



ECGC LIMITED



ECGC Ltd

(Formerly EXPORT CREDIT GUARANTEE CORPORATION OF INDIA)

Extends a Hearty welcome to

Presentation on

'Credit Risk Management with ECGC Policy'

(Shipment Comprehensive Risk policy/Small

Exporters Policy)

You focus on exports. We cover the risks.

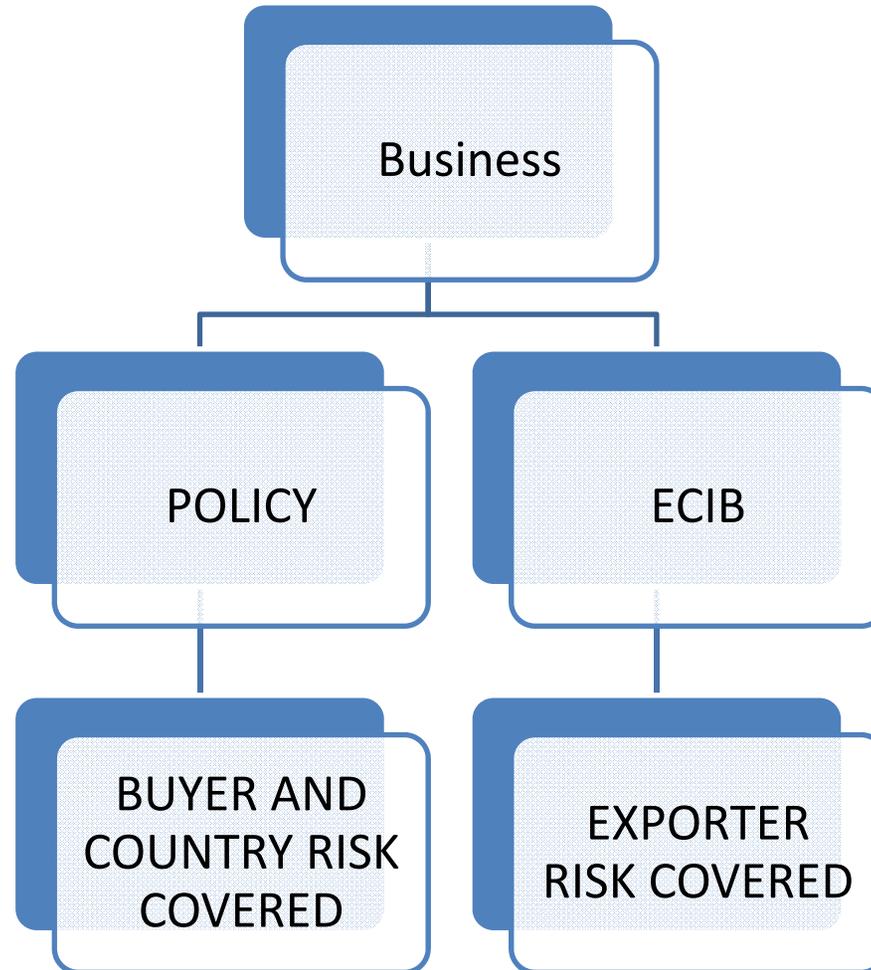


ECGC Ltd Origin

- ECGC LTD. (Formerly called Export Credit Guarantee Corporation of India Ltd), was established in the year 1957 by the Government of India to strengthen the export promotion drive by covering the risk of exporting on credit.
- Paid up capital: Rs.1500 cr
- Net Worth: Rs.3737.11 cr
- Solvency Margin: 9.68 times (IRDA norms 1.5 times)
- Gross Premium/ Claims: 1240.41



