

ईसीजीसी लिमिटेड

(भारत सरकार का उद्यम)

ECGC Ltd.

(A Govt. of India Enterprise)

Regd. Office:

Express Towers, 10th Floor

Nariman Point, Mumbai- 400 021.

पालिसी का परिशिष्ट / Supplement

to Policy No.

THIS POLICY ISSUED BY ECGC LIMITED (hereinafter referred to as 'the Corporation')
.....(hereinafter referred to as 'the Insured')

WHEREAS the Corporation has issued **Specific Contract (L/C Comprehensive Risks)** Policy No.
dated (hereinafter referred to as the 'Principal Policy') to the Insured;

AND WHEREAS this policy is supplemental to the said Principal Policy;

AND WHEREAS it is understood and acknowledged that in respect of shipments made by the insured against irrevocable Letter of Credit, commercial risks are not covered, that is to say causes specified at sub clauses (i), (ii), (iii) and (xii) of the Principal Policy shall have no application.

AND WHEREAS shipments made against Irrevocable Letters of Credit are subject to certain additional risks not insured under the Principal Policy;

AND WHEREAS the Insured has requested the Corporation and the Corporation has agreed to insure him against a percentage of loss which he may sustain by reason of certain additional risks specified herein below (hereinafter referred to as 'additional risks insured') in respect of shipment made by him against Irrevocable Letter of Credit, details of which are furnished in the schedule attached to the Principal Policy;

NOW, THEREFORE, the Corporation hereby insures the Insured, subject to and in accordance with the terms and conditions herein contained, against a percentage of loss he may sustain in relation to shipments made by him against Irrevocable Letter of Credit during the period of the Principal Policy;

Additional Risks Insured:

- Insolvency, as hereinafter defined of the bank opening the Irrevocable Letter of Credit (hereinafter called 'the Opening Bank'); and
- (ii) Default by the Opening Bank to pay to the Insured, within Four months from the due date of payment, the amount due on the bill drawn by the Insured in terms of the Irrevocable Letters of Credit PROVIDED ALWAYS THAT the Corporation shall have no liability if failure to pay is owing to the Opening Bank's claim that it is justified in not making payment for whatever reasons UNLESS the Insured has established to the satisfaction of the Corporation, through appropriate legal proceedings if so required by the Corporation, the liability of the Opening Bank to pay and that the Opening Bank is in default.

TERMS AND CONDITIONS

- **Time for Ascertainment of Loss :** For the purpose of ascertainment of loss in relation to the additional risks insured, clause 10 of the Principal Policy shall be applicable mutatis mutandis with the substitution of the words "buyer" and "buyer's" appearing therein with the words "Opening Bank" and "Opening Banks" respectively;

- **Credit Limit** : The liability of the Corporation in relation to the additional risks insured herein in respect of bills drawn on any one Opening Bank shall be limited to the amount hereinafter specified as the Amount of Credit Limit on the Opening Bank;
- **Amount of Credit Limit on the Opening Bank** : The amount of Credit Limit on any particular Opening Bank shall be the amount approved by the Corporation and communicated to the Insured in writing as such, on an application made by the Insured therefor.

DEFINITIONS

- **Insolvency** : For the purpose of the additional risks insured, an Opening Bank shall be deemed to be insolvent when
 - ✓ it is declared bankrupt; or
 - ✓ it has made a valid assignment, composition or other arrangement for the benefit of its creditors generally; or
 - ✓ a Receiver has been appointed to manage its estate; or
 - ✓ an effective resolution has been passed for voluntary winding up provided that such resolution is not for the purpose of reconstruction or amalgamation; or
 - ✓ an arrangement binding on all creditors has been sanctioned by the court; or
 - ✓ an order has been passed by the Government or the central bank or such other agency which has the power to issued such an order, suspending the operation of the Opening Bank; or
 - ✓ such conditions exist as are substantially equivalent in effect to any of the foregoing conditions;

save as hereinabove provided, all the terms conditions, provisos and stipulations of the Principal Policy shall apply mutatis mutandis to all the shipments made by the Insured against the Irrevocable Letters of Credit during the period of the Principal Policy.

For ECGC Limited

Office of Issue: - Project Export Branch,
Bandra, Mumbai
Date:

Signature _____
Name (....)
Designation **Assistant General Manager**

ECGC Ltd.

Regd. Office: Express Towers, 10th Floor, Nariman Point, MUMBAI - 400 0021.

ENDORSEMENT

Endorsement attaching to and forming part of Specific Contract (L/C Comprehensive Risks) Policy No. issued to

WHEREAS ("the Exporter) has been issued the aforesaid **of SPECIFIC CONTRACT (L/C COMPREHENSIVE RISKS) POLICY** No. ("the Policy") to cover the comprehensive risks specified therein;

AND WHEREAS the Exporter has represented to the Corporation that all the payments due to him under the contract specified in the Schedule to the Policy are secured by a Letter of Credit established in his favour by the ("the Issuing Bank") and that the buyer-specific risks of loss specified at (i), (ii) and (iii) under the 'Risks Insured' under the Policy are non-existent in the transaction;

AND WHEREAS the Exporter has proposed that the cover extended under the Policy for the risks of loss arising out of insolvency and / or failure of the buyer be substituted by cover for the risks of loss arising out of insolvency and / or failure of the Opening Bank;

AND WHEREAS the said proposal has been agreed to by the Corporation;

NOW THEREFORE in consideration of the premium paid or payable by the Exporter, it is agreed and understood that in so far as the risks of loss arising out of insolvency and / or failure to pay as explained in paragraphs (i) and (ii) of the "Risks Insured" under the Policy are concerned, the same would pertain exclusively to the Opening Bank and that whatever has been stated in the Policy would be understood to mean accordingly.

Save as hereinabove provided, all the terms, conditions, provisos and stipulations of the Policy shall apply mutatis mutandis to all the shipments to be made by the Exporter in performance of the contract dated concluded by the Exporter with and the details of which are furnished in the Schedule to the Policy.

Dated at Mumbai, this

For ECGC Ltd.

Assistant General Manager *

* (The actual designation of the official who is authorised to and is signing the endorsement may given here)