

Annual Report 2007-2008
Members of the Managing Committee

Allahabad Bank
AXIS Bank Limited
Bank of America N A
Bank of Baroda
Bank of India
Bank of Maharashtra
BNP Paribas
Calyon Bank
Canara Bank
Central Bank of India
Corporation Bank
Citibank N A (**Vice Chairman**)
Dena Bank
Deutsche Bank AG
The Federal Bank Limited (**Additional Vice Chairman**)
The Hongkong and Shanghai Banking Corporation Limited
HDFC Bank Limited
ICICI Bank Limited
Industrial Development Bank of India Limited
IndusInd Bank Limited
Punjab National Bank
Standard Chartered Bank
State Bank of India (**Chairman**)
Syndicate Bank
Union Bank of India
UCO Bank
Vijaya Bank

AUDITORS

M/s Chaturvedi & Company
81, Mittal Chambers
228, Nariman Point
MUMBAI – 400 021

Mumbai
Date: 23rd August, 2008

MANAGING COMMITTEE'S REPORT
FOR THE YEAR APRIL 2007 – MARCH 2008

To,
The Members,

We have pleasure in presenting the report for the year 2007-2008

1. Membership

During the year the following member banks merged/amalgamated with other member banks as detailed below:

- American Express Bank merged with Standard Chartered Bank
- The Sangli Bank Limited amalgamated with ICICI Bank Limited
- The Lord Krishna Bank Limited amalgamated with Centurion Bank of Punjab Limited.

Following four new members have been added :

- Abhyudaya Co-operative Bank Limited
- JSC VTB Bank
- The Shamrao Vithal Co-operative Bank Limited
- The Surat People's Co-operative Bank Limited

Upon the above mergers/amalgamations the membership of the Association as on the date of the report stands at 88:

1. Abu Dhabi Commercial Bank Limited
2. ABN AMRO Bank N V
3. Allahabad Bank
4. Andhra Bank
5. AB Bank Limited
6. Abhyudaya Co-operative Bank Limited
7. Antwerp Diamond Bank N V
8. AXIS Bank Limited
9. Bank of America NT & SA
10. Bank of Bahrain and Kuwait BSC
11. Bank of Baroda
12. Bank of Ceylon
13. Bank of India
14. Bank of Maharashtra
15. Bank of Nova Scotia
16. The Bank of Rajasthan Limited
17. The Bank of Tokyo-Mitsubishi UFJ Limited
18. BNP Paribas

19. Barclays Bank p l c
20. Bombay Mercantile Co-op. Bank Limited
21. Calyon Bank
22. Canara Bank
23. The Catholic Syrian Bank Limited
24. Central Bank of India
25. Chinatrust Commercial Bank
26. Citibank N A
27. City Union Bank Limited
28. Corporation Bank
29. The Cosmos Co-operative Bank Limited
30. Dena Bank
31. Deutsche Bank AG
32. DBS Bank Limited
33. Development Credit Bank Limited
34. The Dhanalakshmi Bank Limited
35. Export-Import Bank of India
36. The Federal Bank Limited
37. The Hongkong and Shanghai Banking Corporation Limited
38. HDFC Bank Limited
39. ICICI Bank Limited
40. Indian Bank
41. Indian Overseas Bank
42. IndusInd Bank Limited
43. Industrial Development Bank of India Limited
44. Industrial Finance Corporation of India
45. ING Vysya Bank Limited
46. JPMorgan Chase Bank
47. The Jammu & Kashmir Bank Limited
48. JSC VTB Bank
49. The Kalupur Commercial Co-operative Bank Limited
50. The Karnataka Bank Limited
51. The Karur Vysya Bank Limited
52. The Shamrao Vithal Co-operative Bank Limited
53. The Surat People's Co-operative Bank Limited
54. Krung Thai Bank Public Company Limited
55. Kotak Mahindra Bank Limited
56. The Lakshmi Vilas Bank Limited
57. The Maharashtra State Co-op Bank Limited
58. MashreqBank p s c
59. Mizuho Corporate Bank Limited
60. Oman International Bank S.A.O.G.
61. Oriental Bank of Commerce
62. Punjab National Bank
63. Punjab & Sind Bank
64. The Saraswat Co-op Bank Limited
65. SBI Commercial & International Bank Limited
66. Shinhan Bank
67. Small Industries Development Bank of India
68. Societe Generale

