

ECGC Limited

Annual Report for the FY 2022-23

Contents

Sr. No.	Particulars	Page No.
	PART A	
1	Board of Directors	1
2	Senior Management	2
3	Performance Highlights – The Past Decade	3
4	Chairman's Statement (will be circulated in the meeting)	
5	Directors' Report	4-60
6	Management Discussion & Review of Operations	61-107
7	Business Performance Graphs	108-120
	PART B	
8	Audited Financial Statements	
	Certificate on Financial Statements	122
	Balance Sheet, Revenue Account & Profit & Loss Account	123-126
	Schedules to Financial Statements (Schedule 1 to 15)	127-137
	Significant Accounting Policies (Schedule 16)	138-146
	Notes to Accounts (Schedule 17)	147-173
	Key Analytical Ratios	170-171
	Receipts & Payments Account	174
9	Management Report on Financial Statements	175-178
10	Comments of CAG	179
11	Auditors' Report	181-198

Part A

BOARD OF DIRECTORS

1. Shri M Senthilnathan,

Chairman-cum-Managing Director, ECGC Limited

2. Shri Vipul Bansal,

Joint Secretary, Department of Commerce,

Ministry of Commerce & Industry

3. Smt. Aparna Bhatia,

Economic Adviser, Department of Economic Affairs,

Ministry of Finance

4. Shri Shirish Chandra Murmu,

Executive Director, Reserve Bank of India

5. Ms. Harsha Bangari,

Managing Director, EXIM Bank of India

6. Shri Devesh Srivastava,

Chairman-cum-Managing Director, GIC

7. Dr. A. Sakthivel,

President, Federation of Indian Export Organisations

- 8. Shri Amit Kumar Agarwal
- 9. Smt. Pratibha Kushwaha
- 10. Shri Palaniappan Muthu (Appointed w.e.f. June 15, 2023)
- 11. Shri Sunil Joshi,

Executive Director (Policy Matters), ECGC Limited

COMPANY SECRETARY Smt. Smita V. Pandit

BANKERS Union Bank of India (Erstwhile Corporation Bank)

IDBI Bank

APPOINTED ACTUARY Smt. Priscilla Sinha

JOINT STATUTORY AUDITORS 1. M/s. SNK & Co.

Chartered Accountants,

Firm Registration No. 109176W

2. M/s. L. S. Nalwaya & Co.

Chartered Accountants,

Firm Registration No. 115645W

REGISTERED OFFICE: ECGC Bhawan, CTS No. 393, 393/1 to 45, M. V. Road, Andheri (East), Mumbai - 400069

SENIOR MANAGEMENT

CHAIRMAN-CUM- MANAGING DIRECTOR

Shri M. Senthilnathan

EXECUTIVE DIRECTORS

Shri Sunil Joshi

Shri C. N. A. Anbarasan

GENERAL MANAGERS

- 1. Shri Paramdeep Lal Thakur
- 2. Shri Ishnath Jha
- 3. Shri Sristiraj Ambastha
- 4. Shri Subir Kumar Das
- 5. Smt. Smita V. Pandit
- 6. Shri Anand Singh
- 7. Shri Abhishek Kumar Jain
- 8. Smt. Priscilla Sinha

DEPUTY GENE	RAL MANAGERS
1. Shri Balbir Singh Maan	10. Shri Niraj Gupta
2. Shri N. Subramanian	11. Shri R. Mahalingam
3. Shri R. K. Pandian	12. Shri Rajesh Jhamnani
4. Shri Kumar Anshuman	13. Shri Rahul
5. Shri Gaurav Anshuman	14. Shri Rangarao T. Hande
6. Shri Yashwant B. Breed	15. Shri Sachin Khanna
7. Smt. Arpita Sen	16. Shri Amit Kumar
8. Shri Y. Sudheer	17. Smt. Sivasankari Murugan
9. Shri Subhash Chandra Chahar	

PERFORMANCE HIGHLIGHTS - PAST DECADE

										(Rs. In Crores)
YEAR	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
VALUE OF BUSINESS COVERED										
Short Term Policies */**	321767.00	269272.00	241934.17	215021.77	198872.00	177349.00	172788.00	135871.97	133983.00	131344.00
Short Term ECIB ***/***	338984.00	345676.00	354200.12	341826.72	455267.00	456684.00	448604.00	127534.80	138555.00	138150.00
Medium & Long Term Covers	2851.00	3896.97	6667.25	4757.37	5787.00	7415.57	6027.26	5979.06	7652.00	9762.80
Total	663602.00	618844.97	602801.54	561605.86	659926.00	641448.57	627419.26	269385.83	280190.00	279256.00
PREMIUM INCOME										
Short Term Policies	540.22	485.45	429.99	405.17	412.26	367.95	359.99	382.99	383.87	388.57
Short Term ECIB	632.50	600.84	603.78	644.78	806.83	843.21	881.07	910.64	942.29	89.698
Medium & Long Term Covers	24.81	20.33	28.51	25.52	28.45	29.25	26.56	27.10	36.24	45.48
Total	1197.53	1106.62	1062.28	1075.47	1247.54	1240.41	1267.62	1320.73	1362.40	1303.73
CLAIMS PAID										
Short Term Policies	190.42	237.91	284.87	146.77	168.13	136.70	206.85	127.32	126.98	109.29
Short Term ECIB	415.70	443.42	761.87	261.64	813.39	1131.47	655.50	995.52	462.85	639.55
Medium & Long Term Covers	156.93	5.87	ı	-	31.79	14.99	22.99	-	ı	148.65
Total	763.05	687.20	1046.74	408.41	1013.31	1283.16	885.34	1122.84	589.83	897.49
RECOVERIES MADE										
Short Term Policies	10.55	16.53	9.77	10.21	21.47	18.55	9.77	7.80	9.61	5.76
Short Term ECIB	136.85	93.44	107.53	156.17	129.36	166.39	109.76	106.06	142.52	144.53
Medium & Long Term Covers	22.11	0	0.17	0.06	1	0.67	19.14	0.18	8.02	8.02
Total	169.51	109.97	117.47	166.44	150.83	185.61	138.67	114.04	160.15	158.31

Note:

2011-12 and onwards is the value estimated based on Aggregate Loss Limit fixed for each policy and that for years till FY 2010-11 the estimate of * Comprises exposure under declaration based policies & exposure based policies. Value of business covered under exposure based policies for FY export turnovers.

** The RV for customised MBE Policies has been taken as 20 times of the Aggregate Loss Limit (ALL) the reason being under customized policies the ALL to Export Turnover (ETO) ratio is upto 5% unlike normal MBEPs where the ratio is 10% or more. The revised procedure of calculating the RV has been implemented with retrospective effect from 1.4.2017. To make the comparison equitable the figure w.e.f 1.4.2016 to 31.03.2017 has also been reworked.

*** Represents average outstanding under the limits sanctioned by banks which are covered by the Company for the financial years 2011-12 and onwards and the limits sanctioned till FY 2010-11. *** The estimation has been done in compliance of the instruction of the Department of Economic Affairs Ministry of Finance. The estimates are based on data sourced from RBI and considering the fact that business cycle under short term exports is around 90 days. Accordingly the outstanding export credit covered by the Company is multiplied by a factor of four to arrive at the Risk Value.



DIRECTORS' REPORT

Dear Members,

The Directors of ECGC Limited (ECGC) are pleased to present the 65th Annual Report of the Company, together with the audited financial statements, for the Financial Year (FY) ended on March 31, 2023.

FINANCIAL HIGHLIGHTS

Your Company's financial highlights for the period under review are given below:

(₹ In crore)

Particulars	2022-23	2021-22
Turnover (Gross Premium)	1197.53	1106.62
Profit Before Finance Charges, Tax,	2770.49	1167.56
Depreciation/ Amortization (PBITDA)	2110.40	1107.00
Less : Finance Charges	-	-
Profit before Depreciation/ Amortization	2770.49	1167.56
(PBTDA)	2770110	1101100
Less : Depreciation	9.32	6.70
Net Profit Before Taxation (PBT)	2761.17	1160.86
Provision for Taxation	596.92	285.70
Profit/(Loss) After Taxation (PAT)	2164.25	875.16

During the FY 2022-23, the total amount of claims paid by the Company was ₹763.05 crore against ₹687.20 crore in the previous FY. After adjusting for reinsurers share, recoveries and provisions, the incurred claim decreased for the FY 2022-23 to (-) ₹702.92 crore against ₹546.19 crore for the previous FY. Investment and other income have increased to ₹1133.85 crore in FY 2022-23 from ₹1090.80 crore in the previous FY reflecting a growth of 3.95%.

The Gross Premium earned by the Company during the FY 2022-23 was ₹1197.53 crore against ₹1106.62 crore during the previous FY registering

a growth of 8.22%. Post adjustment of Reinsurance Cession and Reserve for un-expired risks, the premium earned (Net) for the FY 2022-23, increased to ₹940.95 crore, against ₹882.16 crore for the previous FY registering a growth of 6.66%.

PROFITS AND APPROPRIATIONS

During the FY 2022-23, total income from operations was ₹1509.93 crore against ₹1484.98 crore the previous FY. During the FY 2022-23, the Company posted an Operating Profit of ₹2207.40 crore against ₹684.88 crore in the previous FY. During the FY 2022-23, Profit Before Tax (PBT) was ₹2761.17 crore, against ₹1160.86 crore in the previous FY. After providing ₹596.92 crore towards income tax and prior period adjustments, Profit After Tax (PAT) available for appropriation in the FY 2022-23 was ₹2164.25 crore, against ₹875.16 crore in the previous FY.

DIVIDEND

The Board of Directors are pleased to recommend a full and final dividend of ₹10 per Equity Share on the 43,38,00,000 Equity Shares of ₹100 each, amounting to ₹433.80 crore. The total dividend amounts to ₹433.80 crore representing a pay-out ratio of 20.04% of the PAT of ₹2164.25 crore.

RESERVES

The Board, at its 442nd Meeting, held on May 4, 2023, proposed to transfer ₹1730.45 crore to General Reserve.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

SHARE CAPITAL

As of March 31, 2023, the Company's Net Worth was ₹10116.64 crore (₹7840.88 crore as on March 31, 2022), comprising Paid-up Share Capital of ₹4338 crore (including ₹388 crore received from the Central Government

by way of fresh infusion of capital during FY 2022-23) and Reserves and Surplus of ₹5778.64 crore.

BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

BONUS SHARES

No Bonus Shares were issued during the year under review.

EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

MEMORANDUM OF ASSOCIATION OF THE COMPANY

During the Financial Year 2022-23, Memorandum of Association of the Company was altered with the increased Authorised Capital of the Company from ₹5,000 crore to ₹10,000 crore.

SOLVENCY MARGIN

The Solvency Ratio as on March 31, 2023, is 47.93 against the Insurance Regulatory and Development Authority of India (IRDAI) norm of 1.5. The details are as under:

Particulars	2022-23	2021-22
Required Solvency Margin (RSM)	195.98	238.91
under Regulations (₹in crore)		
Available Solvency Margin (ASM)	9394.14	7178.75
(₹in crore)		
Solvency Ratio (Total ASM / RSM)	47.93	30.05

MAXIMUM LIABILITY

The Maximum Liability (ML) that the Company can underwrite at any point of time, as approved by the Government of India under Article 72(b) of the Articles of Association of the Company, has been enhanced from ₹1,00,000 crore to ₹1,50,000 crore by the Government of India vide OM No. K-11015/2/2021-E&MDA-DoC dated 09th March, 2022. The ML as of March 31, 2023 was ₹1,14,777.12 crore.

INTRODUCTION OF NEW PRODUCTS

In the FY 2022-23, no new product was introduced by the Company.

INVESTMENT

The investments of the Company are in conformity with the guidelines of the IRDAI.

MANAGEMENT EXPENSES

As per the Provisions under Section 40C of the Insurance Act, 1938, read with the relevant Rules, the management expenses incurred by the Company, as a percentage of the Gross Premium Income during the FY 2022-23 stood at 28.75% (previous FY 27.74%) against the IRDAI norm of 29.07%.

Miscellane	ous Group / (Corporate	
			(₹ In crore)
Part of the total Gross Premium of the insurer written in India	Premium	Percentage of Premium	Allowable Expenses
First	200.00	35.00%	70.00
Next	150.00	30.00%	45.00
The Balance	847.53	27.50%	233.07
Total Written Premium in India	1197.53		348.07
% of Allowable Expenses			29.07

NATIONAL EXPORT INSURANCE ACCOUNT TRUST (NEIA)

The NEIA Trust has been established by the Government of India (GOI) with the objective of ensuring availability of credit risk cover for Medium and

Long-Term exports (MLT) / project exports which are desirable from the point of view of national interest. The total grant-in-aid received by the Trust as of 31.03.2023 stands at ₹4,741 crore. The Trust has settled eight claims of ₹4,462.74 crore under the Buyer's Credit scheme of the NEIA Trust (BC-NEIA) during FY 2022-23 to India Exim Bank under the facilities extended to Iran, Sri Lanka, Suriname and Zambia. The underwriting capacity of the Trust is ₹80,000 crore of which 25% amounting to ₹20,000 crore has been earmarked for supporting MLT covers issued by the Company. Risk to the extent of ₹14,153.77 crore, in respect of 331 covers supporting 213 projects with a total value of ₹43,571 crore in 52 countries, has been shared with the NEIA Trust. The balance 75% of ₹80,000 crore amounting to ₹60,000 crore is earmarked for the BC-NEIA. As of March 31, 2023, the Trust has issued 28 Buyer's Credit covers with an aggregate Maximum Liability of ₹25,091 crore for 28 projects of value ₹18,006 crore in the countries Cameroon, Cote D'Ivoire, Ghana, Iran, Maldives, Mauritania, Mozambique, Senegal, Sri Lanka, Suriname, Tanzania, Uganda, Zambia and Zimbabwe. In view of the claims admitted during the FY 2022-23 and provision for defaults reported under the cover issued / supported by the Trust, the corpus available for underwriting is NIL as of March, 31, 2023. The GOI is the sole settlor of the Trust and ECGC is the managing agency.

BOARD OF DIRECTORS

ECGC is a 100% Government of India (GOI)-owned Company. The general powers of superintendence, direction and management of the affairs and business of the Company are vested in the Board of Directors, presided over by the Chairman-cum-Managing Director. All the Directors on the Board other than the Chairman-cum-Managing Director and Executive Director (Policy Matters) are Non-Executive Directors. All Members of the Board including the Chairman-cum-Managing Director (CMD) and Executive Director (Policy Matters), are appointed by the President of India.

As of date of this report, five of the thirteen positions of Part-Time Directors on the Board remain vacant. The process of filling up these vacancies is being pursued with the Government of India.

There was no Director who got re-elected/re-appointed during the year under review.

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(2), (3) and (4) of the Companies Act, 2013 related to the appointment/ removal of Directors, formulating the criteria for determining the qualifications, positive attributes and independence of Directors and recommending the policy on remuneration of the Directors, Key Managerial Personnel and other officers of the Company and other considerations in formulating the policy for remuneration are not applicable to the Company being a Government Company and hence the Company has not devised any policy related to the appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013. All the Directors on the Board of the Company are appointed by the President of India. The Chairman, Managing Director or Chairman-cum-Managing Director (where the office is held by one and the same person), and Executive Director/ Executive Director (Policy Matters)/ Executive Director (Operations)/ Senior-most Executive Director so appointed shall receive such salary and/or allowances as the President may determine from time to time.

ANNUAL RETURN

The draft of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 is available under the Corporate Governance section of the website of the Company (www.ecgc.in).

DECLARATION OF INDEPENDENT DIRECTORS AND WOMAN DIRECTOR

The provisions of Section 149 pertaining to the appointment of Independent Directors and Woman Director(s) applicable to Public Limited Company are fully complied during the FY 2022-23.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had conducted Six Board Meetings during the financial year under review.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following Members:

S. No.	Name of the Directors
	Shri Devesh Srivastava
1.	(appointed as a Member since 21/01/2020 and as the
	Chairman since 15/07/2021)
2.	Shri Vipul Bansal
2.	(appointed as a Member since 16/11/2021)
3.	Smt. Aparna Bhatia
3.	(appointed as a Member since 16/11/2021)
4.	Shri Shirish Chandra Murmu
٦.	(appointed as a Member since 10/01/2020)
5.	Ms. Harsha Bangari
J.	(appointed as a Member since 23/09/2021)
6.	Dr. A. Sakthivel
0.	(appointed as a Member since 09/08/2021)

The above composition of the Audit Committee headed by an Independent Director consists of Independent Directors viz. Shri Devesh Srivastava Chairman, Shri Shirish Chandra Murmu, Ms. Harsha Bangari and Dr. A. Sakthivel, who form the majority.

The Company has established a vigilance mechanism and oversees, through the Audit Committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided contact details of the Chairman of the Audit Committee to employees for reporting issues concerning the interests of employees and the Company.

