

File No. SY-19014/80/2024-SBR
Government of India
Ministry of Ports, Shipping and Waterways
(SBR Section)

3rd Floor, PTI building,
1 – Parliament Street,
New Delhi – 110001
Dated: November 4th, 2025

To,

1. CMD, Cochin Shipyard Limited (CSL)
2. CMD, Shipping Corporation of India (SCI)
3. CMD, Hindustan Shipyard Limited
4. CMD, Mazagon Dock Shipbuilder Limited
5. CMD, Goa Shipyard Limited
6. CMD, Garden Reach Shipbuilder and Engineers Limited (GRSE)
7. CMD, Swan Defence and Heavy Engineering
8. CMD, L&T Shipbuilding
9. CMD, Shoft Shipyard pvt. Ltd.
10. CMD, Chowgule and Company Pvt. Ltd.
11. CMD, Titagarh Wagon Limited
12. CMD, Chowgule Global
13. Head, ISTC
14. Directorate General of Shipping
15. Advisor, Shipyards Association of India (SAI)
16. CEO & MD, Indian Shipbuilders Association of India (ISBA)
17. CEO, Indian National Shipowners Association (INSA)
18. VC & CEO, Gujarat Maritime Board (GMB)
19. New India Assurance (NIA)
20. Export Credit Guarantee Corporation of India (ECGC)
21. Sagarmal Finance Corporation Limited (SMFCL)
22. Indian Register of Shipping (IRS)
23. Indian Maritime University (IMU)
24. Centre of Excellence in Maritime and Shipbuilding (CEMS)
25. Ship Recycling Industries Association (SRIA)
26. International Shipyards (HD KSOE, Hanwha Ocean, Imabari Shipyards, CMA CGM, AP Moller Maersk, MSC, Damen Shipyards, Royal HSC, DP World, NYK Line Japan)
27. Container Shipping Lines Association (CSLA)

Subject: Draft Guidelines for P3 i.e., **Shipbuilding Development Scheme (SbDS)** for Capacity & Capability development and credit risk coverage for shipbuilding in India.

Sir,

The undersigned is directed to say that Union Cabinet, in its meeting held on 24.09.2025, approved the **Shipbuilding Development Scheme (SbDS)** for Capacity & Capability development and credit risk coverage for shipbuilding in India of this Ministry to promote shipbuilding in India.

2. In this regard, it is stated the draft guidelines for the above mentioned scheme have been prepared in consultation with various stakeholders. A copy of the draft guidelines is attached for perusal. NIC team is requested to upload the draft guidelines on the Ministry's website/portal.
3. It is requested that your opinion / comments on draft guidelines may be sent to SBR Division in the attached proforma latest by 13th November, 2025 positively on the following mail – js-shipping@gov.in, js-ports@nic.in, dir1-psw@gov.in and usshipping2-psw@gov.in.
4. DG Shipping is requested to upload the same on their portal and seek inputs / comments/ suggestions from public / stakeholders.
5. Your Co-operation and early reply will be highly appreciated.

Yours faithfully,



(Pranav Mittal)

Under Secretary to the Govt. of India

Tel: 011-23311659

Email: usshipping2-psw@gov.in

Format for seeking comments on Guidelines for adopting Shipping Development Scheme (SbDS) for Capacity and Capability Development and Credit Risk Coverage for Shipbuilding in India – reg.

Organization/Agency Name:

Address with Contact details:

Type of Agency (Govt/Private/PSU/Individual/other):

Para wise remarks on the draft:

Sl. No.	Para No. of the Draft	Existing text in the draft guidelines	Proposed changes	Remarks

Other Remarks (If any):

E-mail this format to js-shipping@gov.in, js-ports@nic.in, dir1-psw@nic.in and copy to usshipping2-psw@gov.in.

**Committee Report on Shipbuilding Credit
Risk Coverage Guidelines under
Shipbuilding Development Scheme (SBdS)**

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Committee Report on Ship building Credit Risk coverage Guidelines under Shipbuilding Development Scheme (SBdS)

Dated: 03-11-2025

1. Background

In pursuance of the Office Memorandum No. SY-13017/III/2025-SBR dated **9th** October 2025 issued by the Ministry of Ports, Shipping and Waterways (MoPSW), the Directorate General of Shipping (DGS) was entrusted with the task of constituting three committees for formulation of guidelines under the Shipbuilding Development Scheme (SBDS) and the Shipbuilding Financial Assistance Scheme (SBFAS).

Accordingly, three committees were constituted:

1. **Committee-I** – For framing guidelines on the *Shipbuilding Financial Assistance Scheme (SBFAS)*.
2. **Committee-II** – For framing guidelines on *Capacity and Capability Building of Greenfield Shipbuilding Clusters and Brownfield Shipyard Expansion Projects*.
3. **Committee-III** – For formulating *Credit Risk Coverage Guidelines for Shipbuilding Projects*.

This report pertains to the work carried out by Committee-III, constituted to prepare guidelines for Shipbuilding credit risk coverage under the 4th component of the Shipbuilding Development Scheme (SBDS).

2. Objective of the Committee

The Committee was established to:

- Operationalize the **₹1,443 crore corpus** allocated under SBDS for Credit Risk Coverage.
- Develop the institutional and governance framework for the nomination, onboarding, and functioning of credit risk cover agencies.
- Define fund disbursement, reporting, and monitoring structures.
- Ensure alignment with the Cabinet-approved framework for the *Shipbuilding Development Scheme* (Pillar 3).

The guidelines aim to provide Indian shipyards with insurance-based protection against pre-shipment, post-shipment, and vendor-related risks, strengthening sectoral resilience and investor confidence.

3. Constitution of the Committee

As per MoPSW's order, the Directorate General of Shipping (DGS) constituted Committee-III with representation from:

- MoPSW (Director–SBR)
- Directorate General of Shipping (DGS)
- ECGC Limited
- New India Assurance (NIA)
- Sagarmala Development Financial Corporation Ltd (SDFC)
- Shipyards Association of India (SAI)
- Shipbuilders and Industry Experts (SWAN Defence, L&T etc.)

Director (SBR), MoPSW served as the Member from the Ministry, and an officer from DGS, Shri Ravi Kumar Moka, Ship Surveyor-cum-DDG (Tech), acted as the Member Convener of the Committee.

4. Meetings Conducted with Stakeholders

Date	Type	Venue	Participants
15.10.2025	Online Stakeholder Meeting with Core committee	Virtual	MoPSW, DGS, SAI, ISBA, CSL, IRS, GMB, SCI, INSA, SRIA, Industry representatives
17.10.2025	Physical/Hybrid Stakeholder Meeting with Core committee	Gujarat Maritime Board Office, GIFT City, Ahmedabad (Hybrid)	DGS, GMB, regional shipyards (L&T, ABG, Chowgule, Mandovi), cluster associations
25.10.2025	Core Committee (Internal Review)	Virtual	MoPSW (JS–SBR, Dir–SBR), DGS, ECGC, NIA
30.10.2025	Physical/Hybrid Stakeholder Meeting with Core committee	Directorate General of Shipping (Hybrid)	DGS, ECGC, NIA, Shipyard representatives, APMB, SAI, SWAN Defence, KPMG

5. Summary of Deliberations

5.1 Scope and Framework

The committee agreed that the credit risk coverage guidelines form a key risk mitigation pillar under the Shipbuilding Development Scheme (SBDS) and would:

- Be applicable to all registered Indian shipyards.
- Operate **through** nominated government-owned insurance agencies (ECGC & NIA).
- Focus on pre-shipment, post-shipment, and vendor default insurance products tailored to shipbuilding contracts.

5.2 Institutional Framework

- **Nodal Body:** National Shipbuilding Mission (NSbM) – Apex oversight body.
- **Implementing Agency:** *Directorate General of Shipping (DGS)* or *Sagarmala Financial Corporation Ltd (SFCL)* to handle fund disbursement.
- **Credit Risk Cover Agencies:** *ECGC Ltd* (for export-linked covers) and *New India Assurance (NIA)* (for domestic shipbuilding).
- **Corpus Allocation:** ₹1,443 crore to be disbursed annually or in multiple tranches based on utilization and fund requirement.