69. Sonali Bank Limited
70. The South Indian Bank Limited
71. Standard Chartered Bank
72. State Bank of Bikaner & Jaipur
73. State Bank of Hyderabad
74. State Bank of India
75. State Bank of Indore
76. State Bank of Mauritius Limited
77. State Bank of Mysore
78. State Bank of Patiala
79. State Bank of Saurashtra
80. State Bank of Travancore
81. Syndicate Bank
82. Tamilnad Mercantile Bank Limited
83. Thomas Cook (I) Limited
84. UCO Bank
85. Union Bank of India
86. United Bank of India
87. Vijaya Bank
88. YES Bank Limited

2. Meetings

The Association has been holding periodic Managing Committee and Technical Sub-Committee meetings both on policy and operational matters. The number of meetings held during the year is as under:

	<u>No. of meetings held</u>
Managing Committee	11
Technical Sub-Committees	
a. Forex Markets	8
b. Trade & other transactions	5
c. Working Groups	7
d. Guidance Committee	1
Meeting of member banks conducting Orientation Workshops on Foreign Exchange Business	1

3. Reserve Bank of India (RBI)

RBI holds periodic consultations with FEDAI on various issues relating to forex market, trade related transactions and remittances. Brief details of some of the major issues discussed are given below:

a) Review of the Annual Policy Statement for the year 2007-2008

The Chairman, Vice Chairman and the Chief Executive are invited by Reserve Bank of India at the meetings on the eve of the Annual Policy Statement and subsequent Quarterly and Half-Yearly reviews.

b) Working Group on Currency Futures

An internal group was set up by Reserve Bank of India (RBI) to study the international experience and suggest a suitable framework to operationalise the proposal of setting up of Currency Futures. Our views in respect of the above were sought by RBI and we were asked to make a presentation in this regard to RBI on 25/6/2007.

c) Technical Advisory Committee Meeting (TAC) constituted by RBI.

The Chief Executive continues to be a member of the Technical Advisory Committee (TAC) of RBI on Money, Foreign Exchange and Government Securities Market. These meetings were held on 9th July 2007, 19th October 2007, 27th December 2007 and 12th February 2008 respectively. The Chief Executive attended the above meetings. The meetings took note and deliberated on the recent developments in the forex, money and securities markets. The views of the member banks on the relevant issues are put before the TAC.

d) RBI User Consultative Group

As a member of the RBI's User Consultative Group, the Secretary attended from time to time the meetings of the Group convened by RBI, which generally discuss operational issues on various types of forex business.

e) Quarterly Review of Annual Statement on Monetary Policy DG (RM)'s Pre-Policy Consultation Meetings with FIMMDA, PDAI & FEDAI

- (i) In the above meeting with the Deputy Governor held on Monday the 16th July 2007, representatives of FIMMDA and Primary Dealers' Association of India (PDAI) were also present. The Chairman and Vice Chairman attended the meeting. Apart from the recent developments in the markets the emerging market scenario was also discussed. FEDAI suggested during the discussions that RBI may examine payment of interest on the balances maintained in EEFC Account and also examine the possibility of permitting cancellation of Forward Contracts booked in respect of balances outstanding in EEFC Account. Payment of interest on EEFC accounts was subsequently allowed by RBI vide A.P. (DIR Series) Circular No. 13 dated 6th October, 2007 / A.P. (DIR Series) Circular No. 15 dated 29th October, 2007.

- (ii) In the above meeting with the Deputy Governor held on Monday the 17th January 2008, representatives of FIMMDA and Primary Dealers' Association of India (PDAI) were also present. The Chairman, Vice Chairman and the Chief Executive attended the meeting. The recent developments in the markets as well as the emerging market scenario were discussed.

f) Liberalised Remittance Scheme (LRS) – Feedback from member banks

A meeting, chaired by Smt. Shyamala Gopinath, Deputy Governor, RBI of AD banks and FEDAI was called on 30th July 2007, to provide feedback to RBI on the above scheme. The Secretary attended the meeting.

Feedback from a cross section of member banks was called for and from the responses received, a gist of the issues raised was sent to RBI on 6th August 2007. On the basis of this feedback, RBI have posted on their website on 10th August 2007 a FAQ relating to LRS, addressing most of the issues raised.

g) Pre-Policy Consultation Meeting convened by Reserve Bank of India (RBI)

Pre-Policy Consultation Meeting convened by RBI in respect of Mid-Term review was attended by the Chairman and the Chief Executive on 4th October 2007. Some of our recommendations to RBI in regard to forex markets and export related issues over a period of time have found place in the Mid-term Review of Monetary Policy announced on 30th October 2007.

h) International Banking Statistics (IBS) – Meeting of Standing Monitoring Group (SMG)

