

Annexure I
(Refer Para 1.4 and 3.2)

Short term policies issued to Exporters

S.No.	Name of the Product/Service	Basis	Description
1	Shipment Comprehensive Risks (SCR) Policy	Declaration	SCR policy, commonly known as the Standard Policy, covered both commercial and political risks from the date of shipment. Exporters whose anticipated export turnover for the next 12 months exceeded ₹ 50 lakh were considered for issue of SCR policy. For commercial as well as political risks, 90 <i>per cent</i> of Gross Invoice Value (GIV) subject to a maximum credit limit sanctioned on the buyer to the exporter as well as after deduction of amounts such as payment received in advance, expenses saved, part payment received etc. were considered as loss payable under SCR policy. The period of policy was for 24 months. Some of the significant obligations of the exporter were obtaining of valid credit limit on the buyer/Banks (in case Letter of Credit), payment of premium in advance on the basis of projected turnover, monthly declaration of shipments, declaration of payment overdue by more than 30 days, filing of claim within 24 months from the due date and sharing of recovery. The minimum premium adjustable under this policy was ₹10,000.
2	Small Exporters Policy (SEC)	Declaration	SEC policy incorporated certain improvements to the Standard Policy in terms of coverage, in order to encourage small exporters to obtain and operate the policy. Exporters whose anticipated export turnover for a period of one year did not exceed ₹ 50 lakh were eligible for this policy. The loss on account of commercial risks and political risks to the extent of 95 <i>per cent</i> and 100 <i>per cent</i> respectively were covered. Policy period under this type of policy was for 12 months. The minimum premium adjustable was ₹ 2,000 and obligations of exporter included were the same as above except that instead of monthly shipments,

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			exporters were allowed quarterly shipments and filing of claim period was within 12 months from the due date.
3	Specific Shipment Policy (Short term) (SSP)	Declaration	Shipments excluded under Standard Policy or those exporters who did not have Standard Policy could avail the SSP. The validity of period of policy was from the date of issue up to last date allowed under the relevant contract for shipment. 80 per cent of the risk was covered under commercial, political and L/C opening Bank risks. The highlight of this policy was selection of cover.
4	Export (Specific Buyers) Policy	Declaration	Basically, this policy was a declaration policy where exporters had large number of shipments to specific buyer. One policy for one buyer was the highlight of this policy. The validity of the policy was for 12 months with loss payable up to 80 per cent.
5	Export Turnover Policy (ETP)	Declaration	In order to extend benefit to large exporters who contributed a premium of not less than ₹ 10 lakh per annum, ETP was introduced. The policy envisaged premium payable based on initial projection and was subject to adjustment at the end of the year based on actual shipments during the 12 months from the date of issue of policy. Risk covered included commercial, political and L/C opening Bank risks. Percentage of cover available was 90 per cent. The obligations of exporter included premium payable in four equal quarterly installments in advance, quarterly submission of statement of shipments, declaration of overdue payments, filing claim within 24 months and sharing of recovery.
6	Single Buyer Exposure Policy	Exposure	This policy is to ensure exporters having a large number of shipments with simplified procedure and rationalized premium. An exporter can choose to obtain exposure based cover on a selected buyer. The cover would be against both commercial and political risk.

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7	Multi Buyer Exposure Policy (MBE)	Exposure	Some exporters exported to large number of buyer(s). The number of shipments made by them was also high. Hence, in order to meet the needs of such exporters, Company had introduced MBE policy. The policy covered exports to those buyers in countries categorized by the Company as 'Open Cover Country' and subject to condition that at the time of shipment the buyer was not listed in the 'defaulter buyers list'. The policy coverage was 80 <i>per cent</i> of risk.
8	Consignment Export Policy (Stockholding Agent)	Declaration	In August 2004, the Company introduced a separate credit insurance policy to cover consignment exports as economic liberalization and gradual removal of international barriers for trade and commerce opened up various new avenues for export opportunities. This policy covered goods shipped and held in stock overseas ready for sale to overseas buyers, as and when orders were received. Policy covered 90 <i>per cent</i> for standard policyholders and 80 <i>per cent</i> for others. The policy period was for 12 months and exporters were expected to pay premium in advance on quarterly/monthly basis and also obtain credit limit on ultimate buyers beyond the discretionary limit
9	Consignment Export Policy (Global Entity)	Declaration	This policy was similar to the above except that the goods shipped to exporter's own overseas branch office were covered.
10	Service policy	Declaration	Service Policies offered protection to Indian firms against payment risks involved in rendering services to foreign parties. Exporters had the option either to take Whole Turnover Services Policy or Specific Services Policy for a period of 12/24 months with coverage of 90 <i>per cent</i> or 80 <i>per cent</i> .
11	IT-Enabled Services Policy (Specific customer)	Declaration	It is issued to cover commercial and political risks involved in rendering IT enabled services to a particular customer. The policy is offered for contracts, which contain standard terms and

