


<p>कार्पोरेशन बैंक (सार्वजनिक क्षेत्र का अग्रणी बैंक) प्रधान कार्यालय, डा पे सं. 88 मंगलूर - 575 001</p>	 e-CIRCULAR	<p>Corporation Bank (A Premier Public Sector Bank) Head Office, PB No.88, Mangalore – 575 001</p>
<p>Credit Division [Credit Policy & Planning Section] Email : CPMS@corpbank.co.in</p>		
HO Circular No. 151/2013	Index No. 11.00/11/2013	05-March-2013

TO ALL THE BRANCHES / OFFICES

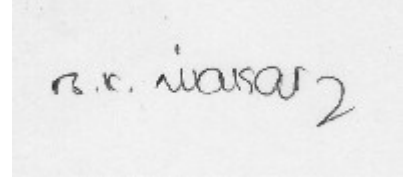
Subject : WHOLE TURNOVER COVERS FOR EXPORT CREDIT OFFERED BY ECGC TO COMMERCIAL BANKS

HIGHLIGHTS

To mitigate the concentration of risk, ECGC has informed the Bank that it is imperative to introduce certain stipulations for cover of incremental Bank credit to Gems, Jewellery & Diamond [GJD] sector

1. Export Credit Guarantee Corporation of India [ECGC] has communicated to the banks that there is perceptible need to align the export credit limits extended to exporters in the Gems, Jewellery & Diamond [GJD] sector, as the exposure of ECGC has increased by 18% to this sector during the current financial year. In order to mitigate the concentration of risk, ECGC has informed banks that it is imperative to introduce certain stipulations for cover of incremental Bank credit to this sector. Illustratively,
 - Aggregate cover to large ECIB account [Export Credit Insurance Cover by Banks] would presently be limited to ECGC prudential limit of Rs 1084 crore per exporter and Rs 1626 crores per exporter group.
 - Cover would be available on credit limit sanctioned based on the projection of turnover upto 120% only and upto maximum of 40% of the anticipated annual turnover of the exporter.
 - For incremental exposure, additional collateral security of 50% be taken.
 - Banks to obtain latest satisfactory credit report on overseas buyers before extending credit against bills drawn on such buyers
 - Banks to verify the Buyers Specific Approval List [BSAL] maintained by ECGC prior to granting advances under PS, electronic access to which is available with all bank branches.
 - Obtention of Buyer Credit information reports from reputed Credit information Agencies, directly or through ECGC.
2. Apart from the above, banks are examining the following measures suggested by ECGC for implementing.
 - Ad-hoc / Stand by limit beyond MPBF would not be covered by ECGC
 - Not to combine the pre shipment limit with CC limit
 - The share of Packing Credit limit in the total limit shall not exceed the proportionate share of export turnover.

3. However, the existing condition such as 50% cover for incremental exposure, specific approval for covers exceeding Rs 25 crore would continue.
4. All our Branches and other Offices are advised to note the above to ensure availability of ECGC cover for export credit extended to GJD sector borrowers.



[B K DIVAKARA]
GENERAL MANAGER

Note : Hindi version of the Circular follows.