The meeting of the Standing Monitoring Group on IBS convened by RBI was held on 20th September 2007. Shri S Sridharan, GM, State Bank of India (the then Chairman, FEDAI) was the Chairman of the SMG. The important action points / recommendations that emerged during the meeting included; the need for improvement upon coverage, quality and timeliness of IBS data and training of officials of banks. Shri S G S Manian, OSD, attended the meeting.

i) Meeting with Senior Officials of Reserve Bank of India

RBI convened a meeting on 28th September 2007 to seek our views on (a) feasibility of extending the facility of booking forward contracts to enable hedgers to take long term hedges, example upto three years' turnover and the safeguards to be put in place to

prevent misuse of the facility (b) on Rupee invoicing of exports. The Chief Executive and OSD (Forex Market) attended the meeting.

j) Meeting convened by Reserve Bank of India on 12th November 2007

Reserve Bank of India convened a meeting of a few member banks and FEDAI on 12th November 2007 to discuss the operational guidelines with regard to some of the items such as permitting importers and exporters to write covered calls / puts, running cross currency option books etc. announced in the Mid-Term Review of Annual Policy 2007-2008. The issues were subsequently discussed by the Technical Sub-committee (Forex Market) and the Managing Committee, and a detailed feedback on these products, as well as on exchange traded currency futures, was submitted to RBI on 25/12/2007.

k) Reserve Bank of India – AD Conference

Keeping in view the significance of the AD banks in the liberalized regime, Reserve Bank of India organized a Conference for all Authorised Dealer banks on 14th January 2008. Inaugural address was given by Smt. Shyamala Gopinath, Deputy Governor, Reserve Bank of India followed by the keynote address by Shri G Gopalakrishna, Executive Director, RBI. Presentations were made by the representatives of a few member banks on Trade related transactions, capital account transactions, forex facilities for SMEs / Resident individuals and hedging tools in the Indian forex market. During the interface discussion, clarifications were provided on certain operational matters. "Part – 1" of our publication on 'Regulatory Requirements under FEMA 1999' (3rd Edition) was formally released by the Deputy Governor.

A conference of the In-Charges of the Regional Heads of the Foreign Exchange Department of Reserve Bank of India was held on 15th January 2008 which was attended by the Chairmen of select AD banks / senior officials of AD banks and the Chief Executive of FEDAI. During the interface session views on ADs perception on the liberalization measures and the problems faced in efficient delivery of forex services were shared.

