Divisions	B.E., P.G.P.M.S	May 12, 1999	23
Mr. Utpal Gokhale Chief General Manager	Supervision of the Bank's Administration division and Rajbhasha division	B.E., PGDM	May 4, 1995	27
Mr. Gaurav Bhandari Chief General Manager	Supervision of the Bank's Risk Management, Grassroots initiatives and development and marketing advisory services, Knowledge Centre and Special Projects (Sustainability and Portal) divisions	ICWAI, PGDM	July 7, 2000	29
Mr. T.D. Sivakumar General Manager	Supervision of the Bank's Corporate Business Development division	B. Tech, MBA	May 25, 2000	25
Ms. Meena Verma General Manager	Supervision of the Bank's Corporate Loan Monitoring division	B. Com., MBA	June 27, 2005	22
Mr. Vikramaditya Ugra General Manager	Supervision of the Bank's Credit Appraisal (I) Division	B.A., MMS	June 3, 1996	26

Name	Function	Qualifications	Joining	Experience (in years)
Mr. Sujeet Bhale General Manager	Supervision of the Bank's Corporate Loan Operations division	B.E., MBA, CAIIB	January 6, 2012	26
Mr. Dharmendra Sachan General Manager	Supervision of the Bank's grassroots initiatives and development and marketing advisory services, Knowledge Centre and Special Projects (Sustainability and Portal) divisions	B. Com. B.L.I.Sc. M.L.I.Sc, Diploma in Computer Science	September 1, 2004	30
Ms. Shilpa Waghmare General Manager	Supervision of the Bank's Special Situations Division	B. Com, MBA, CAIIB	November 15, 2011	27
Mr. Uday Shinde General Manager	Supervision of the Bank's Corporate Communication division	B. Com., M.A. (PM&IR)	May 15, 1997	25
Mr. Lokesh Kumar General Manager	Supervision of the Bank's Human Resources Management division	B.Sc. Engineering, PG Diploma in Financial Management, MBA, CAIIB	April 7, 2008	27
Mr. Saroj Khuntia General Manager	Supervision of the Bank's Lines of Credit Division	M. Com, MFC, CAIIB	March 8, 2006	21
Mr. Rikesh Chand General Manager	Spearheading one of the Bank's flagship programmes, i.e. Buyer's Credit under the National Export Insurance Account	B. E., CAIIB	July 5, 2004	21
Mr. Nirmit Ved General Manager	Supervision of the functions of the Bank's New Delhi office, Lines of Credit and Government Affairs Cell division	B. Com, MMS, MBF	August 23, 2000	24
Mr. Dayanand Shetty General Manager	Supervision of the Bank's Administration Division	B. Com	February 5, 1987	32
Ms. Meghana Joglekar General Manager	Supervision of the Sustainable Enterprise and Export Development Group	B. Com, PG Diploma in International Business	June 10, 2002	20
Ms. Priti Thomas General Manager	Supervision of the Bank's Legal Division	B.A., L.L.B	May 15, 2000	22
Mr. Manish Joshi General Manager	Supervision of the Bank's Credit Appraisal (II) division	B.E., EPGP in Finance, CAIIB	July 1, 2011	33

Board of Directors

Under section 6(1) of the Act, the Board of Directors of the Bank shall consist of the following; namely:

(a) a chairman and a managing director appointed by the Government;

(b) two full-time directors appointed by the Government;

(c) one director nominated by the RBI;

(d) one director nominated by the Development Bank;

(e) one director nominated by the ECGC Limited;

(f) not more than 12 directors nominated by the Government of whom:

  (i) five directors shall be officials of the Government;

  (ii) not more than three directors shall be from the scheduled banks; and

  (iii) not more than four directors shall be persons who have special knowledge of, or professional experience in, export or import or financing thereof.

As of May 18, 2022, the Bank's Board of Directors are as below:

Name of Director	Designation
Mr. Dammu Ravi	Secretary (ER), Ministry of External Affairs, Government of India
Mrs. Rupa Dutta	Principal Advisor, Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India
Mr. Rajat Kumar Mishra	Additional Secretary, Department of Economic Affairs, Ministry of Finance, Government of India
Mr. Suchindra Misra	Additional Secretary, Department of Financial Service, Ministry of Finance, Government of India
Mr. Vipul Bansal	Joint Secretary, Department of Commerce & Industry, Ministry of Commerce & Industry, Government of India
Mr. Ramanathan Subramanian	Executive Director, Reserve Bank of India
Mr. M. Senthilnathan	Chairman cum Managing Director, ECGC Limited
Mr. Dinesh Khara	Chairman, State Bank of India
Mr. Rakesh Sharma	Managing Director & CEO, IDBI Bank Limited
Mr. Rajkiran Rai Gundyadka	Managing Director & CEO, Union Bank of India
Mr. A.S. Rajeev	Managing Director & CEO, Bank of Maharashtra
Mr. Ashok Kumar Gupta	Non-Official Director
Ms. Harsha Bangari	Managing Director, Export-Import Bank of India
Mr. N. Ramesh	Deputy Managing Director, Export-Import Bank of India

Employees

As of May 24, 2022, the Bank had a total staff of 338 permanent employees. The Bank's professional staff largely comprises specialists, including engineers, economists, bankers, chartered accountants, business school graduates, human resources specialists, legal experts, linguists and information technology experts. The Bank believes that it has good relations with its employees and the work environment is conducive to learning and growth. The Bank does not have a labor union and it has not entered into any collective bargaining agreements with its employees. The Bank has never experienced a strike.

Committees

Under the Act, the Board of Directors may constitute such committees for such purposes as it may think fit. The Management Committee of the Board of Directors, consisting of the Bank's Chairman, Managing Director of the Bank and not more than seven directors, manages the usual business of the Bank including credit decisions, except for such business matters specifically reserved for the control consideration of the full Board of Directors by the Act or Regulations thereunder. Corporate governance is administered through the Bank's Audit Committee. The Audit Committee of the Board looks after the overall supervision of internal control and systems of the Bank and provides direction as also oversees the operation of the total audit function in the Bank, including the organization, operations, quality control of internal audit and follow-up of the statutory audit of the Bank and inspection of RBI. The risk management oversight is through the Risk Management Committee of the Board. The Board of Directors has also constituted an Executive Committee and a Credit Committee, comprising Deputy Managing Director, Chief General Managers, General Managers and Deputy General Managers, with the delegated authority to approve business and other proposals. To facilitate the effective and timely appraisal of business and other proposals, and to achieve a coordinated decision-making process across divisional groups and regional offices, the Bank has established multi-disciplinary groups in different functional areas, such as its Loan Evaluation Committee and Project Evaluation Committee.

The information presented in this section has been extracted from publicly available documents, information and statistics from various sources, including officially prepared materials from the Government and its various ministries, the RBI and the Indian Banks Association, and other Indian bodies and authorities and has not been prepared or independently verified by the Bank, the Arrangers, the Dealers, the Trustee or any of their affiliates or advisers.

The Indian Economy

Growth

India has an estimated population of 1.4 billion people in Fiscal 2021. The Indian economy is the sixth largest economy in the world based on nominal GDP at U.S.$3.2 trillion for the calendar year 2021 (*Source: The International Monetary Fund's World Economic Outlook, April 2022 Update*). Real GDP growth is expected to be in the range of 8.2% (IMF data) for CY 2022. The forecast for CY 2023 is in the range of 6.9% (IMF data). According to IMF, the real GDP growth of India is estimated to be higher than World average of 3.6% and 3.6% in CY2022 and CY2023, respectively (Figure 2).

According to Ministry of Statistics and Programme Implementation (MOSPI), India's FY22 real GDP growth is forecast at 8.7% with services, industry and agriculture constituting 52.7%, 28.87% and 18.6% of GDP, respectively (Figure 1).

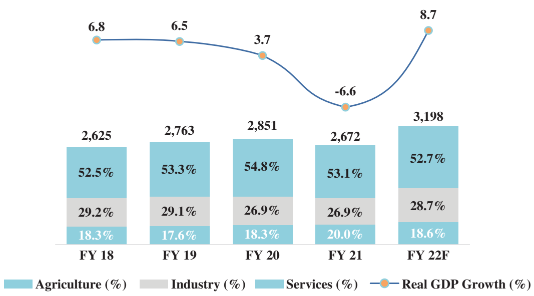


Figure 1

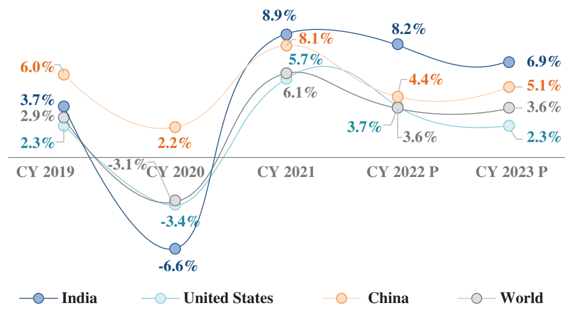


Figure 2

Trade

India's overall exports (Merchandise and Services combined) in FY22 were U.S.$677 billion, exhibiting a jump of 35.9% over FY21. Overall imports for FY22 were U.S.$760 billion, an increase of 48.44% from FY21 (Figure 3). (*Source: Foreign Trade Performance Analysis, Ministry of Commerce and Industry; and Balance of Payments Statistics, RBI*).

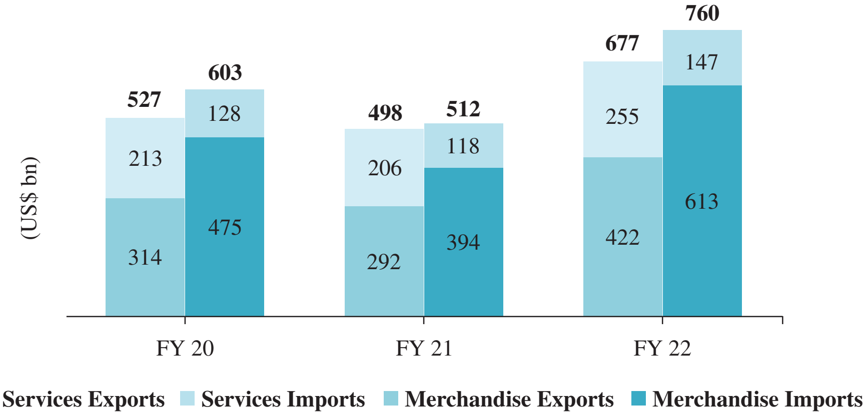


Figure 3 Trade Trends (Source: MOCI and Balance of Payments Statistics, RBI)

Merchandise Trade: In FY22, exports were U.S.$613 billion and imports value stood at U.S.$422 billion. As a result, trade deficit due to merchandise trade was U.S.$189 billion. In FY21, trade deficit due to merchandise trade was U.S.$103 billion. Petroleum crude and products was the most imported merchandise with U.S.$162 billion value of merchandise imported in FY22.

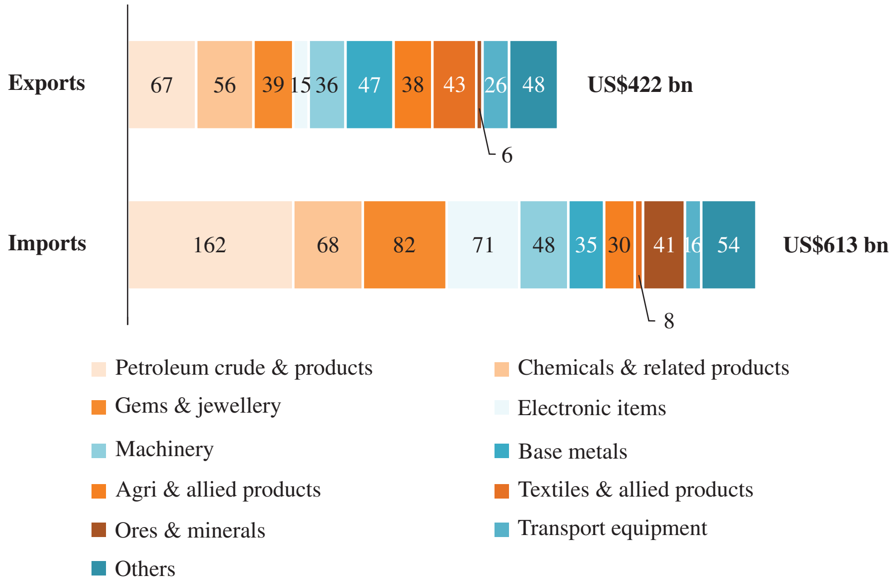


Figure 4 Merchandise Trade Pattern in FY22 (Source: MOCI)

External trade remains strong in FY22. USA and China have been the major trade partners in FY22 with a trade volume of U.S.$119 billion and U.S.$115 billion, respectively FY22. (*Source: India Trade, Ministry of Commerce and Industry*).

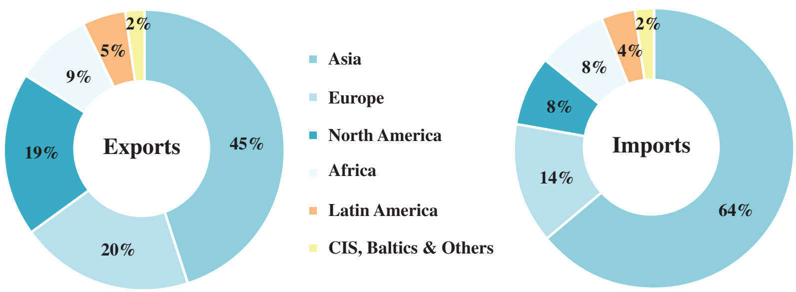


Figure 5 Regional Trade Direction (Source: MOCI)

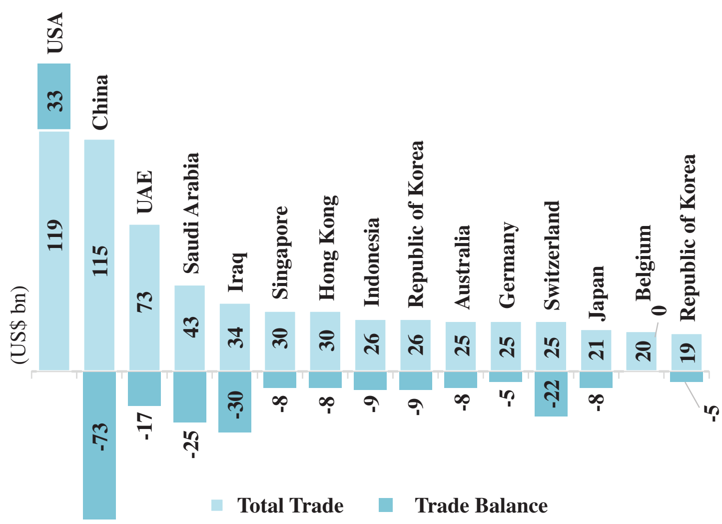


Figure 6 Major Trading Partners

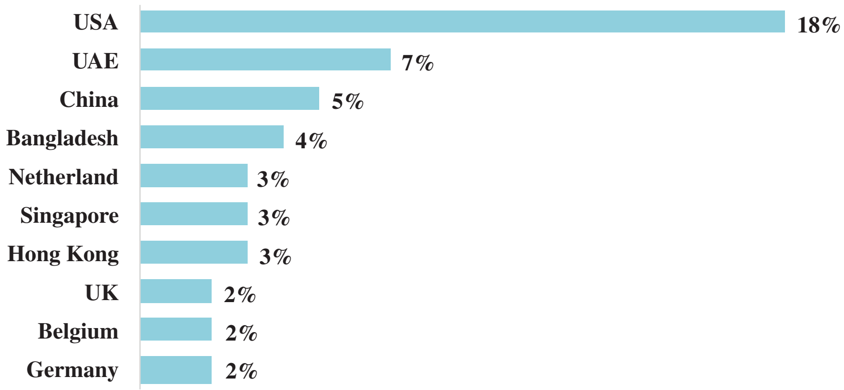


Figure 7 India's Export Markets (Source: MOCI)

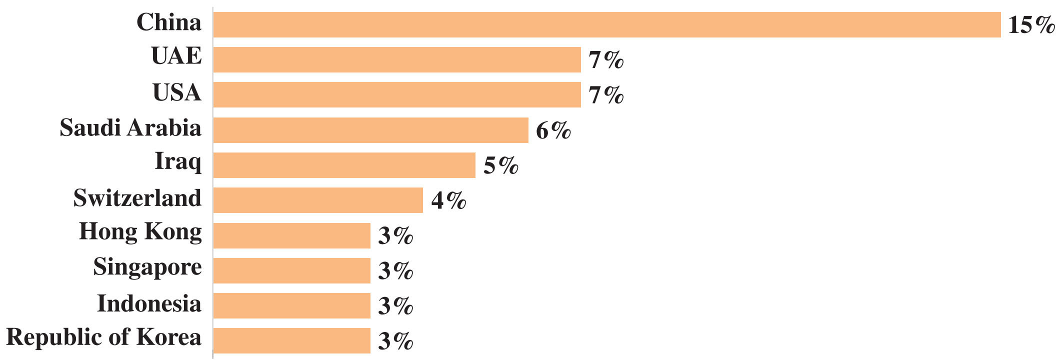


Figure 8 India's Import Sources

Services Trade: In FY22, exports are estimated to be U.S.$255 billion. Imports are estimated to be U.S.$147 billion. Net of Services in FY22 is U.S.$108 billion. (*Source: Ministry of Commerce & Industry*)

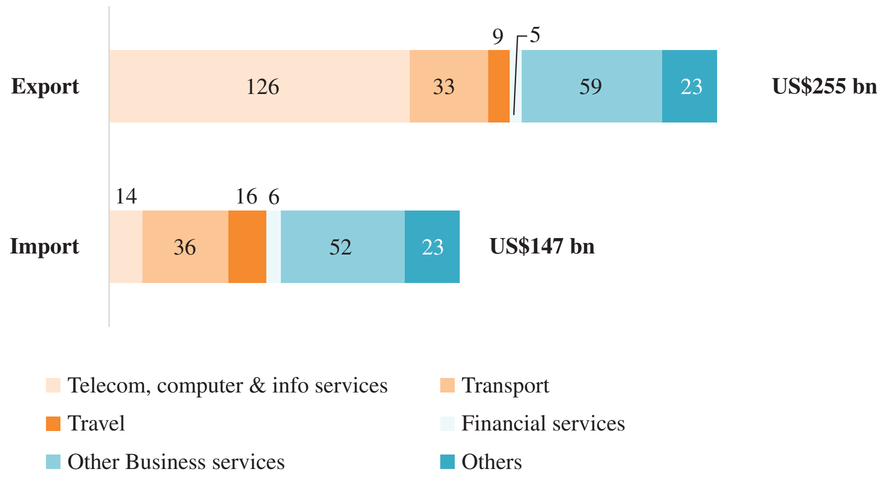


Figure 9 Services Trade Pattern in FY2022

Balance of Payments during 2021-2022:

Source: RBI Data, Developments in India's Balance of Payments during the Third Quarter (October-December) of 2021-22

- India recorded a current account deficit of 1.2% of GDP in FY 2022 as against a surplus of 0.9% in FY 2021 on the back of an increase in the trade deficit (Figure 11).

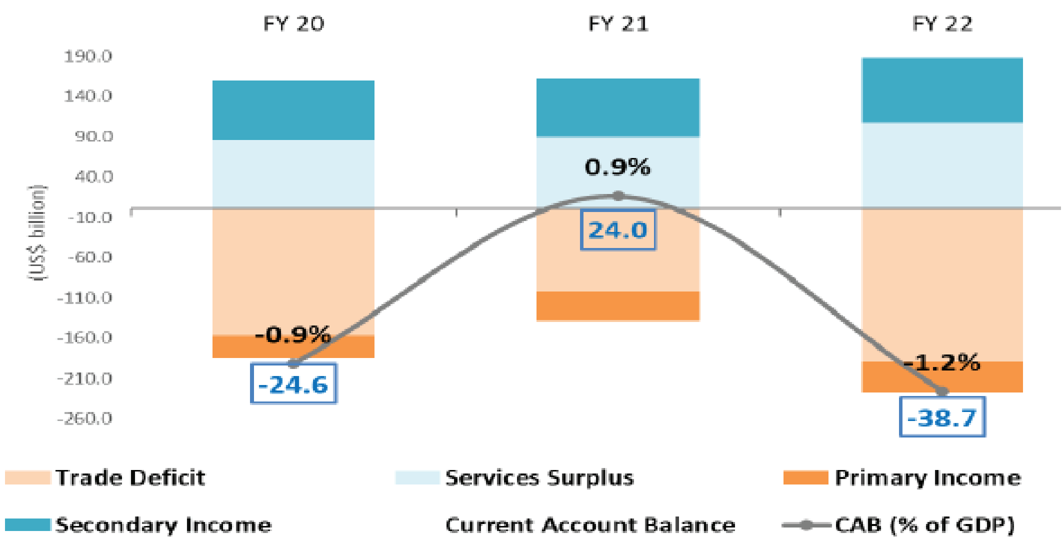


Figure 11 Composition of Current Account Deficit (Source: Balance of Payments, RBI)

Inflation

- CPI inflation for FY22 decreased to 5.5%, from 6.2% annual average CPI headline inflation in FY21. On a monthly basis, however, CPI inflation has been over the upper tolerance limit of 6% since March 2022. Repo rate was increased from 4.0% to 4.4% in May 2022; in June 2022 it was further increased to 4.90%.

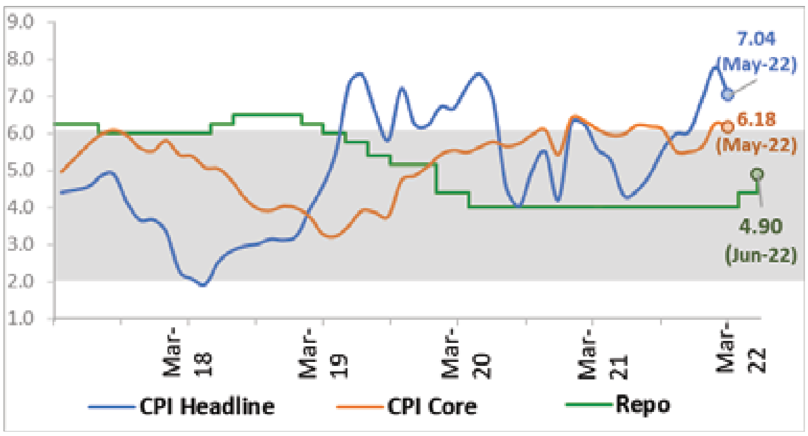


Figure 12 Inflation/Policy Rates (Source: RBI)

- CPI headline inflation rose further from 7.0 per cent in March 2022 to 7.8 per cent in April 2022, reflecting broad-based increase in all its major constituents. Food inflation pressures accentuated, led by cereals, milk, fruits, vegetables, spices and prepared meals. Fuel inflation was driven up by a rise in LPG and kerosene prices. Core inflation (i.e., CPI excluding food and fuel) hardened across almost all components, dominated by the transport and communication sub-group. CPI inflation moderated marginally to 7.04 per cent in May 2022, mainly due to the base effect of the previous year.

- Downside risks to global growth have accentuated with the risk of commodity price driven inflation turning more generalised. Despite global headwinds, domestic macroeconomic conditions continued to strengthen. With a growth rate of 8.7 per cent in 2021-22, India's gross domestic product surpassed its pre-pandemic (2019-20) level by 1.5 per cent and the recovery remains robust in 2022-23 so far.

- The tense global geopolitical situation and the consequent elevated commodity prices impart considerable uncertainty to the domestic inflation outlook. The restrictions on wheat exports should improve the domestic supplies but the shortfall in the rabi production due to the heat wave could be an offsetting risk. The forecast of a normal south-west monsoon augurs well for the kharif agricultural production and the food price outlook. Edible oil prices remain under pressure on adverse global supply conditions, notwithstanding some recent correction due to the lifting of export ban by a major supplier. Consequent to the recent reduction in excise duties, domestic retail prices of petroleum products have moderated. International crude oil prices, however, remain elevated, with risks of further pass-through to domestic pump prices. There are also upside risks from revisions in the prices of electricity. Early results from manufacturing, services and infrastructure sector firms polled in the Reserve Bank's surveys expect further input and output price pressures going forward.

- Taking into account these factors, and on the assumption of a normal monsoon in 2022 and average crude oil price (Indian basket) of U.S.$105 per barrel, inflation is now projected at 6.7 per cent in 2022-23, with Q1 at 7.5 per cent; Q2 at 7.4 per cent; Q3 at 6.2 per cent; and Q4 at 5.8 per cent, with risks evenly balanced (*Source: RBI Monetary Policy Minutes, June 2022*).

Key Macroeconomic Metrics

- General Government Debt: IIF database states that Government debt as a % of GDP is estimated to decrease to 70.5% in FY22 against 74.0% in FY21. The Central Government debt is expected to decrease 190 basis points to 49.0% in FY22 (Figure 13).

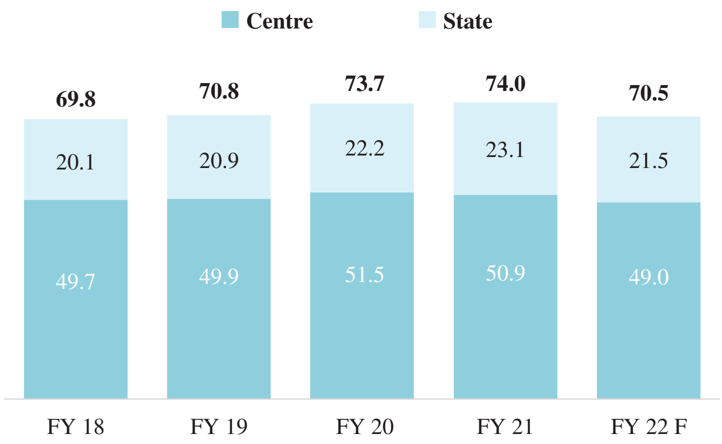


Figure 13 General Government Debt (% of GDP) (Source: Institute of International Finance)

- External Debt and External Reserves: At 31 March 2022, India's external debt was placed at U.S.$620.7 billion, recording an increase of U.S.$47.0 billion over its level at end-March 2021. On the other hand, external reserves rose to U.S.$607.3 billion in March 2022 from U.S.$577 billion in March 2021 (*Source: RBI/Ministry of Finance*).

- External Reserves to External Debt stands at 97.8% in as of March 2022. (*Source: RBI*)

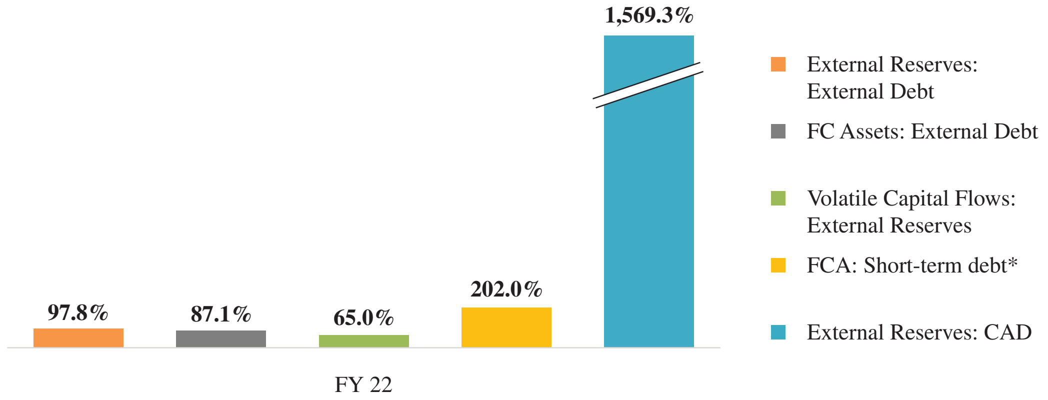


Figure 14 Analysis of External Debt vs External Reserves (Source: RBI/MOF)

*'Volatile Capital Flows' is defined to include cumulative portfolio inflows and short-term debt (RBI); (2) Volatile Capital Flows to Reserves ratio peaked at 97.4% in September 2013; (3) Source: RBI/Ministry of Finance, Government of India; *As on December 31, 2021; **Short-term debt with residual maturity*

- As of March 31, 2022, 89% of the external reserves are in the form of Foreign Currency Assets, followed by 6% in the form of Gold. As of March 31, 2022, External Debt was mainly composed of Commercial Borrowings (37%), Non Resident (22%) and Short-term debt (20%) (*Source: RBI/Ministry of Finance*).

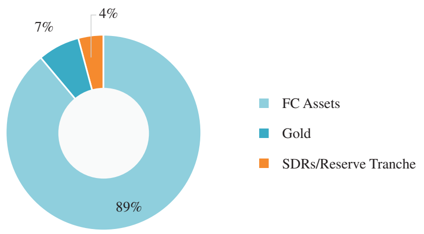


Figure 15 Composition of External Reserves as of March 2022 (Source: RBI/MOF)

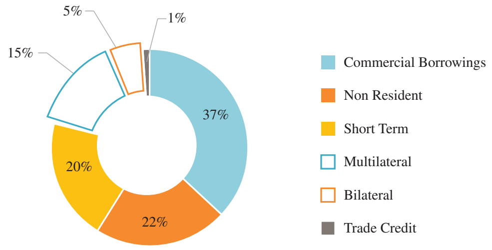


Figure 16 Composition of External Debt as of March 2022 (Source: RBI/MOF)

Key Parameters	**FY20**	**FY21**	**FY22**	**Change**
Gross Domestic Saving (% of GDP)(1)	29.9	28.2	–	–
Gross Domestic Investment (% of GDP)(1)	30.7	27.3	–	–
Gross Fixed Capital Formation (% of GDP)(1)	28.6	26.6	28.6	200 bps
Fiscal Deficit (% of GDP)(1)	4.6	9.2	6.7	(250 bps)
Revenue Deficit (% of GDP)(1)	3.3	7.3	4.4	(290 bps)
FDI Inflows (US$ billion)(2)	74.4	81.9	83.6	2.1%
Exchange Rate (INR/US$, average)(2)	70.9	74.2	74.5	0.4%

(Source: (1) Central Statistics Office; (2) RBI Press Releases and Online Database)

THE INDIAN FINANCIAL SECTOR

Introduction

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for Indian banks and non-banking finance companies (NBFCs). A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including the following:

- commercial banks;
- small banks and payment banks;
- long-term lending institutions;
- NBFCs, including housing finance companies;
- other specialized financial institutions and state-level financial institutions;
- insurance companies; and
- mutual funds.

Until the 1990s, the Indian financial system was strictly controlled. Interest rates were administered by the Government. Formal and informal parameters governed asset allocation and strict controls limited entry into and expansion within the financial sector. Bank profitability was low, NPAs were comparatively high, capital adequacy was diminished and operational flexibility was hindered. The Government's economic reform program, which began in 1991, encompassed the financial sector. The first phase of the reform process began with the implementation of the recommendations of the Committee on the Financial System, namely the Narasimham Committee I. Following that, reports were submitted in 1997 and 1998 by other committees, such as the second Committee on Banking Sector Reform, namely the Narasimham Committee II, and the Tarapore Committee on Capital Account Convertibility. This, in turn, led to the second phase of reforms relating to capital adequacy requirements, asset classification and provisioning, risk management and merger policies. The deregulation of interest rates, the emergence of a liberalized domestic capital market and the entry of new private sector banks have progressively intensified the competition among banks. Banks in India may be categorized as scheduled banks and non-scheduled banks, where the former are banks which are included in the second schedule to the RBI Act as amended. These banks comprise scheduled commercial banks and scheduled cooperative banks.

This discussion presents an overview of the role and activities of the RBI and of each of the major participants in the Indian financial system, with a focus on commercial banks. This is followed by a brief summary of the banking reform process along with the recommendations of various committees that have played a key role in the reform process. A brief discussion on the impact of the liberalization process on long-term lending institutions and commercial banks is then presented. Finally, reforms in the NBFCs are briefly reviewed.

Key Banking Sector Parameters

Key Parameters (in %, unless stated otherwise)	FY19	FY20	FY22	Change
Credit Deposit Ratio	76.0	71.5	71.9	40 bps
Banking Sector CRAR	14.8	16.3	16.7	40 bps
Banking Sector Net NPAs	2.8	2.4	1.7	(70 bps)
Provisioning Coverage Ratio	66.2	67.6	70.9	330 bps
NBFC CRAR	24.4	26.3	26.9	60 bps
NBFC Net NPAs	3.4	2.7	3.3	60 bps

(Source: RBI Financial Stability Report, and RBI Database on Indian Economy accessed on June 30, 2022)

The Reserve Bank of India

The RBI, established in 1935, is the central banking and monetary authority in India. The RBI manages the country's money supply and foreign exchange, and also serves as a bank for the Government and for the country's commercial banks. In addition to these traditional central banking roles, the RBI undertakes certain developmental and promotional roles.

The RBI issues guidelines on exposure limits, income recognition, asset classification, provisioning for non-performing and restructured assets, investment valuation and capital adequacy for commercial banks, long-term lending institutions and NBFCs. The RBI requires these institutions to furnish information relating to their businesses to it on a regular basis. For further discussion regarding the RBI's role as the regulatory and supervisory authority of India's financial system and its impact on the Bank, see "Supervision and Regulation".

The Preamble of the RBI describes the basic functions of the RBI as:

"to regulate the issue of Bank notes and keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage; to have a modern monetary policy framework to meet the challenge of an increasingly complex economy, to maintain price stability while keeping in mind the objective of growth."

Commercial Banks

Commercial banks in India have traditionally focused on meeting the short-term financial needs of industry, trade and agriculture. In recent years, they have also focused on increasing long-term financing to sectors like infrastructure. As of December 2021, there were 136 scheduled commercial banks in the country, including 43 regional rural banks ("**RRBs**"). Scheduled commercial banks are banks that are listed in the schedule to the Reserve Bank of India Act, 1934 (the "**RBI Act**") and are further categorized as public sector banks, private sector banks and foreign banks. Scheduled commercial banks have a presence throughout India with a network of 151,004 branches, and approximately 63.12% of these branches were located in rural or semi-urban areas of the country as of December 2021. A large number of these branches belong to the public sector banks. (Commercial Banks at a Glance, Quarterly Statistics, RBI).

Public Sector Banks

Public sector banks make up the largest category in the Indian banking system. On August 30, 2019, the Union Finance Minister announced merger of six public sector banks ("**PSBs**") with four better performing anchor PSBs in order to streamline their operation and size. The merger has come into effect from April 1, 2020. After the merger, there are only 12 PSBs in India and 43 RRBs. Excluding the RRBs, the remaining public sector banks have accounted for 54.87% of gross bank credit and 59.63% of the aggregate deposits of the scheduled commercial banks as of December 31, 2021. The public sector banks' large network of branches enables them to fund themselves out of low-cost savings and current accounts.

The National Bank for Agriculture and Rural Development ("**NABARD**") is responsible for supervising the functions of the RRBs. In 1986, the Kelkar Committee made comprehensive recommendations covering both the organizational and operational aspects of RRBs, several of which were adopted as amendments to the Regional Rural Banks Act, 1976. Simultaneously, prudential norms on income recognition, asset classification and provisioning for loan losses following customary banking benchmarks were introduced.

As of December 31, 2021, RRBs accounted for 3.87% of aggregate deposits and 3.56% of gross bank credit outstanding of scheduled commercial banks.

Private Sector Banks

Most large banks in India were nationalized in 1969, resulting in public sector banks making up the largest portion of Indian banking. In July 1993, as part of the banking reform process and as a measure to induce competition in the banking sector, the RBI permitted entry of the private sector into the banking system. This resulted in the introduction of private sector banks. As of January 31, 2022, there was a total of 21 private banks.

As of December 31, 2021, private sector banks accounted for approximately 31.18% of aggregate deposits and 36.68% of gross bank credit outstanding of the scheduled commercial banks.

On April 2, 2014, the RBI granted "in-principle" approval to two applicants (IDFC Limited and Bandhan Financial Services Private Limited) to set up banks under the New Banks Licensing Guidelines. In the future, the RBI intends to issue licenses on an on-going basis, subject to the RBI's qualification criteria.

In the Union Budget, the Government announced its intent to take up the privatisation of two PSBs in the year and approved a policy of strategic disinvestment of public sector enterprises. The government think-tank NITI Aayog has already suggested two banks and one insurance company to the Core Group of Secretaries on Disinvestment for privatization.

As per the process, the Core Group of Secretaries, headed by the Cabinet Secretary, will send its recommendation to Alternative Mechanism (AM) for its approval and eventually to the Cabinet headed by the Prime Minister for the final nod.

Foreign Banks

As of January 31, 2022, there were 44 foreign banks operating in India with a combined total of 269 branches. As of December 31, 2021, they accounted for 5.86% of aggregate deposits and 4.70% of outstanding gross bank credit of scheduled commercial banks.

In 2009, as part of the liberalization process that accompanied the second phase of the reform process that began in 2005, the RBI began permitting foreign banks to operate more freely, subject to requirements largely similar to those imposed on domestic banks. The primary activity of most foreign banks in India has been in the corporate segment. However, some of the larger foreign banks have made retail banking a significant part of their portfolios.

Cooperative Banks

Cooperative banks cater to the financing needs of agriculture, small industry and self-employed businesspersons in urban and semi-urban areas of India. The state land development banks and the primary land development banks provide long-term credit for agriculture.

On June 27, 2020, the President of India approved the Banking Regulation (Amendment) Ordinance, 2020. This amendment would bring all urban cooperative banks and multi-state cooperative banks under the supervision of the RBI.

Long-Term Lending Institutions

The long-term lending institutions were established to provide medium-term and long-term financial assistance to various industries for setting up new projects and for the expansion and modernization of existing facilities. These institutions provided fund-based and non-fund-based assistance to industry in the form of loans, underwriting, direct subscription to shares, debentures and guarantees.

The long-term funding needs of Indian companies are primarily met by banks, the Life Insurance Corporation of India ("**LIC**"), and specialized NBFCs such as Infrastructure Development Finance Corporation. Indian banking companies also make bond issuances to institutional and retail investors.

In January 2019, LIC completed acquisition of 51% of IDBI Bank, making it the majority shareholder in the bank. Accordingly, RBI categorized IDBI Bank as a 'Private Sector Bank' for regulatory purposes.

Non-Banking Financial Companies

As of January 2021, there were about 9,507 NBFCs in India mostly in the private sector. All NBFCs are required to register with the RBI. NBFCs can be classified on the basis of (a) their asset/liability structures; (b) their systemic importance; and (c) the activities they undertake. In terms of liability structures, NBFCs are subdivided into deposit-taking NBFCs (NBFCs-D) – which accept and hold public deposits – and non-deposit taking NBFCs (NBFCs-ND); – which rely on markets and banks to raise money. Among NBFCs-ND, those with an asset size of Rs.500 crore or more are classified as non-deposit taking systemically important NBFCs (NBFCs-ND-SI). Since NBFCs cater to niche areas, they are also categorised on the basis of activities they undertake. Till February 21, 2019, NBFCs were divided into 12 categories. Thereafter, these categories were harmonised in order to provide NBFCs with greater operational flexibility. As a result, asset finance companies (AFCs), loan companies (LCs) and investment companies (ICs) were merged into a new category called Investment and Credit Company (NBFC-ICC). The companies which take public deposits are subject to strict supervision and the capital adequacy requirements of the RBI.

The primary activities of the NBFCs are providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bill discounting for small and medium companies and infrastructure finance, and fee-based services such as investment banking and underwriting.

The RBI circular on "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions" dated July 1, 2016 and the master direction "Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016" dated September 1, 2016 state that the minimum capital ratio consisting of Tier I and Tier II capital shall not be less than 15% of its aggregated risk-weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items.

In order to boost credit to the needy segment of borrowers, the RBI, on August 13, 2019, decided that bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector under respective categories (Agriculture, Micro & Small enterprises, and Housing) up to March 31, 2020, subject to certain conditions. This was extended to September 30, 2021 on April 7, 2021.

The regulatory framework for NBFCs was revised in October 2021 to introduce scale-based regulation. Under the new framework, NBFCs are placed in four layers, based on their size, activity, and perceived riskiness, viz., Base Layer (BL), Middle Layer (ML), Upper Layer (UL) and a possible Top Layer (TL). The regulations are progressively tighter for the higher layers. Regulations for NBFCs in the Base Layer (NBFC-BL) are broadly in line with extant regulations for non-deposit taking NBFCs (NBFC-ND), except for changes in governance and prudential guidelines. NBFCs in the Middle Layer (NBFCML) will be regulated on the lines of systemically important non-deposit taking NBFCs (NBFC-ND-SI), deposit taking NBFCs (NBFC-D), core investment companies (CICs), standalone primary dealers (SPDs) and housing finance companies (HFCs), as the case may be, except for changes in capital, prudential and governance guidelines. NBFCs lying in the Upper Layer (NBFC-UL) are subject to regulations applicable to NBFCs in the Middle Layer (NBFC-ML) with additions such as introduction of common equity tier 1 of 9% of risk weighted assets and leverage requirements, mandatory listing, qualification of board members and the like. For NBFCs falling in the Top Layer (ideally vacant), while no specific regulation has been provided, they will, inter alia, be subjected to higher capital charges and enhanced supervisory engagement.

In June 2022, the RBI released provisioning norms for standard assets by upper-layer (large) non-banking financial companies (NBFC-UL). According to the regulations, these large or upper layer NBFCs will have to set aside a loan amount in the range of 0.25 – 2 per cent for standard assets as provisions, depending on different asset categories like small and micro enterprises (SMEs), real estate, and housing loans.

Housing Finance Companies

Housing finance companies form a distinct sub-group of NBFCs. As a result of the various incentives given by the Government for investing in the housing sector in recent years, the scope of this business has grown substantially. The Housing Development Finance Corporation Limited is a leading provider of housing finance in India. The National Housing Bank Act provides for the securitization of housing loans, foreclosure of mortgages and setting-up of the Mortgage Credit Guarantee Scheme.

In August 2019, the Central Government issued notification conferring certain powers for regulation of Housing Finance Companies (HFCs) with RBI. HFCs will henceforth be treated as one of the categories of NBFCs for regulatory purposes. Given below are the major changes envisaged in the regulatory framework for HFCs:

- Defining 'qualifying assets': Qualifying Assets refer to 'housing finance' or 'providing finance for housing' as following:
    - Not less than 50% of net assets are in the nature of 'qualifying assets' for HFCs, of which at least 75% should be towards individual housing.
    - "Net assets" shall mean total assets other than cash and bank balances and money market instruments.
- Classifying HFCs into systemically important and non-systemically important entities for regulatory purposes.

- Minimum Net Owned Fund Bank proposes to increase the minimum NOF for HFCs from the requirement of Rs.10 crore to Rs.25 crore. For existing HFCs the glide path would be to reach Rs.15 crore within 1 year and Rs.25 crore within 2 years.

- Harmonising definitions of Capital (Tier I & Tier II) with that of NBFCs: The components of Tier I and Tier II capital are similar for NBFCs and HFCs except for the treatment of perpetual debt instruments (PDI). Presently PDIs are not considered as part of capital of HFCs unlike that of NBFC.

In addition to the above, RBI released a revised regulatory framework on October 22, 2020 where they stipulated that HFC's should have at least 60% of their net assets deployed in the business of providing finance for housing by March 31, 2024. RBI notified that any HFC not having 60% of its net assets deployed for housing loans must get 50% of its books utilised for such loans by March 31, 2022, 55% by March 31, 2023 and 60% by March 31, 2024.

Small Finance Banks and Payment Banks

The RBI issued guidelines in November 2014 on the entry of "Small Finance Banks" (SFBs) and "Payment Banks" into the private sector in the banking industry, including the eligibility criteria, structure, capital requirements, shareholding structure and corporate governance practices applicable to such proposed entities. On December 5, 2019, the RBI issued the Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector. As of January 31, 2022, six entities had functioning payment banks and in addition, twelve entities had a functioning small finance bank (RBI website).

Other Financial Institutions

Specialized Financial Institutions

Financial Institutions in India are classified under All India Financial Institutions (AIFIs), Specialised Financial Institutions, and Investment Institutions. The AIFIs include Export-Import Bank of India, NABARD, SIDBI and NHB; Specialized Financial Institutions include IFCI Venture Capital Funds (IVCF) Ltd., ICICI Venture Ltd. and Tourism Finance Corporation of India Ltd. (TFCI); and Investment Institutions include GIC and LIC.

The National Bank for Financing Infrastructure and Development Bill, 2021 was introduced in Lok Sabha on March 22, 2021. The Bill seeks to establish the National Bank for Financing Infrastructure and Development (NBFID) as the principal development financial institution (DFIs) for infrastructure financing. DFIs are set up for providing long-term finance for such segments of the economy where the risks involved are beyond the acceptable limits of commercial banks and other ordinary financial institutions. Unlike banks, DFIs do not accept deposits from people. They source funds from the market, government, as well as multi-lateral institutions, and are often supported through government guarantees.

NBFID will be set up as a corporate body with authorised share capital of one lakh crore rupees. Shares of NBFID may be held by: (i) central government, (ii) multilateral institutions, (iii) sovereign wealth funds, (iv) pension funds, (v) insurers, (vi) financial institutions, (vii) banks, and (viii) any other institution prescribed by the central government. Initially, the central government will own 100% shares of the institution which may subsequently be reduced up to 26%.

State-Level Financial Institutions

State financial corporations operate at the state level and form an integral part of the institutional financing system. State financial corporations were set up to finance and promote SMEs. The state financial institutions are expected to achieve balanced regional socio-economic growth by generating employment opportunities and widening the ownership base of industry. At the state level, there are also state industrial development corporations, which provide finance primarily to medium-sized and large enterprises.

Insurance Companies

At the end of March 2021, there are 67 insurers operating in India; of which 24 are life insurers, 27 are general insurers, five are standalone health insurers and 11 are re-insurers including foreign reinsurers branches and Lloyd's India.

Of the 67 insurers presently in operation, eight are in the public sector and the remaining 59 are in the private sector. Two specialized insurers, namely ECGC and AIC, one life insurer namely LIC of India (LIC), four in general insurance and one in reinsurance namely GIC Re are in public sector. In private sector, there are 23 life insurers, 21 general insurers, five standalone health insurers and 10 reinsurers including foreign reinsurers' branches and Lloyd's India. In March 2021, lawmakers approved the legislation on increasing the limit on foreign direct investment in insurance companies to 74% from 49% which was set in March 2015.

The insurance sector in India is regulated by the Insurance Regulatory and Development Authority.

For fiscal 2021, the life insurance industry recorded a premium income of Rs.6,287.31 billion as against a premium income of Rs.5,729.10 billion in fiscal 2020, a growth of 9.74% as against 12.75% in the previous fiscal. While private sector insurers posted 16.50% growth for fiscal 2021 as against 13.42% in fiscal 2020 in their premium income, LIC recorded 6.30% growth for fiscal 2021 as against a growth of 12.41% in fiscal 2020. During 2021, the market share of private players increased from 33.78% in fiscal 2020 to 35.86% in fiscal 2021. While renewal premium accounted for 55.67% for fiscal 2021 of the total premium received by the life insurers, new business premium contributed the remaining 44.33%.

During fiscal 2021, growth in renewal premium was 11.60% as against a growth of 7.00% in fiscal 2020. First year premium registered a decline of 21.01% in fiscal 2021 in comparison to a growth of 39.71% during 2020. (*Source*: *IRDAI Annual Report, 2021*)

Mutual Funds

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India at the initiative of the Government and the RBI. From 1963 to 1987, Unit Trust of India was the only mutual fund operating in India. From 1987 onwards, several other public sector mutual funds entered this sector. These mutual funds were established by public sector banks, LIC and General Insurance Corporation of India. The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the SEBI (Mutual Fund) Regulation, 1996. As of April 30, 2022, AMC's had total assets under management of Rs.38.036 trillion, a 5.4x fold increase from Rs.7.00 trillion as of March 31, 2011. (*Source*: *https://www.amfiindia.com/indian-mutual*)

The economic impact of COVID-19 has led to redemption pressures related to closure of some debt Mutual Funds and potential contagious effects therefrom. The RBI opened a Special Liquidity Facility for Mutual Funds (SLF-MF) worth Rs.50,000 crore on April 27, 2020, to ease the liquidity pressures on Mutual Funds. Under the SLF-MF the RBI would conduct repo operations of 90 days tenor at the fixed repo rate.

Banking Sector Reform

Most large banks in India were nationalized in 1969 and thereafter were subject to a high degree of control until reform began in 1991. In addition to controlling interest rates and entry into the banking sector, these Government regulations also channelled lending into priority sectors.

The Committee on the Financial System ("**Narasimham Committee I**") was set up in August 1991 to recommend measures for reforming the financial sector. The recommendations of the committee addressed organizational issues, accounting practices and operating procedures. The second Committee on Banking Sector Reform ("**Narasimham Committee II**") submitted its report in April 1998. The major recommendations of the committee were in respect of capital adequacy requirements, asset classification and provisioning, risk management and merger policies.

Commercial Banking Trends

Credit

The aggregate deposits have increased by 9.56% while loans and advances increased by 7.87% in the period of December 30, 2020 to December 31, 2021. As at December 31, 2021, public sector banks (excluding RRBs) accounted for the largest share of 59.63% aggregate deposits and 54.87% in gross bank credit, followed by private sector banks with 31.18% aggregate deposits and 36.68% in gross bank credit. As of the end of December 2021, the credit-deposit ratio for scheduled commercial banks was 74.4%, compared to 82.2% in the previous year (*Source: Reserve Bank of India – Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks: February 2022*).

From December 31, 2020 to December 31, 2021, private sector banks (12.50%) indicated a higher credit growth as compared to public sector banks (4.07%).

Interest Rates and Inflation

RBI has increased its repo rate by 50 bps in June 2022 meeting to 4.90%. The Monetary Policy Committee also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

CPI headline inflation rose further from 7.0 per cent in March 2022 to 7.8 per cent in April 2022, reflecting broad-based increase in all its major constituents. Food inflation pressures accentuated, led by cereals, milk, fruits, vegetables, spices and prepared meals. Fuel inflation was driven up by a rise in LPG and kerosene prices. Core inflation (i.e., CPI excluding food and fuel) hardened across almost all components, dominated by the transport and communication sub-group. CPI inflation moderated marginally to 7.04 per cent in May 2022, mainly due to the base effect of the previous year.

Downside risks to global growth have accentuated with the risk of commodity price driven inflation turning more generalised. Despite global headwinds, domestic macroeconomic conditions continued to strengthen. With a growth rate of 8.7 per cent in 2021-22, India's gross domestic product (GDP) surpassed its pre-pandemic (2019-20) level by 1.5 per cent and the recovery remains robust in 2022-23 so far.

The tense global geopolitical situation, supply conditions and the consequent elevated commodity prices impart considerable uncertainty to the domestic inflation outlook.

Taking into account these factors, and on the assumption of a normal monsoon in 2022 and average crude oil price (Indian basket) of US$105 per barrel, inflation is now projected at 6.7 per cent in 2022-23, with Q1 at 7.5 per cent; Q2 at 7.4 per cent; Q3 at 6.2 per cent; and Q4 at 5.8 per cent, with risks evenly balanced (*Source: RBI Monetary Policy Minutes, June 2022*).