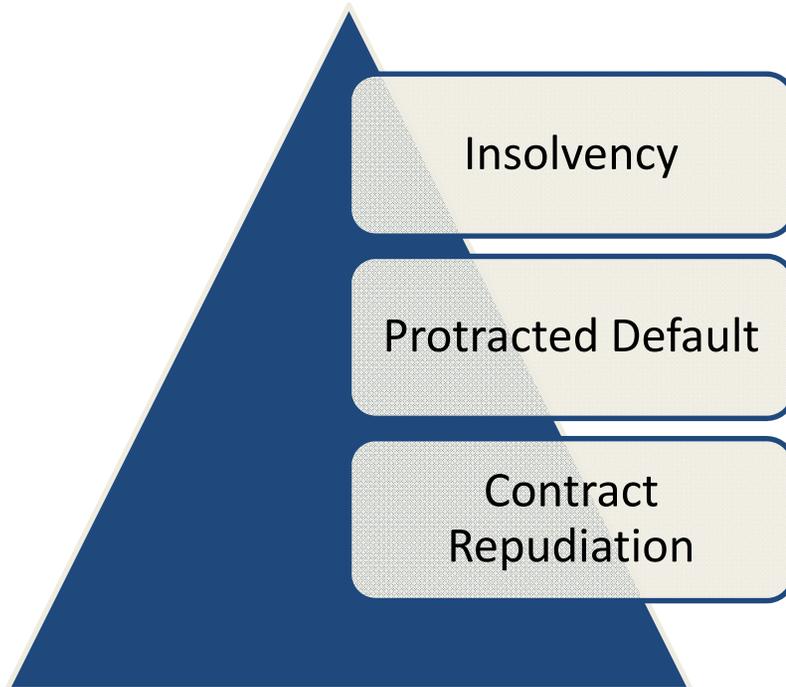
ECGC Business





Policies - Risks Covered

**Commercial Risks
(Buyer / LC Issuing Bank)**





Policies Risks – Covered (Contd.)

Political Risks Covered

Delay/Block in payment due to Govt.

War, civil disturbances.

New Import Restriction/Cancellation

Shipment Diversion/interruption

Any other loss outside India beyond control of both exporter and buyer.