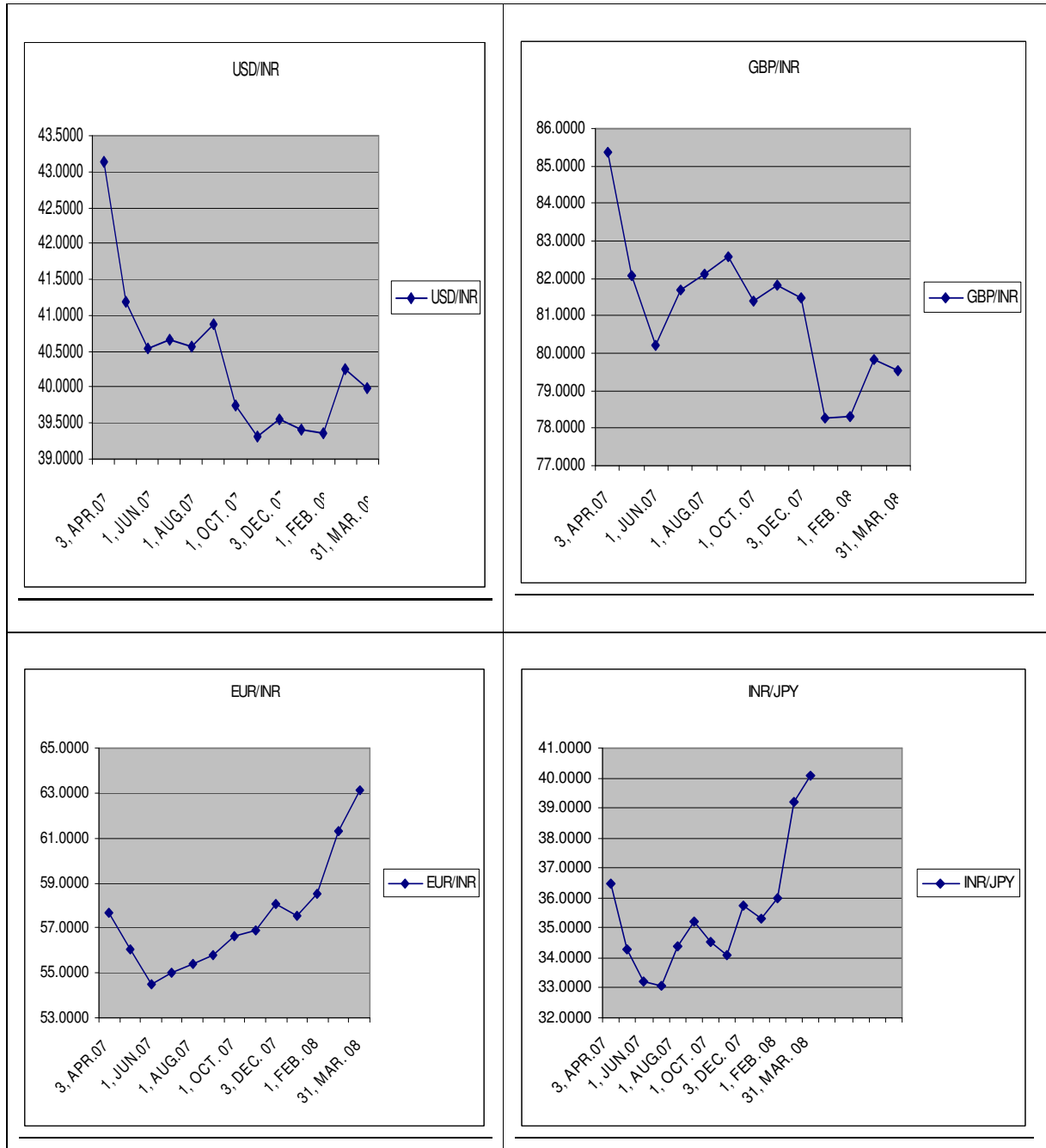
l) Working Group on Term Money Market

RBI have set up a Working Group on Term Money Market with representatives from banks, non-banking institutions, FIMMDA, FEDAI, AMFI, SEBI and PDAI to review the development of the Term Money Market in India and to identify reasons inhibiting its growth, and to suggest measures for creating an active term money and term repo market. Shri.Chandan Sinha, Chief General Manager, RBI is the convener of this Working Group. Shri Shivaji

Sen, Secretary has been inducted as a member of the Working Group.

4. Forex Market

a. Rupee against major currencies – April 2007 to March 2008



(Above rates are 1 unit of Foreign Currency = So many Indian Rupees and 100 units of Yen = So many Indian Rupees)

5. Guidance Committee Meeting – Meeting held on 5th July 2007

A meeting of the Guidance Committee was held on 5th July 2007. The meeting was Chaired by Shri S. Sridharan, (the then Chairman, FEDAI). The Chief Executive reiterated in the context of annual reported cases of large payments by brokers on account of missed prices, the need for strict adherence to Code of Conduct between brokers and dealers to ensure smooth functioning of forex market.

6. FEDAI Clearing House Meeting

A Clearing House meeting to settle all outstanding interest claims on interbank contracts between Bank of Maharashtra and seven other banks was held on 22nd August 2007 in FEDAI conference room.

7. Meeting of sub-committee of SLBC for Export Promotion

Meeting of sub-committee of SLBC for Export Promotion convened by Dena Bank at Silvassa on 27th September 2007 and by Bank of Baroda at Lucknow on 7th December 2007 was attended by Shri R Krishnamurthy, Senior Officer, FEDAI.

8. FEDAI Golden Jubilee Celebrations – Inaugural Function on 8th October 2007.

The Golden Jubilee Celebrations of FEDAI was inaugurated by Dr.Y.V. Reddy, Governor, Reserve Bank of India on Monday the 8th October 2007 in Mumbai. More than 350 eminent persons from Banks, financial sector and academicians attended the inaugural function. The Governor's thought provoking address on "Forex Reserves, Stabilization Funds and Sovereign Wealth Funds: Indian Perspective" was followed by an enlightening panel discussion on "Capital Flows – Volatility in Forex Market and its impact on the Real Economy" by eminent panelists. The panelists were **Dr. Saumitra Chaudhuri**, Economic Advisor, ICRA Limited and Member Economic Advisory Council to the Prime Minister, **Shri Bharat Doshi**, Executive Director, Mahindra and Mahindra Limited, **Shri Anjan Barua**, Chief General Manager, Treasury, State Bank of India. The programme was moderated by **Shri Basudev Bhattacharya**, Vice President-Senior Fx Specialist India Sub-Continent, Citibank N A.

9. FEDAI Annual Conference – 17-19, November 2007 at Kuala Lumpur

The 3rd FEDAI Annual Conference of FEDAI was held abroad, for the first time, at Kuala Lumpur, Malaysia from 17th to 19th November 2007.