Earlier, inflation in India was more supply driven and now it is more linked to demand. RBI has changed its gears in tackling inflation by tightening its open market operations in April and May 2022. The average daily absorption under the liquid adjustment facility moderating to ₹5.5 lakh crore during May 4–May 31 from ₹7.4 lakh crore during April 8–May 3, 2022 in consonance with the policy of gradual withdrawal of accommodation.

Asset Quality

SCBs' gross non-performing assets ("**GNPA**") and net NPA ("**NNPA**") ratios continued to decline and stood at 5.9% and 1.7%, respectively, in March 2022. The provisioning coverage ratio ("**PCR**") of SCBs taken together increased from 67.6% in March 2021 to 70.1% in March 2022 (*Source: RBI Financial Stability Report, July 2022*).

Income and Profitability

The capital to risk-weighted assets ratio ("**CRAR**") of SCBs improved considerably to 16.7% in March 2022 over March 2021. The CRAR of Private Sector Banks (PVBs) and Foreign Banks (FBs) remained above 18 per cent in March 2022. In case of SCBs, the system level Tier-I leverage ratio has also been rising after March 2020 and stood at 7.1 per cent in March 2022.

Net interest margin (NIM) of SCBs increased marginally during 2021-22 and stood at 3.4 per cent. While NIMs of all bank groups increased during second half of 2021-22, they remained lower for Public Sector Banks (PSBs) than PVBs. PSBs recorded high growth in profit after tax (PAT). The return on assets (RoA) and return on equity (RoE) ratios improved during second half of 2021-22. PVBs, which have been maintaining higher profitability than PSBs, improved their profile from the moderation recorded in the first half of the year (*Source: RBI Financial Stability Report July 2022*).

Recent Key Structural Reforms

Banking Regulation (Amendment) Ordinance, 2020

On June 27, 2020, the President of India approved the Banking Regulation (Amendment) Ordinance, 2020 ("**2020 Ordinance**"). This amendment would bring all urban cooperative banks and multi-state cooperative banks under the supervision of the RBI. The 2020 Ordinance seeks to protect the interests of depositors and strengthen cooperative banks by improving governance and oversight by extending powers already available with RBI in respect of other banks to Cooperative Banks as well for sound banking regulation, and by ensuring professionalism and enabling their access to capital.

Banking Regulation (Amendment) Act, 2020 notified for the Primary (Urban) Co-operative Banks ("**UCBs**") on September 29, 2020 and deemed to have been effective from June 29, 2020 which stipulates that UCB's will not be allowed to make, provide or renew any loans and advances or extend any other financial accommodation to or on behalf of their directors or their relatives, or to the firms/companies/concerns in which the directors or their relatives are interested.

Prudential Framework for Resolution of Stressed Assets Directions, 2019

On June 7, 2019, RBI issued the 'Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019' ("**Stressed Asset Directions**"). The new rule mandates the lenders to initiate insolvency resolution under the Bankruptcy Code if a Borrower fails to pay even at the end of the 180 days of first default. Directions are issued with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets.

As per the Stressed Asset Directions, in the event of a default by a borrower, all lenders to the borrower would put in place a resolution plan ("**RP**") within 30 days of such default ("**Review Period**"). During this Review Period, the lenders would decide on a resolution strategy, which includes sale of loan, legal action for debt recovery, immediate referral to NCLT, restructuring or change in ownership. The ICA shall provide that any decision agreed by lenders representing 75% by value of total outstanding credit facilities (fund based as well non-fund based) and 60% of the lenders by number shall be binding upon all the lenders.

Base Rate System

The benchmark prime lending rate (the "**BPLR**") system, introduced in 2003, fell short of its original objective of bringing transparency to lending rates.

On December 17, 2015, the RBI released the final guidelines on computing interest rates on advances based on the marginal cost of funds. The guidelines came into effect on April 1, 2016. Apart from helping improve the transmission of policy rates into the lending rates of banks, these measures are expected to improve transparency in the methodology followed by banks for determining interest rates on advances.

The highlights of the guidelines are as follows:

- all rupee loans sanctioned and credit limits renewed with effect from April 1, 2016 will be priced with reference to the marginal cost of funds based lending rate ("**MCLR**") which will be the internal benchmark for such purposes;

- the MCLR will be a tenor-linked internal benchmark;

- actual lending rates will be determined by adding the components of spread to the MCLR;

- banks will review and publish their MCLR of different maturities every month on a pre-announced date;

- banks may specify interest reset dates on their floating rate loans; and

- the periodicity of reset shall be one year or lower.

Credit Policy Measures

The RBI issues an annual policy statement setting out its monetary policy stance and announcing various regulatory measures. The RBI issues a review of the annual policy statement on a bi-monthly basis.

Monetary Policy Statement for FY2020-21 to FY2022-23 (to date)

The primary objective of monetary policy is to maintain price stability while keeping in mind the objective of growth. Price stability is a necessary precondition to sustainable growth. In May 2016, the Reserve Bank of India (RBI) Act, 1934 was amended to provide a statutory basis for the implementation of the flexible inflation-targeting framework. Accordingly, the Central Government has notified in the Official Gazette 4% Consumer Price Index (CPI) inflation as the target for the period from August 5, 2016 to March 31, 2021 with the upper tolerance limit of 6% and the lower tolerance limit of 2%. On Apr 7 2021, the central government extended the same to March 31, 2026.

First Bi-monthly Monetary Policy Statement for Fiscal 2021 held on May 20-22, 2020

- Reduce the policy repo rate under the liquidity adjustment facility (LAF) by 40 bps to 4.0% from 4.40% with immediate effect.

- Accordingly, the marginal standing facility (MSF) rate and the Bank Rate stand reduced to 4.25% from 4.65%.

- The reverse repo rate under the LAF was reduced to 3.35% from 3.75%. Before this announcement, the RBI on April 17, 2020, reduced the reverse repo rate to 3.75% from the 4.00% announced in the seventh Bi-monthly Monetary Policy Statement for Fiscal 2020.

- The MPC also decided to continue with the accommodative stance as long as it is necessary to revive growth and mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target.

- The inflation outlook is highly uncertain. As supply lines get restored in the coming months with gradual relaxations in the lockdown, the unusual spike in food inflation in April is expected to moderate. The forecast of a normal monsoon also portends well for food inflation. The MPC noted that the macroeconomic impact of the pandemic is turning out to be more severe than initially anticipated, and various sectors of the economy are experiencing acute stress. Beyond the destruction of economic and financial activity, livelihood and health are severely affected. Even as various measures initiated by the Government and the Reserve Bank work to mitigate the adverse impact of the pandemic on the economy, it is necessary to ease financial conditions further. This will facilitate the flow of funds at affordable rates and revive animal spirits.

Second Bi-monthly Monetary Policy Statement for Fiscal 2021 held on August 4-6, 2020

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.

- Consequently, the reverse repo rate under the LAF remains unchanged at 3.35% and the marginal standing facility (MSF) rate and the Bank Rate at 4.25%.

- The MPC also decided to continue with the accommodative stance as long as it is necessary to revive growth and mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

- The MPC noted that the relatively moderate increases in minimum support prices (MSP) for the kharif crops and monsoon are also supportive of benign inflation prospects. Nonetheless, upside risks to food prices remain. The inflation outlook of non-food categories is, however, fraught with uncertainty. Higher domestic taxes on petroleum products have resulted in elevated domestic pump price. Volatility in financial markets and rising asset prices also pose upside risks to the outlook. Taking into consideration all these factors, headline inflation may remain elevated in Q2:2020-21, but may moderate in H2:2020-21 aided by large favourable base effects. For the year 2020-21, as a whole, real GDP growth is expected to be negative.

Third Bi-monthly Monetary Policy Statement for Fiscal 2021 held on October 7-9, 2020

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.

- Consequently, the reverse repo rate under the LAF remains unchanged at 3.35% and the marginal standing facility (MSF) rate and the Bank Rate at 4.25%.

- The MPC also decided to continue with the accommodative stance as long as necessary – at least during the current financial year and into the next financial year – to revive growth on a durable basis and mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

- Kharif sowing portends well for food prices. Pressures on prices of key vegetables like tomatoes, onions and potatoes should also ebb by Q3 with kharif arrivals. On the other hand, prices of pulses and oilseeds are likely to remain firm due to elevated import duties. International crude oil prices have traded with a softening bias in September on a weak demand outlook, but domestic pump prices may remain elevated in the absence of any roll back of taxes. Pricing power of firms remains weak in the face of subdued demand. COVID-19-related supply disruptions, including labour shortages and high transportation costs, could continue to impose cost-push pressures, but these risks are getting mitigated by progressive easing of lockdowns and removal of restrictions on inter-state movements. Taking into consideration all these factors, CPI inflation is projected at 6.8% for Q2:2020-21, at 5.4-4.5% for H2:2020-21 and 4.3% for Q1:2021-22, with risks broadly balanced.

Fourth Bi-monthly Monetary Policy Statement for Fiscal 2021 held on December 2-4, 2020

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.

- Consequently, the reverse repo rate under the LAF remains unchanged at 3.35% and the marginal standing facility (MSF) rate and the Bank Rate at 4.25%.

- The MPC also decided to continue with the accommodative stance as long as necessary – at least during the current financial year and into the next financial year – to revive growth on a durable basis and mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

- CPI inflation rose sharply to 7.3% in September and further to 7.6% in October 2020, with some evidence that price pressures are spreading. Food inflation surged to double digits in October across protein-rich items including pulses, edible oils, vegetables and spices on multiple supply shocks. Core inflation, i.e., CPI excluding food and fuel, also picked up from 5.4% in September to 5.8% in October. Both three months and one year ahead inflation expectations of households have eased modestly in anticipation of the seasonal moderation of food prices in the winter and easing of supply chain disruptions.

Fifth Bi-monthly Monetary Policy Statement for Fiscal 2021 held on February 3-5, 2021

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.
- Consequently, the reverse repo rate under the LAF remains unchanged at 3.35% and the marginal standing facility (MSF) rate and the Bank Rate at 4.25%.
- The MPC also decided to continue with the accommodative stance as long as necessary – at least during the current financial year and into the next financial year – to revive growth on a durable basis and mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.
- After breaching the upper tolerance threshold of 6% for six consecutive months (June-November 2020), CPI inflation fell to 4.6% in December on the back of easing food prices and favourable base effects. Food inflation collapsed to 3.9% in December after averaging 9.6% during the previous three months (September-November) due to a sharp correction in vegetable prices and softening of cereal prices with kharif harvest arrivals, alongside supply side interventions. On the other hand, core inflation, i.e. CPI inflation excluding food and fuel remained elevated at 5.5% in December with marginal moderation from a month ago. In the January 2021 round of the Reserve Bank's survey, inflation expectations of households softened further over a three month ahead horizon in tandem with the moderation in food inflation; one year ahead inflation expectations, however, remained unchanged.

First Bi-monthly Monetary Policy Statement for Fiscal 2022 held on April 5-7, 2021

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.
- Consequently, the reverse repo rate under the LAF remains unchanged at 3.35% and the marginal standing facility (MSF) rate and the Bank Rate at 4.25%.
- The MPC also decided to continue with the accommodative stance as long as necessary to sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.
- Headline inflation increased to 5.0% in February after having eased to 4.1% in January 2021. Within an overall food inflation print of 4.3% in February, five out of twelve food sub-groups recorded double digit inflation. While fuel inflation pressures eased somewhat in February, core inflation registered a generalised hardening and increased by 50 basis points to touch 6%.

Second Bi-monthly Monetary Policy Statement for Fiscal 2022 held on June 2-4, 2021

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.
- Consequently, the reverse repo rate under the LAF remains unchanged at 3.35 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 4.25 per cent.
- The MPC also decided to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.
- Headline inflation registered a moderation to 4.3 per cent in April from 5.5 per cent in March, largely on favourable base effects. Food inflation fell to 2.7 per cent in April from 5.2 per cent in March, with prices of cereals, vegetables and sugar continuing to decline on a y-o-y basis. While fuel inflation surged, core (CPI excluding food and fuel) inflation moderated in April across most sub-groups barring housing and health, mainly due to base effects. Inflation in transport and communication remained in double digits.

Third Bi-monthly Monetary Policy Statement for Fiscal 2022 held on August 4-6, 2021

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.
- Consequently, the reverse repo rate under the LAF remains unchanged at 3.35 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 4.25 per cent.

- The MPC also decided to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

- Headline CPI inflation plateaued at 6.3 per cent in June after having risen by 207 basis point in May 2021. Food inflation increased in June primarily due to an uptick in inflation in edible oils, pulses, eggs, milk and prepared meals and a pick-up in vegetable prices. Fuel inflation moved into double digits during May-June 2021 as inflation in LPG, kerosene, and firewood and chips surged. After rising sharply to 6.6 per cent in May, core inflation moderated to 6.1 per cent in June, driven by softening of inflation in housing, health, transport and communication, recreation and amusement, footwear, pan, tobacco and other intoxicants (as the effects of the one-off post-lockdown taxes imposed a year ago waned), and personal care and effects (due to sharp reduction in inflation in gold).

Fourth Bi-monthly Monetary Policy Statement for Fiscal 2022 held on October 6-8, 2021

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.

- Consequently, the reverse repo rate under the LAF remains unchanged at 3.35 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 4.25 per cent.

- The MPC also decided to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

- Headline CPI inflation at 5.3 per cent in August softened for the second consecutive month, declining by one percentage point from the recent peak in May-June 2021. This was primarily driven by an easing in food inflation. Fuel inflation edged up to a new high in August. Core inflation, i.e. inflation excluding food and fuel, remained elevated and sticky at 5.8 per cent in July-August 2021.

Fifth Bi-monthly Monetary Policy Statement for Fiscal 2022 held on December 6-8, 2021

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.

- Consequently, the reverse repo rate under the LAF remains unchanged at 3.35 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 4.25 per cent.

- The MPC also decided to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

- Headline CPI inflation, which has been on a downward trajectory since June 2021, edged up to 4.5 per cent in October from 4.3 per cent in September on account of a spike in vegetable prices-due to crop damage from heavy rainfalls in October in several states, and fuel inflation – driven up by international prices of liquefied petroleum gas and kerosene. In fact, fuel inflation at 14.3 per cent in October surged to an all-time high. Core inflation or CPI inflation excluding food and fuel remained elevated at 5.9 per cent during September-October with continuing upside pressures stemming from clothing and footwear, health, and transportation and communication sub-groups.

Sixth Bi-monthly Monetary Policy Statement for Fiscal 2022 held on February 8-10, 2022

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.

- Consequently, the reverse repo rate under the LAF remains unchanged at 3.35 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 4.25 per cent.

- The MPC also decided to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

- Headline CPI inflation edged up to 5.6 per cent y-o-y in December from 4.9 per cent in November due to large adverse base effects. The food group registered a significant decline in prices in December, primarily on account of vegetables, meat and fish, edible oils and fruits, but sharp adverse base effects from vegetables prices resulted in a rise in y-o-y inflation. Fuel inflation eased in December but remained in double digits. Core inflation or CPI inflation excluding food and fuel stayed elevated, though there was some moderation from 6.2 per cent in November to 6.0 per cent in December, driven by transportation and communication, health, housing and recreation and amusement.

First Bi-monthly Monetary Policy Statement for Fiscal 2023 held on April 6-8, 2022

- The policy repo rate under the liquidity adjustment facility (LAF) was unchanged at 4.0%.

- Consequently, the marginal standing facility (MSF) rate and the Bank Rate were at 4.25 per cent. The standing deposit facility (SDF) rate, which will now be the floor of the LAF corridor, was at 3.75 per cent.

- The MPC also decided to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

- Headline CPI inflation edged up to 6.0 per cent in January 2022 and 6.1 per cent in February, breaching the upper tolerance threshold. Pick-up in food inflation contributed the most in headline inflation, with inflation of cereals, vegetables, spices and protein-based food items like eggs, meat and fish being the key drivers. Fuel inflation moderated on continuing deflation in electricity and steady LPG prices. Core inflation, i.e., CPI inflation excluding food and fuel remained elevated, though there was some moderation from 6.0 per cent in January to 5.8 per cent in February primarily due to the easing of inflation in transport and communication; pan, tobacco and intoxicants; recreation and amusement; and health.

Mid-term Monetary Policy Statement held on May 2-4, 2022

- Increase the policy repo rate under the liquidity adjustment facility (LAF) by 40 basis points to 4.40 per cent with immediate effect.

- Consequently, the standing deposit facility (SDF) rate was adjusted to 4.15 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 4.65 per cent.

- The MPC also decided to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

- In March 2022, headline CPI inflation surged to 7.0 per cent from 6.1 per cent in February, largely reflecting the impact of geopolitical spillovers. Food inflation increased by 154 basis points to 7.5 per cent and core inflation rose by 54 bps to 6.4 per cent. The rapid rise in inflation is occurring in an environment in which inflationary pressures are broadening across the world. The IMF projects inflation to increase by 2.6 percentage points to 5.77 per cent in advanced economies in 2022 and by 2.8 percentage points to 8.7 per cent in emerging market and developing economies.

Second Bi-monthly Monetary Policy Statement for Fiscal 2023 held on June 6-8, 2022

- Increase the policy repo rate under the liquidity adjustment facility (LAF) by 50 basis points to 4.90 per cent with immediate effect.

- Consequently, the standing deposit facility (SDF) rate was adjusted to 4.65 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 5.15 per cent.

- The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

- CPI headline inflation rose further from 7.0 per cent in March 2022 to 7.8 per cent in April 2022, reflecting broad-based increase in all its major constituents. Food inflation pressures accentuated, led by cereals, milk, fruits, vegetables, spices and prepared meals. Fuel inflation was driven up by a rise in LPG and kerosene prices. Core inflation (i.e., CPI excluding food and fuel) hardened across almost all components, dominated by the transport and communication sub-group.

Developments in the Banking Sector

Guidelines on Liquidity Risk Management and Basel III Framework on Liquidity Standards

As part of post Global Financial Crisis (**GFC**) reforms, Basel Committee on Banking Supervision (**BCBS**) had introduced Liquidity Coverage Ratio (**LCR**), which requires banks to maintain High Quality Liquid Assets (**HQLA**s) to meet 30 days' net outgo under stressed conditions. This was followed by the publication of "Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring" in December 2010, i.e. the Basel III rules text on liquidity prescribing two minimum global regulatory standards, namely the liquidity coverage ratio (**LCR**) and the net stable funding ratio for liquidity risk and a set of five monitoring tools.

In accordance with this, the RBI, being a member of the BCBS, released draft guidelines entitled "Liquidity Risk Management and Basel III Framework on Liquidity Standards" in February 2012. These guidelines were scheduled to be implemented on January 1, 2013 in a phased manner and were scheduled to be fully implemented on March 31, 2018.

At present the assets allowed as Level 1 HQLAs, inter alia, includes among others within the mandatory Statutory Liquidity Ratio (**SLR**) requirement, Government securities to the extent allowed by RBI under (i) Marginal Standing Facility (MSF) and (ii) Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) 15% of the bank's Net Demand and Time Liabilities (NDTL) with effect from April 1, 2020. Given that SLR has now been reduced to 18% of NDTL from April 11, 2020, and with increase in MSF from 2% to 3% of the banks' NDTL (with effect from March 27, 2020 and applicable up to September 30, 2020), entire SLR-eligible assets held by banks are now permitted to be reckoned as HQLAs for meeting LCR.

Further, banks are required to maintain LCR of 100% with effect from January 1, 2019. In order to accommodate the burden on banks' cash flows on account of the Covid19 pandemic, banks are permitted to maintain LCR as under:

From April 17, 2020 to September 30, 2020.	80%
October 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

Implementation of the Basel III Capital Regulations

In December 2010, the BCBS issued a comprehensive reform package of capital regulations, known as Basel III. On December 31, 2013, the RBI further extended the implementation of credit valuation adjustment risk to April 1, 2014, and, the current deadline for full implementation of Basel III requirements to October 1, 2021. However, to free up banks and supervisors to respond to economic impact of COVID-19 pandemic, the Basel Committee on Banking Supervision (BCBS) has deferred the implementation of Basel III standards to January 1, 2023 (*Source: RBI Circular DBOD. No. BP.BC. 102/21.06.201/2013-14 dated March 27, 2013, Basel III Capital Regulations dated February 5, 2021 and RBI Annual Report 2021).*

Under Basel III, the total capital of a bank in India must be at least 9.00% of RWAs (8.00% as specified by the BCBS), Tier I capital must be at least 7.00% of RWAs (6.00% as specified by the BCBS) and Common Equity Tier I capital must be at least 5.50% of RWAs (4.50% as specified by the BCBS). Due to the transitional arrangements, the capital requirements of banks may be lower during the initial periods and higher during later years. Therefore, banks have been advised to do their capital planning accordingly. In addition to the minimum requirements as indicated above, banks are required to maintain a capital conservation buffer (**CCB**) in the form of common equity of 2.50% of RWAs. Under the RBI Basel III Guidelines, total capital with CCB has been fixed at 11.50% of RWAs. In July 2014, the RBI released the "Final Report of the Internal Working Group on Implementation of Counter-cyclical Capital Buffer (**CCCB**)", which requires banks to maintain a buffer of up to 2.50% of RWAs in periods of high credit growth as a precaution for downturn.

Furthermore, Additional Tier I non-equity capital instruments under Basel III are expected to provide additional features such as full coupon discretion, and principal loss absorption when the common equity ratio of a bank falls below 6.125% of its risk-weighted assets. In the case of Tier II non-equity capital instruments, the distinction between Upper Tier II and Lower Tier II instruments under Basel II is removed and a single class of Tier II instrument eligibility criteria has been prescribed. Additionally, under Basel III loss absorption features have been included in the event of the occurrence of the "Point of Non-Viability" trigger. The RBI has also fixed the base at the nominal amount of capital instruments outstanding on January 1, 2013, and their recognition will be capped at 90.00% from April 1, 2013, with the cap reducing by 10.00% points in each subsequent year.

The RBI has put in place frameworks on countercyclical capital buffer (CCCB), leverage ratio, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), which were to be implemented by April 1, 2020. As part of COVID-19 related reforms to ensure that adequate liquidity is available to all constituents, the implementation of NSFR was delayed by six months to October 1, 2021 (Basel III Framework on Liquidity Standards, February 5, 2021).

For better management of concentration risks and in order to align Indian banks with the international norms, the Reserve Bank proposed guidelines on large exposures, which became effective from April 1, 2019. The latest round of reforms published by the Basel committee on Banking Supervision (BCBS) in December 2017 have implementation timelines stretching up to January 2023. The Reserve Bank is expected to come up with the draft guidelines by 2020 for consultations. (*Source: Indian Banking Sector: Current Status and the Way Forward, Speech of Shaktikanta Das, Governor, Reserve Bank of India – June 8, 2019*).

In April 2017, the RBI issued a Revised Prompt Corrective Action (PCA) framework to maintain financial health of banks. Under this framework, Banks were identified on the basis of certain risk thresholds in the areas of capital, asset quality and/or profitability, in order to undertake corrective measures and restore their financial health. As on February 2020, there are 4 PSB banks under RBI's PCA Framework, from the earlier 11 PSBs and one private bank.

As per RBI's latest annual report, as part of convergence of regulations for banks with Basel III standards, a draft Master Direction on minimum capital requirements for operational risk was issued for comments of stakeholders in December 2021. Further, draft guidelines on the other risk categories and output floor are expected to be issued by mid-2022, followed by final guidelines. The final guidelines regarding 'Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR)' were issued on May 17, 2018 and were scheduled to come into effect from April 1, 2020. However, due to uncertainty on account of COVID-19, the implementation of these guidelines was deferred progressively till October 1, 2021. Accordingly, the guidelines on NSFR have come into effect from October 1, 2021. (RBI Annual Report 2022)

Outlook towards FY2022–2023

The geopolitical conflict in Europe which started in February 2022 has imparted a strong shock that threatens to overwhelm the global economy and its constituents. Negative externalities are already rippling through financial and commodity markets, the international trade and financial systems, supply chains and the global geopolitical order. Surging food and fuel prices, in particular, and shortages of essential items are impacting the disadvantaged adversely. These forces are superimposed upon tightening financial conditions as countries across the world adopt more hawkish monetary policy stances in response to elevated and diffused inflationary pressures.

The persistence of high inflation is forcing countervailing monetary policy action at a time when supporting the economic recovery should have been assigned priority. During 2022 so far (up to May 24, 2022), more than 40 central banks across AEs and EMEs have raised policy interest rates and/or scaled back liquidity. Policy trade-offs are becoming increasingly complex going forward and tail risks, including stagflation, loom large in several countries.

In response to the evolving challenges, the following policy priorities at the global level will condition the way forward: (a) calibrate monetary policy to fight inflation while safeguarding economic recovery; (b) prioritise fiscal support to the most vulnerable within the consolidation envelope; (c) tighten macro prudential policy in step with monetary policy; (d) focus on health and structural reforms (viz., digitalisation, reskilling workers, reconfiguring supply chains, climate resilience, debt resolution, and trade cooperation), and (e) prevent economic fragmentation and support the poorest countries through coordinated actions of the international institutions. These priorities call for country specific as well as multilateral actions.

The Reserve Bank is expected to follow a nuanced and nimble footed approach to liquidity management while maintaining adequate liquidity in the system to meet the credit needs of the productive sectors of the economy. The introduction of the SDF in April 2022 as an uncollateralised facility at 25 basis points below the repo rate to provide a new floor for the liquidity adjustment facility (LAF), and two-way operations of absorbing liquidity through VRRR auctions of varying maturities and variable rate repo (VRR) auctions to meet transient liquidity shortages, will help to ensure this objective in a non-disruptive manner.

If geopolitical tensions ease, ongoing global supply disruptions could dissipate and enable world trade to regain momentum. This could enhance India's growing agricultural exports. Efforts are also being made to boost India's defence exports. The recently announced Green Hydrogen/Green Ammonia Policy would secure India's energy security in an environmentally sustainable way and cut down dependence on fossil-based imports.

SUPERVISION AND REGULATION

The following description is a summary of certain sector-specific laws, regulations and guidelines in India, which are applicable to the Bank. The information detailed in this section has been obtained from publications, circulars and press releases available in the public domain as of the date of the Offering Circular. The Indian laws, regulations and guidelines set out below, currently in force may not be exhaustive, and are only intended to provide general and indicative information to investors and are neither designed nor intended to substitute for professional legal advice or a detailed review of the relevant laws, regulations and guidelines. Any reference to Indian statutes, rules, guidelines or regulations in the summary below is a reference to the current provisions of the Indian statutes, rules, guidelines or regulations, as amended from time to time.

Export-Import Bank of India Act, 1981, as amended from time to time

The Bank's functions and business are governed by the Act (see "*Description of the Bank – Overview*" above).

Under section 4(2) of the Act, the issued capital of the Bank is wholly subscribed to by the Government.

Under section 5(1) of the Act, the general powers of superintendence, direction and management of the affairs and business of the Bank are vested in the Board of Directors, which may exercise all powers and do all acts and things which may be exercised or done by the Bank. Under section 7(1) of the Act, the Board of Directors has the power to constitute committees for such purposes as it may deem fit. The Audit Committee, the Management Committee, the Risk Management Committee, the Operational Risk Management Committee, the Asset Liability Management Committee, the Funds Management Committee and the Credit Risk Management Committee are some of the key committees of the Bank.

Under section 6(1) of the Act, the Board of Directors of the Bank shall consist of a chairman and a managing director, appointed by the Government (provided that the same person may be appointed to function both as the chairman and as the managing director of the Bank), two whole-time directors appointed by the Government, one director nominated by the Reserve Bank of India ("**RBI**"), one director nominated by IDBI Bank Limited, one director nominated by ECGC Limited, not more than 12 directors nominated by the Government of whom five directors shall be officials of the Government, not more than three directors shall be from the scheduled banks and not more than four directors shall be persons who have special knowledge of, or professional experience in, export or import or financing thereof.

Under section 10(1) of the Act, the Bank may grant, in or outside India, loans and advances by itself or in participation with any bank or financial institution, whether in or outside India, for the purposes of export or import and shall also function as the principal financial institution for coordinating the working of institutions engaged in financing of export and import in such manner as it may deem appropriate. The Bank may also carry on and transact such other related businesses as prescribed under the Act.

The Bank, under section 12 of the Act, can issue and sell bonds and debentures with or without the guarantee of the Government and borrow money from the RBI subject to certain conditions prescribed under the Act. In accordance with section 13 of the Act, the Bank may also, for the purpose of granting loans and advances under the Act, borrow with the previous consent of the Government, foreign currency from any foreign State or from any bank or financial institution in any foreign country.

The Bank's statutory auditors are appointed by the Government under section 24(1) of the Act. The appointment of the statutory auditor of the Bank is for a term and remuneration as may be fixed by the Government. For the financial year ended March 31, 2021, the Bank's statutory auditors were M/s JCR & Co., Chartered Accountants, Mumbai.

Under section 24(5) of the Act, the Bank furnishes to the Government within four months from the date on which its accounts are closed and balanced, a copy of its balance sheet and accounts together with a copy of the auditor's report and a report of the working of the Bank during the relevant year. These documents are laid before each House of Parliament by the Government.

According to section 36 of the Act, the provisions of the Banking Regulation Act, 1949 (except section 34A that deals with "Production of documents of confidential nature" and section 36AD that deals with "Punishments for certain activities in relation to banking companies") do not apply to the Bank.

Under section 38 of the Act, no provision of any law relating to the winding-up of companies or corporations shall apply to the Bank and the Bank shall not be placed in liquidation, save by an order of the Central Government and in such manner as it may direct.

The Bank's balance sheet, the profit and loss account and the cash flow statement have been prepared in accordance with the accounting principles followed in India, which are also generally consistent with international accounting standards. The form and manner in which the balance sheet and the profit and loss account are prepared is provided in the Export-Import Bank of India General Regulations, 2020 (as amended from time to time).

Lines of Credit at the behest of Government of India

Indian Development and Economic Assistance Scheme (IDEAS) (Scheme and Guidelines No. 5/7/2019-IDEAS)

The Department of Economic Affairs, Ministry of Finance, Government of India, has launched IDEAS, which was initially called the India Development Initiative, to position India as an emerging economic power; an investor country; a donor for developing countries; and a provider for debt relief to heavily indebted poor countries. It is part of an initiative for providing grants and project assistance to low and lower middle-income countries and other developing countries of the developing world with a view to also leverage and promote India's strategic economic interests abroad. The scheme has been operational since 2003-04, with the provision of Lines of Credit ("**LOCs**") on concessional terms to other developing countries for financing export from India, and for the funding of projects, equipment, goods and services. These LOCs are extended by the Bank on behalf of, and with the support of, the Government of India, by way of repayment guarantee and interest equalization support to the Bank, to compensate the Bank for the interest differential between the Bank's normal lending rates and the concessional rates on the LOCs.

In relation to the implementation of IDEAS, the guidelines were issued by the Bilateral Cooperation Division, Department of Economic Affairs, Ministry of Finance, Government of India. These guidelines were revised in 2010, which were then replaced by the 2015 guidelines and were further revised on March 31, 2022, under the IDEAS 2022. The guidelines, inter alia, set out provisions pertaining to the terms of credit, classification of countries and monitoring mechanism along with operational guidelines as applicable for LOCs approved under IDEAS.

Under the IDEAS, Government of India extends concessional finance to low and middle-income countries through the EXIM Bank of India aimed at sharing India's development experience by way of infrastructure development, capacity building, trade and skill transfer. Till date, India has offered concessional financing aggregating $34.56 billion to 66 countries in Africa, Asia, Latin America, Oceania and Commonwealth of Independent States (CIS) region. The scheme has recently been revamped with enhanced focus on infrastructure creation, asset quality and speed of delivery of projects. The Government of India has also launched 'NETRA (New e-Tracking and Remote Administration)' Portal and Mobile Application for Indian Development and Economic Assistance Scheme (IDEAS) on June 22, 2022 which allows seamless and secure access to information, real-time updates on project implementation, and expeditious delivery of quality projects under IDEAS.

Development Partnership Administration (DPA)

The Ministry of External Affairs ("**MEA**") set up the DPA division to undertake India's development assistance programs abroad, including LOCs routed through the Bank. These LOCs are increasingly being extended to partner countries for large-scale and complex projects. Recognising that India's development assistance had started to cover a large number of countries and consequently, the projects being implemented by the MEA had increased substantially, the DPA was created in January 2012 to effectively handle the various stages of concept, launch, execution and completion of India's many aid projects.

India's development partnership is based on the needs identified by the partner countries and the effort of the MEA has been geared towards accommodating as many of the requests received from partner countries based on technical and financial feasibility. In this regard, the DPA has started to create in-house, specialized technical, legal and financial skills in order to fast-track all stages of a project implementation. The DPA has four divisions namely, (i) DPA I which deals with project appraisal and lines of credit, (ii) DPA II which deals with capacity building schemes, humanitarian assistance, disaster relief, implementation of the Indian Technical and Economic Cooperation Program, (iii) DPA III which deals with grant assistance and (iv) DPA IV which deals with cultural and heritage co-operation in Development Projects.

FX Global Code

The Bank, is a member of the Foreign Exchange Dealers Association of India (FEDAI) and the India Foreign Exchange Committee (IFXC) which has adopted the revised FEDAI Code of Conduct which includes the revised FX Global Code.

The Global Foreign Exchange Committee (GFXC) was established in May 2017 as a forum bringing together central banks and private sector participants with the aim to promote a robust, fair, liquid, open, and appropriately transparent foreign exchange markets in which a diverse set of participants, supported by resilient infrastructure, are able to confidently and effectively transact at competitive prices that reflect available information and in a manner that conforms to acceptable standards of behaviour. The revised Code of July 2021 is a set of global principles of good practice in the foreign exchange market, developed to provide a common set of guidelines to promote the integrity and effective functioning of the wholesale foreign exchange market. It was developed by a partnership between central banks and market participants from 20 jurisdictions around the world.

The GFXC published the foreign exchange (FX) Global Code ("**Code**") in May 2017, which is a compilation of best market practices, formulated by central Banks and market participants, developed under the auspices of the Bank for International Settlements (BIS), Basel. The Code is applicable to the wholesale FX market participants covering sell-side, buy-side and financial intermediaries, and is voluntary in nature.

The Code does not impose any legal or regulatory obligations on market participants and nor does it substitute for regulation, and it is intended to be a supplement to the local laws, rules and regulations by identifying global good practices and processes. The Code is currently being implemented globally by the Global FX Committee (GFXC) in co-ordination with the Local FX Committee ("**LFXC**") in each jurisdiction.

Following an extensive process of review and public consultation, the GFXC, in July 2021, has published an updated version of the Code considering market feedback. The Code has been amended to encourage greater disclosure by entities operating anonymous platforms as well as providers of algorithmic trading or aggregation services, multi-dealer FX e-trading platforms (including anonymous platforms), among others. Amendments have also been made to place greater emphasis on the usage of payment-versus-payment ("**PVP**") settlement mechanisms where they are available and provide more detailed guidance on the management of settlement risk where PVP settlement is not used. GFXC has also published a Transaction Cost Analysis Data Template for ensuring greater harmonisation of data reporting within the industry and has created standardised Disclosure Cover Sheets for Liquidity Providers and for FX E-Trading Platforms. In total, eleven of the Code's fifty-five principles have been amended.

RBI commits to the FX Global Code (RBI Press Release: 2018-2019/2477 dated April 18, 2019)

The RBI has signed a Statement of Commitment ("**SoC**") to the Code. The Code, launched on May 25, 2017, is a compilation of best market practices, formulated by central banks and market participants, developed under the auspices of the 'Bank for International Settlements' ("**BIS**"), Basel.

The Code is applicable to the Wholesale FX market participants covering sell-side, buy-side and financial intermediaries, and is voluntary in nature. The Code does not impose any legal or regulatory obligation and is intended to be a supplement to the local laws, rules and regulations. The Code is currently being implemented globally by the Global FX Committee ("**GFXC**") in co-ordination with the Local FX Committee ("**LFXC**") in each jurisdiction. The RBI is a member of GFXC. The RBI, along with four major Central Banks, had welcomed the publication of the Code through joint media release dated May 25, 2017.

The Code is organized around six leading principles, namely: (i) ethics, (ii) governance, (iii) execution, (iv) information sharing, (v) risk management and compliance, and (vi) confirmation and settlement Processes. The Code is also applicable to central banks, except for the operations undertaken to further their policy objectives.

The RBI supports the principles of good practices within the Code. RBI has also facilitated the formation of India Foreign Exchange Committee ('**IFXC**') to promote adoption and adherence of the Code among FX market participants in India.

In its 'Statement of Commitment to The Fx Global Code', RBI has reviewed the content of the Code and acknowledged that the Code represents a set of principles generally recognized as good practice in the wholesale foreign exchange market ("**FX Market**"). The RBI confirms that it acts as a Market Participant as defined by the Code and is committed to conducting its FX Market activities ("**Activities**") in a manner consistent with the principles of the Code. To this end, it has taken appropriate steps, based on the size and complexity of its Activities, and the nature of its engagement in the FX Market, to align its activities with the principles of the Code.

RBI Regulations as appliable to the Bank

As a financial institution, the Bank is subject to regulatory supervision by the RBI.

Section 45L of the Reserve Bank of India Act, 1934, as amended from time to time, empowers the RBI to call for information from any financial institution, relating to its business, and to give to such financial institution, directions relating to the conduct of its business. The statements, information or particulars to be furnished by financial institutions to the RBI may relate to matters such as paid-up capital, reserves or other liabilities, investments in Government securities or otherwise, the persons to whom, and the purposes and periods for which, finance is provided and the terms and conditions, including the rates of interest, on which it is provided.

In November 1994, the RBI set up a Board for Financial Supervision as a committee constituted by Central Board of Directors of Reserve Bank of India under the Board for Financial Supervision Regulations, 1994 under the chairmanship of the Governor of the RBI. Under the guidance of the Board for Financial Supervision, the Department of Banking Supervision of the RBI supervises financial institutions and commercial banks. The Department of Banking Supervision also undertakes off-site surveillance and on-site inspection over such banks and financial institutions. As part of such surveillance, the RBI carries out periodic inspections of the Bank.

The RBI issues detailed guidelines to financial institutions, including the Bank, on asset classification, income recognition and provisioning, capital adequacy and asset liability management, as may be amended from time to time. Under these detailed guidelines, the RBI has also prescribed credit exposure limits, including adoption of internal limits of exposure to specific industry sectors. The Bank adheres to all such guidelines and submits necessary information to the RBI as per the guidelines.

Under the current RBI guidelines, applicable to financial institutions including the Bank, assets in respect of which interest and principal are received regularly and where arrears of interest and/or principal, if any, do not exceed 90 days, are classified as performing assets (standard assets).

The RBI requirements of maintaining cash reserve ratio and statutory liquidity ratio, which are applicable to commercial banks, are not applicable to the Bank.

External Commercial Borrowings

External commercial borrowings ("**ECBs**") are commercial loans raised by eligible resident borrowers from recognized non-resident entities. ECBs are principally governed by the Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended, updated, modified and supplemented from time to time (the "**ECB Master Direction**") (RBI/FED/2018-19/67 FED Master Direction No. 5/2018-19, last updated on June 9, 2022) issued by the RBI.

Under the ECB Master Direction, an external commercial borrowing i.e., loans or credit facilities by a foreign lender to an Indian borrower, i.e., an ECB, may be availed in the form of, amongst others, (i) foreign currency denominated commercial loans or bonds, or (ii) Rupee denominated commercial loans or Rupee denominated bonds, from non-resident lenders.

ECBs can now be availed by all entities eligible to receive foreign direct investment. Additionally, port trusts, units in special economic zones, Small Industries Development Bank of India ("**SIDBI**"), and EXIM Bank of India are eligible borrowers, as specified in the ECB Master Direction.

The ECB Master Direction sets out that any resident of Financial Action Task Force ("**FATF**") or International Organization of Securities Commission ("**IOSCO**") compliant country can provide ECBs to eligible Indian borrowers. Further, (i) multilateral and regional financial institutions, where India is a member country, will be recognized lenders under the ECB Master Direction, (ii) individuals as lenders can only be permitted if they are foreign equity holders or subscribers to bonds or debentures listed abroad, and (iii) foreign branches/subsidiaries of Indian banks continue to be recognized lenders for foreign currency denominated ECBs.

ECBs are required to be in compliance with the restrictions imposed under the ECB Master Direction in relation to, *inter alia,* their amounts, Minimum Average Maturity Period, and all-in-cost ceilings.

Under the ECB Master Direction, the negative list, for which the ECB proceeds cannot be utilized, include the following:

(a) real estate activities;

(b) investment in capital market;

(c) equity investment;

(d) working capital purposes;

(e) general corporate purposes;

(f) repayment of Rupee;

(g) on-lending to entities for the activities set out in (a) to (f) above.

Additionally, the ECB Master Direction prescribe that all eligible borrowers can raise ECB up to USD750 million or equivalent per financial year under the automatic route.

Under the ECB Master Direction, plain vanilla Rupee-denominated bonds can be issued overseas, which can be either placed privately or listed on exchanges as per host country regulations. The ECBs denominated in freely convertible currency other than the Indian Rupee can be subscribed to by foreign branches/subsidiaries of Indian banks (subject to applicable prudential norms) who can participate as arrangers/underwriters/market-makers/traders. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks is not permitted.

For the purposes of this section, "FATF Compliant Country", pursuant to the RBI regulations, including the ECB Master Direction means: a country that is a member of FATF or a member of an FATF-Style Regional Body; and should not be a country identified in the public statement of the FATF as (i) A jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or (ii) A jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies. Further, an "IOSCO Compliant Country" is a country whose securities market regulator is a signatory to the IOSCO Multilateral Memorandum of Understanding ("**MOU**") (Appendix A Signatories) or a signatory to bilateral MOU with the Securities and Exchange Board of India for information sharing arrangements. In addition to being a resident of the countries which comply with the abovementioned conditions, the recognized lenders must comply with other requirements as specified by the RBI from time to time in relation to the above.

The Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 (Stressed Assets Directions dated June 7, 2019, notification RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19) (Stressed Asset Directions)

The RBI issued Stressed Assets Directions with a view to providing a framework for early recognition, reporting and time-bound resolution of stressed assets, and these directions have been issued without prejudice to issuance of specific directions, from time to time, by the RBI to banks, in terms of the provisions of Section 35AA of the Banking Regulation Act, 1949 (as amended by the National Bank for Financing Infrastructure and Development Act, 2021 (17 of 2021) for initiation of insolvency proceedings against specific borrowers under the IBC. The Hon'ble Supreme Court of India pursuant to its order dated April 2, 2019 in the matter of Dharani Sugars & Chemicals Limited v. Union of India & Ors, had held the RBI circular dated February 12, 2018 on Resolution of Stressed Assets as *ultra vires*. In accordance with the Stressed Asset Directions, going forward, all resolution plans to resolve stressed assets will be governed by the Stressed Asset Directions, even if resolution plans were conceived before or were in the process of implementation before June 7, 2019.

RBI has mandated that the provisions of the directions in the Stressed Assets Directions shall apply to the following entities: (a) Scheduled Commercial Banks (excluding Regional Rural Banks); (b) All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI); (c) Small Finance Banks; and (d) Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC-ND-SI) and Deposit-taking Non-Banking Financial Companies (NBFC-D).

The fundamental principles underlying the Stressed Assets Directions are as follows: (i) early recognition and reporting of default in respect of large borrowers by banks, FIs and NBFCs; (ii) complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) withdrawal of asset classification dispensations on restructuring and future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; (v) for the purpose of restructuring, the definition of 'financial difficulty' to be aligned with the guidelines issued by the Basel Committee on Banking Supervision; and (vi) signing of inter-creditor agreement (ICA) by all lenders to be mandatory, which will provide for a majority decision making criteria.

The RBI has further mandated that the extant instructions on resolution of stressed assets such as Framework for Revitalising Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long-Term Project Loans, Strategic Debt Restructuring Scheme (SDR), Change in Ownership outside SDR, and Scheme for Sustainable Structuring of Stressed Assets (S4A) stand withdrawn with immediate effect. Accordingly, the Joint Lenders' Forum (JLF) as mandatory institutional mechanism for resolution of stressed accounts also stands discontinued.

The Banking Regulation (Amendment) Act, 2017 (No. 30 of 2017)

The promulgation of the Banking Regulation (Amendment) Act, 2017 (the "**Amendment**") inserting two new Sections (sections 35AA and 35AB) to follow Section 35A of the Banking Regulation Act, 1949, as amended, enables the Government of India ("**GoI**") to authorize the RBI to direct banking companies to resolve specific stressed assets by initiating the insolvency resolution process, where required. The RBI has also been empowered to issue other directions for resolution, and appoint or approve for appointment, authorities or committees to advise banking companies for stressed asset resolution. This measure will have a direct impact on effective resolution of stressed assets, particularly in consortium or multiple banking arrangements, as the RBI will be empowered to intervene in specific cases of resolution of non-performing assets, to bring them to a definite conclusion. The Amendment should lead to effective resolution of stressed assets, particularly in consortium or multiple banking arrangements.

Key features of the Amendment are as follows:

- The Amendment amends the Banking Regulation Act, 1949, as amended from time to time, to insert provisions for recovery of outstanding loans. Under these provisions, the Government may authorise the RBI to direct banks to initiate recovery proceedings against loan defaulters.

- These recovery proceedings will be under the IBC. The IBC provides for a time-bound process to resolve defaults by either (i) restructuring a loan (such as changing the repayment schedule), or (ii) liquidating the defaulter's assets.

- The RBI may from time-to-time issue directions to banks for resolving stressed assets. Stressed assets are loans where the borrower has defaulted on repayment, or loans which have been restructured.

- The RBI may specify authorities or committees to advise banks on resolving stressed assets. Members on these committees will be appointed or approved by the RBI.

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code 2016 ("**IBC**") is one of the biggest legal reforms in the economic sector and received the assent of the President and was notified in the Official Gazette on May 28, 2016. The IBC primarily consolidates the existing insolvency law, *inter alia*, relating to companies and corporate entities with the objective of providing clarity and consistency in the treatment of all the stakeholders in the insolvency process. The objective of the IBC is to promote entrepreneurship, availability of credit, and balance the interests of all stakeholders by consolidating and amending the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a timely manner and for maximization of value of assets of such persons and matters connected therewith or incidental thereto.

The IBC classifies creditors into financial creditors and operational creditors, which includes creditors in respect of financial loans for interest and loans arising from the operational nature of the debtor, respectively. The IBC proposes to appoint specialized insolvency resolution professionals to assist companies and corporate entities through the insolvency process. The IBC provides a 180-day timeline for completing a corporate insolvency resolution process ("**CIRP**") initiated against a corporate debtor which may be extended by an additional 90 days and is required to be completed within a maximum timeline of 330 days. Currently, as per the IBC, any insolvency resolution plan prepared by insolvency professionals is required to be approved by 66 per cent. of the financial creditors and further sanction from the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. The National Company Law Tribunal will be the adjudicating authority with jurisdiction over companies and limited liability entities.

The Indian Parliament on January 19, 2018, passed the Insolvency and Bankruptcy Code (Amendment) Act, 2017. The amendments aim to keep-out such persons from submitting resolution plans who have wilfully defaulted, are associated with non-performing assets, or are habitually non-compliant and, therefore, are likely to be a risk to successful resolution of the insolvency of a company.

The Indian Parliament further enacted the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018 which came into force from June 6, 2018. This amendment has reviewed norms pertaining to enforcement of third party security which has to be provided by the corporate debtor. Further, the voting threshold has been brought down to 66 per cent. from 75 per cent. for all major decisions such as approval of resolution plan and extension of corporate insolvency resolution process period, among. Further, in order to facilitate the corporate debtor to continue as a going concern during the corporate insolvency resolution process, the voting threshold for routine decisions has been reduced to 51 per cent. This amendment provides relief to home buyers who are now to be treated as financial creditors and therefore will be able to decide the future of defaulting builders alongside their lenders.

The IBC aims to consolidate the laws relating to insolvency of companies and limited liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals, presently contained in a number of legislations, into a single legislation. Such consolidation will provide for a greater clarity in law and facilitate the application of consistent and coherent provisions to different stakeholders affected by business failure or inability to pay debt. The vision of the new law is to encourage entrepreneurship and innovation. The IBC is a comprehensive and systemic reform, which will have a significant effect on the functioning of the credit market.

Key features of the IBC are as follows:

- Speedy process for early identification of financial distress and insolvency resolution of companies and limited liability entities when the underlying business is found to be viable.

- Two distinct processes for re-organization and insolvency resolutions of individuals, namely – "Fresh Start" and "Insolvency Resolution".

- Debt Recovery Tribunal and National Company Law Tribunal to act as adjudicating authority and to deal with the cases related to insolvency, liquidation and bankruptcy process in respect of individuals, unlimited partnership firms and in respect of companies and limited liabilities entities respectively.

- Establishment of an Insolvency and Bankruptcy Board of India to exercise regulatory oversight over insolvency professionals, insolvency professional agencies and any person who is registered with the Board as an information utility under section 210 of the IBC ("**Information Utilities**").

- Insolvency professionals shall handle the commercial aspects of the insolvency resolution process. Insolvency professional agencies will develop professional standards, a code of ethics and be the first level regulator for insolvency professional members leading to development of a competitive industry for such professionals.

- Information Utilities shall collect, collate, authenticate and disseminate financial information to be used in insolvency, liquidation and bankruptcy proceedings.

- Specific provisions shall be implemented to deal with cross border insolvency.

Exercising its powers under Section 4 of the IBC, the Government of India issued a notification on March 24, 2020 increasing the *de minimus* amount for filing an application to initiate CIRP of a corporate debtor from INR 1 lakh to INR 1 Crore.

Pursuant to the Insolvency and Bankruptcy Code (Amendment) Act, 2021 No. 26 of 2021, the GoI added a proviso which provides that "the Central Government may, by notification, specify such minimum amount of default of higher value, which shall not be more than one crore rupees, for matters relating to the pre-packaged insolvency resolution process of corporate debtors under Chapter III-A."

The GoI promulgated the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020 dated June 5, 2020 is now the Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (No. 17 of 2020) ("**Second Amendment**") pursuant to the Gazette of India (CG-DL-E-23092020-221917). This has inserted Section 10A in the IBC which states that notwithstanding anything contained in sections 7, 9 and 10 of the IBC Second Amendment, no application for initiation of CIRP of a corporate debtor can be filed, for any default arising on or after March 25, 2020 for a period of six months or such further period, not exceeding one year from such date, as may be notified on its behalf. The Second Amendment further states that no application can ever be filed for initiation of CIRP of a corporate debtor for the said default occurring during the said period. The GoI, pursuant to its notification dated December 22, 2020, extended the suspension of IBC proceedings for a further period of three months from December 25, 2020 (i.e., March 25, 2021). In absence of further notification on extension of moratorium on IBC proceeding, the IBC proceedings have resumed post completion of three months from the date December 25, 2020.