Risks not Covered

Commercial disputes – Quality

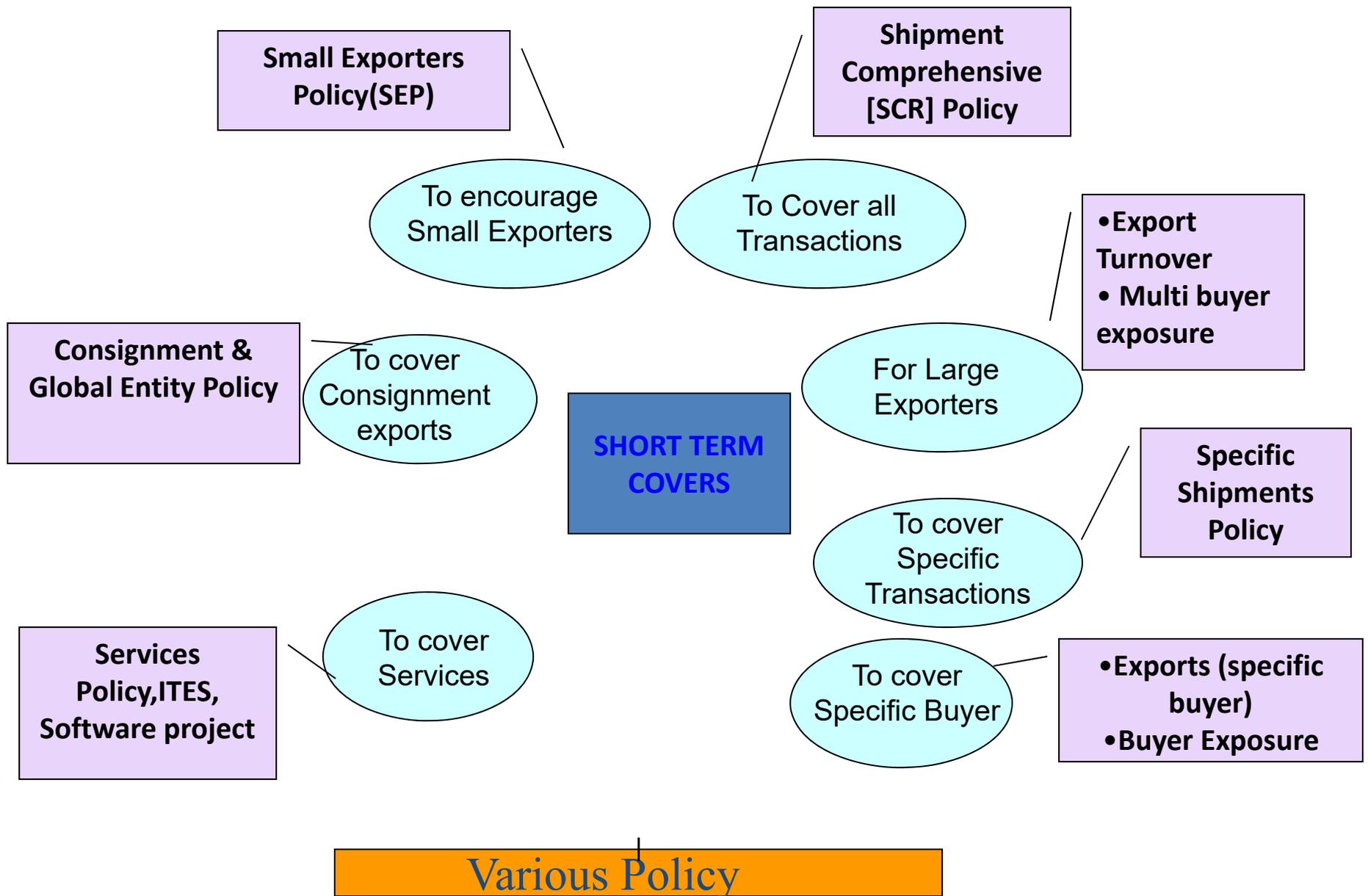
Causes inherent in the nature of goods

Exchange rate fluctuation

Agency Failure

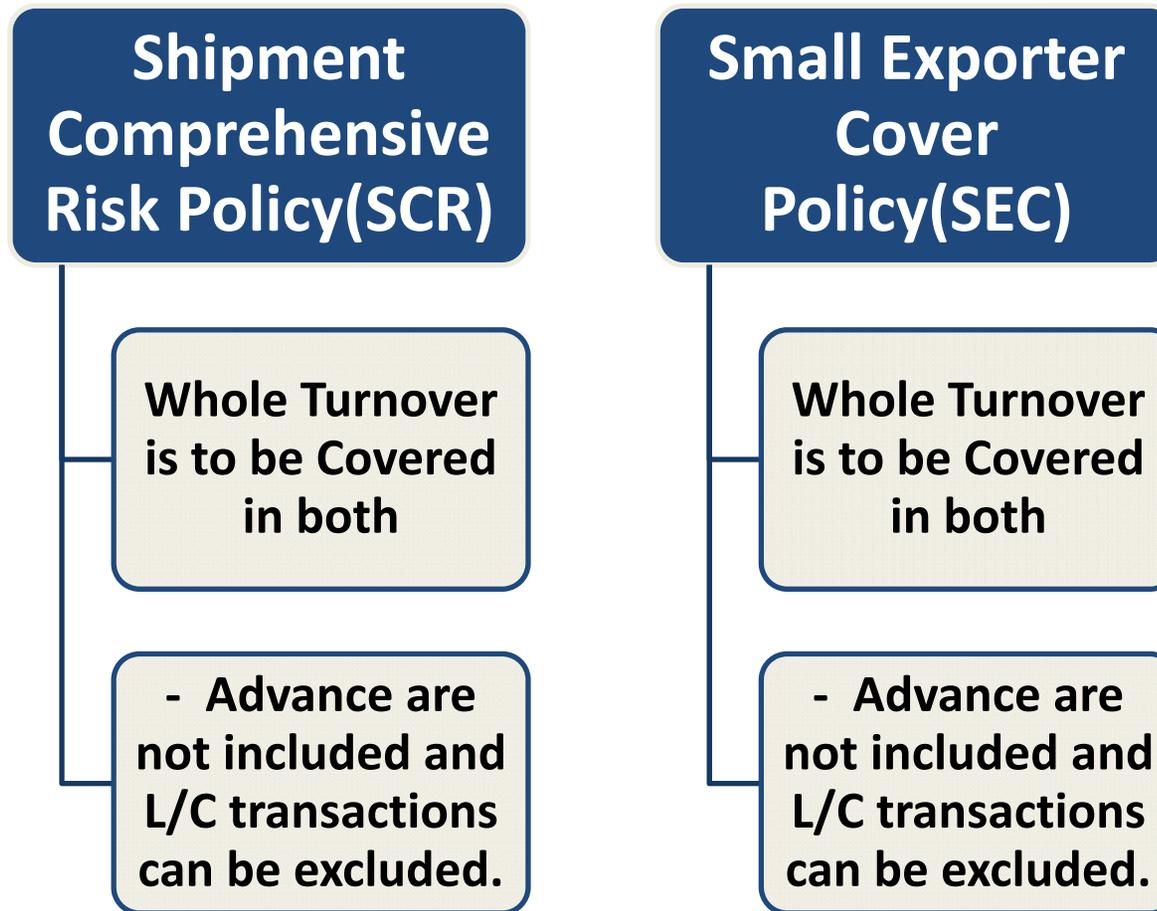
Loss / Damage – General Insurance

Failure to fulfill terms of contract





Policies under ECGC





SCR & SEC Policy Features

Policy Type	SCR	SEC
Policy period	12 months	12 months
% Cover	90%	95%
Eligibility	Annual export turnover above Rs 500 lakhs	Annual export turnover less than or Rs 500 lakhs
Minimum premium	Rs 10,000/- adjustable and non refundable.	Rs 5,000/- adjustable and non refundable.
Declarations	Monthly	Monthly
Risk covered	<ul style="list-style-type: none">- Commercial risk/Buyers Risk- Political Risk- L/C opening Bank Risk	<ul style="list-style-type: none">- Commercial risk/Buyers Risk- Political Risk- L/C opening Bank Risk
Countries covered	All 237 countries	All 237 countries



Single buyer exposure policy

- One buyer-one policy
- Good for repeat orders
- Period : 12 months
- Could be taken along with Standard policy
- Cover is given for chosen exposure (loss limit)
 - Loss limit can be revolved for 12 months
 - Premium applied on the Loss limit
- Coverage is 80%



Multi-Buyer exposure policy

- Suitable, if having many buyers
- Flexible option to choose Aggregate Loss Limit (ALL), expected to be 10% of LY Exports turnover
- Pre-approved limit on any buyer in open country, upto 10% of ALL.
 - Verify the Buyers record on our WEBSITE
 - SBEP for exceptional increase on any buyer
 - Coverage is 80%
- NCB on renewal 5%.



