

Important Notice

To

Sh. A.V. Murlidharan,
CMD, ECGC
Express Towers, PB No. 373,
10th Floor, Nariman Point,
Mumbai
Fax No. 022-66590546, 022-23813470

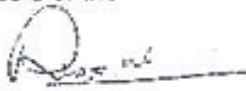
New Delhi, the 7th January, 2009

Sub:- Amendment of National Export Insurance Account (NEIA) to expand its scope and utilization of its corpus.

The undersigned is directed to state that it has been decided to expand the objectives of National Export Insurance Account (NEIA) and to provide for short-term cover in use of NEIA funds upto Rs. 350 crores for the financial years 2008-09 and 2009-10, allowing the following benefits to the exporters:-

- (i) The ECGC cover for MSMEs may be enhanced to 95%.
- (ii) For MSMEs there would be no restriction on sectors or markets while for non-MSMEs the support would be limited to Textiles (including handicrafts and handlooms), gems and jewellery, leather, engineering products, carpets, project goods, auto-components and chemicals.
- (iii) The scheme would be available upto 30.6.2009 and would be reviewed thereafter. For all policies sanctioned upto 30.6.2009, the claims could be processed in 2009-10 and 2010-11.
- (iv) The increase of insurance risk cover to banks from 75% to 85% would be limited to MSME exporters only.

02. It is requested that further follow up action for the implementation of the decision may be taken immediately. It is also stated that progress of action to implement the decision has to be included in the Ministry's Monthly summary for the information of the members of the Council of Ministers.


(R.B. JOSHI)
Deputy Secretary
8.1.2009
Fax No. C11-2306 3415

Copy to:-

- (i) Sr. PPS to Commerce Secretary
- (ii) Sh. Amrendra Khatua, Joint Secretary, D/o Commerce.
- (iii) Executive Director, ECGC.
- (iv) Sh. S.K. Viliathan, Under Secretary (Cabinet) w.e.t. letter No. CCEA/39/2008(i) dated 31st December, 2008

Copy also to : All Joint Secretaries in the Department of Commerce.