The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 has now been re-enacted the Insolvency and Bankruptcy Code (Amendment) Act, 2021 (No. 26 of 2021) ("**the Amendment**") pursuant to the Gazette of India(CG-DL-E-12082021-228942). This Amendment introduced an alternate insolvency resolution process for MSMEs, namely the pre-packaged insolvency process ("**PIRP**"). The PIRP may be initiated only by the corporate debtor which is classified as an MSME under the MSME Development Act, 2006. The corporate debtor must also have a base resolution plan as per the requirements of the IBC. The management of affairs of the corporate debtor continues to vest in the Board of Directors or the partners of the corporate debtor, as the case may be. The initiation of the PIRP process must be approved by financial creditors of the corporate debtor, not being related parties, representing at least 66 per cent. in value of the financial debt due to such creditors. The resolution plan must be approved by the committee of creditors, by a vote of not less than 66 per cent. of the voting shares, after considering its feasibility and viability. A PIRP must be concluded within 120 days of commencement. In case the PIRP does not conclude within the prescribed timeline, or if the Committee of Creditors (the "**CoC**") does not approve any plan, an application may be filed before the NCLT for termination of the PIRP.

The CoC plays a very important role in the insolvency regime. The important decisions which affect the resolution of the insolvency of the corporate debtor are taken by the CoC. As per the IBC, the CoC consists of financial creditors only. All the creditors who have financed the corporate debtor against the consideration of time value of money are included in the CoC. The operational creditors will not find any place in the CoC except in case where the debt of the operational creditors is more than 10 per cent., and in such case the operational creditors can participate in the CoC through a representative.

IFSCA (Issuance and Listing of Securities) Regulations, 2021

The International Financial Services Centre Authority ("**IFSCA**") is a statutory authority established under the International Financial Services Centres Authority Act, 2019 (the "**IFSCA Act**") for the development and regulation of financial products, financial services and financial institutions situated at the International Financial Services Centres ("**IFSC**").

The provisions relating to issuance and listing of specified securities and debt securities specified under the Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015, have been superseded by the newly issued International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021 ("**IFSCA Regulations**") by the IFSCA which permits debt securities to be issued by issuers incorporated in an IFSC.

The IFSCA Regulations provide a comprehensive regulatory framework governing the issuance and listing of securities by various Issuers in the capital markets.

For the first time, the regulatory powers of four financial services regulators in India, namely, the Reserve Bank of India ("**RBI**"), Securities and Exchange Board of India ("**SEBI**"), Insurance Regulatory Development Authority of India ("**IRDAI**"), Pension Fund Regulatory Development Authority of India ("**PFRDAI**"), have been vested in IFSCA with respect to regulation of financial institutions, financial services and financial products in IFSCS, making it a unified regulator for IFSCs in India.

The IFSCA Regulations are meant to serve as an all-encompassing unified regulatory framework specifying the requirements for issuance and listing of various types of securities, and disclosures. The IFSCA Regulations seek to create an ecosystem and supervise the procedures involved in the listing of Starts-ups and SME Companies, Special Purpose Acquisition Companies (SPACs), Depository Receipts, Debt Securities and ESG Debt Securities, while also simplifying the issuance of securities and disclosure of material information.

The IFSCA Regulations seek to ensure greater transparency in the securities markets, pertaining specifically to IFSCs. Further, they also provide for the responsibilities of merchant bankers and require companies to obtain and maintain credit ratings to improve accountability, thereby paving the path for a more mature securities eco-system.

RECENT REGULATORY UPDATES – RESERVE BANK OF INDIA

A. The Statement on Developmental and Regulatory Policies issued by the RBI (pursuant to press release dated October 8, 2021) sets out various developmental measures including liquidity measures, payment and settlement systems, debt management and financial Inclusion and customer protection set out below:

Geo-tagging of Payment System Touch Points

Geo-tagging technology, by providing location information on an ongoing basis, can be useful in targeting areas with deficient infrastructure for focused policy action. Therefore, it is proposed to lay down a framework for geo-tagging (capturing geographical coordinates – viz., latitude and longitude) of physical payment acceptance infrastructure, viz., Point of Sale terminals, Quick Response (QR) codes, etc., used by merchants. This would complement the PIDF framework by better deployment of acceptance infrastructure and wider access to digital payments.

B. The STATEMENT ON DEVELOPMENTAL AND REGULATORY POLICIES issued by the RBI (pursuant to press release dated December 8, 2021) sets out various developmental and regulatory policy measures relating to regulation and supervision measures, financial markets and payment and settlement systems set out below:

Infusion of Capital in Overseas Branches and Subsidiaries of Banks and Retention/Repatriation/Transfer of Profits by these entities

Banks incorporated in India currently seek prior approval of RBI for infusing capital in their overseas branches and subsidiaries as well as for retention and repatriation/transfer of profits from these centers. On a review, and with a view to provide operational flexibility to banks, it has been decided that banks meeting the regulatory capital requirements may, with the approval of their Boards, infuse capital in their overseas branches and subsidiaries; retain profits in these centers; and repatriate/transfer profits therefrom, without prior approval of RBI, subject to post facto reporting.

External Commercial Borrowing (ECB)/Trade Credit (TC) – Transition from LIBOR to Alternative Reference Rate (ARR)

Currently, the benchmark rate for Foreign Currency External Commercial Borrowings (ECB)/Trade Credit ("**TC**") is specified as 6-months LIBOR rate or any other 6-month interbank interest rate applicable to the currency of borrowing. In view of the imminent discontinuance of LIBOR, any widely accepted interbank rate or alternative reference rate ("**ARR**") applicable to the currency of borrowing may be used as a benchmark, post discontinuation. To take into account differences in credit risk and term premia between LIBOR and the ARRs, for new foreign currency ECBs and TCs, it is proposed to revise the all-in-cost ceiling over the ARRs. To enable transition of existing ECBs and TCs linked to LIBOR also, it is proposed to revise the all-in-cost ceiling to the ARRs.

C. The STATEMENT ON DEVELOPMENTAL AND REGULATORY POLICIES issued by the RBI (pursuant to press release dated February 10, 2022) sets out various developmental and regulatory policy measures including liquidity measures, payment and settlement systems set out below:

Voluntary Retention Route (VRR) – Enhancement of Limits

The Voluntary Retention Route ("**VRR**") for investment in government and corporate debt securities by Foreign Portfolio Investors ("**FPIs**") was introduced on March 1, 2019 with a view to facilitating stable investments in debt instruments issued in the country. The Route sought to provide a separate channel, broadly free of macro-prudential controls, to FPIs with long-term investment horizons. A dedicated investment limit of ₹1,50,000 crore was set for investments under the VRR. Given the positive response to the VRR as evident from the near exhaustion of the current limit, it is proposed to increase the investment limit under VRR from ₹1,00,000 crore to ₹2,50,000 crore with effect from April 1, 2022.

Review of Credit Default Swaps (CDS) Guidelines

Guidelines for Credit Default Swaps were last issued in January 2013. Given the importance of its market for the development of a liquid market for corporate bonds, especially for the bonds of lower rated issuers, it was announced in the Statement on Developmental and Regulatory Policies of December 4, 2020 that these guidelines would be reviewed. Accordingly, draft guidelines were issued on February 16, 2021 for public consultation.

Permitting Banks to Deal in offshore Foreign Currency Settled Rupee Derivatives Market

Banks in India were permitted in June 2019 to offer Rupee interest rate derivatives to non-residents to hedge their interest rate risk. Overseas entities were also permitted to undertake Overnight Indexed Swap ("**OIS**") transactions for purposes other than hedging with banks in India either directly or on a back-to-back basis through a foreign branch/parent/group entity (foreign counterpart) of the market-maker in India. With a view to providing a further fillip to the interest rate derivative market in the country, removing the segmentation between onshore and offshore markets and improving the efficiency of price discovery, it has been decided by the RBI to allow banks in India to undertake transactions in the offshore Foreign Currency Settled Overnight Indexed Swap market with non-residents and other market makers. Banks may participate through their branches in India, their foreign branches or through their IFSC Banking Units.

Master Direction on IT Outsourcing and Information Technology Governance, Risk, Controls and Assurance Practices

The financial system is seeing extensive leveraging and outsourcing of critical IT services by Regulated Entities to get easier access to newer technologies through financial technology players to improve efficiencies. These arrangements expose them to significant financial, operational and reputational risks. Similarly, increasing dependence of customers on digital channels to avail banking services makes it imperative for Regulated Entities to focus on operational resilience. Accordingly, the RBI proposes to issue guidelines addressing the above aspects. Two draft directions will be issued for comments of stakeholders and members of the public: (i) Reserve Bank of India (IT Outsourcing) Directions, 2022; and (ii) Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2022.

D. The STATEMENT ON DEVELOPMENTAL AND REGULATORY POLICIES issued by the RBI (**pursuant to press release dated April 8, 2022**) sets out various developmental and regulatory policy measures including liquidity measures, payment and settlement systems, regulation and supervision set out below:

Introduction of the Standing Deposit Facility

Section 17 of the RBI Act which was amended in 2018 empowered the RBI to introduce the Standing Deposit Facility ("**SDF**"). This was an additional tool for absorbing liquidity without any collateral. By removing the binding collateral constraint on the RBI, the SDF strengthens the operating framework of monetary policy. The SDF is also a financial stability tool in addition to its role in liquidity management. Hence, it has been decided to institute the SDF with an interest rate of 3.75 per cent with immediate effect. The SDF will replace the fixed rate reverse repo ("**FRRR**") as the floor of the Liquidity Adjustment Facility ("**LAF**") corridor. Both the standing facilities viz., the MSF and the SDF will be available on all days of the week, throughout the year. The FRRR rate is retained at 3.35 per cent. It will remain as part of the RBI's toolkit and its operation will be at the discretion of the RBI for purposes specified from time to time. The FRRR along with the SDF will impart flexibility to the RBI's liquidity management framework.

SLR Holdings in HTM category

The RBI had increased the limits under Held to Maturity ("**HTM**") category from 19.5 to 22 per cent of NDTL in respect of SLR eligible securities acquired on or after September 1, 2020, up to March 31, 2022. This dispensation of enhancement in HTM limit was made available up to March 31, 2023. With a view to enable banks to better manage their investment portfolio in FY 2022-23, it has now been decided to enhance the limit for inclusion of SLR eligible securities in the HTM category to 23 per cent of NDTL and allow the banks to include securities acquired between April 1, 2022 and March 31, 2023 under the enhanced limit of 23 per cent. The HTM limits would be restored from 23 to 19.5 per cent in a phased manner starting from the quarter ending June 30, 2023.

E. The STATEMENT ON DEVELOPMENTAL AND REGULATORY POLICIES issued by the RBI (**pursuant to press release dated June 8, 2022**) sets out various developmental measures including liquidity measures, payment and settlement systems, debt management and financial Inclusion and customer protection set out below:

Margin Requirements for Non-Centrally Cleared Derivatives (NCCDs)

Well-established variation and initial margining requirements for over the counter ("OTC") NCCD transactions contribute to financial stability and are a key component of the post-crisis G20 recommendations for these markets. With the objective of strengthening the resilience of OTC derivative market, the RBI had earlier issued a discussion paper to implement global practices related to margin requirements for OTC derivatives. The promulgation of the Act for Bilateral Netting of Qualified Financial Contracts, 2020, ensuring legal recognition for bilateral netting of an OTC derivative transaction, has put in place a significant enabler for efficient margining. Against this backdrop, directions on exchange of Variation Margin (VM) for NCCDs have been issued by the RBI on June 1, 2022.

RBI Master Direction – Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 (RBI/DOR/2021-22/81 (DOR.MRG.42/21.04.141/2021-22), dated August 25, 2021, (updated on April 8, 2022 pursuant to notification))

The RBI, from time to time, has issued several guidelines/instructions/directives to banks on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks. Under the aforesaid Direction, the key provisions of the Investment Policy Framework are that banks shall undertake investment activities as per the terms and conditions specified in these Directions. Banks shall adopt a comprehensive investment policy duly approved by the Board of Directors. The investment policy shall, at the minimum, include the broad investment objectives to be achieved while undertaking investment transactions on their own investment account and on behalf of clients, securities in which investments can be made by the bank, derivatives in which the bank shall deal, procedure for obtaining the sanction of the appropriate authority, procedure for putting through deals, adherence to various prudential exposure limits, policy regarding dealings through brokers, systems for management of various risks, and guidelines for valuation of the portfolio and the reporting systems. Banks shall refer to the list of defaulters obtained from Credit Information Companies and Central Repository of Information on Large Credits (CRILC) while taking investment decisions. Additionally, there are provisions set out pertaining to categorization of investments, valuation of Investments, Investment in government reserves and Non-SLR securities, audit, review and reporting, and creation of Investment Fluctuation Reserve & Investment Reserve Account. Further, the provisions of the Directions are also applicable to Small Finance Banks and Payments Banks.

Additional Regulatory Updates

Roadmap for LIBOR Transition, RBI/2021-22/69, July 8, 2021.

With the objective of orderly, safe and sound LIBOR transition and considering customer protection, reputational and litigation risks involved, banks/financial institutions were encouraged to cease, and also encourage their customers to cease, entering into new financial contracts that reference LIBOR as a benchmark and instead use any widely accepted ARR, as soon as practicable and in any case by December 31, 2021. While certain US dollar LIBOR settings will continue to be published till June 30, 2023, the extension of the timeline for cessation is primarily aimed at ensuring roll-off of USD LIBOR-linked legacy contracts, and not to encourage continued reliance on LIBOR. It is, therefore, expected that contracts referencing LIBOR may generally be undertaken after December 31, 2021, only for the purpose of managing risks arising out of LIBOR contracts (e.g. hedging contracts, novation, market-making in support of client activity, etc.), contracted on or before December 31, 2021.

Banks/financial institutions are to undertake a comprehensive review of all direct and indirect LIBOR exposures and put in place a framework to mitigate risks arising from such exposures on account of transitional issues including valuation and contractual clauses.

Introduction of Legal Entity Identifier for Large Value Transactions in Centralised Payment Systems, RBI/2020-21/82, January 5, 2021.

The RBI had decided to introduce the LEI system for all payment transactions of value ₹50 crore and above undertaken by entities (non-individuals) using Reserve Bank-run Centralised Payment Systems viz. Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT).

In preparation for the wider introduction of LEI across all payment transactions, member banks should: advise entities who undertake large value transactions (₹50 crore and above) to obtain LEI in time, if they do not already have one; include remitter and beneficiary LEI information in RTGS and NEFT payment messages (details of the identified fields in the messaging structures of RTGS and NEFT for inclusion of LEI information are at Annex); and maintain records of all transactions of ₹50 crore and above through RTGS and/or NEFT.

Master Circular – Basel III Capital Regulations (RBI/2022-23/12-DOR.CAP.REC.3/21.06.201/2022-23) dated April 1, 2022.

The Master Circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, consolidates therein the prudential guidelines on Basel III capital adequacy issued to banks till June 30, 2015. The latest Master Circular on Basel – III Capital Regulations dated April 1, 2022 consolidates instructions on the above matters issued as on date. Small Finance Banks and Payments Banks have been directed by RBI to refer to their respective licensing guidelines and operating guidelines issued by RBI for prudential guidelines on capital adequacy.

RBI Releases the Report of the Committee to Review the Working of Asset Reconstruction Companies and review of regulatory guidelines applicable to them (pursuant to press release dated November 2, 2021)

The report essentially talks about the extant legal and regulatory framework for Asset Reconstruction Companies, ("**ARCs**"), business and financial models of ARCs, miscellaneous and provides certain recommendations. Key points are as follows:

- various guidelines applicable to ARCs may be consolidated into a single set of Master Directions, which may be updated as and when regulatory changes are made.

- RBI may provide a dispensation to lenders on an ongoing basis for amortising the loss on sale of NPAs to ARCs, over a period of two years.

- when substantial investment in SRs (say 51% or more) is by investors other than the lenders, provisioning on SRs held by the lenders may be done based on net asset value declared by the ARC. The threshold of 51% may be applicable for two years and increased to 76% thereafter.

- Sale of fraud accounts to ARCs may be permitted subject to appropriate safeguards to ensure that fixing of accountability at lender level and criminal inquiry by competent authorities are not affected by this transfer.

- Pursuant to the regulations, SLMA may provide lenders with a suitable comprehensive checklist on necessary information to be given to ARCs at pre-deal stage for due diligence and deal evaluation. Further, data room should be open for a minimum of 30 days after all information is furnished.

- The scope of Section 5 of the Act, and other related provisions, may be expanded to allow ARCs to acquire 'financial assets' as defined in the Act, for the purpose of reconstruction, not only from banks and 'financial institutions' but also from such entities as may be notified by the Reserve Bank. Under these proposed powers, RBI may consider permitting ARCs to acquire financial assets from all regulated entities, including AIFs, FPIs, AMCs making investment on behalf of MFs and all NBFCs (including HFCs) irrespective of asset size and from retail investors.

- In the interest of reducing regulatory burden on ARCs and thereby allow them to efficiently raise equity from strategic and foreign sources, the threshold level of shareholding for recognizing a sponsor may be increased to 20% from the current 10% through amendment to the Act. To curtail the consequent perverse incentive to peg each member's shareholding below 20%, identification of at least one sponsor may be made mandatory.

- Further, SEBI may also modify the explanation of 'lenders' in Regulation 158(6) of SEBI ICDR Regulations and Regulation 10(1)(i) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to include ARCs.

Basel III Capital Regulations – Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas (pursuant to a Notification No. RBI/2021-22/106 DOR.CAP.REC. No.56/21.06.201/2021-22 dated October 4, 2021)

The RBI has clarified the amount of capital funds that can be raised overseas – the "eligible amount" for purpose of issue of PDIs in foreign currency as per para 1.16 (ii) of Annex 4 to the Master Circular dated July 1, 2015 (RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16) referred to above, would mean the higher of: (a) 1.5% of Risk Weighted Assets (RWAs) and (b) Total Additional Tier 1 capital as on March 31 of the previous financial year. Further, not more than 49% of the "eligible amount" as above can be issued in foreign currency and/or in rupee denominated bonds overseas.

Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio Liquidity Risk Monitoring Tools and LCR Disclosure Standards and Net Stable Funding ratio – Small Business Customers (pursuant to Notification No. RBI/2021-22/151 DOR.No.PRD.LRG.79/21.04.098/2021-22 dated January 6, 2022)

RBI has issued this notification with the objective to better align the guidelines with the BCBS standard and enable banks to manage liquidity risk more effectively. It has been decided by the RBI to increase the threshold limit for deposits and other extensions of funds made by non-financial Small Business Customers from ₹5 crore to ₹7.5 crore for the purpose of maintenance of Liquidity Coverage Ratio (LCR). Additionally, this is also applicable to deposits and other extensions of funds received from Small Business Customers referred to in the circular on 'Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines' (DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018).

Master Direction – of India (Regulatory Framework for Microfinance Loans) Directions, 2022 (pursuant to Notification No. RBI/DOR/2021-22/89 DoR.FIN.REC.95/03.10.038/2021-22 dated March 14, 2022)

The RBI pursuant to this notification has issued directions providing for the Regulatory Framework for Microfinance Loans. The notification contains provisions relating to microfinancing loans, the assessment of household income, guidelines on conduct towards microfinance borrowers, engagement of recover agents, the qualifying assets criteria. This would be applicable to (i) All Commercial Banks excluding Payments Banks; (ii) All Primary (Urban) Co-operative Banks/State Co-operative Banks/District Central Co-operative Banks; and (iii) All Non-Banking Financial Companies (including Microfinance Institutions and Housing Finance Companies).

Master Direction – Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021-Amendment (pursuant to Notification No. RBI/2021-22/185 DOR.MRG.REC.96/21.04.141/2021-22 dated March 23, 2022)

RBI has issued a circular to amend the Master Direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 (pursuant to Master Direction No. RBI/DOR/2021-22/81-DOR.MRG.42/21.04.141/2021-22 – updated as on April 8, 2022). The circular states that investment in Category I and Category II AlFs, which includes VCFs, shall receive the same prudential treatment as applicable for investment in VCFs. Further, it also refers to Investment in securities issued by Asset Reconstruction Companies (ARCs), Investment in Category I and II Alternative Investment Funds (AIFs).

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India, the United Kingdom and each country of which they are residents.

INDIAN TAXATION

The following is a summary of the principal Indian tax consequences for non-resident investors of the Notes. The summary is based on taxation law and practice in force at the time of this Offering Circular and is subject to change, possibly with retrospective effect. This summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or disposition of the Notes. Furthermore, it only addresses the tax consequences for persons who are non-residents as defined in the Income Tax Act, 1961 who acquire the Notes pursuant to this Offering Circular. Additionally, in view of the number of different jurisdictions where local laws apply, this Offering Circular does not discuss the local tax law consequences to a potential investor arising from the acquisition, holding or disposition of the Notes. Prospective investors should, therefore, consult their own tax advisers on the Indian tax consequences of such acquisition, ownership or disposition of the Notes and as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of the Notes at their place of residence and in the countries of which they are citizens.

Taxation of persons regarded as non-resident in India

Taxation of Interest on Notes

There is currently no requirement to withhold Indian tax on interest payments made on the Notes by Issuer, if the amounts raised through the Notes are utilized outside India either for (i) the purposes of a business carried out by the Issuer outside India or for (ii) the purposes of making or earning income from any other source outside India.

If and to the extent the amounts so raised are utilized in India, Indian tax consequences would be applicable.

Withholding of Taxes on Interest Paid by EXIM through India

If the proceeds of the Notes are used for the purposes of the business of the Issuer in India, non-resident investors will be liable to pay tax on the interest paid on the Notes. As of the date of this Offering Circular the rate of tax as per the provisions of Section 115A and 194LC of the Income Tax Act, 1961 (the "**IT Act**") is 5 per cent. (plus applicable surcharge and health and education cess). Tax rate of 4 per cent. (plus applicable surcharge and cess) applies in respect of interest payable to a non-resident on a long term bond or a Rupee denominated bonds issued on or after April 1, 2020 but before July 1, 2023, which are listed only on a recognized stock exchange located in an International Financial Services Centre ("**IFSC**"). Since the interest payable on the Notes is subject to taxation in India, there is a requirement to withhold tax at the applicable rate for Notes, subject to any lower rate of tax provided by an applicable Double Taxation Avoidance Agreement ("**Tax Treaty**"). For the purpose of tax withholding, and/or claiming the benefit of Tax Treaty the non-resident investor shall be obliged to provide all necessary information and documents.

Interest on the Notes will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case the Issuer will pay additional amount as may be necessary in order that the net amount received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or the deduction, subject to certain exceptions. With respect to interest on the Notes that is not subject to taxes in India (where the proceeds of the issuance of the Notes are used for the purposes of business carried on by the Issuer outside India), the Issuer may not be required to withhold tax in India.

Taxation of deemed Income

As a measure to prevent laundering of unaccounted income, the IT Act provides that any person receiving certain specified assets (including the Notes) at a price less than their fair market value, shall be subject to income tax in India on the benefit accruing to him. Tax shall be payable at the rates applicable for the regular income. However, it may be noted that this provision would not be applicable if the asset is received from a relative or under a will or by way of inheritance or any other specific instances provided under section 56(2)(x) of the IT Act.

In the instant case, in case a non-resident receives Notes under the above mechanism, the taxability of the same shall also be subject to the provisions of the applicable Tax Treaty, assuming the non-resident is entitled to claim benefits of the Tax Treaty.

Taxation of Gains on disposal of Rupee Denominated Notes

Capital gains if any arising pursuant to any transfer, made outside India by a non-resident to another non-resident, of a capital asset being Rupee denominated Notes of an Indian company issued outside India are not subject to tax in India. Further, where the Rupee Denominated Notes listed on IFSC are transferred for a consideration payable in foreign exchange, gains derived from such transfer by the non-resident are exempt from tax in India. Any gains arising to a non-resident investor from transfer of Notes held as a capital asset will generally be chargeable to income tax in India if the Notes are transferred to an Indian resident and gains derived from their transfer are not exempt as mentioned above.

In the event capital gains arising on transfer of a capital asset are chargeable to tax in India, then, the rate of tax shall depend upon the residential status of the Noteholder as defined under the applicable provisions of Indian Law and the rates of tax prevailing at the time of transfer, in accordance with the relevant provisions of the IT Act.

However, in terms of the applicable provisions of the domestic tax law, it is possible for a Noteholder to opt either for the provisions of the domestic tax law or the provisions of the Tax Treaty as executed with a country of which the Noteholder is resident. The views explained above are as per the provisions of the prevailing IT Act and potential investors should, in any event, consult their own tax advisers on the tax consequences on transfer of the Notes.

If the Notes are transferred to an Indian resident upon disposition of a Note:

(a) a non-resident investor, who has held the Notes as capital asset for a period of more than 36 months immediately preceding the date of their disposition, would be liable to pay long-term capital gains tax at the rate of 10.00 per cent. or 20.00 per cent. of the capital gains (plus applicable surcharge and health and education cess) in accordance with the provisions of the IT Act. These rates are subject to any beneficial provision provided for in the relevant Tax Treaty;

(b) a non-resident investor who has held the Notes as capital asset for 36 months or less would be liable to pay capital gains tax at rates ranging up to 40.00 per cent. of the capital gains (plus applicable surcharge and health and education cess), depending on the legal status of the Non-resident Investor, and his taxable income in India; and any taxation of capital gains would also depend upon the provisions/benefits available under the relevant Tax Treaty, subject to fulfillment of the conditions prescribed under the relevant Tax Treaty as well as the IT Act;

(c) in respect of a non-resident investor holding Rupee denominated Notes, the IT Act provides that any gains arising on account of appreciation of the Rupee against a foreign currency at the time of redemption of Rupee denominated Notes held by a Non-resident Investor, shall be ignored for the computation of full value of consideration. Accordingly, gains accruing to the Non-resident Investor due to appreciation of the Rupee against a foreign currency at the time of redemption of the Rupee denominated Notes held by such Non-resident Investor, shall not be taxable;

(d) any surplus realized by a Non-resident Investor from a disposition of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the surplus is attributable to a "business connection in India" or, where a Tax Treaty applies, to a "permanent establishment" of the Non-resident Investor in India. A Non-resident Investor would be liable to pay Indian tax on the profits which are so attributable to such "business connection" or "permanent establishment" at a rate of tax ranging up to 40.00 per cent. (plus applicable surcharge and health and education cess), depending on the legal status of the Non-resident Investor and his taxable income in India.

Taxation of gains arising on disposal of USD Denominated Notes

Any gains arising to a non-resident investor from disposal of the Notes held (or deemed as held) as a capital asset will be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from disposal of the Notes held as a capital asset provided that the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being situated in India as the Issuer is incorporated in and a resident in India.

If the Indian tax authorities treat the Notes as being located in India, as the Issuer is incorporated and resident in India, upon disposal of the Notes:

(a) Where the Notes listed on IFSC for a consideration payable in foreign exchange, capital gains derived from such transfer by the non-resident are exempt from tax in India;

(b) When the conditions stated in clause (a) above are not met, a non-resident investor who has held the Notes for a period of more than 36 months immediately preceding the date of their disposal would be liable to pay capital gains tax at rates ranging up to 10.00 per cent. or 20.00 per cent. of the capital gains (plus applicable surcharge and health and education cess). These rates are subject to any beneficial provisions under an applicable Tax Treaty;

(c) When the conditions stated in clause (a) above are not met, a non-resident investor who has held the Notes for a period of 36 months or less would be liable to pay capital gains tax at rates ranging up to 40.00 per cent. (plus applicable surcharge and health and education cess) of capital gains depending on the legal status of the non-resident investor and his taxable income in India, subject to any lower tax implications under an applicable Tax Treaty; and

(d) any gains arising to a non-resident investor from disposal of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the gains are attributable to a "business connection in India" or, in the case where a Tax Treaty is applicable, to a "permanent establishment" of the non-resident investor in India. A non-resident investor would be liable to pay Indian tax on such gains at rates of tax ranging up to 40.00 per cent. (plus applicable surcharge and health and education cess in the case of non-resident companies and non-resident individuals) depending upon the legal status of the non-resident investor and his taxable income in India, subject to any lower rate of tax provided for by an applicable Tax Treaty. The taxation, if any, of capital gains would also depend upon the provisions/benefits available under the relevant Tax Treaty, subject to fulfillment of the conditions prescribed.

Tax withholding on gains arising from disposal of Notes

If a non-resident investor earns any capital gains chargeable to tax in India, the IT Act requires that such tax shall be withheld by the person making any payment to such non-investor at the rate of 10 or 20 per cent. (plus applicable surcharge and health and education cess) on long-term capital gains.

Furthermore, tax at the rate of up to 40 per cent. (plus applicable surcharge and health and education cess), shall be withheld depending on the legal status of the recipient of income, on short term capital gains. These rates are subject to any lower rate of tax provided under the relevant Tax Treaty (if any). The tax payable shall be computed in such manner as prescribed in this regard under the IT Act. For the purpose of tax withholding, and/or claiming the benefit of Tax Treaty the non-resident investor shall be obliged to provide all necessary information and documents.

Compliance under IT Act

A Non-resident Investor is obliged to pay such income tax in an amount equal to, or would be entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes and its ultimate Indian tax liability for such interest, in accordance with provisions of the IT Act. The non-resident Investors shall provide all necessary information and documents, as may be required by the Issuer.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act, may generally be subject to tax in India according to the personal or corporate rate of tax, as applicable.

Stamp duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought into India. Applicable stamp duty would be payable if the Notes are brought into India for enforcement or for any other purpose within a period of three months from the date the Notes are first received in India in accordance with the stamp duty applicable in the relevant Indian State.

Wealth Tax, Gift Tax and Inheritance tax

At present there are no taxes on wealth, gifts and inheritances which apply to the Notes held outside India.

Gift Tax

As of the date of this Offering Circular, no gift tax is payable in relation to the Notes in India.

UNITED KINGDOM TAXATION

The following applies only to persons who are absolute beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs' (HMRC) practice (which may or may not be binding on HMRC) relating only to the United Kingdom withholding tax treatment of payments of interest and of annual payments (as each term is understood for United Kingdom tax purposes) in respect of the Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Interest on the Notes

Payment of Interest on the Notes

Payments of interest on the Notes that do not have a United Kingdom source may be made without deduction or withholding on account of United Kingdom income tax. If interest paid on the Notes does have a United Kingdom source, then payments may be made without deduction or withholding on account of United Kingdom income tax in any of the following circumstances.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognized stock exchange" (within the meaning of section 1005 of the Income Tax Act 2007 (the "**Act**") for the purposes of section 987 of the Act). The Issuer's understanding of current HMRC practice is that the market known as Singapore Exchange Securities Trading Limited ("**SGX-ST**") is a recognized stock exchange, and that securities which are officially listed on the Main Board of SGX-ST may be regarded as "listed on a recognized stock exchange" for these purposes. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a "recognized stock exchange", interest on the Notes will be payable without deduction of or withholding on account of United Kingdom tax.

While the Notes are and continue to be admitted to trading on a multilateral trading facility operated by a regulated recognized stock exchange within the meaning of sections 987 and 1005 of the Act, payments of interest by the Issuer may be made without withholding or deduction for or on account of United Kingdom income tax. The Issuer's understanding is that the International Securities Market is currently a multilateral trading facility operated by a regulated recognized stock exchange (the London Stock Exchange) for these purposes.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, where the relevant payments of interest are treated as having a United Kingdom source, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20.00 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

An amount may also be required to be withheld from payments on the Notes that have a United Kingdom source and are not interest, but are treated as annual payments for United Kingdom tax purposes, on account of United Kingdom income tax at the basic rate.

Where Notes are to be issued at an issue price of less than 100 per cent. of their principal amount, any discount element on any such Notes would not generally be subject to United Kingdom withholding tax pursuant to the provisions mentioned above.

Where Notes are, or may fall, to be redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest for United Kingdom tax purposes. Payments of interest may be subject to United Kingdom withholding tax unless an exemption or relief applies as outlined above.

The references to "interest" above mean "interest", and references to "annual payments" above mean "annual payments", as such terms are understood for United Kingdom tax purposes. The statements above do not take account of any different definitions of "interest" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation. Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes that does not constitute "interest" as such term is understood for United Kingdom tax purposes.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 16 of the Notes, Clause 20 of the Trust Deed or otherwise, and does not consider the tax consequences of any such substitution.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain U.S. federal income tax consequences that may be relevant with respect to the purchase, ownership and disposition of the Notes by a U.S. Holder (as defined below). In general, this summary assumes that U.S. Holders acquire the Notes at original issuance at their issue price (as defined below) and will hold the Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase Notes. In particular, it does not discuss special tax considerations that may apply to certain types of taxpayers, including, without limitation, the following: (i)financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, notional principal contracts or currencies; (iv) tax-exempt entities; (v) real estate investment trusts; (vi) regulated investment companies; (vii) persons that will hold the Notes as part of a "hedging" or "conversion" transaction or as a position in a "straddle" or as part of a "synthetic security" or other integrated transaction for U.S. federal income tax purposes; (viii) persons that own (or are deemed to own) 10.00 per cent. or more of the shares of the Issuer by vote or value; (ix) partnerships, pass-through entities, or persons that hold Notes through partnerships or pass-through entities; (x) U.S. Holders (as defined below) that have a "functional currency" other than the U.S. dollar; (xi) persons that have ceased to be U.S. citizens or lawful permanent residents of the United States; (xii) investors holding the Notes in connection with a trade or business conducted outside of the United States; (xiii) U.S. citizens or lawful permanent residents living abroad; and (xiv) U.S. Holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement. In addition, this summary does not address alternative minimum tax or Medicare contribution tax consequences or the indirect effects on the holders of interests in a holder of Notes. This summary also does not describe any tax consequences arising under the laws of any taxing jurisdiction other than the U.S. federal government.

Each prospective investor should consult its own tax adviser with respect to the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning or disposing of the Notes. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Treasury regulations and judicial and administrative interpretations thereof, in each case of the date of this Offering Circular. All of the foregoing is subject to change, and any such change may apply retroactively and could affect the tax consequences described below.

As used in this section, the term **U.S. Holder** means a beneficial owner of Notes that is for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) any estate the income of which is subject to U.S. federal income tax regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Notes, the tax treatment of a partner generally will depend upon the status of the partner and upon the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax adviser concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This discussion applies only to U.S. Holders of Registered Notes. Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under U.S. federal income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

Characterization of the Notes

This summary should be read in conjunction with any discussion of U.S. federal income tax consequences to U.S. Holders in the applicable Pricing Supplement. To the extent there is any inconsistency in the discussion of the U.S. federal income tax consequences to U.S. Holders between this Offering Circular and the applicable Pricing Supplement, U.S. Holders should rely on the tax consequences described in the applicable Pricing Supplement instead of this Offering Circular. Any special U.S. federal income tax consequences relevant to a particular issue of Notes, including Index Linked Notes, Dual Currency Notes, Installment Notes, Hybrid Tier I Notes and Partly Paid Notes may be specified in the applicable Pricing

Supplement. The balance of this discussion, unless otherwise specified, assumes that the Notes will be treated as debt and will not be treated as contingent payment debt instruments for U.S. federal income tax purposes. A prospective investor in the Notes should consult its tax adviser in determining the tax consequences of an investment in the Notes, including the application of state, local or other tax laws and the proper characterization of the Notes for U.S. federal income tax purposes.

Taxation of U.S. Holders of the Notes

Payments of Interest

Interest paid on a Note, including the payment of any additional amounts whether payable in U.S. dollars or a currency other than U.S. dollars (a "**foreign currency**"), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "Original Issue Discount"), will be taxable to a U.S. Holder as ordinary interest income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes, reduced by the allocable amount of amortizable bond premium, subject to the discussion below. Interest income on the Notes, original issue discount ("**OID**") if any, accrued with respect to the Notes (as described below under "Original Issue Discount") and payments of additional amounts will be treated as foreign source income for U.S. federal income tax purposes, which may be relevant in calculating a U.S. Holder's foreign tax credit limitation for U.S. federal income tax purposes. The U.S. foreign tax credit limitation is calculated separately with respect to specific classes of income. The foreign tax credit rules are complex, and U.S. Holders should consult their tax advisers regarding the availability of a foreign tax credit and the application of the limitation in their particular circumstances.

Original Issue Discount

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with OID. In the event the Issuer issues contingent payment debt instruments, the applicable Pricing Supplement may describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a "**Short-Term Note**"), will be treated as issued with OID (a "**Discount Note**") if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (generally 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**installment obligation**") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made; multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that is unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must generally include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period, and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the Internal Revenue Service (the "**IRS**").

Variable Interest Rate Notes

Notes that provide for interest at variable rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (for example, the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) equal to or in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant-yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations may be more fully described in the applicable Pricing Supplement.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortizable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortize bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "Election to Treat All Interest as Original Issue Discount".

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "Original Issue Discount", with certain modifications. For purposes of this election, interest includes stated interest, OID and *de minimis* OID as adjusted by any amortizable bond premium (described above under "– *Notes Purchased at a Premium*"). This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Sale, Exchange or Other Disposition

A U.S. Holder's tax basis in a Note will generally equal its cost, increased by the amount of any OID included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. A U.S. Holder will generally recognize gain or loss on the sale, exchange or other disposition of a Note in an amount equal to the difference between the amount realized on the sale, exchange or other disposition and the tax basis in the Note. The amount realized does not include the amount attributable to accrued but unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "– *Short-Term Notes*" or attributable to changes in exchange rates (as discussed below), gain or loss recognized on the sale or retirement of a Note will be U.S.-source capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year. Prospective investors should consult their own tax advisers with respect to the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers who are individuals, trusts or estates that hold the Notes for more than one year) and capital losses (the deductibility of which is subject to limitations).

Foreign Currency Notes

Interest

If a qualified stated interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year). Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the accrual basis U.S. Holder will generally recognize U.S.-source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

The OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognize U.S.-source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Bond premium

Bond premium on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income (or OID) in units of the foreign currency. On the date bond premium offsets interest income (or OID), a U.S. Holder may recognize U.S.-source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder.

Sale or Retirement

As discussed above under "– *Sale, Exchange or Other Disposition*", a U.S. Holder will generally recognize capital gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and its tax basis in the Note, in each case as determined in U.S. dollars. U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or retirement of Notes that are not paid in U.S. dollars.

A U.S. Holder will recognize U.S.-source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realized only to the extent of total gain or loss realized on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S.-source ordinary income or loss.

IRS Disclosure Reporting Requirements

Certain U.S. Treasury regulations (the "**Disclosure Regulations**") meant to require the reporting of certain tax shelter transactions ("**Reportable Transactions**") could be interpreted to cover transactions generally not regarded as tax shelters. Under the Disclosure Regulations, it may be possible that certain transactions with respect to the Notes may be characterized as Reportable Transactions requiring a holder of Notes to disclose such transaction, such as a sale, exchange, retirement or other taxable disposition of a Note that results in a loss that exceeds certain thresholds and other specified conditions are met. A penalty in the amount of U.S.$10,000 in the case of a natural person and U.S.$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Accordingly, if a U.S. Holder realizes a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to the penalties described above. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, and to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective investors in the Notes should consult their tax advisers to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Statement).

Foreign Financial Asset Reporting

Certain U.S. Holders that own "specified foreign financial assets" that meet certain U.S. dollar thresholds generally are required to file an information report with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements unless the Notes are held in an account at certain financial institutions; U.S. Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Notes.

Backup Withholding and Information Reporting

Backup withholding and information reporting requirements may apply to certain payments on the Notes and proceeds of the sale, exchange or other disposition of the Notes to U.S. Holders. A U.S. Holder may be subject to backup withholding if it fails to furnish (usually on IRS Form W-9) the U.S. Holder's taxpayer identification number to certify that such U.S. Holder is not subject to backup withholding, or to otherwise comply with the applicable requirements of the backup withholding rules. Certain U.S. Holders are not subject to the backup withholding and information reporting requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder generally may be claimed as a credit against such U.S. Holder's U.S. federal income tax liability or refund, provided that the required information is furnished to the IRS. Prospective investors in the Notes should consult their own tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. PROSPECTIVE INVESTORS IN THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

U.S. WITHHOLDING TAXES ON DIVIDEND EQUIVALENT PAYMENTS

Under Section 871(m) of the Code, and the U.S. Treasury regulations thereunder ("**Section 871(m)**"), a "dividend equivalent" payment is treated as a dividend from sources within the United States and will be subject to U.S. withholding tax at a rate of 30.00 per cent. when paid to a non-U.S. person. A "dividend equivalent" payment generally includes a payment (or deemed payment) that is contingent upon, or determined by reference to, the payment of a U.S.-source dividend under certain financial instruments. An instrument whose economic characteristics are sufficiently similar to those of an underlying or referenced security that pays U.S.-source dividends under tests provided in applicable U.S. Treasury regulations will generally be subject to the Section 871(m) regime (such an instrument, a "**Specified Transaction**"). The tests applicable for determining whether an instrument is a Specified Transaction will depend on the terms of the relevant instrument and the date on which the instrument is priced, or issued or entered into (the applicable date to be determined in accordance with Section 871(m)), and may be subject to redetermination in connection with certain modifications of the instrument, or upon the rebalancing of a basket of reference assets or an index referenced by the instrument. Similarly, if additional securities of the same series are issued (or deemed issued for U.S. tax purposes, such as certain sales of securities out of inventory) after the original issue date, the IRS could treat the issue date for determining whether the existing securities are Specified Transactions as the date of such subsequent sale or issuance.

In general, Section 871(m) will not apply to certain financial instruments issued or entered into prior to January 1, 2023 if such financial instruments are not "delta one" transactions. In addition, the Section 871(m) regulations provide certain broadly applicable exceptions to characterization as Specified Transactions, in particular for certain instruments linked to certain broad-based indices. While the Issuer's determination generally is binding on holders, it is not binding on the IRS. The IRS may successfully argue that a Note is subject to withholding under Section 871(m), notwithstanding the Issuer's determination to the contrary. Further, it is possible that U.S. withholding tax could apply to the Notes under these rules if a holder enters, or has entered, into certain other transactions in respect of the underlying assets to which the Notes are linked (the "**Underlying**") or the Notes. A holder that enters, or has entered, into other transactions in respect of Underlying or the Notes should consult its own tax adviser regarding the application of Section 871(m) to its Notes in the context of its other transactions.

Withholding in respect of dividend equivalents may be required on any portion of a payment or deemed payment under a Specified Transaction, including, if appropriate, the payment of the purchase price, or upon the date of maturity, lapse, disposition, settlement or other resolution to a non-U.S. person. If the underlying or referenced U.S. security or securities are expected to be treated as paying dividends during the term of the Specified Transaction, withholding generally will still be required even if the Specified Transaction does not provide for payments explicitly linked to such dividends.

In the event that any withholding would be required pursuant to Section 871(m) with respect to payments on the Notes, no person will be required to pay any additional amounts with respect to amounts so withheld. If withholding applies, the rate of any withholding may not be reduced even if the holder is otherwise eligible for a reduction under an applicable treaty, although holders that are entitled to a lower rate of withholding under a tax treaty may be able to claim a refund for any excess amounts withheld by filing a U.S. tax return. However, holders may not receive the necessary information to properly claim a refund for any withholding in excess of the applicable treaty-based amount. In addition, the IRS may not credit a holder with withholding taxes remitted in respect of its Notes for purposes of claiming a refund. Finally, a holder's resident tax jurisdiction may not permit the holder to take a credit for U.S. withholding taxes related to the dividend equivalent amount. Prospective investors should consult their tax advisers regarding the consequences to them of the potential application of Section 871(m) to the Notes, including their ability to claim refunds or credits in respect of amounts withheld, under an applicable tax treaty with the United States (although, for the avoidance of doubt, holders will not have the ability to claim back any amounts of withholding in respect of payments received by the Issuer with respect to the Underlying).

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Arrangers, the Dealers, the Trustee nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The applicable pricing supplement will specify the Clearing system(s) applicable for each series.*

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a member of the Federal Reserve System, a "banking organization" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**"). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Offering Circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorized representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practice, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for Definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depositary with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depositary is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depositary). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between its accountholders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Each Registered Global Note accepted for clearance in DTC will have a CUSIP number. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC, unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC. None of the Principal Paying Agent, the Registrar or the Issuer will have any responsibility or liability for any aspects of the records relating to or payments made on account of converting interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such ownership interests. Payment of principal, premium (if any), and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date ("**T+3**"). The customary arrangements for delivery versus payment will apply to such transfers. Cross-market transfers between accountholders in Clearstream or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Registered Note resulting in such transfer and (ii) two business days after receipt by the Principal Paying Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in an amended and restated program agreement dated July 7, 2022 (as amended and/or supplemented and/or restated from time to time, the "**Program Agreement**"), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed to by it. The Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future, update of the Program the issue of Notes under the Program and for certain of their affiliates in connection with the program. The Issuer has agreed to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Program Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealers and certain of their affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In connection with each Tranche of Notes issued under the Program, the Dealers or certain of their affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, in the ordinary course of their business activities, the Dealers or their respective affiliates may make or hold (on their own account, on behalf of their clients or in their capacity as investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the account of their customers, and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer or its affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its affiliates, including Notes under the Program, and may be entered into at the same time or proximate to offers and sale of Notes or at the other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. As a result of such transactions, a Dealer or its affiliates may hold long or short positions relating to the Notes. Each of the Dealer and its affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with the Issuer or its affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Dealer and its affiliates may engage in other transactions with, and perform services for, the Issuer or its affiliates in the ordinary course of business. Each Dealer or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisers. While each Dealer and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer or its affiliates or its clients or counterparties to have economic interests and incentives that may conflict with those of an investor in the Notes. Each Dealer may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A; or (b) it is a non-U.S. person (within the meaning of Regulation S) outside the United States;

(ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered, sold, pledged or otherwise transferred within the United States except as set forth below;

(iii) that, unless it holds an interest in a Regulation S Global Note and is a non-U.S. person located outside the United States, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States to a non-U.S. person in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

(iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;

(v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(vi) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OR ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR RESALES OF THE SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON)."; and

(vii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make, and does make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one QIB will be for less than U.S.$200,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$200,000 (or its foreign currency equivalent) principal amount of Registered Notes.

Each purchaser of Bearer Notes will be required to acknowledge, represent and agree:

(i) that it is a non-U.S. person and it is located outside the United States (within the meaning of Regulation S);

(ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered, sold, pledged or otherwise transferred except as set forth below;

(iii) that if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date that is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof or (b) outside the United States to a non-U.S. person in compliance with Rule 903 or Rule 904 under the Securities Act;

(iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable; and

(v) that the Issuer and others will rely upon the trust and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer, and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make, and does make, the foregoing acknowledgements, representations and agreements on behalf of such account.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree, that it has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act or Rule 144A. Accordingly, each Dealer has further represented and agreed, and each further Dealer appointed under the Program will be required to further represent and agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer who has purchased Notes of a Tranche hereunder (or, in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and certify to the Principal Paying Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Principal Paying Agent has agreed to notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer has also agreed, and each further Dealer appointed under the Program will be required to agree, that at or prior to confirmation of sale of Notes (other than in respect of Notes sold pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in the preceding paragraph have the meanings given to them by Regulation S.

In addition, in respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement:

(a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section in substantially the same form) (the "**D Rules**"), each Dealer has represented and each further Dealer appointed under the Program will be required to represent (i) that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(b) each Dealer has represented and each further Dealer appointed under the Program will be required to represent, that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if it is a United States person, each Dealer has represented and each further Dealer appointed under the Program will be required to represent, that it is acquiring Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section l.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treasury regulation section);

(d) with respect to each affiliate that acquires Notes in bearer form from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) above on such affiliate's behalf; and

(e) each Dealer has represented that it has not and agrees that it will not enter into any written contract (other than a confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates or another Dealers) has offered or sold, or during the restricted period will offer or sell, any Notes, except where pursuant to the contract the Dealer has obtained or will obtain from that party, for the benefit of the Issuer and the several Dealers, the representations contained in, and that party's agreement to comply with, the provisions of clauses (a), (b), (c) and (d).

In respect of Bearer Notes where TEFRA C is specified in the applicable Pricing Supplement, such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree in connection with the original issuance of such Bearer Notes that it has not knowingly communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Bearer Notes.

Terms used in the paragraphs above have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and Treasury regulations thereunder, including the D Rules.

Notwithstanding anything above to the contrary, it is understood that Registered Notes may be offered and sold pursuant to a private placement in the United States, and in connection therewith each Dealer has represented, agreed and undertaken and each further Dealer appointed under the Program will be required to represent, agree and undertake, that:

(a) offers, sales, resales and other transfers of Notes made in the United States made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be made with respect to Registered Notes only and shall be effected pursuant to an exemption from the registration requirements of the Securities Act;

(b) offers, sales, resales and other transfers of Notes made in the United States will be made only in private transactions to institutional investors that are reasonably believed to qualify as qualified institutional buyers within the meaning of Rule 144A (each such institutional investor being hereinafter referred to as a QIB);

(c) the Notes will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act will be used in connection with the offering of the Notes in the United States;

(d) no sale of Notes in the United States to any one QIB will be for less than U.S.$200,000 principal amount or (in each case) its equivalent rounded upwards and no Note will be issued in connection with such a sale in a smaller principal amount. If such purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$200,000 principal amount of the Notes; and

(e) each Note sold as a part of a private placement in the United States and each Regulation S Global Note shall contain a legend in substantially the form set out on the face of such Note in the Trust Deed.

The Issuer represents and agrees that any resale or other transfer, or attempted resale or other transfer of Notes sold as part of a private placement in the United States made other than in compliance with the restrictions set out in the preceding paragraph above shall not be recognized by the Issuer or any agent of the Issuer and shall be void.

Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. The relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) *No deposit-taking*: in relation to any Notes which have a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their business or (B) whom it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their business, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;

(b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) *General compliance*: it has complied, and will comply, with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree that any Notes will be offered in the Netherlands only to Qualified Investors (as defined in the Prospectus Directive), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of the Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of May 21, 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Note; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals who do not act in the conduct of a business or profession; (c) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with. As used herein, **Zero Coupon Notes** are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

India

Each Dealer represents, agrees, and acknowledges and each further Dealer appointed under the Program will be required to represent, agree, and acknowledge that (a) this Offering Circular has not been and will not be registered, produced or published as an offer document (whether as a prospectus in respect of a public offer or information memorandum or other offering material in respect of any private placement of securities under the Companies Act, 2013, as amended and the rules framed thereunder or any other applicable Indian laws) with the Registrar of Companies or the Securities and Exchange Board of India or the RBI or any other statutory or regulatory body of a like nature in India, (b) the Notes have not been and will not be offered or sold to any person in India by means of any document other than to persons permitted under Indian laws to acquire the Notes, whether as a principal or as an agent, (c) this Offering Circular or any other offering document or material relating to the Notes have not been and will not be circulated or distributed, directly or indirectly, to any person or the public in India or any member of the public in India or otherwise generally distributed or circulated in India, and (d) this Offering Circular will not be circulated and the Notes will not be offered or sold to any prospective investor who does not meet the FATF or IOSCO Requirements. The Notes have not been offered or sold and will not be offered or sold in India in circumstances which could constitute an advertisement, invitation, offer, sale or solicitation of and an offer to subscribe for or purchase any securities in violation of applicable Indian laws.

