

EXPORT CREDIT INSURANCE COVER FOR BANKS **WHOLE TURNOVER POST SHIPMENT - ECIB (WT-PS)**

Credit insurance cover by the name "Export Credit Insurance for Bank (Whole Turnover Post-shipment)" issued by Export Credit Guarantee Corporation of India Limited (hereinafter called 'the Corporation') to the Insured, the name and other particulars of which are furnished in the Schedule on the date and at the place specified in the schedule:

Notes for Interpretation

- *Headings are used for ease of reference only and are to be disregarded in construing the document;*
- *In construing a term shown in **bold**, the definitions given to that term at the end of the document only would be relevant and applicable for the purpose of interpretation of this COVER, which include the Schedule attached to it;*
- *In this COVER the singular includes the plural, masculine includes the feminine, animate includes the inanimate and vice versa.*

WHEREAS the INSURED has made a proposal in writing on the date specified in the SCHEDULE requesting the CORPORATION to insure it against a percentage of the **AMOUNT OF LOSS** which the INSURED may suffer due to non-repayment of the whole or any part of the post-shipment credits or advances granted by the Insured to its **exporter-borrowers** who, whether or not a **POLICYHOLDERS** and non **POLICYHOLDERS** as defined herein, the cause of such non-repayment being none other than **PROTRACTED DEFAULT** by and/or the **INSOLVENCY** of such borrowers;

AND WHEREAS the INSURED has offered for cover the whole of its post-shipment credit or advances (hereinafter referred to as the **INSURED DEBT**) to be granted to **EXPORTERS** save and except advances in favour of those **EXPORTERS** specified in the SCHEDULE as Excluded Advances.

NOW, THEREFORE, in consideration of the Processing Fee specified in the SCHEDULE paid by the INSURED and the promise to pay premium payable under this **COVER** and at the rates specified in the SCHEDULE, the CORPORATION hereby insures the INSURED subject to all the terms including the provisos, conditions, exclusions, exemptions and definitions of this **COVER**, against such percentage of the **AMOUNT OF LOSS** ascertained as is specified in the SCHEDULE as the 'Insured Percentage of Loss'.

PART I - PROVISOS

The CORPORATION shall have no liability whatsoever:

- (a) In respect of such part of the **INSURED DEBT** as is constituted by advances granted for any period exceeding 180 days or have been outstanding in the books of the INSURED for any period exceeding 180 days, unless otherwise previously agreed to specifically in writing by the CORPORATION save and except in the case of Status holders as defined by the Government of India in which case the approval of the CORPORATION will be required for any extensions beyond 360days;
- (b) In respect of an **INSURED DEBT** as to which the INSURED, without the prior approval in writing of the CORPORATION, has accepted a **Composition/Compromise/ Onetime Settlement (OTS)** arrangement with the **EXPORTER**;
- (c) If the INSURED has assigned any of its rights under this **COVER** including the sale of assets to Asset management Companies/ banks/ others in respect of the accounts INSURED with the CORPORATION without first obtaining the CORPORATION's approval in writing;
- (d) In respect of an **INSURED DEBT** for which a claim has not been made to the CORPORATION in writing in the prescribed form within six months from the date of filing the Report of Default in pursuance of clause 10(b) of Part II of this **COVER** unless the INSURED has before the expiry of the said six months, sought extension of the time for filing claim and the CORPORATION has at its sole discretion granted extension in writing;
- (e) In respect of such part of the **INSURED DEBT** as is in excess of the limits admissible under the provisions of clause 6 below;
- (f) In respect of such category of **EXPORTER'S** as is excluded from the purview of the **COVER** as indicated in the schedule;
- (g) In respect of such part of the **INSURED DEBT** as constitutes advances granted against export receivables due from '**ASSOCIATES**' as defined hereinafter (where advances on exports to '**ASSOCIATES**' are not excluded from the purview of the **COVER**) and in respect of which the INSURED has not taken adequate and reasonable safeguards to ensure due realisation of the **INSURED DEBT** [NOTE: Where the **EXPORTER** is a **POLICYHOLDER** but has failed to obtain adequate credit insurance cover under an appropriate credit insurance policy of the CORPORATION for the subject export receivable due from his **ASSOCIATES**, advances granted by the INSURED against such export receivables will be deemed to be without adequate and reasonable safeguards];

