

**ECGC LIMITED**  
**(A GOVT. OF INDIA ENTERPRISE)**

**Proposal form for Export Receivables (Factor's Risks)**  
**Insurance in Foreign Currency (ERIC-FC)**

We hereby apply for Export Receivables (Factor's Risk) Insurance Cover in Foreign Currency. We have read and understood the terms and conditions of the Cover and found the same to be suitable for our requirements. We further undertake not to seek refund of premium from ECGC for whatsoever reason except as provided under the Cover.

**Part I: Information on the Insured**  
*(Changes, if any to be informed immediately)*

1. Name of the Applicant/Proposer :

2. Registered Address :

City -	State -
Pin -	
Phone No -	
E-mail -	Website -

3. Correspondence Address :

City -	State -
Pin -	
Phone No -	
E-mail -	Website -

4. Contact Person & Designation:

Mobile No -
Phone No -
E-mail -

5. Registration Number/License Number for operating in IFSC :

- 6.** Amount of bills / invoices factored in the last three Financial Years (FYs) and current year up to date (for all the exporter clients of the Applicant):

Last three financial year wise (PI mention FYs)	Total Export Bills received (In USD)	Total Export Bills factored (in USD)	Bad debts* during the year	Remarks, in case of Bad debts

\*Bad Debts are those debts which are written off in the books of the factor during the Financial Year.

Current Financial year up-to-date (PI mention relevant period)	Total Export Bills received (In USD)	Total Export Bills factored (in USD)	Bad debts during the period	Remarks, in case of Bad debts

- 7.** Outstanding value of bills factored (as on date in USD):
- 8.** Overdue, if any as on date in USD:
- 9.** Explain the process-flow of sanction of factoring limit in favour of an exporter, system of disbursement and monitoring of the factored transaction.  
(Use separate sheet if the space is insufficient)

- 10.** Are you a member of Factors Chain International (FCI). If yes, its membership number and current validity :

## Part II: Information on the exporter client

*(Changes, if any to be informed immediately)*

1. Name of the exporter client of the Insured :
2. Registered Address :  
City - State -  
Pin -  
Phone No -  
E-mail - Website -
3. Correspondence Address :  
City - State -  
Pin -  
Phone No -  
E-mail - Website -
4. Contact Person & Designation :  
Mobile No -  
Phone No -  
E-mail -
5. Import Export Code & date of its allotment:
6. Type of the Unit : Mark (✓), as applicable
  - (i) Proprietorship
  - (ii) Partnership
  - (iii) Pvt Ltd Company
  - (iv) Public Ltd Company
  - (v) Others (Please specify)
7. Status of the Unit : Mark (✓), as applicable
  - (i) Export House
  - (ii) Star Export House
  - (iii) Trading House
  - (iv) Star Trading House
  - (v) Premier Trading House
  - (vi) MSME
  - (vii) Others (Please specify)

8. Is the Exporter a Manufacturer? (Yes / No), Mark (✓) as applicable.  
(If yes, please provide the supporting documents)

Note: Cover is available only for Manufacturer Exporters for goods manufactured by them

9. Description of the Goods / Commodity to be exported:  
(Please specify in brief)

*(If the commodity is Gems, Jewellery, Diamond, Granite, Iron-Ore; Traded Commodities namely, Gold, Silver, Crude Oil, Wheat, Palm Oil, Cotton, Rubber, Sugar; Software and other Services, the same stands excluded from the purview of the cover)*

10. Name(s) of Proprietor / Partners / Directors / Guarantors of the Exporter :

First Name	Middle Name	Last Name	Date of Birth	PAN Number	Father / Husband Name	Please specify the status / designation

11. Turnover of the Exporter:

Last three financial year wise (PI mention FYs)	Total Sales Turnover (In USD)	Total Export Turnover (In USD)

Current Financial year up-to-date (PI mention relevant period)	Total Sales Turnover (In USD)	Total Export Turnover (In USD)

- 12. Details of all losses / Overdue of the Exporter (for the last three FYs and current FY as on date)**  
*(Use separate sheet if the space is insufficient)*

Name & address of the debtor	Date of shipment	Terms of payment	Original Due Date	Amount overdue (in USD)	Reason(s) for Loss / Overdue	Action taken by the exporter / Remarks

- 13. Details of export limits being availed by the exporter from the banks, if any :**  
*(Use separate sheet if the space is insufficient)*

Name & address of the bank	Type of export limit facility sanctioned	Amount of limit sanctioned (in USD)	Amount outstanding in USD (as on date) Please specify the date _____	Amount overdue, in USD, if any



- 14.** Details of factoring limit being availed by the exporter from the export factors, if any:

*(Use separate sheet if the space is insufficient)*

Name & address of the export factor	Name of the debtor and country	Amount of limit sanctioned (in USD)	Amount outstanding in USD (as on date) Please specify the date _____	Amount overdue, in USD, if any

- 15.** Does the exporter have an existing Credit Insurance Policy for Domestic sale or Export sale? Yes / No

if yes, give Policy details viz.