Rupee denominated Notes

Each Dealer has represented and agreed that in relation to any issuance of Notes denominated in Rupees and payable in a currency other than Rupees, the Offering Circular or any other material relating to such Notes has not been and will not be circulated or distributed to: (i) any prospective investor who does not meet the FATF Requirements or IOSCO Requirements; or (ii), any person that is otherwise prohibited from investing in such Notes under any applicable law. For the purposes of this section:

FATF Requirements pursuant to the RBI regulations means an investor who is a resident of a country that is a member of a Financial Action Task Force ("**FATF**") or a member of a FATF style regional body; and should not be a country identified in the public statement of the FATF as: (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

IOSCO Requirements pursuant to the RBI regulations means an investor who is a resident of a country whose securities market regulator is a signatory to the International Organization of Securities Commission's (**IOSCO's**) Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India for information sharing arrangements.

Eligibility of holders of the Rupee denominated Notes

Holders and beneficial owners of the Rupee denominated Notes shall be responsible for compliance with restrictions on the ownership of the Rupee denominated Notes imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of the Rupee denominated Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Rupee denominated Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Rupee denominated Notes.

Disclosure of information relating to holders of Rupee denominated Notes

The holders and beneficial owners of Rupee denominated Notes shall be deemed to confirm that, for so long as they hold any Rupee denominated Notes, they will meet the FATF Requirements or IOSCO Requirements and the ECB Guidelines. Further, all Noteholders represent and agree that the Rupee denominated Notes will not be offered or sold on the secondary market to any person who does not meet the FATF Requirements or IOSCO Requirements and comply with the ECB Guidelines.

In relation to any issuance of Rupee denominated Notes, the holders and beneficial owners represent and agree that they will provide all information and details about themselves to the Issuer, to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required. The holders and beneficial owners will provide all the information and details that they have or can procure about any subsequent transferee Noteholders (and shall provide all assistance in relation thereto) to the Issuer so as to enable the Issuer to obtain the details of the transferee Noteholders or any other information pertaining to such transferee Noteholders to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required.

To comply with applicable laws and regulations, the Issuer or its duly appointed agent may from time to time request Euroclear and Clearstream to provide them with details of the accountholders within Euroclear and Clearstream, as may be appropriate, that hold the Rupee denominated Notes and the number of Rupee denominated Notes held by each such accountholder. Euroclear and Clearstream participants which are holders of the Rupee denominated Notes or intermediaries acting on behalf of such Noteholders would be deemed to have hereby authorized Euroclear and Clearstream, as may be appropriate, to disclose such information to the Issuer or its duly appointed agent.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Program will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended; (the "**FIEA**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than: (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

    (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

    (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

    (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the "**Prospectus Regulation**"); and

(b) the expression "**an offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

  (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtues of the EUWA.

Dubai International Financial Center

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered and will not offer the Notes to any person in the Dubai International Financial Center unless such offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules Module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

United Arab Emirates (excluding the Dubai International Financial Center)

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

General

Each Dealer has represented, warranted and undertaken and each further Dealer appointed under the Program will be required to represent, warrant and undertake that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

These selling restrictions may be modified by the agreement of the Issuer and the relevant Dealer following a change in a relevant law, regulation or directive. Any such modification will be set out in the applicable Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

None of the Issuer, the Trustee, the Arrangers and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

GENERAL INFORMATION

Authorization

1. The establishment of the EMTN Program and the issue of Notes have been duly authorized by a resolution of the Board of Directors of the Issuer dated April 23, 2005. By its resolutions dated October 18, 2012, the Board of Directors of the Issuer authorized the increase in the size of the Program from US$2,000,000,000 to US$3,500,000,000 in respect of the Issuer acting through its Head Office in India. Further, by its resolution dated January 13, 2015, the Funds Management Committee (**FMC**) approved the increase in the size of the Program from US$3,500,000,000 to US$7,500,000,000, in respect of the Issuer acting through its Head Office in India. The increase in the size of the Program from US$6,000,000,000 to US$10,000,000,000 was noted by the Board of the Directors at its meeting held on January 21, 2015. The Issuer has also increased the size of the Program from US$3,500,000,000 to US$7,500,000,000 in respect of the Issuer acting through its Head Office in India which was noted by the Board of the Directors at its meeting held on January 21, 2015. In addition, by the resolutions of the Board of Directors of the Issuer dated October 18, 2012, the Issuer, acting through its London Branch, is authorized to issue Notes up to a maximum aggregate nominal amount of US$2,500,000,000. By their resolutions dated January 29, 2016, the Board of Directors of the Issuer and the resolution of the FMC dated October 20, 2015 authorized setting up of program documents under Rule 144A of the United States Securities Act of 1933, as amended, by way of conversion of the Bank's existing EMTN program into a GMTN program. Each issue of Notes will be approved by the FMC, as per powers delegated by the Board.

2. The establishment of the Program was duly authorized and approved by the RBI by its letter dated May 25, 2006. The RBI, by its letter dated August 6, 2010, approved the issue of Notes by the Issuer, acting through its Head Office, up to an amount of US$2,000,000,000 subject to compliance by the Issuer of the guidelines on external commercial borrowings issued by the RBI. The aforesaid approval required the Bank to seek a further approval of the RBI prior to issue of any Notes by the Issuer, acting through its Head Office. The RBI, by its letter dated November 7, 2012, authorized the increase in the size of the Program from US$2,000,000,000 to US$3,500,000,000 in respect of the Issuer acting through its Head Office in India. The RBI, by its letter dated June 16, 2015, has stated that since the Issuer has already been obtaining its approval at annual intervals for raising ECBs, no separate approval is required for enhancement in the size of the Program. No RBI approval is required in respect of the issue of Notes by the Issuer, acting through a foreign branch.

3. The Issuer will seek all requisite regulatory approvals for issuance of instruments, including, Senior Notes, Upper Tier II Subordinated Notes or Upper Tier I Notes which it is eligible to issue under the Program, in accordance with the provisions of the Export-Import Bank of India Act, 1981, as amended and as per the RBI Guidelines. The Issuer, acting through its Head Office, is required to comply with all relevant reporting and other statutory requirements, of the RBI and/or the Government, in this regard as the case may be.

Listing

4. Application has been made to SGX-ST for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List. There can be no assurance that an application to the SGX-ST will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Program or the Notes.

   So long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Bank is to appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes representing such Notes are exchanged for definitive form. In addition, if such event occurs, an announcement of such exchange will be made through the SGX-ST and such announcement shall include all material information with respect to the delivery of the definitive Notes, including details of the paying agents in Singapore.

5. Application has been made to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's the ISM. The ISM is not a regulated market for the purposes of Directive 2014/65/EU. The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the UKLA and the London Stock Exchange has not approved or verified the contents of this Offering Circular.

6. Application has been made to the Global Securities Market (GSM) of the India INX for the listing and admission of the Notes on the Global Securities Market (GSM) of the India INX. The listing of the Notes by the Issuer is in compliance with the International Financial Services Centres Authority Issuance and Listing of Securities) Regulations, 2021, as amended from time to time.

Delisting of Notes

7. The Trust Deed provides that if the applicable Pricing Supplement indicates that the Notes are listed on a stock exchange (the **relevant Stock Exchange**), the Bank will use its best endeavors to maintain the listing on the relevant Stock Exchange of those of the Notes which are listed on the relevant Stock Exchange or, if it is unable to do so having used its best endeavors, it may cease to maintain such listing provided that it shall use its best endeavors promptly to obtain and maintain a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets on which it is then accepted in the sphere of international issues of debt securities to list securities such as the Notes as it may (with the approval of the Trustee (which approval of the Trustee may only be given if the Trustee has received confirmation from the relevant Dealer(s) in respect of such Notes that such other stock exchange or exchanges or securities market or markets is so accepted and which approval shall be withheld if such confirmation is not forthcoming)) decide and shall also, upon obtaining a quotation or listing of such Notes issued by it on such other stock exchange or exchanges or securities market or markets, enter into a trust deed supplemental to the Trust Deed to effect such consequential amendments to the Trust Deed as the Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange or securities market.

Clearing systems

8. Notes to be issued under the Program have been accepted for clearance through Euroclear and Clearstream. The appropriate common code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for each series of Registered Notes intended to be eligible for sale pursuant to Rule 144A of such Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

9. The issuance of the Notes, which would be eligible for electronic settlement, is in accordance with all applicable Indian laws and is duly authorized by the Issuer's constitutional documents as well as other applicable statutory and other consents.

No significant change

10. Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer since the date of the most recently published figures for the period ended March 31, 2022 and no material adverse change in the financial position or prospects of the Issuer since the date of the most recently published accounts as of March 31, 2022.

Litigation

11. Except as stated in this Offering Circular, the Bank is not involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened) of which the Issuer is aware in the 12 months preceding the date of this Offering Circular, which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

Accounts

12. The current statutory auditor of the Issuer is GMJ & Co., Chartered Accountants. GMJ & Co., Chartered Accountants, Mumbai, had audited the Issuer's non-consolidated accounts, without qualification, in accordance with the accounting policies followed by the Issuer, which conform to Generally Accepted Accounting Principles in India, for the financial year ended March 31, 2022, as stated in their report. The previous statutory auditor of the Issuer is M/S JCR & Co.. M/S JCR & Co., Chartered Accountants, Mumbai, had audited the Issuer's non-consolidated accounts, without qualification, in accordance with the accounting policies followed by the Issuer, which conform to Generally Accepted Accounting Principles in India, for the financial years ended March 31, 2020 and March 31, 2021, as stated in their report.

No Conflict of Interest

13. As of the date of this Offering Circular, there are no potential conflicts of interest between any duties owed to the Issuer by the Directors and the private interests and/or other duties owed by these individuals and there are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

No Material Contracts Outside the Ordinary Course of Business

14. As of the date of this Offering Circular, there are no material contracts that have been entered into outside the ordinary course of the Issuer's business, which could result in any group member being under an obligation or entitlement that would be material to the Issuer's ability to meet its obligation to the Noteholders.

Trustee's Reliance on Certificates

15. The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors (as defined in the Trust Deed) or any other person in accordance with the provisions of the Trust Deed as sufficient evidence of the facts stated therein whether or not called for by or addressed to the Trustee and whether or not any such certificate, report or engagement letter or other document entered into by the Trustee and the Auditors or such other person in connection therewith contains a monetary or other limit on the liability of the Auditors or such other person. However, the Trustee will have no recourse to the Auditors or such other person in respect of such certificates or reports unless the Auditors or such other person have agreed to address such certificates or reports to the Trustee.

Dealers transacting with the Issuer

16. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its affiliates in the ordinary course of business.

Documents Available

17. So long as Notes are capable of being issued under the Program, copies of the following documents will, when published, be available from the corporate office of the Issuer and from the specified office of the Paying Agent in London:

    (a) the audited financial statements of the Bank in respect of the financial years ended March 31, 2020, 2021 and 2022;

    (b) the most recently published audited annual financial statements of the Bank and the most recently published unaudited interim financial statements of the Bank (if any);

    (c) the Trust Deed, the Agency Agreement, the Operating and Administrative Procedures Memorandum, the Deed Poll and the forms of the Temporary Bearer Global Notes, the Permanent Bearer Global Notes, the Definitive Bearer Notes, the Receipts, the Coupons, the Talons and the Regulation S Global Notes, the Rule 144A Global Notes and the Definitive Registered Notes;

(d) a copy of this Offering Circular; and

(e) any future offering circulars, prospectuses, information memoranda and supplements, including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND U.S. GAAP

The Financial Statements of the Issuer included in this Offering Circular have been prepared in accordance with the accounting policies followed by the Issuer which conform to Generally Accepted Accounting Principles in India as applicable to the Issuer. In the Bank's opinion, the following is a general summary of certain principal differences between Indian GAAP and U.S. GAAP as applicable to the Issuer. The differences identified below are limited to those significant differences that are appropriate to the Issuer's financial statements. However, they should not be construed as being exhaustive, and no attempt has been made to identify possible future differences between Indian GAAP and U.S. GAAP as a result of prescribed changes in accounting standards nor to identify future differences that may affect the Issuer's financial statements as a result of transactions or events that may occur in the future. The financial statements reflect applicable statutory requirements, regulatory guidelines and accounting practices in India. These requirements, guidelines and practices change from time to time and may have been applied prospectively. As a result, the financial statements of the Bank on a period-by-period basis may not be directly comparable. Also, no quantitative impact has been derived by the Bank, if any, on the basis of such differences.

Indian GAAP	**U.S. GAAP**
Financial Statements Presentation and Disclosure	**Financial Statements Presentation and Disclosure**
Two years' balance sheets, profit and loss account, accounting policies and notes and cash flow statements are required under Indian GAAP. The format for presentation is as prescribed by the Export-Import Bank of India General Regulations framed under the Export-Import Bank of India Act, 1981.	Companies filing U.S. GAAP financial statements with the SEC are required to present three years' statements of operations and stockholders' equity, and other comprehensive income and cash flow statements and two years' balance sheets. An option is also available under Form 20-F to file consolidated financial statements under Indian GAAP, including reconciliation of net income and stockholders' equity under Indian GAAP to net income and stockholders' equity under U.S. GAAP.
Changes in accounting policies	**Changes in accounting policies**
Impact of adjustments resulting from the change to be shown in the income statement of the period in which the change is made except as specified in certain standards where the change resulting from adoption of such standards has to be shown by an adjustment to opening retained earnings.	Retrospective application requiring the entity to adjust each affected component of equity for the earliest period presented and comparative income statement presented, except where impracticable to do so. Transition provisions are generally specified in new standards and may be different.
Revaluation of property, plant and equipment	**Revaluation of property, plant and equipment**
Use of historical cost or revalued amounts is permitted. Revaluation of an entire class of assets or of a selection of assets is required to be carried out on a systematic basis. An increase in net book value as a result of revaluation is taken directly to revaluation reserves while a decline is charged to the profit and loss account.	Upward revaluation is not permitted.

Indian GAAP	U.S. GAAP
Unrealized gains/losses on investments	**Unrealized gains/losses on investments**
All investments are stated in the balance sheet as five types of classifications being (a) Securities of Central and State Government, (b) Equity Shares and Stocks, (c) Preference Shares and Stocks, (d) Notes, Debentures and Bonds and (e) Others. These investments are categorized into "Held to Maturity", "Available for Sale" and "Held for Trading". "Held to Maturity" securities are carried at their acquisition cost or at amortized cost if acquired at a premium over the face value. "Available for Sale" and "Held for Trading" securities are valued periodically according to the RBI guidelines. Net depreciation, if any, within each category of investments is recognized in the profit and loss account. The net appreciation, if any, under each classification is ignored.	Investments are categorized into "Held to Maturity", "Available for Sale" or "Trading" based on management's intent and ability. While "Trading" and "Available for Sale" securities are valued at fair value, "Held to Maturity" securities are valued at cost, adjusted for amortization of premiums and accretion of discount. The unrealized gains and losses on "Trading" securities are taken to the income statement, while those of "Available for Sale" securities are reported as a separate component of stockholders' equity, net of applicable taxes, until realized. In case a security is assessed to be other than temporarily impaired, the unrealized losses are recognized in an income statement.
Amortization of premium/discount on the purchase of investments	**Amortization of premium/discount on the purchase of investments**
Under Indian GAAP, premium over the face value of fixed rate and floating rate investments classified under the HTM category is amortized over the period remaining to maturity on a constant yield to maturity basis.	Premium/discount amortization is permitted for all categories of investments.
Allowances for credit losses	**Allowances for credit losses**
All credit exposures, including overdues arising from crystallized derivative contracts, are classified according to the RBI guidelines into performing and NPAs. Furthermore, NPAs are classified into substandard, doubtful and loss assets for provisioning based on the criteria stipulated by the RBI. Provisions are made in accordance with the RBI guidelines. For restructured assets, a provision is made in accordance with the guidelines issued by the RBI, which require the diminution in the fair value of the assets to be provided at the time of restructuring. In addition to the specific provisioning made on NPAs, the Bank maintains general provisions to cover potential credit losses of standard assets in accordance with the RBI guidelines. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or the RBI.	Loans are tested for impairment and placed on a non-accrual basis (i.e. interest income is not accrued) when based on current information and events, management estimates that the collection of outstanding interest and principal amounts are doubtful. The impairment of a loan is measured based on the present value of the loan's discounted rate, or at the observable market price of the loan, or at the fair value of the collateral if the loan is collateral dependent. The impairment is recognized if the measured value is less than the recorded investment in the impaired loan. The allowances on the performing portfolios are established after considering historical and projected default rates and loss severities.

Indian GAAP	U.S. GAAP
Loan origination fees/costs	**Loan origination fees/costs**
Loan origination fees are recognized upfront on their becoming due. Loan origination costs are taken to the profit and loss account in the year in which they are accrued/incurred.	Loan origination fees (net of certain loan origination costs) are deferred and recognized as an adjustment to yield over the life of the loan.
Derivatives	**Derivatives**
Derivatives are disclosed as off-balance sheet exposures. The derivatives are bifurcated as trading or hedge transaction. Trading derivatives are revalued at the balance sheet date with the resulting unrealized gain/loss being recognized in the profit and loss account and correspondingly in other assets or other liabilities respectively. Hedged swaps/options are accounted for on an accrual basis/at fair value pursuant to the principles of hedge accounting.	All derivatives are required to be recognized as assets or liabilities on the balance sheet and measured at fair value with changes in fair value being recognized in earnings. Fair values are based on quoted market prices, or absent quoted market prices, based on valuation technique, which may take into account available current market and contractual prices of the similar instrument as well as time value underlying the positions. If a derivative qualifies as a hedge, depending on the nature of the hedge, the effective portion of the hedge's change in fair value is either offset against the change in fair value of the hedged asset, liability or firm commitment through income or held in equity until the hedge item is recognized in income. The ineffective portion of a hedge is immediately recognized in income.
Employee Benefits	**Employee Benefits**
AS 15 (Revised) requires the use of projected unit credit method to determine benefit obligation. The discount rate for obligations is based on market yields of government securities. All actuarial gains and losses have to be recognized immediately in the profit and loss account.	Obligation for defined benefit plans must be measured using projected unit credit method. Immediate recognition of actuarial gains or losses is not required, but is recognized as a component of Other Comprehensive Income.
Deferred Taxes	**Deferred Taxes**
The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax is not created on undistributed earnings of subsidiaries and affiliates. Deferred tax assets are recognized subject to a valuation allowance based upon management's judgment as to whether realization is considered more likely than not that the assets will be realized. Deferred tax assets are reviewed as of each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realized.	Income taxes are accounted for according to the provisions of FASB ASC 740, "Income Taxes". FASB ASC 740 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax basis of assets and liabilities, using enacted tax rates in force. Deferred tax is created on undistributed earnings of subsidiaries and affiliates. Deferred tax assets are recognized subject to a valuation allowance based upon management's judgment as to whether realization on assets is considered more likely than not.

Indian GAAP	U.S. GAAP
Employee Stock Option Plan	**Employee Stock Option Plan**
According to the guidance note on Accounting for Employee Share based payments, effective for all share based grants made after April 1, 2005, employee share based plans are classified into equity settled, cash settled and employee share based payments plans with cash alternatives. Any plan falling into the above categories can be accounted for adopting fair value method or intrinsic value method as of the grant date. An enterprise using the intrinsic value method is required to make fair value disclosures. Listed companies are also to observe the specific guidance by the market regulator.	Under U.S. GAAP, share based payments are accounted for under FASB ASC 718, "Compensation – stock compensation", employee stock based compensation plans have to be accounted for in income statement using the fair value method.
Accounting for subsidiaries and affiliates	**Accounting for subsidiaries and affiliates**
Under Indian GAAP, the Bank is required to present both unconsolidated and consolidated financial statements. Under unconsolidated financial statements, financial position and results of operations of controlled entities are not consolidated, but are reflected on the basis of cost subject to consideration of impairment. The Bank is also required to consolidate subsidiaries where it controls the ownership, directly or indirectly, of more than one-half of the voting power or controls the composition of the board of directors with the objective of obtaining economic benefits from their activities. The Bank does not prepare Consolidate accounts but discloses their proportionate share of its interest in its joint venture's Balance sheet and Profit & loss account in the abridged form by way of a note in its financial statement as the Investment in joint venture is of strategic nature.	U.S. GAAP mandates preparation of consolidated financial statements. Consolidation of subsidiaries is required where the Bank, directly or indirectly, holds more than 50.00 per cent. of the voting rights or exercises control. Entities where the Bank holds 20.00 per cent. to 50.00 per cent. of the voting rights and/or has the ability to exercise significant influence are accounted for under the equity method, and the pro rata share of their income (loss) is required to be included in the income statement. The Bank will be required to consolidate Variable Interest Entities (VIEs) where the Bank is determined to be the primary beneficiary under FASB ASC 810 and FASB ASC Topic 323.
Accounting for Securitization	**Accounting for Securitization**
The gain on a securitization transaction is recognized over the period of underlying securities issued by the special purpose vehicle as prescribed under the RBI guidelines. The losses, if any, are charged off immediately. The float income is accrued as it is earned under Indian GAAP.	Under U.S. GAAP, any gain or loss on the sale of the financial asset is accounted for in the income statement at the time of the sale according to ASC Topic 860, "Transfers and Servicing Financial Assets and Extinguishment".

Transition to Indian Accounting Standards (Ind AS)

As of the date of this Offering Circular, the balance sheet and profit and loss account of the Bank's General Fund and the Export Development Fund have been prepared in the form and manner provided in the Export-Import Bank of India, General Regulations, 2020 and according to the generally accepted accounting principles in India ("**Indian GAAP**").

The Bank has constituted a steering committee as advised by RBI comprising members from cross-functional areas to initiate the implementation process of the Bank's transition from Indian GAAP to Ind AS. The Bank's Ind AS implementation plan focuses on technical evaluation of GAAP differences, selection of accounting policies and choices, evaluation of system changes and data requirements, business impact analysis and skill development through regular trainings and workshops. The Bank is in process of evaluating the system changes to meet the overall information required for implementing the Ind AS. The RBI, pursuant to its letter dated May 15, 2019 addressed to the Bank, has conveyed the deferment of implementation of Ind-AS by All India Financial Institutions until further notice.

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General Fund

Audited financial statements of the Bank as of and for the financial year ended March 31, 2022

Audited financial statements of the Bank as of and for the financial year ended March 31, 2021

Audited financial statements of the Bank as of and for the financial year ended March 31, 2020

EXPORT DEVELOPMENT FUND (EDF)

Audited financial statements of the EDF as of and for the financial year ended March 31, 2022

Audited financial statements of the EDF as of and for the financial year ended March 31, 2021

Audited financial statements of the EDF as of and for the financial year ended March 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To,
The President of India
Report on the Audited Financial Statements

Opinion

We have audited the accompanying Financial Statements of General Fund of "Export-Import Bank of India" ("the Bank"), which comprise the Balance Sheet as at March 31, 2022, the Profit and Loss account, Statement of Cash flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Financial Statements give a true and fair view of the financial position of the Bank as at March 31, 2022, of its financial performance and its cash flows for the year then ended in accordance with the Regulation 14 (i) of EXIM Bank of India General Regulations, 2020 and the accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 28 of the Financial Statements regarding impact of COVID-19 pandemic on the Financials for the year ended 31st March 2022. In view of the continuity uncertainties the extent of impact of the global pandemic on the Bank's operations and Financial position would depend on several factors including actions taken to mitigate its impact and other regulatory measures.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr No	Key Audit Matters	How the matter was addressed in our Audit
1	**Identification of Non-performing advances and provisioning of advances:** Advances constitute a significant portion of the Bank's assets and the quality of these advances is measured in terms of ratio of Non-Performing Advances ("NPA") to the gross advances of the Bank. The Bank advances constitute 86.02 % of the total assets and the gross NPA ratio of the Bank is 3.56% as at March 31, 2022. The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification ("IRAC") prescribe the prudential norms for identification and classification of NPAs and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors. The provisioning for identified NPAs is estimated based on ageing and classification of NPAs, recovery estimates, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI. Additionally, the Bank makes provisions on exposures that are not classified as NPAs including advances in certain sectors and identified advances or group advances that can potentially slip into NPA. These are classified as contingency provisions. The Bank has detailed its accounting policy in this regard in Significant	<u>We performed the following audit procedures, among others, included:</u> - Considering the Bank's policies for NPA identification and provisioning and assessing compliance with the IRAC norms. - Understanding, evaluating and testing the design and operating effectiveness of key controls (including application controls) around identification of impaired accounts based on the extant guidelines on IRAC. - Examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. - Reviewing account statements and other related information of the borrowers selected based on quantitative and qualitative risk factors. - Examining the early warning reports generated by the Bank to identify stressed loan accounts. - Holding specific discussions with the management of the Bank where there is perceived credit risk and the steps taken to mitigate the risks. - We assessed the appropriateness and adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs including the additional disclosures required in accordance with the Regulatory Package and Resolution Framework.

	accounting policies and notes to accounts under note I (iii) Asset Classification and Provisioning. Since the identification of NPAs and provisioning for advances require significant level of estimation and given its significance to the overall audit, we have ascertained identification and provisioning for NPAs as a key audit matter.	With respect to provisioning of advances, we performed the following procedures: - Gained an understanding of the Bank's process for provisioning of advances. - Tested on a sample basis the calculation performed by the management for compliance with RBI regulations and internally laid down policies for provisioning. - For loan accounts, where the Bank made provisions which were not classified as NPA, we reviewed the Bank's assessment for these provisions.
2	**Contingent Liability for Income Tax:** The Bank has material open tax litigations including matters under dispute which involve significant judgment to determine the possible outcome of these disputes. Since the assessment of these open tax litigations requires significant level of judgement, we have included this as a key audit matter.	- Gained an understanding of the Bank's process for determining tax liabilities and the tax provisions. - Involved external Tax experts to understand the evaluation of likelihood and level of liability for significant tax risks after considering legal precedence, other rulings and new information in respect of open tax positions as at reporting date. - Reviewed the tax demand by referring to supporting documentation, including correspondence with tax authorities. - Assessed the disclosures within the standalone Financial Statements in this regard. - We highlighted the Bank's take on the provisioning of the disputed Income Tax liabilities. Basis the discussion with the Bank and external tax experts, disclosure of Rs.0.50 Bn was made under Contingent Liability for Income Tax.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Overall Business Operations, Management and Corporate Governance but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance / conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the Annual report, if we conclude that there is a material misstatement therein, then we will communicate the matter to those charged with governance.

Other Matters

The Bank has ten domestic Representative offices (ROs), eight overseas offices and one foreign branch. The financial accounting systems of the Bank are centralized for the Domestic and Overseas Offices. We could visit only 3 domestic ROs and have not been able to visit the other domestic ROs and foreign branch because of COVID-19 Pandemic and have relied on the accounting statements and returns received from the branch/ROs, which are included in these Financial Statements.

The audit review of the Financial Statements of the year ended March 31, 2021, was carried out by previous Independent Auditor of the Bank who have expressed an unmodified opinion on the same vide report dated 18th May 2021.

Our opinion on this statement is not modified in respect of this matter

Responsibilities of Management for the Financial Statements

Management of Bank is responsible for the preparation and fair presentation of the Financial Statements in accordance with the provisions of the Act and the Regulations framed thereunder and for such internal controls as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain Professional Skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

The Balance Sheet, the Profit and Loss Account and Cash Flow Statement have been drawn up as per Schedules I, II and III of the EXIM Bank of India General Regulations, 2020.

We further report that:

- We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.
- The Balance Sheet, the Statement of Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with Books of Account.
- The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
- The accounting statements, information and returns received from the representative/branch offices and a foreign branch of the Bank have been found adequate for the purposes of our audit.
- In our opinion, the aforesaid Financial Statements dealt with by this report comply with the applicable Accounting Standards.

For GMJ & Co.
Chartered Accountants
FRN: 103429W

ATUL JAIN

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CA Atul Jain
Partner
Mem No. 037097
UDIN: 22037097AITRFS5650
Place: New Delhi
Date: 11th May 2022

EXPORT-IMPORT BANK OF INDIA

BALANCE SHEET AS AT 31ST MARCH, 2022

GENERAL FUND Previous year (As at 31.03.2021) ₹	LIABILITIES	SCHEDULES	GENERAL FUND This year (As at 31.03.2022) ₹
151,593,663,881	1.Capital	I	159,093,663,881
26,543,243,671	2.Reserves	II	33,182,168,229
253,900,000	3.Profit & Loss Account	III	737,600,000
965,345,341,400	4.Notes, Bonds and Debentures		911,445,743,000
-	5.Bills Payable		-
2,051,739,943	6.Deposits	IV	1,774,864,091
128,772,977,903	7.Borrowings	V	161,553,999,474
33,014,055,544	8.Current Liabilities and Provisions for contingencies		47,758,579,490
40,441,231,470	9.Other Liabilities		51,868,672,455
1,348,016,153,812	**Total**		**1,367,415,290,620**
	ASSETS		
144,922,665,318	1. Cash & Bank Balances	VI	32,733,783,010
100,172,242,817	2. Investments	VII	109,025,261,755
1,024,413,455,089	3. Loans and Advances	VIII	1,145,615,812,525
14,100,000,000	4. Bills of Exchange and Promissory Notes Discounted/Rediscounted	IX	30,575,800,000
3,959,149,600	5. Fixed Assets	X	3,689,339,694
60,448,640,988	6. Other Assets	XI	45,775,293,636
1,348,016,153,812	**Total**		**1,367,415,290,620**

contd 2

GMJ & CO. MUMBAI FRN NO. 103429W CHARTERED ACCOUNTANTS

GENERAL FUND Previous year (As at 31.03.2021) ₹	CONTINGENT LIABILITIES	GENERAL FUND This Year (As at 31.03.2022) ₹
136,925,745,884	(i) Acceptances,Guarantees, endorsements and other obligations	138,112,009,528
1,504,006,991	(ii) On outstanding forward exchange contracts	-
-	(iii) On underwriting commitments	-
180,035,910	(iv) Uncalled Liability on partly paid investments	178,279,005
7,752,500,000	(v) Claims on the Bank not acknowledged as debts	5,081,997,787
-	(vi) Bills for collection	-
-	(vii) On participation certificates	-
-	(viii) Bills Discounted/Rediscounted	-
5,580,808,626	(ix) Other monies for which the Bank is contingently liable	15,076,162,871
151,943,097,411		**158,448,449,191**

'Notes to Accounts' attached.

For and on behalf of the Board

Shri N. Ramesh
Deputy Managing Director

Ms. Harsha Bangari
Managing Director

Shri Dammu Ravi

Smt Rupa Dutta

Shri Suchindra Misra

Shri R. Subramanian

Shri M. Senthilnathan

Shri Dinesh Kumar Khara

Shri Rajkiran Rai G.

Shri Ashok Kumar Gupta

Directors

For GMJ & Co.
Chartered Accountants
Firm Regn. No. 103429W

(CA Atul Jain)
Partner
M. No. 037097

New Delhi
Dated: May 11, 2022

EXPORT-IMPORT BANK OF INDIA

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2022

GENERAL FUND Previous year ₹	EXPENDITURE	SCHEDULES	GENERAL FUND This Year ₹
54,181,896,186	1. Interest		48,891,292,969
736,601,198	2. Credit Insurance, fees and charges		683,294,538
946,231,917	3. Staff Salaries, Allowances etc. and Terminal Benefits		875,750,434
-	4. Directors' and Committee Members' Fees and Expenses		239,800
1,198,100	5. Audit Fees		1,198,100
233,717,376	6. Rent, Taxes, Electricity and Insurance Premia		277,875,453
50,891,039	7. Communication expenses		42,983,915
50,210,455	8. Legal Expenses		42,755,953
926,601,821	9. Other Expenses	XII	1,123,453,662
401,966,573	10. Depreciation		391,207,376
24,671,675,118	11. Provision for loan losses/contingencies depreciation on investments		9,806,678,917
3,563,241,717	12. Profit/(Loss) carried down		21,497,517,260
85,764,231,500	**Total**		**83,634,248,377**
1,023,357,227	Provision for Income Tax(Net of deferred tax) [including Deferred tax of ₹ 13,91,50,30,279 (previous year - ₹ 77,61,48,307)]		14,120,992,702
2,539,884,490	Balance of profit/(Loss) transferred to Balance Sheet		7,376,524,558
3,563,241,717			**21,497,517,260**
	INCOME		
79,798,063,740	1. Interest and Discount	XIII	79,763,834,132
2,501,882,725	2. Exchange, Commission, Brokerage and Fees		3,715,617,529
3,464,285,035	3. Other Income	XIV	154,796,716
85,764,231,500	**Total**		**83,634,248,377**
3,563,241,717	Profit/(Loss) brought down		21,497,517,260
-	Excess Income/Interest tax provision of earlier years written back		-
3,563,241,717			**21,497,517,260**

'Notes to Accounts' attached.

For and on behalf of the Board

Shri N. Ramesh
Deputy Managing Director

Ms. Harsha Bangari
Managing Director

Shri Damma Ravi
Smt Rupa Dutta
Shri Suchindra Misra
Shri R. Subramanian
Shri M. Senthilnathan
Shri Dinesh Kumar Khara
Shri Ashok Kumar Gupta
Shri Rajkiran Rai G.

Directors

For GMJ & Co.
Chartered Accountants
Firm Regn. No. 103429W

(CA Atul Jain)
Partner
M. No. 037097

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

New Delhi
Dated: May 11, 2022

EXPORT-IMPORT BANK OF INDIA
SCHEDULES TO THE BALANCE SHEET

GENERAL FUND Previous year (As at 31.03.2021) ₹		GENERAL FUND This Year (As at 31.03.2022) ₹
Schedule I :	**Capital:**	
200,000,000,000	1. Authorised	200,000,000,000
151,593,663,881	2. Issued and Paid-up : (Wholly subscribed by the Central Government)	159,093,663,881
Schedule II :	**Reserves:**	
9,008,628,207	1. Reserve Fund	15,647,552,765
-	2. General Reserve	-
	3. Other Reserves :	
1,939,296,400	Investment Fluctuation Reserve	1,939,296,400
1,955,319,064	Sinking Fund (Lines of Credit)	1,955,319,064
13,640,000,000	4. Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	13,640,000,000
26,543,243,671		**33,182,168,229**
Schedule III :	**Profit & Loss Account:**	
2,539,884,490	1. Balance as per annexed accounts	7,376,524,558
	2. Less: Appropriations:	
537,684,490	- Transferred to Reserve Fund	6,638,924,558
1,748,300,000	- Transferred to Investment Fluctuation Reserve	-
-	- Transferred to Sinking Fund	-
-	- Transferred to Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	-
253,900,000	3. Balance of the net profits (Transferable to the Central Government in terms of Section 23(2) of the EXIM Bank Act,1981)	**737,600,000**
Schedule IV :	**Deposits:**	
2,051,739,943	(a) In India	1,774,864,091
-	(b) Outside India	-
2,051,739,943		**1,774,864,091**

contd 2

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

Schedule V :	**Borrowings:**	
	1. From Reserve Bank of India :	
-	(a) Against Trustee Securities	-
-	(b) Against Bills of Exchange	-
-	(c) Out of the National Industrial Credit (Long Term Operations) Fund	-
-	2. From Government of India	-
	3. From Other Sources :	
-	(a) In India	22,840,442,293
128,772,977,903	(b) Outside India	138,713,557,181
128,772,977,903		**161,553,999,474**

Schedule VI:	**Cash & Bank Balances:**	
1,482,382	1. Cash in Hand	202,366
191,813,444	2. Balance with Reserve Bank of India	1,301,482,828
	3. Balances with other Banks:	
	(a) In India	
6,743,703,578	i) in current accounts	1,670,137,227
21,000,000,000	ii) in other deposit accounts	1,750,000,000
111,088,386,576	(b) Outside India	28,011,960,589
5,897,279,338	4. Money at call and short notice / Lending under CBLO	-
144,922,665,318		**32,733,783,010**

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

contd 3

Schedule VII:	**Investments:** *(net of diminution in value, if any)*	
93,573,740,000	1. Securities of Central and State Governments	92,764,120,000
1,734,555,661	2. Equity Shares & Stocks	1,787,631,245
-	3. Preference Shares and Stocks	-
4,863,947,156	4. Notes,Debentures and Bonds	3,308,400,010
-	5. Others	11,165,110,500
100,172,242,817		**109,025,261,755**
Schedule VIII :	**Loans & Advances:**	
478,222,803,060	1. Foreign Governments	533,183,676,763
	2. Banks:	
93,159,800,000	(a) In India	139,158,500,000
1,090,304,683	(b) Outside India	2,349,567,500.00
	3. Financial Institutions:	
-	(a) In India	-
50,921,812,932	(b) Outside India	90,190,094,780
401,018,734,414	4. Others	380,733,973,482
1,024,413,455,089		**1,145,615,812,525**
Schedule IX :	**Bills of Exchange and Promissory Notes Discounted/Rediscounted:**	
14,100,000,000	(a) In India	30,575,800,000
-	(b) Outside India	-
14,100,000,000		**30,575,800,000**

contd 4

GMJ & CO
MUMBAI
FRN. NO.
103429W
CHARTERED ACCOUNTANTS

Previous year	Schedule	Current year
Schedule X :	**Fixed Assets:** *(At cost less depreciation)*	
	1. Premises	
4,767,405,894	Gross Block b/f	5,120,083,818.00
352,677,924	Additions during the year	15,329,824.00
-	Disposals during the year	-
5,120,083,818	Gross Block as at the end of the year	5,135,413,642
1,477,013,450	Accumulated Depreciation	1,702,085,519
3,643,070,368	Net Block	3,433,328,123
	2. Others	
1,185,896,824	Gross Block b/f	1,432,461,033
281,394,653	Additions during the year	113,879,687
34,830,444	Disposals during the year	54,396,420
1,432,461,033	Gross Block as at the end of the year	1,491,944,300
1,116,381,801	Accumulated Depreciation	1,235,932,729
316,079,232	Net Block	256,011,571
3,959,149,600		**3,689,339,694**
Schedule XI :	**Other Assets:**	
	1. Accrued interest on	
11,377,940,070	a) investments / bank balances	11,017,809,688
6,026,583,840	b) loans and advances	6,432,399,561
57,572,733	2. Deposits with sundry parties	57,293,416
4,588,507,286	3. Advance Income Tax paid (Net)	3,456,521,868
38,398,037,059	4. Others [including Net Deferred tax asset of ₹16,64,29,69,567 (previous year ₹30,55,79,99,846)]	24,811,269,103
60,448,640,988		**45,775,293,636**
Schedule XII :	**Other Expenses:**	
4,885,349	1. Export Promotion Expenses	7,030,733
4,967,419	2. Expenses on and related to Data Processing	1,250,341
300,311,862	3. Repairs and Maintenance	347,563,495
6,612,095	4. Printing and Stationery	9,544,157
609,825,096	5. Others	758,064,936
926,601,821		**1,123,453,662**

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GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

Schedule XIII :	**Interest and Discount:**	
43,788,660,137	1.Interest and Discount on loans and advances/bills discounted/rediscounted	43,392,577,052
36,009,403,603	2.Income on Investments/bank balances	36,371,257,080
79,798,063,740		**79,763,834,132**
Schedule XIV :	**Other Income:**	
2,715,922,640	1. Net Profit on sale/ revaluation of investments	(283,996,746)
(81,867)	2. Net Profit on sale of land, buildings and other assets	2,257,350
748,444,262	3. Others	436,536,112
3,464,285,035		**154,796,716**

Note : Deposits under 'Liabilities' [ref. Schedule IV (a)] include `on shore' foreign currency deposits aggregating USD 12.63 mn (Previous year USD 18.76 mn.) kept by counter party banks / institutions with Exim Bank against reciprocal rupee deposits / bonds. Investments under `Assets' [ref. Schedule VII 4.] include bonds aggregating ₹ 0.59 bn (Previous year ₹ 0.86 bn) on account of swaps.

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

Cash Flow Statement

Amount (₹ mn)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from Operating Activities		
Net Profit / (Loss) before tax and extra-ordinary items	21,497.52	3,563.24
Adjustments for		
- (Profit)/Loss on sale of fixed assets (Net)	(2.26)	0.08
- (Profit)/Loss on sale of Investments (Net)	284.00	(2,715.92)
- Depreciation	391.21	401.97
- Discount/Expenses on bond issues written off	166.57	224.01
- Transfer from Investment Fluctuation Reserve	-	-
- Provisions/Write Off of Loans/Investments & other provisions	9,806.68	24,671.68
- Others - to specify	-	-
	32,143.72	**26,145.05**
Adjustments for		
- Other Assets	(540.24)	(41,656.52)
- Current liabilities	16,159.32	(45,233.82)
Cash generated from operations	**47,762.80**	**(60,745.29)**
Payment of income tax/interest tax	(1,131.99)	53,991.65
Net cash flow from Operating activities (A)	**48,894.78**	**(6,753.64)**
Cash flow from Investing activities		
- Net purchase of fixed assets	(119.14)	(632.07)
- Net change in investments	(9,137.02)	10,914.34
Net cash used in / raised from Investing activities (B)	**(9,256.16)**	**10,282.27**
Cash Flow from Financing activities		
- Equity capital infusion	7,500.00	13,000.00
- Loans borrowed (net of repayments made)	(21,395.45)	43,775.83
- Loans lent, bills discounted and rediscounted (net of repayments received)	(137,678.16)	(44,048.44)
- Dividend on equity shares and tax on dividend (Balance of Net profits transferred to Central Government)	(253.90)	(123.90)
Net cash used in / raised from Financing activities (C)	**(151,827.51)**	**12,603.49**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(112,188.88)**	**16,132.12**
OPENING CASH AND CASH EQUIVALENTS	**144,922.67**	**128,790.54**
CLOSING CASH AND CASH EQUIVALENTS	**32,733.78**	**144,922.67**

For and on behalf of the Board

Shri N. Ramesh
Deputy Managing Director

Ms. Harsha Bangari
Managing Director

Shri Dammu Ravi

Smt Rupa Dutta

Shri Suchindra Misra

Shri R. Subramanian

Shri M. Senthilnathan

Shri Dinesh Kumar Khara

Shri Rajkiran Rai G.

Shri Ashok Kumar Gupta

Directors

For GMJ & Co.
Chartered Accountants
Firm Regn. No. 103429W

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

(CA Atul Jain)
Partner
M. No. 037097

New Delhi
Dated : May 11, 2022

EXPORT-IMPORT BANK OF INDIA

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES

(i) Financial Statements

a) Basis of preparation

The Balance Sheet and Profit and Loss account of Export-Import Bank of India (Exim Bank) (General Fund and Export Development Fund) have been prepared in accordance with the accounting principles followed in India. The financial statements have been prepared under the historical cost convention on an accrual basis unless otherwise stated. The accounting policies that are applied by the Bank are consistent with those used in the previous year. The form and manner in which the Balance Sheet and the Profit and Loss Account of Exim Bank are prepared have been provided in the Export-Import Bank of India, General Regulations, 2020 approved by the Board of Directors with the previous approval of Government of India under Section 39 (2) of Export-Import Bank of India Act, 1981 (28 of 1981). Certain important financial ratios / data are disclosed as part of the "Notes to Accounts" in terms of Reserve Bank of India (RBI) Master Direction DBR.FID.No.108/ 01.02.000/2015-16 dated June 23, 2016.

b) Use of estimates

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

(ii) Revenue Recognition

Income/Expenditure is recognised on accrual basis except in respect of interest on Non–performing Assets (NPA) / Non-performing Investments, "Stressed Assets", interest on loans under Strategic Debt Restructuring, central government guaranteed loans having overdues more than 90 days, fee income, commission, commitment charges and dividend which are accounted on cash basis. NPAs are determined as per RBI guidelines issued to All-India Financial Institutions. Discount/ redemption premium offered on Exim Bank Bonds has been amortised over the tenure of the bond and included in interest expenses.

(iii) Asset Classification and Provisioning

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

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

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

The investments are further classified as:

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

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

(v) <u>Fixed Assets and Depreciation</u>

(a) Fixed Assets are stated at historical cost less accumulated depreciation.

(b) Depreciation is provided for on straight-line method basis at the following rates:

ASSET	DEPRECIATION RATE
Owned Buildings	5%
Furniture and Fixtures	25%
Office Equipment	25%
Other Electrical Equipment	25%
Computers and Computer Software	25%
Motor Vehicles	25%
Mobile Phones and other electronic items subject to rapid technological obsolescence	33.33%

(c) In respect of assets acquired during the year, depreciation is provided for the entire year in the year of purchase and in respect of assets sold during the year, no depreciation is provided in the year of sale.

(d) When a depreciable asset is disposed of, discarded, demolished or destroyed, the net surplus or deficit is adjusted in the Profit and Loss Account.

(vi) <u>Impairment</u>

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

(vii) <u>Accounting for Foreign Currency Transactions</u>

(a) Assets and liabilities denominated in foreign currency are translated at the exchange rate notified by the Foreign Exchange Dealers' Association of India (FEDAI) at the year end.

(b) Income and expenditure items are translated at the average rates of exchange during the year.

(c) Outstanding foreign exchange contracts are revalued at rates of exchange notified by the FEDAI for specified maturities and the resulting profits / losses are included in the Profit and Loss account.

(d) Contingent liabilities in respect of guarantees, acceptances, endorsements and other obligations are stated at the rates of exchange notified by FEDAI at the year end.

(viii) <u>Guarantees</u>

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

GMJ & CO. MUMBAI FRN NO. 103429W CHARTERED ACCOUNTANTS

(ix) Derivatives

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

(x) Provision for Employee Benefits

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

(xi) Accounting for taxes on Income

(a) Provision for current tax is made, based on the tax payable under the relevant statute.

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

(xii) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

(xiii) Deferment of Implementation of Indian Accounting Standards (Ind AS)

In terms of Reserve Bank of India's (RBI) circular dated August 04, 2016, Indian Accounting Standards (Ind AS) was applicable to all Banks, NBFCs and AIFIs for the accounting periods beginning from April 01, 2018 onwards with comparatives for the period ending March 31, 2018. RBI vide its letter dated May 15, 2019 addressed to Exim Bank has conveyed deferment of implementation of Ind AS by the AIFIs until further notice.

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II NOTES TO ACCOUNTS – GENERAL FUND

1. Agency Account

As Exim Bank is acting only in the capacity of an agency to facilitate certain transactions in Iraq relating to Indian contractors, foreign currency receivables advised to the Bank equivalent to ₹52.09 bn (previous year ₹50.25 bn) held on agency account including a sum of ₹47.07 bn (previous year ₹45.40 bn) assigned to Government of India (GOI) are not included in the above Balance Sheet.

2. Taxes on Balance of Profit Transferable to GOI

The capital of the Bank is wholly subscribed by the Central Government and the Bank does not have any share capital. The balance of profit transferable to the Central Government in accordance with Section 23 (2) of the Export-Import Bank of India Act, 1981 is not termed as dividend. Consequently, dividend distribution tax is considered not payable, in the light of the judgement passed by the Income Tax Appellate Tribunal in case no. ITA No. 7720 / M / 2014 on February 14, 2020 and hence, no provision has been made for the same.

3. (a) Contingent Liabilities

Guarantees include expired guarantees amounting to ₹1.17 bn (previous year ₹0.67 bn), yet to be cancelled in the books.

(b) Claims not acknowledged as debts

An amount of ₹5.08 bn (previous year ₹7.75 bn) shown under Contingent Liabilities as "Claims on the Bank not acknowledged as debts", pertains to claims / counter-claims filed against the Bank mostly by Bank's defaulting borrowers in response to legal action initiated against them by the Bank. None of the claims / counter-claims is considered as maintainable in the opinion of Bank's solicitors and none of them has reached the stage of final hearing. Based on professional advice, no provision is considered necessary.

(c) Contingent Liability on account of Income-Tax

An amount of ₹0.50 bn (previous year Nil) has been included under Contingent Liabilities on account of disputed income tax matters pending before various adjudicating authorities, which in the Bank's assessment are less likely to result in liability being materialized and against which a refund of ₹0.90 bn is receivable.

The Bank has started recording such contingent liability on gross basis during FY 2021-22 based on the discussions with Statutory Auditors.

(d) Forward Exchange Contracts, Currency / Interest rate Swaps

(i) The outstanding forward exchange contracts as at March 31, 2022 have been fully hedged. The Bank undertakes derivatives transactions (Interest Rate Swaps, Forward Rate Agreements and Currency-cum-interest rate swaps), for the purpose of Asset-Liability management as per RBI guidelines issued vide circular Ref. No. MPD.BC.187/07.01.279/1999-2000 dated July 7, 1999, and thereafter. The Bank also unwinds and re-enters such transactions based on requirements/market conditions. The outstanding derivative transactions are captured in the interest rate sensitivity position, which is monitored by the Asset Liability Management Committee (ALCO) and reviewed by the Board. The credit equivalent of derivatives is arrived at as per 'Current Exposure' method prescribed by RBI. The fair value and the price value of a basis point (PV01) of derivatives are disclosed separately in the 'Notes to Accounts' as stipulated by RBI. The premium or discount arising at inception of forward exchange contracts is amortized over the life of the contracts. Any profit or loss arising on cancellation of forward exchange contracts is recognized as income / expense for the year.

(ii) The Bank is permitted to be a 'market maker' in FX Swaps, Currency Swaps and Foreign Currency Interest Rate Swaps without any tenor or currency restrictions.

(e) Profit / Loss on Exchange fluctuation

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Assets and liabilities denominated in foreign currency are translated at the exchange rate notified by the Foreign Exchange Dealers' Association of India (FEDAI) at the year end. Income and expenditure items are translated at the average rates of exchange during the year. The notional loss on such translation of the retained earnings on FC operations during the current year is ₹0.07 bn (previous year notional profit of ₹0.08 bn).

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

5. ADDITIONAL INFORMATION AS REQUIRED BY RESERVE BANK OF INDIA

5.1 Capital

(₹ bn)

(a)

	Particulars	As on March 31, 2022	As on March 31, 2021
(i)	Common Equity	168.40	139.58
(ii)	Additional Tier 1 Capital	-	5.00
(iii)	Total Tier 1 Capital (i+ii)	168.40	144.58
(iv)	Tier 2 Capital	11.26	11.42
(v)	Total Capital (Tier 1 + Tier 2)	179.66	156.00
(vi)	Total Risk weighted assets (RWAs)	589.28	602.47
(vii)	Common Equity Ratio (Common Equity as a percentage of RWAs)	28.58%	23.17%
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	28.58%	24.00%
(ix)	Capital to Risk weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	30.49%	25.89%
(x)	Percentage of the shareholding of the Government of India in the Bank	100%	100%
(xi)	Amount of equity capital infused by the Government of India	7.5	13.00
(xii)	Amount of additional Tier 1 capital raised; of which a) Perpetual Non-Cumulative Preference Shares (PNCPS); b) Perpetual Debt Instruments (PDI)	Nil Nil	Nil Nil
(xiii)	Amount of Tier 2 capital raised; of which a) Debt Capital Instruments b) Perpetual Non-Cumulative Preference Shares (PNCPS); c) Redeemable Non-Cumulative Preference Shares (RNCPS) d) Redeemable Cumulative Preference Shares (RCPS)	Nil Nil Nil Nil	Nil Nil Nil Nil

(b) The amount of subordinated debt raised and outstanding as on March 31, 2022 as Tier-II capital: ₹ NIL (previous year: ₹ NIL).