Maximum Liability

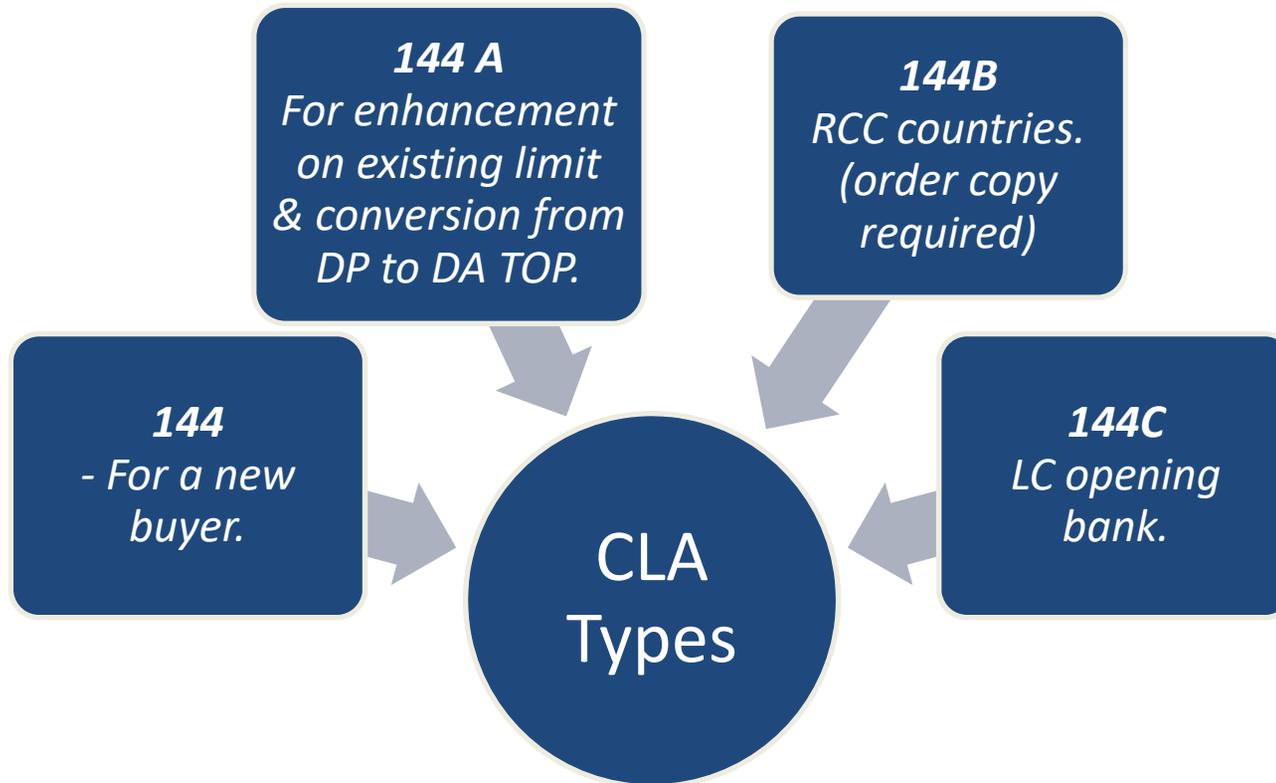
- **ML(Maximum Liability):**
It is the limit up to which ECGC would accept liability for shipments made in a policy year for both commercial and political risk.