6. Key Deliberations

- 6.1.1 The detailed list of deliberated items and inputs from stakeholders on the Shipbuilding credit risk coverage guidelines are attached as Annexure-II.
- 6.1.2 The Minutes of meetings for the three core committee meetings with Industry stakeholders and one core-committee meeting along with List of participants is attached as Annexure-I.

7. Items to be Finalized with NSbM

The following aspects require policy-level finalization by the National Shipbuilding Mission (NSbM):

1. Confirmation of the Implementing Agency (DGS or SFCL).
2. Corpus replenishment mechanism and flexibility for mid-term fund augmentation.
3. Decision on allowing private insurers or reinsurance partners in subsequent phases.
4. Approval mechanism for product design and pricing (through IMGB).
5. Standard MoU templates defining fund access, performance benchmarks, and reporting structure.

6. Reinsurance and vendor default product design validation.
7. Actuarial study protocol and periodic review cycle.

8. Conclusion

The Committee on Shipbuilding Credit Risk Coverage completed its mandate by:

- Conducting four comprehensive stakeholder consultations and one internal meeting.
- Consolidating and reviewing stakeholder inputs from *ECGC, NIA, shipyards, and industry bodies*.
- Finalizing the framework for credit risk coverage guidelines, incorporating operational, financial, and institutional mechanisms.

The draft operational guidelines for the Shipbuilding Risk Coverage Scheme under SBDS attached as Annexure-IV is accordingly submitted for Approval and onward submission to the Ministry.

9. Annexures

- **Annexure I:** Minutes of Meetings (dated 15.10.2025, 17.10.2025, 25.10.2025, and 30.10.2025) along with List of participants.
- **Annexure-II :** Consolidated Stakeholder Feedback/inputs Table on the Shipbuilding Risk coverage Guidelines under SBdS.
- **Annexure III:** Committee Constitution Orders (MoPSW O.M. dated 09.10.2025)
- **Annexure IV:** Draft guidelines for Shipbuilding Risk coverage under SBdS.

Submitted by



(Ravi Kumar Moka)

Ship Surveyor-cum-Deputy Director General (Tech)

Member Convener – Committee on Shipbuilding Credit Risk Coverage

Directorate General of Shipping, Mumbai

To:

The Director General of Shipping

For onward submission to

Ministry of Ports, Shipping and Waterways (MoPSW)

Government of India

1st Online Stakeholder consultation Meeting MOM of Core committee meeting with Stakeholders on Credit Risk coverage

Date: 15th October 2025

Time: 11:45 hrs

Venue: Online Meeting

Convened by: DG Shipping, MoPSW

Participants:

- Ravi Kumar SJ, DGS
- K. Ramesh & Team (ECGC)
- Sanjay Kumar & Team (NIA)
- Abhinav Parpudi
- Amit Dethe
- Anuj Gupta
- Other stakeholders

Key Discussion Points and Actions to be Taken

Corpus Utilization & Guidelines

Key Discussion Points:

- Government approved outlay of ₹1,443 crore for credit risk cover under shipbuilding scheme.
- Corpus intended for payouts on defaults; operational costs to be recovered via nominal premiums.
- MoPSW to define process guidelines for fund release (annual/semi-annual/mid-year contingency).

Leverage & Multiplier Factor

Key Discussion Points:

- ECGC to propose leverage/multiplier factor based on risk profile and actuarial evaluation.
- MoPSW will not impose leverage; decision left to ECGC.

Policy Structure

Key Discussion Points:

- Policies likely to be contract-specific, not blanket or annual.
- Duration should align with shipbuilding timelines (2–6 years).
- May require new product filing with IRDA for multi-year coverage.

Premium & Viability

Key Discussion Points:

- Premiums should be nominal but sufficient to maintain insurance principles.
- Premium revenue to cover operational costs and capacity building.

Technical Expertise & Training

Key Discussion Points:

- Need for sector-specific expertise for loss assessment and product design.
- MoPSW to facilitate training and technical support.

Operational Mechanism

Key Discussion Points:

- Corpus parked with MoPSW; ECGC to request funds based on underwriting plans.
- Provision for additional corpus mid-year if initial allocation exhausted.

Contractual Issues”

Key Discussion Points:

- Ownership and salvage rights in case of buyer insolvency discussed.
- Industry practice: buyer ownership only after final payment; contract terms critical.

Risk & Insolvency Trends

Key Discussion Points:

- Past insolvencies noted; data-driven approach recommended.
- Shipyards generally conduct credit checks before signing contracts.

2nd Physical/Hybrid Stakeholder Consultation meeting
MOM of Core committee meeting with Stakeholders on Shipbuilding Credit Risk coverage

Date: 17th October 2025

Time: 14:45 hrs to 15:20 hrs

Venue: Online Consultation

Convened by: Directorate General of Shipping (DG Shipping), Ministry of Ports, Shipping & Waterways

Participants: (Full List of Participants is attached as Annexure-I).

- Shri Vipul Singhal, Director, MoPSW
- Shri Pradeep Sudhakaran, CSS, DGS
- Shri Ravi Kumar, SS , DGS
- Representatives from ECGC Ltd – Shri Suresh & Team
- Representatives from NIA – Shri Bharat Bezawada & Ms. Swati Gupte
- Shri Abhinav Parpudi, Consultant (MoPSW)

Meeting Objective

To finalize implementation guidelines for Credit Risk Cover under SBDS, focusing on onboarding agencies, fund disbursement, reporting, and oversight. Product-specific details to be addressed later.

Context and Opening Remarks

The meeting aimed to operationalize ₹14,143 crore allocation under SBDS for credit risk coverage. Guidelines will define onboarding process, roles, fund transfer mechanism, and monitoring framework. Product design will follow through stakeholder interactions.

Key Discussion Points and Actions to be Taken :

1. Scope of Guidelines

Key Discussion Points:

- Focus on onboarding credit risk cover agencies, defining roles, fund transfer process, and monitoring mechanism.
- Product-specific details (pre-shipment, post-shipment, vendor default) will be finalized later.

Actions to be Taken:

- NSM to finalize implementing agency and issue nomination letters.
- Agencies to submit proposals with timelines for product development and fund management.

2. Agencies & Nomination Process

Key Discussion Points:

- ECGC Ltd and NIA confirmed as initial agencies.
- Nomination letters to be issued by NSM after proposal evaluation.
- Communication routed through respective ministries, not directly to agencies.

Actions to be Taken:

- NSM to coordinate with ministries for official communication.

3. Implementing Agency & Fund Management

Key Discussion Points:

- Likely implementing agency: Sagarmala Development Financial Corporation (SDFC).
- Annual business plan required for year-on-year corpus allocation; mid-year replenishment allowed if corpus exhausted.

Actions to be Taken:

- Implementing agency to prepare fund disbursement modalities.

4. Premium Structure & Nature of Insurance

Key Discussion Points:

- Premium to be nominal, covering operational and training costs; actuarial study will determine actual rates.
- NSM approval required for each product; implementation agency to review premium fairness.
- Insurance covers optional, not mandatory.

Actions to be Taken:

- Agencies to initiate actuarial studies and share findings with NSM.

5. Additional Points

Key Discussion Points:

- Agencies must include fund management plan per IRDA norms.
- Corpus usage restricted to issuing covers and claim settlement only.
- NSM empowered to introduce new products without cabinet approval.

Actions to be Taken:

- Draft guidelines to incorporate premium study requirement and reporting obligations.

Decisions and Confirmations

Proceed with implementation guidelines based on:

- Agency onboarding via NSM nomination.
- Corpus management with annual and mid-year allocations.
- Quarterly reporting with flexibility for interim top-ups.
- NSM oversight for all approvals.