(c) Risk weighted assets –

(₹ bn)

	Particulars	As on March 31, 2022	As on March 31, 2021
(i)	'On' balance sheet items	448.46	461.85
(ii)	'Off' balance sheet items	140.82	140.62

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

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

The revised Framework to be prescribed by the RBI, including the Basel III norms, is still at draft stage. The Bank will implement Basel III norms for determining CRAR from the date they become effective. However, the final notification from RBI is awaited.

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5.2 Free Reserves and Provisions

(a) Provisions on Standard Assets

(₹ bn)

Particulars	2021-22	2020-21
Provisions towards Standard Assets	8.11	0.87

(b) Disclosure on provisions made on accounts in accordance with RBI Circular on COVID-19 Regulatory Package

In terms of the RBI circulars DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 ('Regulatory Package'), DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 and DOR.FID.No.8140/01.02.000/2019-20 dated May 08, 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning, lending institutions are required to disclose the provisions made in respect of accounts for which moratorium was granted and benefit of asset classification was extended. The details of such provisions are as under:

(₹ bn)

Particulars	2021-22	2020-21
Number of Borrowers	-	3
Loan outstanding amount	-	0.5
Amount overdue	-	0.001
Amount for which asset classification benefit extended	-	0.5
Amount of Provision made	-	0.05

(c) Floating Provisions

(₹ bn)

Particulars	2021-22	2020-21
(a) Opening balance in the floating provisions accounts	-	-
(b) The quantum of floating provisions made in the accounting year	-	-
(c) Amount of draw down made during the accounting Year	-	-
(d) Closing balance in the floating provisions account	-	-

5.3 Asset Quality and Specific Provisions

(a) Non-Performing Advances

(₹ bn)

Particulars	2021-22	2020-21
(i) Net NPAs to Net Advances (%)	-	0.51%
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	74.13	93.62
(b) Additions during the year	5.09	14.92
(c) Reductions during the year	35.75	34.41
(d) Closing balance	43.47	74.13
(iii) Movement of Net NPAs		
(a) Opening balance	5.33	17.57
(b) Additions during the year	-	5.33
(c) Reductions during the year	5.33	17.57
(d) Closing balance	-	5.33
(i) Movement of Provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	68.80	76.05
(b) Provisions made during the year	0.86	24.71
(c) Write off / write back of excess provisions	26.19	31.96
(d) Closing balance	43.47	68.80

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(b) Non-Performing Investments

(₹ bn)

Particulars	2021-22	2020-21
(i) Net NPIs to Net Investments (%)	0.54%	0.31%
(ii) Movement of NPIs (Gross)		
(a) Opening Balance	7.05	6.02
(b) Additions during the year	8.82	1.69
(c) Reductions during the year	2.12	0.66
(d) Closing balance	13.75	7.05
(iii) Movement of Net NPIs		
(a) Opening balance	0.31	0.17
(b) Additions during the year	0.34	0.19
(c) Reductions during the year	0.06	0.05
(d) Closing balance	0.59	0.31
(iv) Movement of Provisions for NPIs (excluding provisions on standard assets)		
(a) Opening balance	6.74	5.86
(b) Provisions made during the year	8.54	0.99
(c) Write off / write back of excess provisions	2.12	0.11
(d) Closing balance	13.16	6.74

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

(₹ bn)

Particulars	2021-22	2020-21
(i) Net NPAs to Net Assets (Advances + Investments) (%)	0.05%	0.50%
(ii) Movement of NPAs (Gross Advances + Gross Investments)		
(a) Opening Balance	81.18	99.64
(b) Additions during the year	13.91	16.61
(c) Reductions during the year	37.87	35.07
(d) Closing balance	57.22	81.18
(iii)Movement of Net NPAs		
(a) Opening balance	5.64	17.74
(b) Additions during the year	0.34	5.52
(c) Reductions during the year	5.39	17.62
(d) Closing balance	0.59	5.64
(iv)Movement of Provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	75.54	81.91
(b) Provisions made during the year	9.40	25.70
(c) Write off / write back of excess provisions	28.31	32.07
(d) Closing balance	56.63	75.54

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5.4 Particulars of Accounts Restructured - Current Year

(₹ bn)

Sr. No.	Type of Restructuring / Asset Classification	Details	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
1	Restructured Accounts as on date of opening of the FY (opening figures)*	No. of borrowers	2	-	5	-	7	-	-	1	-	1	1	-	10	-	11	19
		Amount outstanding	0.07	-	1.02	-	1.09	-	-	0.01	-	0.01	0.24	-	8.45	-	8.69	9.79
		Provision thereon	0.04	-	1.02	-	1.06	-	-	0.01	-	0.01	0.03	-	8.45	-	8.48	9.55
2	Fresh restructuring / Additions during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	3	-	2	-	5	5
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	6.91	-	6.40	-	13.31	13.31
		Provision thereon	-	-	-	-	-	-	-	-	-	-	1.80	-	6.40	-	8.20	8.20
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Down gradations / Reductions of restructured accounts during the FY	No. of borrowers	2	-	-	-	2	-	-	-	-	-	-	-	-	-	-	2
		Amount outstanding	0.07	-	0.03	-	0.10	-	-	-	-	-	0.09	-	0.82	-	0.91	1.01
		Provision thereon	0.04	-	0.03	-	0.07	-	-	-	-	-	-	-	0.82	-	0.82	0.89
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	1	-	1	2
		Amount outstanding	-	-	0.07	-	0.07	-	-	-	-	-	-	-	0.66	-	0.66	0.73
		Provision thereon	-	-	0.07	-	0.07	-	-	-	-	-	-	-	0.66	-	0.66	0.73
7	Restructured Accounts as on date of closing of the FY (closing figures*)	No. of borrowers	-	-	4	-	4	-	-	1	-	1	4	-	11	-	15	20
		Amount outstanding	-	-	0.92	-	0.92	-	-	0.01	-	0.01	7.06	-	13.37	-	20.43	21.36
		Provision thereon	-	-	0.92	-	0.92	-	-	0.01	-	0.01	1.83	-	13.37	-	15.20	16.13

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Previous Year:

(₹ bn)

Sr. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total
	Asset Classification	Details	Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	
1	Restructured Accounts as on date of opening of the FY (opening figures)	No. of borrowers	3	-	8	-	11	-	-	2	-	2	3	-	9	-	12	25
		Amount outstanding	0.14	-	2.48	-	2.62	-	-	0.01	-	0.01	2.45	-	8.60	-	11.05	13.68
		Provision thereon	0.07	-	2.48	-	2.55	-	-	0.01	-	0.01	2.18	-	7.77	-	9.95	12.51
2	Fresh restructuring/ Additions during the year	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	3	-	3	4
		Amount outstanding	-	-	0.06	-	0.06	-	-	-	-	-	-	-	2.13	-	2.13	2.19
		Provision thereon	-	-	0.06	-	0.06	-	-	-	-	-	-	-	2.13	-	2.13	2.19
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioningand/or additional risk weight at the end of the FY and hence need not be shown as restructuredstandard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations/ Reductions of restructuredaccounts during the FY	No. of borrowers	1	-	1	-	2	-	-	-	-	-	2	-	-	-	2	4
		Amount outstanding	0.07	-	1.20	-	1.27	-	-	-	-	-	2.22	-	1.52	-	3.74	5.01
		Provision thereon	0.03	-	1.20	-	1.23	-	-	-	-	-	2.15	-	0.69	-	2.84	4.08
6	Write-offs of restructuredaccounts during the FY	No. of borrowers	-	-	3	-	3	-	-	1	-	1	-	-	2	-	2	6
		Amount outstanding	-	-	0.31	-	0.31	-	-	-	-	-	-	-	0.75	-	0.75	1.06
		Provision thereon	-	-	0.31	-	0.31	-	-	-	-	-	-	-	0.75	-	0.75	1.06
7	Restructured Accounts as on date of closing of the FY(closing figures)	No. of borrowers	2	-	5	-	7	-	-	1	-	1	1	-	10	-	11	19
		Amount outstanding	0.08	-	1.02	-	1.10	-	-	0.01	-	0.01	0.24	-	8.45	-	8.69	9.79
		Provision thereon	0.04	-	1.02	-	1.06	-	-	0.01	-	0.01	0.03	-	8.45	-	8.49	9.55

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5.5 Movement of Non-performing assets

(₹ bn)

Particulars	2021-22	2020-21
Gross NPAs as on 1st April (Opening balance)	74.13	93.62
Additions (Fresh NPAs) during the year	2.47	14.88
Interest funding	1.18	0.04
Exchange Fluctuation	1.44	-
Subtotal (A)	79.22	108.54
Less:		
(i) Upgradations	6.91	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	10.10	4.03
(iii) Technical / Prudential write offs	18.02	28.13
(iv) Write offs other than those under (iii) above	0.72	0.91
(v) Exchange Fluctuation	-	1.34
Subtotal (B)	35.75	34.41
Gross NPAs as on 31st March (closing balance) (A-B)	43.47	74.13

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

5.6 Write-offs and recoveries

(₹ bn)

Particulars	2021-22	2020-21
Opening balance of Technical / Prudential written off accounts as at 1st April	89.19	62.68
Add: Technical / Prudential write offs during the year	18.02	28.13
Add / (Less): Exchange Fluctuation	0.97	(0.71)
Sub total (A)	108.18	90.10
Less: Recoveries made from previously technical / prudential written off accounts during the year (B)	0.56	0.91
Closing balance as on 31st March (A-B)	107.62	89.19

5.7 Overseas Assets, NPAs and Revenue

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

(₹ bn)

Particulars	2021-22	2020-21
Total Assets	49.58	42.74
Total NPAs	-	2.62
Total Revenue	1.47	2.08

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5.8 Depreciation and Provision on Investments

(₹ bn)

Particulars	2021-22	2020-21
(1) Investments		
(i) Gross Investments	132.74	122.61
(a) In India	131.64	121.66
(b) Outside India	1.10	0.95
(ii) Provision for Depreciation	23.72	22.43
(a) In India	22.72	21.80
(b) Outside India	1.00	0.63
(iii) Net Investments	109.02	100.18
(a) In India	108.92	99.86
(b) Outside India	0.10	0.32
(2) Movement of provision held towards depreciation on investments		
(i) Opening balance	22.43	20.77
(ii) Add: Provisions made during the year	3.47	2.94
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year	2.18	1.28
(v) Less: Transfer, if any, to investment Fluctuation Reserve Account	-	-
(vi) Closing balance	23.72	22.43

5.9 Provisions and Contingencies

(₹ bn)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2021-22	2020-21
Provision for depreciation on Investment	(0.05)	0.24
Provision towards NPA	(25.36)	(7.46)
Provision made towards Income tax	14.12	1.02
Other Provisions and Contingencies*	7.33	2.31

*Includes ₹7.41 bn (previous year ₹2.03 bn) on account of provisioning towards Bank Guarantees, reversal of ₹0.14 bn (previous year provision of ₹0.01 bn) on account of Country Risk and ₹0.06 bn (previous year ₹0.26 bn) on account of exposure to entities with Unhedged Foreign Currency Exposure.

5.10 Provision Coverage Ratio

Particulars	2021-22	2020-21
Provision Coverage Ratio	100%	96.74%

5.11 Fraud Reported and provision made during the year

An amount of ₹4.01 bn in 6 cases (previous year ₹14.08 bn in 13 cases) represents advances declared as frauds during FY 2021-22. Full provision has been made for the outstanding balance as on March 31, 2022 in respect of frauds reported during the period. Further, there is no quantum of unamortised provision debited from 'other reserves' as at the end of the year.

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6. INVESTMENT PORTFOLIO: CONSTITUTION AND OPERATIONS

6.1 Repo Transactions

Current Year: (₹ bn)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2022
Securities sold under repos				
i) Government Securities	--	--	--	--
ii) Corporate Debt Securities	--	--	--	--
Securities Purchased under reverse repos				
i) Government Securities	--	--	--	--
ii) Corporate Debt Securities	--	--	--	--

Previous Year:

(₹ bn)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repos				
i) Government Securities	--	--	--	--
ii) Corporate Debt Securities	--	--	--	--
Securities Purchased under reverse repos				
i) Government Securities	--	--	--	--
ii) Corporate Debt Securities	--	--	--	--

6.2 Disclosure of Issuer Composition for Investment in Debt Securities

Current Year:

(₹ bn)

Sr. No.	Issuer	Amount	Amount of			
			Investment made through private placement	"below investment grade" Securities held	"unrated" Securities held	"unlisted" Securities Held
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	-	-	-	-	-
2	FIs	1.00	1.00	-	0.06	1.00
3	Banks	0.002	0.002	-	-	-
4	Private corporates	38.27	38.27	-	6.97	35.63
5	Subsidiaries / Joint ventures	0.003	0.003	-	0.003	0.003
6	Others	0.02	0.02	-	-	0.02
7	Provision held towards depreciation#	23.72	-	-	-	-
	Total	**39.30**	**39.30**	**-**	**7.03**	**36.65**

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

* Out of which ₹19.34 bn represents investment in security receipts issued by Asset Reconstruction Companies (ARCs) and ₹6.91 bn of investments are in shares / debentures acquired as part of loan restructuring.

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

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Previous Year:

(₹ bn)

Sr. No.	Issuer	Amount	Amount of			
			Investment made through private placement	"below investment grade" Securities held	"unrated" Securities held	"unlisted" Securities Held
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	-	-	-	-	-
2	FIs	1.27	1.27	-	0.06	1.27
3	Banks	0.002	0.002	-	-	-
4	Private corporates	27.45*	27.39	0.44	5.38	24.28
5	Subsidiaries / Joint ventures	0.003	0.003	-	0.003	0.003
6	Others	0.02	0.02	-	-	0.02
7	Provision held towards depreciation#	22.43	-	-	-	-
	Total	**28.74**	**28.69**	**0.44**	**5.44**	**25.57**

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

* Out of which ₹20.20 bn represents investment in security receipts issued by Asset Reconstruction Companies (ARCs) and ₹6.79 bn of investments are in shares / debentures acquired as part of loan restructuring.

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

6.3 Sale and Transfer to / from Held to Maturity (HTM) Category

During the year ended March 31, 2022, no sale and transfer of investments to / from HTM category was executed. (PY: Government Securities with book value ₹9.78 bn were shifted from HTM to AFS category).

7. DETAILS OF FINANCIAL ASSETS PURCHASED/ SOLD

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

A. Details of Sales

(₹ bn)

Sr.	Particulars	2021-22	2020-21
(i)	No. of Accounts	2	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
(iii)	Aggregate consideration	0.10	-
(iv)	Additional Consideration realised in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain/(loss) over net book value	0.10	-

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

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

(₹ bn)

Particulars	Book value of Investments in Security receipts	
	2021-22	2020-21
(i) Backed by NPAs sold by the Bank as underlying	1.38	2.72
(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying	--	--
Total	**1.38**	**2.72**

7.2 Details of Non Performing Financial Assets Purchased / Sold

A. **Details of non Performing financial assets purchased**

(₹ bn)

Particulars	2021-22	2020-21
1. (a) No. of accounts purchased during the year	--	--
(b) Aggregate outstanding	--	--
2. (a) Of these, number of accounts restructured during the year	--	--
(b) Aggregate outstanding	--	--

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

(₹ bn)

Particulars	2021-22	2020-21
1. No. of accounts sold	--	--
2. Aggregate outstanding	--	--
3. Aggregate consideration received	--	--

8. **Operating results**

Sr. No.	Particulars	2021-22	2020-21
(i)	Interest income as a percentage to average working funds	6.13	6.35
(ii)	Non-interest income as a percentage to average working funds	0.30	0.47
(iii)	Operating profit as a percentage to average working funds	2.41	2.25
(iv)	Return on average assets	0.54	0.19
(v)	Net Profit / (Loss) per (permanent) employee (in ₹ bn)	0.02	0.007

- For operating results, the working funds and total assets have been taken as the average of the figures as at the end of the previous accounting year and the end of the accounting year under report. (The "working funds" refer to the net earning assets).

- All permanent, full-time employees in all cadres have been reckoned for computing per employee net profit.

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9. CREDIT CONCENTRATION RISK

9.1 Capital market exposure

(₹ bn)

Sr. No.	Particulars	2021-22	2020-21
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.09	--
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	--	--
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	--	--
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	--	--
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	--	--
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	--	--
(vii)	Bridge loans to companies against expected equity flows / issues;	--	--
(viii)	Underwriting commitments taken up by the Bank in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	--	--
(ix)	Financing to stockbrokers for margin trading;	--	--
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	--	--
	Total Exposure to Capital Market	**0.09**	--

9.2 Exposure to Country risk

(₹ bn)

Risk Category	Exposure (net) as at March 2022	Provision held as at March 2022	Exposure (net) as at March 2021	Provision held as at March 2021
Insignificant	39.69	0.23	66.75	0.26
Low	385.37	-	334.72	-
Moderate	381.76	-	510.83	-
High	263.32	-	40.45	-
Very High	69.53	-	65.57	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	**1,139.67**	**0.23**	**1,018.32**	**0.26**

9.3 Strategic Debt Restructuring (SDR) Scheme

(₹ bn)

Particulars	2021-22	2020-21
No. of accounts	1	1
Aggregate amount outstanding	-	-
Amount of exposure converted into equity	0.08	0.08

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9.4 Resolution Plan (RPs) implemented during the year

(₹ bn)

No. of Borrowers	Loan outstanding (Pre-restructuring)	Loan outstanding (post-restructuring)	Recovery amount post-restructuring	Amount O/s as on March 31, 2022
2	8.15	8.96	0.85	5.63

*In terms of the RBI circular DOR.No. STR.REC.55/21.04.048/2021-22 dated October 01, 2021 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.

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

(₹ bn)

Particulars		2021-22	2020-21
No. of accounts classified as standard where S4A has been applied		2	2
Aggregate amount outstanding		--	0.01
Amount Outstanding	In Part A	2.94	2.94
	In Part B	2.59	2.59
Provision Held		1.11	1.11

9.6 As on March 31, 2022, 66 accounts (PY: 68 accounts) with loan outstanding of ₹26.35 bn (PY: ₹35.14 bn) are either admitted or have been referred to the NCLT under the provisions of Insolvency and Bankruptcy Code, 2016 against which the Bank holds 100% provision (PY: 99.88%).

9.7 Prudential Exposure Limits – Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Bank

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

(₹ bn)

Sr. No.	PAN No.	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as a % to Capital Funds
1.	--	African Export-Import Bank	65102	Financial Services	Financial Services	24.16	0.00	15.49

Previous Year

(₹ bn)

Sr. No.	PAN No.	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as a % to Capital Funds
1.	--	African Export-Import Bank	65102	Financial Services	Financial Services	25.13	0.00	17.70

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

Current Year:

Particulars	Percentage to Capital Funds*	Percentage to Total Credit Exposure (TCE)@	Percentage to Total Assets
i) Largest single borrower	15.49	1.23	1.77
ii) Largest borrower group	23.07	1.84	2.63
iii) 20 largest single borrowers	149.97	11.94	17.11
iv) 20 largest borrower groups	154.85	12.33	17.67

*Capital Funds as on March 31, 2021
@ TCE: Loans + Advances + Unutilised Sanctions + Guarantees + LCs + Credit exposure on account of derivatives.

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

2) As on March 31, 2022, there was one single borrower to whom credit exposure above the base ceiling of 15% of total capital funds was assumed with the prior approval of the Board. Further, there was no borrower group to whom credit exposure was above the base ceiling of 40% of capital funds. Details disclosed in para 9.7.A above.

Previous Year:

Particulars	Percentage to Capital Funds*	Percentage to Total Credit Exposure (TCE)@	Percentage to Total Assets
i) Largest single borrower	17.70	1.44	1.86
ii) Largest borrower group	25.25	2.05	2.66
iii) 20 largest single borrowers	158.33	12.86	16.67
iv) 20 largest borrower groups	180.01	14.62	18.96

*Capital Funds as on March 31, 2020
@ TCE: Loans + Advances + Unutilised Sanctions + Guarantees + LCs + Credit exposure on account of derivatives.

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

2) As on March 31, 2021, there was one single borrower to whom credit exposure above the base ceiling of 15% of total capital funds was assumed with the prior approval of the Board. Further, there was no borrower group to whom credit exposure was above the base ceiling of 40% of capital funds. Details disclosed in para 9.7.A above.

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C. Credit exposure to the five largest industrial sectors

Current Year:

Sector		Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i)	EPC Services	4.28	6.88
ii)	Financial Services	3.75	6.02
iii)	Chemicals and Dyes	3.10	4.98
iv)	Construction	2.96	4.76
v)	Petrochemicals	2.07	3.33

Previous Year:

Sector		Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i)	EPC Services	5.50	8.68
ii)	Construction	3.29	5.20
iii)	Chemical and Dyes	3.15	4.97
iv)	Financial Services	2.22	3.51
v)	Petrochemicals	2.13	3.36

- The "credit exposure" has been reckoned as defined by RBI.
- Credit exposure to banks and overseas institutions guaranteed by GOI / assumed at the behest of GOI, excluded for computing industry exposure.

D. Unsecured Advances

(₹ bn)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total Unsecured Advances of the bank	77.95	48.49
i) Of which amount of advances outstanding against charge over intangible securities such as corporate/personal guarantees, promissory notes, trust receipts, etc.	7.95	5.61
ii) The estimated value of such intangible securities (as in (i) above).	0.46	0.01

E. Factoring Exposures

The Bank has no exposure under factoring arrangement (previous year ₹ NIL).

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

(₹ bn)

Sr. No	PAN No.	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as a % to Capital Funds
1.	--	African Export-Import Bank	65102	Financial Services	Financial Services	24.16	0.00	15.49

Previous Year:

(₹ bn)

Sr. No	PAN No.	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as a % to Capital Funds
1.	--	African Export-Import Bank	65102	Financial Services	Financial Services	25.13	0.00	17.70

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As on March 31, 2022, there was one single borrower to whom credit exposure above the base ceiling of 15% of total capital funds was assumed with the prior approval of the Board. Further, there was no borrower group to whom credit exposure was above the base ceiling of 40% of capital funds. Details disclosed in para 9.7.A above.

10. Concentration of borrowings / lines of credit, credit exposures and NPAs

(a)

(b) Concentration of borrowings and lines of credit

(₹ bn)

Particulars	2021-22	2020-21
Total borrowings from twenty largest lenders	138.71	128.77
Percentage of borrowings from twenty largest lenders to total borrowings of the Bank	12.91%	11.75%

(c) Concentration of Credit exposures

(₹ bn)

Particulars	2021-22	2020-21
Total exposures to twenty largest borrowers	233.95	224.76
Percentage of exposures to twenty largest borrowers to Total Advances of the Bank	19.18%	20.30%
Total Exposure to twenty largest borrowers / customers	233.95	224.76
Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	11.94%	12.86%
In the case of Exim Bank, percentage of total of top ten country exposures to total exposures	38.59%	35.97%

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

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(c) Sector-wise concentration of exposures and NPAs

(₹ bn)

Sr. No	Sector	2021-22			2020-21		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Domestic Sector**	**374.03**	**28.52**	**8%**	**355.91**	**39.48**	**11%**
1	**Total Export Finance**	**330.93**	**25.20**	**8%**	**323.68**	**32.73**	**10%**
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	**151.99**	**17.59**	**12%**	**186.28**	**25.02**	**13%**
	Ferrous Metals & Metal Processing	-	-	-	13.35	2.56	19%
	Chemical and dyes	9.96	-	0%	10.67	-	0%
	Petroleum Products	25.44	-	0%	-	-	-
	Textiles & Garments	22.62	5.16	23%	27.03	5.28	20%
	Petrochemicals	-	-	-	30.69	4.89	16%
	Others	93.97	12.43	13%	104.54	12.29	12%
	Services Sector	**178.94**	**7.61**	**4%**	**137.40**	**7.71**	**6%**
	Financial Services	139.16	-	0%	103.47	-	0%
	Others	39.78	7.61	19%	33.93	7.71	23%
2	**Total Import Finance**	**43.10**	**3.33**	**8%**	**32.23**	**6.75**	**21%**
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	**25.50**	**2.66**	**10%**	**28.50**	**5.36**	**19%**
	Ferrous Metals & Metal Processing	-	-	-	0.15	0.15	100%
	Chemicals and dyes	16.48	-	0%	18.26	2.11	12%
	Others	9.03	2.66	29%	10.09	3.10	31%
	Services Sector	**17.60**	**0.66**	**4%**	**3.73**	**1.39**	**37%**
	Financial Services	15.16	-	0%	-	-	-
	Others	2.44	0.66	27%	3.73	1.39	37%
3	**Of (A), exposures guaranteed by the Government of India**	-	-	-	-	-	-
B	**External Sector**	**105.00**	**14.95**	**14%**	**104.50**	**34.65**	**33%**
1	**Total Export Finance**	**105.00**	**14.95**	**14%**	**104.50**	**34.65**	**33%**
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	**62.94**	**12.47**	**20%**	**79.65**	**31.69**	**40%**
	Ferrous Metals & Metal Processing	-	-	-	18.89	1.06	6%
	Chemicals and Dyes	5.92	3.90	66%	5.89	5.08	86%
	Textiles & Garments	3.44	-	0%	2.60	1.20	46%
	Others	53.59	8.57	16%	52.27	24.36	47%
	Services Sector	**42.06**	**2.48**	**6%**	**24.85**	**2.96**	**12%**
	Financial Services	37.42	-	0%	15.48	-	0%
	Others	4.65	2.48	53%	9.37	2.96	32%
2	**Total Import Finance**	-	-	-	-	-	-
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	-	-	-	-	-	-
	Services Sector	-	-	-	-	-	-
3	**Of (B), exposures guaranteed by the Government of India**	-	-	-	-	-	-
C	**Other Exposures #**	**740.63**	**-**	**0%**	**646.90**	**-**	**-**
D	**Total exposures (A+B+C)**	**1,219.66**	**43.47**	**3.56%**	**1,107.31**	**74.13**	**6.69%**

Includes advances under Lines of Credit, BC-NEIA, Concessional Finance Scheme, refinance to commercial banks and advances counter-guaranteed by banks.

Unhedged Foreign Currency Exposure

The Bank in accordance with RBI Master Direction DBR.FID.No.108/01.02.000/2015-16 dated 23rd June, 2016 has in place an internal guidance note on capital provisioning requirement and incremental provisioning for exposure to entities with Unhedged Foreign Currency Exposure (UFCE). As on March 31, 2022, an amount of ₹0.33 bn (PY ₹0.26 bn) was held towards currency induced credit risk and capital allocated for currency induced credit risk amounted to ₹8.26 bn (PY ₹7.29 bn).

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11. DERIVATIVES

11.1 Forward Rate Agreement / Interest Rate Swap

(₹ bn)

Sr. No.	Particulars	2021-22		2020-21	
		Hedging	Trading	Hedging	Trading
1.	The Notional Principal of swap agreements	446.01	-	490.16	-
2.	Losses, which would be incurred if counter parties failed to fulfill their obligations under the agreements	1.48	-	1.40	-
3.	Collateral required by the Bank upon entering into swaps	-	-	-	-
4.	Concentration of credit risk arising from Swaps	All transactions fall within approved credit exposure limits*	-	All transactions fall within approved credit exposure limits*	-
5.	The fair value of the swap book	(13.70)	-	9.91	-

*All the interest rate swaps have been undertaken with Banks

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

(₹ bn)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	25	401.67	LIBOR	Fixed receivable vs Floating payable
IRS	Hedging	1	1.26	LIBOR	Floating receivable vs Fixed payable
IRS	Hedging	2	41.68	LIBOR	Floating receivable vs Floating payable
IRS	Hedging	1	1.40	TONA	Fixed receivable vs Floating payable
	Total	**29**	**446.01**		

11.2 Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	Amount
1.	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year	-
2.	Notional Principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2022	-
3.	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	-
4.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	-

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11.3 Disclosures on risk exposure in derivatives

A. Qualitative disclosures

1. The Bank uses financial derivative transactions predominantly for raising cost-effective funds and hedging its balance sheet exposures, with the objective of reducing market risk. The Bank currently deals only in over-the-counter (OTC) interest rate and currency derivatives, of the type permitted by RBI.

2. Derivative transactions carry: (i) market risk i.e. the probable loss that the Bank may incur as a result of adverse movements in interest rates / exchange rates and (ii) credit risk i.e. the probable loss the Bank may incur if the counter-parties fail to meet their obligations. The Bank has in place a Derivative Policy approved by the Board, which aims at synchronizing the risk management objectives at the transaction level with those of the overall ALM position. The policy defines the use of permitted derivative products consistent with business goals of the Bank, lays down the control and monitoring systems and deals with regulatory, documentation and accounting issues. The policy also prescribes suitable risk parameters to control and manage market risk on derivative trades undertaken in the treasury book. (stop-loss limits, open position limits, tenor limits, settlement and pre-settlement risk limits, PV01 limits).

3. The ALCO of the Bank oversees management of market risks with support from the Bank's Mid-Office, which measures, monitors and reports market risk associated with derivative transactions.

4. All derivative transactions outstanding in the Bank's books as on March 31, 2022 have been undertaken for hedging purposes and are in the ALM book. The income on such transactions has been accounted for on accrual basis.

5. Interest Rate Swaps (IRS) and Currency Swaps are not included in Outstanding Forward Exchange Contracts under Contingent Liabilities as per the Derivative Policy.

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B. Quantitative disclosures

(₹ bn)

Sr. No.	Particulars	2021-22		2020-21	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
1	Derivatives (Notional Principal Amount)				
	a) For hedging	361.01	446.01	355.21	490.16
	b) For trading	-	-	-	-
2	Marked to Market Positions				
	a) Asset (+)	-	-	-	9.91
	b) Liability (-)	(40.54)	(13.70)	(24.95)	-
3	Credit Exposure	14.40	3.43	17.45	16.84
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	8.73	20.61	10.05	18.65
	b) on trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	(i) Maximum	10.90	25.28	11.75	20.58
	(ii) Minimum	8.73	20.61	11.12	18.66
	b) on trading				
	(i) Maximum	-	-	-	-
	(ii) Minimum	-	-	-	-

12. Letters of Comfort issued by the Bank

During the year, the Bank has not issued any Letter of Comfort (previous year Nil) and no financial obligation has arisen on account of the outstanding commitments. The Bank has an outstanding exposure under Letter of Credit amounting to ₹2.44 bn, against which the Bank is in receipt of Letter of comfort amounting to ₹3.30 bn as on March 31, 2022 (previous year Nil).

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13. ASSET LIABILITY MANAGEMENT

Current Year:

(₹ bn)

Particulars	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Rupee Advances	25.21	11.87	28.80	19.32	94.34	28.61	35.36	0.12*	243.62
Rupee Investments	7.75	0.50	1.09	10.63	0.05	5.40	27.94	54.88	108.24
Rupee Other Assets	41.91	2.11	74.35	73.93	42.65	280.13	131.86	266.48	913.41
Rupee Deposits	0.02	0.00	0.15	27.02	33.44	8.84	0.20	0.00	69.67
Rupee Borrowings	70.38	0.55	46.44	41.91	19.94	93.51	52.35	56.50	381.58
Rupee Other Liabilities	8.86	11.82	70.09	53.82	64.11	92.72	13.82	255.45	570.70
Foreign Currency Assets	32.42	2.98	66.38	66.75	107.82	286.42	255.80	493.87	1312.44
Foreign Currency Liabilities	34.64	2.88	82.06	82.14	132.97	371.99	177.36	300.45	1184.48

(*) Net of loan provisions

Previous Year:

(₹ bn)

Particulars	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Rupee Advances	15.42	0.60	2.73	26.11	76.94	29.87	21.58	(1.81)*	171.44
Rupee Investments	0.00	0.00	0.09	0.05	0.14	0.57	17.82	81.52	100.17
Rupee Other Assets	35.57	24.44	125.17	32.19	64.02	173.04	131.52	274.43	860.39
Rupee Deposits	0.02	9.47	9.75	0.03	18.54	8.78	0.14	0.00	46.74
Rupee Borrowings	0.00	14.87	114.44	37.39	13.00	93.74	59.73	70.25	403.43
Rupee Other Liabilities	5.43	4.69	29.85	26.72	32.71	114.98	18.11	229.03	461.54
Foreign Currency Assets	42.17	25.74	64.65	57.65	82.77	270.45	230.30	498.63	1,272.36
Foreign Currency Liabilities	24.53	22.55	79.22	61.08	93.92	355.19	120.41	383.38	1,140.27

(*) Net of loan provisions

14. DRAW DOWN FROM RESERVES

The Bank has not drawn any amount from the Reserves.

15. BUSINESS RATIOS

Particulars	2021-22	2020-21
Return on Equity	4.75%	1.70%
Return on Assets	0.54%	0.19%
Net Profit Per Employee (₹ bn)	0.02	0.007

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16. **DISCLOSURE OF PENALTIES IMPOSED BY RBI**

There are no penalties imposed by the Reserve Bank of India under the Reserve Bank of India Act, 1934, for contraventions of any of the provisions of the Act or non-compliance with any other requirements of the Act, order, rule or condition specified by Reserve Bank of India.

17. **DISCLOSURE OF COMPLAINTS**

Customer Complaints

Sr. No.	Particulars	2021-22	2020-21
(a)	No of complaints pending at the beginning of the year	-	-
(b)	No of complaints received during the year	3	2
(c)	No of complaints redressed during the year	3	2
(d)	No of complaints pending at the end of the year	-	-

18. **OFF- BALANCE SHEET SPVs SPONSORED (which are required to be consolidated as per accounting norms)**

Name of the SPV sponsored	
Domestic	Overseas
-	-

Disclosure as per specific Accounting Standards

19. **Details of Fixed Assets**

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

Current Year:

(₹ bn)

Particulars	Premises	Others	Total
Gross Block			
Cost as on 31st March 2021	5.12	1.44	6.56
Additions	0.01	0.11	0.12
Disposals	-	0.05	0.05
Cost as on 31st March 2022 (A)	5.13	1.50	6.63
Depreciation			
Accumulated as on 31st March 2021	1.48	1.12	2.60
Provided during the year	0.22	0.17	0.39
Eliminated on Disposals	-	0.05	0.05
Accumulated as on 31st March 2022 (B)	1.70	1.24	2.94
Net Block (A-B)	**3.43**	**0.26**	**3.69**

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Previous Year:

(₹ bn)

Particulars	Premises	Others	Total
Gross Block			
Cost as on 31st March 2020	4.76	1.19	5.95
Additions	0.36	0.28	0.64
Disposals	-	0.03	0.03
Cost as on 31st March 2021 (A)	5.12	1.44	6.56
Depreciation			
Accumulated as on 31st March 2020	1.25	0.97	2.22
Provided during the year	0.23	0.17	0.40
Eliminated on Disposals	-	0.02	0.02
Accumulated as on 31st March 2021 (B)	1.48	1.12	2.60
Net Block (A-B)	**3.64**	**0.32**	**3.96**

20. Accounting for Government grants

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

21. Segment Reporting

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

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

(₹ bn)

Particulars	Domestic Operations		International Operations		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	82.16	83.69	1.47	2.08	83.63	85.76
Assets	1,317.80	1,305.24	49.61	42.78	1,367.41	1,348.02

22. Related party disclosures

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

- Relationship

  (i) Joint Ventures:
  - GPCL Consulting Services Limited
  - Kukuza Project Development Company

  (ii) Key Managerial Personnel:
  - Smt. Harsha Bangari (Managing Director w.e.f. September 8, 2021)
  - Shri. N. Ramesh (Deputy Managing Director)
  - Shri David Rasquinha (Managing Director upto May 31, 2021)

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

(₹ mn)

Particulars	Joint Venture		Key Managerial Personnel	
	2021-22	2020-21	2021-22	2020-21
Loans granted	-	-	-	-
Guarantees issued	-	-		-
Interest received	-	-	-	-
Guarantee commission received	-	0.20	-	-
Receipts towards services rendered	-	-	-	-
Term Deposit Accepted	-	-	3.54	3.00
Interest on Term Deposits	-	-	0.77	0.66
Amounts written-off / written-back	-	-	-	-
Term Deposit Outstanding	-	-	9.56	9.24
Loans granted and outstanding at year-end	-	-	0.36	-
Guarantees outstanding at year-end	-	-	-	-
Investments outstanding at year end	144.04	144.04	-	-
Dividend received	0.42	0.42	-	-
Maximum Loan outstanding during the year	-	-	0.56	-
Maximum Guarantees outstanding during the year	-	3.94	-	-
Salary including perquisites	-	-	16.24	13.68
Rent paid	-	-	0.59	0.48
Reimbursement of Expenses	4.77	4.49	-	-
Director's Fees received	0.04	0.03	-	-
Fees paid for consultancy	9.91	11.66	-	-

23. Accounting for Taxes on Income

(a) Details of Provision for Tax:

(₹ bn)

Particulars	2021-22	2020-21
Tax on Income	0.21	0.24
Add: Net Deferred Tax Liability	13.91	0.78
Total	**14.12**	**1.02**

During the year ended March 31, 2022, the Bank opted to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 and accordingly recognised provision for Income tax for the year ended 31 March, 2022 in line with the above option. This necessitated re-statement of the opening balance of deferred tax assets as at April 1, 2021, basis the rate prescribed in the aforesaid section. Accordingly, the Bank has recognised the provision for income tax and re-measured the accumulated deferred tax asset as at April 1, 2021 considering the rates prescribed under the aforesaid section. The resultant impact of ₹1,391 crore (including ₹933 crore on account of the re-measurement of accumulated DTA as at April 1, 2021) has been fully recognised in the profit and loss account March 31, 2022.

(d) Deferred Tax Asset:

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

(₹ bn)

Particulars	2021-22	2020-21
Deferred Tax Assets		
1. Provision Disallowed (Net)	20.08	35.73
Less: Deferred Tax Liability		
1. Depreciation on Fixed Assets	0.0007	0.02
2. Amortisation of Bond issue expenses	0.32	0.57
3. Special Reserve created under section 36(1)(viii)	3.12	4.58
Net Deferred Tax Assets [included in 'Other Assets' in the 'Assets' side of the Balance Sheet]	**16.64**	**30.56**

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24. Financial Reporting of Interest in Joint Ventures

I.

	Jointly Controlled Entities	Country	Percentage of holding	
			Current Year	Previous Year
A	GPCL Consulting Services Limited	India	28%	28%
B	Kukuza Project Development Company	Mauritius	36.36%	40%

II. The aggregate amount of assets, liabilities, income and expenses related to the interest in the jointly controlled entities using the proportionate consolidation method as per AS 27 Financial Reporting of Interests in joint Ventures is as under:

(₹ mn)

Liabilities	2021-22	2020-21	Assets	2021-22	2020-21
Capital & Reserves	21.89	43.41	Fixed Assets	0.12	0.05
Loans	-	-	Investments	10.39	17.31
Other Liabilities	26.24	7.82	Other Assets	37.62	33.88
Total	**48.13**	**51.23**	**Total**	**48.13**	**51.23**

Contingent Liabilities: NIL (Previous Year: NIL)

(₹ mn)

Expenses	2021-22	2020-21	Income	2021-22	2020-21
Interest and Financing expenses	1.05	-	Consultancy Income	13.28	15.42
Other Expenses	50.66	98.22	Interest income and Income from investment	0.72	1.53
Provisions	1.51	0.81	Other Income	0.65	0.15
			Loss	38.57	81.93
Total	**53.22**	**99.03**	**Total**	**53.22**	**99.03**

Note: Figures for Kukuza Project Development Company and GPCL for FY 2021-22 are unaudited and provisional.

25. Impairment of Assets

A substantial portion of the Bank's assets comprise of 'financial assets' to which Accounting Standard 28 "Impairment of Assets" is not applicable. In the opinion of the Bank, there is no impairment of its assets (to which the standard applies) as at March 31, 2022 requiring recognition in terms of the said standard.

26. Employee benefits

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

A) Amount to be recognised in the Balance Sheet

(₹ bn)

Particulars	Pension Fund	Gratuity
Fair value of Plan Assets at the end of the period	1.44	0.31
Present value of Benefit Obligation at the end of the period	(1.55)	(0.31)
Funded Status	(0.11)	0.001
Unrecognised past service cost at the end of the period	-	-
Unrecognised transitional liability at the end of the period	-	-
Net Liability recognised in the Balance Sheet	(0.11)	0.001

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

(₹ bn)

Particulars	Pension Fund	Gratuity
Current Service Cost	0.038	0.018
Interest Cost	0.097	0.020
Expected Return on Plan Assets	0.094	0.014
Actuarial Losses / (Gains)	0.025	(0.025)
Past Service Cost - Non–vested Benefit	-	-
Past Service Cost – vested benefit	0.069	-
Transitional liability	-	-
Expense recognised in Profit and Loss Account	0.134	(0.000)
Contributions by Employer	(0.054)	(0.086)

C) Summary of Actuarial Assumptions

Particulars	Pension Fund	Gratuity
Discount Rate (p.a.)	7.41%	7.29%
Expected Rate of Return on Assets (p.a.)	7.41%	7.29%
Salary Escalation Rate (p.a.)	7.00%	7.00%

In addition to the above, for the year 2021-22 the amount of Defined Benefit Obligation of Leave Encashment works out to ₹ 0.0138 bn (PY: ₹0.0333 bn), which has been fully provided for.

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

DEBENTURE TRUSTEE

AXIS Trustee Services Ltd.
Designated Persons: Mr. Anil Grover, Operations Head;
Mr. Sanjay Sinha, Managing Director & Chief Executive Officer

Address:

Registered Office: Axis House,
Bombay Dyeing Mills Compound,
Pandhurang Budhkar Marg,
Worli Mumbai - 400 025

Corporate Office: The Ruby, 2nd floor, SW,
29 Senapati Bapat Marg,
Dadar West, Mumbai 400 028

Tel: (022) 62300451

Email: sbteam@axistrustee.in

Website: www.axistrustee.in

GMJ & CO. CHARTERED ACCOUNTANTS MUMBAI FRN. NO. 103429W

28. With the onset of the COVID-19 pandemic since the Financial Year 2020, there was a significant volatility in the financial markets and uncertainty in the global economy. However, the Bank is confident of its sustainability and will continue to closely monitor the progression of this pandemic, evaluate and proactively assess and respond to its impact on the Bank's financial position and operating results.

With a view to mitigate the burden of debt servicing of the borrowers, the Reserve the Bank of India (RBI) announced certain regulatory measures in the wake of the disruptions caused by COVID-19 pandemic, broadly covering the deferment of principal and interest instalments, One Time Restructuring (OTR) resolution framework etc.

Accordingly, total of 10 borrowers (3 PA and 7 NPA) with aggregate outstanding of ₹764.81 crore had requested the Bank for resolution under the OTR framework. OTR was successfully implemented in respect of 9 Borrower accounts with aggregate outstanding of ₹738.83 crore. Further, there are no cases in the Bank where resolution was implemented under the Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses.

Further, the Emergency Credit Line Guarantee Scheme (ECLGS) was introduced as part of the ₹20 lakh crore comprehensive package announced by the Ministry of Finance, Government of India to aid the Micro, Small and Medium Enterprises (MSMEs) sector in view of the economic distress caused by the COVID-19 pandemic. Under this scheme, the Bank supported its existing borrowers as per details below:

(₹ bn)

Scheme	2021-22				2020-21			
	Sanction	Disbursed*	Outstanding		Sanction	Disbursed	Outstanding	
			No. of Borrowers	Amount			No. of Borrowers	Amount
ECLGS 1.0	0.03	0.11	5	0.20	0.19	0.10	3	0.10
ECLGS 2.0	0.48	1.11	13	1.22	1.04	0.11	3	0.11
ECLGS 3.0	0.22	-	-	-	-	-	-	-
Grand Total	**0.73**	**1.22**	**18**	**1.42**	**1.23**	**0.21**	**6**	**0.21**

(*) includes disbursements out of loans sanctioned during FY2020-21.

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

29. Previous year's figures have been regrouped/re-arranged, wherever necessary.

For and on behalf of the Board	
Shri N. Ramesh **Deputy Managing Director**	**Ms Harsha Bangari** **Managing Director**

Shri Dammu Ravi	**Smt Rupa Dutta**	**Shri Suchindra Misra**
	Shri R. Subramanian	**Shri M. Senthilnathan**
Shri Dinesh Kumar Khara	**Shri Rajkiran Rai G.**	**Shri Ashok Kumar Gupta**

Directors

For GMJ & Co.
Chartered Accountants
Firm Regn. No. 103429W

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

(CA Atul Jain)
Partner
M. No. 037097

New Delhi
Dated: May 11, 2022

INDEPENDENT AUDITOR'S REPORT.

To,
The President of India

Report on the Audited Financial Statements

Opinion

We have audited the accompanying Financial Statements of General Fund of "Export-Import Bank of India" ("the Bank"), which comprise the Balance Sheet as at March 31, 2021, the Profit and Loss account, Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view of the financial position of the Bank as at March 31, 2021, of its financial performance and its cash flows for the year then ended in accordance with the Regulation 14 (i) of EXIM Bank of India General Regulations, 2020 and the accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 29 of the Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced. In view of these uncertainties, the impact on the Bank's financial statements is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr No	Key Audit Matters	How the matter was addressed in our Audit
1	**Identification of Non-performing advances and provisioning of advances:** Advances constitute a significant portion of the Bank's assets and the quality of these advances is measured in terms of ratio of Non-Performing Advances ("NPA") to the gross advances of the Bank. The Bank advances (including bill re-discounted) constitute 77 % of the total assets and the gross NPA ratio of the Bank is 6.69% as at March 31, 2021. The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification ("IRAC") prescribe the prudential norms for identification and classification of NPAs and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors. The provisioning for identified NPAs is estimated based on ageing and classification of NPAs, recovery estimates, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI. Additionally, the Bank makes provisions on exposures that are not classified as NPAs including advances in certain sectors and identified advances or group advances that can potentially slip into NPA. These are classified as contingency provisions. The Bank has detailed its accounting policy in this regard in Significant accounting policies and notes to accounts under note I (iii) Asset Classification and Provisioning. Since the identification of NPAs and provisioning for advances require significant level of estimation and given its significance to the overall audit, we have ascertained identification and provisioning for NPAs as a key audit matter.	We performed the following audit procedures, among others, included: - Considering the Bank's policies for NPA identification and provisioning and assessing compliance with the IRAC norms. - Understanding, evaluating and testing the design and operating effectiveness of key controls (including application controls) around identification of impaired accounts based on the extant guidelines on IRAC. - Examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. - Reviewing account statements and other related information of the borrowers selected based on quantitative and qualitative risk factors. - Examining the early warning reports generated by the Bank to identify stressed loan accounts. - Holding specific discussions with the management of the Bank where there is perceived credit risk and the steps taken to mitigate the risks. With respect to provisioning of advances, we performed the following procedures: - Gained an understanding of the Bank's process for provisioning of advances. - Tested on a sample basis the calculation performed by the management for compliance with RBI regulations and internally laid down policies for provisioning. - For loan accounts, where the Bank made provisions which were not classified as NPA, we reviewed the Bank's assessment for these provisions.

2	**Contingent Liability for Income Tax:** The Bank has material open tax litigations including matters under dispute which involve significant judgment to determine the possible outcome of these disputes. Since the assessment of these open tax litigations requires significant level of judgement, we have included this as a key audit matter.	- Gained an understanding of the Bank's process for determining tax liabilities and the tax provisions. - Involved external Tax experts to understand the evaluation of likelihood and level of liability for significant tax risks after considering legal precedence, other rulings and new information in respect of open tax positions as at reporting date. - Reviewed the tax demand by referring to supporting documentation, including correspondence with tax authorities. - Assessed the disclosures within the standalone financial statements in this regard.
3	**Modified Audit Procedures carried out in light of COVID-19 outbreak:** Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit period and the RBI directions to Bank to facilitate carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the HO and premises of certain RO's of the FI. As we could not gather audit evidence in person/physically/ through discussions and personal interactions with the officials at the ROs /Administrative /Corporate Offices, we have identified such modified audit procedures as a Key Audit Matter. Accordingly, our audit procedures were modified to carry out the audit remotely.	Since physical access was not possible due to travelling restriction, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium, emails or remote access to other relevant application software and relied upon as audit evidence for conducting the audit and reporting for the current period. Accordingly, we modified our audit procedures as follows: a. Conducted verification of necessary records/ documents and other Application software electronically through remote access/emails wherever physical access was not possible. b. Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails or remote access over secure network of the Bank. c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels. d. Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Overall Business Operations, Management and Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual report, if we conclude that there is a material misstatement therein, then we will communicate the matter to those charged with governance.

Other Matters

The Bank has nine domestic Representative offices (ROs), eight overseas offices and one foreign branch. The financial accounting systems of the Bank are centralized for the Domestic and Overseas Offices. We could visit only 4 domestic ROs and have not been able to visit the other domestic ROs and foreign branch because of Covid-19 Pandemic and have relied on the accounting statements and returns received from the branch/ROs, which are included in these Financial Statements.

Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management of Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and the Regulations framed thereunder and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain Professional Skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Level III, Raval House, 18th Road, Khar (West), Mumbai – 400052. Tel: 022 2605 4593/96

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

The Balance Sheet, the Profit and Loss Account and Cash Flow Statement have been drawn up as per Schedules I, II and III of the EXIM Bank of India General Regulations, 2020.

We further report that:

i. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.

ii. The Balance Sheet, the Statement of Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with Books of Account.

iii. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.

iv. The accounting statements, information and returns received from the offices and a foreign branch of the Bank have been found adequate for the purposes of our audit.

v. In our opinion, the aforesaid financial statements dealt with by this report comply with the applicable Accounting Standards.