The Conference was inaugurated by Shri G Gopalakrishna, Executive Director of Reserve Bank of India, Mumbai who was also the Chief Guest. Puan Nor Zila Abdul Aziz, Deputy Director, Bank Negara Malaysia was the

Guest of Honour on the occasion. Following the Chief Guest's Keynote address, there was a panel discussion on "Surge in Global Forex Flows – Drivers of Liquidity". The panelists, eminent in their own fields, were Prof.B.B.Bhattacharya, Vice Chancellor, Jawaharlal Nehru University, New Delhi, Shri Anjan Barua, Chief General Manager, Treasury, State Bank of India, Ms Thio Chin Loo, Director, BNP Paribas, Singapore, Mr Raymond Yeoh, Managing Director, Deutsche Bank Malaysia. Mr. Andy Mukherjee, Asia Columnist, Bloomberg moderated the discussions. The discussions and presentations made were comprehensive and were followed by a very lively interactive session, which went well past the allotted time.

On the 18th November 2007 the second day of the Conference, there were two business sessions. The first was a panel discussion on "Changing international trade patterns – increasing share of emerging economies". The panelists, were Mr Phil Smith, Editor, News and Television, South Asia, Reuters, Mr. C P Balachandran, Vice President, Societe Generale, Mumbai and Mr David Winfield, Executive Director and CEO, ICLIF, Kuala Lumpur. The Chief Executive moderated the discussions. The panel discussion was followed by a very lively interactive session.

The second business session was an interactive session with Mr Salim Gangadharan, Chief General Manager, FED, RBI, Central Office, Mumbai. Mr Gangadharan made a detailed presentation on the salient features of the Report of the Internal Working Group on 'Currency Futures', released by RBI on the 16th November 2007. This was followed by a lively interactive session.

Altogether, 89 delegates attended the Conference.

10. Euromoney Seminars

Euromoney Seminars hosted an inaugural India Derivatives Summit in Mumbai on 24th and 25th October 2007. The Secretary participated in a panel discussion on "Development of FX and Interest Rate Derivatives Markets" on the 24th October 2007.

11. Bankers Training College, (BTC) RBI

The close co-ordination with Bankers Training College, Reserve Bank of India continued during the year. FEDAI has also been extending its faculty support in some of the programmes of BTC.

12. Indian Institute of Banking and Finance (IIBF)

The Chief Executive attended the annual Sir Purshotamdas Thakurdas Memorial Lecture on 12th November, 2007. The lecture was delivered by Tan Sri Dato Sri' Dr. Zeti Akhtar Aziz, Governor, Bank Negara Malaysia.

13. Forex Association of India (FAI)

Chief Executive attended the 18th Annual Conference of Forex Association of India from 6-8th April 2007 at Bangkok. Shri S G S Manian, OSD, (Forex Market) also participated in the Conference by invitation. Two officers from FEDAI Secretariat also participated in the conference as delegates.

14. Institute of Chartered Accountants of India (ICAI)

A Working Group consisting of a few member banks, at its meeting held on 1st October 2007, discussed the draft of the proposed Accounting Standard (AS) 32 received from The Institute of Chartered Accountants of India. The views of the Working Group were conveyed to ICAI and the meeting convened by ICAI on 4th October 2007 at New Delhi to discuss the draft was attended by the Secretary.

15. Federation of Indian Export Organisations (FIEO)

At the request of the Chairman, Western Region, FIEO, Mumbai, FEDAI provided faculty support and conducted the following two programmes for the officers of FIEO (1) One-day Programme on "Forex Risk Management" on Tuesday the 29th May 2007 and (2) One-day Programme on "Understanding the UCP 600" on Friday the 15th June 2007 in Mumbai. The Programmes were conducted with the assistance of Shri B Y Olkar, Former Chief Executive of FEDAI and Shri P M Pethe, Officer on Special Duty (Training), FEDAI and Shri S G S Manian, Officer on Special Duty (Forex Market), FEDAI. All the expenses were borne by FIEO.

16. Fixed Income Money Market and Derivatives Association of India (FIMMDA)

As in the past, we have been working closely with FIMMDA in areas of common interest. The Annual Conference of FIMMDA on the 26th – 28th January, 2008 at Egypt was attended by the Secretary.

17. The Clearing Corporation of India Limited (CCIL)

CCIL has worked out an arrangement with PRMIA, an international non-profit association involved in upgrading skills in risk management areas. With this arrangement, CCIL and PRMIA will form a joint risk forum which would periodically organize discussions/seminars on risk related subjects, expected to be addressed by qualified international speakers. The first session of the CCIL PRMIA Risk Forum, in the nature of a briefing session, was held at CCIL's office on 11th May 2007. PRMIA's COO Mr David Millar briefed those present on the activities of PRMIA. Dr R H Patil, Chairman and Mr B D Sumitra, MD of CCIL and Mr A V Rajwade, Forex Consultant were also present. The Secretary attended the meeting.