- (H) In respect of such part of the **INSURED DEBT** as is constituted by advances granted against bills drawn by **EXPORTER** on buyers in **RESTRICTED COVER COUNTRIES** as defined herein below, unless otherwise previously agreed to specifically in writing by the CORPORATION;
- (i) In respect of **INSURED DEBT** as is constituted by advances granted to **EXPORTERS** or persons connected with the exporting units included in the **SPECIFIC APPROVAL LIST (SAL)** as defined herein unless specific written approval of the CORPORATION is obtained in writing in respect of such accounts;
- (j) In respect of any of the **INSURED DEBT** in respect of which the Insured has implemented a restructuring / rehabilitation programme without the prior approval of the CORPORATION in writing;
- (k) Until and unless the INSURED has recalled the whole of the debts, including the **INSURED DEBT**, due and outstanding from the **EXPORTER** to the INSURED under any of the facilities granted by the Insured, by issue of appropriate recall letters and / or legal notices in accordance with the procedure laid down by the INSURED for recall of loans and advances from its constituents save and except where the INSURED has been prevented from doing so by any statute or regulation, rule or order having the force of law;
- (l) For any loss suffered by the Insured owing to non-recovery of any interest on the amounts advanced to the **EXPORTER** and loss due to exchange fluctuation between the currency of Invoice and Indian Rupees on crystallisation of export bills returned unpaid notwithstanding whether or not the CORPORATION had accepted any premium on such amounts;
- (m) In respect of so much of the **AMOUNT OF LOSS** as exceeded the 'Insured Percentage of Loss' specified in the SCHEDULE.

PART II - TERMS AND CONDITIONS

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| <i>Due care and Prudence</i> | 1. It shall be the duty of the INSURED to exercise due and reasonable care and prudence in granting credit to and withholding credits from an EXPORTER and the INSURED shall continue to exercise such care and prudence at all times during the entire PERIOD OF COVER ; |
| <i>Retention of Risks by the Insured</i> | 2. The INSURED shall retain to its own account an uninsured so much of its INSURED DEBT as exceeds the Insured Percentage of Loss specified in the SCHEDULE; |
| <i>Insured's Proposal the basis of the Contract of</i> | 3. It is expressly agreed and understood by the INSURED and the CORPORATION that the Proposal made by the INSURED is the basis and essence of this contract of insurance contained in the COVER and by |

- Insurance* accepting this **COVER** the INSURED hereby warrants that the statements and disclosure made in the proposal were true as at the date of the proposal and continues to remain true as on the date of Issue of this **COVER**. The INSURED further agrees, accepts and acknowledges the obligations imposed on the INSURED by law to disclose to the CORPORATION all material circumstances and to observe utmost good faith at all times.
- Insured's Duty to make full disclosure of all facts* 4. The INSURED shall disclose all facts and circumstances directly or indirectly affecting or are likely to affect the assessment of risks by or the liability of the CORPORATION under this **COVER**, immediately on its becoming aware thereof. If any of the statements contained in the proposal be untrue or incorrect in any respect, this **COVER** shall be void and the INSURED shall forfeit all its rights under this **COVER** including any right for refund of any premium paid.
- False or Fraudulent Claims* 5. If the INSURED makes any claim knowing it to be false or fraudulent in any way or connives at, assists, encourages or abets the **EXPORTER** in creating or bringing about into existence any circumstance leading to a claim under this **COVER**, the **COVER** shall become void and the INSURED shall forfeit all its rights and claims under it. Further, any sum previously paid by the CORPORATION under this **COVER** shall forthwith become refundable by the INSURED to the CORPORATION and the CORPORATION shall be entitled to retain all payments made to it by way of premium or otherwise.
- Limitation of Liability, Discretionary Limit and Specific Approval List* 6. (1) The **AMOUNT OF LOSS** admissible under this **COVER** for payment of claim in respect of any **INSURED DEBT** due and outstanding from an **EXPORTER** shall not exceed the limits specified below, namely –
- (a) The credit limit duly sanctioned by a competent authority of the INSURED under its export post shipment credit facility in accordance with the Insured's extant rules, instructions and guidelines governing sanctioning of such limits and notified to the CORPORATION within 30 days from the date of sanction/variations in respect of accounts classified as new for limits up to the **DISCRETIONARY LIMIT** specified in the SCHEDULE and any limit in respect of Standard assets classified by the INSURED under the extant asset classification norms conforming to Reserve Bank of India's relevant and applicable norms and such of those export credit limits sanctioned by the INSURED in respect of assets other than Standard and duly approved by the CORPORATION on an application made by the INSURED within a period of 60 days from the date of sanction/variations; AND
- (b) In respect of credits granted in a post-shipment export credit account that is classified as "New" and yet to be classified by the INSURED under the extant asset classification norms conforming to Reserve Bank of India's relevant and applicable