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			conditions as per the norms and practices of the IT-Enabled Services Export Industry. Monthly declaration indicating the services rendered, invoices raised and invoices paid were to be submitted by the exporter. There was no separate overdue report. Percentage of cover available was 80 <i>per cent</i> .
12	IT-Enabled Services Policy (Multi customer)	Declaration	It is issued to cover commercial and political risks involved in rendering IT enabled services to Multi customer The policy is offered for contracts, which contain standard terms and conditions as per the norms and practices of the IT-Enabled Services Export Industry. Monthly declaration indicating the services rendered, invoices raised and invoices paid were to be submitted by the exporter. There was no separate overdue report. Percentage of cover available was 80 <i>per cent</i> .
13	Software Projects Policy	Declaration	It provides protection to exporters of Software and related services where the payments will be received in foreign exchange. Under Software Project Policies, supply of software products and packages, staffing and programming services both off-shore and on-site development is covered.

Export Credit Insurance for Banks

S.No.	Name of the Product/Service	Basis	Description
1.	Whole Turnover Packing Credit (WT-PC)	Declaration	<p>Covers issued at the pre-shipment stage financed by Banks to enable exporters to accomplish timely production, packing and shipment of goods was known as Export Credit Insurance for Banks-Packing Credit (WT-PC). The cover was issued subject to the condition that the Banks or financial institutions offered for cover pre-shipment advances given to all their exporter clients on all over India basis.</p> <p>The eligibility for Banks was minimum number of 25 accounts and assured annual premium of ₹ 5 lakh. All exporters who availed export finance from an insured Bank got automatically covered under whole turnover covers.</p> <p>Maximum liability would be fixed for each Bank on the basis of aggregate outstanding as at 31 March.</p> <p>The risks covered were (i) insolvency of the exporter and (ii) protracted default by the exporter to pay the amounts due to the Bank.</p> <p>The insurance cover was issued for a period of 12 months from 1 July to 30 June.</p> <p>The percentage of cover ranged between 55 per cent and 75 per cent.</p>
2	Whole turnover Post Shipment (WT-PS)	Declaration	<p>Cover issued at the post-shipment stage was known as Export Credit Insurance for Banks-Post Shipment (WT-PS). The cover was issued subject to the condition that the Banks or financial institution offered for cover post shipment advances given to all their exporter clients on all over India basis</p> <p>It covered all exporters who already availed packing credit and intended to continue the credit facilities till the value of shipment was realized from the foreign buyers.</p> <p>The eligibility for Banks was minimum number of 25 accounts and assured annual premium of ₹ 5 lakh.</p>