ANNEXURE-II

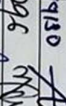
LIST OF PARTICIPANTS FOR PHYSICAL/HYBRID MEETING ON Capacity & Capability development Guidelines under SbdS on 17-10-2025 @ GIFT City

Attended participants	113
Start time	10/17/25, 9:45:00 AM
End time	10/17/25, 3:56:49 PM
Meeting duration	6h 11m 48s

SNO	Name	Organization
1	Ravi Kumar(SS)	DGS
2	GES GSL	GSL
3	vijayendra Deshpande (Unverified)	SAI
4	HSL (Unverified)	HSL
5	Sabyasachi Majumder	INSA
6	SAN MARITIME INDIA PVT LTD (Unverified)	San Marine
7	IMU Prof. Sivakholundu	IMU
8	CEO MMB	MMB
9	SCI- N K Tripathi (Unverified)	SCI
10	CAPT ARUN KUMAR	SAI
11	Anshul Wadia	Wadia
12	Naveen Kumar (External)	IRS
13	GRSE (Unverified)	ISBA
14	Hariprasad R (External)	IRS-PMU
15	Ankush Raj	SEED-EY
16	Rohit Tagade (External)	IRS
17	San Marine Marine	SanMarine
18	R. V. Vimal (External)	SAI
19	Sanjeev (Unverified)	SAI
20	Gaurav Bhalerao (External)	SAI
21	CSL (Unverified)	CSL
22	Jobin Joseph (Synergy) (Unverified)	Synergy
23	Sanjiv Kapoor (External)	SWAN DEFENCE
24	Akshay S	SEED-EY
25	Sanjeev Shoft Shipyard (Unverified)	SHOFT
26	prasanna kumar	Wadia
27	Tanay Nagvekar	Chowgule Lavgan Ship Repair Pvt Ltd
28	Sree Veeramane N	Chowgule Global Lavgan Shipyard
29	Sushil Rajmane (External)	SAI
30	Akshay Jain VEDAM (External)	Vedam
31	Goa Shipyard Ltd (Unverified)	GSL
32	shipbuilding-apmb (External)	APMB
33	Dy CE (DPA) (Unverified)	DPA
34	Capt. Kapil Kekre (External)	INSA

35	Nagesh Krishna Moorthy	SAI
36	Aneena R Innocent	SEED-EY
37	CSL Nagesh (Unverified)	CSL
38	Anshuman Srivastava	SAI
39	Attreya Sawant	Mandovi
40	Bosco D Silva	MOC
41	Shri Vipul Singhal	MoPSW
42	Dhrumil D Kelkar	INSA
43	Amit Waje (External)	IRS
44	SCI- N K Tripathi (Unverified)	SCI
45	Pranav R Pai	SRIA
46	Mitesh Agarwal (External)	SRIA
47	Ram K (Unverified)	TNMB
48	Traffic Manager, NMPA (External)	NMPA
49	pranati (Unverified)	SHOFT
50	Anuj Gupta	KPMG-PMU
51	Prasad Sawant	BuoyancyConsultants (External)
52	GSL (Unverified)	GSL
53	Uday Bhatt.SRIA	SRIA
54	pranati prabhu	SHOFT
55	BHARATH KRISHNAN	L&T Kattupalli
56	Naseer A	SAI
57	Sanjiv Walia	SAI
58	Rob (Unverified)	MOC
59	Manager (Environment and Safety) (Unverified)	KMB
60	MMB (Unverified)	MMB
61	Chief-Manager (Env&Safety), DPA (Unverified)	DPA
62	Dharmesh Jani (Unverified)	SAI
63	Gopi Krishna Sivvam (External)	SRIA
64	Prantik Bhatt	ISBA
65	ASHA V RAO (Unverified)	CSL
66	Malika SeaTech (Unverified)	SeaTech
67	Dethe, Amit	KPMG
68	Amal Aloshie Vithayathil (External)	IRS
69	PRADEEP	ISBA
70	Janaki Ganesan	SAI
71	Anil Jain (Unverified)	SAI
72	Pravat Kusum Halder (External)	Victoria shipyard
73	priyesh Kamat	Synergy
74	Daniel (Unverified)	SAI
75	sanjeev (Unverified)	ECGC
76	MAZAGON DOCK SHIPBUILDERS LTD (External)	MDL
77	Aaisha KS (External)	SAI
78	Ankur Anal	DGS

79	san maritime (Unverified)	San Marine
80	A C ROY (Unverified)	AC ROY shipbuilders
81	Tom Davis, CSL (Unverified)	CSL
82	Anuj Gupta (Unverified)	KPMG-PMU
83	A S	SAI
84	Suken Shah	SAI
85	CMC (External)	CMC
86	Vishal Jain	SeaTech
87	dijo (Unverified)	CSL
88	Sajan John (Unverified)	CSL
89	IMU - Prof. Sivakholundu (Unverified)	IMU
90	Saurabh Pradip Gadkari (External)	SAI
91	anil jain (Unverified)	Vedam
92	Harshita Raju	ISBA
93	RAADS MARINE (Unverified)	SAI
94	Harshita Jaiswal	ISBA
95	Pandurang Dhond	Chowgule
96	K.RAMESH (Unverified)	NIA
97	Parpudi, Abhinav	KPMG
98	Mehul Diwan	SAI
99	SANJAY KUMAR ECGC NRO (Unverified)	ECGC

Attendance Sheet						
MOPSW Stakeholder meeting on Shipbuilding Financial Assistance Scheme held in GIFT City, Gandhinagar on 17.10.2025						
S. No.	Name	Designation	Organisation	Email ID	Phone no.	Signature
1	Amit S. Waje	Principal Surveyor	IRS	amit.waje@irdns.org	9890619150	
2	NAVEEN KUMAR	Sr. Surveyor	IRS	naveen.kumar@irdns.org	9821616196	
3	Prashant Asogetkar	Asst. Manager	Chowgule, Goa.	prashant.asogetkar@chowgule.co.in	9822736298	
4	Ravi Kumar,	SI-Dock (Team)	DG Shipping	ravi.k43@gov.in	9357612493	
5	Mukul Meusam	Asst. Secy	GOA	mukul.meusam@goa.gov.in	9909944400	
6	Ankur And	Jr. Ship Surveyor	DG Shipping	ankurand.dg@gov.in	7728076493	
7	BHARATH KRISHNAN	Dam, B&I metn	L8T	Bharath.krishnan	960002656	
8	GU. PALANIMUTHU	Dam Finance	L & T	palanimuthu.g@lt.com	9865124506	
9	Capt. B. Adin Navaraj	Port officer	APMB	navaraj.b@apmb.in	98187221	
10	Shri Subhash Chander	Dam	ECGC	subhash.chander@ecgc.in	3810510002	
11	Shri. Panav Kumar	Manager	ECGC	panav.kumar@ecgc.in	9304345493	
12	Kalpesh Vithani	Inv. Project	AMR	kalpesh.vithani	9099507616	
13	PC Halpati	SECC	AMR			
14	RB Talavija	CE	AMR		9925153650	
15						
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3rd Hybrid Core committee meeting

MOM of Core committee meeting with Stakeholders on Shipbuilding Credit Risk coverage

Date: 25 October 2025

Time: 1400 – 1500HRS

Chair: Shri Venkateshpathy, Joint Secretary(SBR), MoPSW

Participants:

- Shri Vipul Singhal, Director, MoPSW
- Shri Pradeep Sudhakaran, CSS, DGS
- Shri Ravi Kumar, SS , DGS
- Representatives from ECGC Ltd – Shri Suresh & Team
- Representatives from NIA – Shri Bharat Bezawada & Ms. Swati Gupte
- Shri Abhinav Parpudi, Consultant (MoPSW)

1. Background

The meeting was convened to operationalize the **Credit Risk Insurance Component** of the **Shipbuilding Development Scheme (SbDS)** approved by the Cabinet by ECGC & NIA and to:

- Finalize the implementation framework for **Pre-shipment, Post-shipment, and Vendor Default Insurance** covers;
- Identify implementing agencies;
- Establish timelines and actionable items for inclusion in the **SbDS Operational Guidelines**.

2. Key Discussions

2.1. MoPSW Introductory Remarks (JS)

- The Cabinet has approved ₹1,443 crore outlay for **Credit Risk Coverage** under SbDS till FY 2036.
- NSbM will issue detailed guidelines within **90 days** of Cabinet approval (as per Appendix I of the Cabinet Note).
- MoPSW proposes to nominate **ECGC Ltd** and **New India Assurance (NIA)** as implementing agencies for export and domestic shipbuilding risk covers respectively.
- Three key clarifications sought:
 1. Whether ECGC/NIA can directly float products under the scheme or require approvals from SEBI/IRDA/parent ministries.
 2. Whether funds can flow directly from the **Consolidated Fund of India (CFI)** or require a layer such as **Sagarmala Financial Corporation Ltd (SMFCL)**.