norms, the **DISCRETIONARY LIMIT** specified in the SCHEDULE unless the INSURED has, on an application made in the prescribed form within sixty days of approving a limit that exceeds the **DISCRETIONARY LIMIT** and the CORPORATION has conveyed an approval in writing to extend its cover to advances granted under such limits sanctioned in excess of the said **DISCRETIONARY LIMIT**;

(2)The CORPORATION reserves the right to notify to the INSURED the names of exporters and of related entities as being placed in the **SPECIFIC APPROVAL LIST** ('SAL' for short) maintained by the CORPORATION or as being removed from the SAL, as the case may be. Any such Notification issued by the CORPORATION and advised to the INSURED shall be binding on the INSURED.

Maximum Liability 7. Notwithstanding anything stated elsewhere in this **COVER** and/or its SCHEDULES, the maximum aggregate liability of the CORPORATION under this **COVER** shall not exceed the amount specified in the SCHEDULE as the 'Maximum Liability' but subject to any enhancement or reduction made thereto by an endorsement made to this **COVER**;

Period of Cover 8. This **COVER** shall apply to the whole of the **INSURED DEBT** of the Insured consisting of post shipment credit advances disbursed during the **PERIOD OF COVER**, the period between the 'Date of Commencement' and the 'Date of Expiry' specified in the SCHEDULE (both dates inclusive) and such of the outstanding balances that are regular and in good order as on the Date of Commencement on all accounts. However, advances granted and outstanding for more than 180 days (360 days in the case of advances granted to 'Status Holders' as defined by the Government of India) as on the Date of Commencement shall, unless otherwise agreed to in writing by the CORPORATION on a specific request from the Insured in this regard, stand excluded from cover.

Declarations and Payment of Premium 9. The INSURED agrees and acknowledges that strict compliance with the requirements of this clause pertaining to timely delivery of the monthly Statement of **INSURED DEBT** and payment of the whole of the premium due regularly and without any delay are conditions precedent to any liability of the CORPORATION under this **COVER**, time being of essence. After commencement of this **COVER**, the INSURED shall on or before the last working day of every calendar month, –

(a) Deliver to the CORPORATION in the form prescribed by the CORPORATION, a Statement of **INSURED DEBT** giving details of advances granted to **EXPORTERS** and payments received during the preceding calendar month and amount outstanding at the end of the month.

(b) Pay monthly premium at the rates specified in the Schedule on the average amount of monthly outstanding in each of the aforesaid accounts, calculated on the basis of daily products, by not later than the last working day of the month succeeding that month.