**18. Foreign Exchange Brokers' Association of India (FEBAI)
Training for brokers.**

FEDAI organised 1-Day Workshop on 26th July 2007 in FEDAI Conference Room which was attended by 25 Calling Assistants from 16 Broking firms. Two senior officials from State Bank of India and UTI Bank Limited (now renamed Axis Bank Limited) addressed the participants. Shri Basudev Bhattacharya, Vice President, Citibank N.A., Shri U Venkataraman, Head - Treasury, IDBI Limited, Shri Gautam Ashra, Kanji Pitamber & Co. and the Chief Executive were present for the 'Interface' and Valediction.

19. Indian Banks' Association (IBA)

At the invitation of IBA, the Chief Executive attended an interactive meeting with Mr David Bell, CEO, Australian Bankers' Association and Chairman IBFed and Ms Sally Scutt, Deputy Chief Executive, British Bankers' Association and Managing Director, IBFed. The meeting was also attended by some other senior bankers. The discussions covered mainly the role of various associations with particular reference to implementation of Basel II, Corporate Governance, Financial Crime and AML, International Accounting Standards, Payment Systems etc. The Chief Executive briefly explained the role played by FEDAI as SRO in the Indian foreign exchange market.

20. National Institute of Bank Management (NIBM)

As in the past FEDAI has been extending its faculty support to NIBM in respect of their training programmes on International Banking and Trade Finance.

21. FEDAI Local Committee Meetings

Annual General Meeting of FEDAI Local Committee at Kolkata was held on the 12th May 2007 wherein 9 member banks were elected with United Bank of India as the Chairman. One member was co-opted. Annual General Meeting of FEDAI Local Committee at Chennai was held on 15th February 2008. Eight member banks were elected with Indian Overseas Bank as the Chairman. One member bank was co-opted as a member and three as observers. The Chief Executive addressed the representatives from member banks on the activities, new initiatives of FEDAI and the overall foreign exchange market scenario at all the above AGMs. The Secretariat continues to receive valuable inputs and suggestions from the Local Committees on various guidelines of RBI and other agencies, after being discussed at the Local Committee meetings.

22. International Chamber of Commerce (ICC) Paris

**a) ICC Banking Commission Meeting held at Singapore on 24-25th
April 2007**

The Secretary attended the above meeting at Singapore. Several ICC Banking Commission opinions relating mainly to UCP 500 were

discussed. The two main items on the agenda were (1) the Commission's approval for the revised version of the ISBP, bringing it in line with the recently approved UCP 600 (2) the Commission's approval for the proposed revision of ICC's URDG, by the ICC Task Force on Guarantees. Discussion relating to item (1) was led by Mr Gary Collyer (UK) and discussion relating to item (2) was led by Mr Georges Affaki (France). The Commission approved both the above proposals. The revised ISBP document has since been released. Presentations were also made, among others, on Money Laundering and Bank Secrecy, by Yvette Cheak (Singapore), recent Asian court cases on UCP, by Kung Tak Fung (Hongkong), Islamic Finance by Georges Affaki (France). There was a general commentary on UCP 600 by Gary Collyer, a presentation on early reaction to UCP 600, the customer's reaction, from Lawrence Tan (Singapore).

Credit Derivatives :

RBI has since placed in public domain the draft Guidelines for Credit Default Swaps (CDS) by ADs and PDs. A presentation was made at FIMMDA on 17th May 2007 on the Nuts and Bolts of CDS by Mr Stuart McClymont, Director & Global Head, OTC Derivatives, Deutsche Bank, London. The Chief Executive attended the presentation by invitation. (Credit derivatives have now been kept on hold)

b) Uniform Customs and Practice for Documentary Credits, ICC Publication No.600

As decided at the Technical Sub-Committee (Trade and Other Transactions) meeting held on 13th June 2007, a Special Circular No.SPL-37/UCP-600/2007 dated 15th June 2007 has been issued to member banks conveying that all Letters of Credit opened by them with effect from 1st July 2007 would be subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication No.600. FEDAI, representing ICC India, played a significant role in the evolution of this document, in the Indian context.

c) ICC Commission on Banking Technique and Practice meeting at Paris

As approved by the Managing Committee at its meeting held on 28th July 2007 the Chief Executive attended the meeting of ICC Commission on Banking Technique and Practice at Paris on 24th and 25th October 2007.

