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:
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<th>Sr No</th>
<th>Key Audit Matters</th>
<th>How the matter was addressed in our Audit</th>
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<tr>
<td>1</td>
<td>Identification of Non-performing advances and provisioning of advances:</td>
<td>We performed the following audit procedures, among others, included:</td>
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|       | 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. | - 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. |
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<th><strong>Contingent Liability for Income Tax:</strong></th>
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<td>The Bank has material open tax litigations including matters under dispute which involve significant judgment to determine the possible outcome of these disputes.</td>
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<td>Since the assessment of these open tax litigations requires significant level of judgement, we have included this as a key audit matter.</td>
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<th><strong>Modified Audit Procedures carried out in light of COVID-19 outbreak:</strong></th>
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<td>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.</td>
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<td>Accordingly, our audit procedures were modified to carry out the audit remotely.</td>
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Since physical access was not possible due to travelling restriction, necessary records/ reports/s 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:

- Conducted verification of necessary records/ documents and other Application software electronically through remote access/emails wherever physical access was not possible.

- 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.

- Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels.

- 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.
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

Mitesh Damji
CA Mitesh Chheda
Partner
Mem No. 160688

UDIN: 21160688AAAAEU2953
Place: Mumbai
Date: 18th May 2021