(c) The Insured shall, subject to sub-clause 10(a) below, continue to deliver to the CORPORATION the monthly Statements of **INSURED DEBTS** referred to sub-clause (a) above pertaining to **INSURED DEBTS** and to pay premium on all such outstanding balances as provided under sub-clause (b) above until the entire outstanding is repaid in full;

After a Report of Default has been filed in respect of an account in pursuance of clause 10(b) or after the **EXPORTER** concerned has gone into **INSOLVENCY**, no more premium shall be payable in respect of the balances outstanding in those accounts for the months following the month in which such Report of Default was filed or **INSOLVENCY** occurred. However, premium is payable for the whole of the month in which such Report of Default was filed or **INSOLVENCY** occurred, as the case may be. In case the bank seeks extension in time limit for lodgement of claims beyond a period of six months from the date of Report of Default, further premium shall be payable for the period after the said six months.

*Consultation
and Filing of
Report of
Default*

10. The INSURED shall, –

(a) In the event of it receiving information from any source whatsoever of an **EXPORTER** from whom any **INSURED DEBT** is outstanding being in financial difficulties, immediately notify the CORPORATION. The INSURED shall also take all such steps as may be necessary or expedient for minimizing loss or for *recovery* of the debt from the **EXPORTER** or from any other source from where it can be *recovered* by way of enforcement of any security or invocation of personal *guarantees* or otherwise in connection with any loss which the Insured may have incurred or may incur, including if so required by the CORPORATION in writing in this regard, institution of legal proceedings in a competent court of law and such other steps as the CORPORATION may require of the INSURED in this regard;

(b) In the event the whole or any part of an **INSURED DEBT** remaining unpaid after having become due for payment, submit a "Report of Default" to the CORPORATION in the prescribed form by not later than the earlier of following two periods, namely-

(i) 30 (thirty) days from the date of recalling the amount due from the concerned **EXPORTER**; or

Four months from the **DUE DATE**, including any extension granted, for repayment of the earliest of the outstanding credits.

- Percentage of Loss Payable* 11. The percentage of loss payable by the CORPORATION in respect of any loss suffered by the Insured in respect of an **INSURED DEBT** shall be such percentage of the **AMOUNT OF LOSS** as is specified in the Schedule as the 'Insured Percentage of Loss'.
- Lodgement of Claim and Ascertainment of the amount of loss* 12. The CORPORATION shall pay to the Insured the amount of claim payable under this contract of insurance immediately upon the **AMOUNT OF LOSS** has been ascertained and admitted by the CORPORATION. The CORPORATION shall ascertain the **AMOUNT OF LOSS** forthwith upon the receipt of a claim in prescribed Claim Form, provided however that the CORPORATION shall not proceed with the ascertainment of the **AMOUNT OF LOSS** unless –
- (a) The claim form submitted by the Insured is complete in all respects and the Insured has furnished to the CORPORATION all such information and documents that are essential in opinion of the CORPORATION for the purpose of verifying the cause of loss, veracity and authenticity of information furnished in the claim form, sanctioning of the limits by the Insured and conduct of the **INSURED DEBT** account, disclosures made by the Insured in the proposal form or otherwise and such other factors; AND
 - (b) The Insured has established to the satisfaction of the CORPORATION the occurrence of either **PROTRACTED DEFAULT** or **INSOLVENCY** as defined in this **COVER**, as the case may be –
 - (i) Where the cause of loss is **INSOLVENCY** of the **EXPORTER**, unless otherwise agreed to in writing by the CORPORATION, either a period of four months after the **DUE DATE** of payment or one month after the occurrence of **INSOLVENCY** has expired and the INSURED has delivered to the CORPORATION a declaration in writing to the effect that the INSURED has done or omitted nothing whereby its claim is liable to be rejected by the court in the **INSOLVENCY** proceedings or by the liquidator in the winding up proceedings and, if so required by the CORPORATION, such other documents in support as are necessary in the opinion of the CORPORATION to establish the occurrence of **INSOLVENCY** of the **EXPORTER**, that the **INSURED DEBT** is due for **RECOVERY** from the **EXPORTER** and that the Insured's right of recourse against the **EXPORTER**'s estate remains valid and enforceable;
 - (ii) Where the cause of loss is **PROTRACTED DEFAULT**, a period of four months has expired after the **DUE DATE** for repayment of the aggregate of the credits granted and the Insured has submitted a Report of Default to the CORPORATION in pursuance of the requirements under clause 10(b) herein above provided however that where the **EXPORTER** disputes his indebtedness to the Insured by reason of any payment, credit, set off or counter-claim or for any other reason alleges that he is excused from performing his obligations under the contract with the Insured the CORPORATION may not proceed with