S.No.	Name of the Product/Service	Basis	Description
			<p>Maximum liability would be fixed for each Bank on the basis of aggregate outstanding as at 31 March.</p> <p>The risks covered were non realization of export proceeds and resultant failure of the exporter to repay the post shipment advances availed of due to insolvency or protracted default.</p> <p>The insurance cover was issued for a period of 12 months from 1 July to 30 June.</p> <p>Percentage of cover ranged between 90 to 95 <i>per cent</i> in respect of exporter holding policy also and advances granted against exports to buyers other than exporters' associates.</p> <p>In respect of advances granted against exports to buyers and were associates, percentage of cover was 60 for exporter having policy and 50 for non policyholder.</p>
3	Individual Packing Credit (IN-PC)	Declaration	<p>Covers issued to Banks which did not hold whole turnover cover or in respect of accounts coming under excluded category such as Small Scale Industrial units, Government Companies and units in Offshore Banking or which had been placed in Specific Approval List subject to certain norms of the Company.</p> <p>The eligibility is the exporter client should be classified as Standard Asset and based on credit rating determined by the Banks for exporters set as norms by the Company. Accounts classified as substandard and below irrespective of credit rating</p> <p>Maximum liability was 66.66 <i>per cent</i> of the packing credit limit sanctioned by the Bank</p> <p>The risks covered were losses incurred by Banks in extending packing credit advances due to protracted default or insolvency of the exporter client.</p> <p>The validity period was 12 months from the date of proposal and expiry date covered up to the last day of that month.</p> <p>Percentage of cover was 66.66 <i>per cent</i>.</p>

S.No.	Name of the Product/Service	Basis	Description
4	Individual Branchwise Packing Credit (IN-BIPC)	Declaration	<p>To cover a number of accounts under individual Packing credit issued by Bank branches and to reduce the administrative work involved the IN-BIPC cover was issued.</p> <p>Maximum liability was 66.66 <i>per cent</i> of the packing credit limits covered.</p> <p>The validity period was 12 months from the date of proposal.</p> <p>Percentage of cover was 66.66 <i>per cent</i>.</p>
5	Packing Credit (Sectoral) – (SIPC)	Declaration	<p>This cover was designed to facilitate a circle or zone of big Banks.</p> <p>Eligibility for Banks was minimum premium of ₹ 10 crore for the Bank as a whole in the immediately preceding year under the WT-PC.</p> <p>Maximum liability was on the basis of total limit and amount standing as per proposal covers issued to that Bank.</p> <p>The insurance cover was issued for a period of 12 months from 1 July to 30 June.</p> <p>Percentage of cover varied between 55 <i>per cent</i> and 75 <i>per cent</i>.</p>
6	Individual Post shipment (INPS)	Exposure	<p>The cover was issued to Banks or financial institutions who were authorized to deal in foreign exchange to cover post shipment advances given to each of its exporter clients.</p> <p>Maximum liability was 75 <i>per cent</i> of the post shipment limit sanctioned by the Bank.</p> <p>The period of cover was 12 months from the date of proposal.</p> <p>Percentage of cover was 75 <i>per cent</i> and varied depending on options exercised by the exporter under Policy and the Banks in the proposal.</p>
7	Export Performance (EP)	Exposure	<p>EP was in the nature of indemnity to the Banks who had provided guarantees to the exporters at various stages of their export business.</p> <p>For Banks holding WT-PC cover, eligibility for EP cover was standard account irrespective of credit rating. But in respect of other Banks</p>

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			<p>only standard accounts with credit ratings based on weightage/marks of above 50 <i>per cent</i> was considered.</p> <p>Maximum liability was 75 <i>per cent</i> of the guarantee value.</p> <p>Normally the percentage of cover was extended upto 75 <i>per cent</i> of loss. Exception of increase to 90 <i>per cent</i> with proportionate increase in premium on merit of the case on request made by Banks could be considered.</p>
8	Export Finance (EF)	Declaration	<p>EF was designed to protect Banks against risks of loss in extending post shipment advances to the exporters against export incentives.</p> <p>EF was issued in respect of exporter clients who were classified as Standard Assets (Regular) and with credit rating based on weightage /marks of 50 <i>per cent</i> and above. For Banks holding WT covers, it was issued to all standard accounts irrespective of credit rating.</p> <p>Maximum liability was 75 <i>per cent</i> of the post shipment limit sanctioned to the account.</p> <p>Risks covered were non repayment of advances by exporters due to protracted default or insolvency</p> <p>Period of cover was 12 months.</p> <p>Percentage of cover was extended upto 75 <i>per cent</i> of the loss.</p>

Annexure II
(Refer Para 3.3)

List of buyers where Overall (credit) Limits were fixed/ enhanced without obtaining latest and full financial information