3. Tentative **timelines** for product formulation and presentation before the Inter-Ministerial Governing Board (IMGB).

2.2. ECGC Response

- Formal communication from MoPSW to ECGC (and its parent ministry, Department of Commerce) is required to initiate product development.
- The **Vendor Default Insurance** product falls outside ECGC's current mandate and needs **IRDA** and **Department of Commerce** clearance.
- Once clearance is received, product rollout is possible within **3–4 months**.
- Actuarial studies will be conducted to determine risk leverage ratios and product viability.
- Noted need for possible **replenishment of corpus** over time, since one large claim can deplete the ₹1,443 crore corpus.

2.3. NIA Response

- NIA's existing **Trade Credit Insurance** products cover up to six months' credit period, inadequate for shipbuilding's 7–10-year project cycles.
- Long-term credit exposure requires **Surety Bond** or **Project Insurance** products, currently under development.
- Reinsurance support from global partners will be necessary due to large risk aggregation per project (₹200–300 crore average exposure).
- Proposed actuarial assessment of coverage structure and corpus adequacy.

2.4. Discussion Points

- Director (MoPSW) emphasized that products should be customized for **shipyard-specific needs**, not generic trade policies.
- Premiums must be **nominal**, prioritizing sectoral development rather than profitability.
- Government will provide annual corpus infusion; insurance products must be designed for **self-sustenance and scalability**.
- NSbM will seek **business plans** from ECGC/NIA for annual risk coverage and required corpus leveraging.
- Provision to replenish corpus mid-term in case of extraordinary events (force majeure, market collapse, etc.) will be included in guidelines.
- ECGC/NIA to engage in detailed **stakeholder consultations with shipyards** before finalizing products.

3. Framework for Guidelines (as agreed)

1. Implementing Agencies

- **ECGC Ltd:** Export-related risk covers (Pre-shipment, Post-shipment, Vendor Default – export).
- **New India Assurance (NIA):** Domestic shipbuilding risk covers and Surety Bonds.

2. Guiding Principles

- Premiums to be kept minimal considering Government corpus support.
- Annual corpus allocation based on leveraging ratio and business plan submitted to **NSbM/IMGB**.
- Detailed actuarial justification to be part of each agency's submission to their regulatory authority and NSbM.
- Products to ensure financial sustainability with periodic actuarial review.

3. Fund Flow

- Option 1: Direct fund flow from Consolidated Fund of India to ECGC/NIA.
- Option 2: Layered mechanism through **Sagarmala Financial Corporation Ltd (SMFCL)** (MoPSW to decide based on DoE advice).
-

4. Product Approval & Timelines

- MoPSW to issue formal communication to ECGC and NIA by **30 Oct 2025** authorizing product development.
- Both agencies to present draft products to IMGB/NSbM..
- IMGB approval is needed to enable the launch of the scheme.

5. Closing Remarks

- JS emphasized that ECGC and NIA, being Government institutions, are to act as **pilot agencies** under this scheme.
- Both agencies will independently design and propose risk coverage products; duplication is to be avoided.
- NSbM Secretariat will coordinate all inter-agency communication.
- Director (MoPSW) reiterated that the **guidelines must remain simple, generic, and flexible** within the ambit of the **Cabinet-approved DCN Pillar 3 document**.

The meeting concluded with Vote of thanks to the chair.

4th Physical/Hybrid Stakeholder Consultation meeting MOM of Core committee meeting with Stakeholders on Shipbuilding Risk coverage Guidelines)

Time: 17:00 -19:00

Venue: Hybrid (DG Shipping HQ and online)

List of Participants : (Full List of Participants is as per Annexure-II)

- DG Shipping (Pradeep Sudhakaran, Ravi Kumar Moka, Ankur Anal, PMU.
- Ministry of Ports/Shipping/Waterways (MoPSW), NSBM, national shipyard
- associations (SAI, INSA)
- Major shipyards (Aatreya, SDHI, L&T, Aatreya, San Marine, Chowgule, APMB,
- CSL, HSL,)
- Researchers, evaluation agency reps), IMU,
- State Maritime Boards (GMB, Andhra Pradesh)
- NIA/ECGC, finance experts

Key Discussion Points:

- Objective: Operationalize ₹1,443 crore allocation under SBDS for credit risk coverage.
- Guidelines focus on onboarding agencies, defining roles, fund transfer process, and monitoring mechanism.
- Product-specific details (pre-shipment, post-shipment, vendor default) will follow later through stakeholder interactions.

Actions to be Taken:

- NSM to finalize implementing agency and issue nomination letters.
- Agencies to submit proposals with timelines for product development and fund management.

2. Agencies & Nomination Process

Key Discussion Points:

- ECGC Ltd and NIA confirmed as initial agencies.
- Nomination letters to be issued by NSM after proposal evaluation.
- Communication to route through respective ministries, not directly to agencies.

3. Implementing Agency & Fund Management

Key Discussion Points:

- Likely implementing agency: Sagarmala Development Financial Corporation (SDFC).
- Annual business plan required for year-on-year corpus allocation; mid-year replenishment allowed if corpus exhausted.

Actions to be Taken:

- Implementing agency to prepare fund disbursement modalities.

4. Premium Structure & Nature of Insurance

Key Discussion Points:

- Premium to be nominal, covering operational and training costs; actuarial study will determine actual rates.
- NSM approval required for each product; implementation agency to review premium fairness.
- Insurance covers optional, not mandatory.

Actions to be Taken:

- Agencies to initiate actuarial studies and share findings with NSM.

5. Additional Points

Key Discussion Points:

- Agencies must include fund management plan per IRDA norms.
- Corpus usage restricted to issuing covers and claim settlement only.
- NSM empowered to introduce new products without cabinet approval.

Actions to be Taken:

- Draft guidelines to incorporate premium study requirement and reporting obligations.

Summary of Queries and Replies:

SN	Inputs/clarification sought	DGS Clarification
1	Agencies sought clarification on the nomination processes for selection of credit risk coverage provider	It was clarified that presently only ECGC and NIA will be nominated by NSbM. Communication in this regard will be routed through respective ministries.
3	The stakeholders sought clarity on the term "Nominal Premium" in the draft guideline and requested to quantify the same as the premium for these covers will be additional cost to shipyard and/or shipowners as passed on cost	It was clarified by ECGC and NIA that an actuarial study is required, without which quantification of premium is not possible. DGS and MOPSW further clarified that these premiums will be reviewed and approved by NSbM.
3	Query on mandatory nature of insurance - Stakeholders sought clarification whether the insurance would be mandatory for shipyards	It was clarified that these insurance covers will be optional and not mandatory for the shipyards, and be based on shipyard risk appetite
4	They requested clarification on the fund management strategy for the corpus, as the funds would remain idle in the absence of claims, particularly during the initial phase.	It was requested from the insurance agencies to incorporate an IRDAI-compliant fund management plan within their proposals.
5	Stakeholders discussed whether the corpus under this scheme could also be utilized to subsidize insurance premiums in addition to covering claims	It was clarified that as per the approved cabinet note the corpus is restricted to cover claim settlement only
6	A query was raised on whether funds allocated under various pillars, such as SBFAS, MDF, and SbDS, can be utilized interchangeably.	It was clarified that funds allocated to each pillar are separate and distinct; however, reallocation within subschemes under the same pillar may be permitted with the approval of the competent authority.

7	A query was raised on whether any of these insurance products would also cover litigation costs incurred by shipyards prior to the processing of claim settlements.	It was clarified by ECGC that none of these insurance policies will cover the litigation costs.
8	Agencies sought clarification on the nomination processes for selection of credit risk coverage provider	It was clarified that presently only ECGC and NIA will be nominated by NSbM. Communication in this regard will be routed through respective ministries.

