

Export-Import Bank of India



POLICY ON DEBARMENT OF ENTITIES

August 2024

GLOSSARY AND ACRONYMS

BC	Buyer's Credit
BC-NEIA	Buyer's Credit under the National Export Insurance Account
BLACKLIST	Debar, Suspend, Ban, Sanction, and any combination thereof, as the case may be.
BORROWING GOVERNMENT	Government of the LOC recipient country
EXIM BANK, THE BANK	Export-Import Bank of India
DEBARMENT COMMITTEE	Independent Committee constituted by Exim Bank to examine Debarment matters
GOI	Government of India
IDEAS	Indian Development and Economic Assistance Scheme
LOC	Line of Credit

POLICY ON DEBARMENT OF ENTITIES

1. Introduction

Exim Bank, established by an Act of Parliament i.e. Export-Import Bank of India Act, 1981, operates as the Export Credit Agency of India, providing financial and advisory assistance to Indian exporters and importers, with the main objective of promoting the country's international trade. As a wholly owned entity of the GOI, Exim Bank adheres to the principles of ethics and integrity and guidelines of the GOI on integrity, debarment, anti-corruption etc.

2. What is debarment?

Debarment is a sanction imposed by the Bank that prevents Entities from participating in Exim Bank's activities including without limitation, participation in doing any form of business with the Bank, after they have committed violations to, or failed to meet any standards of ethics, or integrity, or non-performance of contract/work, whether or not the same is a breach of any statutory obligation or not. The Debarment can also be imposed by the Bank in case of an Entity's inability or failure to meet any performance obligations as per its contractual obligations with the Bank or if they are liable to be debarred in accordance with this Circular.

3. Applicability of the Circular

Exim Bank deals with various Agencies like firms / companies / vendors etc., that are associated with projects being executed under IDEAS or any other GOI supported financing programmes, the Bank's other financing programmes and other business or administrative dealings (referred to as "**Entity**" or "**Entities**"). All such Entities are expected to adopt the highest standards of ethical practices and a high degree of integrity, transparency, commitment, and sincerity towards the work undertaken. This Circular is applicable to all such Entities.

4. Guiding principles

4.1 Rule 151 of General Financial Rules (GFRs), 2017 regarding 'Debarment from Bidding' with subsequent revisions / amendments from time to time.

4.2 IDEAS Guidelines issued by GOI, Ministry of Finance, Department of Economic Affairs, vide letter F.No. 5/7/2019-IDEAS dated March 31, 2022, with subsequent revisions / amendments from time to time.

4.3 Instructions or Guidelines issued by the GOI, as applicable, to Exim Bank.

4.4 Any other guidelines/ orders etc. that may be applicable to the procurement being carried out directly or indirectly by Exim Bank.

4.5 This Circular is to be read along with all such binding principles as may be applicable for Exim Bank.

5. Criteria for Debarment

An Entity will be debarred, if any of its officers, directors, employees, personnel, subconsultants, subcontractors, service providers, suppliers or manufacturers has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contracts. An Entity is also liable to be debarred in case of any non-performance, including causing delays or cost overruns, in a contract or work undertaken [for reasons not directly attributable to force majeure or Exim Bank]. Illustrative lists of the criteria are at **Annexure-I** and **Annexure-II**.

6. Imposition of Debarment

6.1 The competent authority to impose debarment shall be the “Debarment Committee”, as notified by Exim Bank. Any Entity, that is associated with Exim Bank, whether directly or indirectly, under any of its programmes, or has any other dealings with Exim Bank, is liable to be debarred if it falls under the defined criteria. Once an Entity is debarred, the same shall be applicable, for the specified period, across all programmes / business dealings with the Bank.

6.2 The Bank shall inform the Entity being debarred in writing and will publish names of debarred Entities on its website from time to time.

6.3 The Debarment Committee will assess the extent of an Entity’s involvement in any violation for determining Debarment. This Debarment will also extend to entities that are successors, or affiliates, or associated with the principal, or other related parties of such debarred Entity, or entities in which the debarred Entity holds a beneficial interest (i.e., has an equity stake, on a fully diluted basis of more than 10%). In cases involving association of entities, including joint ventures, the debarment shall be imposed on the concerned Entities as well as the shareholders/ consortium members and all associates, affiliates of the constituents.