ascertainment of the **AMOUNT OF LOSS** until the Insured has established to the satisfaction of the CORPORATION the validity of its claim in such manner as the CORPORATION may approve including, if so required by the CORPORATION by institution of legal proceedings in appropriate forum and obtaining a final judgment enforceable against the **EXPORTER**;

(c) The INSURED has filed a claim in the prescribed form within a period of six months counted from the date of report of default unless the said time limit is extended by the CORPORATION in writing on a specific request in writing from the Insured and also subject to payment of premium for the extended period as explained in Clause 9 above.

*Recovery
Steps and
Sharing Of
Recoveries*

13. (a) Any amount **RECOVERED** in respect of an **INSURED DEBT** whether from the **EXPORTER** or any other person from whom such **RECOVERIES** may be made either by or on behalf of the **EXPORTER** shall be shared between the **EXPORTER** and the CORPORATION in the same proportion as the losses are shared between them.

(b) Upon payment by the CORPORATION of the amount of claim due on the **AMOUNT OF LOSS** ascertained under this **COVER** to the Insured, the INSURED shall take all steps that may be necessary or the CORPORATION may at any time advise to effect **RECOVERY** of the **INSURED DEBT** whether from the **EXPORTER** or any other person from whom such **RECOVERIES** may be made including, if so required, by institution of legal or other proceedings in a competent court of law or other appropriate forum and shall carry such proceedings to final execution;

(c) Upon **RECOVERY** by the Insured or by the CORPORATION the whole or any part of the **INSURED DEBT** in respect of which a claim has been paid by the CORPORATION to the Insured, subject to clause 15 herein below, the amount **RECOVERED**, shall be shared between the Insured and the CORPORATION in the same proportion as the **AMOUNT OF LOSS** on the said **INSURED DEBT** was borne by the Insured and the CORPORATION;

(d) The Insured shall forthwith pay to the CORPORATION all sums that constitute the share of the CORPORATION in the said **RECOVERIES**; the Insured hereby acknowledges and declares that until such payments are made to the CORPORATION; the Insured receives and holds such sums in trust for the CORPORATION. Any delay on the part of the Insured in remitting to the CORPORATION its share in the **RECOVERIES** shall entitle the CORPORATION to claim interest thereon at prevailing bank rate for the period from the date of **RECOVERY** to the date of actual remittance to the CORPORATION;

Any amount paid by the CORPORATION to the Insured under this **COVER** in respect of an **INSURED DEBT** shall become due and refundable by the Insured to the CORPORATION together with interest thereon at the prevailing bank rate if in the opinion of the CORPORATION, insured

failed or neglected to take all necessary measures or actions as required in pursuance of sub-clause (a) above or to effectively carry on any such measures or actions taken to its logical conclusion to **RECOVER** the **INSURED DEBT**;

Recovery Expenses

14. Any expense reasonably incurred by the Insured with the consent of the CORPORATION or by the CORPORATION for the purpose of effecting **RECOVERIES** from the **EXPORTER** or from any other source in respect of an **INSURED DEBT** for which a claim has been paid by the CORPORATION, shall be a prior charge on any amount **RECOVERED** by either of the parties;

Prudential write off and closure of recovery proceedings

15. Any amount paid as claim by the CORPORATION to the INSURED in respect of an **INSURED DEBT** shall not be credited by the INSURED to the **EXPORTER's** account and be held in a separate memorandum account. No part of the amount of any claim paid by the CORPORATION under this **COVER** shall be applied or appropriated to diminish or extinguish any part of the **EXPORTER's** indebtedness to the INSURED. Notwithstanding the aforesaid, the INSURED may consider a technical or **PRUDENTIAL WRITE OFF** of the amounts outstanding and due from the **EXPORTER** in accordance with the INSURED's extant norms and practices relevant and applicable to such non-performing assets provided however that –