For JCR & Co.
Chartered Accountants
FRN: 105270W

CA Mitesh Chheda
Partner
Mem No. 160688

UDIN: 21160688AAAAEU2953
Place: Mumbai
Date: 18th May 2021

EXPORT-IMPORT BANK OF INDIA

BALANCE SHEET AS AT 31ST MARCH, 2021

GENERAL FUND Previous year (As at 31.03.2020) ₹	LIABILITIES	SCHEDULES	GENERAL FUND This year (As at 31.03.2021) ₹
1,38,59,36,63,881	1.Capital	I	1,51,59,36,63,881
24,25,72,59,181	2.Reserves	II	26,54,32,43,671
12,39,00,000	3.Profit & Loss Account	III	25,39,00,000
9,06,28,09,02,600	4.Notes, Bonds and Debentures		9,65,34,53,41,400
-	5.Bills Payable		-
2,34,87,76,136	6.Deposits	IV	2,05,17,39,943
1,43,06,70,05,089	7.Borrowings	V	1,28,77,29,77,903
31,33,75,89,965	8.Current Liabilities and Provisions for contingencies		33,01,40,55,544
62,39,83,47,751	9.Other Liabilities		40,44,12,31,470
13,08,40,74,44,603	**Total**		**13,48,01,61,53,812**

	ASSETS		
1,28,79,05,44,979	1. Cash & Bank Balances	VI	1,44,92,26,65,318
1,08,37,06,60,101	2. Investments	VII	1,00,17,22,42,817
9,80,51,50,12,545	3. Loans and Advances	VIII	10,24,41,34,55,089
13,95,00,00,000	4. Bills of Exchange and Promissory Notes Discounted/Rediscounted	IX	14,10,00,00,000
3,72,91,29,019	5. Fixed Assets	X	3,95,91,49,600
73,05,20,97,959	6. Other Assets	XI	60,44,86,40,988
13,08,40,74,44,603	**Total**		**13,48,01,61,53,812**

contd 2

J C R & CO. MUMBAI CHARTERED ACCOUNTANTS

GENERAL FUND Previous year (As at 31.03.2020) ₹	CONTINGENT LIABILITIES	GENERAL FUND This Year (As at 31.03.2021) ₹
1,45,48,60,78,032	(i) Acceptances,Guarantees, endorsements and other obligations	1,36,92,57,45,884
4,92,59,78,657	(ii) On outstanding forward exchange contracts	1,50,40,06,991
-	(iii) On underwriting commitments	-
17,85,42,365	(iv) Uncalled Liability on partly paid investments	18,00,35,910
9,40,86,00,000	(v) Claims on the Bank not acknowledged as debts	7,75,25,00,000
-	(vi) Bills for collection	-
-	(vii) On participation certificates	-
-	(viii) Bills Discounted/Rediscounted	-
11,04,99,05,466	(ix) Other monies for which the Bank is contingently liable	5,58,08,08,626
1,71,04,91,04,520		**1,51,94,30,97,411**

'Notes to Accounts' attached.

For and on behalf of the Board

Shri N. Ramesh
Deputy Managing Director

Ms. Harsha Bangari
Deputy Managing Director

Shri David Rasquinha
Managing Director

Shri Rajat Sachar **Shri K. Rajaraman** **Shri Pankaj Jain** **Shri Amitabh Kumar**

Shri R. Subramanian **Shri Dinesh Kumar Khara** **Shri M. Senthilnathan**

Shri Rajkiran Rai G. **Shri A.S. Rajeev**

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

JCR & CO. MUMBAI CHARTERED ACCOUNTANTS

(CA Mitesh Chheda)
Partner
M. No. 160688

Mumbai
Dated: May 18, 2021

EXPORT-IMPORT BANK OF INDIA

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

GENERAL FUND Previous year ₹	EXPENDITURE	SCHEDULES	GENERAL FUND This Year ₹
62,51,96,30,086	1. Interest		54,18,18,96,186
57,38,69,341	2. Credit Insurance, fees and charges		73,66,01,198
85,54,94,692	3. Staff Salaries, Allowances etc. and Terminal Benefits		94,62,31,917
-	4. Directors' and Committee Members' Fees and Expenses		-
11,98,100	5. Audit Fees		11,98,100
22,45,64,022	6. Rent, Taxes, Electricity and Insurance Premia		23,37,17,376
5,12,15,211	7. Communication expenses		5,08,91,039
7,72,37,262	8. Legal Expenses		5,02,10,455
1,56,39,17,056	9. Other Expenses	XII	92,66,01,821
35,00,03,968	10. Depreciation		40,19,66,573
17,87,58,49,648	11. Provision for loan losses/contingencies depreciation on investments		24,67,16,75,118
2,43,74,32,706	12. Profit/(Loss) carried down		3,56,32,41,717
86,53,04,12,092	**Total**		**85,76,42,31,500**
1,19,89,45,128	Provision for Income Tax(Net of deferred tax) [including Deferred tax of ₹ 77,61,48,307 (previous year - ₹ 1,429,270,589)]		1,02,33,57,227
1,23,84,87,578	Balance of profit/(Loss) transferred to Balance Sheet		2,53,98,84,490
2,43,74,32,706			**3,56,32,41,717**
	INCOME		
82,46,36,60,553	1. Interest and Discount	XIII	79,79,80,63,740
2,32,14,11,488	2. Exchange, Commission, Brokerage and Fees		2,50,18,82,725
1,74,53,40,051	3. Other Income	XIV	3,46,42,85,035
86,53,04,12,092	**Total**		**85,76,42,31,500**
2,43,74,32,706	Profit/(Loss) brought down		3,56,32,41,717
-	Excess Income/Interest tax provision of earlier years written back		-
2,43,74,32,706			**3,56,32,41,717**

'Notes to Accounts' attached.

For and on behalf of the Board

Shri N. Ramesh	**Ms. Harsha Bangari**	**Shri David Rasquinha**
Deputy Managing Director	**Deputy Managing Director**	**Managing Director**

Shri Rajat Sachar | **Shri K. Rajaraman** | **Shri Pankaj Jain** | **Shri Amitabh Kumar**

Shri R. Subramanian | **Shri Dinesh Kumar Khara** | **Shri M. Senthilnathan**

Shri Rajkiran Rai G. | **Shri A.S. Rajeev**

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

(CA Mitesh Chheda)
Partner
M. No. 160688

Mumbai
Dated: May 18, 2021

EXPORT-IMPORT BANK OF INDIA
SCHEDULES TO THE BALANCE SHEET

GENERAL FUND Previous year (As at 31.03.2020) ₹		GENERAL FUND This Year (As at 31.03.2021) ₹
Schedule I :	**Capital:**	
2,00,00,00,00,000	1. Authorised	2,00,00,00,00,000
1,38,59,36,63,881	2. Issued and Paid-up : (Wholly subscribed by the Central Government)	1,51,59,36,63,881
Schedule II :	**Reserves:**	
8,47,09,43,717	1. Reserve Fund	9,00,86,28,207
-	2. General Reserve	-
	3. Other Reserves :	
19,09,96,400	Investment Fluctuation Reserve	1,93,92,96,400.00
1,95,53,19,064	Sinking Fund (Lines of Credit)	1,95,53,19,064
13,64,00,00,000	4. Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	13,64,00,00,000
24,25,72,59,181		**26,54,32,43,671**
Schedule III :	**Profit & Loss Account:**	
1,23,84,87,578	1. Balance as per annexed accounts	2,53,98,84,490
	2. Less: Appropriations:	
92,35,91,178	- Transferred to Reserve Fund	53,76,84,490
19,09,96,400	- Transferred to Investment Fluctuation Reserve	1,74,83,00,000
-	- Transferred to Sinking Fund	-
-	- Transferred to Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	-
12,39,00,000	3. Balance of the net profits (Transferable to the Central Government in terms of Section 23(2) of the EXIM Bank Act,1981)	**25,39,00,000**
Schedule IV :	**Deposits:**	
2,34,87,76,136	(a) In India	2,05,17,39,943
-	(b) Outside India	-
-		
2,34,87,76,136		**2,05,17,39,943**

contd 2

J.C.R & CO. MUMBAI CHARTERED ACCOUNTANTS

Schedule V :	**Borrowings:**	
	1. From Reserve Bank of India :	
-	(a) Against Trustee Securities	-
-	(b) Against Bills of Exchange	-
-	(c) Out of the National Industrial Credit (Long Term Operations) Fund	-
-	2. From Government of India	-
	3. From Other Sources :	
33,49,90,37,358	(a) In India	-
1,09,56,79,67,731	(b) Outside India	1,28,77,29,77,903
1,43,06,70,05,089		**1,28,77,29,77,903**
Schedule VI:	**Cash & Bank Balances:**	
6,09,591	1. Cash in Hand	14,82,382
3,00,88,61,307	2. Balance with Reserve Bank of India	19,18,13,444
	3. Balances with other Banks:	
	(a) In India	
4,91,67,51,451	i) in current accounts	6,74,37,03,578
30,00,00,00,000	ii) in other deposit accounts	21,00,00,00,000
90,86,43,22,630	(b) Outside India	1,11,08,83,86,576
-	4. Money at call and short notice / Lending under CBLO	5,89,72,79,338
1,28,79,05,44,979		**1,44,92,26,65,318**

contd 3

Schedule VII:	**Investments:** ***(net of diminution in value, if any)***	
88,16,11,70,750	1. Securities of Central and State Governments	93,57,37,40,000
1,39,53,73,789	2. Equity Shares & Stocks	1,73,45,55,661
-	3. Preference Shares and Stocks	-
6,28,40,92,933	4. Notes,Debentures and Bonds	4,86,39,47,156
12,53,00,22,629	5. Others	-
1,08,37,06,60,101		**1,00,17,22,42,817**
Schedule VIII :	**Loans & Advances:**	
4,66,72,80,07,276	1. Foreign Governments	4,78,22,28,03,060
	2. Banks:	
33,84,42,51,000	(a) In India	93,15,98,00,000
90,79,80,000	(b) Outside India	1,09,03,04,683.00
	3. Financial Institutions:	
-	(a) In India	-
50,75,49,24,226	(b) Outside India	50,92,18,12,932
4,28,27,98,50,043	4. Others	4,01,01,87,34,414
9,80,51,50,12,545		**10,24,41,34,55,089**
Schedule IX :	**Bills of Exchange and Promissory Notes Discounted/Rediscounted:**	
13,95,00,00,000	(a) In India	14,10,00,00,000
-	(b) Outside India	-
13,95,00,00,000		**14,10,00,00,000**

contd 4

Previous year	Schedule	Current year
Schedule X :	**Fixed Assets:** *(At cost less depreciation)*	
	1. Premises	
3,11,53,85,721	Gross Block b/f	4,76,74,05,894.00
1,65,20,20,173	Additions during the year	35,26,77,924.00
-	Disposals during the year	-
4,76,74,05,894	Gross Block as at the end of the year	5,12,00,83,818
1,24,51,39,947	Accumulated Depreciation	1,47,70,13,450
3,52,22,65,947	Net Block	3,64,30,70,368
	2. Others	
1,05,14,14,176	Gross Block b/f	1,18,58,96,824.00
15,16,34,962	Additions during the year	28,13,94,653
1,71,52,408	Disposals during the year	3,48,30,444
1,18,58,96,730	Gross Block as at the end of the year	1,43,24,61,033
97,90,33,658	Accumulated Depreciation	1,11,63,81,801
20,68,63,072	Net Block	31,60,79,232
3,72,91,29,019		**3,95,91,49,600**
Schedule XI :	**Other Assets:**	
	1. Accrued interest on	
8,65,46,68,858	a) investments / bank balances	11,37,79,40,070
21,96,00,25,806	b) loans and advances	6,02,65,83,840
5,78,06,538	2. Deposits with sundry parties	5,75,72,733
7,20,03,65,035	3. Advance Income Tax paid (Net)	4,58,85,07,286
35,17,92,31,722	4. Others [including Net Deferred tax asset of ₹ 30,55,79,99,846 (previous year ₹ 31,334,148,153)]	38,39,80,37,059
73,05,20,97,959		**60,44,86,40,988**
Schedule XII :	**Other Expenses:**	
1,97,12,035	1. Export Promotion Expenses	48,85,349
12,82,721	2. Expenses on and related to Data Processing	49,67,419
23,99,23,903	3. Repairs and Maintenance	30,03,11,862
1,01,05,161	4. Printing and Stationery	66,12,095
1,29,28,93,236	5. Others	60,98,25,096
1,56,39,17,056		**92,66,01,821**

contd 5

JCR & CO. CHARTERED ACCOUNTANTS MUMBAI

Schedule XIII :	**Interest and Discount:**	
54,50,60,29,521	1. Interest and Discount on loans and advances/bills discounted/rediscounted	43,78,86,60,137
27,95,76,31,032	2. Income on Investments/bank balances	36,00,94,03,603
82,46,36,60,553		**79,79,80,63,740**
Schedule XIV :	**Other Income:**	
1,36,41,65,845	1. Net Profit on sale/ revaluation of investments	2,71,59,22,640
14,25,973	2. Net Profit on sale of land, buildings and other assets	(81,867)
37,97,48,233	3. Others	74,84,44,262
1,74,53,40,051		**3,46,42,85,035**

Note : Deposits under 'Liabilities' [ref. Schedule IV (a)] include `on shore' foreign currency deposits aggregating USD 18.76 mn (Previous year USD 24.50 mn.) kept by counter party banks / institutions with Exim Bank against reciprocal rupee deposits / bonds. Investments under `Assets' [ref. Schedule VII 4.] include bonds aggregating ₹ 0.86 bn (Previous year ₹ 1.12 bn) on account of swaps.

J C R & Co. CHARTERED ACCOUNTANTS MUMBAI

Cash Flow Statement for the year ended March 31, 2021

Amount (₹ mn)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Cash flow from Operating Activities		
Net Profit / (Loss) before tax and extra-ordinary items	3,563.2	2,437.4
Adjustments for		
- (Profit)/Loss on sale of fixed assets (Net)	0.1	(1.4)
- (Profit)/Loss on sale of Investments (Net)	(2,715.9)	(1,364.2)
- Depreciation	402.0	350.0
- Discount/Expenses on bond issues written off	224.0	180.9
- Transfer from Investment Fluctuation Reserve	-	-
- Provisions/Write Off of Loans/Investments & other provisions	24,671.7	17,875.8
- Others - to specify	-	-
	26,145.1	19,478.6
Adjustments for		
- Other Assets	(41,656.5)	(587.4)
- Current liabilities	(45,233.8)	(2,677.3)
Cash generated from operations	**(60,745.3)**	**16,213.9**
Payment of income tax/interest tax	53,991.7	1,089.8
Net cash flow from Operating activities (A)	**(6,753.6)**	**17,303.6**
Cash flow from Investing activities		
- Net purchase of fixed assets	(632.1)	(1,800.3)
- Net change in investments	10,914.3	(13,732.6)
Net cash used in / raised from Investing activities (B)	**10,282.3**	**(15,532.9)**
Cash Flow from Financing activities		
- Equity capital infusion	13,000.0	15,000.0
- Loans borrowed (net of repayments made)	43,775.8	1,28,275.5
- Loans lent, bills discounted and rediscounted (net of repayments received)	(44,048.4)	(58,293.5)
- Dividend on equity shares and tax on dividend (Balance of Net profits transferred to Central Government)	(123.9)	(81.7)
Net cash used in / raised from Financing activities (C)	**12,603.5**	**84,900.3**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C	**16,132.1**	**86,671.0**
OPENING CASH AND CASH EQUIVALENTS	1,28,790.5	42,119.5
CLOSING CASH AND CASH EQUIVALENTS	1,44,922.7	1,28,790.5

For and on behalf of the Board

Shri N. Ramesh
Deputy Managing Director

Ms. Harsha Bangari
Deputy Managing Director

Shri David Rasquinha
Managing Director

Shri Rajat Sachar **Shri K. Rajaraman** **Shri Pankaj Jain** **Shri Amitabh Kumar**

Shri R. Subramanian **Shri Dinesh Kumar Khara** **Shri M. Senthilnathan**

Shri Rajkiran Rai G. **Shri A.S. Rajeev**

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

(CA Mitesh Chheda)
Partner
M. No. 160688

J C R & CO. MUMBAI CHARTERED ACCOUNTANTS

Mumbai
Dated: May 18, 2021

EXPORT-IMPORT BANK OF INDIA

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES

(i) Financial Statements

a) Basis of preparation

The Balance Sheet and Profit and Loss account of Export-Import Bank of India (Exim Bank) (General Fund and Export Development Fund) have been prepared in accordance with the accounting principles followed in India. The financial statements have been prepared under the historical cost convention on an accrual basis unless otherwise stated. The accounting policies that are applied by the Bank are consistent with those used in the previous year. The form and manner in which the Balance Sheet and the Profit and Loss Account of Exim Bank are prepared have been provided in the Export-Import Bank of India, General Regulations, 2020 approved by the Board of Directors with the previous approval of Government of India under Section 39 (2) of Export-Import Bank of India Act, 1981 (28 of 1981). Certain important financial ratios / data are disclosed as part of the "Notes to Accounts" in terms of Reserve Bank of India (RBI) Master Direction DBR.FID.No.108/ 01.02.000/2015-16 dated June 23, 2016.

b) Use of estimates

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

(ii) Revenue Recognition

Income/Expenditure is recognised on accrual basis except in respect of interest on Non–performing Assets (NPA) / Non-performing Investments and "Stressed Assets", interest on loans under Strategic Debt Restructuring, fee income, commission, commitment charges and dividend which are accounted on cash basis. NPAs are determined as per RBI guidelines issued to All-India Financial Institutions. Discount/ redemption premium offered on Exim Bank Bonds has been amortised over the tenure of the bond and included in interest expenses.

(iii) Asset Classification and Provisioning

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

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

(iv) Investments

The entire investment portfolio is classified under three categories:

(a) "Held to Maturity" (the securities acquired with the intention to hold them to maturity),

(b) "Held for Trading" (the securities acquired with the intention to trade by taking advantage of the short-term price/interest rate movements, etc.) and

(c) "Available for Sale" (the balance investments).

The investments are further classified as:

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

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

(v) Fixed Assets and Depreciation

(a) Fixed Assets are stated at historical cost less accumulated depreciation.

(b) Depreciation is provided for on straight-line method basis at the following rates:

ASSET	DEPRECIATION RATE
Owned Buildings	5%
Furniture and Fixtures	25%
Office Equipment	25%
Other Electrical Equipment	25%
Computers and Computer Software	25%
Motor Vehicles	25%
Mobile Phones and other electronic items subject to rapid technological obsolescence	33.33%

(c) In respect of assets acquired during the year, depreciation is provided for the entire year in the year of purchase and in respect of assets sold during the year, no depreciation is provided in the year of sale.

(d) When a depreciable asset is disposed of, discarded, demolished or destroyed, the net surplus or deficit is adjusted in the Profit and Loss Account.

(vi) Impairment

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

(vii) Accounting for Foreign Currency Transactions

(a) Assets and liabilities denominated in foreign currency are translated at the exchange rate notified by the Foreign Exchange Dealers' Association of India (FEDAI) at the year end.

(b) Income and expenditure items are translated at the average rates of exchange during the year.

(c) Outstanding foreign exchange contracts are revalued at rates of exchange notified by the FEDAI for specified maturities and the resulting profits / losses are included in the Profit and Loss account.

(d) Contingent liabilities in respect of guarantees, acceptances, endorsements and other obligations are stated at the rates of exchange notified by FEDAI at the year end.

(viii) Guarantees

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

(ix) Derivatives

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

(x) Provision for Employee Benefits

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

(xi) Accounting for taxes on Income

(a) Provision for current tax is made, based on the tax payable under the relevant statute.

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

(xii) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

(xiii) Deferment of Implementation of Indian Accounting Standards (Ind AS)

In terms of Reserve Bank of India's (RBI) circular dated August 04, 2016, Indian Accounting Standards (Ind AS) was applicable to all Banks, NBFCs and AIFIs for the accounting periods beginning from April 01, 2018 onwards with comparatives for the period ending March 31, 2018. RBI vide its letter dated May 15, 2019 addressed to Exim Bank has conveyed deferment of implementation of Ind AS by the AIFIs until further notice.

J C R & CO. MUMBAI CHARTERED ACCOUNTANTS

II NOTES TO ACCOUNTS – GENERAL FUND

1. Agency Account

As Exim Bank is acting only in the capacity of an agency to facilitate certain transactions in Iraq relating to Indian contractors, foreign currency receivables advised to the Bank equivalent to ₹ 50.25 bn (previous year ₹ 52.00 bn) held on agency account including a sum of ₹ 45.40 bn (previous year ₹ 46.99 bn) assigned to Government of India (GOI) are not included in the above Balance Sheet.

2. Income-Tax

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

3. (a) Contingent Liabilities

Guarantees include expired guarantees amounting to ₹ 0.67 bn (previous year ₹ 1.20 bn), yet to be cancelled in the books.

(b) Claims not acknowledged as debts

The amount of ₹ 7.75 bn (previous year ₹ 9.41 bn) shown under Contingent Liabilities as "Claims on the Bank not acknowledged as debts", pertains to claims/counter-claims filed against the Bank mostly by Bank's defaulting borrowers in response to legal action initiated against them by the Bank. None of the claims / counter-claims is considered as maintainable in the opinion of Bank's solicitors and none of them has reached the stage of final hearing. Based on professional advice, no provision is considered necessary.

(c) Forward Exchange Contracts, Currency / Interest rate Swaps

(i) The outstanding forward exchange contracts as at March 31, 2021 have been fully hedged. The Bank undertakes derivatives transactions (Interest Rate Swaps, Forward Rate Agreements and Currency-cum-interest rate swaps), for the purpose of Asset-Liability management as per RBI guidelines issued vide circular Ref. No. MPD.BC.187/07.01.279/1999-2000 dated July 7, 1999 and thereafter. The Bank also unwinds and re-enters such transactions based on requirements/market conditions. The outstanding derivative transactions are captured in the interest rate sensitivity position, which is monitored by the Asset Liability Management Committee (ALCO) and reviewed by the Board. The credit equivalent of derivatives is arrived at as per 'Current Exposure' method prescribed by RBI. The fair value and the price value of a basis point (PV01) of derivatives are disclosed separately in the 'Notes to Accounts' as stipulated by RBI. The premium or discount arising at inception of forward exchange contracts is amortized over the life of the contracts. Any profit or loss arising on cancellation of forward exchange contracts is recognized as income / expense for the year.

(ii) The Bank is permitted to be a 'market maker' for offering long-dated Foreign Currency - Rupee Swaps to clients / non-clients.

d) Profit / Loss on Exchange fluctuation

Assets and liabilities denominated in foreign currency are translated at the exchange rate notified by the Foreign Exchange Dealers' Association of India (FEDAI) at the year end. Income and expenditure items are translated at the average rates of exchange during the year. The notional profit on such translation of the retained earnings on FC operations during the current year is ₹ 0.08 bn (previous year notional loss of ₹ 0.53 bn).

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

5. ADDITIONAL INFORMATION AS REQUIRED BY RESERVE BANK OF INDIA

5.1 Capital

(₹ bn)

(a)

Particulars		As on March 31, 2021	As on March 31, 2020
(i)	Common Equity	139.58	126.86
(ii)	Additional Tier 1 Capital	5.00	5.00
(iii)	Total Tier 1 Capital (i+ii)	144.58	131.86
(iv)	Tier 2 Capital	11.42	10.10
(v)	Total Capital (Tier 1 + Tier 2)	156.00	141.96
(vi)	Total Risk weighted assets (RWAs)	602.47	705.18
(vii)	Common Equity Ratio (Common Equity as a percentage of RWAs)	23.17%	17.99%
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	24.00%	18.70%
(ix)	Capital to Risk weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	25.89%	20.13%
(x)	Percentage of the shareholding of the Government of India in the Bank	100%	100%
(xi)	Amount of equity capital infused by the Government of India	13.00	15.00
(xii)	Amount of additional Tier 1 capital raised; of which		
	a) Perpetual Non-Cumulative Preference Shares (PNCPS);	Nil	Nil
	b) Perpetual Debt Instruments (PDI)	Nil	Nil
(xiii)	Amount of Tier 2 capital raised; of which		
	a) Debt Capital Instruments	Nil	Nil
	b) Perpetual Non-Cumulative Preference Shares (PNCPS);	Nil	Nil
	c) Redeemable Non-Cumulative Preference Shares (RNCPS)	Nil	Nil
	d) Redeemable Cumulative Preference Shares (RCPS)	Nil	Nil

(b) The amount of subordinated debt raised and outstanding as on March 31, 2021 as Tier-II capital: ₹ NIL (previous year: ₹ NIL).

(c) **Risk weighted assets –**

(₹ bn)

	Particulars	As on March 31, 2021	As on March 31, 2020
(i)	'On' balance sheet items	461.85	544.47
(ii)	'Off' balance sheet items	140.62	160.71

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

- The CRAR and other related parameters have been determined as per the extant capital adequacy norms prescribed by RBI for the Financial Institutions (FIs).
- The revised Framework to be prescribed by the RBI, including the Basel III norms, is still at draft stage. The Bank will implement Basel III norms for determining CRAR from the date they become effective. However, the final notification from RBI is awaited.

5.2 **Free Reserves and Provisions**

(a) **Provisions on Standard Assets**

(₹ bn)

Particulars	2020-21	2019-20
Provisions towards Standard Assets	0.87	1.10

(b) **Disclosure on provisions made on accounts in accordance with RBI Circular on COVID-19 Regulatory Package**

In terms of the RBI circulars DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 ('Regulatory Package'), DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 and DOR.FID.No.8140/01.02.000/2019-20 dated May 08, 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning, lending institutions are required to disclose the provisions made in respect of accounts for which moratorium was granted and benefit of asset classification was extended. The details of such provisions are as under:

(₹ bn)

Particulars	2020-21	2019-20
Number of Borrowers	3	7
Loan outstanding as on March 31, 2021	0.5	2.84
Amount overdue	0.001	0.075
Amount for which asset classification benefit extended	0.5	2.84
Provision made	0.05	0.14

(c) **Floating Provisions**

(₹ bn)

Particulars	2020-21	2019-20
(a) Opening balance in the floating provisions accounts	-	-
(b) The quantum of floating provisions made in the accounting year	-	-
(c) Amount of draw down made during the accounting Year	-	-
(d) Closing balance in the floating provisions account	-	-

5.3 **Asset Quality and Specific Provisions**

(a) **Non-Performing Advances**

(₹ bn)

Particulars	2020-21	2019-20
(i) Net NPAs to Net Advances (%)	0.51%	1.77%
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	93.62	116.78
(b) Additions during the year	14.92	21.06
(c) Reductions during the year	34.41	44.22
(d) Closing balance	74.13	93.62
(iii) Movement of Net NPAs		
(a) Opening balance	17.57	22.88
(b) Additions during the year	5.33	9.03
(c) Reductions during the year	17.57	14.34
(d) Closing balance	5.33	17.57
(iv) Movement of Provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	76.05	93.90
(b) Provisions made during the year	24.71	20.88
(c) Write off / write back of excess provisions	31.96	38.73
(d) Closing balance	68.80	76.05

(b) Non-Performing Investments

(₹ bn)

Particulars	2020-21	2019-20
(i) Net NPIs to Net Investments (%)	0.31%	0.15%
(ii) Movement of NPIs (Gross)		
(a) Opening Balance	6.02	5.55
(b) Additions during the year	1.69	0.67
(c) Reductions during the year	0.66	0.20
(d) Closing balance	7.05	6.02
(iii) Movement of Net NPIs		
(a) Opening balance	0.17	0.34
(b) Additions during the year	0.19	0.05
(c) Reductions during the year	0.05	0.22
(d) Closing balance	0.31	0.17
(iv) Movement of Provisions for NPIs (excluding provisions on standard assets)		
(a) Opening balance	5.86	5.21
(b) Provisions made during the year	0.99	0.84
(c) Write off / write back of excess provisions	0.11	0.19
(d) Closing balance	6.74	5.86

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

(₹ bn)

Particulars	2020-21	2019-20
(i) Net NPAs to Net Assets (Advances + Investments) (%)	0.50%	1.61%
(ii) Movement of NPAs (Gross Advances + Gross Investments)		
(a) Opening Balance	99.64	122.33
(b) Additions during the year	16.61	21.73
(c) Reductions during the year	35.07	44.42
(d) Closing balance	81.18	99.64
(iii)Movement of Net NPAs		
(a) Opening balance	17.74	23.22
(b) Additions during the year	5.52	9.08
(c) Reductions during the year	17.62	14.56
(d) Closing balance	5.64	17.74
(iv)Movement of Provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	81.91	99.11
(b) Provisions made during the year	25.70	21.72
(c) Write off / write back of excess provisions	32.07	38.92
(d) Closing balance	75.54	81.91

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5.4 **Particulars of Accounts Restructured:** Current Year

Sr. No.	Type of Restructuring / Asset Classification	Details	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	
1	Restructured Accounts as on date of opening of the FY (opening figures)	No. of borrowers	3	-	8	-	11.00	-	-	2.00	-	2.00	3.00	-	9.00	-	12.00	25.00
		Amount outstanding	0.14	-	2.48	-	2.62	-	-	0.01	-	0.01	2.45	-	8.60	-	11.05	13.68
		Provision thereon	0.07	-	2.48	-	2.55	-	-	0.01	-	0.01	2.18	-	7.77	-	9.95	12.51
2	Fresh restructuring/ Additions during the year	No. of borrowers	-	-	1.00	-	1.00	-	-	-	-	-	-	-	3.00	-	3.00	4.00
		Amount outstanding	-	-	0.06	-	0.06	-	-	-	-	-	-	-	2.13	-	2.13	2.19
		Provision thereon	-	-	0.06	-	0.06	-	-	-	-	-	-	-	2.13	-	2.13	2.19
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioningand/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations/ Reductions of restructured accounts during the FY	No. of borrowers	1.00	-	1.00	-	2.00	-	-	-	-	-	2.00	-	-	-	2.00	4.00
		Amount outstanding	0.07	-	1.20	-	1.27	-	-	-	-	-	2.22	-	1.52	-	3.74	5.01
		Provision thereon	0.03	-	1.20	-	1.23	-	-	-	-	-	2.15	-	0.69	-	2.84	4.08
6	Write-offs of restructuredaccounts during the FY	No. of borrowers	-	-	3.00	-	3.00	-	-	1.00	-	1.00	-	-	2.00	-	2.00	6.00
		Amount outstanding	-	-	0.31	-	0.31	-	-	-	-	-	-	-	0.75	-	0.75	1.06
		Provision thereon	-	-	0.31	-	0.31	-	-	-	-	-	-	-	0.75	-	0.75	1.06
7	Restructured Accounts as on date of closing of the FY(closing figures)	No. of borrowers	2.00	-	5.00	-	7.00	-	-	1.00	-	1.00	1.00	-	10.00	-	11.00	19.00
		Amount outstanding	0.08	-	1.02	-	1.10	-	-	0.01	-	0.01	0.24	-	8.45	-	8.69	9.79
		Provision thereon	0.04	-	1.02	-	1.06	-	-	0.01	-	0.01	0.03	-	8.45	-	8.49	9.55

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Previous Year:

Sr. No.	Type of Restructuring / Asset Classification	Details	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	
1	Restructured Accounts as on date of opening of the FY (opening figures)	No. of borrowers	5	-	8	-	13	1	-	2	-	3	4	1	10	-	15	31
		Amount outstanding	1.41	-	2.81	-	4.22	0.01	-	0.02	-	0.03	2.55	1.14	7.87	-	11.56	15.81
		Provision thereon	0.34	-	2.74	-	3.08	0.002	-	0.02	-	0.02	0.40	0.22	5.64	-	6.26	9.36
2	Fresh restructuring/ Additions during the year	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	1	-	1	2
		Amount outstanding	-	-	1.15	-	1.15	-	-	-	-	-	-	-	1.53	-	1.53	2.68
		Provision thereon	-	-	1.15	-	1.15	-	-	-	-	-	1.80	-	2.80	-	4.60	5.75
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease toattract higher provisioningand/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations/ Reductions of restructuredaccounts during the FY	No. of borrowers	2	-	1	-	3	1	-	-	-	1	1	1	2	-	4	8
		Amount outstanding	1.26	-	1.48	-	2.74	0.01	-	-	-	0.01	0.10	1.14	0.82	-	2.06	4.81
		Provision thereon	0.27	-	1.41	-	1.68	0.002	-	-	-	0.002	0.03	0.22	0.68	-	0.93	2.61
6	Write-offs of restructuredaccounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on date of closing of the FY(closing figures)	No. of borrowers	3	-	8	-	11	-	-	2	-	2	3	-	9	-	12	25
		Amount outstanding	0.15	-	2.48	-	2.63	-	-	0.02	-	0.02	2.45	-	8.58	-	11.03	13.68
		Provision thereon	0.07	-	2.48	-	2.55	-	-	0.02	-	0.02	2.17	-	7.76	-	9.93	12.50

5.5 **Movement of Non-performing assets**

(₹ bn)

Particulars	2020-21	2019-20
Gross NPAs as on 1st April (Opening balance)	93.62	116.78
Additions (Fresh NPAs) during the year	14.88	17.72
Interest funding	0.04	0.11
Exchange Fluctuation	(1.34)	3.24
Subtotal (A)	107.20	137.85
Less:		
(i) Upgradations	-	1.47
(ii) Recoveries (excluding recoveries made from upgraded accounts)	4.03	9.67
(iii) Technical / Prudential write offs	28.13	28.10
(iv) Write offs other than those under (iii) above	0.91	4.99
(v) Exchange Fluctuation	-	-
Subtotal (B)	33.07	44.23
Gross NPAs as on 31st March (closing balance) (A-B)	74.13	93.62

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

5.6 **Write-offs and recoveries**

(₹ bn)

Particulars	2020-21	2019-20
Opening balance of Technical / Prudential written off accounts as at 1st April	62.68	32.92
Add: Technical / Prudential write offs during the year	28.13	28.10
Less: Exchange Fluctuation	0.71	1.80
Sub total (A)	90.10	62.82
Less: Recoveries made from previously technical / prudential written-off accounts during the year (B)	0.91	0.13
Closing balance as on 31st March (A-B)	89.19	62.69

5.7 **Overseas Assets, NPAs and Revenue**

(₹ bn)

Particulars	2020-21	2019-20
Total Assets	42.74	49.85
Total NPAs	2.62	2.96
Total Revenue	2.08	3.34

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

5.8 Depreciation and Provision on Investments

(₹ bn)

Particulars	2020-21	2019-20
(1) Investments		
(i) Gross Investments	122.61	129.14
(a) In India	121.66	128.30
(b) Outside India	0.95	0.84
(ii) Provision for Depreciation	22.43	20.77
(a) In India	21.80	20.18
(b) Outside India	0.63	0.59
(iii) Net Investments	100.18	108.37
(a) In India	99.86	108.12
(b) Outside India	0.32	0.25
(2) Movement of provision held towards depreciation on investments		
(i) Opening balance	20.77	20.12
(ii) Add: Provisions made during the year	2.94	2.57
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year	1.28	1.92
(v) Less: Transfer, if any, to investment Fluctuation Reserve Account	-	-
(vi) Closing balance	22.43	20.77

5.9 Provisions and Contingencies

(₹ bn)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2020-21	2019-20
Provision for depreciation on Investment	0.24	(1.54)
Provision towards NPA	(7.46)	(17.95)
Provision made towards Income tax	1.02	1.20
Other Provisions and Contingencies*	2.31	1.48

*Includes ₹ 2.03 bn (previous year ₹ 1.19 bn) on account of provisioning towards Bank Guarantees, ₹ 0.01 bn (previous year ₹ 0.29 bn) on account of Country Risk Provisioning and ₹ 0.26 bn (previous year NIL) on account of exposure to entities with Unhedged Foreign Currency Exposure

5.10 Provision Coverage Ratio

Particulars	2020-21	2019-20
Provision Coverage Ratio	96.74%	88.76%

5.11 Fraud Reported and provision made during the year:

An amount of ₹ 14.08 bn in 13 cases (previous year ₹ 3.76 bn in 6 cases) represents advances declared as frauds during FY 2020-21. Full provision has been made for the outstanding balance as on March 31, 2021 in respect of frauds reported during the year.

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6. INVESTMENT PORTFOLIO: CONSTITUTION AND OPERATIONS

6.1 Repo Transactions

Current Year: (₹ bn)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repos				
i) Government Securities	--	--	--	--
ii)Corporate Debt Securities	--	--	--	--
Securities Purchased under reverse repos				
i) Government Securities	--	--	--	--
ii) Corporate Debt Securities	--	--	--	--

Previous Year: (₹ bn)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2020
Securities sold under repos				
i) Government Securities	--	--	--	--
ii)Corporate Debt Securities	--	--	--	--
Securities Purchased under reverse repos				
i) Government Securities	--	--	--	--
ii) Corporate Debt Securities	--	--	--	--

6.2 Disclosure of Issuer Composition for Investment in Debt Securities

Current Year:

(₹ bn)

Sr. No.	Issuer	Amount	Amount of			
			Investment made through private placement	"below investment grade" Securities held	"unrated' Securities held	"unlisted" Securities Held
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	-	-	-	-	-
2	FIs	1.27	1.27	-	0.06	1.27
3	Banks	0.002	0.002	-	-	-
4	Private corporates	27.45*	27.39	0.44	5.38	24.28
5	Subsidiaries/Joint ventures	0.003	0.003	-	0.003	0.003
6	Others	0.02	0.02	-	-	0.02
7	Provision held towards depreciation#	22.43	-	-	-	-
	Total	**28.74**	**28.69**	**0.44**	**5.44**	**25.57**

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

* Out of which ₹ 20.20 bn represents investment in security receipts issued by Asset Reconstruction Companies (ARCs) and ₹ 6.79 bn of investments are in shares / debentures acquired as part of loan restructuring.

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

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Previous Year:

(₹ bn)

Sr. No.	Issuer	Amount	Amount of			
			Investment made through private placement	"below investment grade" Securities held	"unrated' Securities held	"unlisted" Securities Held
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	--	--	--	--	--
2	FIs	1.52	1.52	--	0.06	1.52**
3	Banks	0.002	0.002	--	--	--
4	Private corporates	39.43	39.25	--	17.26	36.09*
5	Subsidiaries / Joint ventures	0.003	0.003	–	0.003	0.003
6	Others	0.02	0.02	--	--	0.02
7	Provision held towards depreciation#	20.77	--	–	--	--
	Total	**40.98**	**40.80**	--	**17.33**	**37.64**

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

* Out of which ₹ 20.42 bn represents investment in security receipts issued by Asset Reconstruction Companies (ARCs) and ₹ 2.77 bn of investments are in shares / debentures acquired as part of loan restructuring.

** Out of which ₹ 1.12 bn were by way of USD / INR Swap undertaken with RBI approval.

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

6.3 <u>Sale and Transfer to / from Held to Maturity (HTM) Category</u>

During the year ended March 31, 2021, the Bank transferred Government securities with book value aggregating to ₹ 9.78 bn (PY Nil) from Held-to-Maturity (HTM) category to Available for Sale (AFS) category, being transfer of securities at the beginning of the accounting year as permitted by RBI, which was 16 % of portfolio under the HTM Category as on 1st April, 2020. The market value of investments in Government Securities held in HTM category as at March 31, 2021 was at ₹ 16.23 bn (PY ₹10.13 bn) and was higher than the book value thereof as of that date.

7. DETAILS OF FINANCIAL ASSETS PURCHASED/ SOLD

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

A. Details of Sales

(₹ bn)

Sr.	Particulars	2020-21	2019-20
(i)	No. of Accounts	Nil	3
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	0.70
(iii)	Aggregate consideration	Nil	2.25
(iv)	Additional Consideration realised in respect of accounts transferred in earlier years	Nil	1.97
(v)	Aggregate gain/(loss) over net book value	Nil	3.51

- The "Assets sold to Reconstruction Companies" have been reckoned as defined in RBI Master Circular DBOD No. FID.FIC.2/01.02.00/2006-07 dated July 01, 2006 and thereafter.
- In the previous year, in addition to the above three accounts, an account with net asset value of ₹ 3.42 billion was sold to M/s Varde Investment Partners L.P., US for ₹ 2.95 billion resulting into loss of ₹ 0.47 billion.

B. Details of Book value of Investments in Security Receipts

(₹ bn)

Particulars	Book value of Investments in Security receipts	
	2020-21	2019-20
(i) Backed by NPAs sold by the Bank as underlying	2.72	4.09
(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying	--	--
Total	**2.72**	**4.09**

7.2 Details of Non Performing Financial Assets Purchased / Sold

A. Details of non Performing financial assets purchased

(₹ bn)

Particulars	2020-21	2019-20
1. (a) No. of accounts purchased during the year	--	--
(b) Aggregate outstanding	--	--
2. (a) Of these, number of accounts restructured during the year	--	--
(b) Aggregate outstanding	--	--

B. Details of non performing financial assets sold

(₹ bn)

Particulars	2020-21	2019-20
1. No. of accounts sold	--	--
2. Aggregate outstanding	--	--
3. Aggregate consideration received	--	--

8. Operating results

Sr. No.	Particulars	2020-21	2019-20
(i)	Interest income as a percentage to average working funds	6.35	7.16
(ii)	Non-interest income as a percentage to average working funds	0.47	0.35
(iii)	Operating profit as a percentage to average working funds	2.25	1.76
(iv)	Return on average assets	0.19	0.10
(v)	Net Profit \ (Loss) per (permanent) employee (in ₹ bn)	0.007	0.003

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

9. CREDIT CONCENTRATION RISK

9.1 Capital market exposure

Sr. No.	Particulars	2020-21	2019-20
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	--	--
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	--	--
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	--	--
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	--	--
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	--	--
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	--	--
(vii)	Bridge loans to companies against expected equity flows / issues;	--	--
(viii)	Underwriting commitments taken up by the Bank in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	--	--
(ix)	Financing to stockbrokers for margin trading;	--	--
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	--	--
	Total Exposure to Capital Market	--	--

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9.2 Exposure to Country risk

(₹ bn)

Risk Category	Exposure (net) as at March 2021	Provision held as at March 2021	Exposure (net) as at March 2020	Provision held as at March 2020
Insignificant	66.75	0.26	80.50	0.35
Low	334.72	-	443.74	0.03
Moderate	510.83	-	378.41	-
High	40.45	-	73.26	-
Very High	65.57	-	65.76	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	**1018.32**	**0.26**	**1,041.67**	**0.38**

9.3 Strategic Debt Restructuring (SDR) Scheme

(₹ bn)

Particulars	2020-21	2019-20
No. of accounts	1	1
Aggregate amount outstanding	-	-
Amount of exposure converted into equity	0.08	0.08

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

(₹ bn)

Particulars		2020-21	2019-20
No. of accounts classified as standard where S4A has been applied		2	2
Aggregate amount outstanding		0.01	0.01
Amount Outstanding	In Part A	2.94	2.94
	In Part B	2.59	2.59
Provision Held		1.11	1.11

9.5 Prudential Exposure Limits – Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Bank

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

(₹ bn)

Sr. No.	PAN No.	Borrower Name	Indus-try Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as a % to Capital Funds
1.	–	AFRICAN EXPORT-IMPORT BANK	65102	Financial Services	Financial Services	25.13	0.00	17.70

(PY : Nil)

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

Current Year:

Particulars	Percentage to Capital Funds*	Percentage to Total Credit Exposure (TCE)@	Percentage to Total Assets
i) Largest single borrower	17.70	1.44	1.86
ii) Largest borrower group	25.25	2.05	2.66
iii) 20 largest single borrowers	158.33	12.86	16.67
iv) 20 largest borrower groups	180.01	14.62	18.96

*Capital Funds as on March 31, 2020

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

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

2) As on March 31, 2021, there was one single borrower to whom credit exposure above the base ceiling of 15% of total capital funds was assumed with the prior approval of the Board. Further, there was no borrower group to whom credit exposure was above the base ceiling of 40% of capital funds. Details disclosed in para 9.5.A above.

Previous Year:

Particulars	Percentage to Capital Funds*	Percentage to Total Credit Exposure (TCE)@	Percentage to Total Assets
i) Largest single borrower	14.99	1.04	1.42
ii) Largest borrower group	29.85	2.07	2.82
iii) 20 largest single borrowers	194.62	13.50	18.38
iv) 20 largest borrower groups	236.31	16.39	22.31

*Capital Funds as on March 31, 2019
@ TCE: Loans + Advances + Unutilised Sanctions + Guarantees + LCs + Credit exposure on account of derivatives.

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

4) As on March 31, 2020, there are no single borrowers and borrower groups to whom credit exposure was above the base ceilings of 15% and 40% of capital funds respectively.

C. Credit exposure to the five largest industrial sectors

Current Year:

	Sector	Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i)	EPC Services	5.50	8.68
ii)	Construction	3.29	5.20
iii)	Petroleum Products	3.15	4.97
iv)	Chemical and Dyes	2.22	3.51
v)	Ferrous Metals and Metal Processing	2.13	3.36

Previous Year:

	Sector	Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i)	EPC Services	13.07	9.18
ii)	Ferrous Metals and Metal Processing	8.36	5.88
iii)	Textiles and Garments	7.52	5.29
iv)	Chemical and Dyes	6.85	4.81
v)	Petroleum Products	6.47	4.55

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

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

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D. Unsecured Advances

(₹ bn)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Unsecured Advances of the bank	48.49	53.44
i) Of which amount of advances outstanding against charge over intangible securities such as corporate/personal guarantees, promissory notes, trust receipts, etc.	5.61	12.40
ii) The estimated value of such intangible securities (as in (i) above).	0.01	0.19

E. Factoring Exposures

The Bank has no exposure under factoring arrangement (previous year ₹ NIL).

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

(₹ bn)

Sr. No	PAN No.	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as a % to Capital Funds
1.	--	AFRICAN EXPORT-IMPORT BANK	65102	Financial Services	Financial Services	25.13	0.00	17.70

(PY Nil)

As on March 31, 2021, there was one single borrower to whom credit exposure above the base ceiling of 15% of total capital funds was assumed with the prior approval of the Board. Further, there was no borrower group to whom credit exposure was above the base ceiling of 40% of capital funds. Details disclosed in para 9.5.A above.

10. Concentration of borrowings / lines of credit, credit exposures and NPAs

(a) Concentration of borrowings and lines of credit

(₹ bn)

Particulars	2020-21	2019-20
Total borrowings from twenty largest lenders	128.77	109.57
Percentage of borrowings from twenty largest lenders to total borrowings of the Bank	11.75%	10.42%

(b) Concentration of Credit exposures

(₹ bn)

Particulars	2020-21	2019-20
Total exposures to twenty largest borrowers	224.76	240.51
Percentage of exposures to twenty largest borrowers to Total Advances of the Bank	20.30%	22.47%
Total Exposure to twenty largest borrowers / customers	224.76	240.51
Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	12.86%	13.50%
In the case of Exim Bank, percentage of total of top ten country exposures to total exposures	35.97%	34.37%

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

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(c) Sector-wise concentration of exposures and NPAs

Sr. No	Sector	2020-21			2019-20		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Domestic Sector**	**355.91**	**39.48**	**11%**	**298.00**	**46.11**	**15%**
1	**Total Export Finance**	**323.68**	**32.73**	**10%**	**255.96**	**39.11**	**15%**
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	**186.28**	**25.02**	**13%**	**201.72**	**30.06**	**15%**
	Ferrous Metals & Metal Processing	13.35	2.56	19%	18.17	2.56	14%
	Oil and Gas	-	-	-	4.65	0.70	15%
	Textiles & Garments	27.03	5.28	20%	-	-	-
	Chemical and dyes	10.67	-	0%	12.89	-	-
	Petrochemicals	30.69	4.89	16%	-	-	-
	Others	104.54	12.29	12%	166.01	26.80	16%
	Services Sector	**137.40**	**7.71**	**6%**	**54.24**	**9.05**	**17%**
	Aviation Services	-	-	-	2.29	-	-
	EPC Services	-	-	-	10.92	8.37	77%
	Shipping Services	-	-	-	11.35	-	-
	Financial Services	103.47	-	0%	-	-	-
	Others	33.93	7.71	23%	29.68	0.68	2%
2	**Total Import Finance**	**32.23**	**6.75**	**21%**	**42.04**	**7.00**	**17%**
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	**28.50**	**5.36**	**19%**	**38.47**	**5.59**	**15%**
	Ferrous Metals & Metal Processing	0.15	0.15	100%	0.33	0.33	100%
	Oil and Gas	-	-	-	6.38	-	-
	Chemicals and dyes	18.26	2.11	12%	18.38	2.16	12%
	Others	10.09	3.10	31%	13.38	3.10	23%
	Services Sector	**3.73**	**1.39**	**37%**	**3.57**	**1.41**	**39%**
	EPC Services	-	-	-	0.32	-	-
	Shipping Services	-	-	-	2.39	0.63	26%
	Others	3.73	1.39	37%	0.86	0.78	91%
3	**Of (A), exposures guaranteed by the Government of India**	-	-	-	-	-	-
B	**External Sector**	**104.50**	**34.65**	**33%**	**144.48**	**47.51**	**33%**
1	**Total Export Finance**	104.50	34.65	33%	**144.48**	**47.51**	**33%**
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	**79.65**	**31.69**	**40%**	**120.29**	**44.36**	**37%**
	Ferrous Metals & Metal Processing	18.89	1.06	6%	26.42	1.06	4%
	Oil and Gas	-	-	-	26.99	22.34	**83%**
	Textiles & Garments	2.60	1.20	46%	-	-	-
	Chemicals and Dyes	5.89	5.08	86%	6.56	-	-
	Others	52.27	24.36	47%	60.32	20.96	35%
	Services Sector	**24.85**	**2.96**	**12%**	**24.19**	**3.15**	**13%**
	Aviation Services	-	-	-	4.36	-	-
	EPC Services	-	-	-	-	-	-
	Financial Services	15.48	-	0%	13.30	-	-
	Shipping Services	-	-	-	1.49	0.59	40%
	Others	9.37	2.96	32%	5.04	2.56	51%
2	**Total Import Finance**	-	-	-	-	-	-
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	-	-	-	-	-	-
	Services Sector	-	-	-	-	-	-
3	**Of (B), exposures guaranteed by the Government of India**	-	-	-	-	-	-
C	**Other Exposures #**	**646.90**	-	-	**628.04**	-	-
D	**Total exposures (A+B+C)**	**1,107.31**	**74.13**	**6.69%**	**1070.52**	**93.62**	**8.75%**

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

(d) Unhedged Foreign Currency Exposure

The Bank in accordance with RBI Master Direction DBR.FID.No.108/01.02.000/2015-16. Dated 23rd June, 2016 has in place an internal guidance note on capital provisioning requirement and incremental provisioning for exposure to entity with Unhedged Foreign Currency Exposure (UFCE). As on March 31, 2021, an amount of ₹ 0.26 bn (PY: Nil) was held towards Currency Induced Credit Risk and Capital allocated for Currency Induced Credit Risk amounted to ₹ 7.29 bn (PY: Nil).

11. DERIVATIVES

11.1 Forward Rate Agreement / Interest Rate Swap

(₹ bn)

Sr. No.	Particulars	2020-21		2019-20	
		Hedging	Trading	Hedging	Trading
1.	The Notional Principal of swap agreements	490.16	-	511.96	-
2.	Losses, which would be incurred if counter parties failed to fulfill their obligations under the agreements	1.40	-	0.05	-
3.	Collateral required by the Bank upon entering into swaps	-	-	-	-
4.	Concentration of credit risk arising from Swaps	All transactions fall within approved credit exposure limits*		All transactions fall within approved credit exposure limits*	
5.	The fair value of the swap book	9.91		28.80	

*All the interest rate swaps have been undertaken with Banks

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

(₹ bn)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	31	431.32	LIBOR	Fixed receivable vs Floating payable
IRS	Hedging	1	2.18	LIBOR	Floating receivable vs Fixed payable
IRS	Hedging	4	56.65	LIBOR	Floating receivable vs Floating payable
	Total	**36**	**490.16**		

11.2 Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	Amount
1.	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year	-
2.	Notional Principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2021	-
3.	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	-
4.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	-

11.3 Disclosures on risk exposure in derivatives

A. Qualitative disclosures

1. The Bank uses financial derivative transactions predominantly for raising cost-effective funds and hedging its balance sheet exposures, with the objective of reducing market risk. The Bank currently deals only in over-the-counter (OTC) interest rate and currency derivatives, of the type permitted by RBI.