Details of the vigilance cases for the FY 2022-23:

Opening balance as	Vigilance cases	Disposed of	Balance
on 01.04.2022	received during		
	01.04.2022 to		
	31.03.2023		
NIL	06	06	NIL

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

DEPOSITS

The Company has neither accepted nor renewed any deposit during the year under review.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

During the year under review, neither any application was made nor any proceedings is pending against the Company under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF Not applicable.

MEMORANDUM OF UNDERSTANDING (MOU) WITH THE GOVERNMENT OF INDIA (GOI)

As per the guidelines issued by the Department of Public Enterprises, every year a Memorandum of Understanding (MOU) is signed with the Department of Commerce, Ministry of Commerce and Industry, Government of India. Based on the assessment of various financial and

non-financial parameters, the Company's performance has been rated as "Good" in FY 2018-19, FY 2019-20, "Very Good" in FY 2020-21 and "Excellent" in FY 2021-22. The performance of the Company is expected to be rated as "Excellent" for the FY 2022-23. The details of MOU parameters for the FY 2022-23, along with the target and estimated achievement by the Company under these parameters is submitted as under:

Performance under the MoU based on estimates for FY 2022-23

S. No	Name of Parameter	Unit	Target	Achievement
1	Revenue from Operations	₹in	1536	1509.93
	(Total Income from Revenue Account)	crore		
2	No. of New Buyers Added	Number	18169	19923
3	EBITDA as a percentage of Revenue (PBT + Depreciation) / (Total Income from Revenue Account + Income from Profit and Loss Account) *100	%	60.40	132.66
4	Return on Net worth (PAT/Avg. Net Worth *100)	%	12.32	24.10
5	Assets Turnover Ratio (Total Income from Revenue Account + Income from Profit and Loss Account)/Total Assets *100	%	13.59	11.68
6	Acceptance/Rejection of Invoices of Goods & Services through TReDS Portal	%	100	100
7	Procurement from GeM as % of total procurement	%	25	25.76
8	Increase in Earning per share over previous year (PAT/Weighted Avg. Number of Shares)	%	10	111.29

Further, the Company has also complied with the seven 'Compliance parameters.'

PLACING OF ANNUAL REPORT BEFORE THE PARLIAMENT

Annual Report of the ECGC Ltd., Mumbai, for the FY 2021-22, along with Audited Accounts and Comments of the Comptroller and Auditor General thereon, was placed before the Lok Sabha and Rajya Sabha on December

21, 2022 and December 16, 2022 respectively, in compliance with the requirements under Section 394 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

Particulars of the employees who were in receipt of remuneration in excess of remuneration drawn by the Whole-Time Director are provided below:

S. No	Details	Name of the Employee
1.	Name	Ms. Priscilla Sinha
	Designation of the employee	Appointed Actuary (at par with rank of GM)
2.	Remuneration received	₹94,99,018/-in FY 2022-23
3.	Nature of employment, whether contractual or otherwise	Appointment is contractual on a fixed term basis.
4.	Qualifications and experience of the employee	B.Sc. in Statistics and M.Sc. in Statistics
		Fellow, Institute of Actuaries of India
		Diploma in System Management, NIIT
		Diploma in Actuarial Techniques, Institute of Actuaries, UK
5.	Date of commencement of employment	Commencement of employment on contractual basis on 18.04.2019
6.	The age of such employee	56
7.	The last employment held by such employee before joining the Company	GIC
8.	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) above	NIL
9.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager:	No

CUSTOMER CARE MECHANISM

The Company has set up a Customer Care Department, situated at the Head Office in Mumbai and is headed by a General Manager, for redressing grievances of its customers. The Customer Grievance Redressal Policy of the Company is placed on the Company's website. As per the policy, the decision taken by an official would be reviewed by a higher authority in case the earlier decision is to be reiterated. Since the FY 2021-22 the cases are being dealt with three times by different officials/committees after which the cases are placed before the Independent Review Committee. In order to reduce the turnaround time to redress the grievances, the Board of the Company had revised its Customer Grievance Redressal policy to make the mechanism a four- stage one from the earlier five-stage one. An Apex Customer Grievance Committee (ACGC), consisting of senior executives at Head Office, is the highest in-house Appellate Authority for any customer complaint against the Company. The Committee met eighteen times and disposed of 60 cases during the FY 2022-23. The Company has a fourmember Independent Review Committee (IRC) consisting of external experts from the fields of Judiciary, Banking, Foreign Trade, Credit Insurance and Civil Services, which met six times during the FY 2022-23 and disposed of 16 cases pertaining to grievances of the exporter customers in respect of decision taken by the ACGC. The Company is linked to the Bima Bharosa portal of the IRDAI, where customers can directly log on and lodge their complaints. Policyholders now have the option of registering their respective complaints either at the Bima Bharosa portal or through the Company's website. In addition, the Company is also linked to the grievance redressal system operated by the Ministry of Personnel, Public Grievances & Pensions, Department of Administrative Reforms, Government of India at Centralized Public Grievance Redress and Monitoring System (CPGRAMS).

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Information pursuant to Section 134(3)(m) of the Companies Act, 2013,

read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is not required to be given by the Company in view of the nature of the business of the Company.

FOREIGN EXCHANGE EARNINGS & OUTGO

The Foreign exchange earnings of the Company during the Financial Year 2022-23 is ₹30.83 crore (₹56.03 crore in the previous Financial Year) while Foreign Exchange outgo during the Financial Year 2022-23 is ₹2.19 crore (₹2.30 crore in the previous Financial Year).

APPOINTED ACTUARY

A full-time Actuary was appointed on a contract basis by the Company with approval of the Insurance Regulatory and Development Authority of India (IRDAI) effective from 18.04.2019.

A separate 'Actuarial Department' was set up in the FY 2012-13, which provides support to the Appointed Actuary (AA) in the Actuarial functions such as preparation of Incurred But Not Reported (IBNR) / Incurred But Not Enough Reported (IBNER) claims estimation, Asset Liability Management Report, Expected Claim Costs Estimation, Financial Condition Assessment Report, Economic Capital Computation, Product pricing and review etc. The reports and observations of the AA contribute towards the overall risk management strategies of the Company. The Appointed Actuary functions in accordance with the "IRDAI (Appointed Actuary) Regulations, 2017".

STATUTORY AUDITORS

The Joint Statutory Auditors and the Branch Auditors were appointed by the Comptroller and Auditor General of India (C&AG) for Audit of Accounts of the Company for the Financial Year (FY) 2022-23 vide their letter dated August 29, 2022, the same was taken on record by the Board at its meeting held on November 10, 2022 and the audit fees for each of the appointed auditors by C&AG were approved by the Board as was recommended by the Audit Committee. The Board was authorized by the Shareholders vide its resolution passed at the 64th AGM held on September 5, 2022 to fix and approve the remuneration of the Joint Statutory Auditors to be appointed

by the Comptroller & Auditor General of India under Section 139(5) of the Companies Act, 2013, for the Head Office, Regional Offices and Branch Offices of the Company for the FY 2022-23 and necessary certificate from the Joint Statutory Auditors for FY 2022-23 has been obtained as required under Section 141 of the Companies Act, 2013.

AUDITORS' REPORT

The Company has in place an audit mechanism comprising Concurrent Audit, Internal Audit and Audit of Investment transactions and related Systems, which is in line with the nature of its business and the size of its operations. The Auditors Report covers the processes as well as transactions at the Head Office and across various branches of the Company. The audit comments are periodically reviewed by the Audit Committee of the Board of Directors. M/s. SNK & Co. Chartered Accountants, Mumbai, Firm Registration No. 109176W and M/s. L.S. Nalwaya & Co. Chartered Accountants, Mumbai, Firm Registration No. 115645W, are the Joint Statutory Auditors appointed by the Comptroller & Auditor General of India, to audit the Head Office Accounts and the consolidated accounts of the Company for the FY 2022-23. The Report of the Auditors to Shareholders is appended to the Audited Financial Statements.

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA (C&AG) ON THE ACCOUNTS OF THE COMPANY

Comments of the C&AG shall be forming part of the Directors' Report as an addendum to the same.

CORPORATE GOVERNANCE

The Corporate Governance philosophy of the Company is to comply with all the relevant statutory and regulatory prescriptions on time, as also to formulate and adhere to sound Corporate Governance Practices. A detailed Corporate Governance Report along with Certificate from Ragini Chokshi & Co., Practising Company Secretary (FCS 2390, COP 1436), on Corporate Governance is annexed to and forms an integral part of this Directors' Report (Annexure I).

SECRETARIAL AUDIT

The Secretarial Audit Report of the Company (Form No. MR-3) for the Financial Year 2022-23 received from Ragini Chokshi & Co., Secretarial Auditor (FCS 2390, COP 1436) is placed at **Annexure II**. There are no qualifications made by the Secretarial Auditor.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

I. Enterprise Risk Management

As per reports there has been an increase in COVID-19 cases from the last quarter of the FY 2022-23. The ongoing Russia-Ukraine conflict has also affected global supply chains. The Company is underwriting risk in the backdrop of increased risk perception in the global business environment to support exports from the country. The Company is confident of managing and overcoming adverse situations, that may develop during the course of business and ensure that its support to growth of country's exports remains unaffected.

I. Update on Andheri Property

Office premises

- 1. The Board of Directors had at its 398th meeting held on 15.07.2015 approved construction of the office building at a preliminary estimate of ₹111,24,12,901/- as per the estimation given by CPWD vide their letter dated 26.05.2015. The Memorandum of Understanding (MoU) for the same had been signed between ECGC and Central Public Works Department (CPWD) on 06.06.2016 for construction of office building at Andheri plot.
- 2. Sam (India) Builtwell Private Limited had been awarded the job of construction of office building through tender process, at a total

cost of ₹71,07,59,808/- which is 9.70% below the estimated cost. The work for construction of office building was completed by the contractor.

- 3. Occupancy Certificate (OC) was received from the Brihanmumbai Municipal Corporation (BMC) on August 26, 2022. Post-approval of the Board of Directors vide circular resolution No. ECGC/BOARD/CR-2022-23/01 dated October 18, 2022, the Company's Head Office started functioning from Andheri (East) based owned Registered Office (Head Office) premises 'ECGC Bhawan' w.e.f. 10.11.2022.
- 4. Post-shifting of the office building, the 'ECGC Bhawan' premises was inaugurated by Shri Piyush Goyal, Hon'ble Minister of Commerce and Industry, Consumer Affairs, Food & Public Distribution and Textiles, Government of India on March 5, 2023.

Residential premises

- 5. Based on the layout plan of residential buildings for construction of five buildings of 153 flats submitted by the Project Architect to the CPWD for their preliminary estimate (PE), the PE of ₹125.28 crore received from CPWD was approved by the Board at its 437th meeting held on August 5, 2022. The Project Architect has submitted the building plans to the BMC for layout approval. As advised by the Board at its 439th meeting held on November 11, 2022 the Company has written to the Municipal Commissioner, BMC for waiver of approx. 505 sq.mtrs. open space which is proposed to be earmarked for various amenities to be provided by the BMC for use by general public.
- 6. As per the MOU signed with CPWD for the construction of residential buildings, the Company has made a payment of ₹12,52,80,000.00 as initial deposit, being 10% of the project cost of ₹125.28 crore to CPWD. As per the amended MOU, the work is expected to be completed within 36 months from the date of

- amendment of the MOU (December, 2022) or the submission of tender documents by the Project Architect, whichever is later.
- 7. The Project Architect has submitted a layout for approval to the Building Proposal Department of the BMC, which is being continuously followed up for approval.

Unity Infraprojects Ltd.

- The Company has been involved in an arbitration proceeding initiated by Unity Infraprojects Limited after the contract for construction of office and residential buildings in Andheri property was terminated by the Company. While Unity Infraprojects Limited, Project Contractor submitted a claim on the Company to the tune of ₹23,02,81,857/- on 30.06.2015, the Company has claimed a compensation of ₹31,63,42,930/-.
- Unity Infraprojects had filed for insolvency before the National Company Law Tribunal (NCLT) in June 2017 and the NCLT had passed an Order of 'Moratorium'. The last hearing in the arbitration before Justice V.C. Daga between Unity Infraprojects and the Company was held on 20.12.2017. In view of the moratorium imposed on Unity Infraprojects Limited, the arbitration proceeding was stayed and the stay is still continuing. The Order in arbitration proceedings shall be passed after the order of the NCLT.
- NCLT has passed an order against Unity infra and ordered that "Unity Infraprojects Limited, shall be liquidated in the manner as laid down in Chapter-III of the IBC. There is no further progress in the arbitration proceeding initiated by the Company against Unity Infraprojects Ltd.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company is in the export credit risk insurance business and registered as a non-life insurance company with IRDAI. Aggregation of export credit risks is inherent in the nature of its business. The Company has reviewed its Risk Management Policy to establish an enterprise-wide information system and regulate the risk profile of the Company, through its internal

risk management framework. As part of risk management, the Company endeavours to implement exposure norms for prudential limits in its business. The Risk Management Committee of the Board (RMC) monitors the implementation of exposure norms for prudential limits and developments that affect the risk profile of the business of the Company. The Company manages an investment portfolio that comprises of Shareholders' and Policyholders' funds. The investment risks are managed by investing across industries and securities, to ensure that liquidity risks are minimized with optimum return on the investment and are monitored by the Investment Committee of the Board. The Company also follows the Board approved Asset-Liability Management (ALM) Policy. The ALM position of the Company is being reported to the RMC of the Board on a quarterly basis.

The Company has initiated further action to improve its risk management functions to make it more dynamic with the help of external consultants. The tools developed by the consultants are being implemented in the Company in a phased manner to improve the risk management systems.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)
Please refer to Annexure III.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013 Nil

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Details of contracts or arrangements or transactions at arm's length basis in the ordinary course of business:

The NEIA Trust is a Public Trust formed by Government of India. ECGC is administering the Trust. CMD is the Chairman of the Trust and Executive Director (Policy Matters) is the Managing Trustee. ECGC is entitled to 5% of premium income to meet administrative expenditure. ECGC has been managing the Trust since 2006.

Mr. Amit Kumar Agarwal, Independent Director in ECGC is also partner in M/s Kumar International, which is a policy holder of ECGC.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors subscribe to the Directors' Responsibility Statement and confirm that –

- (a) The Company had, in the preparation of the annual accounts, followed the applicable accounting standards, along with the proper explanations relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the FY ended March 31, 2023;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the accounts for the FY ended March 31, 2023, on a 'going concern' basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors places on record its gratitude to the Department of Commerce, Ministry of Commerce & Industry; Department of Economic Affairs, Department of Expenditure, Department of Financial Services and Department of Public Enterprises, Ministry of Finance; Ministry of External Affairs, Government of India; Insurance Regulatory & Development Authority of India (IRDAI); The Comptroller & Auditor General of India;

Reserve Bank of India, National Institution for Transforming India (NITI)

Aayog and offices of the Indian Embassies and High Commissions in

various countries, for their continued support and guidance to the Company

and the keen interest exhibited in the affairs and growth of the Company.

The Directors are grateful to Exporters, Banks and Reinsurers for their

continued trust reposed in the Company. The Directors thank the Rating

Agencies and Debt Collection Agents who have contributed to the

Company's underwriting and recovery efforts respectively. The Directors

thank and place on record, the feedback and support received from the

Federation of Indian Export Organisations, various Export Promotion

Councils, Industrial Organisations, Chambers of Commerce, Trade

Organisations and Insurance intermediaries. The Directors place on record,

their thanks to the Auditors for the valuable advice and support received

from time to time. The Directors express their deep sense of appreciation

to all officers and staff who continue to display outstanding dedication and

commitment, enabling the Company to retain market leadership in its

business operations.

For and on behalf of the Board of Directors

M. Senthilnathan

Chairman-cum-Managing Director

DIN 07376766

Place: Mumbai

Date: May 04, 2023

23

Annexure I

CORPORATE GOVERNANCE

ECGC'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company ensures transparency and integrity in communication and makes complete, accurate and precise information available to all its stakeholders. The Company is committed to and is continuously striving to ensure compliance with international standards and best practices of Corporate Governance, as relevant to the Government of India-owned entities.

The Company considers itself as a Trustee of its stakeholders and acknowledges its responsibility towards them for creation and safeguarding the stakeholders' wealth and interests. During the financial year under review, the Company continued its pursuit of achieving its objectives through formulation and execution of corporate strategies, specific business underwriting policies/procedures, risk plans, prudent policies/practices and accounting policies. ΑII management policies/procedures are framed conforming to legal and ethical responsibilities.

In the Financial Year 2022-23, the Department of Public Enterprises (DPE) has graded the Company 'Excellent' for compliance with the DPE corporate governance guidelines during the Financial Year 2021-22, reflecting the highest standards of corporate governance and best practices.