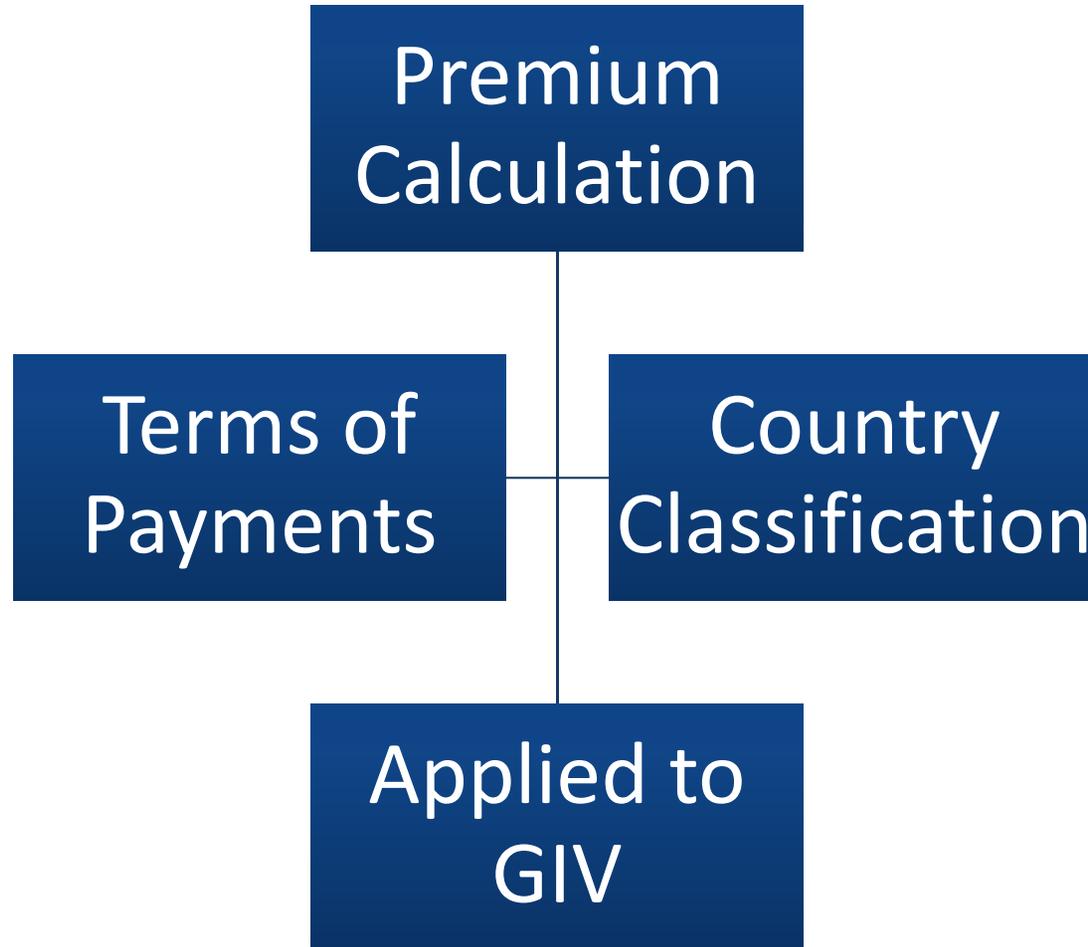
Credit limit and its Types

Credit limit: It is the limit up to which the corporation may consider claim in the event of loss arising on account on commercial risk.





Premium Charged





Major Obligations

Ensure ML

Credit limit

Monthly declarations (FORM 203)

Advance premium

Over due (more than 30 days) to be intimated to us in prescribed format (FORM 205)



Major Obligations (Contd.)

E connectivity

Stopping further shipments to the defaulted buyer

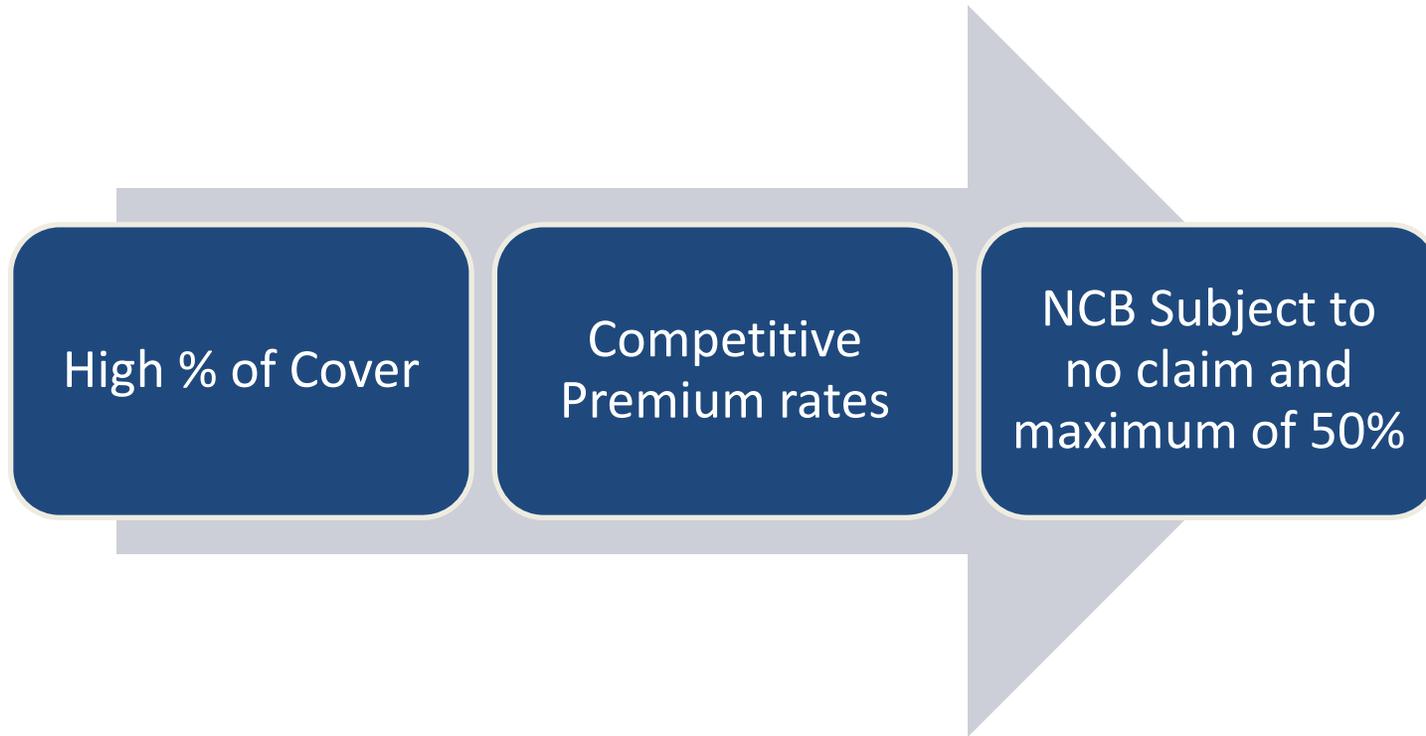
Extension/Conversion/Re-sale/
Reshipment