ANNEXURE-IV

LIST OF PARTICIPANTS FOR PHYSICAL/HYBRID MEETING ON SBFAS & SBdS, Credit Risk cover Guidelines on 30-10-2025

	Attended participants	64	
	Start time	10/30/25, 1:20:19 PM	
	End time	10/30/25, 6:44:57 PM	
SNO	Name	Organizaion	Email
1	Ravi Kumar(SS)	DGS	ravi.k43@dgsmumbai.onmicrosoft.com
2	DIRECTORATE GENERAL OF SHIPPING-IN	DGS	Directorate@dgsmumbai.onmicrosoft.com
3	Anil Devli, CEO INSA (External)	INSA	ceo@insa.org.in
4	Amal Aloshe Vithayathil (External)	IRS	Amal.Aloshe@irclass.org
5	Amit Waje (External)	IRS	Amit.Waje@irclass.org
6	Uday Bhatt.SRIA	SRIA	
7	Pandurang Dhond Ship Building Division	Chowgule	pandurang.sbd@chowgule.co.in
8	Capt. Kapil Kekre (External)	INSA	kekre@insa.org.in
9	Nihal (Unverified)	SAI	
10	Prashant Asogekar Ship Building Division (External)		prashant.asogekar@chowgule.co.in
11	CSL (Unverified)	CSL	
12	Daniel (Unverified)	SAI	
13	AMAL (Unverified)	IRS	
14	Srinivasa Rao P (Unverified)	HSL	
15	Ankur Anal	DGS	ankuranal@dgsmumbai.onmicrosoft.com
16	K Swaminathan (External)	SWAN Defence	cdr.swaminathan@swan.co.in
17	Rekha CSLA (Unverified)	CSLA	
18	Goa Shipyard Limited (Unverified)	GSL	
19	shipbuilding-apmb (External)	APMB	shipbuilding-apmb@apmaritime.in
20	Joseph MATHEW	Seatrium	joseph.mathew@seatrium.com
21	Sanjiv Kapoor (External)	SWAN Defence	sanjiv.kapoor@swan.co.in
22	ASHA (Unverified)	SAI	
23	R. V. Vimal (External)	Chowgule	vimal@chowguleglobal.in
24	priyesh Kamat	Synergy	
25	Sanjay Guidance Tamil Nadu (Unverified)	Guidance Tamilnadu	
26	Prantik	ISBA	
27	Prathamesh Bam	Chowgule Lavgan Shipyard	ca@chowgulelavgan.com
28	Aaisha KS (External)	San Marine	aaisha.ks@titagarh.in
29	Jignesh Shah (External)	SWAN Defence	jignesh.shah@swan.co.in
30	SANJIV WALIA	SAI	
31	Attreya Sawant	Mandovi	
32	Mitesh Agarwal (External)	SWAN LNG	mitesh.a@swanlng.co.in
33	sivakholundu (Unverified)	IMU	
34	Anil Jain (Unverified)		
35	Rajeev Nayyer (External)	SWAN defence	rajeev.nayyer@swan.co.in
36	Gupta, Anuj	PMU-KPMG	anujgupta21@kpmg.com
37	Dethe, Amit	PMU_KPMG	amitdethe@kpmg.com
38	Tom (Unverified)		
39	ECGC LTD (Unverified)	ECGC	
40	Abhinav (Unverified)	ECGC	
41	PALANIMUTHU GOPAL	L&T	PALANIMUTHU.G@larsentoubro.com
42	Swati Gupte - NIA (Unverified)	NIA	
43	Sanjay Kumar	ECGC	
44	Pallavi sinha, New india (Unverified)	NIA	

ATTENDANCE SHEET

LIST OF PARTICIPANTS WHO ATTENDED THE MEETING HELD ON 30th OCTOBER, 2025 ON (THURSDAY) AT 1400 HRS IN THE CONFERENCE ROOM OF THE DIRECTORATE.

SUB.: SECOND HYBRID STAKEHOLDER CONSULTATION MEETING FOR SBFAS, SBDS AND CREDIT RISK.

S. No.	Name of the Officer	Organization	Email & Mob. No.	Signature
1	Pradeep R.K	CSS	pradeepse-dgr @for.in	R
2	Saurabh Gadkan	SDHI.	saurabh.gadkan @swan.co.in 9819056808	S
3	Rohit Tagade	Surveyor (IRS-DGR)	rohit.tagade@ irclass.org 8454981957	R
4	HARI PRASAD .R	Surveyor IRS -DGR	hariprasad.r @irclass.org 9190751778	H
5	Sree Venamone N	CLSPCL Chowgule Langan	7130072603 commercial1@ chowgulelangan.com	S
6	TANAY NAGVEKAR	CLSPCL Chowgule Langan	8484051800 commercial6@ chowgulelangan.com	T
7	Bharam Krishnan	LST	Bharam.Krishnan @larsen.toubro.com 9600024562	B
8	KIRAN Dhangra	Ycoman Marine	897778750 kiran.dhangra@ ycomanmarine.com	K
9	Vishal Tewatia	Synergy Shipbuilders N Dock works Ltd	vishal@synergy shipbuilders.com	V
10	Mitesh Aggarwal	Swan Defence	mitesh.a@ swanbng.co.in	M
11	NIKHIL KAT	SCI	nikhil.rjesai@sci	N
12	Capt. B. Adil Narayana	A.P.M.B.	NAUTICAL @ APNARITIDE.IN	B
13	H Ch K Harshika Raju (Retd.)	KPMG	harshikaraju@kpmg.com 97842838385	H
14	ATULY SANKAR	SAI	ATULYEMANDORE@PTBACKS.COM 9850479882	A
15	M. RAVI KUMAR	SS/DG	ravi.kaz@ss	M
16	Sanjiv Walia	SAI	Swalia1962@gmail.com	S
17	Srinath M	SAN MARINE	shipyard@ sanmaritime.com	S
18	SHEIK ALISHA	SAN MARITIME		S
19	RAJEEV NAYYER	SAHI	rajeev.nayyer@ swan.co.in 9819730084	R
20	Pranavkumar Guzar	EQAC	Pranav.guzar @ecr.in	P

Annexure- V

INPUTS FROM STAKEHOLDERS ON THE SBdS - Shipbuilding Credit Risk coverage guidelines			
Discussion Held on 15 Oct 2025			
S.No	Name of person/organization	Inputs	Reply from DGS official
1	NIA	Asked about the modalities of corpus utilisation — whether the ₹1443 crore fund would be provided yearly or upfront, and how claims/defaults would be handled at the operational level.	Corpus will be distributed annually or multi-year depending on insurer's underwriting plan. Additional funds can be requested mid-year upon justification.
2	NIA	Queried about ownership of partially built vessels (70–80% completed) in the event of buyer insolvency, and who retains salvage rights.	Ownership depends on the contract; generally, the shipbuilder retains ownership until full payment. Buyer's claim is limited to unpaid value.
3	NIA	Raised issue of whether ship-wise or master policies will be used and how long the coverage period will be.	Individual contract-wise policies preferred; duration may exceed 12–18 months for complex ships. Insurers may file a new multi-year policy with IRDAI.
4	NIA	Highlighted that actuarial data on past insolvencies and default trends is crucial for designing a viable product.	DGS agreed; suggested compiling data from shipyard associations and class societies to support product design and reinsurer engagement.
5	ECGC	Emphasised need for sector-specific technical expertise to assess risk and quantify losses; requested ministry support.	MoPSW will facilitate capacity-building programmes and technical training through maritime experts.
6	ECGC	Asked whether operational expenses can be covered via premiums.	Insurers can charge nominal premiums to shipyards to recover operational and training costs, while the corpus covers risk payouts.
7	ECGC	Queried about the leverage or multiplier ratio for corpus utilisation and exposure limits.	MoPSW will not fix leverage; insurer's actuarial team to determine multiplier (e.g., 5x or 10x). Ministry will define only the fund-release process.
8	ECGC	Suggested establishing a Committee of Directions (COD) similar to NEIA for underwriting decisions.	DGS agreed in principle; governance structure to be discussed further with MoPSW.
9	ECGC	Mentioned importance of defining cost-effective yet viable premium rates to maintain prudence among insured entities.	DGS concurred — premiums should remain low but viable; corpus may grow over time if payouts are minimal.