BOARD OF DIRECTORS

The Board of Directors formulates strategies, policies and reviews the performance of the Company periodically. The composition of the Board of Directors of the Company is governed by Article 57 read with Article 63 of the Articles of Association (AOA) of the Company. Articles 57 and 63 of the AOA provide that the Board of Directors shall consist of a Chairman, a Managing Director or a Chairman-cum-Managing Director (where the office

is held by one and the same person), an Executive Director/ Executive Director (Policy Matters)/ Executive Director (Operations)/ Senior-most Executive Director and not less than three and not more than thirteen other directors representing the Government of India, Reserve Bank of India, Export Import Bank of India, General Insurance Corporation of India, Public Sector Banks, Federation of Indian Export Organizations, Export Promotion Councils and Individuals connected with exports. The Company being a Government Company, the appointment of Directors is being done by the Government of India. As of date, five of the thirteen positions of the Part-Time Directors on the Board remain vacant. The process of filling up these vacancies has already been initiated.

The Board of Directors has an optimum combination of Executive/ Functional Directors and Non-Executive Directors. The Independent Directors (Non-Executive Part-Time Non-Government Directors i.e. Non-Official Directors as per DPE Guidelines) have submitted their disclosure to the Board that they fulfil all the requirements so as to consider them as Independent Directors under the provisions of the Companies Act, 2013.

The Board-approved Related Party Transactions (RPT) Policy of the Company ensures that all related party transactions in the normal and ordinary course of business are brought to the notice/approval of the Audit Committee and/or Board. The Board Members as well as Key Managerial Personnel (KMP) are required to declare their interest in all the contracts in which they are interested.

The Board periodically reviews and takes remedial action to implement the risk management plan.

The name of Directors on the Board during the Financial Year 2022-23 along with their qualification, dates of appointment and categories under which they were appointed, are furnished in **Table 1** below:

Table 1

S. No.	Name of the Directors	Qualification	Date of Appointment on the Board (DD/MM/YYYY)	Category
1.	Shri M. Senthilnathan Chairman-cum- Managing Director, ECGC Ltd.	B.Sc., MBA	30/12/2015 CMD w.e.f. 29/04/2020)	Functional Director (Whole-Time Director)
2.	Shri Vipul Bansal, IAS	B.Com., CA	16/11/2021	Non-Executive Part-Time Government Director (Ministry of Commerce & Industry, GOI)
3.	Smt. Aparna Bhatia, IES	Post Graduate in Economics, M. Phil.	16/11/2021	Non-Executive Part-Time Government Director (Ministry of Finance, GOI)
*4.	Shri Shirish Chandra Murmu, Executive Director, RBI	M.Sc., CAIIB	10/01/2020	Non-Executive Part-Time Non- Government Director
*5.	Ms. Harsha Bangari, MD, Exim Bank	B.Com., CA	23/09/2021	Ex-Officio Non- Executive Part- Time Non- Government Director

*6.	Shri Devesh Srivastava, CMD, GIC Re	M.Sc. (Physics) PGDBM	21/01/2020	Ex-Officio Non- Executive Part- Time Non- Government Director
*7.	Dr. A. Sakthivel, President, FIEO	Diploma in Automobile Engineering	09/08/2021	Ex-Officio Non- Executive Part- Time Non- Government Director
*8.	Shri Amit Kumar Agarwal	Post Graduate in Commerce	03/11/2021	Non-Executive Part-Time Non- Government Director
*9.	Smt. Pratibha Kushwaha	Post Graduate in Humanities	11/11/2021	Non-Executive Part-Time Non- Government Director
10.	Shri Sunil Joshi, Executive Director (Policy Matters), ECGC Ltd.	M.Sc. (Physics)	09/07/2020	Functional Director (Whole-Time Director)

^{*} Non-Official (Independent) Directors

DETAILS OF FAMILIARISATION & TRAINING PROGRAMMES FOR DIRECTORS

At the time of induction of a new Director, a welcome letter is addressed to the new Director along with details of duties and responsibilities required to be performed as a Director in addition to the compliances required from him/her under the Companies Act, 2013 and other applicable statutes/rules/regulations including the Department of Public Enterprises (DPE) and Insurance Regulatory and Development Authority of India (IRDAI) applicable guidelines. Relevant Disclosures are taken from the Director. The Management of the Company familiarises the new Director

with the Company, its operations, important policies and processes followed by various sectors/departments of the Company, including their roles and responsibilities, the governance and internal control processes and other relevant important information concerning the Company. The Directors are also regularly encouraged and sponsored for attending important training programmes relating to Board-related practices and orientation programmes etc. conducted by various Institutes of repute like National Insurance Academy (NIA), Insurance Regulatory and Development Authority of India (IRDAI), Standing Conference of Public Enterprises (SCOPE), Indian Institute of Corporate Affairs (IICA), Department of Public Enterprises (DPE) etc.

All Directors are regularly updated on the various provisions related to corporate governance and other applicable rules and regulations of the Company during the Board/Committee meetings as per the internal training policy for the Directors of the Company.

Due to pre-occupation/busy schedule of the Directors on the dates of training organised by various Institutions from time-to-time, the Company could not impart training to all the Directors till date except to the following Directors during FY 2022-23 as follows:

S. No.	Details of Training Program	Directors attended
1.	Orientation Program for Independent Directors of General & Standalone Health Insurance Companies by the National Insurance Academy, Pune from 22 – 24 February, 2023	(a) Ms. Harsha Bangari (b) Shri Amit Kumar Agarwal (c) Smt. Pratibha Kushwaha
	Master Class on 'Building Better Boards' by the Indian Institute of Corporate Affairs (IICA) from 07 – 09 April, 2022 at Goa.	(a) Shri Amit KumarAgarwal(b) Smt. PratibhaKushwaha

An In-house Pre-induction training	(a) Shri Amit Kumar		
program at Northern Regional	Agarwal		
Office, ECGC Limited on June 22,	(b) Smt. Pratibha		
2022.	Kushwaha		
Orientation Program by the	(a) Shri Amit Kumar		
Department of Public Enterprises	Agarwal		
from 11 - 12 July, 2022 at New	(b) Smt. Pratibha		
Delhi	Kushwaha		

DETAILS OF THE MEETINGS OF THE BOARD OF DIRECTORS FOR FY 2022-23

The Board of Directors is required to meet at least four times every year in such a manner that not more than 120 days or such extended period shall intervene between two consecutive meetings of the Board, pursuant to the provisions of Section 173 of the Companies Act, 2013. The Company sends to all Directors notices, agenda and notes to agenda which are exhaustive in nature in compliance with Secretarial Standards on Board Meeting issued by the Institute of Company Secretaries of India. Pursuant to Section 174 of the Companies Act, 2013, the Company provides video conferencing/ Other Audio-Visual Means (OAVM) facility to the Directors to enable them to participate in the Board/ Committee meetings, if they so desire. Six meetings were held during the FY 2022-23. Details of the meetings of the Board of Directors held during the FY 2022-23 are furnished below in **Table 2**:

Table 2

S. No.	Meeting	Date of the	Board	No. of
	Number	Meeting	Strength	Directors
		(DD/MM/YYYY)		present
1.	436	25/05/2022	10	8
2.	437	05/08/2022	10	9
3.	438	05/09/2022	10	7
4.	439	11/11/2022	10	7
5.	440	10/02/2023	10	5
6.	441	17/03/2023	10	5

Details of attendance of the Directors at the Board Meetings and Annual General Meeting are furnished below in **Table 3** and **Table 4** respectively.

DETAILS OF ATTENDANCE OF THE DIRECTORS AT THE BOARD MEETINGS

Table 3

Name of the Director	Nature of Director- ship	Designation in the Board	Meeting dated 25/05/ 2022	Meeting dated 05/08/ 2022	Meeting dated 05/09/ 2022	Meeting dated 11/11/ 2022	Meeting dated 10/02/ 2023	Meeting dated 17/03/ 2023
Shri M. Senthilnathan	Executive Director	Chairman (Whole- Time)	Present	Present	Present	Present	Present	Present
Shri Vipul Bansal	Non- Executive Director	Government Director	Present	Present	Absent	Present	Absent	Absent
Smt. Aparna Bhatia	Non- Executive Director	Government Director	Present	Present	Present	Absent	Absent	Present
Shri SC Murmu	Non- Executive Director	Independent Director	Absent	Present	Absent	Absent	Absent	Absent
Ms. Harsha Bangari	Non- Executive Director	Independent Director	Absent	Present	Present	Present	Present	Absent
Shri Devesh Srivastava	Non- Executive Director	Independent Director	Present	Present	Present	Absent	Absent	Absent
Dr. A. Sakthivel	Non- Executive Director	Independent Director	Present	Absent	Present	Present	Absent	Present
Shri Amit Kumar Agarwal	Non- Executive Director	Independent Director	Present	Present	Absent	Present	Present	Absent
Smt. Pratibha Kushwaha	Non- Executive Director	Independent Director	Present	Present	Present	Present	Present	Present
Shri Sunil Joshi	Executive Director	Whole-Time Director	Present	Present	Present	Present	Present	Present

DETAILS OF ATTENDANCE OF THE DIRECTORS AT THE ANNUAL GENERAL MEETING

Table 4

Name of the Director	Nature of Directorship	Designation in the Board	64 th Annual General Meeting held on September 05, 2022	
Shri M. Senthilnathan	Executive Director	Chairman (Whole-Time)	Present	
Shri Vipul Bansal	Non-Executive Director	Govt. Director	Absent	
Smt. Aparna Bhatia	Non-Executive Director	Govt. Director	Present	
Shri S.C. Murmu	Non-Executive Director	Independent Director	Absent	
Ms. Harsha Bangari	Non-Executive Director	Independent Director	Absent	
Shri Devesh Srivastava	Non-Executive Director	Independent Director	Absent	
Dr. A. Sakthivel	Non-Executive Director	Independent Director	Present	
Shri Amit Kumar Agarwal	Non-Executive Director	Independent Director	Absent	
Smt. Pratibha Kushwaha	Non-Executive Director	Independent Director	Present	
Shri Sunil Joshi	Executive Director	Whole-Time Director	Absent	

DETAILS OF OTHER DIRECTORSHIPS HELD BY THE DIRECTORS AS OF MARCH 31, 2023 ARE FURNISHED BELOW IN TABLE 5.

Table 5

Name of the Director	No. of other Directorships held *
Shri M. Senthilnathan	0
Shri Vipul Bansal	4
Smt. Aparna Bhatia	0
Shri S.C. Murmu	0
Ms. Harsha Bangari	0
Shri Devesh Srivastava	5
Dr. A. Sakthivel	6
Shri Amit Kumar Agarwal	0
Smt. Pratibha Kushwaha	0
Shri Sunil Joshi	0

^{*}Directorship in companies registered under the Companies Act, 2013, excluding directorships in private companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

AUDIT COMMITTEE - COMPOSITION AND ATTENDANCE

The constitution of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013. As of 31/03/2023, the Audit Committee of the Company comprises of six Non-Executive Directors. Shri Devesh Srivastava is the Chairman of the Audit Committee w.e.f. July 15, 2021. Smt. Smita V. Pandit, Company Secretary of the Company is the Secretary of the Audit Committee.

The objective of the Audit Committee is to oversee and provide direction to the total audit functions of the Company i.e. supervision of internal audit and inspection within the Company and follow up action taken on points raised by the statutory/ external auditors of the Company and C&AG of India. The Board approved Terms of Reference of the Audit Committee covers all matters specified under Section 177 of the Companies Act, 2013, IRDAI Guidelines for Corporate Governance for insurers in India and the Department of Public Enterprises Guidelines for Corporate Governance for Central Public Sector Enterprises.

The Audit Committee met six times during the FY 2022-23. The details of the attendance of the Members at the Audit Committee meetings along with the date of meetings of the Committee are furnished below in **Table 6:**

Table 6

Name of the Director	Nature of Director- ship	Designation in the Committee	Meeting dated 24/05/ 2022	Meeting dated 05/08/ 2022	Meeting dated 05/09/ 2022	Meeting dated 10/11/ 2022	Meeting dated 08/02/ 2023	Meeting dated 17/03/ 2023
Shri Devesh Srivastava	Non- Executive Director	Chairman	Present	Present	Present	Absent	Present	Present
Shri Vipul Bansal	Non- Executive Director	Government Director	Present	Present	Absent	Absent	Absent	Absent
Smt. Aparna Bhatia	Non- Executive Director	Government Director	Present	Present	Present	Absent	Present	Present
Shri SC Murmu	Non- Executive Director	Independent Director	Absent	Present	Absent	Absent	Present	Absent
Ms. Harsha Bangari	Non- Executive Director	Independent Director	Absent	Present	Present	Present	Present	Absent
Dr. A. Sakthivel	Non- Executive Director	Independent Director	Present	Absent	Present	Present	Present	Present

INVESTMENT COMMITTEE - COMPOSITION AND ATTENDANCE

During the FY 2022-23, the Investment Committee of the Company was reconstituted on 31/08/2022 due to change in KMPs. The Investment Committee met five times during the FY 2022-23. The details of the attendance of the Members of the Investment Committee Meetings along with the date of the meetings are furnished below in **Table 7**:

Table 7

Name of the Director/ KMP	Nature of Director- ship/ Position of KMP	Designation in the Committee	Meeting dated 24/05/ 2022	Meeting dated 04/08/ 2022	Meeting dated 10/11/ 2022	Meeting dated 08/02/ 2023	Meeting dated 17/03/ 2023
Shri M. Senthilnathan	Executive Director	Chairman	Present	Present	Present	Present	Present
Shri Vipul Bansal	Non- Executive Director	Government Director	Present	Present	Absent	Absent	Absent
Smt. Aparna Bhatia	Non- Executive Director	Government Director	Present	Present	Absent	Present	Present
Shri SC Murmu	Non- Executive Director	Independent Director	Absent	Absent	Absent	Present	Absent
Ms. Harsha Bangari	Non- Executive Director	Independent Director	Absent	Present	Present	Present	Absent
Shri Devesh Srivastava	Non- Executive Director	Independent Director	Present	Absent	Absent	Present	Present
Shri Sunil Joshi	Executive Director	Whole-Time Director	Present	Present	Absent	Present	Present
Smt. Priscilla Sinha	Appointed Actuary	Member	Present	Present	Present	Present	Present
Shri Yashwant Breed	CIO	Member	Present	Present	Present	Present	Present
Shri Ish Nath Jha	CFO	Member (from 31/08/2022)	NA	NA	Absent	Present	Present
Shri Anand Singh	CRO	Member (from 31/08/2022)	NA	NA	Present	Present	Present
Shri Nirdosh Chopra	CFO & CRO	Member (up to 31/08/2022)	Present	Present	NA	NA NA	NA Object

CRO - Chief Risk Officer, CFO - Chief Financial Officer, CIO - Chief Investment Officer, KMP - Key Managerial Person

POLICYHOLDERS' INTERESTS PROTECTION COMMITTEE - COMPOSITION AND ATTENDANCE

The Policyholders' Interests Protection Committee of the Company met five times during the FY 2022-23. The details of the attendance of the Members

at the Policyholders' Interests Protection Committee Meetings along with the date of the meetings are furnished below in **Table 8**:

Table 8

Name of the Director	Nature of Director- ship	Designation in the Committee	Meeting dated 24/05/ 2022	Meeting dated 05/08/ 2022	Meeting dated 10/11/ 2022	Meeting dated 08/02/ 2023	Meeting dated 17/03/ 2023
Shri Devesh Srivastava	Non- Executive Director	Chairman	Present	Present	Absent	Present	Present
Shri M. Senthilnathan	Executive Director	Member	Present	Present	Present	Present	Present
Shri Vipul Bansal	Non- Executive Director	Government Director	Absent	Absent	Absent	Absent	Absent
Shri SC Murmu	Non- Executive Director	Independent Director	Absent	Present	Absent	Present	Absent
Ms. Harsha Bangari	Non- Executive Director	Independent Director	Absent	Present	Present	Present	Absent
Dr. A. Sakthivel	Non- Executive Director	Independent Director	Present	Absent	Present	Present	Present
Shri Sunil Joshi	Executive Director	Whole-Time Director	Present	Present	Absent	Present	Present

RISK MANAGEMENT COMMITTEE - COMPOSITION AND ATTENDANCE

The Risk Management Committee of the Company met five times during the FY 2022-23. The details of the attendance of the Members at Risk Management Committee Meetings along with the date of the meetings are furnished below in **Table 9**:

Table 9

Name of the Director	Nature of Director- ship	Designation in the Committee	Meeting dated 24/05/ 2022	Meeting dated 04/08/ 2022	Meeting dated 10/11/ 2022	Meeting dated 08/02/ 2023	Meeting dated 17/03/ 2023
Shri M. Senthilnathan	Executive Director	Chairman	Present	Present	Present	Present	Present
Shri Vipul Bansal	Non- Executive Director	Government Director	Present	Present	Absent	Absent	Absent

Smt. Aparna Bhatia	Non- Executive Director	Government Director	Present	Present	Absent	Present	Present
Shri SC Murmu	Non- Executive Director	Independent Director	Absent	Absent	Present	Present	Absent
Ms. Harsha Bangari	Non- Executive Director	Independent Director	Absent	Present	Present	Present	Absent
Shri Devesh Srivastava	Non- Executive Director	Independent Director	Present	Absent	Absent	Present	Present
Shri Sunil Joshi	Executive Director	Whole-Time Director	Present	Present	Absent	Present	Present

NOMINATION AND REMUNERATION COMMITTEE:

ECGC Ltd. being a Government Company, the appointment and the terms and conditions of appointment (including remuneration), of the Whole-time Directors are decided by the Government of India. However, the Board has constituted a Nomination and Remuneration Committee. No meeting of the NRC was held during the FY 2022-23. The details of the Members of the NRC are furnished below in **Table 10**.

