

Bill No. 117 of 2011

THE EXPORT-IMPORT BANK OF INDIA (AMENDMENT)
BILL, 2011

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further to amend the Export-Import Bank of India Act, 1981.

BE it enacted by Parliament in the Sixty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Export-Import Bank of India (Amendment) Act, 2011.

Short title and commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

28 of 1981.

2. In section 4 of the Export-Import Bank of India Act, 1981 (hereinafter referred to as the principal Act), for sub-section (1), the following sub-section shall be substituted, namely:—

Amendment of section 4.

10 “(1) **The authorised Capital of the Exim Bank shall be ten thousand crores of rupees:**

Provided that the Central Government may, by notification, increase the said capital up to an amount that it may deem necessary from time to time.”.

Amendment of section 6.

3. In section 6 of the principal Act,—

(a) in sub-section (1), after clause (a), the following clause shall be inserted, namely:—

“(aa) two whole-time directors appointed by the Central Government;”;

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(b) in sub-sections (2), (3), (4) and (5), after the words “the managing director” wherever they occur, the words “or the whole-time director” shall be inserted.

Amendment of section 8.

4. In section 8 of the principal Act, in the proviso, after the words “the managing director”, the words “or the whole-time director” shall be inserted.

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STATEMENT OF OBJECTS AND REASONS

The Export-Import Bank of India Act, 1981 was enacted to establish a corporation to be known as the Export-Import Bank of India for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for co-ordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade. The aforesaid Act was amended in the years 1985, 1988, 1998, 1999, 2005 and 2006.

2. The Export and Import Bank (EXIM Bank) was established under the Export-Import Bank Act, 1981 with an authorised capital of five hundred crores of rupees. Subsequently, in the year 1999, the authorised capital of the EXIM Bank was increased to one thousand crores of rupees with a provision that the Central Government may, by notification, increase the authorised capital up to two thousand crores of rupees in the year 2007. The issued capital of the EXIM Bank is wholly subscribed by the Central Government.

3. It has become necessary to provide for an adequate capital base to the EXIM Bank to meet the requirement of capital arising from the significant business growth recorded by the EXIM Bank in the recent years and the growth momentum is expected to be sustained in future. Accordingly, it is proposed to increase the authorised capital of the EXIM Bank from two thousand crores of rupees to ten thousand crores of rupees with a provision that the Central Government may increase the authorised capital up to an amount that it may deem necessary from time to time.

4. The proposed amendments would enable the EXIM Bank to make fresh borrowings, borrow to fund commitments under export Line of Credits, strengthen the capital base, enable the Bank to enhance single or group borrowers exposure limits and comply with regulatory requirements.

5. The Export-Import Bank of India (Amendment) Bill, 2011 provides for the following, namely:—

(a) to increase the authorised capital of the EXIM Bank from two thousand crores of rupees to ten thousand crores of rupees with a provision that the Central Government may, by notification, increase the authorised capital up to an amount that it may deem necessary from time to time; and

(b) to make provision for appointment of two whole-time directors in the EXIM Bank by the Central Government.

6. The Bill seeks to achieve the above objects.

PRANAB MUKHERJEE.

NEW DELHI;
The 30th November, 2011.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

**[Copy of D.O. No. 9/1/2011-IF-I dated 30-11-2011 from Shri Pranab Mukherjee,
Minister of Finance to the Secretary-General, Lok Sabha]**

The President, having been informed of the subject matter of the Export-Import Bank of India (Amendment) Bill, 2011 has recommended the introduction of the Bill in Lok Sabha under clause (1) of article 117 of the Constitution of India.

FINANCIAL MEMORANDUM

Clause 2 of the Export-Import Bank of India (Amendment) Bill, 2011 seeks to increase the authorised capital of the Exim Bank from two thousand crores of rupees to ten thousand crores of rupees, which may be enhanced to such amount as the Central Government may, by notification, determine. The Bill, if enacted, will allow future capital infusion by such amount as based on actual requirement, by the Central Government after due appropriation made by Parliament, by law, for the said purpose.

The provisions of the Bill do not involve any other recurring or non-recurring expenditure.

ANNEXURE

EXTRACTS FROM THE EXPORT-IMPORT BANK OF INDIA ACT, 1981
(28 OF 1981)

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4. (1) The authorised Capital of the Exim Bank shall be one thousand crores of rupees: Authorised capital.

Provided that the Central Government may, by notification, increase, the said capital up to two thousand crores of rupees.

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6. (1)* Constitution of Board.

(2) The chairman and the managing director shall hold office for such term, not exceeding five years, as the Central Government may specify in this behalf and any person so appointed shall be eligible for re-appointment.

(3) Notwithstanding anything contained in sub-section (1), the Central Government shall have the right to terminate the term of office of the chairman or the managing director, as the case may be, at any time before the expiry of the term specified under sub-section (2), by giving him notice of not less than three months in writing or three months' salary and allowances in lieu thereof, and the chairman or the managing director, as the case may be, shall also have the right to relinquish his office at any time before the expiry of the term specified under sub-section (2) by giving to the Central Government notice of not less than three months in writing or three months' salary and allowances in lieu thereof.

(4) The chairman and the managing director shall receive such salary and allowances as may be determined by the Central Government.

(5) The Central Government may, at any time, remove the chairman or the managing director, as the case may be, from office:

Provided that no person shall be removed from his office under this sub-section unless he has been given an opportunity of showing cause against his removal.

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8. The directors and the members of a Committee shall be paid such fees and allowances as may be prescribed for attending the meetings of the Board or of any Committee constituted in pursuance of this Act and for attending to any other work of the Exim Bank: Fees and allowances of directors and members of Committees.

Provided that no fees shall be payable to the chairman, if he is appointed as a whole-time chairman, or to the managing director or to any other director or member who is an official of the Government, the Reserve Bank or the Development Bank.

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further to amend the Export-Import Bank of India Act, 1981.

(Shri Pranab Mukherjee, Minister of Finance)