Discussion Held on 17 Oct 2025			
Sr No.	Name of person / organization	Input / Point of Discussion	DGS/MoPSW Reply
10	NIA/ECGC	The group requested details of the onboarding process and the oversight structure for the scheme.	DGS or SFCL will act as the Implementing Agency with oversight by the NSbM Inter-Ministerial Governing Board; agencies will be onboarded via EOI and formal MoUs defining scope, corpus access, reporting, and performance obligations.
11	NIA/ECGC	The participants asked for detailed product-level clarifications on what would be covered under pre-shipment, post-shipment, and vendor default insurance.	Meeting scope is limited to implementation guidelines covering onboarding, fund disbursement, reporting, and timelines; product specifications will be developed in subsequent sessions with insurers and shipyards.

12	NIA/ECGC	The stakeholders requested confirmation on whether product design details would be finalized during this meeting.	Product design will not be finalized at this stage; today's focus is on governance and process for operationalization, with product terms to be co-developed after onboarding.
13	NIA/ECGC	The group sought clarity on the eligibility of insurance agencies, specifically whether entities beyond government/PSU (including private insurers) could participate.	Agencies are currently envisaged as government/PSU entities (e.g., NIA, ECGC) selected via an EOI process and formalized by MoU; any inclusion of private insurers can be escalated to NSbM for consideration.
14	NIA/ECGC	The stakeholders asked for clarity on the mechanism for corpus replenishment and its governance.	The corpus will be centrally managed by the Implementing Agency under NSbM oversight; additional funding is subject to NSbM decisions and overall corpus availability.
15	NIA/ECGC	The stakeholders asked how fund disbursements would be structured (annual versus mid-year releases) and what records would be required.	The Implementing Agency will manage the corpus with annual releases and mid-year top-ups (if required). There will be quarterly reporting, details of which will be set out in MoUs/agreements.
16	NIA/ECGC	The stakeholders raised concerns about the potential early exhaustion of the allocated annual corpus and the need for mid-year fund availability.	It was clarified that annual allocations will be provided with flexibility for mid-year top-ups based on utilization and demand, and interim requests will be considered.
17	NIA/ECGC	The participants asked how catastrophic events (such as a pandemic) would be handled if they depleted the overall scheme corpus before March 2036.	It was submitted that such extreme scenarios will be deliberated with NSbM.
18	ECGC	The agency requested clarity on whether policies would be issued in the name of the insurer (e.g., ECGC/NIA) or the Implementing Agency (DGS/SFCL), and who would bear liability if funds were unavailable at the time of claim.	NEIA-like corpus-backed underwriting structures may be referenced; specific arrangements will be defined in agreements and product documentation and taken up with NSbM.
19	NIA	The insurer asked how leverage assumptions (for example, a 20x illustration) would be determined and whether they would be sufficient under high-claims scenarios.	referenced leverage is indicative and dependent on underwriter risk assessment; if claim pay-outs exceed the agency-level corpus, the Implementing Agency may allocate additional funds subject to overall corpus availability and NSbM decisions.
20	NIA/ECGC	The participants asked whether Implementing Agency will have directions / restrictions on quantum of the policy premiums and what costs they are intended to cover.	Premiums will be kept nominal due to the seed corpus being provided by GoI. It should primarily cover operating expenses and capacity building; pricing mechanics will be finalized during product/agreements based on insurer risk assessment.
21	NIA/ECGC	As the Vendor Default Cover is a new concept in the Indian context, the group sought clarity on the scope and triggers for Vendor Default, including warranty support failure, vendor insolvency, and quality/specification failures. They also requested to share literature and references on the same from other countries.	As correctly mentioned, the Vendor Default Cover is a new concept in the Indian context; its scope will be developed during product design. DGS/MoPSW will endeavour to coordinate with industry stakeholders to share literature and references in this regard.
22	NIA/ECGC	The stakeholders asked about the reporting mechanism and utilization monitoring requirements.	Quarterly reporting is envisaged with flexibility for interim threshold-based requests; the Implementing Agency will monitor utilization and performance and escalate to NSbM as required.

23	NIA/ECGC	The participants asked about the expected timelines for rolling out products after onboarding.	Timelines will be defined during onboarding and in agreements; the immediate priority is to finalize implementation guidelines by 24 October 2025.
24	Chowgule- Sagar satpute	It was also discussed if a government run insurer can become the Implementation Agency instead of DGS or SFCL, due to specific expertise required to monitor and manage the insurance products.	This point was noted and will be deliberated further with NSbM.
25	NIA/ECGC	The stakeholders asked whether reinsurance would be included as part of risk layering for the products as the reinsurance may increase cost and hence the policy premiums.	Reinsurance may be explored during product design, with cost and structure to be determined in coordination with the agencies.

Discussion Held on 30 Oct 2025			
26	NIA/ECGC	Agencies sought clarification on the nomination processes for selection of credit risk coverage provider	It was clarified that presently only ECGC and NIA will be nominated by NSbM. Communication in this regard will be routed through respective ministries.
27	Chowgule SBD	The stakeholders sought clarity on the term "Nominal Premium" in the draft guideline and requested to quantify the same as the premium for these covers will be additional cost to shipyard and/or shipowners as passed on cost	It was clarified by ECGC and NIA that an actuarial study is required, without which quantification of premium is not possible. DGS and MOPSW further clarified that these premiums will be reviewed and approved by NSbM.
28	Chowgule SBD	Query on mandatory nature of insurance - Stakeholders sought clarification whether the insurance would be mandatory for shipyards	It was clarified that these insurance covers will be optional and not mandatory for the shipyards, and be based on shipyard risk appetite
29	NIA/ECGC	They requested clarification on the fund management strategy for the corpus, as the funds would remain idle in the absence of claims, particularly during the initial phase.	It was requested from the insurance agencies to incorporate an IRDAI-compliant fund management plan within their proposals.
30	Shri Rajiv Nayyar- SWA	Stakeholders discussed whether the corpus under this scheme could also be utilized to subsidize insurance premiums in addition to covering claims	It was clarified that as per the approved cabinet note the corpus is restricted to cover claim settlement only
31	Shri Rajiv Nayyar- SWA	A query was raised on whether funds allocated under various pillars, such as SBFAS, MDF, and SbDS, can be utilized interchangeably.	It was clarified that funds allocated to each pillar are separate and distinct; however, reallocation within subschemes under the same pillar may be permitted with the approval of the competent authority.
32	Shri Rajiv Nayyar- SWA	A query was raised on whether any of these insurance products would also cover litigation costs incurred by shipyards prior to the processing of claim settlements.	It was clarified by ECGC that none of these insurance policies will cover the litigation costs.

No. SY – 13017/1/2025-SBR

भारत सरकार

Government of India

पत्तन, पोत परिवहन और जलमार्ग मंत्रालय

Ministry of Ports, Shipping and Waterways

(एस.बी.आर अनुभाग / SBR Section)

परिवहन भवन / Transport Bhawan,

1 – संसद मार्ग / 1 – Parliament Street,

नई दिल्ली – 110001 / New Delhi – 110001

दिनांक / Dated: 09th October, 2025

OFFICE MEMORANDUM

Subject: Constitution of the Stakeholders Consultation Committees to facilitate drafting of guidelines on 'Scheme for Capacity & Capability Development and Credit Risk Coverage for Shipbuilding in India' - reg.

The undersigned is directed to state that the Government has approved the 'Scheme for Capacity & Capability development and credit risk coverage for Shipbuilding in India-Shipbuilding Development Scheme' for the promotion of the shipbuilding sector in India. Extract of the approved scheme is attached as **Annexure**. Two sets of Guidelines for the scheme are to be issued for operationalization and implementation of the scheme. For the purpose of drafting these guidelines, following committees are to be constituted.

2. (i) The Directorate General of Shipping may constitute a committee of stakeholders, such as, Indian Maritime University, Centre of Excellence in Maritime and Shipbuilding, Shipyards Association of India, Indian Shipbuilder Association, Cochin Shipyard Limited, Indian Register of Shipping, Indian Marine Designers Association. Director (SBR), MoPSW shall be a member of the Committee and an officer with adequate seniority from Directorate General of Shipping shall be the member convener of the committee.