Table 10

Name of the Director	Nature of Directorship	Designation in the Committee	Date of appointment as Member (DD/MM/YYYY)
Ms. Harsha	Non-Executive	Chairman	23/09/2021
Bangari	Director		
Shri Vipul	Non-Executive	Government	16/11/2021
Bansal	Director	Director	
Shri Shirish	Non-Executive	Independent	10/01/2020
Chandra	Director	Director	
Murmu			
Shri Devesh	Non-Executive	Independent	21/01/2020
Srivastava	Director	Director	
Dr. A.	Non-Executive	Independent	09/08/2021
Sakthivel	Director	Director	
Shri Sunil	Executive	Whole-Time	09/07/2020
Joshi	Director	Director	

ECGC is a 100% Government of India (GOI)-owned Company. Appointment of all Directors including the Chairman-cum-Managing Director is done by the President of India as per recommendation of the Department of Commerce, Ministry of Commerce & Industry in compliance with the Department of Public Enterprises guidelines. The Board takes on record all such appointments and necessary forms are filed with the Registrar of Companies including informing IRDAI. Remuneration of the Whole Time Directors is fixed by the Government of India.

The Government Nominee Directors are appointed (as Non-Executive Part-Time Government Directors) by the Ministry of Commerce & Industry and they are not entitled to any remuneration/sitting fees. The Non-Executive Part-Time Non-Government Directors (Independent Directors) are appointed by the GOI and they (excluding Directors appointed under the category of (i) Reserve Bank of India; (ii) Chairman/ Managing Director of EXIM Bank; (iii) Chairman/Managing Director of Nationalised banks to be nominated by the Government; and (iv) Chairman/ Managing Director of General Insurance Corporation of India) are entitled to sitting fees for attending the Board/ Committee Meetings as prescribed by the Board in adherence with the Government directives/ statutory rules and regulations. The Company has not paid any commission to its Directors. The Company has not issued any stock options to its Directors. The Pay Scales and allowances of Officers and Staff of ECGC Ltd. are approved by the GOI. The details of Sitting Fee amount paid to the eligible Independent Directors for attending the Board/ Committees Meetings during the FY 2022-23 are furnished below in Table 11.

Table 11

S. No.	Name of Director	Sitting Fee Paid (in ₹)
1.	Dr. A. Sakthivel	2,10,000
2.	Shri Amit Kumar Agarwal	80,000
3.	Smt. Pratibha Kushwaha	1,20,000

Remuneration of Directors and Key Managerial Personnel

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in ₹)
		Shri. M. Senthilnathan Chairman-cum- Managing Director	Shri. Sunil Joshi Executive Director (Policy Matters)
1.	Gross salary (₹)		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4,105,728.00	4,161,163.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,221,400.00	1,458,132.00
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit -others, specify		
5.	Others, Please specify		
	Total (A)	5,327,128.00	5,619,295.00
	Ceiling as per the Act		

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABLE DEVELOPMENT (SD) COMMITTEE:

CSR & SD Committee of the Company has been constituted for monitoring the Company's CSR & SD Projects/Activities. Shri M. Senthilnathan, CMD is the Chairman of the Committee w.e.f. 29/04/2020.

CSR & SD Committee of the Company met five times during the FY 2022-23. The details of the attendance of the Members at the Meetings of the CSR & SD Committee along with the date of the meetings are furnished below in **Table 12**.

Table 12

Name of the Director	Nature of Director- ship	Designation in the Committee	Meeting dated 24/05/ 2022	Meeting dated 04/08/ 2022	Meeting dated 10/11/ 2022	Meeting dated 08/02/ 2023	Meeting dated 17/03/ 2023
Shri M. Senthilnathan	Executive Director	Chairman	Present	Present	Present	Present	Present
Shri Vipul Bansal	Non- Executive Director	Government Director	Present	Present	Absent	Absent	Absent
Shri S.C. Murmu	Non- Executive Director	Independent Director	Absent	Absent	Absent	Present	Absent
Ms. Harsha Bangari	Non- Executive Director	Independent Director	Absent	Present	Present	Present	Absent
Shri Devesh Srivastava	Non- Executive Director	Independent Director	Present	Absent	Absent	Present	Present
Dr. A. Sakthivel	Non- Executive Director	Independent Director	Present	Absent	Present	Present	Present
Shri Sunil Joshi	Executive Director	Whole-Time Director	Present	Present	Absent	Present	Present

PERFORMANCE EVALUATION OF THE DIRECTORS, THE BOARD AND MEETING OF THE INDEPENDENT DIRECTORS

The requirement relating to performance evaluation of Board Members under Section 178(2) of the Companies Act, 2013 is exempted for Government Companies vide circular dated June 06, 2015 issued by the Ministry of Corporate Affairs (MCA). The provisions of Section 134(3)(p) of the Act which requires mentioning the manner of formal evaluation of the Board, Committees and individual Directors, in the Board Report is also exempted for the Government Companies, if Directors are evaluated by the Administrative Ministry. The Company's evaluation is done through annual Memorandum of Understanding (MOU) with the Department of Public Enterprises (DPE) with marks/ weight for financial and non-financial targets. The Company's Productivity-Linked Lumpsum Incentive (PLLI) is based on marks/ grade obtained in such evaluation by the respective Ministry.

The DPE vide OM dated 20/06/2013 has withdrawn review of the performance of the Chairperson of the Company after taking into account the views of all the Directors, from the purview of separate meeting of Independent Directors. The MCA had, vide circular dated July 05, 2017 also exempted evaluation mechanism of Non-Independent Directors and Chairperson of Government Companies as specified in Schedule IV to the Companies Act, 2013.

During the FY 2022-23, the Independent Directors met on November 11, 2022 as per the requirement of DPE guidelines (Office Memorandum dated 20/06/2013), inter alia, to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

GENERAL MEETINGS

The details of the General Meetings held during the last three years are furnished below in **Table 13**:

Table 13

S. No.	Financial Year	No. of AGM	Date & Time	Venue	No. of Special Resolutions passed, if any
1	2019-20	62	November	Express	NIL
			24, 2020	Towers, 10 th	
			1500 Hrs.	Floor, Mumbai	
2	2020-21	63	November	Udyog Bhawan,	NIL
			18, 2021	New Delhi	
			1600 Hrs.		
3	2021-22	64	September	Vanijya	04
			05, 2022	Bhawan,	
			1800 Hrs.	New Delhi	

CODE OF BUSINESS CONDUCT AND ETHICS

The Board of Directors has laid down a Code of Business Conduct and Ethics for all the Board Members and Senior Management Personnel of the Company, which has been posted on the website of the Company (www.ecgc.in).

DISCLOSURE

The Company has not entered into any material financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/ or Partners except transactions carried out in the ordinary course of business at arms' length basis. On March 17, 2023 the Board adopted the revised policy on Related Party Transactions under the nomenclature 'Policy on Related Party Transactions'. The Company has disclosed details of transactions with related parties as per the disclosure requirements of Indian Accounting Standard – 24 on Related Party disclosures and the exemption granted to the Government Companies.

There are no payments made to individual firms, companies and organizations in which Directors of the Company are interested, except

transactions carried out in the ordinary course of business at arms' length basis:

The Company has laid down procedures to report to the Board of Directors about the risk assessment and its minimization, which is periodically reviewed by the Risk Management Committee of the Board, to ensure that effective risk control is exercised by the Management.

The Audit Committee and the Board periodically reviews compliance report of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

The Company has adopted a Whistle Blower Policy enabling each employee to feel safe in raising concerns about any unacceptable/ unethical practice and/or any event of misconduct, at any level, that comes to his/her notice, without fear of consequences thereof.

No penalty was imposed on the Company, by any statutory or regulatory authority, on any matter related to various statutes of the land, during the last three years, except the following:

The Maharashtra Stamp Act, 1958: Stamp Office, Mumbai, Maharashtra State has, vide its letter dated 06/01/2015, imposed a penalty of ₹4,46,710/-(Rupees four lakhs forty-six thousand seven hundred ten only), for non-payment of stamp duty of ₹7,20,500/- payable on the construction contract agreement entered with Project Contractor, Unity Infraprojects Limited on April 07, 2012.

However, the Company has represented its case on January 22, 2015 to the Deputy Inspector General of Registration for waiver of penalty and the matter is being continuously followed up with the respective authority for early decision. As the appeal is pending for orders with the Chief Controlling Revenue Authority and Inspector General of Registration (Appellate Authority), Maharashtra State, Pune, as on date there is no further progress in the matter.

2. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 - ECGC while executing the order dated 09.08.2016 issued by the Fund Commissioner-I Regional Provident and further order dated 18.11.2016 issued by the Regional PF Commissioner (C&R), Mumbai, Employees' Provident Fund Organisation (EPFO) had transferred the PF Contribution in respect of Casual workers from ECGC Employees' Provident Fund Trust to EPFO for the period from September 2010 to July 2017 (with regular PF Contribution with EPFO in respect of casual workers started from August 2017 onwards) and remitted both the shares of PF Contribution i.e. Employer and Member contribution on behalf of casual workers from the date of their respective engagements to August, 2010.

A Summons dated 10.04.2017 was issued to the Company by the Asst. PF Commissioner, EPFO u/s.7Q of EPF & MP Act for payment of interest on PF Contribution for ₹24,27,917/- and ₹43,18,042/- being damages u/s.14B for damages for the period from 01.04.2016 to 31.03.2017. The last hearing before APFC, EPFO was conducted on June 07, 2019 in which a detailed submission was made.

- 3. Employees Deposit Linked Insurance Scheme 1976 APFC, EPFO has issued three notices to the Company dated 12.03.2019 (which also includes the interest and Penalty towards Summons dated 10.04.2017) Under Section 14B of the Act (and order of payment of Interest under Section 7Q) for belated remittances made during the following period:
- (i) July 1989 to February 1996 Total Amount (including damages and interest) for the period is ₹1,94,395/-
- (ii) March 1996 to August 2010 Total Amount (including damages and interest) for the period is ₹1,32,20,020/-
- (iii) September 2010 to August 2016 Total Amount (including damages and interest) for the period is ₹81,69,947/-

Total amount (including damages and interest) of the notices received is ₹2,15,84,362/-.

The last hearing before Assistant Provident Fund Commissioner (APFC), EPFO, Ministry of Labour & Employment, Government of India concluded on July 02, 2021. As per the order of APFC, EPFO dated July 31, 2021, the Company has made a consolidated payment of ₹1,62,87,209/- comprising of damages (₹59,67,524/-) and interest (₹1,03,19,685/-) payable to the office of APFC, EPFO. Non-Compliance due to delayed remittance towards PF contribution reported under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 has been rectified and final order from APFC, EPFO has been complied with by the Company.

PLACING OF AUDITED ACCOUNTS BEFORE THE PARLIAMENT

The audited accounts for FY 2021-22 of the Company were tabled before the Lok Sabha and Rajya Sabha on December 21, 2022 and December 16, 2022 respectively, in compliance with the statutory requirements in that regard, as 100% Equity Shares are held by the President of India and seven other nominees, on behalf of the Government of India.

SHAREHOLDERS' INFORMATION

- (a) Annual General Meeting: The 65th Annual General Meeting is scheduled to be held at 11:00 Hrs. on July 28, 2023 in New Delhi.
- (b) Shareholding Pattern as of March 31, 2023: The Company is fully owned by the Government of India. The President of India holds the entire lot of 43,38,00,000 Equity Shares of ₹100 each fully paid up, issued by the Company including eight of those shares which are held by the nominees of the President of India, on behalf of the Government of India.
- (c) Address for Correspondence: Smt. Smita V. Pandit, Company Secretary, ECGC Limited, ECGC Bhawan, CTS No. 393, 393/1 to 45, M.V. Road, Andheri East, Mumbai 400069. Email: cs@ecgc.in.

MEANS OF COMMUNICATION

• Website: The Company's website viz., www.ecgc.in contains a

separate dedicated section on financial results under Section "About

Us". The full Annual Report is also available on the website in user

friendly and downloadable form.

Financial Results: The annual, half-yearly and quarterly results are

regularly posted by the Company on its website www.ecgc.in.

Annual Report: The Annual Report, containing, inter alia, Audited

Annual Accounts, Directors' Report, Auditors' Report, and other

important information, is circulated to the Members and others

entitled thereto. The Management's Discussion and Analysis

(MD&A) Report placed at **Annexure IV** forms part of the Directors'

Report.

For and on behalf of the Board of Directors

M. Senthilnathan

Chairman-cum-Managing Director

DIN 07376766

Place: Mumbai

Date: May 04, 2023

45

Declaration

The Members of the Board and Senior Management Personnel have

affirmed compliance of the Code of Conduct for Board Members and Senior

Management Personnel for the Financial Year ended on March 31, 2023.

M. Senthilnathan

Chairman-cum-Managing Director

DIN 07376766

Place: Mumbai

Date: May 04, 2023

CERTIFICATE COMPLIANCE OF OF THE **CORPORATE**

GOVERNANCE GUIDELINES

I, Smita V. Pandit hereby certify that the Company has generally complied

with the Corporate Governance Guidelines for Insurance Company as

amended from time-to-time and nothing has been concealed or

suppressed.

Smita V. Pandit

Company Secretary

Place: Mumbai

Date: May 04, 2023

46

FORMING PART OF CORPORATE GOVERNANCE



Ragini Chokshi & Co.

Tel.: 022-2283 1120 022-2283 1134

Company Secretaries

34, Kamer Building, 5th Floor, 38 Cawasji Patel Street, Fort, Mumbai - 400 001. E-mail: ragini.c@rediffmail.com / mail@csraginichokshi.com web: csraginichokshi.com

Date: 21 04 2023

CORPORATE GOVERNANCE CERTIFICATE FOR F.Y.2022-23

To,
The Members
ECGC Limited,
ECGC Bhawan, CTS No.393,393/1 to 45,
M.V Road, Andheri East,
Mumbai – 400069.

We have examined the compliance conditions of Corporate Governance by **ECGC Limited** (the "Company") **CIN: U74999MH1957GOI010918** in accordance with the provisions of the Companies Act, 2013 read with Guidelines issued by the Department of Public Enterprises for Central Public Sector Undertakings on May 14, 2010 for the Financial Year 2022-23. The Company is a Government of India Enterprise with full equity participation from the Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

Based on our examination of the relevant records and to the best of our information and according to the explanations furnished to us, we certify that the Company has maintained proper records and complied with the conditions of Corporate Governance as stipulated in the DPE Guidelines, 2010 on Corporate Governance for Central Public Sector Enterprises for the Financial Year Ended 31st March, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai Date: 21.04.2023 For Ragini Chokshi & Co. (Company Secretaries)

Ragini Chokshi (Partner) M. No: 2390

C. P. No: 1436

A. K. 0201-820

UDIN: F002390E000161626



Ragini Chokshi & Co.

Tel.: 022-2283 1120 022-2283 1134

Company Secretaries

34, Kamer Building, 5th Floor, 38 Cawasji Patel Street, Fort, Mumbai - 400 001. E-mail: ragini.c@rediffmail.com / mail@csraginichokshi.com web: csraginichokshi.com

Date: 21.04.2023

FORM NO MR-3 SECRETARIAL AUDIT REPORT

Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

For the period 01-04-2022 TO 31-03-2023

To,
The Members,
ECGC Limited,
ECGC Bhawan, CTS No. 393, 393/1 to 45,
M.V Road, Andheri East,
Mumbai – 400069.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ECGC Limited** (CIN: U74999MH1957G0I010918) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering 1st April, 2022 to 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period 1st April, 2022 to 31st March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (not applicable as the Company is unlisted);
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder (not applicable as the Company is unlisted);
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India



Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (not applicable as the Company is unlisted);
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (not applicable as the Company is unlisted);
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)
 Regulations, 2009 (not applicable as the Company is unlisted);
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable as the Company is unlisted);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable as the Company is unlisted);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (not applicable as the Company is unlisted);
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable as the Company is unlisted); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable as the Company is unlisted).