6.4 For determination of debarment, Exim Bank will follow due process of natural justice. The Bank will notify the Appellate Authority for any appeal by the Entity.

7. Period of Debarment

The period of Debarment shall range from 3 to 7 years from the date of issuance of the order of Debarment.

8. Reinstatement

8.1 A debarred Entity shall not be automatically reinstated upon the expiry of the stipulated debarment period.

8.2 To restore eligibility, debarred Entities shall seek reinstatement. The request for reinstatement should provide the basis on which Exim Bank may consider reinstatement. Exim Bank will assess the reasons leading to the debarment and seek an affidavit / undertaking from the Entity, inter-alia, to the effect that it has not engaged in any further ethics & integrity violations / been debarred for contract non-performance, during the period of debarment and / or has not been debarred by other agencies / institutions / authorities mentioned in Item (xv) of **Annexure I**, to determine whether to reinstate the Entity or extend the debarment period.

ILLUSTRATIVE CRITERIA FOR DEBARMENT OF ENTITIES WHICH HAVE INDULGED IN CORRUPT / FRAUDULENT/ COERCIVE/ ABUSIVE/ PROHIBITED PRACTICES

- i. Corrupt practice, which at any time, means without limitation, offering, giving, receiving, soliciting, or acceptance of bribe, rewards or gifts or any material benefit, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process or contract execution;
- ii. Fraudulent practice, which is any act or omission, including a misrepresentation, that attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation or concealment of a relevant fact. This includes making false declaration or providing false information for participation in a tender process or to secure a contract or in execution of the contract;
- iii. Coercive practice, which is impairing or harming, or threatening to impair or harm, directly or indirectly, any party, person or the property of the party or person, to unduly influence the actions of a party.;
- iv. Collusive practice, which is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party or the lenders, including for manipulation of any bidding or tendering process;
- v. Abuse, which is theft, waste or improper use of assets for purposes other than related to the project, either committed intentionally or otherwise;
- vi. Obstructive practice, which includes-
 - a) deliberately destroying, falsifying, altering, or concealing of evidence / material in an investigation;
 - b) making false statements to investigators in order to mislead investigation;
 - c) failing to comply with requests to provide information, documents, or records in connection with an investigation;
 - d) threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
 - e) materially impeding Bank's contractual rights of audit or inspection or access to information;

- vii. Soliciting projects by misrepresenting powers to 'arrange' credit or a contract;
- viii. Impeding transparent and fair bidding process in any manner which is immoral or illegal;
- ix. Diversion of funds received towards any payment under the contract, for purposes other than for which it is specified;
- x. Retaliation, or any adverse action against any whistleblowers or witnesses, which is any detrimental act, direct or indirect, recommended, threatened or taken against a whistleblower or witness, or person associated with a whistleblower or witness, in a manner material to a complaint because of the report or cooperation with an investigation by the whistleblower or witness;
- xi. Non-disclosure of conflict of interest;
- xii. Conviction under the Prevention of Corruption Act, 1988 or the Bharatiya Nyaya Sanhita or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract;
- xiii. Violations of Anti-corruption Policies of GOI and / or Borrowing Government.
- xiv. Any other extant directions / guidelines, as applicable, issued by Government of India / or any other GOI agencies like Central Vigilance Commission, on debarment.
- xv. Entities that have been blacklisted by GOI / any agency of GOI or the Borrowing Government (in case of LOC / BC / BC-NEIA contracts) or by any agency / institution as defined in the extant IDEAS guidelines, may also face debarment. This debarment will apply to future procurement from the date of debarment, and existing contracts may be subject to cancellation, or as governed by the respective contractual documents.

ILLUSTRATIVE CRITERIA ATTRIBUTABLE TO THE ENTITY(IES) FOR NON-PERFORMANCE OF CONTRACT / WORK

Any of the provisions of a Contract/Work that are not honoured for reasons attributable to the Entity, which include, but are not limited to reasons like supply of sub-standard material, non-supply of material, abandonment of works, sub-standard quality of works or services, failure to abide by guarantees, delays or any material breach of the contract/work etc. funded or supported by Exim Bank.