Claim – 360 days from due date or
540 days from date of policy expiry
whichever is earlier

Initiating recovery steps including legal
action and sharing recovery.

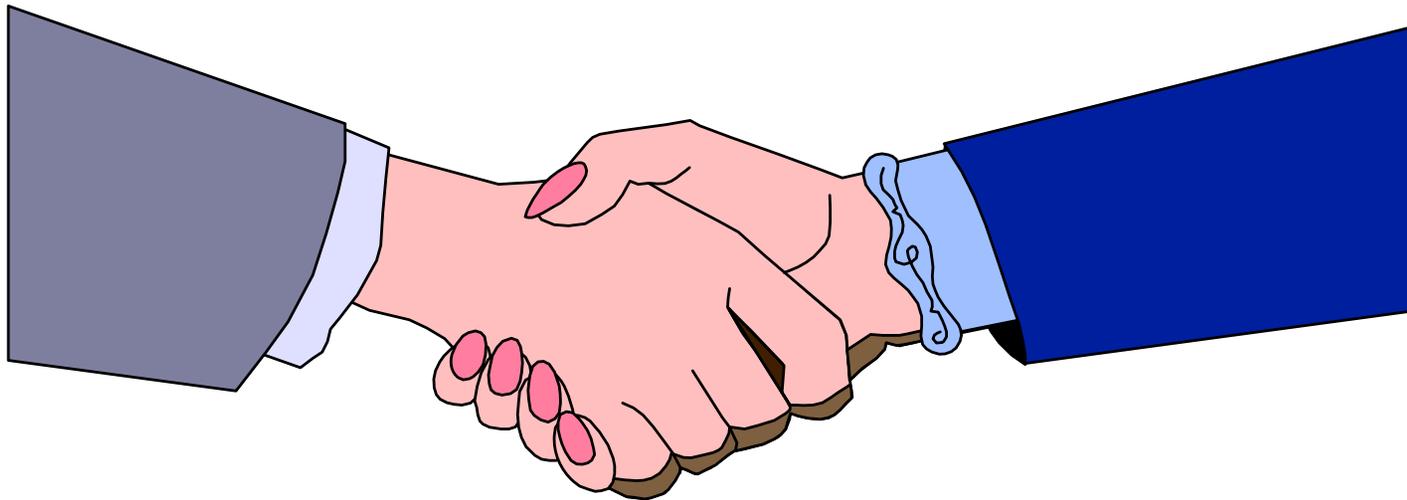


Benefits of SCR/SEC





ECGC LIMITED



THANK YOU..

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