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

- 1. Department of Public Enterprises (DPE) Guidelines, 2010;
- 2. Insurance Regulatory Development Authority Act, 1999 and the rules made thereunder;
- 3. Insurance Act, 1938 and Insurance (Amendment) Act, 2015;
- 4. Foreign Exchange Management Act, 1999 and the rules made there under.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchanges (not applicable as the Company is unlisted);

During the period under review the Company has complied with the provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in



compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had following specific events or actions which might have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- Cessation of Shri Nirdosh Chopra, General Manager from the position of Chief Financial Officer
 of the Company with effect from 31st August, 2022.
- Appointment of Shri Ish Nath Jha, General Manager as the Chief Financial Officer of the Company with effect from 31st August, 2022.
- Appointment of Shri Anand Singh, General Manager as the Chief Risk Officer of the Company with effect from 31st August, 2022.
- Increase in the Authorised Share Capital of the Company from `5000 Crore to `10000 Crore
 with effect from 05th September, 2022 and incorporation of clause 4(1) in the Articles of
 Association.
- Change in address of Registered Office of the Company within the same city/town/village with effect from 10th November, 2022.
- Issuance and allotment of 3,88,00,000 (Three crore eighty-eight lakh) fully paid-up Equity Shares of `100 each for cash at par in favour of the President of India on 10th February, 2023.

Place: Mumbai Date: 21.04.2023

For Ragini Chokshi & Co. (Company Secretaries)

Ragini Chokshi (Partner) C.P. No: 1436

R. K. Olorgeo.

FCS No: 2390

UDIN: F002390E000161681

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)
A BRIEF OUTLINE OF THE COMPANY'S CORPORATE SOCIAL
RESPONSIBILITY (CSR) POLICY, INCLUDING OVERVIEW OF
PROJECTS OR PROGRAMS UNDERTAKEN AND A REFERENCE TO
THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR
PROGRAMS.

The Company has adopted the revised guidelines issued by the Department of Public Enterprise (DPE) on CSR in 2014 and has a Board approved CSR policy. A CSR Committee of the Board has been constituted to monitor the CSR initiatives of the Company. An aggregate amount of ₹13.80 crore was spent on CSR Activities of the Company during FY 2022-23. Further, allocation of ₹1.51 crore has been made in the UCSR account for the projects already initiated and an amount of ₹0.0368 crore has been paid to the Swachha Bharat Kosh (SBK) for the FY 2022-23.

The Company made a commitment of ₹480 lakh for FY 2022-23 for the Aspirational District, Rajgarh, Madhya Pradesh and approved the proposal of setting up smart classroom with solar power backup in 140 Government schools of Rajgarh District, Madhya Pradesh. The Company has continued its support to Transforming M-Ward Project i.e. M-Power Library and Study Centre in Mumbai, M-Ward through the Tata Institute of Social Sciences (TISS). The M-Power offers its students a library stocked with textbooks of all stream (Arts, Science, Commerce). It has books to aid preparation for competitive examinations like MPSC, UPSC, NEET, etc. The library not only caters to the academic needs of the students but also includes magazine and journal subscription, newspapers in multiple languages and collection of fiction to foster general reading and learning habits. Under these programs, the TISS continues with the coaching for competitive exams, computer education, conversational English, career guidance, life skill education, etc. The major implementation partners for CSR activities are the Office of the District Collector, Rajgarh, Madhya Pradesh (Aspirational District), the TATA Institute of Social Sciences (TISS), Vivekananda Kendra, Snehalaya, SOS Children's Village of India, Voice of world, Development Education Empowerment of Disadvantaged in Society (DEEDS), Concern India Foundation, CKS foundation, Christian Medical College, HOPE Kolkata Foundation, Bharat Sevashram Sangha, Rotary Tirupur Prime Trust, ALIMCO – Artificial Limbs Manufacturing Corporation of India, Vidyanjali Scheme (Ministry of Education), Kendriya Sainik Board, Central Reserve Police Force (CRPF) and Vivekananda Medical Mission. A number of initiatives have been undertaken in the field of education, health care, nutrition, skill development, support to differently-abled, contribution to the Armed Forces Flag Day Fund, CRPF Welfare Fund and to Swachh Bharat Kosh.

The Company continued to support projects on skill development, training of deaf youth in hospitality and retail trade, implemented by Development Education Empowerment of Disadvantaged in Society (DEEDS) in Mumbai. The Company supported the extended projects, Mobile Medicare Unit in Odisha and Medical activities in North East through Vivekananda Kendra during the year. Christian Medical College, Vellore - Tamil Nadu has requested to extend support towards purchase of medical equipment. The Company has approved the proposal and extended support to CMC Vellore. The Company also supported Education support programme – Amcha Ghar, Uttan, Bhayander, Dist. Thane.

Further, a contribution of ₹50.00 lakh was made to the Armed Forces Flag Day Fund (AFFDF) towards Welfare of Ex-Servicemen of the Indian Defence Services through the Kendriya Sainik Board. A contribution of ₹37.55 lakh has been made to the 'CRPF Welfare Fund.

1. Brief outline on CSR Policy of the Company:

 To ensure an increased commitment at all levels, in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.

- ii. To directly/indirectly take up programs that benefit the communities in and around its various offices that enhance quality of life and well-being of the locals.
- iii. To implement activities that empower weaker, less privileged and marginalized sections of the society.
- iv. To generate, through its CSR initiatives, goodwill and pride for the Company among stakeholders and help reinforce a positive and socially responsible image of the Company as a corporate entity.

2. Composition of CSR Committee:

S. No.	Name of the Director	Designation	Date of appointment as a Member (DD/MM/YYYY)	No. of Meetings attended/ Total no. of Meetings held during his/her tenure
1.	Shri M. Senthilnathan	Chairman-cum- Managing Director, ECGC Limited	29/04/2020	5/5
2.	Shri Vipul Bansal	Joint Secretary, Department of Commerce, Ministry of Commerce & Industry, Government of India	16/11/2021	2/5
3.	Shri S.C. Murmu	Executive Director, Reserve Bank of India	10/01/2020	1/5
4.	Ms. Harsha Bangari	Managing Director, Export-Import Bank of India	23/09/2021	3/5
5.	Shri Devesh Srivastava	Chairman-cum- Managing Director,	21/01/2020	3/5

		General Insurance		
		Corporation of India		
6.	Dr. A.	President,	09/08/2021	4/5
	Sakthivel	Federation of Indian		
		Export Organizations		
7.	Shri Sunil	Executive Director	09/07/2020	4/5
	Joshi	(Policy Matters),		
		ECGC Limited		

- The web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: www.ecgc.in
- 4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Impact assessment report enclosed.
- 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No.	Financial year	Amount		Amount
		available	for	required to be
		set-off	from	set-off for the
		preceding		financial year,
		financial	year	if any (in ₹)
		(in ₹)		
		NIL		NIL

- 6. Average net profit of the Company: ₹716.04 crore
- 7. (a) Two percent of average net profit of the company:₹14.32 crore, Budget allotted for CSR ₹14.40 crore
 - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 - (c) Amount required to be set off for the financial year: if any: Nil

(d) Total CSR Obligation for the financial year (7a+7b+7c): ₹14.40 crore

8. (a) CSR amount spent or unspent for the financial year:

Total		Amount unspent (in ₹)									
amount		. ,									
spent for	Total Amo	ount	Amount Tran	nsferred to	any fund						
the	transferre	d to Unspent	specified un	der Sched	lule VII						
Financial	CSR Acco	ount									
Year (in	Amount	Date of	Name of	Amount	Date of						
₹)		transfer	the fund		transfer						
13.80	1.51	21.04.2023	SWACHH	0.0368	21.04.2023						
crore	crore		BHARAT	core							
			KOSH								
			TRUST								

(b) Details of CSR amount spent against ongoing projects for the financial year:

₹11.05 crore (Refer Appendix)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

₹1.69 crore (Refer Appendix)

- (d) Amount spent in Administrative overheads ₹5.7 lakh
- (e) Amount spent on Impact Assessment, if applicable: ₹4.3 lakh
- (f) Total amount allocated and disbursed for the Financial Year ₹14.40 core
- (g) Total amount spent for the Financial Year ₹13.80 crore
- (h) Excess amount for set off, if any NIL

S. No.	Particular	Amount in ₹		
(i)	Two percent of average net profit	₹14.32 crore (budget		
	of the Company	allotted for CSR ₹14.40		
		crore)		
(ii)	Total amount spent for the	₹13.80 crore		
	financial year			

(iii)	Excess amount spent for the	NIL
	financial year	
(iv)	Surplus arising out of the CSR	NIL
	projects or programmes or	
	activities of the previous financial	
	years, if any	
(v)	Amount available for set off in	NIL
	succeeding financial years ((iii)-	
	(iv))	

- 9. (a) Details of Unspent CSR amount for the preceding three financial years:
 - ₹1,51,22,500/- pertains to Ongoing projects (Transferred to UCSR A/c) and
 - ₹3,68,662.44/- pertains to balance amount due to lower expenses under budget allocated for Swachata Action Plan Activities. (Transferred to Swachh Bharat Kosh)
 - (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s):

S. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount Allocated for the project	Amount spent on the project in the reporting Financial year	Cumulative amount spent at the end of the reporting Financial year	Balance commit ment	Status of the Project (completed/O n-going)
1	Health	Vivekanand Kendra - North East -Purchase of X ray machine and emergency generator (health) by Board	2021-22	One year	1600000	1600000	1600000	0	Completed
2	Educat ion	CKS Foundation, Uttarakhand - approved by Board (education)**	2021-22	One year	3610000	902500	3610000	0	Completed
3	Health	Snehalaya, Ahmedanagar - approved by ISEC (health)	2021-22	One year	1683000	841500	1683000	0	Completed

4	Educat ion	SOS Children's village of India - village at Guwahati	2021-22	One year	1512000	512000	1512000	0	Completed
		TOTAL			8405000	3856000	8405000	0	

- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable
- 11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135 (5): Refer 9 (a)

(Ishnath Jha)
Chief Financial Officer

(M. Senthilnathan)
CMD & Chairman of the CSR Committee
DIN 07376766

CSR RESPONSIBILITY STATEMENT

The Company has adopted the CSR Policy as per the guidelines issued by

the Department of Public Enterprises and has a Board approved CSR

Policy. The Company's CSR activities relate to health, nutrition, primary

education, skill development, ensuring livelihood, environment, sustainable

development, women empowerment, strengthening services for the

differently-abled and support to Scheduled Tribe community. The

implementation and monitoring of the CSR activities is in compliance with

the CSR objectives and Policy of the Company.

(M. Senthilnathan)

CEO & Chairman of the CSR Committee

DIN 07376766

Place: Mumbai

Date: May 04, 2023

Appendix to Annexure III Details of CSR amount spent against ongoing projects for the financial year:

S. No	Name of the Project or Activity	Item from the list of Activities in Schedule VII	Local Area (Yes/ No)	Location of the Project- State	District	Project Duration (In Months)	Amount allocated for the project	Amount spent in the FY (In Rs.)	Amount transferr ed to Unspent CSR Account for the project as per section 135(6)	Mode of Imple ment ation- Direct (Yes/ No)	Mode of Implem entatio n Throug h Implem enting Agency - CSR Regn No.	Name
1	HOPE Kolkata Foundation	Nutrition	No	West Bengal	Kolkata	One year	1186000	1186000	0	No	CSR000 00338	HOPE Kolkata Foundatio n
2	Tara Sansthan, Udaipur	Health	No	UP	Ghaziaba d	One year	1748000	1748000	0	No	CSR000 03030	Tara Sansthan,
3	CKS Foundation New Delhi	Education	No	Uttarakhand	Dehradun	One year	4350000	3262500	1087500	No	CSR000 09044	CKS Foundatio n
4	TISS (Tata Institute of Social Science)	Education	Yes	Maharashtra	Mumbai	One year	7000000	7000000	0	No	CSR000 03475	TISS (Tata Institute of Social Science)
5	Vivekanand a Kendra Kanyakuma ri	Education	No	Arunachal Pradesh	Itanagar	One year	20000000	12000000	8000000	No	CSR000 05526	Vivekana nda Kendra
6	Rotary Tirupur Prime Trust	Health	No	Tamil Nadu	Tirupur	One year	20000000	20000000	0	No	CSR000 10527	Rotary Tirupur Prime Trust
7	Swami Vivekanand a Medical Mission	Education and sanitation	No	Kerala	Idukki Dist. & Nellipathi, Palakkad	One year	7000000	2000000	5000000	No	CSR000 02488	Swami Vivekana nda Medical Mission
8	Amchaghar	Education	Yes	Maharashtra	Uttan, Palghar	One year	1500000	1500000	0	No	CSR000 00102	Amchagh ar
9	ALIMCO – Artificial Limbs Manufacturi ng Corporation of India	Health	No	Kerala	Kollam	One year	2000000	1800000	200000	No	CSR000 00532	ALIMCO - Artificial Limbs Manufact uring Corporati on of India
10	DEEDS - Develo pment Education Empowerm ent of The Disadvanta ged In Society	Skill Developm ent	Yes	Maharashtra	Mumbai	One year	2440000	2440000	0	No	CSR000 00703	DEEDS - Developm ent Education Empower ment of The Disadvant aged In Society
11	Concern India Foundation, Mumbai	Health	No	Telangana	Ranga Reddy	One year	2085000	1250000	835000	No	CSR000 00898	Concern India Foundatio n

12	STEM Learning /Seva Sahyog, Mumbai	Nutrition	NO	West Bengal	Kolkata	One year	559965	559965	0	No	CSR000 00756	STEM Learning /Seva Sahyog, Mumbai
13	CMC Vellore	Heath	NO	Tamil Nadu	Vellore	One year	5000000	5000000	0	No	CSR000 01924	CMC Vellore
14	Durgabai Deshmukh/ Andhra Mahila Sabha, Chennai	Health	NO	Tamil Nadu	Chennai	One year	1400000	1400000	0	No	CSR000 16213	Durgabai Deshmuk h/ Andhra Mahila Sabha
15	Voice Of World, Kolkata	Education and Health	NO	West Bengal	Kolkata	One year	1398000	1398000	0	No	CSR000 03390	Voice Of World
16	Aspirational Dist Rajgarh	Developm ent activities in aspiration al district Rajgarh	NO	Madhya Pradesh	Rajgarh	One year	48000000	48000000	0	No	-	Aspiration al Dist
			TOTA	L			12566696 5	11054446 5	15122500			

Details of CSR amount spent against other than ongoing projects for the financial year:

S. No	Item from the list of Activities in Schedule VII	Name of the Project or Activity	Local Area (Yes/ No)	Location of the Project- State	District	Amount spent in the FY (In Rs.)	Mode of Implemen tation- Direct (Yes/No)	Mode of Implementation Through Implementing Agency - CSR Regn No.	Name
1.	Health	Yoga Day	Yes	Maharashtra	Mumbai	4037686.00	No	-	Lakshya and BMC
2.	Health	Sanitary Pad Vending Machine	No	Bihar & UP	Patna & Meerut	1995000.00	No	CSR00000812	Bharat Sevashram Sangha
3.	Education ISEC	Vidyanjali Scheme ,Min. of Education,	No	Gujarat And Himachal Pradesh	Surat & Kullu	545470.00	No	-	Vidyanjali Scheme, Min. of Education, GOI
4.	Education and Health ISEC	Kendriya Sainik Board	No	New Delhi	New Delhi	5000000.00	No	CSR00005526	Kendriya Sainik Board
5.	Health and Nutrition	CRPF	No	New Delhi	New Delhi	3755000.00	No	-	CRPF
6.	Health and Nutrition	Swachata Action Plan	No	Pan India	Pan India	1631337.56	Yes	-	Swachata Action Plan
				Total		16964493.56			

(M. Senthilnathan)

CEO & Chairman of the CSR Committee
DIN 07376766

Place: Mumbai

Date: May 04, 2023

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY AND TRADE

Governments, policymakers, and businesses around the world have necessarily employed counter-measures to control inflation and spur growth in the face of a global slowdown in the past year. For example, the recent rise in inflation has forced central banks around the world to undertake monetary tightening. While this has led to some challenges in the financial markets, it is an essential measure to protect the purchasing power of the people and maintain price stability which will eventually propel aggregate demand and economic growth. Although the United States, Europe, and China are currently facing macroeconomic difficulties, it is expected that they will rebound soon when the business cycle enters the upswing phase. Additionally, the ongoing Russia-Ukraine conflict has had some negative effects, especially in energy and commodity markets but then also we must remain hopeful that through dialogue and cooperation, the two countries will reach a common ground.

As per a recent WTO report, the growth in the trade volume in 2022 was lower than expected at 2.7% following a fourth-quarter (October-December) slump, but still stronger than the worst-case scenarios considered at the start of the war in Ukraine. Also, the value of world merchandise trade rose by 12% to US\$ 25.3 trillion in 2022, inflated in part by high global commodity prices. The value of world commercial services trade increased by 15% in 2022 to US\$ 6.8 trillion. Digitally delivered services exports were worth US\$ 3.82 trillion in the same year. The report emphasizes that the world merchandise trade volume is projected to grow 1.7% in 2023 before picking up to 3.2% in 2024.