(ii) The above committee shall hold consultations with all concerned stakeholders including shipyards (domestic as well as international) and shipping institutions (domestic as well as international) and shall formulate draft guidelines on following components of the scheme, namely, 'Capital support for greenfield capacity expansion', 'Capital assistance to existing/ brownfield shipyards towards the expansion of production capacity' and 'Capability development initiatives'.

3. (i) The Director General of Shipping may constitute a second Committee comprising of stakeholders, such as, New India Assurance, Export Credit Guarantee Corporation of India, Sagarmala Finance Corporation Limited, Indian Shipbuilder Association, Shipyards Association of India, Cochin Shipyard Limited. Director (SBR), MoPSW shall be a member of the Committee and an officer with adequate seniority from Directorate General of Shipping shall be the member convener of the committee.

(ii) The above committee shall hold consultations with all concerned stakeholders including shipyards (domestic as well as international), shipping institutions (domestic as well as international), financial institutions and shall formulate draft guidelines on the 'Shipbuilding risk coverage' component of the scheme.

4. Director General of Shipping shall submit these two draft guidelines to the MoPSW by 24th October, 2025.

5. This issues with approval of the competent authority.

Pranav Mittal
9/10/25
(Pranav Mittal)

Under Secretary to the Government of India
Email id: usshipping2-psw@gov.in
Tel No.: 011- 23311659

To

Directorate General of Shipping,
{Kind Attn.: Shri Shyam Jagannathan, DGS}
9th Floor Beta Building,
i-Think Techno Campus,
Kanjur Marg (East), Mumbai -

Copy to:

- i. Office of Secretary (PSW)
- ii. Office of SS(PSW)
- iii. Office of JS (S)
- iv. Director (SBR)



भारत सरकार/ GOVERNMENT OF INDIA
पत्तन, पोत परिवहन और जलमार्ग मंत्रालय /
MINISTRY OF PORTS, SHIPPING AND WATERWAYS
नौवहन महानिदेशालय, मुंबई
DIRECTORATE GENERAL OF SHIPPING, MUMBAI

File No: 26-12/9/2022-NA - DGS

Dated :12-10-2025

Order**Subject: Constitution of Credit Risk Coverage Core Committee for Drafting Guidelines Under Shipbuilding Development Scheme (SbDS).**

In pursuance of the Government of India's approval for the Scheme for Capacity Capability Development and Credit Risk Coverage for Shipbuilding in India (Shipbuilding Development Scheme — SbDS), and as per Ministry of Ports, Shipping and Waterways (MoPSW) directions, the following committee is constituted for preparing draft guidelines for Credit Risk coverage and for conducting stakeholder outreach and workshops for industry inputs.

1. Committee Constitution

The Credit Risk Coverage Core Committee as decided by the Competent authority shall comprise the following members:

S. No.	Representative	Organization/Association Name	Role
1	Director (SBR)	Ministry of Ports, Shipping and Waterways (MoPSW)	Member
2	Representative	Directorate General of Shipping (DGS)	Member Convener
3	Representative	New India Assurance Co Ltd	Member
4	Representative	Export Credit Guarantee Corporation of India (ECGC)	Member
5	Representative	Sagarmala Finance Corporation Limited (SMFCL)	Member
6	Representative	Shipyards Association of India (SAI)	Member
7	Representative	Indian Shipbuilder Association (ISBA)	Member
8	Representative	Shipping Corporation of India (SCI)	Member
9	Representative	Cochin Shipyard Limited (CSL)	Member

The Committee may co-opt other experts/ Stakeholders, as considered necessary for its deliberations.

2. Mandate

(I) Draft guidelines for the credit risk coverage offered to shipyards in accordance with the approved scheme and reference documents from MoPSW attached as Annexure-I.

(II) Conduct stakeholder outreach and workshops to gather industry inputs on the guidelines.

3. Terms of Reference(TOR) of the Committee:

- Review the approved scheme and relevant directives on credit risk coverage of Shipbuilding Development Scheme (SbDS).
- Draft comprehensive guidelines for credit risk coverage offered to shipyards, in consultation with all stakeholders.
- Ensure alignment of guidelines with scheme objectives and requirements of all stakeholders.
- Hold consultations, outreach events, and industry workshops to ensure broad-based participation and feedback.
- Submit consolidated draft guidelines to the Directorate General of Shipping for onward transmission to MoPSW by the stipulated date.

4. Timeline

- The Committee shall submit the draft guidelines to the Directorate General of Shipping by **24th October, 2025**.
- The committee may convene meetings and workshops as required to ensure timely completion of the mandate.

5. Secretariat and Coordination

- The Directorate General of Shipping shall provide secretarial and administrative support to the Committee.

6. General

- All concerned departments, agencies, and stakeholders are requested to extend full cooperation to the Committee for effective framing of the guidelines.

7. This order is issued with the approval of the Competent Authority.



Ravi Kumar M
Ship Surveyor-cum-

Deputy Director General (Tech)
Directorate General of Shipping

Encl.:

- Annexure I: Extract of Approved Shipbuilding Development Scheme (SbDS)
- Annexure II: List of Committee Members

To,

1. All Organizations/Stakeholders as per Annexure-II.

Annexure II: List of Committee Members

Credit Risk Coverage Core Committee: List of Members

S. No.	Organization/Association Name	Name of the Members
1	Ministry of Ports, Shipping and Waterways (MoPSW)	Shri Vipul Singhal, Director (SBR)
2	Directorate General of Shipping (DGS)	Shri Ravikumar Moka, SS-cum-DDG(Tech)- Member Convenor Shri Ankur Anal, JSS-cum-ADG (Tech)
3	New India Assurance Co Ltd	Shri K Ramesh, General Manager Smt Swati Gupte, Chief Manager
4	Export Credit Guarantee Corporation of India (ECGC)	Shri Subhash Chahar, DGM Ms. Aarti Pandey, DGM
5	Sagarmala Finance Corporation Limited (SMFCL)	Shri Dinesh Kumar, Director (Sagarmala)
6	Shipyards Association of India (SAI)	Shri Sagar Satpute, CCPL Shri Rajeev Nayyar, SDHI
7	Indian Shipbuilder Association (ISBA)	Shri Palanimuthu G, DGM, L&T
8	Shipping Corporation of India (SCI)	Shri. Shyamalendu Bhushan Das, GM
9	Cochin Shipyard Limited (CSL)	Ms. Asha V Rao, AGM (Fin)

M-T-2018

DRAFT GUIDELINES FOR SHIPBUILDING RISK COVERAGE under Shipyard Development Scheme (SBdS)

Annexure-VII

1. (a) Title: The scheme for providing Capital support for greenfield capacity expansion, capital assistance for brownfield shipyard expansion , capability development through India Ship Technology Centre and providing shipbuilding risk coverage shall be called “Shipbuilding Development Scheme ” and the guidelines formulated to implement the scheme together shall be called “Guidelines for Implementation of Shipbuilding Development Scheme(SbDS)”.

(b) Validity: The Shipbuilding Development Scheme and the guidelines shall come into force with effect from XXX and remain valid for all Detailed Project Reports (DPRs) submitted from XXX to 31 March 2036, including the said dates.

(c) Applicability: The scheme for providing shipbuilding risk coverage shall apply to all existing Indian shipyards that are duly registered.

2. Definitions.

- a) **SbDS (Shipbuilding Development Scheme)** - A government initiative aimed at enhancing domestic shipbuilding capacity and competitiveness through financial support and risk mitigation.
- b) **NSbM (National Shipbuilding Mission)** - The apex body responsible for overseeing the implementation of shipbuilding schemes including SbDS.
- c) **Implementation Agency** - The designated government entity (e.g., Directorate General of Shipping or Sagarmala Financial Corporation Limited) responsible for releasing funds to nominated credit risk cover agencies.
- d) **Credit Risk Cover Agencies** - Government-owned entities or public sector undertakings nominated by NSbM to design and administer insurance products for shipbuilding-related risks.