Sr No	Buyer Code	Buyer Name	Country	Claim paid (net) (₹ in crore)
1	385223964	Bee key distributors ltd	Hong kong	23.23
2	1000387798	Ultra stores inc	USA	6.05
3	533303192	Andin international inc	USA	14.13
4	472236704	Dystar textilfarben gmbh & co deutschland kg	Germany	7.25
5	1000400942	Kristall inc	USA	2.18
6	533201117	Import stone inc	USA	0.38
7	1000479943	A and b trading (llc)	UAE	0.12
8	1000404980	Al arafa star trading llc	UAE	0.71
9	1000450412	Comercializadora neopharma de venezuela c a	Venezuela	0.91
10	1000484044	Peral oasis general trading l l c	UAE	0.75
11	533266333	Saymar stone inc	USA	0.34
12	533234126	Doral fabrics incorporated	USA	0.01
13	1000418015	Gjinos enterprises inc	USA	0.08
14	1000435511	Beyer textiles ltd	New Zealand	0.08
15	1000386636	Sarl l esprit cameleon	France	0.11
16	1000452786	Alaturca natural stone wholesalers cc	South Africa	0.02
17	1000464313	Matoppie distributors (pty) ltd	South Africa	0.15
18	1000430627	Michelangelo specialities inc	USA	0.11
19	1000385441	U s granite machinery inc t/s u s granite sales	USA	0.02
20	1000449318	Metcom	France	1.08
21	533351466	Tile and stone sales inc t/s belstone and tile	USA	0.76
22	1000450615	Bordados fenix s a de c v	Mexico	0.02
23	1000406842	Sierra granite & marble inc	USA	0.08
24	1000403760	Hookery the	USA	0.70
25	1000404578	Stone gallery inc	Canada	0.37
26	1000435696	Usa granite llc	USA	0.14
27	1000436807	Home tile centre of ny inc	USA	0.40
28	425336699	Az designz pty ltd	Australia	0.64
29	533313750	4004 incorporated	USA	17.62
30	533008180	Trade am international	USA	58.33
31	553264276	Instituto biochimico insustria farmaceutica ltda	Brazil	4.50
		Total		141.27

Annexure III
(Refer Para 3.3)

List of buyers where Overall (credit) Limits were fixed/ enhanced despite adverse remarks about the buyer

Sr No	Buyer Code	Buyer Name	Country	Claim paid (net) (₹ in crore)	Deficiency
1	1000467929	Nortel networks s a	France	5.80	Adverse Remarks- greater than average risk
2	1000453324	Claude rozans bvba	Belgium	2.48	Adverse Remarks- medium high risk
3	1000444679	Societe camerounaise de leasing maritime sa	Canada	3.38	Adverse Remarks- undetermined credit appraisal
4	406291778	Ahmed abdulaziz mohamed trading	Saudi Arabia	1.05	Adverse Remarks- no credit recommended
5	488223081	Alpha-nordiska ab	Sweden	0.03	Adverse Remarks- not profitable, loss making
6	489266862	Animex international ltd	Switzerland	0.57	Adverse Remarks- credit not recommended
7	472321962	At-home-gmbh	Germany	0.83	Adverse Remarks- claims could be in dispute
8	468221886	Benazech granits sarl	France	0.54	Adverse Remarks- high risk, postpone exposure
9	483332487	Flowtron	Netherland	0.11	Adverse Remarks- significant level of risk
10	1000461102	Furniture craft limited	UK	0.02	Adverse Remarks- high risk, postpone exposure
11	1000452793	Mitrosh co ltd	Mauritius	0.07	Adverse Remarks- negative net worth
12	1000484237	One o' one t/s o o' o	France	0.09	Adverse Remarks- unfavorable risk
13	493270500	S & n household products ltd	UK	0.66	Adverse Remarks- high risk
14	1000362083	Sarl paule vasseur	France	0.50	Adverse Remarks- no credit recommended
15	425069574	Slate warehouse imports pty ltd	Australia	0.04	Adverse Remarks- adverse, litigation cases
16	1000449609	Sonic gems limited	UK	0.61	Adverse Remarks- above normal risk
17	1000355144	Europa stone distributors inc	USA	0.35	Adverse Remarks- financial condition unbalanced
		Total		17.13	