Additionally, from a geographical perspective, the report highlights that Europe's exports are expected to grow by 1.8% in 2023, up from the previous estimate of 0.8%. Europe's imports are expected to decline by 0.6% this year, less than the previous estimate of (-)0.7%. North America is expected to record the strongest merchandise export growth amongst

the WTO members. The slowdown in goods-related services trade in 2022 pointed to decreased contract manufacturing activities in other countries. Freight transport rates have now largely returned to pre-pandemic levels and are expected to fall further in the first half of 2023.

In the light of the evolving risk environment, it is becoming more crucial to efficiently handle commercial and geopolitical risks in trade transactions. To this end, export credit agencies and trade credit insurers, with their specialized knowledge and commitment to their economies, are playing a vital role in helping companies navigate these risks. The Berne Union Members collectively offer payment risk protection to approximately USD 2.6 trillion [EUR 2.1 trillion] trade annually, representing roughly 12% of the total value of global cross-border trade. With the potential increase in ecopolitical risks, this value is expected to increase in the near future.

As a result of the growing political risks across the globe and the need for shorter supply chain lead times, along with increasing labor costs, global supply chains have been restructured through automation and digitization. To achieve self-reliance in material supply and manufacturing, governments and industry leaders have turned to near-shoring and friend-shoring. Near-shoring involves relocating business operations or sourcing goods and services from a neighboring country or region, while friend-shoring involves manufacturing and sourcing from countries that are geopolitical allies and share similar values.

Investment is likely to weaken and corporate defaults may be triggered due to the combination of slow growth, heavy indebtedness, and tightening financial conditions. Furthermore, a global recession may be induced by factors such as higher inflation, tighter monetary policy, financial stress, greater weakness in major economies, and heightened geopolitical tensions. Therefore, it is imperative that immediate global measures are taken to alleviate the risks of recession and debt distress in emerging and developing economies.

Thus, national policymakers are required to ensure targeted fiscal support to the vulnerable groups, that inflation expectations are well managed and

financial systems are resilient. Policies to support a major increase in investment in emerging and growing markets are also needed, which can help reverse the slowdown in long-term growth.

GLOBAL ECONOMY - OUTLOOK

As per the International Monetary Fund (IMF), the global growth is projected to fall from an estimated 3.4% in 2022 to 2.9% in 2023, then rise to 3.1% in 2024. The interplay of dynamic factors like the global fight against inflation, Russia-Ukraine conflict, and a recurrence of COVID-19 in different parts of the world have influenced these projections. Effective debt restructuring and the deployment of macro prudential tools are necessary to ensure financial and debt stability in the face of tighter monetary conditions and lower growth prospects.

In the case of advanced economies, growth is projected to decline sharply from 2.7% in 2022 to 1.2% in 2023 before rising to 1.4% in 2024. Around 90% of advanced economies are likely to see a decline in growth in 2023. For emerging markets and developing economies, growth is expected to rise modestly, from 3.9% in 2022 to 4.0% in 2023 and 4.2% in 2024.

In India, growth is set to decline from 6.8% in 2022 to 6.1% in 2023 before picking up to 6.8% in 2024 which could be propelled by resilient domestic demand despite external headwinds. In the United States, it is expected that growth will fall from 2.0% in 2022 to 1.4% in 2023 and 1.0% in 2024. It is projected that growth in the Middle East and Central Asia will decline from 5.3% in 2022 to 3.2% in 2023.

Global inflation has shown signs that it has peaked and now it is projected to decline. As per IMF estimates, global inflation is expected to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024. The declining international fuel and non-fuel commodity prices due to weaker global demand reflect the projections of declining inflation. Globally, the core inflation is expected to decline from 6.9% in the fourth quarter of 2022 (year over year) to 4.5% by the fourth quarter of 2023 influenced by the cooling effects of monetary policy tightening. Yet, the projected decline in inflation will take time, by 2024, projected annual average headline and core inflation will,

respectively, still be above pre-pandemic levels in 82% and 86% of economies.

There are several downsides as well as upside risks influencing the global outlook on the economy. While the adverse risks have moderated since last year, still the balance of the risks is tilted to the downside. Plausible upside factors include a boost made by pent-up demand and faster disinflation. And the downside risks include escalation of the conflict in Ukraine, debt distress etc.

INDIA'S FOREIGN TRADE

During the financial year 2022-23, India's overall exports (Merchandise and Services) are estimated at US\$ 770 billion (₹61,91,585 crore), exhibiting a growth of around 13.84% in dollar terms and 20.56% in rupee terms over the same period last year. Overall imports during this period are estimated at US\$ 892 billion (₹71,72,360 crore), reflecting a growth of 17.38% in dollar terms and 24.31% in rupee terms over the same period last year.

India's merchandise exports for the financial year 2022-23 stood at US\$ 447 billion (₹35,97,194 crore) as against US\$ 422 billion (₹33,92,517 crore) over the same period last year, registering a growth of 6.03% in dollar terms and 12.3% in rupee terms.

The total value of merchandise imports for the period April-March 2022-23 was US\$ 714 billion (₹57,41,875 crore), as against US\$ 613 billion (₹46,53,681 crore) during the same period the previous year registering a growth of 16.51% and 23.38% in the dollar and rupee terms respectively.

Taking merchandise and services together, the overall trade deficit for the period April - March 2022-23 was US\$ 122 billion (₹9,80,775 crore) as compared to the deficit of US\$ 84 billion (₹6,34,079 crore) in the same period last year.

(Source – MoC&I website)

OVERVIEW OF COMPANY'S OPERATIONS SHORT-TERM EXPORT CREDIT INSURANCE POLICIES

The number of distinct exporters availing themselves of the Company's cover for export receivables (Short-Terms Export Credit Insurance Policies - ST-Policy) was 7,039 as of 31st March, 2023 as against 6,711 as of 31st March, 2022. During the Financial Year (FY) 2022-23, the total number of Short-Term (ST) Export Credit Insurance Policies issued and renewed was 11,610 compared to 10,940 issued during the previous FY 2021-22. The number of ST-Policies in force as of 31st March, 2023 was 11,036 with a total Maximum Liability (ML) of ₹56,278.02 crore as against 10,292 policies in force with a total ML of ₹47,465.60 crore as of 31st March, 2022, indicating a growth of 7% in the number of policies in force and growth of 19% in the total ML in force. The total number of fresh policies issued during the year was 4,410 out of which 1,503 were Whole Turnover (WT) policies. The share of distinct exporters belonging to the 'Small Exporter' (i.e. exporter with policy covers with ML less than or equal to ₹40 crore) category, holding the Company's policy products in the total number of distinct exporter clients is 97% as of 31st March, 2023 as it was as of 31st March 2022.

Declaration-based policies viz. Shipments (Comprehensive Risks) Policies (SCR), Export Turnover Policies (ETP), Services Policies, Small Exporter's Policies (SEP), Buyer Wise Policies, Consignment Policies etc. continued to maintain a larger share at 51% of the policies in force as at the end of FY 2022-23. The total number of declaration-based policies in force as of 31st March, 2023 was 5,637 with an aggregate ML of ₹32,631.22 crore as against 5,390 with an aggregate ML of ₹29,399.93 crore as of 31st March, 2022 while the declaration-based policies in force increased by 5% in number, the aggregate ML increased by 11%. The number of shipments declared was 3,89,098 with an average credit period of 60 days. Exposure-based policies like Multi Buyer Exposure Policy, Single Buyer Exposure Policy, IT-Enabled Services Policy (Multi-Customer), IT-Enabled Services Policy (Specific Customer) etc. had a share of 49% of the policies in force as at the end of FY 2022-23. The total number of exposure-based shipment policies in force as of 31st March, 2023 viz. MBEP, SBEP, MITES, SITES

etc. was 5,399 with an aggregate ML of ₹23,646.80 crore as against 4,902 with an aggregate ML of ₹18,065.67 crore as of 31st March 2022, reflecting a growth of 10% in number and 31% in aggregate ML.

Total business covered under the ST-Policies during the FY 2022-23 was ₹3,21,767.12 crore, as against ₹2,69,272.90 crore during the previous year, thereby registering a growth of 19%. The premium income under ST-Policies was ₹539.70 crore during the FY 2022-23 as against ₹485.63 crore in the previous FY, registering a growth of 11%. The total number of claims paid under ST-Policies during FY 2022-23 was 421 amounting to ₹191.31 crore as against 537 claims amounting to ₹237.91 crore during the previous FY 2021-22.

Amount recovered under ST-Policy was ₹10.55 crore during the FY 2022-23 as against ₹16.54 crore during the previous year showing a decrease of 36%.

CUSTOMER-SPECIFIC COVERS

The company had, with the approval of the Insurance Regulatory and Development Authority of India (IRDAI), introduced Customer Specific Covers (CSC) which are tailor-made to suit specific requirements of policy holders where none of the existing standard products are found suitable. The CSC Policies are structured by combining certain features of two or more standard products approved by the IRDAI, while having the predominant features of one product which is considered as the base policy.

During the FY 2022-23, 462 customized policies were issued/renewed with a total Maximum Liability/ Aggregate Loss Limit (ML/ALL) of ₹13,658.41 crore as against 367 customized policies issued with a total Maximum Liability/ Aggregate Loss Limit (ML/ALL) of ₹10,072.60 crore during the previous year. As of March 31st, 2023, 442 CSC policies were in force with a total ML/ALL of ₹13,205.56 crore. Annual premium income under CSC policies was ₹167.86 crore during the FY 2022-23 as against ₹124.30 crore during the previous year. During the FY 2022-23, claims paid under

customized policies decreased to ₹28.50 crore from ₹48.11 crore during the previous year.

SHORT-TERM EXPORT CREDIT INSURANCE FOR BANKS (ECIB) COVERS

The premium earned under Short Term - Export Credit Insurance for Banks (ST-ECIB) for the FY 2022-23 was ₹632.54 crore vis-à-vis ₹600.84 crore during FY 2021-22 registering an increase of 5.28%. The growth was supported by the speedy recovery of exports and higher credit offtake from banks during the FY 2022-23. ST-ECIB premium accounted for 53% of the total premium of the Company for the FY 2022-23. The number and value of claims paid stood at 123 and ₹415.70 crore respectively for the FY 2022-23 as against 143 claims for ₹443.41 crore in FY 2021-22. The average number of days for claim settlement was 57.08 days in FY 2022-23 which was 73.99 days in the previous year. The recovery made during the current year was at ₹136.84 crore as against ₹93.44 crore during FY 2021-22. The total outstanding covered by the Company under the various ECIB covers issued, derived from the total Average Daily Products (ADP) of all the accounts covered under the Whole Turnover (WT) covers and the Highest Amount Outstanding (HAO) under Individual Covers, reported by banks to ECGC, aggregated to ₹84,746 crore during the FY 2022-23 as compared to ₹86,419 crore during FY 2021-22 showing a slight decrease of 1.94%. The number of accounts covered under the schemes as of March 31st, 2023 was 13,091 compared to 13,568 as of 31st March, 2022. A total of 9,004 (Previous Year 9,051) distinct exporters of which more than 85% are Small Exporters (i.e., exporter accounts with sanctioned credit limit less than or equal to ₹80 crore) have been supported through the covers. It is estimated that export credit advances worth ₹3,38,984 crore has been supported through ECIB cover during this year compared to ₹3,45,676 crore during the previous year. The estimates are based on data sourced from RBI and considering the fact that the business cycle under short term exports is around 90 days.

Accordingly, the outstanding export credit covered by the Company is multiplied by a factor of four to arrive at the Risk Value.

During the year, ST- ECIB underwriting guidelines were liberalized for Gems, Jewellery and Diamond sector accounts to the effect that new or incremental exposure of export credit working capital limits up to ₹100 crore would be covered under Whole Turnover (WT)-ECIB instead of Individual (IN)-ECIB earlier.

Also, a scheme with an enhanced cover of 90% under WT- ECIB was introduced for exporters (other than traders, merchant exporters and exporters under GJD Sector), having aggregate limits/ exposure of up to ₹20 crore. The enhanced cover under ECIB has enabled the banks to pass on the benefit of reduced interest rate to the exporters. Four banks viz., State Bank of India, Central Bank of India, Bank of Maharashtra and The Saraswat Co-operative Bank Ltd. have already opted for our enhanced cover scheme.

Appropriate risk mitigation measures were continued in respect of underwriting of high value accounts as in the previous years.

MEDIUM AND LONG-TERM BUSINESS REVIEW

The premium income from the Medium and Long-Term (MLT) business, for the FY 2022-23 stood at ₹24.81 crore as against ₹20.32 crore in the previous year. Eight claims of ₹156.93 crore were paid under credit insurance policies issued to Indian Project Exporters during the FY 2022-23. The top five countries in which the Company had underwritten major business during the FY 2022-23 are Bangladesh, Cameroon, Laos, Nepal and Saudi Arabia.

During the FY 2022-23, 12 credit insurance policies were issued to MLT project exporters as against 19 in the previous financial year, covering political and comprehensive risks on various projects undertaken by them. The major sectors covered were Infrastructure projects, Power Transmission & Distribution, Hydro Power Equipment and Supply of Capital Goods etc. The number of covers issued under Export Credit Insurance to Banks (ECIB) during the FY 2022-23 was 47 as against 39 in the previous

year. No covers were issued under the Overseas Investment Insurance scheme and the Buyer's Credit scheme during the FY 2022-23.

NATIONAL EXPORT INSURANCE ACCOUNT TRUST (NEIA)

The NEIA Trust has been established by the Government of India (GOI) with the objective of ensuring availability of credit risk cover for Medium and Long-Term exports (MLT) / project exports which are desirable from the point of view of national interest. The total grant-in-aid received by the Trust as of 31.03.2023 stands at ₹4,741 crore. The Trust has settled eight claims of ₹4,462.74 crore under the Buyer's Credit scheme of the NEIA Trust (BC-NEIA) covers during FY 2022-23 to India Exim Bank under the facilities extended to Iran, Sri Lanka, Suriname and Zambia. The underwriting capacity of the Trust is ₹80,000 crore of which 25% amounting to ₹20,000 crore has been earmarked for supporting MLT covers issued by the Company. Risk to the extent of ₹14,153.77 crore, in respect of 331 covers supporting 213 projects with a total value of ₹43,571 crore in 52 countries, has been shared with the NEIA Trust. The balance 75% of ₹80,000 crore amounting to ₹60,000 crore is earmarked for the BC-NEIA. As of March 31, 2023, the Trust has issued 28 Buyer's Credit covers with an aggregate Maximum Liability of ₹25,091 crore for 28 projects of value ₹18,006 crore in the countries Cameroon, Cote D' Ivoire, Ghana, Iran, Maldives, Mauritania, Mozambique, Senegal, Sri Lanka, Suriname, Tanzania, Uganda, Zambia and Zimbabwe. In view of claims admitted during the FY 2022-23 and provision for defaults reported under the cover issued / supported by the Trust, the corpus available for underwriting is NIL as of March, 31, 2023. The GOI is the sole settlor of the Trust and ECGC is the managing agency.

The Trust is managed by the Company. The Company receives 5% of guarantee fee income earned by the Trust as the management fee and during the year the Company received ₹1.72 crore as its management fee from the Trust.

FACTORING

Full Fledged Factoring Scheme (FFFS)

The Board of Directors had at its meeting held on 13th May 2014 approved the Full-Fledged Factoring Scheme (FFFS) primarily for MSME exporters. During the year 2022-23 the Company approved five proposals benefitting four exporters. During the Financial Year (FY) 2022-23, 13 bills were factored amounting to ₹3.61 crore as against 24 bills amounting to ₹6.61 crore during the previous year.

Cover to Factors

Factoring companies face risk of non-payment in respect of export receivables factored by them without recourse due to the reason that import factor is sometimes not available or is expensive.

With the due approvals of the Board of Directors and the IRDAI, the Company has introduced Export Receivables (Factor's Risks) Insurance Agreement Cover to be issued to Factors / Financial Institutions / Banks for the export bills factored by them pertaining to their MSME exporter-clients.

The product, Export Receivables (Factor's Risk) Insurance Agreement is meant to protect Factors / Financial Institutions / Banks wherein the finance extended by them to the exporters by way of 'Factoring' the bill, remains unrealized owing to buyer's risks and political risks. The Company is yet to commence business under the product.

INVESTMENTS

As of March 31, 2023, the investment portfolio comprising of investments in Government Securities, Corporate Bonds, Equity Shares, Fixed Deposits etc. stood at ₹15,575.82 crore as against ₹14,804.59 crore as of March 31, 2022, showing an increase of ₹771.23 crore, i.e. a growth of 5.21%. The growth in the investment portfolio was on account of infusion of additional capital and surplus generated from the investments.