Policy No :

Name of the Insurer :

- 16.** Details on the exporter's Credit Management System:

(a) Does the exporter have a credit management system? Yes / No

If yes, name & position of the person responsible for the Credit Management?

(b) How does the exporter assess a debtor before offering credit terms?

- (i) Status Report
- (ii) Bank Report
- (iii) Latest Audited / Management Accounts
- (iv) Other Sources used (e.g trading experience, information from other exporters, personal visits etc)

(c) How often is credit information updated by the exporter?

(d) How often is a credit limit reviewed by the exporter and on what basis?

(e) What information does the exporter use when reviewing the credit limit?

(f) What preventive actions does the exporter take in case of a non-payment?

(g) What recovery actions does the exporter take in case of a non-payment?

*(Please provide us a brief on the Credit Management System being followed)*

### Part III: Information on the Debtor

- 1. Name of the Debtor:** M/s. \_\_\_\_\_  
**Address:** \_\_\_\_\_

City:	Country:
Phone Number:	Fax Number:
E-Mail:	Website:
Contact Person:	Mobile Number:
Debtor Registration No:	VAT No :

Alternate address, if any: \_\_\_\_\_

City :	Country :
Phone Number :	Fax Number :
E-Mail :	Website :
Contact Person :	Mobile Number :
Debtor Registration No :	VAT No :

Name of the Parent Company of the Debtor, if any :  
 M/s. \_\_\_\_\_

Address : \_\_\_\_\_

City :	Country :
Phone Number :	Fax Number :
E-Mail :	Website :
Contact Person :	Mobile Number :
Debtor Registration No :	VAT No :

- 2. Name of the Debtor's Bank(s) :** \_\_\_\_\_  
**Address :** \_\_\_\_\_

City :	Country :
Phone Number :	Fax Number :
E-Mail :	Website :
Buyer's A/c No :	Swift Code / BIC :

- 3. Country of destination of goods:**
- 4. Details of Order / Contract on hand :** (Please enclose copy of Order / Contract. This shall help us in a speedy decision)

Order No. / Contract No.	:
Amount in USD	:
Terms of Payment	:

**5. Shipping Schedule:**

<u>Month</u>	<u>Value of Shipment in USD</u>	<u>Terms of payment</u>
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**6. Anticipated amount of business (in USD) for the next one year in respect of the proposed Exporter-Debtor combination :**

**7. Credit Limit required :**

Amount in USD	:
Terms of payment	:

**8. Experience of Exporter with the Debtor for the last two years. (Please attach additional sheet, if necessary) :**

S No	Date of shipment (As per Bill of Lading or Airway Bill)	Value (in USD)	Terms of payment	Due Date of Payment	Date of realization	Reason for delay/over- due, if any

**9. (a) Whether the Debtor is associated / related to the exporter? Yes/No**  
(If yes, furnish details)

- (i) Please indicate the exporter's percentage shareholding in the Debtor's company.
- (ii) Please indicate Debtor's shareholding in the exporter's company.
- (iii) Details of the managerial control in the Debtor's company.
- (iv) Details of the relationship with the Debtor like proprietor/partner/director etc.

**(b) Is the Debtor or any of the partners/directors related to the exporter? Yes/No**  
(if yes, furnish details)

**(c) Does the exporter have any interest in the capital/management of the concern / company? Yes/No**  
(If yes, furnish details)

[Please note that transaction with Debtor who are Associate/ Subsidiary of the exporter or where the exporter makes exports on Consignment basis or Deemed Exports basis are excluded from the purview of the Cover]



**a. Associate / Subsidiary**

- I. 'If the applicant/proposer/exporter has any direct or indirect interest in or connection with other business entity (in India or Overseas) be it managerial, financial or is owned/controlled by members of same family or close relatives and/or vice-versa, such a relationship between them shall be treated as holding company, subsidiary, associates, joint ventures or group company/concerns relationship between/among them.
- II. For the purposes of same family or close relative, a person shall be deemed to be a relative of another if, and only if, -
- (i) they are members of a Hindu undivided family; or
  - (ii) they are husband and wife; or
  - (iii) the one is related to the other in the manner indicated in the 'List of Relatives (including the person and its spouse side as well)', being illustrative, not exhaustive :

List of Relatives 1. Father, 2. Mother (including step-mother), 3. Son (including stepson), 4. Son's wife, 5. Daughter (including stepdaughter), 6. Father's father, 7. Father's mother, 8. Mother's mother, 9. Mother's father, 10. Son's son, 11. Son's wife, 12. Son's Daughter 13. Son's Daughter's husband, 14. Daughter's husband, 15. Daughter's son, 16. Daughter's son's wife, 17. Daughter's daughter, 18. Daughter's husband. 19. Brother (including step-brother), 20. Brother's wife, 21. Sister (including step-sister), 22. Sister's husband.