23. ICC INDIA, New Delhi

Committee headed by Mr Govind Hari Singhania to review the activities of ICC-India

A Committee headed by Shri Govind Hari Singhania has been constituted by ICC India to review the activities of ICC India and, if need be, to suggest new areas of work in line with the overall objectives of ICC. The Chief Executive has been nominated as one of the members of the said Committee.

The first meeting of the Committee was held on 13th August 2007 at New Delhi. The Chief Executive attended the above meeting. Some of the members have suggested that ICC-INDIA should organize some programmes for SME's on subjects like UCP 600, Exchange Risk Management etc. The need for reducing the cost of arbitration was also emphasized at the meeting. The Executive Committee discussed, inter alia, the activities of the ICC-INDIA and how to provide more useful services to its members through greater interactions. The impact of the rupee appreciation on exports came up for discussion and it was decided to have wider discussion on the overall impact on the economy during the next meeting scheduled on the 31st October 2007, when preferably an economist would be requested to explain the various aspects.

24. Reuters India Limited, Mumbai

Mr Samir Shah, Managing Director, Reuters India Limited and Mr Martin Oakley, Global Head, Financial Regulatory, Reuters Group PLC, London, met the Chief Executive on 5th June and 13th June 2007 respectively. We were advised that the reported merger of Reuters with Thomson, Canada will not have any immediate effect in the operations of Reuters in India.

Among other issues, the Chief Executive brought to the attention of Reuters officials that introduction of any new System or Product would require a reference to FEDAI.

25. Summer Placement

One student from NMIMS University, Mumbai was selected in 2007 as Summer Trainee for a period of 2 months. The trainee submitted his project report on "Growth of India's Share in Global Trade and Effect of Exchange Rate Movement on India's Foreign Trade".

26. Internal Audit

There is a system in place for annual budget for expenditure and monthly monitoring of such expenses. A system of quarterly review/audit of main heads of expenditure, as well as major variances, if any, has also been put in place.

27. FEDAI Workshop – Annual Trainers’ Meet

The Annual Trainers’ Meet was held on the 6th July 2007 for finalizing and reviewing the modalities for conducting the XVIII series of FEDAI One-Week Orientation Workshops for the year 2007-2008. 30 officials from International Divisions as well as Training Centres of the 23 nominated member banks participated in the meeting. The Guidelines for conducting the XVIII Series of FEDAI One-week Orientation Workshop were finalized. Taking into account rising costs for printing of study materials, expenses for food and other expenses, the fees for participation for 6 day workshop was raised from Rs.5,000/- to Rs.6,000/-. The Workshop under XVIII Series are expected to commence by October 2007. It is proposed to hold 65 Workshops at 34 Centres by 25 Nominated Banks.

28. FEDAI’s Training Activities

a. Orientation Workshops on Foreign Exchange Business

During the year under review 43 workshops have been conducted by 25 nominated banks at 24 centres imparting training to 1360 bank officers. The nominated banks, as in the past, have conducted these programmes enthusiastically and with professional expertise. The list of banks who conducted FEDAI Workshops during the year is given at the end of this report.

b. Specialised Courses

During the year 8 training programmes were organised in certain specialised areas covering 273 officers drawn from our member banks as per details below :

LIST OF SPECIALISED COURSES CONDUCTED BY FEDAI (APRIL 2007 TO MARCH 2008)

Sr. No.	Courses	Days	Dates	No. of Participants
1	Workshop on “Understanding the UCP-600” at Hyderabad	1 day	28 th May, 2007	48
2	Workshop on “Understanding the UCP-600” at Ernakulam	1 day	11 th June, 2007	26
3	Workshop on “Exchange Cover and Risk Management” at Mumbai	1 day	12 th June, 2007	23
4	Workshop on “Foreign Trade Policy” at Mumbai	1 day	28 th June, 2007	36
5	Workshop on “Understanding the UCP-600” at Ahmedabad	1 day	14 th July, 2007	33
6	Workshop on “Forex/Currency Option broking for Calling Assistants” at Mumbai	1 day	26 th July, 2007	24

7	Workshop on “Business Opportunities for Authorised Dealers Category – I in the emerging Forex Market Scenario” at Mumbai	2 day	29 th – 30 th August, 2007	49
8	Workshop on “Currency Futures” at Mumbai	2 day	4 th – 5 th January, 2008	34

c) FEDAI Two-day Seminar on “Understanding the UCP 600 and Forex Market Developments” at Bhavnagar