The Company has complied with all the regulatory requirements in respect of investments. Investment under mandatory category stood at 71.74% as

against minimum of 45% prescribed by the IRDAI. As of March 31, 2023, the Company has exposure of only 1.74% in instruments classified as "Other Investments", as against regulatory limit of maximum 15% prescribed by the IRDAI. Further, out of the Company's total debt portfolio, 93.44% of investments are in Government Securities and debentures rated AAA, as against regulatory limit of minimum 65% prescribed by the IRDAI. Income generated from investment operations (including profit on sale of investments) increased to ₹1,133.85 crore in the FY 2022-23 from ₹1,090.80 crore in the FY 2021-22, recording an increase of 3.95%. Increase in the investment income during the year was mainly due to increase in the Asset Under management (AUM) of the Investment portfolio, as mentioned above. The yield on investment for the FY 2022-23 was 7.81% as against 8.12% for the previous year. The Company's investment operations are conducted mainly to ensure adequate liquidity to meet claim payments and to strike a trade-off between risk and return.

BUYER UNDERWRITING

The role of the Buyer Underwriting Department (BUD) at Head Office is to ensure sound underwriting decisions on buyers by fixing overall credit limits on the basis of various parameters and taking into account the business requirements. The department obtains and analyses latest credit information reports on buyers from various Credit Information Agencies. Based on the reports and review of the transactional behaviour of buyers on the basis of system-generated data and the scorecard rating, overall credit limits are decided on overseas buyers with the score card based suggested limits serving as a guiding post.

Reports received on buyers from different credit information agencies, as mentioned above, are digitalized to make them accessible in the system to the officials for the underwriting purpose.

During the FY 2022-23, one International credit information agency was empanelled taking the total number of credit information agencies to 11.

The number of credit limit applications received in FY 2022-23 was 32,811 registering a growth of 19 per cent as against 27,582 in the previous year. During the FY 2022-23, the aggregate Overall Limits (OL) of ₹67,791 crore was fixed on 80,192 foreign buyers, registering a growth of more than 28 per cent as compared to ₹52,769 crore on 74,292 buyers in the previous year. The number of new buyers added to the Company's database during the FY 2022-23 was 19,923 registering a growth of more than 13 per cent compared to previous year's addition of 17,616 new buyers.

The strong growth in number of credit limit applications received, aggregate Overall Limits fixed on foreign buyers and new buyers added supported 11 percent growth in Short-Term Policy business premium.

COUNTRY UNDERWRITING

Country Underwriting deals with the identification, evaluation and measurement of political and economic risks. It is an important tool for monitoring business exposure levels in destination countries. The assessment and evaluation of the country risk is carried out by the Country Underwriting Department.

The Company has an in-house objective scoring system that reviews and maps the risk profile of countries on a seven-fold classification of 'A1' (Insignificant risk), 'A2' (Low Risk), 'B1' (Moderately Low Risk), 'B2' (Moderate Risk), 'C1' (Moderately High Risk), 'C2' (High Risk) and 'D' (Very High Risk). The scoring system evaluates countries based on a host of parameters, including political, economic and trade risks. The country rating so arrived has an impact on the calculation of premium, determination of type and terms of cover, and measurement of the capacity to underwrite transactions on export destinations. Separate scoring models, with distinct factors and their relative relevance, are in place for the rating of countries under short-term (ST) and medium and long-term (MLT).

The CRRM model is reviewed on a periodic basis to keep abreast with the latest risk parameters associated with the political, economic and trade risks across the globe. The latest such review was carried out in November 2022 wherein a new parameter named Debt Burden Risk was introduced

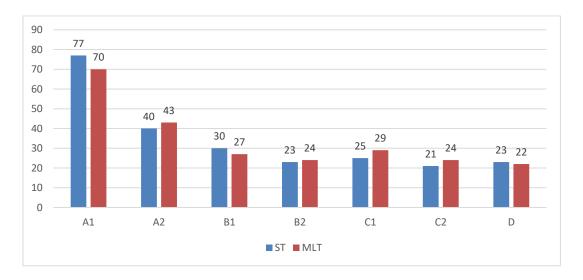
in the ST and MLT model to analyze the debt sustainability aspects of the countries in view of the rising debt crisis. The revised model was subsequently approved by the Board of Directors at its 439th meeting.

A review of the risk classification of countries is carried out on a yearly, halfyearly and, if necessary, on an ad-hoc basis taking into account the latest economic and political developments. The risk classification of a country impacts the political risk component of the premium in respect of transactions covered on the subject country. Hence, it is essential to ensure that the risk classification reflects the current situation realistically.

Country Risk Classification

During the FY 2022-23:

- a) The annual review was carried out in May 2022. Subsequently, the exercise was carried out again after the changes in the CRRM model were adopted by the Company.
- b) The total number of countries reviewed by the Company stood at 239.
- c) A total of 53 countries were upgraded while 79 countries were downgraded.
- d) The summary of country risk classification as of 31.03.2023 is as follows:



	A1	A2	B1	B2	C1	C2	D
ST	77	40	30	23	25	21	23

MLT*	70	43	27	24	29	24	22

^{*}Pakistan is off-cover under MLT w.e.f. 09.08.2019

Country Cover

Further, the 239 countries are placed under Open Cover Category, Restricted Cover Category-I (where revolving limits are approved normally valid for a year) and Restricted Cover Category-II (where Specific Approval is given on a case-to-case basis) for effective monitoring of exposures in these countries. As of 31.03.2023, 185 Countries are placed in Open Cover, 31 countries in Restricted Cover Category-II.

Country Exposure Limit

The Country Exposure Limit (CEL) sets the aggregate liability that the Company accepts on a country for the exports made at any point in time under both commercial and political risks.

The CEL is defined as an all-encompassing limit with sub-limits allotted for issuance of discrete country-wise limits (CoL) by the Company to ensure appropriate monitoring of exposures. The changes in the country risk classification are taken into account to reflect any change in the Company's risk appetite and the need to periodically review exposure on such countries.

The CEL is reviewed annually as well as on a need basis, including the situations when there is a change in the risk rating of a country based on unexpected eco-political changes.

REINSURANCE

For the FY 2022-23, the Company had a Proportional (Quota Share – QS) Reinsurance treaty to the extent of 21% for Short-Term Policy (SCOR 6%, GIC Re 6%, Hannover Re 4%, CCR Re 3.24% and Partner Re 1.76%) and 10% for Short Term ECIB (SCOR 3%, Hannover Re 3%, GIC Re 1.5%, CCR Re 1.5% and Partner Re 1%) from Indian Reinsurers, Foreign Reinsurance Branches (FRB) and Cross-Border Reinsurers (CBR) along with the obligatory 4% reinsurance (QS) cover from GIC Re for the entire

business including MLT covers. The Company has not taken any Excess of Loss covers for large risks under Short-Term (both Policy and ECIB covers) as the rates were very high.

RISK MANAGEMENT

The scope of risk management includes identification, measurement, monitoring, control and transfer of the overall level of risks undertaken by the Company. The risk management activities help the Company to decide its underwriting policy and the terms of its cover, risk assessment, regulatory requirements, financial viability and long-term sustainability. The existing organisational structure and practices that have evolved over more than the past six decades, incorporate fundamental structures that can be built upon in the risk functions. The Company introduced prudential risk management norms in 2011 and fixed exposure limits for a single exporter, an exporter group, a buyer, an industry and a country. Managing the concentration risk of a portfolio is and of a continuous process.

During FY 2014-15, the exposure norms were modified by introducing temporary suspension of cover on fresh export credit limits to the Gems, Jewellery and Diamond (GJD) sector under WT covers issued to banks and also by introducing criteria for fixing Country Exposure Limits. Based on the experience in the past few years, the underwriting guidelines have been modified for covering GJD accounts under the Whole-Turnover-Export Credit Insurance for Banks (WT-ECIB) scheme of the Company for the limits up to ₹100 crore per exporter/exporter-group with effect from FY 2022-23. Normal cover percentage will be extended to these exporter accounts till such time as the total limit remains within ₹100 crore per exporter group, without any change in the premium rates.

During FY 2022-23, the Company further modified the prudential limits for exposure on Buyers/LC opening banks under Short Term Policies. It also reviewed the exposure limits under individual exporter/group exporter under Short-Term ECIB schemes and the exposure limits for industry sector. The Company also modified the prudential limits under Mediumand Long-Term export transactions under various scenarios, as the support from the NEIA trust for fresh exposures is not forthcoming.

In order to facilitate an informed and prudent underwriting decision under ST Policy covers, the Company has introduced the Exporter Score Card Rating Model (ESCRM) in the FY 2020-21, for assessment of exporters. The model is found to be useful and is reviewed at regular intervals.

The Risk Management Policy has been reviewed and the scope of Company's risk management is further enhanced and strengthened. The Company is also establishing an enterprise-wide information system to regulate the risk profile through its internal risk management framework.

The Company is focused on effectively managing the Information and Cyber Security Risks. The Company has implemented robust security controls and established a comprehensive Information Security Management System (ISMS) framework. The Company has also established a well-defined Business Continuity Management System (BCMS) framework.

RECOVERIES

ST ECIB: During the FY 2022-23, a sum of ₹136.85 crore was recovered against claims paid and pending for recovery compared to ₹93.44 crore, for the same period, in the previous FY.

ST Policy: A sum of ₹10.55 crore was recovered from claims paid and pending for recovery under Short - Term Policies during the FY 2022-23 compared to ₹16.54 crore for the same period in the previous FY.

MLT Policy: During the FY 2022-23, there was a ₹22.11 crore recovery against claims paid and pending for recovery as against the recovery of "NIL" in the previous FY.

Initiative taken to improve recovery under Policy and ECIB:

1. Policy

Fresh Debt Collection Agencies (DCAs) are being empanelled and the Policyholders who report defaults are encouraged to place the cases with DCAs at the default stage itself as this can have a positive impact on improving the recoverability.

2. ECIB

The cases are monitored from Head Office and in such cases where the banks are not sharing recoveries or information sought is not being provided, the cases are pursued by follow up with the banks' senior officials by our Senior Management.

Update on Information Technology Implementation Program

The Company has progressed with its Enterprise Resource Planning (ERP) Revamp Project to Development and Integration Phase. The isolated User Acceptance Testing (UAT) of the released services has started. The development team, has demonstrated the services of certain business processes under Short-Term Policy covers, Short-Term ECIB covers, Buyer underwriting activities and Country Underwriting activities from May 2022 onwards up to March 2023 and issues were informed to the developers for resolution. As per the agreed plan, a total of 99 services of the SMILE Project are expected to be released in the Integrated UAT in the FY 2023-2024 for integrated testing.

MARKETING AND PUBLICITY

The National Marketing Division (NMD) is responsible for the marketing, advertising, publicity and related activities of the Company.

The Division bears the responsibility of fixing business targets for branches and monitoring the performance vis-à-vis the targets fixed under various parameters. The Division reviews the business performance of the Company with the Regional/Branch/Department heads which is presided over by the CMD/ED.

The Company, besides focussing on its core business of export credit risk insurance, also works in close co-ordination with various export promotion agencies like Export Promotion Councils (EPCs), Federation of Indian Export Organisations (FIEO), Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII), etc.

As a part of marketing efforts, besides organizing insurance education/awareness programmes for the benefit of exporters and bankers, skill development programmes, personal visits to clients and potential clients were also undertaken. During the financial year, the Company conducted more than 240 meetings to educate the customers about the major compliance procedures including policy terms and conditions. Personal visits to more than 7500 customers and potential customers were undertaken in the service network. There were more than eighty meetings conducted in association with trade bodies viz. FIEO, CII, ICC, IMC etc.

Digital marketing was actively undertaken through display of the Company's advertisements on websites of prominent newspapers such as Economic Times, Mint, Business Standard, Business Line, Financial Express etc.

During September 2022, the Company signed an MOU with the Ministry of MSME to enable the Micro and Small Enterprises (MSE) to promote their products in the international markets under the 'Capacity Building of First Time MSE Exporters' (CBFTE) Component of the International Cooperation (IC) Scheme. The Company has been appointed as the implementing agency for the scheme. Under this scheme, maximum premium amount of ₹10,000/- (Rupees Ten Thousand Only) is reimbursable to the MSE exporters in a financial year, subject to compliances of the scheme. The CBFTE scheme intends to give boost to the MSE exporters engaged in the manufacturing sector.

During March 2023, the Company was also appointed by the GOI as one of the anchoring agencies for conducting the 'International Conference on G20 Trade Finance Cooperation' in Mumbai, which was attended by delegates from the G20 countries.

CORPORATE PLAN

The concept of a Corporate Plan was introduced to direct the resourcesfinancial, manpower and managerial-in a planned and systematic manner. The Corporate Plan is a road map of the Company for the next five years and strategies to achieve its goal. The plan also outlines the Company's SWOT analysis and discusses the performance of the organization, comparison with the overseas counterparts, business trends, global and national environment and projections for the next five-year period. The projections broadly encompass the Company's growth in premium income, risk value coverage, claims pay out and recoveries anticipated under its different product groups and the resultant projection of financial results. Annual achievement vis-à-vis the plan helps the Company in reviewing and improving the business strategies. The Company has drawn up its strategies to achieve the plan projections.

ALTERNATE MARKETING & DISTRIBUTION CHANNELS

In order to strengthen the marketing and distribution of credit insurance products and to increase penetration of credit insurance in India, the National Marketing Division (NMD) has empanelled more than 200 brokers as of March 31, 2023. Continuous efforts are being made to strengthen and expand this channel further. NMD and Regional/Branch Offices conduct workshops for brokers to enable them about the features of various Policies, to enable them to effectively market the Company's insurance covers, thereby protecting and promoting India's exports.

During the FY 2022-23, the premium earned under the business procured through the alternate marketing and distribution channel was ₹175.73 crore which constitutes 32.53% of the ST Policy premium income of ₹540.22 crore.

The Company has also appointed State-wise SPOCs (Single Point of Contact) under the IRDAI initiative to promote insurance awareness amongst the general public across the country and is closely working with lead insurers to achieve the objective.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES AND SUSTAINABLE DEVELOPMENT (SD)

The Company has adopted the CSR Policy as per the guidelines issued by the Department of Public Enterprises (DPE). Accordingly, it is required to spend at least 2% of its last three years' average net profit every year for various CSR activities as per Section 135 of the Companies Act, 2013. The Company's CSR activities relate to health, nutrition, sanitation, primary education, skill development, ensuring livelihood for economically weaker sections, environment, sustainable development, women empowerment, empowerment of the differently-abled and support to the Scheduled Tribe community. An aggregate amount of ₹13.80 crore was spent on CSR activities of the Company during FY 2022-23. Further, allocation of ₹1.51 crore has been made in the UCSR account for the projects already initiated and an amount of ₹0.0368 crore has been paid to the Swachha Bharat Kosh (SBK) for the FY 2022-23.

The major implementation partners for CSR activities are the Office of the District Collector, Rajgarh, Madhya Pradesh (Aspirational District), the TATA Institute of Social Sciences (TISS), Vivekananda Kendra, Snehalava, SOS Children's Village of India, Voice of world, Development Education Empowerment of Disadvantaged in Society (DEEDS), Concern India Foundation, CKS foundation, Christian Medical College, HOPE Kolkata Foundation, Bharat Sevashram Sangha, Rotary Tirupur Prime Trust, ALIMCO – Artificial Limbs Manufacturing Corporation of India, Vidyanjali Scheme (Ministry of Education), Kendriya Sainik Board, Central Reserve Police Force (CRPF) and Cancer Patient aid Association. A number of initiatives have been undertaken in the field of education, health care, nutrition, skill development, support to differently-abled, contribution to the Armed Forces Flag Day Fund, Clean Ganga Fund and to Swachh Bharat Kosh. The Company continued to support the implementing agency TISS for its project related to distribution of scholarships and running of community study centres in M-Ward area of the Municipal Corporation of Greater Mumbai. Support is also provided to various centres of Vivekananda Kendra in the North East and Odisha for running Anandalaya and providing free primary medical assistance. Under its CSR initiatives the Company has also been closely working with the District Administration to provide better infrastructure and SMART classes in the Government schools in the Aspirational District, Rajgarh.

IMPACT ASSESSMENT FOR COMPANY'S CSR INITITATIVES IN THE ASPIRATIONAL DISTRICT RAJGARH, MADHYA PRADESH: IMPACT ASSESSMENT REPORT SUMMARY BY GPCL LTD

M/s GPCL Consulting Services Ltd, Mumbai had been appointed as the impact assessment agency for three of the CSR projects supported by the Company in the Aspirational District Rajgarh, Madhya Pradesh. The impact assessment study by agency has been completed for following three of the CSR projects by December 31, 2022.