2. Derivative transactions carry: (i) market risk i.e. the probable loss that the Bank may incur as a result of adverse movements in interest rates / exchange rates and (ii) credit risk i.e. the probable loss the Bank may incur if the counter-parties fail to meet their obligations. The Bank has in place a Derivative Policy approved by the Board, which aims at synchronizing the risk management objectives at the transaction level with

those of the overall ALM position. The policy defines the use of permitted derivative products consistent with business goals of the Bank, lays down the control and monitoring systems and deals with regulatory, documentation and accounting issues. The policy also prescribes suitable risk parameters to control and manage market risk on derivative trades undertaken in the treasury book. (stop-loss limits, open position limits, tenor limits, settlement and pre-settlement risk limits, PV01 limits).

3. The ALCO of the Bank oversees management of market risks with support from the Bank's Mid-Office, which measures, monitors and reports market risk associated with derivative transactions.

4. All derivative transactions outstanding in the Bank's books as on March 31, 2021 have been undertaken for hedging purposes and are in the ALM book. The income on such transactions has been accounted for on accrual basis.

5. Interest Rate Swaps (IRS) and Currency Swaps are not included in Outstanding Forward Exchange Contracts under Contingent Liabilities as per the Derivative Policy.

B. Quantitative disclosures

(₹ bn)

Sr. No.	Particulars	2020-21		2019-20	
		Currency Derivatives	**Interest rate derivatives**	**Currency Derivatives**	**Interest rate derivatives**
1	Derivatives (Notional Principal Amount)				
	a) For hedging	355.21	490.16	319.89	511.96
	b) For trading	-	-	-	-
2	Marked to Market Positions				
	a) Asset (+)		9.91		28.80
	b) Liability (-)	(24.95)		(45.41)	
3	Credit Exposure	17.45	16.84	13.72	31.23
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	10.05	18.65	11.68	21.14
	b) on trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging (i) Maximum (ii) Minimum	 11.75 11.12	 20.58 18.66	 11.78 10.45	 21.21 13.89
	b) on trading (i) Maximum (ii) Minimum	 - -	 - -	 - -	 - -

12. Letters of Comfort issued by the Bank

During the year, the Bank has not issued any Letter of Comfort (previous year Nil) and no financial obligation has arisen on account of the outstanding commitments. There are no outstanding exposures against Letters of comfort received as on March 31, 2021 (previous year ₹ Nil).

13. ASSET LIABILITY MANAGEMENT

Current Year: (₹ bn)

Particulars	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Rupee Advances	15.42	0.60	2.73	26.11	76.94	29.87	21.58	(1.81)*	**171.44**
Rupee Investments	0.00	0.00	0.09	0.05	0.14	0.57	17.82	81.52	**100.17**
Rupee Other Assets	35.57	24.44	125.17	32.19	64.02	173.04	131.52	274.43	**860.39**
Rupee Deposits	0.02	9.47	9.75	0.03	18.54	8.78	0.14	0.00	**46.74**
Rupee Borrowings	0.00	14.87	114.44	37.39	13.00	93.74	59.73	70.25	**403.43**
Rupee Other Liabilities	5.43	4.69	29.85	26.72	32.71	114.98	18.11	229.03	**461.54**
Foreign Currency Assets	42.17	25.74	64.65	57.65	82.77	270.45	230.30	498.63	**1,272.36**
Foreign Currency Liabilities	24.53	22.55	79.22	61.08	93.92	355.19	120.41	383.38	**1,140.27**

(*) Net of loan provisions

Previous Year: (₹ bn)

Particulars	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Rupee Advances	10.26	7.27	9.86	24.88	12.16	28.17	30.17	6.33	129.11
Rupee Investments	12.50	0.06	0.08	0.04	0.13	0.73	0.58	94.25	108.37
Rupee Other Assets	14.37	1.57	59.10	44.55	51.15	127.54	111.09	254.61	663.98
Rupee Deposits	0.01	0.00	7.22	0.02	28.92	0.17	0.06	0.00	36.41
Rupee Borrowings	33.50	0.00	44.66	12.30	24.23	72.67	65.41	88.45	341.21
Rupee Other Liabilities	5.24	5.29	14.35	21.24	29.70	78.36	21.46	215.72	391.37
Foreign Currency Assets	82.40	2.70	25.67	40.95	73.01	256.96	214.30	515.15	1,211.14
Foreign Currency Liabilities	48.52	2.87	47.09	72.76	79.56	349.37	172.12	367.70	1,139.99

14. DRAW DOWN FROM RESERVES

The Bank has not drawn any amount from the Reserves.

15. BUSINESS RATIOS

Particulars	2020-21	2019-20
Return on Equity	1.70%	0.94%
Return on Assets	0.19%	0.10%
Net Profit Per Employee (₹ bn)	0.007	0.003

16. DISCLOSURE OF PENALTIES IMPOSED BY RBI

There are no penalties imposed by the Reserve Bank of India under the Reserve Bank of India Act, 1934, for contraventions of any of the provisions of the Act or non-compliance with any other requirements of the Act, order, rule or condition specified by Reserve Bank of India.

17. DISCLOSURE OF COMPLAINTS

Customer Complaints

Sr. No.	Particulars	2020-21	2019-20
(a)	No of complaints pending at the beginning of the year	-	-
(b)	No of complaints received during the year	2	4
(c)	No of complaints redressed during the year	2	4
(d)	No of complaints pending at the end of the year	-	-

18. OFF- BALANCE SHEET SPVs SPONSORED (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
-	-

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Disclosure as per specific Accounting Standards

19. **Details of Fixed Assets**

Current Year:

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

(₹ bn)

Particulars	Premises	Others	Total
Gross Block			
Cost as on 31st March 2020	4.76	1.19	5.95
Additions	0.36	0.28	0.64
Disposals	-	0.03	0.03
Cost as on 31st March 2021 (A)	5.12	1.44	6.56
Depreciation			
Accumulated as on 31st March 2020	1.25	0.97	2.22
Provided during the year	0.23	0.17	0.40
Eliminated on Disposals	-	0.02	0.02
Accumulated as on 31st March 2021 (B)	1.48	1.12	2.60
Net Block (A-B)	**3.64**	**0.32**	**3.96**

Previous Year:

(₹ bn)

Particulars	Premises	Others	Total
Gross Block			
Cost as on 31st March 2019	3.11	1.06	4.17
Additions	1.65	0.15	1.80
Disposals	0.00	0.02	0.02
Cost as on 31st March 2020 (A)	4.76	1.19	5.95
Depreciation			
Accumulated as on 31st March 2019	1.03	0.86	1.89
Provided during the year	0.22	0.13	0.35
Eliminated on Disposals	0.00	0.02	0.02
Accumulated as on 31st March 2020 (B)	1.25	0.97	2.22
Net Block (A-B)	**3.51**	**0.22**	**3.73**

20. **Accounting for Government grants**

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

21. **Accounting Standard – 5 Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies:**

Interest Income for the year includes an amount of ₹ 1.11 bn pertaining to the prior period reconciliation. There is no change in the Significant Accounting Policies adopted during the year ended March 31, 2021 as compared to those followed in the previous financial year 2019-20.

22. Segment Reporting

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

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

(₹ bn)

Particulars	Domestic Operations		International Operations		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	83.69	83.19	2.08	3.34	85.76	86.53
Assets	1,305.24	1,258.52	42.78	49.89	1,348.02	1,308.41

23. Related party disclosures

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

- Relationship

  (i) Joint Ventures:
  - GPCL Consulting Services Limited
  - Kukuza Project Development Company

  (ii) Key Managerial Personnel:
  - Shri David Rasquinha (Managing Director)
  - Ms. Harsha Bangari (Deputy Managing Director)
  - Shri. N. Ramesh (Deputy Managing Director)

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

(₹ mn)

Particulars	Joint Venture		Key Managerial Personnel	
	2020-21	2019-20	2020-21	2019-20
Loans granted	-	-	-	-
Guarantees issued	-	3.94	-	-
Interest received	-	-	-	-
Guarantee commission received	0.02	-	-	-
Receipts towards services rendered	-	-	-	-
Term Deposit Accepted	-	-	3.00	-
Interest on Term Deposits	-	-	0.18	0.19
Amounts written-off / written-back	-	-	-	-
Term Deposit Outstanding	-	-	9.24	1.50
Loans outstanding at year-end	-	-	-	-
Guarantees outstanding at year-end	-	3.94	-	-
Investments outstanding at year end	3.23	3.23	-	-
Dividend received	0.42	0.42	-	-
Maximum Loan outstanding during the year	-	-	-	-
Maximum Guarantees outstanding during the year	3.94	3.94	-	-
Salary including perquisites	-	-	13.68	7.30
Rent paid	-	-	0.48	0.30
Reimbursement of Expenses	4.49	-	-	-
Director's Fees received	0.03	-	-	[illegible]
Fees paid for consultancy	11.66	-	-	[illegible]

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24. Accounting for Taxes on Income

(a) Details of Provision for Tax:

(₹ bn)

Particulars	2020-21	2019-20
Tax on Income	0.24	(0.23)
Add: Net Deferred Tax Liability	0.78	1.43
Total	**1.02**	**1.20**

(b) Deferred Tax Asset:

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

(₹ bn)

Particulars	2020-21	2019-20
Deferred Tax Assets		
1. Provision Disallowed (Net)	35.73	37.13
Less: Deferred Tax Liability		
1. Depreciation on Fixed Assets	0.02	0.60
2. Amortisation of Bond issue expenses	0.57	0.62
3. Special Reserve created under section 36(1)(viii)	4.58	4.58
Net Deferred Tax Assets [included in 'Other Assets' in the 'Assets' side of the Balance Sheet]	**30.56**	**31.33**

25. Financial Reporting of Interest in Joint Ventures

I.

	Jointly Controlled Entities	Country	Percentage of holding	
			Current Year	Previous Year
A	GPCL Consulting Services Limited	India	28%	28%
B	Kukuza Project Development Company	Mauritius	40%	33%

II. The aggregate amount of assets, liabilities, income and expenses related to the interest in the jointly controlled entities using the proportionate consolidation method as per AS 27 Financial Reporting of Interests in joint Ventures is as under:

(₹ mn)

Liabilities	2020-21	2019-20	Assets	2020-21	2019-20
Capital & Reserves	43.41	41.06	Fixed Assets	0.05	0.06
Loans	-	-	Investments	17.31	21.39
Other Liabilities	7.82	10.84	Other Assets	33.88	30.45
Total	**51.23**	**51.90**	**Total**	**51.23**	**51.90**

Contingent Liabilities: NIL (Previous Year: NIL)

(₹ mn)

Expenses	2020-21	2019-20	Income	2020-21	2019-20
Other Expenses	98.22	100.17	Consultancy Income	15.42	18.04
Provisions	0.81	1.19	Interest income and Income from investment	1.53	1.60
			Other Income	0.15	0.21
			Loss	81.93	81.51
Total	**99.03**	**101.36**	**Total**	**99.03**	**101.36**

Note: Figures for GPCL for FY 2020-21 are audited but not yet approved by the Board. Figures for Kukuza Project Development Company for FY 2020-21 are unaudited and provisional.

26. Impairment of Assets

A substantial portion of the Bank's assets comprise of 'financial assets' to which Accounting Standard 28 "Impairment of Assets" is not applicable. In the opinion of the Bank, there is no impairment of its assets (to which the standard applies) as at March 31, 2021 requiring recognition in terms of the said standard.

27. Employee benefits

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

A) Amount to be recognised in the Balance Sheet

(₹ bn)

Particulars	Pension Fund	Gratuity
Fair value of Plan Assets at the end of the period	1.354	0.209
Present value of Benefit Obligation at the end of the period	(1.389)	(0.295)
Funded Status	(0.035)	(0.085)
Unrecognised past service cost at the end of the period	-	-
Unrecognised transitional liability at the end of the period	-	-
Net Liability recognised in the Balance Sheet	(0.035)	(0.085)

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

(₹ bn)

Particulars	Pension Fund	Gratuity
Current Service Cost	0.030	0.016
Interest Cost	0.017	0.002
Actuarial Losses / (Gains)	0.017	0.067
Past Service Cost - Non–vested Benefit	-	-
Past Service Cost – vested benefit	-	0.002
Transitional liability	-	-
Expense recognised in Profit and Loss Account	0.063	0.087
Contributions by Employer	0.273	0.033
Expected Return on Plan Assets	0.071	0.012

C) Summary of Actuarial Assumptions

Particulars	Pension Fund	Gratuity
Discount Rate (p.a.)	6.97%	6.93%
Expected Rate of Return on Assets (p.a.)	6.97%	6.93%
Salary Escalation Rate (p.a.)	7%	7%

In addition to the above, for the year 2020-21 the amount of Defined Benefit Obligation of Leave Encashment works out to ₹ 0.0333 bn, which has been fully provided for.

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

DEBENTURE TRUSTEE

AXIS Trustee Services Ltd.
Designated Persons: Mr. Anil Grover, Operations Head;
Mr. Sanjay Sinha, Managing Director & Chief Executive Officer

Address:

Registered Office: Axis House,
Bombay Dyeing Mills Compound,
Pandhurang Budhkar Marg,
Worli Mumbai - 400 025

Corporate Office: The Ruby, 2nd floor, SW,
29 Senapati Bapat Marg,
Dadar West, Mumbai 400 028

Tel: (022) 62300451
Email: debenturetrustee@axistrustee.com
Website: www.axistrustee.com

29. With the ongoing spread of the COVID-19 pandemic since the fourth quarter of the Financial Year 2020, there has been a significant increase in volatility in the financial markets and uncertainty in the global economy with fears of a global recession. Likewise, India's economy is also expected to contract in the next Financial Year owing to the unprecedented pandemic induced demand and supply shocks since January 2020. The Bank is confident of its sustainability and will continue to closely monitor the progression of this pandemic, evaluate and proactively assess and respond to its impact on the Bank's financial position and operating results.

In accordance with the RBI guidelines relating to COVID-19 regulatory package, the Bank had offered the moratorium package to all the borrowers under its commercial loan portfolio. In the First Moratorium Package (March 1, 2020 to May 31, 2020) of the RBI, the principal deferred amounted to ₹ 5.65 bn under the loan portfolio of ₹ 95.45 bn. This deferred amount constituted 29% of the aggregate Performing Assets (PA) Commercial Loans outstanding as on February 29, 2020. In the Second Moratorium Package by the RBI (June 1, 2020 to August 31, 2020), the principal deferred amounted to ₹ 9.70 bn under loans aggregating ₹ 112.68 bn. This deferred amount constituted 33% of the aggregate PA Commercial Loans outstanding as on May 31, 2020. In addition, the Bank has approved policies in place for (a) implementing a resolution framework to address COVID-19 related stress for its eligible borrowers under the commercial loan portfolio and (b) a one-time restructuring of existing loans to micro, small and medium enterprises. As of March 31, 2021, the Bank received requests for restructuring under the RBI's circular dated August 6, 2020 from 10 borrowers with funded and non-funded outstanding of ₹ 7.48 bn, which is under implementation.

In terms of the RBI's circular no. DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021, in conformity with the Supreme Court order dated March 23, 2021, on Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package, all lending institutions are required to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 01, 2020 to August 31, 2020. Such refund / adjustment of 'interest on interest' charged to the borrowers during the moratorium period is within ₹ 0.15 bn. Accordingly, a suitable provision has been made in the books of account for FY 2020-21.

The Bank also supported its existing clients with loan outstanding aggregating ₹ 96.87 mn under the Emergency Credit Line Guarantee Scheme 1.0 (ECLGS 1.0). The Scheme was introduced as part of the ₹ 20 lakh crore comprehensive package announced by the Ministry of Finance, Government of India to aid the Micro, Small and Medium Enterprises (MSMEs) sector in view of the economic distress caused by the COVID-19 pandemic. The Bank further supported its existing clients under a second version of the Scheme (ECLGS 2.0), which was introduced for loan outstanding above ₹ 500 mn and up to ₹ 5,000 mn. The borrowers with an outstanding amount of ₹110.75 mn were supported under ECLGS 2.0 scheme. As of March 31, 2021, the total loans disbursed and outstanding under both the ECLGS schemes aggregated ₹ 207.62 mn with aggregate sanction amount of ₹ 1,193.60 mn under the scheme.

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

For and on behalf of the Board		
Shri N. Ramesh **Deputy Managing Director**	**Ms Harsha Bangari** **Deputy Managing Director**	**Shri David Rasquinha** **Managing Director**

Shri Rajat Sachar	**Shri K. Rajaraman**	**Shri Pankaj Jain**
Shri Amitabh Kumar	**Shri R. Subramanian**	**Shri Dinesh Kumar Khara**
Shri M. Senthilnathan	**Shri Rajkiran Rai G.**	**Shri A.S. Rajeev**
	Directors	

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

(CA Mitesh Chheda)
Partner
M. No. 160688

Mumbai
Dated: May 18, 2021

CHARTERED ACCOUNTANTS

MUMBAI • DELHI • PUNE • AHMEDABAD • SURAT

INDEPENDENT AUDITOR'S REPORT.

To,
The President of India

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of General Fund of "Export-Import Bank of India" ("the Bank"), which comprise the Balance Sheet as at March 31, 2020, the Profit and Loss account, Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view of the financial position of the Bank as at March 31, 2020, of its financial performance and its cash flows for the year then ended in accordance with the Regulation 14 (i) of EXIM Bank of India General Regulations, 1982 and the accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sr No	Key Audit Matter	Response to Key Audit Matter
1	**Identification of Non-performing advances and provisioning of advances:** Advances constitute a significant portion of the Bank's assets and the quality of these advances is measured in terms of ratio of Non-Performing Advances ("NPA") to the gross advances of the Bank. The Bank advances constitute 74.94 % of the total assets and the gross NPA ratio of the Bank is 8.75% as at March 31, 2020. The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification ("IRAC") prescribe the prudential norms for identification and classification of NPAs and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors. The provisioning for identified NPAs is estimated based on ageing and classification of NPAs, recovery estimates, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI. Additionally, the Bank makes provisions on exposures that are not classified as NPAs including advances in certain sectors and identified advances or group advances that can potentially slip into NPA. These are classified as contingency provisions. The Bank has detailed its accounting policy in this regard in Significant accounting policies and notes to accounts under note I (iii) Asset Classification and Provisioning. Since the identification of NPAs and provisioning for advances require significant level of estimation and given its significance to the overall audit, we have ascertained identification and provisioning for NPAs as a key audit matter.	We performed the following audit procedures, among others, included: - Considering the Bank's policies for NPA identification and provisioning and assessing compliance with the IRAC norms. - Understanding, evaluating and testing the design and operating effectiveness of key controls (including application controls) around identification of impaired accounts based on the extant guidelines on IRAC. - Examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI Inspection. - Reviewing account statements and other related information of the borrowers selected based on quantitative and qualitative risk factors. - Examining the early warning reports generated by the Bank to identify stressed loan accounts. - Holding specific discussions with the management of the Bank where there is perceived credit risk and the steps taken to mitigate the risks. With respect to provisioning of advances, we performed the following procedures: - Gained an understanding of the Bank's process for provisioning of advances. - Tested the calculation performed by the management for compliance with RBI regulations and internally laid down policies for provisioning. - For loan accounts, where the Bank made provisions which were not classified as NPA, we reviewed the Bank's assessment for these provisions.

2	**Contingent Liability for Income Tax:** The Bank has material open tax litigations including matters under dispute which involve significant judgment to determine the possible outcome of these disputes. Since the assessment of these open tax litigations requires significant level of judgement, we have included this as a key audit matter.	- Gained an understanding of the Bank's process for determining tax liabilities and the tax provisions. - Involved external Tax experts to understand the evaluation of likelihood and level of liability for significant tax risks after considering legal precedence, other rulings and new information in respect of open tax positions as at reporting date. - Reviewed the tax demand by referring to supporting documentation, including correspondence with tax authorities. - Assessed the disclosures within the standalone financial statements in this regard.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Overall Business Operations, Management and Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual report, if we conclude that there is a material misstatement therein, then we will communicate the matter to those charged with governance.

Other Matters

The opinion expressed in the present report includes the information, facts and inputs made available to us through electronic means by the EXIM Bank's Management and relied upon by us because the COVID-19 induced restrictions on physical movements.

The Bank has nine domestic offices, eight overseas offices and one foreign branch. The financial accounting systems of the Bank are centralized for the Domestic and Overseas Offices. As part of our audit, we have visited all the domestic offices. We have not been able to visit the foreign branch because of Covid-19 Pandemic and have relied on the accounting statements and returns received from the branch, which are included in these financial Statements.

Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management of Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and the Regulations framed thereunder and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain Professional Skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

The Balance Sheet, the Profit and Loss Account and Cash Flow Statement have been drawn up as per Schedules I, II and III of the EXIM Bank of India General Regulations, 1982.

We further report that:

i. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.
ii. The Balance Sheet, the Statement of Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with Books of Account.
iii. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
iv. The accounting statements, information and returns received from the offices and a foreign branch of the Bank have been found adequate for the purposes of our audit.
v. In our opinion, the aforesaid financial statements dealt with by this report comply with the applicable Accounting Standards.

For JCR & Co.
Chartered Accountants
FRN: 105270W

MITESH DAMJI CHHEDA
Digitally signed by MITESH DAMJI CHHEDA
Date: 2020.06.30 15:06:26 +05'30'

CA Mitesh Chheda
Partner
Mem No. 160688

UDIN: 20160688AAAABY7180

Place: Mumbai
Date: 23rd June 2020

EXPORT-IMPORT BANK OF INDIA

BALANCE SHEET AS AT 31ST MARCH, 2020

GENERAL FUND

Previous year (As at 31.03.2019) ₹	LIABILITIES	SCHEDULES	This year (As at 31.03.2020) ₹
1,23,59,36,63,881	1.Capital	I	1,38,59,36,63,881
23,14,26,71,603	2.Reserves	II	24,25,72,59,181
8,17,00,000	3.Profit & Loss Account	III	12,39,00,000
7,79,19,56,25,139	4.Notes, Bonds & Debentures		9,06,28,09,02,600
-	5.Bills Payable		-
2,52,75,97,036	6.Deposits	IV	2,31,44,89,165
1,41,31,78,94,176	7.Borrowings	V	1,43,06,70,05,089
32,99,28,75,864	8.Current Liabilities & Provisions for contingencies		31,37,18,76,936
43,40,24,55,079	9.Other Liabilities		62,39,83,47,751
11,46,25,44,82,778	**Total**		**13,08,40,74,44,603**
	ASSETS		
42,11,95,21,997	1. Cash & Bank Balances	VI	1,28,79,05,44,979
93,27,38,53,320	2. Investments	VII	1,08,37,06,60,101
9,29,17,15,09,101	3. Loans & Advances	VIII	9,80,51,50,12,545
7,00,00,00,000	4. Bills of Exchange and Promissory Notes Discounted/Rediscounted	IX	13,95,00,00,000
2,27,74,39,560	5. Fixed Assets	X	3,72,91,29,019
72,41,21,58,800	6. Other Assets	XI	73,05,20,97,959
11,46,25,44,82,778	**Total**		**13,08,40,74,44,603**

contd 2

JCR & CO. MUMBAI CHARTERED ACCOUNTANTS

GENERAL FUND

Previous Year (As at 31.03.2019) ₹		This Year (As at 31.03.2020) ₹
	CONTINGENT LIABILITIES	
1,30,54,57,59,983	(i) Acceptances, Guarantees, endorsements & other obligations	1,45,48,60,78,032
1,52,73,75,944	(ii) On outstanding forward exchange contracts	4,92,59,78,657
	(iii) On underwriting commitments	
16,52,94,180	(iv) Uncalled Liability on partly paid investments	17,85,42,365
7,21,63,81,446	(v) Claims on the Bank not acknowledged as debts	9,40,86,00,000
-	(vi) Bills for collection	-
-	(vii) On participation certificates	-
-	(viii) Bills Discounted/Rediscounted	-
12,22,30,83,677	(ix) Other monies for which the Bank is contingently liable	11,04,99,05,466
1,51,67,78,95,230	**Total**	**1,71,04,91,04,520**

'Notes to Accounts' attached.

For and on behalf of the Board

Ms. Harsha Bangari
Deputy Managing Director

Shri David Rasquinha
Managing Director

Shri Bidyut Behari Swain **Shri Anand Singh Bhal** **Shri K. Rajaraman**

Shri Pankaj Jain **Shri Rajnish Kumar** **Shri M. Senthilnathan**

Shri A.S. Rajeev

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

(CA Mitesh Chheda)
Partner
M. No. 160688

Mumbai
Dated: June 23, 2020

EXPORT-IMPORT BANK OF INDIA

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

GENERAL FUND

Previous Year ₹	EXPENDITURE	SCHEDULES	This Year ₹
67,56,72,08,278	1. Interest		62,51,96,30,086
62,27,62,019	2. Credit Insurance, fees and charges		57,38,69,341
58,35,11,306	3. Staff Salaries, Allowances etc. and Terminal Benefits		85,54,94,692
-	4. Directors' and Committee Members' Fees and Expenses		-
11,78,100	5. Audit Fees		11,98,100
19,98,07,641	6. Rent, Taxes, Electricity and Insurance Premia		22,45,64,022
3,78,83,597	7. Communication expenses		5,12,15,211
9,58,03,770	8. Legal Expenses		7,72,37,262
92,08,63,831	9. Other Expenses	XII	1,56,39,17,056
25,57,94,954	10. Depreciation		35,00,03,968
18,80,60,11,033	11. Provision for loan losses/contingencies depreciation on investments		17,87,58,49,648
1,87,49,13,938	12. Profit carried down		2,43,74,32,706
90,96,57,38,467	**Total**		**86,53,04,12,092**
1,05,84,38,490	Provision for Income Tax [including Deferred tax of ₹ 1,429,270,589 (previous year - deferred tax credit of ₹ 511,262,518)]		1,19,89,45,128
81,64,75,448	Balance of Profit transferred to Balance Sheet		1,23,84,87,578
1,87,49,13,938			**2,43,74,32,706**
	INCOME		
87,26,56,32,379	1. Interest and Discount	XIII	82,46,36,60,553
2,55,37,41,219	2. Exchange, Commission, Brokerage and Fees		2,32,14,11,488
1,14,63,64,869	3. Other Income	XIV	1,74,53,40,051
90,96,57,38,467	**Total**		**86,53,04,12,092**
1,87,49,13,938	Profit brought down		2,43,74,32,706
-	Excess Income/Interest tax provision of earlier years written back		-
1,87,49,13,938			**2,43,74,32,706**

'Notes to Accounts' attached.

For and on behalf of the Board

Ms Harsha Bangari
Deputy Managing Director

Shri David Rasquinha
Managing Director

Shri Bidyut Behari Swain | Shri Anand Singh Bhal | Shri K. Rajaraman

Shri Pankaj Jain | Shri Rajnish Kumar | Shri M. Senthilnathan

Shri A.S. Rajeev

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

(CA Mitesh Chheda)
Partner
M. No. 160688

Mumbai
Dated: June 23, 2020

EXPORT-IMPORT BANK OF INDIA

SCHEDULES TO THE BALANCE SHEET

GENERAL FUND

Previous Year (As at 31.03.2019) ₹		This Year (As at 31.03.2020) ₹
Schedule I :	**Capital :**	
2,00,00,00,00,000	1. Authorised	2,00,00,00,00,000
1,23,59,36,63,881	2. Issued and Paid-up : (Wholly subscribed by the Central Government)	1,38,59,36,63,881
Schedule II :	**Reserves :**	
7,54,73,52,539	1. Reserve Fund	8,47,09,43,717
-	2. General Reserve	-
	3. Other Reserves :	
-	Investment Fluctuation Reserve	19,09,96,400
1,95,53,19,064	Sinking Fund (Lines of Credit)	1,95,53,19,064
13,64,00,00,000	4. Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	13,64,00,00,000
23,14,26,71,603		**24,25,72,59,181**
Schedule III :	**Profit & Loss Account :**	
81,64,75,448	1. Balance as per annexed accounts	1,23,84,87,578
	2. Less: Appropriations:	
73,47,75,448	- Transferred to Reserve Fund	92,35,91,178
-	- Transferred to Investment Fluctuation Reserve *	19,09,96,400
-	- Transferred to Sinking Fund	-
-	- Transferred to Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	-
8,17,00,000	3. Balance of the net profits (Transferable to the Central Government in terms of Section 23(2) of the EXIM Bank Act,1981)	**12,39,00,000**
Schedule IV :	**Deposits:**	
2,52,75,97,036	(a) In India	2,31,44,89,165
-	(b) Outside India	-
2,52,75,97,036		**2,31,44,89,165**

* The total Investment Fluctuation Reserve (IFR) requirement shall be built-up by FYE March 31, 2021.

contd 2

Schedule V :	**Borrowings :**	
	1. From Reserve Bank of India :	
-	(a) Against Trustee Securities	-
-	(b) Against Bills of Exchange	-
-	(c) Out of the National Industrial Credit (Long Term Operations) Fund	-
-	2. From Government of India	-
	3. From Other Sources :	
27,12,34,72,225	(a) In India	33,49,90,37,358
1,14,19,44,21,951	(b) Outside India	1,09,56,79,67,731
1,41,31,78,94,176		**1,43,06,70,05,089**
Schedule VI :	**Cash & Bank Balances :**	
3,02,849	1. Cash in Hand	6,09,591
19,66,34,111	2. Balance with Reserve Bank of India	3,00,88,61,307
	3. Balances with other Banks:	
	(a) In India	
3,95,33,89,463	i) in current accounts	4,91,67,51,451
-	ii) in other deposit accounts	30,00,00,00,000
37,35,95,18,285	(b) Outside India	90,86,43,22,630
60,96,77,289	4. Money at call and short notice / Lending under CBLO / TREPS	-
42,11,95,21,997		**1,28,79,05,44,979**

contd 3

(3)

Schedule VII:	**Investments:** *(net of diminution in value, if any)*	
81,34,44,61,703	1. Securities of Central and State Governments	88,16,11,70,750
1,96,74,95,698	2. Equity Shares & Stocks	1,39,53,73,789
-	3. Preference Shares and Stocks	-
9,96,18,95,919	4. Notes,Debentures and Bonds	6,28,40,92,933
-	5. Others	12,53,00,22,629
93,27,38,53,320		**1,08,37,06,60,101**
Schedule VIII :	**Loans & Advances:**	
3,96,12,46,17,822	1. Foreign Governments	4,66,72,80,07,276
	2. Banks:	
52,32,12,50,028	(a) In India	15,84,42,51,000
-	(b) Outside India	-
	3. Financial Institutions:	
	(a) In India	
34,62,08,75,511	(b) Outside India	38,36,47,80,476
4,46,10,47,65,740	4. Others	4,59,57,79,73,793
9,29,17,15,09,101		**9,80,51,50,12,545**
Schedule IX :	**Bills of Exchange and Promissory Notes Discounted/Rediscounted:**	
7,00,00,00,000	(a) In India	13,95,00,00,000
-	(b) Outside India	-
7,00,00,00,000		**13,95,00,00,000**

contd ...4

Schedule X :	**Fixed Assets :** *(At cost less depreciation)*	
	1. Premises	
2,09,15,00,834	Gross Block b/f	3,11,53,85,721
1,16,41,61,043	Additions during the year	1,65,20,20,173
14,02,76,156	Disposals during the year	-
3,11,53,85,721	Gross Block as at the end of the year	4,76,74,05,894
1,02,84,24,172	Accumulated Depreciation	1,24,51,39,947
2,08,69,61,549	Net Block	3,52,22,65,947
	2. Others	
1,03,66,41,903	Gross Block b/f	1,05,14,14,176
14,78,43,319	Additions during the year	15,16,34,962
13,30,71,046	Disposals during the year	1,71,52,408
1,05,14,14,176	Gross Block as at the end of the year	1,18,58,96,730
86,09,36,165	Accumulated Depreciation	97,90,33,658
19,04,78,011	Net Block	20,68,63,072
2,27,74,39,560		3,72,91,29,019

Schedule XI :	**Other Assets :**	
	1. Accrued interest on	
8,80,92,86,271	a) investments / bank balances	8,65,46,68,858
21,16,83,96,332	b) loans and advances	21,96,00,25,806
4,83,20,978	2. Deposits with sundry parties	5,78,06,538
5,88,34,09,567	3. Advance Income Tax paid (net)	7,20,03,65,035
36,50,27,45,652	4. Others [including Deferred tax asset of ₹ 31,334,148,153 (previous year - ₹ 32,763,418,742)]	35,17,92,31,722
72,41,21,58,800		73,05,20,97,959

Schedule XII :	**Other Expenses :**	
2,38,11,205	1. Export Promotion Expenses	1,97,12,035
13,32,587	2. Expenses on and related to Data Processing	12,82,721
22,20,08,100	3. Repairs and Maintenance	23,99,23,903
1,04,71,988	4. Printing and Stationery	1,01,05,161
66,32,39,951	5. Others	1,29,28,93,236
92,08,63,831		1,56,39,17,056

contd ...5

JCR & Co. MUMBAI CHARTERED ACCOUNTANTS

(5)

Schedule XIII :	**Interest and Discount :**	
60,80,22,58,674	1.Interest and Discount on loans and advances/bills discounted/rediscounted	54,50,60,29,521
26,46,33,73,705	2.Income on Investments/bank balances	27,95,76,31,032
87,26,56,32,379		**82,46,36,60,553**
Schedule XIV :	**Other Income :**	
58,97,20,842	1. Net Profit on sale/ revaluation of investments	1,36,41,65,845
42,29,75,904	2. Net Profit on sale of land, buildings and other assets	14,25,973
13,36,68,123	3. Others	37,97,48,233
1,14,63,64,869		**1,74,53,40,051**

Note : Deposits under 'Liabilities' [ref. Schedule IV (a)] include `on shore' foreign currency deposits aggregating USD 24.50 mn. (Previous year USD 29.88 mn.) kept by counter party banks / institutions with Exim Bank against reciprocal rupee deposits / bonds.

Investments under `Assets' [ref. Schedule VII 4.] include bonds aggregating Rs. 1.12 bn (Previous year Rs. 1.36 bn) on account of swaps.

C R & CO. MUMBAI CHARTERED ACCOUNTANTS

EXPORT-IMPORT BANK OF INDIA

Cash Flow Statement for the year ended March 31, 2020

Amount (₹ mn)

Particulars	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
Cash flow from Operating Activities		
Net Profit / (Loss) before tax and extra-ordinary items	2,437.4	1,874.9
Adjustments for		
- (Profit)/Loss on sale of fixed assets (Net)	(1.4)	(423.0)
- (Profit)/Loss on sale of Investments (Net)	(1,364.2)	(589.7)
- Depreciation	350.0	255.8
- Discount/Expenses on bond issues written off	180.9	156.3
- Transfer from Investment Fluctuation Reserve	-	-
- Provisions/Write Off of Loans/Investments & other provisions	17,875.8	18,806.0
- Others - to specify	-	-
	19,478.6	20,080.3
Adjustments for		
- Other Assets	(587.4)	(659.8)
- Current liabilities	(2,677.3)	(38,897.9)
Cash generated from operations	**16,213.9**	**(19,477.4)**
Payment of income tax/interest tax	1,089.8	(386.0)
Net cash flow from Operating activities (A)	**17,303.6**	**(19,863.4)**
Cash flow from Investing activities		
- Net purchase of fixed assets	(1,800.3)	(851.2)
- Net change in investments	(13,732.6)	(35,714.9)
Net cash used in / raised from investing activities (B)	**(15,532.9)**	**(36,566.1)**
Cash Flow from Financing activities		
- Equity capital infusion	15,000.0	50,000.0
- Loans borrowed (net of repayments made)	1,28,275.5	(1,18,755.0)
- Loans lent, bills discounted and rediscounted (net of repayments received)	(58,293.5)	1,39,149.1
- Dividend on equity shares and tax on dividend (Balance of Net profits transferred to Central Government)	(81.7)	-
Net cash used in / raised from Financing activities (C)	**84,900.3**	**70,394.0**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**86,671.0**	**13,964.5**
OPENING CASH AND CASH EQUIVALENTS	42,119.5	28,155.0
CLOSING CASH AND CASH EQUIVALENTS	1,28,790.5	42,119.5

For and on behalf of the Board

Ms. Harsha Bangari
Deputy Managing Director

Shri David Rasquinha
Managing Director

Shri Bibhuti Bhusan Swain
Shri Anand Singh Bhal
Shri K. Rajaraman
Shri Pankaj Jain
Shri Rajnish Kumar
Shri M. Senthilnathan
Shri A.S. Rajeev

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

(CA Mitesh Chheda)
Partner
M. No. 160688

J C R & CO. CHARTERED ACCOUNTANTS MUMBAI

Mumbai
Dated: June 23, 2020

EXPORT-IMPORT BANK OF INDIA

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES

(i) Financial Statements

a) Basis of preparation

The Balance Sheet and Profit and Loss account of Export-Import Bank of India (Exim Bank) (General Fund and Export Development Fund) have been prepared in accordance with the accounting principles followed in India. The financial statements have been prepared under the historical cost convention on an accrual basis unless otherwise stated. The accounting policies that are applied by the Bank are consistent with those used in the previous year. The form and manner in which the Balance Sheet and the Profit and Loss Account of Exim Bank are prepared have been provided in the Export-Import Bank of India, General Regulations, 1982 approved by the Board of Directors with the previous approval of Government of India under Section 39 (2) of Export-Import Bank of India Act, 1981 (28 of 1981). Certain important financial ratios / data are disclosed as part of the "Notes to Accounts" in terms of Reserve Bank of India (RBI) Master Direction DBR.FID.No.108/ 01.02.000/2015-16 dated June 23, 2016.

b) Use of estimates

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

(ii) Revenue Recognition

Income/Expenditure is recognised on accrual basis except in respect of interest on Non–performing Assets (NPA) / Non-performing Investments and "Stressed Assets", interest on loans under Strategic Debt Restructuring, fee income, commission, commitment charges and dividend which are accounted on cash basis. NPAs are determined as per RBI guidelines issued to All-India Financial Institutions. Discount/ redemption premium offered on Exim Bank Bonds has been amortised over the tenure of the bond and included in interest expenses.

(iii) Asset Classification and Provisioning

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

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

(iv) Investments

The entire investment portfolio is classified under three categories:

(a) "Held to Maturity" (the securities acquired with the intention to hold them to maturity),

(b) "Held for Trading" (the securities acquired with the intention to trade by taking advantage of the short term price/interest rate movements, etc.) and

(c) "Available for Sale" (the balance investments).

The investments are further classified as:

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

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

(v) Fixed Assets and Depreciation

(a) Fixed Assets are stated at historical cost less accumulated depreciation.

(b) Depreciation is provided for on straight-line method basis at the following rates:

ASSET	DEPRECIATION RATE
Owned Buildings	5%
Furniture and Fixtures	25%
Office Equipment	25%
Other Electrical Equipment	25%
Computers and Computer Software	25%
Motor Vehicles	25%
Mobile Phones and other electronics items subject to rapid technological obsolescence	33.33%

(c) In respect of assets acquired during the year, depreciation is provided for the entire year in the year of purchase and in respect of assets sold during the year, no depreciation is provided in the year of sale.

(d) When a depreciable asset is disposed of, discarded, demolished or destroyed, the net surplus or deficit is adjusted in the Profit and Loss Account.

(vi) Impairment

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

(vii) Accounting for Foreign Currency Transactions

(a) Assets and liabilities denominated in foreign currency are translated at the exchange rate notified by the Foreign Exchange Dealers' Association of India (FEDAI) at year end.

(b) Income and expenditure items are translated at the average rates of exchange during the year.

(c) Outstanding foreign exchange contracts are revalued at rates of exchange notified by the FEDAI for specified maturities and the resulting profits / losses are included in the Profit and Loss account.

(d) Contingent liabilities in respect of guarantees, acceptances, endorsements and other obligations are stated at the rates of exchange notified by FEDAI at year end.

(viii) Guarantees

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

J C R & Co
CHARTERED ACCOUNTANTS

(ix) Derivatives

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

(x) Provision for Employee Benefits

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

(xi) Accounting for taxes on Income

(a) Provision for current tax is made, based on the tax payable under the relevant statute.

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

(xii) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

(xiii) Deferment of Implementation of Indian Accounting Standards (Ind AS)

In terms of Reserve Bank of India's (RBI) circular dated August 04, 2016, Indian Accounting Standards (Ind AS) was applicable to all Banks, NBFCs and AIFIs for the accounting periods beginning from April 01, 2018 onwards with comparatives for the period ending March 31, 2018. RBI vide its letter dated May 15, 2019 addressed to Exim Bank has conveyed deferment of implementation of Ind AS by the AIFIs until further notice.

II. NOTES TO ACCOUNTS – GENERAL FUND

1. Agency Account

As Exim Bank is acting only in the capacity of an agency to facilitate certain transactions in Iraq relating to Indian contractors, foreign currency receivables advised to the Bank equivalent to ₹ 52.00 bn (previous year ₹ 47.53 bn) held on agency account including a sum of ₹ 46.99 bn (previous year ₹ 42.95 bn) assigned to Government of India (GOI) are not included in the above Balance Sheet.

2. Income-Tax

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

3. (a) Contingent Liabilities

Guarantees include expired guarantees amounting to ₹ 1.20 bn (previous year ₹ 4.85 bn), yet to be cancelled in the books. Contingent liabilities include invoked Counter Bank Guarantees aggregating USD 29.09 mn (equivalent ₹ 220.12 crore as on March 31, 2020) issued on behalf of Elsamex S.A., Spain, a step-down subsidiary of IL&FS. The payment has been stayed by the Hon'ble High Court of Bombay and the matter is currently subjudice. Consequently the payment has not been made. However, as a matter of abundant caution, the Bank has made a provision for 100% (previous year 50%) of the amount against the said contingent liability.

(b) Claims not acknowledged as debts

The amount of ₹ 9.41 bn (previous year ₹ 7.22 bn) shown under Contingent Liabilities as "Claims on the Bank not acknowledged as debts", pertains to claims/counter-claims filed against the Bank mostly by Bank's defaulting borrowers in response to legal action initiated against them by the Bank. None of the claims / counter-claims is considered as maintainable in the opinion of Bank's solicitors and none of them has reached the stage of final hearing. Based on professional advice, no provision is considered necessary.

(c) Forward Exchange Contracts, Currency / Interest rate Swaps

(i) The outstanding forward exchange contracts as at March 31, 2020 have been fully hedged. The Bank undertakes derivatives transactions (Interest Rate Swaps, Forward Rate Agreements and Currency-cum-interest rate swaps), for the purpose of Asset-Liability management as per RBI guidelines issued vide circular Ref. No. MPD.BC.187/07.01.279/1999-2000 dated July 7, 1999 and thereafter. The Bank also unwinds and re-enters such transactions based on requirements/market conditions. The outstanding derivative transactions are captured in the interest rate sensitivity position, which is monitored by the Asset Liability Management Committee (ALCO) and reviewed by the Board. The credit equivalent of derivatives is arrived at as per 'Current Exposure' method prescribed by RBI. The fair value and the price value of a basis point (PV01) of derivatives are disclosed separately in the 'Notes to Accounts' as stipulated by RBI. The premium or discount arising at inception of forward exchange contracts is amortized over the life of the contracts. Any profit or loss arising on cancellation of forward exchange contracts is recognized as income / expense for the year.

(ii) The Bank is permitted to be a 'market maker' for offering long-dated Foreign Currency - Rupee Swaps to clients / non-clients.

d) **Profit / Loss on Exchange fluctuation**

Assets and liabilities denominated in foreign currency are translated at the exchange rate notified by the Foreign Exchange Dealers' Association of India (FEDAI) at year end. Income and expenditure items are translated at the average rates of exchange during the year. The notional profit on such translation of the retained earnings on FC operations during the current year is ₹ 0.53 bn (previous year notional loss of ₹ 0.07 bn).

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

5. ADDITIONAL INFORMATION AS REQUIRED BY RESERVE BANK OF INDIA

5.1 Capital

(₹ bn)

(a)

	Particulars	As on March 31, 2020	As on March 31, 2019
(i)	Common Equity	126.86	109.77
(ii)	Additional Tier 1 Capital	5.00	5.00
(iii)	Total Tier 1 Capital (i+ii)	131.86	114.77
(iv)	Tier 2 Capital	10.10	8.81
(v)	Total Capital (Tier 1 + Tier 2)	141.96	123.58
(vi)	Total Risk weighted assets (RWAs)	705.18	648.05
(vii)	Common Equity Ratio (Common Equity as a percentage of RWAs)	17.99%	16.94%
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	18.70%	17.71%
(ix)	Capital to Risk weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	20.13%	19.07%
(x)	Percentage of the shareholding of the Government of India in the Bank	100%	100%
(xi)	Amount of equity capital infused by the Government of India	15.00	50.00
(xii)	Amount of additional Tier 1 capital raised; of which		
	a) Perpetual Non-Cumulative Preference Shares (PNCPS);	Nil	Nil
	b) Perpetual Debt Instruments (PDI)	Nil	Nil
(xiii)	Amount of Tier 2 capital raised; of which		
	a) Debt Capital Instruments	Nil	Nil
	b) Perpetual Non-Cumulative Preference Shares (PNCPS);	Nil	Nil
	c) Redeemable Non-Cumulative Preference Shares (RNCPS)	Nil	Nil
	d) Redeemable Cumulative Preference Shares (RCPS)	Nil	Nil

(b) The amount of subordinated debt raised and outstanding as on March 31, 2020 as Tier-II capital: ₹ NIL (previous year: ₹ NIL).

(c) **Risk weighted assets –**

(₹ bn)

	Particulars	As on March 31, 2020	As on March 31, 2019
(i)	'On' balance sheet items	544.47	490.99
(ii)	'Off' balance sheet items	160.71	157.06

CR & CO. MUMBAI CHARTERED ACCOUNTANTS

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

- The CRAR and other related parameters have been determined as per the extant capital adequacy norms prescribed by RBI for the Financial Institutions (FIs).
- The revised Framework to be prescribed by the RBI, including the Basel III norms, is still at draft stage. The Bank will implement Basel III norms for determining CRAR from the date they become effective. However, the final notification from RBI is awaited.

5.2 Free Reserves and Provisions

(a) Provisions on Standard Assets

(₹ bn)

Particulars	2019-20	2018-19
Provisions towards Standard Assets	1.10	(17.43)

(b) Disclosure on provisions made on accounts in accordance with RBI Circular on COVID-19 Regulatory Package

In terms of the RBI circulars DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 ('Regulatory Package'), DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 and DOR.FID.No.8140/01.02.000/2019-20 dated May 08, 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning, lending institutions are required to disclose the provisions made in respect of accounts for which moratorium was granted and benefit of asset classification was extended. The details of such provisions are as under:

(₹ bn)

Number of Borrowers	Loan outstanding as on March 31, 2020	Amount overdue	Amount for which asset classification benefit extended	Provision made
7	2.84	0.075	2.84	0.14

(c) Floating Provisions

(₹ bn)

Particulars	2019-20	2018-19
(a) Opening balance in the floating provisions accounts	-	-
(b) The quantum of floating provisions made in the accounting year	-	-
(c) Amount of draw down made during the accounting year	-	-
(d) Closing balance in the floating provisions account	-	-

5.3 Asset Quality and Specific Provisions

(a) Non-Performing Advances

(₹ bn)

Particulars	2019-20	2018-19
(i) Net NPAs to Net Advances (%)	1.77%	2.44%
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	116.78	119.76
(b) Additions during the year	21.06	33.63
(c) Reductions during the year	44.22	36.61
(d) Closing balance	93.62	116.78
(iii) Movement of Net NPAs		
(a) Opening balance	22.88	40.28
(b) Additions during the year	9.03	2.61
(c) Reductions during the year	14.34	20.01
(d) Closing balance	17.57	22.88
(iv) Movement of Provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	93.90	79.48
(b) Provisions made during the year	20.88	43.73
(c) Write off / write back of excess provisions	38.73	29.31
(d) Closing balance	76.05	93.90

(b) Non-Performing Investments

(₹ bn)

Particulars	2019-20	2018-19
(i) Net NPIs to Net Investments (%)	0.15%	0.36%
(ii) Movement of NPIs (Gross)		
(a) Opening Balance	5.55	3.04
(b) Additions during the year	0.67	2.62
(c) Reductions during the year	0.20	0.11
(d) Closing balance	6.02	5.55
(iii) Movement of Net NPIs		
(a) Opening balance	0.34	0.46
(b) Additions during the year	0.05	0.19
(c) Reductions during the year	0.22	0.31
(d) Closing balance	0.17	0.34
(iv) Movement of Provisions for NPIs (excluding provisions on standard assets)		
(a) Opening balance	5.21	2.58
(b) Provisions made during the year	0.84	2.71
(c) Write off / write back of excess provisions	0.19	0.08
(d) Closing balance	5.86	5.21

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

(₹ bn)

Particulars	2019-20	2018-19
(i) Net NPAs to Net Assets (Advances + Investments) (%)	1.61%	2.26%
(ii) Movement of NPAs (Gross Advances + Gross Investments)		
(a) Opening Balance	122.33	122.80
(b) Additions during the year	21.73	36.25
(c) Reductions during the year	44.42	36.72
(d) Closing balance	99.64	122.33
(iii) Movement of Net NPAs		
(a) Opening balance	23.22	40.74
(b) Additions during the year	9.08	2.80
(c) Reductions during the year	14.56	20.32
(d) Closing balance	17.74	23.22
(iv) Movement of Provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	99.11	82.06
(b) Provisions made during the year	21.72	46.44
(c) Write off / write back of excess provisions	38.92	29.39
(d) Closing balance	81.91	99.11

5.4 Particulars of Accounts Restructured

(₹ bn)

Sr. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total
	Asset Classification	Details	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
1	Restructured Accounts as on date of opening of the FY (opening figures)*	No. of borrowers	5	-	8	-	13	1	-	2	-	3	4	1	10	-	15	31
		Amount outstanding	1.41	-	2.81	-	4.22	0.01	-	0.02	-	0.03	2.55	1.14	7.87	-	11.56	15.81
		Provision thereon	0.34	-	2.74	-	3.08	0.002	-	0.02	-	0.02	0.40	0.22	5.64	-	6.26	9.36
2	Fresh restru- cturing / Additions during the year	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	1	-	1	2
		Amount outstanding	-	-	1.15	-	1.15	-	-	-	-	-	-	-	1.53	-	1.53	2.68
		Provision thereon	-	-	1.15	-	1.15	-	-	-	-	-	1.80	-	2.80	-	4.60	5.75
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there- on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restru- ctured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations / Reductions of restructured accounts during the FY	No. of borrowers	2	-	1	-	3	1	-	-	-	1	1	1	2	-	4	8
		Amount outstanding	1.26	-	1.48	-	2.74	0.01	-	-	-	0.01	0.10	1.14	0.82	-	2.06	4.81
		Provision thereon	0.27	-	1.41	-	1.68	0.002	-	-	-	0.002	0.03	0.22	0.68	-	0.93	2.61
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on date of closing of the FY (closing figures*)	No. of borrowers	3	-	8	-	11	-	-	2	-	2	3	-	9	-	12	25
		Amount outstanding	0.15	-	2.48	-	2.63	-	-	0.02	-	0.02	2.45	-	8.58	-	11.03	13.68
		Provision thereon	0.07	-	2.48	-	2.55	-	-	0.02	-	0.02	2.17	-	7.76	-	9.93	12.50

5.5 **Movement of Non-performing assets**

(₹ bn)

Particulars	2019-20	2018-19
Gross NPAs as on 1st April (Opening balance)	116.78	119.76
Additions (Fresh NPAs) during the year	17.72	28.35
Interest funding	0.11	2.53
Exchange Fluctuation	3.24	2.75
Subtotal (A)	137.85	153.39
Less:		
(i) Upgradations	1.47	2.51
(ii) Recoveries (excluding recoveries made from upgraded accounts)	9.67	15.16
(iii) Technical / Prudential write offs	28.10	11.88
(iv) Write offs other than those under (iii) above	4.99	7.06
(v) Exchange Fluctuation	-	-
Subtotal (B)	44.23	36.61
Gross NPAs as on 31st March (closing balance) (A-B)	93.62	116.78

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

5.6 **Write-offs and recoveries**

(₹ bn)

Particulars	2019-20	2018-19
Opening balance of Technical / Prudential written off accounts as at 1st April	32.92	20.38
Add: Technical / Prudential write offs during the year	28.10	11.88
Add: Exchange Fluctuation	1.80	0.75
Sub total (A)	62.82	33.01
Less: Recoveries made from previously technical / prudential written off accounts during the year (B)	0.13	0.09
Closing balance as on 31st March (A-B)	62.69	32.92

5.7 **Overseas Assets, NPAs and Revenue**

(₹ bn)

Particulars	2019-20	2018-19
Total Assets	49.85	86.89
Total NPAs	2.96	1.31
Total Revenue	3.34	5.02

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

5.8 **Depreciation and Provision on Investments**

(₹ bn)

Particulars	2019-20	2018-19
(1) Investments		
(i) Gross Investments	129.14	113.40
(a) In India	128.30	112.63
(b) Outside India	0.84	0.77
(ii) Provision for Depreciation	20.77	20.12
(a) In India	20.18	19.55
(b) Outside India	0.59	0.57
(iii) Net Investments	108.37	93.28
(a) In India	108.12	93.08
(b) Outside India	0.25	0.20
(2) Movement of provision held towards depreciation on investments		
(i) Opening balance	20.12	16.14
(ii) Add: Provisions made during the year	2.57	4.83
(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	-	-
(iv) Less: Write off / write back of excess provisions during the year	1.92	0.85
(v) Less: Transfer, if any, to investment Fluctuation Reserve Account	-	-
(vi) Closing balance	20.77	20.12

5.9 **Provisions and Contingencies**

(₹ bn)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2019-20	2018-19
Provision for depreciation on Investment	(1.54)	1.49
Provision towards NPA	(17.95)	14.47
Provision made towards Income tax	1.20	1.06
Other Provisions and Contingencies*	1.48	1.19

*Includes ₹ 1.19 bn (previous year ₹ 1.10 bn) on account of 100% provisioning (previous year 50%) for USD 30.29 mn on account of Bank Guarantees and ₹ 0.29 bn (previous year ₹ 0.09 bn) on account of Country Risk Provisioning.