At the request of State Bank of Saurashtra, (SBS) Bhavnagar, a 2-Day seminar was held on 18-19th May 2007 at Staff Training Centre, Bhavnagar exclusively for the officers of SBS. Faculty support was provided by Shri P K Pain, Chief Executive and Shri S G S Manian, OSD, (Forex Market), FEDAI. The programme was attended by 40 participants drawn from Foreign Exchange Department at various branches of State Bank of Saurashtra, Zonal Office / Regional Offices and training centre. All the expenses have been borne by SBS.

d) FEDAI Half-day Seminar on “Understanding the UCP 600 and Forex Market Developments” at Jaipur

At the request of State Bank of Bikaner & Jaipur (SBBJ) Jaipur, a Half-Day seminar was held on 7th July 2007 at Staff Training Centre of State Bank of Bikaner & Jaipur, Jaipur, which was attended by 45 officers. Being the convener of the Local Chapter, FEDAI, State Bank of Bikaner & Jaipur, extended this facility to the members of the Local Chapter of FEDAI, no participation fee was charged.

e) FEDAI 2-day Workshop on Currency Futures

FEDAI 2-Day Workshop on “Currency Futures” was conducted on Friday the 4th and Saturday the 5th January, 2008 in FEDAI Conference Room. This was attended by 34 officials from various member banks. Shri Ashish Ghiya and Shri Sayee Srinivasan made presentations. Shri Salim Gangadharan, Chief General Manager, FED, RBI, Mumbai also made a presentation on “Currency Futures” and was present for an interface with the participants on 5th January, 2008.

29. Farewell to Chairman of FEDAI – Shri S Sridharan, GM (Marketing), State Bank of India

At the Managing Committee meeting held on Monday the 18th February 2008, a farewell was organized for Shri S Sridharan, General Manager, (Marketing), State Bank of India, the outgoing Chairman of FEDAI. Members of the Managing Committee who were present expressed their sincere thanks to Shri Sridharan for his valuable guidance and significant contribution during his tenure as Chairman of FEDAI.

30. Acknowledgement

We place on record our thanks to the Governor, Deputy Governors, the Executive Directors, the Chief General Managers and senior officials of FED, FMD, DBOD, DEIO, and DBS of RBI for their valuable support. We are thankful to all our members for their unstinted co-operation. We greatly appreciate the valuable contributions made by the representatives of member banks during the deliberations of the various Sub-Committee meetings. We wish to place on record our sincere thanks to the member banks who were nominated to conduct the Orientation Workshops and to all those who provided faculty support for conducting the Workshops successfully. We thank Forex Association of India, FIMMDA, Foreign Exchange Brokers' Association of India, Indian Banks' Association, The Clearing Corporation of India Limited and Indian Institute of Banking and Finance, for their valuable support in all areas of mutual interest.

We place on record our sincere appreciation of the services rendered by the Chief Executive, the Secretary, the Officers and the staff of FEDAI Secretariat for their valuable contribution and commitment in discharging their responsibilities.

For and on behalf of the Managing Committee

**(K VENKATARAMAN)
CHAIRMAN**

Date: 23rd August, 2008

List of Nominated Banks who conducted FEDAI One-Week Orientation Workshops on FOREX during the period 1st April 2007 – 31st March 2008

NOMINATED BANKS		CENTRES
1	Allahabad Bank	Lucknow
2	Andhra Bank	Hyderabad
3	Bank of Baroda	Ahmedabad, Chennai, Mumbai, New Delhi
4	Bank of India	Navi Mumbai, Noida
5	Bank of Maharashtra	Pune
6	Canara Bank	Bangalore, Chennai
7	Central Bank of India	Bhopal, Chandigarh, Chennai
8	Corporation Bank	Mangalore
9	Dena Bank	Ahmedabad, Kolkata, Mumbai
10	Federal Bank Limited	Ernakulam
11	Indian Bank	Chandigarh, Mumbai, Thiruvananthapuram
12	Indian Overseas Bank	Chennai, Coimbatore
13	Punjab National Bank	New Delhi
14	State Bank of Bikaner & Jaipur	Jaipur
15	State Bank of Hyderabad	Secunderabad, Visakhapatnam
16	State Bank of India	Kolkata, Pune, Varanasi
17	State Bank of Indore	Indore
18	State Bank of Mysore	Bangalore
19	State Bank of Patiala	Gurgaon
20	State Bank of Travancore	Ernakulam, Thiruvananthapuram
21	Syndicate Bank	Bangalore, Mumbai, New Delhi
22	Union Bank of India	Mumbai
23	UCO Bank	Kolkata
24	United Bank of India	Kolkata
25	Vijaya Bank	Bangalore