DRAFT GUIDELINES FOR SHIPBUILDING RISK COVERAGE under Shipyard Development Scheme (SBdS)

- e) **Pre-Shipment Insurance** - Insurance product that covers financial losses due to buyer default or cancellation during vessel construction.
- f) **Post-Shipment Insurance** - Insurance product that covers risks of non-payment after vessel delivery due to disputes, defects, or political factors.
- g) **Vendor Default Insurance** - Insurance product that protects shipyards from losses due to vendor failure to deliver critical components.
- h) **Corpus** - The total financial allocation under SbDS (₹1,443 crore) designated for credit risk coverage.
- i) **Nomination Solicitation** - The process by which NSbM invites proposals from eligible entities to serve as credit risk cover agencies.
- j) **Performance Metrics** - Criteria used to evaluate credit risk cover agencies, including claim settlement time, accuracy of loss estimation, and stakeholder

3. Purpose

The objective of this guideline is to operationalize the ₹1,443 crore allocation under the Shipbuilding Development Scheme (SbDS) for credit risk coverage. This initiative aims to provide financial protection to Indian shipyards against key risks associated with shipbuilding contracts and vendor dependencies. By offering structured insurance products, the scheme is intended to insulate shipyards from various types of risks in undertaking both domestic and export-oriented shipbuilding projects, thereby strengthening the sector's resilience, competitiveness, and long-term viability.

DRAFT GUIDELINES FOR SHIPBUILDING RISK COVERAGE under Shipyard Development Scheme (SBdS)

4. Institutional Framework

The Implementation Agency for this scheme will be the Directorate General of Shipping or Sagarmala Financial Corporation Limited. The Implementation Agency will be solely responsible for the release of funds to the nominated credit risk cover agencies. It will not be involved in product development, underwriting, or oversight functions.

4.1 Step 1: Nomination of Credit Risk Cover Agencies

Credit risk cover agencies will be responsible for developing the financial products to be offered to the Indian shipbuilding sector. These agencies will be nominated directly by NSbM after evaluating proposals submitted by eligible government entities.

4.1.1 Eligibility Criteria

Only government-owned entities or public sector undertakings shall be eligible for nomination as credit risk cover agencies under this scheme. These entities must demonstrate either substantial experience in the maritime domain or a proven track record in administering credit risk or insurance products in infrastructure, export, or industrial sectors.

4.1.2 A Nomination Solicitation

NSbM will seek nominations from all eligible and relevant government entities to provide the credit risk covers as approved by the Cabinet. This process will ensure transparency, inclusivity, and alignment with the strategic objectives of the scheme.

4.1.3 Nomination Process

NSbM shall directly nominate credit risk cover agencies based on proposals received from eligible government entities. The Implementation Agency will act upon NSbM's nominations and release funds accordingly.

Proposals will be evaluated based on:

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- Demonstrated domain expertise in maritime or infrastructure insurance
- Capacity to underwrite and manage large-scale credit risk covers
- Existing operational frameworks for policy issuance, claims management, and fund administration
- Ability to scale operations and customize insurance products to meet the specific needs of the shipbuilding sector

The final nomination of agencies and the categories of insurance products to be developed will be subject to approval by the Inter-Ministerial Governing Board constituted under NSbM.

4.1.4 Designation and Onboarding

Once nominated by NSbM, credit risk cover agencies will be formally designated through Letters of Nomination issued by NSbM. Each agency will enter into an agreement with the Implementation Agency, which will define the scope of fund access, reporting obligations, and performance benchmarks.

This agreement will serve as the operational foundation for the agency's role in administering credit risk covers under SbDS.

4.2. Corpus Access and Fund Allocation

Step 2: Corpus Management

The corpus allocated under SbDS for credit risk coverage shall be centrally managed by the Implementation Agency with the approval of NSbM.

Funds will be allocated to the nominated credit risk cover agencies on a financial year basis.

The allocation will be determined based on projected demand from shipyards, historical utilization trends, and prevailing market conditions that influence risk exposure.

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A mid-year allocation may be considered on a request basis depending upon the fund requirement raised by the Implementation Agency as a formal submission.

4.3 Step 3: Initial Disbursement

An initial tranche of funds will be disbursed by the Implementation Agency to credit risk cover agencies to enable the immediate rollout of credit risk cover products.

Subsequent disbursements will be linked to performance indicators such as policy uptake, claims processed, and fund utilization efficiency.

Credit risk cover agencies will provide annual business plans to justify the release of additional corpus.

4.4 Credit Risk Cover Products

Step 4: Product Design

Credit risk cover agencies shall design and offer the following credit risk cover products:

- **Pre-Shipment Insurance (Buyer's Default):** Protects shipyards from financial losses due to buyer cancellation or default during vessel construction. Covers incurred production costs and potential lost profits.
- **Post-Shipment Insurance:** Covers risks of non-payment by the buyer after vessel delivery due to disputes, defects, political instability, or other factors.
- **Vendor Default Insurance:** Protects shipyards against losses from vendor failure to deliver critical components. Covers advances paid to vendors.

Credit risk cover agencies will also be responsible for ensuring all relevant regulatory compliances for the products they develop, including obtaining necessary approvals from their parent entities or administrative ministries.

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Additionally, credit risk cover agencies must commit to specific timelines for product development, internal and external approvals, and introduction of the products in the market to ensure timely rollout and sectoral impact.

The Implementation Agency shall monitor adherence to these timelines and regulatory obligations through periodic progress reports submitted by the credit risk cover agencies. Any delays or deviations shall be escalated to NSbM for review and corrective action.

4.5 Step 5: Customization

All insurance products must be tailored to reflect the unique structure of shipbuilding contracts, including advance payments, milestone-based payments, delivery-linked payments, and retention money.

Credit risk cover agencies may offer bundled or modular products based on shipyard needs. Product development shall incorporate stakeholder inputs, including from shipyards.

4.6 Premium Structure

Step 6: Premium Charges

Credit risk cover providers may charge premiums to shipyards for the products offered under this scheme. However, since the corpus is being provided by the Government of India through the Implementation Agency, premium rates shall be nominal.

Pricing must primarily reflect operational expenses and capacity building costs of the credit risk cover agencies.

The Implementation Agency will review and approve the premium structures proposed by each agency and seek prior approval of NSbM to ensure consistency, fairness, and alignment with the scheme's objectives.

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4.7. Operational Responsibilities

Step 7: Risk Assessment and Claims Management

Credit risk cover agencies shall be responsible for conducting risk assessments and underwriting policies based on sound methodologies. They must establish transparent and efficient claims management processes to ensure timely resolution and financial support to shipyards. Agencies are expected to maintain actuarial discipline and adhere to best practices in insurance administration.

Credit risk cover agencies will also be responsible for managing payouts under the scheme. They shall follow industry-standard processes for loss estimation, due diligence, fraud prevention, and claims verification to ensure integrity and fairness in disbursement.

To ensure accountability, credit risk cover agencies shall be evaluated against defined performance metrics such as claim settlement turnaround time, accuracy of loss estimation, and stakeholder satisfaction. These metrics will be reviewed periodically by the Implementation Agency.

Additionally, the Implementation Agency shall conduct regular audits of the credit risk cover agencies to verify compliance with scheme guidelines, financial integrity, and operational standards. Findings from these audits shall be reported to NSbM for necessary action.

4.8 Step 8: Capacity Building

Each credit risk cover provider shall invest in developing sector-specific expertise related to shipbuilding and maritime risks. This includes training underwriters and claims officers, engaging with shipyards to raise awareness about available products, and building internal capabilities to manage complex insurance portfolios.

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4.9 Monitoring and Oversight

Step 9: Reporting Requirements

Credit risk cover providers shall submit quarterly reports to the Implementation Agency detailing the number of policies issued, claims processed, fund utilization, and the overall impact of the credit risk covers on the shipbuilding sector. These reports will be used to assess performance and guide future fund allocations. The periodicity of the reports will be as decided by the Implementation Agency. Any irregularities shall be reported to NSbM.

4.10 Step 10: Oversight Mechanism

An Inter-Ministerial Governing Board under NSbM shall oversee the implementation of the credit risk cover component of SbDS. The Board will review fund utilization, evaluate policy effectiveness, recommend adjustments to product design or fund allocation, and ensure that the scheme's objectives are being met in a timely and efficient manner.