5.10 **Provision Coverage Ratio**

Particulars	2019-20	2018-19
Provision Coverage Ratio	88.76%	84.72%

5.11 **Fraud Reported and provision made during the year:**

An amount of ₹ 3.76 bn in 6 cases (previous year ₹ 12.52 bn in 8 cases) represents advances declared as frauds during FY 2019-20. Full provision has been made for the outstanding balance as on March 31, 2020 in respect of frauds reported during the year.

6. INVESTMENT PORTFOLIO: CONSTITUTION AND OPERATIONS

6.1 **Repo Transactions**

Current Year: (₹ bn)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2020
Securities sold under repos				
i) Government Securities	--	--	--	--
ii) Corporate Debt Securities	--	--	--	--
Securities Purchased under reverse repos				
i) Government Securities	--	--	--	--
ii) Corporate Debt Securities	--	--	--	--

Previous Year: (₹ bn)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2019
Securities sold under repos				
i) Government Securities	--	--	--	--
ii) Corporate Debt Securities	--	--	--	--
Securities Purchased under reverse repos				
i) Government Securities	--	--	--	--
ii) Corporate Debt Securities	--	--	--	--

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

(₹ bn)

Sr. No.	Issuer	Amount	Amount of			
			Investment made through private placement	"below investment grade" Securities held	"unrated" Securities held	"unlisted" Securities Held
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	--	--	--	--	--
2	FIs	1.52	1.52	--	0.06	1.52**
3	Banks	0.002	0.002	--	--	--
4	Private corporates	39.43	39.25	--	17.26	36.09*
5	Subsidiaries / Joint ventures	0.003	0.003	--	0.003	0.003
6	Others	0.02	0.02	--	--	0.02
7	Provision held towards depreciation#	20.77	--	--	--	--
	Total	**40.98**	**40.80**	--	**17.33**	**37.64**

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

* Out of which ₹ 20.42 bn represents investment in security receipts issued by Asset Reconstruction Companies (ARCs) and ₹ 2.77 bn of investments are in shares / debentures acquired as part of loan restructuring.

** Out of which ₹ 1.12 bn were by way of USD / INR Swap undertaken with RBI approval.

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

Previous Year:

(₹ bn)

Sr. No.	Issuer	Amount	Amount of			
			Investment made through private placement	"below investment grade" Securities held	"unrated' Securities held	"unlisted" Securities Held
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	--	--	--	--	--
2	FIs	1.76	1.76	--	0.064	1.76**
3	Banks	0.002	0.002	--	--	--
4	Private corporates	28.94	28.77	--	4.87	25.52*
5	Subsidiaries / Joint ventures	0.0032	--	--	0.0032	0.0032
6	Others	0.02	0.02	--	--	0.02
7	Provision held towards depreciation#	18.81	--	--	--	--
	Total	**30.73**	**30.56**	--	**4.929**	**27.30**

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

* Out of which ₹ 21.23 bn represents investment in security receipts issued by Asset Reconstruction Companies (ARCs) and ₹ 4.18 bn of investments are in shares / debentures acquired as part of loan restructuring.

** Out of which ₹ 1.36 bn were by way of USD / INR Swap undertaken with RBI approval.

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

6.3 **Sale and Transfer to / HTM Category**

There has been no such sale or transfer during the year.

7. DETAILS OF FINANCIAL ASSETS PURCHASED/ SOLD

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

A. Details of Sales

(₹ bn)

Sr.	Particulars	2019-20	2018-19
(i)	No. of Accounts	3	1
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	0.70	2.14
(iii)	Aggregate consideration	2.25	2.77
(iv)	Additional Consideration realised in respect of accounts transferred in earlier years	1.97	0.36
(v)	Aggregate gain/(loss) over net book value	3.51	1.00

- The "Assets sold to Reconstruction Companies" have been reckoned as defined in RBI Master Circular DBOD No. FID.FIC.2/01.02.00/2006-07 dated July 01, 2006 and thereafter.
- In addition to the above three accounts, an account with net asset value of ₹ 3.42 bn was sold to M/s Varde Investment Partners L.P., US for ₹ 2.95 bn resulting into loss of ₹ 0.47 bn during FY 2019-20.

B. Details of Book value of Investments in Security Receipts

(₹ bn)

Particulars	Book value of Investments in Security receipts	
	2019-20	2018-19
(i) Backed by NPAs sold by the Bank as underlying	4.09	6.26
(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying	--	--
Total	**4.09**	**6.26**

7.2 Details of Non Performing Financial Assets Purchased / Sold

A. Details of non Performing financial assets purchased

(₹ bn)

Particulars	2019-20	2018-19
1. (a) No. of accounts purchased during the year	--	--
(b) Aggregate outstanding	--	--
2. (a) Of these, number of accounts restructured during the year	--	--
(b) Aggregate outstanding	--	--

B. Details of non performing financial assets sold

(₹ bn)

Particulars	2019-20	2018-19
1. No. of accounts sold	--	1
2. Aggregate outstanding	--	1.38
3. Aggregate consideration received	--	0.44

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8. Operating results

Sr. No.	Particulars	2019-20	2018-19
(i)	Interest income as a percentage to average working funds	7.16	7.82
(ii)	Non-interest income as a percentage to average working funds	0.35	0.33
(iii)	Operating profit as a percentage to average working funds	1.76	1.85
(iv)	Return on average assets	0.10	0.07
(v)	Net Profit \ (Loss) per (permanent) employee (in ` bn)	0.003	0.002

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

9. CREDIT CONCENTRATION RISK

9.1 Capital market exposure

Sr. No.	Particulars	2019-20	2018-19
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	--	--
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	--	--
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	--	--
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	--	--
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	--	--
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	--	--
(vii)	Bridge loans to companies against expected equity flows / issues;	--	--
(viii)	Underwriting commitments taken up by the Bank in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	--	--
(ix)	Financing to stockbrokers for margin trading;	--	--
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	--	--
	Total Exposure to Capital Market	--	--

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9.2 Exposure to Country risk

(₹ bn)

Risk Category	Exposure (net) as at March 2020	Provision held as at March 2020	Exposure (net) as at March 2019	Provision held as at March 2019
Insignificant	80.50	0.35	87.61	0.09
Low	443.74	0.03	380.07	-
Moderate	378.41	-	242.19	-
High	73.26	-	144.14	-
Very High	65.76	-	59.95	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	**1,041.67**	**0.38**	**913.96**	**0.09**

9.3 Strategic Debt Restructuring (SDR) Scheme

(₹ bn)

No. of accounts	Aggregate amount outstanding	Amount of exposure converted into equity
1	-	0.08

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

(₹ bn)

Particulars	No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount Outstanding		Provision Held
			In Part A	In Part B	
Classified as Standard	2	0.01	2.94	2.59	1.11

9.5 Prudential Exposure Limits – Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Bank

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

(₹ bn)

Sr. No.	PAN No.	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as a % to Capital Funds
1.	–	--	--	--	–	--	–	--

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

Particulars	Percentage to Capital Funds*	Percentage to Total Credit Exposure (TCE)@	Percentage to Total Assets
i) Largest single borrower	14.99	1.04	1.42
ii) Largest borrower group	29.85	2.07	2.82
iii) 20 largest single borrowers	194.62	13.50	18.38
iv) 20 largest borrower groups	236.31	16.39	22.31

*Capital Funds as on March 31, 2019

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

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

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2) As on March 31, 2020, there are no single borrowers and borrower groups to whom credit exposure was above the base ceilings of 15% and 40% of capital funds respectively.

Previous Year:

Particulars	Percentage to Capital Funds*	Percentage to Total Credit Exposure (TCE)@	Percentage to Total Assets
i) Largest single borrower	31.57	1.40	2.05
ii) Largest borrower group	48.17	2.14	3.13
iii) 20 largest single borrowers	319.52	14.19	20.76
iv) 20 largest borrower groups	389.81	17.31	25.33

*Capital Funds as on March 31, 2018

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

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

4) There were 9 single borrowers and 2 borrower groups as on March 31, 2019 for whom credit exposure was above the base ceilings of 15% and 40% of capital funds respectively and the same was assumed with the approval of the Board.

C. Credit exposure to the five largest industrial sectors

Sector	Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i) EPC Services	13.07	9.18
ii) Construction	8.36	5.88
iii) Petroleum Products	7.52	5.29
iv) Chemical and Dyes	6.85	4.81
v) Ferrous Metals and Metal Processing	6.47	4.55

Previous Year:

Sector	Percentage to Total Credit Exposure (TCE)	Percentage to Loan Assets
i) EPC Services	12.36	9.42
ii) Ferrous Metals and Metal Processing	7.82	5.96
iii) Textiles and Garments	6.82	5.20
iv) Chemical and Dyes	6.57	5.00
v) Petroleum Products	6.13	4.67

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

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

D. Unsecured Advances

Unsecured advances secured by corporate/personal guarantees, promissory notes, trust receipts, etc. (the estimated value of which is at ₹ 0.19 bn (previous year ₹1.30 bn) aggregated to ₹ 12.40 bn (previous year ₹ 12.59 bn).

E. Factoring Exposures

The Bank has no exposure under factoring arrangement (previous year ₹ 3.15 bn).

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

(₹ bn)

Sr. No	PAN No.	Borrower Name	Industry Code	Industry Name	Sector	Amount Funded	Amount Non-Funded	Exposure as a % to Capital Funds
1.	--	--	--	--	--	--	--	--

10. Concentration of borrowings / lines of credit, credit exposures and NPAs

(a) Concentration of borrowings and lines of credit

(₹ bn)

Particulars	2019-20	2018-19
Total borrowings from twenty largest lenders	109.57	134.96
Percentage of borrowings from twenty largest lenders to total borrowings of the Bank	10.42%	14.62%

(b) Concentration of Credit exposures

(₹ bn)

Particulars	2019-20	2018-19
Total exposures to twenty largest borrowers	240.51	237.95
Percentage of exposures to twenty largest borrowers to Total Advances of the Bank	22.47%	23.10%
Total Exposure to twenty largest borrowers / customers	240.51	237.95
Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	13.50%	14.19%
In the case of Exim Bank, percentage of total of top ten country exposures to total exposures	34.37%	32.34%

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

(c) Sector-wise concentration of exposures and NPAs

(₹ bn)

Sr. No	Sector	2019-20			2018-19		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Domestic Sector**	**298.00**	**46.11**	**15%**	313.76	61.85	20%
1	**Total Export Finance**	**255.96**	**39.11**	**15%**	**263.15**	**49.49**	**19%**
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	**201.72**	**30.06**	**15%**	**228.44**	**41.06**	**18%**
	Ferrous Metals & Metal Processing	18.17	2.56	14%	21.60	6.05	28%
	Oil and Gas	4.65	0.70	15%	4.66	0.68	15%
	Textiles & Garments	-	-	-	34.18	4.25	12%
	Chemical and dyes	12.89	-	-	-	-	-
	Others	166.01	26.80	16%	168.00	30.08	18%
	Services Sector	**54.24**	**9.05**	**17%**	**34.71**	**8.43**	**24%**
	Aviation Services	2.29	-	-	2.36	-	-
	EPC Services	10.92	8.37	77%	9.80	7.75	79%
	Shipping Services	11.35	-	-	12.45	-	-
	Others	29.68	0.68	2%	10.10	0.68	**7%**
2	**Total Import Finance**	**42.04**	**7.00**	**17%**	**50.61**	**12.36**	**24%**
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	**38.47**	**5.59**	**15%**	**46.50**	**12.06**	**26%**
	Ferrous Metals & Metal Processing	0.33	0.33	100%	1.52	1.52	100%
	Oil and Gas	6.38	-	-	4.87	-	-
	Chemicals and dyes	18.38	2.16	12%	-	-	-
	Others	13.38	3.10	23%	40.11	10.54	26%
	Services Sector	**3.57**	**1.41**	**39%**	**4.11**	**0.30**	**7%**
	EPC Services	0.32	-	-	0.32	-	-
	Shipping Services	2.39	0.63	26%	2.92	-	-
	Others	0.86	0.78	91%	0.87	0.30	**35%**
3	**Of (A), exposures guaranteed by the Government of India**	-	-	-	-	-	-
B	**External Sector**	**144.48**	**47.51**	**33%**	**164.98**	**54.93**	**33%**
1	**Total Export Finance**	**144.48**	**47.51**	**33%**	**164.98**	**54.93**	**33%**
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	**120.29**	**44.36**	**37%**	**136.42**	**52.28**	**38%**
	Ferrous Metals & Metal Processing	26.42	1.06	4%	27.42	2.66	10%
	Oil and Gas	26.99	22.34	83%	32.06	27.32	85%
	Textiles & Garments	-	-	-	7.61	3.55	47%
	Chemicals and Dyes	6.56	-	-	-	-	-
	Others	60.32	20.96	35%	69.33	18.75	27%
	Services Sector	**24.19**	**3.15**	**13%**	**28.56**	**2.65**	**9%**
	Aviation Services	4.36	-	-	4.50	-	-
	EPC Services	-	-	-	4.56	0.16	4%
	Financial Services	13.30	-	-	11.96	-	-
	Shipping Services	1.49	0.59	40%	0.85	-	-
	Others	5.04	2.56	51%	6.69	**2.49**	**37%**
2	**Total Import Finance**	-	-	-	-	-	-
	Agricultural sector	-	-	-	-	-	-
	Industrial Sector	-	-	-	-	-	-
	Services Sector	-	-	-	-	-	-
3	**Of (B), exposures guaranteed by the Government of India**	-	-	-	-	-	-
C	**Other Exposures #**	**628.04**	-	-	**551.33**	-	-
D	**Total exposures (A+B+C)**	**1070.52**	**93.62**	**8.75%**	**1030.07**	**116.78**	**11.34%**

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

11. DERIVATIVES

11.1 Forward Rate Agreement / Interest Rate Swap

(₹ bn)

Sr. No.	Particulars	2019-20 Hedging	2019-20 Trading	2018-19 Hedging	2018-19 Trading
1.	The Notional Principal of swap agreements	511.96	-	430.87	-
2.	Losses, which would be incurred if counter parties failed to fulfill their obligations under the agreements	0.05	-	-	-
3.	Collateral required by the Bank upon entering into swaps	-	-	-	-
4.	Concentration of credit risk arising from Swaps	All transactions fall within approved credit exposure limits*		All transactions fall within approved credit exposure limits*	
5.	The fair value of the swap book	28.80		(4.80)	

*All the interest rate swaps have been undertaken with Banks

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

(₹ bn)

Instrument	Nature	Nos	Notional Principal	Benchmark	Terms
IRS	Hedging	32	449.66	LIBOR	Fixed receivable vs Floating payable
IRS	Hedging	2	3.66	LIBOR	Floating receivable vs Fixed payable
IRS	Hedging	4	58.64	LIBOR	Floating receivable vs Floating payable
	Total	**38**	**511.96**		

11.2 Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	Amount
1.	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year	-
2.	Notional Principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2020	-
3.	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	-
4.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	-

11.3 Disclosures on risk exposure in derivatives

A. Qualitative disclosures

1. The Bank uses financial derivative transactions predominantly for raising cost-effective funds and hedging its balance sheet exposures, with the objective of reducing market risk. The Bank currently deals only in over-the-counter (OTC) interest rate and currency derivatives, of the type permitted by RBI.

2. Derivative transactions carry: (i) market risk i.e. the probable loss that the Bank may incur as a result of adverse movements in interest rates / exchange rates and (ii) credit risk i.e. the probable loss the Bank may incur if the counter-parties fail to meet their obligations. The Bank has in place a Derivative Policy approved by the Board, which aims at synchronizing the risk management objectives at the transaction level with those of the overall ALM position. The policy defines the use of permitted derivative products consistent with business goals of the Bank, lays down the control and monitoring systems and deals with regulatory, documentation and accounting issues. The policy also prescribes suitable risk parameters to control and manage market risk on derivative trades undertaken in the treasury book. (stop-loss limits, open position limits, tenor limits, settlement and pre-settlement risk limits, PV01 limits).

3. The ALCO of the Bank oversees management of market risks with support from the Bank's Mid-Office, which measures, monitors and reports market risk associated with derivative transactions.

4. All derivative transactions outstanding in the Bank's books as on March 31, 2020 have been undertaken for hedging purposes and are in the ALM book. The income on such transactions has been accounted for on accrual basis.

5. Interest Rate Swaps (IRS) and Currency Swaps are not included in Outstanding Forward Exchange Contracts under Contingent Liabilities as per the Derivative Policy.

B. Quantitative disclosures

(₹ bn)

Sr. No.	Particulars	2019-20		2018-19	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
1	Derivatives (Notional Principal Amount)				
	a) For hedging	319.89	511.96	285.19	430.87
	b) For trading	-	-	-	-
2	Marked to Market Positions			(32.49)	(4.80)
	a) Asset (+)		28.80	1.74	2.12
	b) Liability (-)	(45.41)		(34.23)	(6.92)
3	Credit Exposure	13.72	31.23	14.34	4.10
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	11.68	21.14	11.80	16.03
	b) on trading derivatives	-	-	-	-
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging (i) Maximum (ii) Minimum	11.78 10.45	21.21 13.89	13.49 11.80	21.44 16.03
	b) on trading (i) Maximum (ii) Minimum	- -	- -	- -	-

C. **Unhedged Foreign Currency Exposure**

The Bank has no unhedged foreign currency exposure as on March 31, 2020 (previous year: Nil).

12. **Letters of Comfort issued by the Bank**

During the year, the Bank has not issued any Letter of Comfort (previous year Nil) and no financial obligation has arisen on account of the outstanding commitments. There are no outstanding exposures against Letters of comfort received as on March 31, 2020 (previous year ₹ 2.00 bn).

13. **ASSET LIABILITY MANAGEMENT**

Current Year: (₹ bn)

Particulars	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Rupee Advances	10.26	7.27	9.86	24.88	12.16	28.17	30.17	6.33	129.11
Rupee Investments	12.50	0.06	0.08	0.04	0.13	0.73	0.58	94.25	108.37
Rupee Other Assets	14.37	1.57	59.10	44.55	51.15	127.54	111.09	254.61	663.98
Rupee Deposits	0.01	0.00	7.22	0.02	28.92	0.17	0.06	0.00	36.41
Rupee Borrowings	33.50	0.00	44.66	12.30	24.23	72.67	65.41	88.45	341.21
Rupee Other Liabilities	5.24	5.29	14.35	21.24	29.70	78.36	21.46	215:72	391.37
Foreign Currency Assets	82.40	2.70	25.67	40.95	73.01	256.96	214.30	515.15	1,211.14
Foreign Currency Liabilities	48.52	2.87	47.09	72.76	79.56	349.37	172.12	367.70	1,139.99

Previous Year: (₹ bn)

Particulars	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Rupee Advances	17.44	0.55	4.39	10.34	43.22	30.04	26.82	24.55	157.36
Rupee Investments	-	-	0.08	0.04	0.12	0.38	1.17	91.49	93.27
Rupee Other Assets	24.70	3.05	35.38	32.51	24.14	124.00	116.57	257.70	618.04
Rupee Deposits	0.03	0.02	0.14	0.08	30.32	0.24	0.02	-	30.86
Rupee Borrowings	27.12	-	24.45	-	15.00	47.43	98.74	99.68	312.42
Rupee Other Liabilities	19.62	3.80	24.14	27.72	37.45	75.70	29.10	198.18	415.71
Foreign Currency Assets	66.65	11.37	23.52	40.35	101.68	236.14	210.09	447.93	1,137.73
Foreign Currency Liabilities	25.50	11.47	27.89	45.19	81.83	294.06	284.09	308.76	1,078.79

14. DRAW DOWN FROM RESERVES

The Bank has not drawn any amount from the Reserves.

15. BUSINESS RATIOS

Particulars	2019-20	2018-19
Return on Equity	0.94%	1.04%
Return on Assets	0.10%	0.07%
Net Profit Per Employee (₹ bn)	0.003	0.002

16. DISCLOSURE OF PENALTIES IMPOSED BY RBI

There are no penalties imposed by the Reserve Bank of India under the Reserve Bank of India Act, 1934, for contraventions of any of the provisions of the Act or non-compliance with any other requirements of the Act, order, rule or condition specified by Reserve Bank of India.

17. DISCLOSURE OF COMPLAINTS

Customer Complaints

Sr. No.	Particulars	2019-20	2018-19
(a)	No of complaints pending at the beginning of the year	-	-
(b)	No of complaints received during the year	4	3
(c)	No of complaints redressed during the year	4	3
(d)	No of complaints pending at the end of the year	-	-

18. OFF- BALANCE SHEET SPVs SPONSORED (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
-	-

Disclosure as per specific Accounting Standards

19. Details of Fixed Assets

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

(₹ bn)

Particulars	Premises	Others	Total
Gross Block			
Cost as on 31st March 2019	3.11	1.06	4.17
Additions	1.65	0.15	1.80
Disposals	0.00	0.02	0.02
Cost as on 31st March 2020 (A)	4.76	1.19	5.95
Depreciation			
Accumulated as on 31st March 2019	1.03	0.86	1.89
Provided during the year	0.22	0.13	0.35
Eliminated on Disposals	0.00	0.02	0.02
Accumulated as on 31st March 2020 (B)	1.25	0.97	2.22
Net Block (A-B)	**3.51**	**0.22**	**3.73**

ICR & CO. CHARTERED ACCOUNTANTS MUMBAI

Previous Year:

(₹ bn)

Particulars	Premises	Others	Total
Gross Block			
Cost as on 31st March 2018	2.09	1.04	3.13
Additions	1.16	0.15	1.31
Disposals	0.14	0.13	0.27
Cost as on 31st March 2019 (A)	3.11	1.06	4.17
Depreciation			
Accumulated as on 31st March 2018	1.01	0.86	1.87
Provided during the year	0.14	0.12	0.26
Eliminated on Disposals	0.12	0.12	0.24
Accumulated as on 31st March 2019 (B)	1.03	0.86	1.89
Net Block (A-B)	**2.08**	**0.20**	**2.28**

20. Accounting for Government grants

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

21. Segment Reporting

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

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

(₹ bn)

Particulars	Domestic Operations		International Operations		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue	83.19	85.95	3.34	5.02	86.53	90.97
Assets	1,258.52	1,059.33	49.89	86.92	1,308.41	1,146.25

22. **Related party disclosures**

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

- Relationship
  - (i) Joint Ventures:
    - Global Procurement Consultants Limited
  - (ii) Key Managerial Personnel:
    - Shri David Rasquinha (Managing Director)
    - Shri Debasish Mallick (Deputy Managing Director till July 2019)
- The Banks' related party balances and transactions are summarised as follows:

(₹ mn)

Particulars	Joint Venture		Key Managerial Personnel	
	2019-20	2018-19	2019-20	2018-19
Loans granted	-	-	-	-
Guarantees issued	3.94	-	-	-
Interest received	-	-	-	-
Guarantee commission received	-	-	-	-
Receipts towards services rendered	-	-	-	-
Term Deposit Accepted	-	-	-	-
Interest on Term Deposits	-	-	0.19	0.30
Amounts written-off / written-back	-	-	-	-
Term Deposit Outstanding	-	-	1.50	2.50
Loans outstanding at year-end	-	-	-	-
Guarantees outstanding at year-end	3.94	-	-	-
Investments outstanding at year end	3.23	3.23	-	-
Dividend received	0.42	0.42	-	-
Maximum Loan outstanding during the year	-	-	-	-
Maximum Guarantees outstanding during the year	3.94	-	-	-
Salary including perquisites	-	-	7.30	7.18
Rent paid	-	-	0.30	0.30

23. **Accounting for Taxes on Income**

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

		(₹ bn)
(i)	Tax on Income	(0.23)
(ii)	Add: Net Deferred Tax Liability	1.43
		1.20

(b) **Deferred Tax Asset:**

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

(₹ bn)

Particulars	
Deferred Tax Assets	
1. Provision Disallowed (Net)	37.13
	37.13
Less: Deferred Tax Liability	
1. Depreciation on Fixed Assets	0.60
2. Amortisation of Bond issue expenses	0.62
3. Special Reserve created under section 36(1)(viii)	4.58
	5.80
Net Deferred Tax Assets [included in 'Other Assets' in the 'Assets' side of the Balance Sheet]	**31.33**

24. **Financial Reporting of Interest in Joint Ventures**

I.

	Jointly Controlled Entities	Country	Percentage of holding	
			Current Year	Previous Year
A	GPCL Consulting Services Limited	India	28%	28%

II. The aggregate amount of assets, liabilities, income and expenses related to the interest in the jointly controlled entities using the proportionate consolidation method as per AS 27 Financial Reporting of Interests in joint Ventures is as under:

(₹ mn)

Liabilities	2019-20	2018-19	Assets	2019-20	2018-19
Capital & Reserves	28.23	28.23	Fixed Assets	0.03	0.05
Loans	-	-	Investments	21.39	19.76
Other Liabilities	13.79	5.13	Other Assets	20.60	13.55
Total	**42.02**	**33.36**	**Total**	**42.02**	**33.36**

Contingent Liabilities: NIL (previous year: NIL)

(₹ mn)

Expenses	2019-20	2018-19	Income	2019-20	2018-19
Other Expenses	12.39	11.54	Consultancy Income	14.49	13.35
Provisions	1.04	1.04	Interest income and Income from investment	1.60	0.13
Profit after Tax	2.72	2.65	Other Income	0.06	1.75
Total	**16.15**	**15.23**	**Total**	**16.15**	**15.23**

Note: Figures for GPCL for FY 2019-20 are unaudited and provisional

25. **Impairment of Assets**

A substantial portion of the Bank's assets comprise of 'financial assets' to which Accounting Standard 28 "Impairment of Assets" is not applicable. In the opinion of the Bank, there is no impairment of its assets (to which the standard applies) as at March 31, 2020 requiring recognition in terms of the said standard.

26. **Employee benefits**

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

A) Amount to be recognised in the Balance Sheet

(₹ bn)

Particulars	Pension Fund	Gratuity
Fair value of Plan Assets at the end of the period	1.049	0.174
Present value of Benefit Obligation at the end of the period	(1.294)	(0.207)
Funded Status	(0.245)	(0.033)
Unrecognised past service cost at the end of the period	0	0
Unrecognised transitional liability at the end of the period	0	0
Net Liability recognised in the Balance Sheet	(0.245)	(0.033)

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

(₹ bn)

Particulars	Pension Fund	Gratuity
Current Service Cost	0.025	0.013
Interest Cost	(0.002)	0.001
Expected Return on Plan Assets	0.079	0.012
Actuarial Losses / (Gains)	0.264	0.019
Past Service Cost - Non–vested Benefit	0	0
Past Service Cost – vested benefit	0	0
Transitional liability	0	0
Expense recognised in Profit and Loss Account	0.286	0.033
Contributions by Employer	(0.010)	(0.010)

C) **Summary of Actuarial Assumptions**

Particulars	Pension Fund	Gratuity
Discount Rate (p.a.)	6.78%	6.84%
Expected Rate of Return on Assets (p.a.)	6.78%	6.84%
Salary Escalation Rate (p.a.)	7.00%	7.00%

In addition to the above, for the year 2019-20 the amount of Defined Benefit Obligation of Leave Encashment works out to ₹ 0.0243 bn, which has been fully provided for.

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

DEBENTURE TRUSTEE

AXIS Trustee Services Ltd.
Designated Persons: Mr. Anil Grover, Operations Head;
Mr. Sanjay Sinha, Managing Director & Chief Executive Officer

Address:
The Ruby, 2nd Floor, SW
Senpati Bapat Marg,
Dadar West, Mumbai - 400 028

Tel: (022) 62300441/44
Email: debenturetrustee@axistrustee.com
Website: www.axistrustee.com

J C R & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

For and on behalf of the Board	
Ms Harsha Bangari **Deputy Managing Director**	**Shri David Rasquinha** **Managing Director**

Shri Bidyut Behari Swain	**Shri Anand Singh Bhal**	**Shri K. Rajaraman**
Shri Pankaj Jain	**Shri Rajnish Kumar**	**Shri M. Senthilnathan**
	Shri A.S. Rajeev	

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

(CA Mitesh Chheda)
Partner
M. No. 160688

J C R & CO. MUMBAI CHARTERED ACCOUNTANTS

Mumbai
Dated: June 23, 2020

GMJ & Co
Chartered Accountants
3rd & 4th Floor, Vaastu Darshan,
'B'wing, Above Central Bank of India,
Azad Road, Andheri (East),
Mumbai - 400 069.
Tel. : 022- 6191 9293 / 222 /200
Fax : 022- 2684 2221 / 6191 9256
E-mail : admin@gmj.co.in
info@gmj.co.in

INDEPENDENT AUDITOR'S REPORT

To,
The President of India
Report on the Audited Financial Statements

Opinion

We have audited the accompanying Financial Statements of Export Development Fund of "Export-Import Bank of India" ("the Bank"), which comprise the Balance Sheet as at March 31, 2022 and the Profit and Loss account for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Financial Statements give a true and fair view of the financial position of the Bank as at March 31, 2022, of its financial performance for the year then ended in accordance with the Regulation 14 (ii) of EXIM Bank of India General Regulations, 2020 and the Accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Overall Business Operations, Management and Corporate Governance but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance / conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.When we read the Annual report, if we conclude that there is a material misstatement therein, then we will communicate the matter to those charged with governance.

Other Matters

The audit review of the Financial Statements of the year ended March 31, 2021, was carried out by previous Independent Auditor of the Bank who have expressed an unmodified opinion on the same vide report dated 18th May 2021.

Our opinion on this statement is not modified in respect of this matter

Responsibilities of Management for the Financial Statements

Management of Bank is responsible for the preparation and fair presentation of the Financial Statements in accordance with the provisions of the Act and the Regulations framed there under and for such internal controls as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

The Balance Sheet and the Profit and Loss Account have been drawn up as per Schedules IA and IIA of the EXIM Bank of India General Regulations, 2020.

We further report that:

- We have sought and 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.

- In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this Report are in agreement with Books of Account.

- The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.

- In our opinion, the aforesaid Financial Statements dealt with by this report comply with the applicable Accounting Standards.

For GMJ & Co.
Chartered Accountants
FRN: 103429W

ATUL JAIN

Digitally signed by ATUL JAIN
DN: c=IN, st=Maharashtra, 2.5.4.20=b98081afb9d029e3cf6f83a3da310023a740f56b1c13c034ed16490c8050df38, postalCode=400056, street=301 JOY SOLITAIRE NS ROAD NO5 JVPD SCHEME VILE PARLE WEST, serialNumber=40394f2197590b2721323835835523636 2aa2e0e572d87fc3da3055313f68815, o=Personal, cn=ATUL JAIN, pseudonym=b6bf5824a6585fd52ac5e7b620b8db45
Date: 2022.05.11 15:28:22 +05'30'

CA Atul Jain
Partner
Mem No. 037097
UDIN: 22037097AITVBN9694
Place: New Delhi
Date: 11th May 2022

EXPORT-IMPORT BANK OF INDIA

BALANCE SHEET AS AT 31ST MARCH, 2022

EXPORT DEVELOPMENT FUND

Previous year (As at 31.03.2021) ₹		This Year (As at 31.03.2022) ₹
	LIABILITIES	
	1. Loans:	
-	(a) From Government	-
5,094,360,835	(b) From Other Sources	3,526,698,130
	2. Grants:	
128,307,787	(a) From Government	128,307,787
-	(b) From Other Sources	-
	3. Gifts, Donations, Benefactions :	
-	(a) From Government	-
-	(b) From Other Sources	-
417,953,894	4. Other Liabilities	401,235,335
795,697,548	5. Profit and Loss Account	919,153,610
6,436,320,064	**Total**	**4,975,394,862**
	ASSETS	
	1. Bank Balances	
1,500,000	a) in current accounts	1,500,000
-	b) in other deposit accounts	-
-	2. Investments	-
	3. Loans & Advances:	
-	(a) In India	-
5,731,575,847	(b) Outside India	4,570,530,758
	4. Bills of Exchange and Promissory Notes Discounted, Rediscounted :	
-	(a) In India	-
-	(b) Outside India	-
	5. Other Assets	
	(a) Accrued interest on	
174,728,992	i) Loans and Advances	160,948,401
-	ii) Investments/bank balances	-
242,415,703	(b) Advance Income Tax paid	242,415,703
286,099,522	(c) Others	-
6,436,320,064	**Total**	**4,975,394,862**

contd 2

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

EXPORT DEVELOPMENT FUND

Previous year (As at 31.03.2021) ₹	CONTINGENT LIABILITIES	This Year (As at 31.03.2022) ₹
-	(i) Acceptances, Guarantees, endorsements & other obligations	-
	(ii) On outstanding forward exchange contracts	-
-	(iii) On underwriting commitments	-
-	(iv) Uncalled Liability on partly paid investments	-
-	(v) Claims on the Bank not acknowledged as debts	-
-	(vi) Bills for collection	-
-	(vii) On participation certificates	-
-	(viii) Bills Discounted/ Rediscounted	-
-	(ix) Other monies for which the Bank is contingently liable	-

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

For and on behalf of the Board

Shri N. Ramesh
Deputy Managing Director

Ms. Harsha Bangari
Managing Director

Shri Dammu Ravi **Smt Rupa Dutta** **Shri Suchindra Misra**

Shri R. Subramanian **Shri M. Senthilnathan** **Shri Dinesh Kumar Khara**

Shri Rajkiran Rai G. **Shri Ashok Kumar Gupta**

Directors

For GMJ & Co.
Chartered Accountants
Firm Regn. No. 103429W

(CA Atul Jain)
Partner
M. No. 037097

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

New Delhi
Dated: May 11, 2022

EXPORT-IMPORT BANK OF INDIA

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2022

EXPORT DEVELOPMENT FUND

Previous year (As at 31.03.2021) ₹		This Year (As at 31.03.2022) ₹
	EXPENDITURE	
456,095,562	1. Interest	413,766,067
26,110	2. Other Expenses	524,169
93,654,717	3. Profit carried down	123,456,062
549,776,389	**Total**	**537,746,298**
-	Provision for Income Tax	-
93,654,717	Balance of profit/(Loss) transferred to Balance Sheet	123,456,062
93,654,717		**123,456,062**
	INCOME	
	1. Interest and Discount	
549,776,389	(a) loans and advances	537,746,298
-	(b) investments / bank balances	-
-	2. Exchange, Commission, Brokerage and Fees	-
-	3. Other Income	-
-	4. Loss carried to Balance Sheet	-
549,776,389	**Total**	**537,746,298**
93,654,717	Profit / (Loss) brought down	123,456,062
-	Excess Income/Interest tax provision of earlier years written back	-
93,654,717		**123,456,062**

Notes to Accounts attached.

For and on behalf of the Board

Shri N. Ramesh
Deputy Managing Director

Ms. Harsha Bangari
Managing Director

Shri Dammu Ravi — **Smt Rupa Dutta** — **Shri Suchindra Misra**

Shri R. Subramanian — **Shri M. Senthilnathan** — **Shri Dinesh Kumar Khara**

Shri Rajkiran Rai G. — **Shri Ashok Kumar Gupta**

Directors

For GMJ & Co.
Chartered Accountants
Firm Regn. No. 103429W

(CA Atul Jain)
Partner
M. No. 037097

GMJ & CO. MUMBAI FRN. NO. 103429W CHARTERED ACCOUNTANTS

New Delhi
Dated : May 11, 2022

INDEPENDENT AUDITOR'S REPORT.

To,
The President of India

Report on the Audited Financial Statements

Opinion

We have audited the accompanying Financial Statements of Export Development Fund of "Export-Import Bank of India" ("the Bank"), which comprise the Balance Sheet as at March 31, 2021 and the Profit and Loss account for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view of the financial position of the Bank as at March 31, 2021, of its financial performance for the year then ended in accordance with the Regulation 14 (ii) of EXIM Bank of India General Regulations, 2020 and the Accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Overall Business Operations, Management and Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual report, if we conclude that there is a material misstatement therein, then we will communicate the matter to those charged with governance.

Other Matters

The opinion expressed in the present report includes the information, facts and inputs made available to us through electronic means by the EXIM Bank's Management as the COVID-19 induced restrictions on physical movements.

Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management of Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and the Regulations framed there under and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Level III, Raval House, 18th Road, Khar (W), Mumbai – 400052.Tel: 022 2605 4493/96

Report on Other Legal and Regulatory Requirements

The Balance Sheet and the Profit and Loss Account have been drawn up as per Schedules IA and IIA of the EXIM Bank of India General Regulations, 2020.

We further report that:

i. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.
ii. In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this Report are in agreement with Books of Account.
iii. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
iv. In our opinion, the aforesaid financial statements dealt with by this report comply with the applicable Accounting Standards.

For JCR & Co.
Chartered Accountants
FRN: 105270W

CA Mitesh Chheda
Partner
Mem No. 160688

UDIN: 21160688AAAAEV7577

Place: Mumbai
Date: 18th May 2021

EXPORT-IMPORT BANK OF INDIA

BALANCE SHEET AS AT 31ST MARCH, 2021

EXPORT DEVELOPMENT FUND

Previous year (As at 31.03.2020) ₹	LIABILITIES	This Year (As at 31.03.2021) ₹
	1. Loans:	
-	(a) From Government	-
5,59,62,23,297	(b) From Other Sources	5,09,43,60,835
	2. Grants:	
12,83,07,787	(a) From Government	12,83,07,787
-	(b) From Other Sources	-
	3. Gifts, Donations, Benefactions :	
-	(a) From Government	-
-	(b) From Other Sources	-
44,77,45,509	4. Other Liabilities	41,79,53,894
70,20,42,832	5. Profit and Loss Account	79,56,97,548
6,87,43,19,425	**Total**	**6,43,63,20,064**
	ASSETS	
	1. Bank Balances	
9,72,52,892	a) in current accounts	15,00,000
-	b) in other deposit accounts	-
-	2. Investments	-
	3. Loans & Advances:	
-	(a) In India	-
6,20,85,76,873	(b) Outside India	5,73,15,75,847
	4.Bills of Exchange and Promissory Notes Discounted, Rediscounted :	
-	(a) In India	-
-	(b) Outside India	-
	5. Other Assets	
	(a) Accrued interest on	
20,96,72,100	i) Loans and Advances	17,47,28,992
-	ii) Investments/bank balances	-
24,24,15,703	(b) Advance Income Tax paid	24,24,15,703
11,64,01,857	(c) Others	28,60,99,522
6,87,43,19,425	**Total**	**6,43,63,20,064**

contd 2

EXPORT DEVELOPMENT FUND

CONTINGENT LIABILITIES

Previous year (As at 31.03.2020) ₹		This Year (As at 31.03.2021) ₹
-	(i) Acceptances,Guarantees, endorsements & other obligations	-
	(ii) On outstanding forward exchange contracts	-
-	(iii) On underwriting commitments	-
-	(iv) Uncalled Liability on partly paid investments	-
-	(v) Claims on the Bank not acknowledged as debts	-
-	(vi) Bills for collection	-
-	(vii) On participation certificates	-
-	(viii) Bills Discounted/ Rediscounted	-
-	(ix) Other monies for which the Bank is contingently liable	-

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

For and on behalf of the Board

Shri N. Ramesh
Deputy Managing Director

Ms. Harsha Bangari
Deputy Managing Director

Shri David Rasquinha
Managing Director

Shri Rajat Sachar **Shri K. Rajaraman** **Shri Pankaj Jain** **Shri Amitabh Kumar**

Shri R. Subramanian **Shri Dinesh Kumar Khara** **Shri M. Senthilnathan**

Shri Rajkiran Rai G. **Shri A.S. Rajeev**

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

J.C.R. & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

(CA Mitesh Chheda)
Partner
M. No. 160688

Mumbai
Dated: May 18, 2021

EXPORT-IMPORT BANK OF INDIA

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

EXPORT DEVELOPMENT FUND

Previous year (As at 31.03.2020) ₹		This Year (As at 31.03.2021) ₹
	EXPENDITURE	
54,14,41,588	1. Interest	45,60,95,562
5,94,674	2. Other Expenses	26,110
10,87,87,035	3. Profit carried down	9,36,54,717
65,08,23,297	**Total**	**54,97,76,389**
3,78,09,541	Provision for Income Tax	-
7,09,77,494	Balance of profit/(Loss) transferred to Balance Sheet	9,36,54,717
10,87,87,035		**9,36,54,717**
	INCOME	
	1. Interest and Discount	
65,08,23,297	(a) loans and advances	54,97,76,389
-	(b) investments / bank balances	-
-	2. Exchange, Commission, Brokerage and Fees	-
-	3. Other Income	-
-	4. Loss carried to Balance Sheet	-
65,08,23,297	**Total**	**54,97,76,389**
10,87,87,035	Profit / (Loss) brought down	9,36,54,717
-	Excess Income/Interest tax provision of earlier years written back	-
10,87,87,035		**9,36,54,717**

Notes to Accounts attached.

For and on behalf of the Board

Shri N. Ramesh
Deputy Managing Director

Ms. Harsha Bangari
Deputy Managing Director

Shri David Rasquinha
Managing Director

Shri Rajat Sachar **Shri K. Rajaraman** **Shri Pankaj Jain** **Shri Amitabh Kumar**

Shri R. Subramanian **Shri Dinesh Kumar Khara** **Shri M. Senthilnathan**

Shri Rajkiran Rai G. **Shri A.S. Rajeev**

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

(CA Mitesh Chheda)
Partner
M. No. 160688

Mumbai
Dated : May 18, 2021

INDEPENDENT AUDITOR'S REPORT.

To,
The President of India

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Export Development Fund of "Export-Import Bank of India" ("the Bank"), which comprise the Balance Sheet of as at March 31, 2020 and the Profit and Loss account for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view of the financial position of the Bank as at March 31, 2020, of its financial performance for the year then ended in accordance with the Regulation 14 (ii) of EXIM Bank of India General Regulations, 1982 and the Accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, Overall Business Operations, Management and Corporate Governance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance / conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual report, if we conclude that there is a material misstatement therein, then we will communicate the matter to those charged with governance.

Other Matters

The opinion expressed in the present report includes the information, facts and inputs made available to us through electronic means by the EXIM Bank's Management as the COVID-19 induced restrictions on physical movements.

Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management of Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and the Regulations framed there under and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or
in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

JCR & Co.
CHARTERED ACCOUNTANTS
MUMBAI • DELHI • PUNE • AHMEDABAD • SURAT

Report on Other Legal and Regulatory Requirements

The Balance Sheet and the Profit and Loss Account have been drawn up as per Schedules IA and IIA of the EXIM Bank of India General Regulations, 1982.

We further report that:

i. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.
ii. In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this Report are in agreement with Books of Account.
iii. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
iv. In our opinion, the aforesaid financial statements dealt with by this report comply with the applicable Accounting Standards.

For JCR & Co.
Chartered Accountants
FRN: 105270W

MITESH DAMJI CHHEDA
Digitally signed by MITESH DAMJI CHHEDA
Date: 2020.06.30 15:08:07 +05'30'

CA Mitesh Chheda
Partner
Mem No. 160688

UDIN: 20160688AAAABZ1222

Place: Mumbai
Date: 23rd June, 2020

EXPORT-IMPORT BANK OF INDIA

BALANCE SHEET AS AT 31ST MARCH, 2020

EXPORT DEVELOPMENT FUND

Previous Year (As at 31.03.2019) ₹	LIABILITIES	This Year (As at 31.03.2020) ₹
	1. Loans :	
-	(a) From Government	-
6,55,02,25,350	(b) From Other Sources	5,59,62,23,297
	2. Grants:	
12,83,07,787	(a) From Government	12,83,07,787
-	(b) From Other Sources	-
	3. Gifts, Donations, Benefactions :	
-	(a) From Government	-
	(b) From Other Sources	
46,50,62,828	4. Other Liabilities	44,77,45,509
63,10,65,338	5. Profit and Loss Account	70,20,42,832
7,77,46,61,303	**Total**	**6,87,43,19,425**
	ASSETS	
	1. Bank Balances	
1,16,550	a) in current accounts	9,72,52,892
-	b) in other deposit accounts	-
-	2. Investments	-
	3. Loans & Advances :	
-	(a) In India	-
7,16,25,78,926	(b) Outside India	6,20,85,76,873
	4. Bills of Exchange and Promissory Notes Discounted, Rediscounted :	
-	(a) In India	-
-	(b) Outside India	-
	5. Other Assets	
	(a) Accrued interest on	
21,17,37,594	i) Loans and Advances	20,96,72,100
-	ii) Investments/bank balances	-
26,75,31,703	(b) Advance Income Tax paid	24,24,15,703
13,26,96,530	(c) Others	11,64,01,857
7,77,46,61,303	**Total**	**6,87,43,19,425**

contd 2

EXPORT DEVELOPMENT FUND

Previous Year (As at 31.03.2019) ₹	CONTINGENT LIABILITIES	This Year (As at 31.03.2020) ₹
-	(i) Acceptances,Guarantees, endorsements & other obligations	-
-	(ii) On outstanding forward exchange contracts	-
-	(iii) On underwriting commitments	-
-	(iv) Uncalled Liability on partly paid investments	-
-	(v) Claims on the Bank not acknowledged as debts	-
-	(vi) Bills for collection	-
-	(vii) On participation certificates	-
-	(viii) Bills Discounted/ Rediscounted	-
-	(ix) Other monies for which the Bank is contingently liable	-

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

For and on behalf of the Board

Ms Harsha Bangari
Deputy Managing Director

Shri David Rasquinha
Managing Director

Shri Bidyut Behari Swain
Shri Anand Singh Bhal
Shri K. Rajaraman
Shri Pankaj Jain
Shri Rajnish Kumar
Shri M. Senthilnathan
Shri A.S. Rajeev

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

(CA Mitesh Chheda)
Partner
M. No. 160688

JCR & CO. MUMBAI CHARTERED ACCOUNTANTS

Mumbai
Dated: June 23, 2020

EXPORT-IMPORT BANK OF INDIA

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

EXPORT DEVELOPMENT FUND

Previous Year ₹		This Year ₹
	EXPENDITURE	
62,44,92,619	1. Interest	54,14,41,588
1,96,703	2. Other Expenses	5,94,674
6,93,22.204	3. Profit carried down	10,87,87,035
69,40,11,526	**Total**	**65,08,23,297**
2,42,23,951	Provision for Income Tax	3,78,09,541
4,50,98,253	Balance of profit transferred to Balance Sheet	7,09,77,494
6,93,22,204		**10,87,87,035**
	INCOME	
	1. Interest and Discount	
69,40,11,526	(a) loans and advances	65,08,23,297
-	(b) investments / bank balances	-
-	2. Exchange, Commission, Brokerage and Fees	-
	3. Other Income	
-	4. Loss carried to Balance Sheet	-
69,40,11,526	**Total**	**65,08,23,297**
6,93,22,204	Profit brought down	10,87,87,035
-	Excess Income/Interest tax provision of earlier years written back	-
6,93,22,204		**10,87,87,035**

For and on behalf of the Board

Ms Harsha Bangari
Deputy Managing Director

Shri David Rasquinha
Managing Director

Shri Bidyut Behari Swain — Shri Anand Singh Bhal — Shri K. Rajaraman

Shri Pankaj Jain — Shri Rajnish Kumar — Shri M. Senthilnathan

Shri A.S. Rajeev

Directors

For JCR & Co.
Chartered Accountants
Firm Regn. No. 105270W

(CA Mitesh Chheda)
Partner
M. No. 160688

Mumbai
Dated : June 23, 2020

THE ISSUER

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World Trade Centre Complex Cuffe Parade
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Republic of India

Export-Import Bank of India
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LEGAL ADVISERS

To the Issuer as to English and United States law

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To the Issuer as to Indian law

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INDIA INX LISTING AGENT

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India

TRUSTEE

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REGISTRAR

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PRINCIPAL PAYING AGENT, EXCHANGE AGENT AND TRANSFER AGENT

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AUDITOR

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Mumbai 400057
India