- (a) such **PRUDENTIAL WRITE OFF** prudential write off does not in any way prejudicially affect or adversely impact the recoverability of the **INSURED DEBT** outstanding and due from the **EXPORTER**;
- (b) the INSURED keeps the CORPORATION informed of each such **PRUDENTIAL WRITE OFF** within a reasonable time;
- (c) the INSURED furnishes on an yearly basis at the time of seeking renewal of the **COVER** full information on all such **INSURED DEBT** that are outstanding for recovery but were **PRUDENTIAL WRITE OFF**, and
- (d) the INSURED continues to furnish data on such accounts prudentially written off until recovery is effected or until written approval is obtained from the Corporation to close the recovery proceedings.

Disclosure

16. The Corporation may at any time examine or take extract from or copies of any letters, accounts or other documents in the possession or control of the Insured relating to or connected with the **INSURED DEBT**

and the Insured shall at the request of the Corporation furnish the Corporation with any information or copy of any document in its possession, control or power or take at its own cost any reasonable step to obtain for the Corporation any such information or copy of any documents in the possession of any third party relating to or connected with the **INSURED DEBT**. It shall be the duty of the Insured to secure any authority or permission that it may require to part with any such information or document referred to herein above whether available

with it or with any third party. Any neglect or failure on the part of the Insured in complying with the requirements under this clause shall absolve the Corporation of its obligation to proceed with ascertainment of the **AMOUNT OF LOSS** under clause 12 of this **COVER**.

*Cancellation
and
Reduction*

The Corporation may at any time at its sole discretion notify the Insured in writing specifying a reduced percentage of cover and/ or reduced level for limits on which cover is available to the Insured under this **COVER** in respect any particular **EXPORTER** and/ or the exclusion of any particular **EXPORTER** entirely from the purview of this **COVER**. Any such reduction in the percentage of **cover**/ reduced level for limits/ exclusion of **EXPORTER** shall apply prospectively to all credits granted by the insured from the date of receipt of such notice by the insured.

PART III - DEFINITIONS

- (1) "**AMOUNT OF LOSS**" means so much of the outstanding balance in the insured debt account pertaining to an exporter as shall be within the admissible limits in pursuance of provisions of clause 6 and arrived at after taking into account the following adjustments, that is, deducting there from –
- the whole of the amount of any relevant recoveries, realizations or repayments up to the date of ascertainment of loss pursuant to clause 12;
 - any amount pertaining to interest accrued on the advances granted to the *exporter*; and any loss due to exchange fluctuation between the currency of Invoice and Indian Rupees on crystallisation of export bills returned unpaid;
 - any credits received by the insured that should have been credited to the post shipment export credit account but was not credited;
 - any amount pertaining to a claim for set-off or counter-claim raised by the *exporter* against the Insured that was verified and found by the Corporation to be prima facie valid and maintainable ; and
 - any other amount that, in the opinion of the Corporation, was an inappropriate or irregular debit into the post shipment export credit account of the exporter in the light of the relevant regulatory guidelines and accepted banking practices.
- (2) "**ASSOCIATE**" means an overseas subsidiary or an associate of the exporter client of the insured in which the exporter client has financial interest and/or operational/managerial control.
- (3) "**COMPOSITE / COMPROMISE / ONE TIME SETTLEMENT(OTS)** means a payment settlement arrived at between the INSURED and the exporter in terms of which the dues payable by the EXPORTER are settled in a manner which is acceptable to both the parties wherein either the full dues are recovered without resorting to other recovery measures or that involves sacrifices in terms of principal amount dues in part / interest dues in part of full.