- 10.** Have you made any enquiries regarding the financial standing and credit worthiness of the Debtor? If so, please give your views in this regard.

(You may kindly provide us the details of the financial statements / Balance Sheet/Report from Credit Information Agency, if available)

- 11.** Minimum Premium amount being remitted USD:

- 12.** Processing fees being remitted USD:

### Instructions:

**Enclosure:** - Pertaining to Exporter (please tick)

- (a) Copy of IEC of the exporter client.
- (b) Copy of PAN of the exporter client
- (c) Copy of the PAN of the proprietor/partners/directors/guarantors of the exporter client.
- (d) Copy of Address Proof of the exporter client
- (e) Copy of latest Audited Annual Report / Balance Sheet / Profit & Loss account of the exporter client.
- (f) A brief on the Credit Management System of the exporter client
- (g) Copy of Exporter – Debtor ledger for last two years, if any.

**Enclosure:** - Pertaining to Insured export factor (please tick)

- (a) Copy of PAN of the Insured
- (b) Copy of Address Proof of the Insured
- (c) Copy of Memorandum & Article of Association of the Insured
- (d) Copy of latest Audited Annual Report / Balance Sheet / Profit & Loss account of the Insured
- (e) A brief on the business model of the Insured
- (f) Copy of Factoring license.
- (g) Copy of FCI membership.
- (h) Copy of Registration to operate in IFSC

**Note:-**

1. No Insurance Cover will be in force until the proposal has been approved and the premium due has been received by ECGC.

**Section 41 of Insurance Act, 1938: -**

“No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue as insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the Policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with published prospectuses or tables of the Insurer; provided that acceptance by an insurance agent of commission in connection with a Policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is bonafide insurance agent employed by the Insurer. Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

### **Declarations and Undertaking by the Applicant / Proposer**

1. I/We hereby agree, declare, certify, and undertake that the above statements, information, and particulars are true and complete and that we have not misrepresented or omitted or concealed or suppressed any material fact that might have a bearing on the risks insured under the Cover. If any portion of the Proposal form is left blank, we state that the same is intentional as we do not have any information to fill in such portion. We agree that the representations and information furnished in the Proposal Form shall form the basis of and be deemed to have been incorporated in the Bond and that the truth of such representations and information and due performance of each and every undertaking contained herein or in the Bond shall be a condition precedent to any liability on ECGC under the Cover and to the enforcement thereof by us.
2. I/We also declare that we shall immediately notify and disclose to ECGC any change to the information supplied in the Proposal Form and any attachments thereto or of any other facts and circumstances affecting the Cover including any amendment, change, variation and / or addition to the Cover or any information sought by ECGC before the issue of Cover or during the entire duration of the Cover.
3. I/We are not aware of any circumstances relating to the Debtor or to the invoice factored which might adversely affect ECGC's acceptance of any of the risks for which we are hereby requesting insurance.
4. I/We hereby confirm that all premiums/fees have been / shall be paid from bonafide sources and no premiums/fees have been / shall be paid out of proceeds of crime related to any of the offence listed in Prevention of Money Laundering Act in force. I/We understand that ECGC has the right to cancel the Cover in case I/We have been found guilty by any competent court of law under any of the statute directly or indirectly governing the prevention of money laundering in India.
5. I/We hereby undertake that the exports of goods for which we have requested/proposed for insurance is originating from India and the proceeds for exports of the same will be received only in India.
6. I/We hereby declare that we are fully aware that under this Cover, we will only be covered for the Invoices factored during the Period of Cover, subject to compliance of terms and conditions, as defined in the Cover
7. I/We have read all the terms and conditions and understood the Cover. I/We is/are ready to provide any other information/documents as per the requirement of ECGC in connection to the Proposal Form/Cover".



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I/We agree that these declarations shall be the basis of Cover issued by ECGC to me/us and accordingly, our Swift Ref No./ Cheque / Demand Draft No.\_\_\_\_for USD\_\_\_\_\_ drawn on \_\_\_\_\_ (Bank) \_\_\_\_\_ (Branch) is enclosed towards Minimum Premium / Proposal Processing Fee.

Place:

Date :

Authorised Signatory

Name and Designation

Office Seal

Note: In the case of incorporated companies, this proposal should be signed by authorized officers for and on behalf of the company and should state the capacity in which the signatory acts. In the case of partnership, the partner of the firm should sign the proposal. In the case of proprietorship, the proprietor should sign the form.

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