- (4) **“DISCRETIONARY LIMIT”** means the amount shown in the Schedule as the *discretionary limit* which specifies the limit up to which the Insured is not required to obtain prior acceptance or approval from the Corporation but is required to notify the limit for availing insurance under this cover, on advances granted under post shipment export credit limits sanctioned by the Insured to any of the *exporters* classified as 'new' and yet to be classified under the extant asset classification norms of the Reserve Bank of India.
- (5) **“DUE DATE”** in respect of an *insured debt* means the date fixed by the Insured for the repayment of that insured debt by the *exporter* including the extension granted for such repayment, or where a credit has been granted as repayable on demand, the date on which the Insured made a written demand on the *exporter* for repayment of the Insured Debt.
- (6) **“EXPORTER”** means a client of the Insured (not being a subsidiary or an associate of the Insured) who is availing post shipment export credit facility from the Insured and notified to the Corporation/approved by the Corporation for cover.
- (7) **“COVER”** in the context of this document shall mean a contract of credit insurance issued by the Corporation to the Insured which extends short term credit facility to exporters for financing their exports to insure the insured's risk of loss in extending such credit facility to the exporters;
- (8) **“INSOLVENCY”** in the context of an *exporter* occurs when –
- The *exporter* becomes the subject of any proceedings or case under relevant bankruptcy or insolvency legislation or the exporter commences such proceedings which is uncontested or the exporter, being an incorporated company, passes a valid resolution for voluntary winding up; or
 - A court appoints a receiver, liquidator, trustee or other similar official under the relevant bankruptcy or insolvency legislation; or
 - A composition by the exporter is approved by the court having jurisdiction or a compromise or arrangement is made binding by the court on the exporter and all the creditors of the exporter; or
 - Such circumstances exist as are in the opinion of the Corporation, equivalent to any of the above.
- (9) **“INSURED DEBT”** means post shipment advances granted by the insured to an exporter against his export receivables.
- (10) **“PERIOD OF COVER”** means the period of validity of this cover being the period between the dates of commencement and expiry (both dates inclusive) shown in the Schedule;
- (11) **“POLICYHOLDER”** means an exporter-client of the insured who is holding a valid and appropriate credit insurance policy of the Corporation (NOTE: The onus of

ensuring whether an exporter-client is a policyholder and holds a valid cover shall lie with the insured.)

- (12) "**PROTRACTED DEFAULT**" means neglect or failure of an exporter to repay any outstanding insured debt due to the Insured by the due date for its repayment but non-payment by an exporter owing to genuine dispute with regard to the whole or any part of his liability to the Insured may not amount to protracted default.
- (13) "**PRUDENTIAL WRITE OFF**" means the process by which a bank writes off and removes from its books of accounts the whole or any part of an outstanding debt due and outstanding from a debtor, while at the same time preserving all its rights of recovery against the concerned debtor, guarantor and/ or securities.
- (14) "**RECOVERY**" includes any amount of money that may be realized (including dividends received out of an insolvent's estate) from securities, indemnities, guarantees, rights of action, counterclaims or set off or other rights or advantages held by the Insured or otherwise available to the Insured to apply to or to reduce the amount of any indebtedness of an exporter in respect of the insured debt. The terms "*recover*", "*recovered*", etc., would be construed accordingly.
- (15) "**RESTRICTED COVER COUNTRY**" means a country placed by the Corporation under its Restricted Cover category and in respect of which the Insured has been advised as such through a circular of the Corporation. Such advices are sent to the insured by the Corporation from time to time as and when a country is placed under or removed from restricted cover category. (NOTE: Exports to countries placed under Restricted Cover category are normally outside the purview of cover under the credit insurance policies issued by the Corporation though the Corporation may accord specific approvals of cover for such exports.)
- (16) "**SPECIFIC APPROVAL LIST**" (*SAL* for short) means the list of exporters and entities related to those exporters contained in the Notifications issued by the Corporation from time to time in pursuance of the Clause 6(2) above, including the names of exporting units and/or connected persons and advising Insured Banks to seek the prior written approval of the Corporation for cover for any exporting unit with which the unit or the connected persons listed in *SAL* are associated with.

For EXPORT CREDIT GUARANTEE CORPORATION OF INDIA LTD.

Place: _____

Date: _____