S.	Project	FY	No. of
No.			Beneficiaries
(i)	Badal Pe Paav (Tuition Fee for	2018-19	2418 Nos.
	Drop-out students)		Students
(ii)	Construction of Smart Class	2018-19	33 schools
(iii)	Supply of Furniture for Primary & Secondary Schools	2020-21	49 Schools; (4620 students); 2310 Furniture items

As per draft reports, the broad methodology adopted by GPCL to carry out the impact assessment of these projects have been as under:

- Understanding the project from all-available project documents.
- Discussion with the implementing agency i.e., District Administration.
- Collection of relevant project related information.
- Preparation of questionnaires, themes of Focus Group Discussions
 (FGD) for the impact assessment of the project.
- Pilot testing of Focus Group Discussion and Finalisation
- Field exercise and consolidation
- Analysis and preparation of the report

Based on the impact assessment, Project wise outcome, observations, findings, adherence to Sustainable Development Goal (SDG) and recommendations are summarised as under:

1. Project: Badal Pe Paav (Tuition Fee for Drop-out students)

Outcome:

- Project adheres to Sustainable Development Goal (SDG) 4: Quality Education, 5: Gender Equality
- The project is highly relevant to the focus and strategy of the CSR policy and activities recommended as it falls under the activities under Schedule VII quoted in the CSR policy of ECGC i.e., "(ii) Education"
- The project has motivated girls/young women to re-enrol as financial support is given to them.
- Counselling is provided regarding importance of studying which has improved the attendance of girls not only in the district but also in neighbouring districts.
- The learning level of students has improved and they are more attentive, focussed and concerned, they are curious about the future and career.

Observations and Findings:

- It was an innovative project for women empowerment.
- Girls and young women were brought to schools and in main stream education.
- Adequate arrangements were made for them for learning.
- Coaching centres were established in their own vicinity in order to learn and prepare for board exams.
- Teachers were trained and the teachers also acted as mentor for career counselling.
- Around 2900 girls took part in this project and appeared in board exams.
- Different Government officials were involved in supportive monitoring of project.

- Covid-19 pandemic played an important role, as after the declaration of results, unfortunately, the Board could not organize supplementary exams.
- Girls dropped out and stopped education.
- Several communities do not believe in girl child education and empowerment.

Impact of the Process

- On the Impact side, the project was very result-oriented project.
- District Administration put in best efforts for the success of the project.
- Monitoring was done in TL meetings every week during the project.
- The project became life changing event for many girls and women.
- Some Anganwadi workers also took part in the process and got through the exam. This helped them in departmental processes.

Recommendations:

- There is a need of such projects like "Badal Pe Paav" which can support poor and marginalized children in attaining regular schools.
- Decentralized Planning is required at all levels.
- Systematic documentation and record should be made compulsory.
- To bridge the gaps, support the process, and monitor the work effectively an independent agency between administration and community may be appointed.
- It is suggested that the District Administration should appoint local educated youths on honorarium in respective villages than the existing teachers, as teachers consider this as burden and do not impart whole heartedly.

2. Project: Construction of Smart Classes for Effective Learning

Outcome:

- Project adheres to Sustainable Development Goal (SDG) 4: Quality Education.
- The project is highly relevant to the focus and strategy of the CSR policy and activities recommended as it falls under the activities

- under Schedule VII quoted in the CSR policy of ECGC i.e., "(ii) Education".
- Smart classes in 33 selected schools in Rajgarh District, Madhya Pradesh have been installed.
- The Smart Classes are digitally equipped with a range of teaching and learning tools.
- Through the smart classes, children are getting exposed to IT friendly techniques and learning new things.
- Smart classes are setting up a new pace in learning not only in the district but also in neighbouring districts.
- The learning level of students has improved and they are more attentive, focussed and concerned, they are curious about the future and career.

Observations and Findings:

- All the selected 33 schools have functional smart class rooms.
- A learning and amicable atmosphere has been created in the premises.
- Equipment have been set up and installed as per project proposal.
- Adequate furniture for students, tables chairs and sound systems have been set up in the smart classes.
- Air conditioners, LCD Projectors, LCD screens and equipment are installed and verified as per project.
- Adolescent students are happy and using the smart class regularly.
- The subjects like Science, Maths and Biology have become easy for them to understand and grasp.
- The grasping power about the subject, lots of apps and videos are being used to teach the basic concepts.
- Apps like Byjus and others made available by Rajya Shiksha Kendra are being used in smart class.
- They are more involved in creating small assignments, tasks, and power point presentations.
- Teachers are also happy and feel interesting in teaching through IT.

- Only one smart class is not enough for classes IX to XII as the strength in government schools is high.
- The teachers are not trained, there was a need to train them before the initiation of project.
- Regular electricity supply and uninterrupted internet connectivity is a major challenge in remote blocks.
- Equipment often need repair, in lieu teaching is affected badly.
- In some of the smart classes false ceiling and furniture needs minor repair.

Impact of the Process and Recommendations:

- Planning implementation of the project with concerned school staff is very important.
- All the local bodies of good governance must be involved in planning and implementation.
- The schools must be advised to select appropriate room for the envisaged smart class, instead of the vendor choosing a small class and fixing up the equipment.
- There must be some untied fund from state for minor repairs and regular maintenance of furniture and equipment.
- Power cut and internet connectivity is a challenge in remote schools' solar plant must be provided in the premises, which will also be a pollution free device.
- Teachers must be trained in technical aspects how to use LCD,
 PPT in teaching before inception.
- Suggested that a local NGO or nodal agency must be assigned to support the schools and monitor regularly for creating enabling atmosphere.
- Seeing the numbers of students, one class is not enough, minimum two classes must be there in the premises under cluster schools.
- Fire safety measures must be installed; else it may cause severe accident someday.
- Schools should be provided funds for subscription of teaching learning apps for competitive exams.
- Regular monitoring is required by DIET, DEO or some agency in order to get optimal use of Smart Class.

3. Project: Providing Furniture for School Infrastructure Upliftment for Government Schools

Outcome:

- Project adheres to Sustainable Development Goal (SDG) 4: Quality Education.
- The project is highly relevant to the focus and strategy of the CSR policy and activities recommended as it falls under the activities under Schedule VII quoted in the CSR policy of ECGC i.e., "(ii) Education".
- Furniture was provided in 48 Higher Secondary Schools.
- Attendance in the schools has improved.
- Fresh enrolment in the schools has also improved.
- Students have got rid of neck and back pain due to proper body posture because of the new furniture.
- Students are more attentive and can focus better on learning.
- Their handwriting has improved.
- Students have developed a feeling of ownership for the furniture.
- Students, school administration and parents have taken responsibility to maintain the furniture in some schools.

Observations and Findings:

- All the 48 Middle schools which are attached with Higher Secondary schools under one roof, are provided with furniture.
- The Proper process of procuring has been adopted and verified at all the levels.
- The schools have set up the furniture in the class rooms and its being used by students.
- The quality of furniture is very good and attractive that it is liked by students.
- The furniture is easy to move and has enough space for keeping the belongings of students such as beg, tiffin, water bottle, etc.
- The teachers said that furniture is very useful for the students as earlier the students would sit on floor mates and it was very difficult

- to teach with eye contact. The teachers are able to monitor the copies and make eye contact.
- New Furniture is a boon for the class room and children are able to sit for longer duration and also don't feel neck or back pain.
- The handwriting has been improved and over all atmosphere in class room has become joyful.

Impact of the Process and Recommendations:

- Class rooms are small compared to strength of students in Government schools, when procuring such furniture this fact should be considered.
- Primary school students are still deprived of furniture in the campus, its recommended to provide them with furniture.
- The teachers of concerned school must be involved in planning from inception of any project.
- Petty amount or some untied fund must be provided to the schools for repair and maintenance.

IMPLEMENTATION OF THE OFFICIAL LANGUAGE POLICY

The Company is proactive in the implementation of the Official Language Policy of the Government of India. The Company has achieved all the targets laid down in the Annual Rajbhasha Programme for the FY 2022-23 by the Department of Official Language, Ministry of Home Affairs, Government of India. The Company was conferred the 1st prize of the Rajbhasha Kirti Puraskaar, by the Department of Official Language, Ministry of Home Affairs for the FY 2021-22. The Company was also awarded the 1st prize, by the Mumbai Town Official Language Implementation Committee (TOLIC-PSU) for effective implementation of the official language policy for the year 2021-22.

During the financial year 2022-23, the Hon'ble third Sub- Committee of the Parliamentary Committee on Official Language inspected Ludhiana, Jaipur,

Ahmedabad, Rajkot, Bengaluru, Kochi and Indore Branches. The directions given by the above committee have been complied with.

The Company celebrates the month of September as the Hindi Month. Following this, various competitions were organized during the Hindi month (Hindi month was celebrated from September 1 to September 30, 2022) in which officers of every level participated enthusiastically. On September 14, 2022, on the occasion of Hindi Day, a conference of All India Official Language Officers was organized at Surat by the Department of Official Language, Ministry of Home Affairs, which was inaugurated by Hon'ble Home Minister Shri Amit Shah. The Company has made its own contribution in organising the function and it also participated in the exhibition related to its products and implementation of official language organised during the occasion. On this occasion, the Company was honoured with a special award for its contribution in the implementation of official language activities.

On the occasion of the conclusion of Hindi Month, "Hindi Maah Samapan Samaroh" a "Sangoshthi" was organized for the officers of the Company through virtual medium, in which the officers from various departments of the branch office, regional office and head office of the Company have participated. Renowned linguist Mr. CK Shastri was invited in this seminar to address the participants.

Various incentives have been introduced by the Company to encourage and motivate the employees for furtherance of the use of Hindi in their daily office work. The Company also gives cash rewards to the officers of the Company for the work done by them in Hindi. The employees were awarded special prizes for the best three articles published in the Company's in-house magazine and cash incentives were given to all officers who contributed their articles to the magazine.

To encourage employees to use Rajbhasha in their day-to-day official work, employees at Branch Offices, Regional Offices and at Head Office Departments are encouraged to compete every year for the "Chairman and

Managing Director's Official Language Award" for the excellent implementation of the official language in their respective offices.

The Company's correspondence in Rajbhasha with its customers has shown a steady growth. With the installation of Unicode software in all the computers of the Company, Branch Offices have started sending emails in Hindi to exporters and bankers. The Website of the Company is also available in bilingual.

During the financial year 2022-23, a total of 25 training programs were conducted for officers working in branches and regional offices including sub-staff, all of which were bilingual. 380 officers were trained in this. All the training programs included a separate session on Official Language Policy.

Apart from this, an All India Official Language Officers' Conference was organized in Bhubaneshwar for Hindi officers posted in various branch offices and departments in the Company and total of 64 officers posted in various departments and offices have participated in it. During this conference, the officers were given detailed information about the compliance of Official Language Rules and Official Language Policy.

Under the aegis of the Mumbai Town Official Language Implementation Committee, a seminar was organized by the Company's Head Office for the member-PSUs located in Mumbai, in which 74 members from the member-offices of the City Official Language Implementation Committee located in Mumbai and the departments of the Company's Head Office and branches located in Mumbai participated.

The meetings of the Official Language Implementation Committee are organized regularly in all the branch offices, regional offices and head office of the Company and the current position of implementation of Official Language Policy is discussed in detail in the respective branch offices, regional offices and departments of the head office. Wherever deficiencies are found, measures are taken to rectify them. In order to give due attention

to the implementation of the Official Language Policy in the branch offices and regional offices, inspections are done by the officers of the head office (official language officers) of the Company and the meeting of the all India Official Language Implementation Committee is also organized in every quarter wherein official language review is done by the senior-most officers of the Company. The implementation of Official Language Policy is discussed by officers in the Head Office Departments, Regional Offices and Branch Offices and proper guidance is provided by the senior most officials.

Head Office and various branch offices of the Company have received awards from various organizations such as the Ministry of Home Affairs and related Town Official Language Implementation Committee.

INTERNATIONAL RELATIONS

Since 1957, the Company has been an active member of the International Union of Credit and Investment Insurers, popularly known as the Berne Union (BU), a leading international voice in the field of export credit and investment insurance arena. The Company was the first Asian member to join the BU and has been closely associated with its activities. The members benefit from continual interaction, exchange of notes, examples of best practices, etc., which has been instrumental in enhancing common understanding and developing sound principles in export credit insurance. Collectively, the members provide around USD 2.6 trillion of payment risk protection annually amounting to around 12% of global cross-border trade.

The Company is a member of the Short-Term (ST), Medium and Long-term (MLT) and Export Credit Agency (ECA) committees of the BU. Additionally, the Company is a member of the Regional Co-operation Group (RCG), a special forum of the BU members from the Asia-Pacific region.

During 2022, the export credit agencies (ECAs) of the QUAD group (the quadrilateral group of countries that include India, the U.S, Japan and Australia) met at the Berne Union Annual General Meeting (AGM) and further joint meetings of the four ECAs were held online. The ECAs have

agreed to sign a joint memorandum of understanding to engage with one another to explore opportunities to enhance supply chain resilience, through activities such as supporting regional trade and investment support and market diversification efforts. The ECAs discussed how to regularly exchange experiences and information on ways to develop and expand supply chain resilience through their support, including opportunities for Quad partner businesses to work with one another.

The Berne Union held its various meetings throughout the year on various themes. The Company officials participated in the Claims and Recoveries specialist meeting, Digitalization specialist meeting, SME specialist meeting, MLT rating and pricing commercial risk workshop and the Annual General Meeting held during 2022-23. Shri Sunil Joshi, Executive Director, completed his two-year term as Vice-Chair of the Berne Union Short-Term Committee in October, 2022.

The 73rd Regional Cooperation Group (RCG) meeting was conducted online in May 2022, hosted by ECGC and the Company was represented by the CMD, ED (Policy Matters) and other senior officials. Apart from discussion on business trends, organizational updates and new products of the RCG ECAs, a panel discussion on 'Impact of the geo-political disturbances on the Asian economies – special focus on the global value chain' was held.

The Company is a member of the BRICS Export Credit Agencies Forum which includes ABGF (Brazil), EXIAR (Russia), ECGC (India), SINOSURE (China) and ECIC SA (South Africa).

Mr. M. Senthilnathan, Chairman-cum-Managing Director (CMD), ECGC, presently represents the Republic of India as a Director on the Board of the African Trade Insurance (ATI) Agency. ATI is a pan-African institution that provides political risk insurance to companies, investors, and lenders with business interests in Africa. The Company has invested around USD 12 million in the equity of ATI on behalf of the Government of India. This investment signals the commitment and abiding interest of the Government of India in promoting trade and cooperation with the nations of the African

continent. During the financial year, CMD ECGC participated in various meetings of the Board of Directors of the ATI and contributed to the organisation that promotes economic prosperity and overall development of the countries situated in the African continent.

During the financial year, the Company held bilateral meetings with different international export credit agencies and visiting foreign government officials for mutual cooperation and to further trade relations. Among them, ECAs from Etihad Credit Insurance (UAE), Banco Exterior de Cuba (Cuba), Export Finance Australia (Australia), NEXI (Japan) and EKN (Denmark) were hosted by the Company during the given financial year. The major topics of discussion during the meeting were the performance of the individual economies and how the geopolitical disturbances have impacted the trade finance sector, the resurgence of the supply chain after the pandemic and discussion pertaining to the business data of the ECAs.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The employee strength of the Company as of March 31, 2023 was 597 which consisted of 573 executive-level and 24 non-executive level employees. This includes 146 women employees constituting almost 24 per cent of the total work force.

During the year, as per the provisions of the Apprentices Act, 1961, the Company implemented a scheme of Apprenticeship where graduate apprentices were imparted on-the-job training under the trade of Office Operations Executive (Back Office) to prepare them to meet the requirements of the industry.

Recruitment examination to onboard 77 probationary officers for Financial Year 2022-23 was conducted and 55 Probationary Officers in Group B cadre joined the Company during the year and remaining are slated to join. The Company has once again initiated the process of Recruitment of specialist Probationary Officers for the Financial Year 2023-24.

All statutory provisions pertaining to industrial relations and labour laws were complied with during the Financial Year 2022-23. Harmonious and

cordial industrial relations were maintained throughout the year in the Company. The Company continued, where necessary, the existing facilities to take care of the employees' health, economic wellbeing, etc.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Section 22	Employer	to	The employer shall include in its
	include		report the number of cases filed, if
	information	in	any, and their disposal under this Act
	annual report		in the annual report of his
			organisation or where no such report
			is required to be prepared, intimate
			such number of cases, if any, to the
			District Officer.

The Company has in place a policy against Sexual Harassment, in line with the requirement of The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under the policy. One complaint was filed under the policy during the financial year 2022-23 and the same has been disposed of by the Company. There are no complaints outstanding for redressal as of the end of 31.03.2023.

TRAINING:

The role of training has assumed critical importance in today's competitive environment in strengthening and upgrading the skills of officers for efficient performance in their roles. During the Financial Year 2022-23, employees at all levels were nominated to various in-house and sponsored training programs. Claim and Underwriting Workshops were separately organized for both Policy and ECIB sectors at an All-India level for Group A and Group B officers.

Training Programs were conducted for Field Officers during the year. Apart from this, officers were sponsored for various trainings as per their functional area of work. Training was conducted for Group C and Group D employees on mental wellness and office etiquette. Group A officers were

also nominated for various long-term management courses offered by premier management institutions of the country in financial and advanced strategic management to help them develop business leadership skills to stay ahead of competition and industry trends.

REPRESENTATION OF PERSONS WITH DISABILITY:

The Company endeavours to provide employment to Persons with Disabilities. As of March 31, 2023, the Company had 21 employees on its roll belonging to the category of Persons with Disabilities. Details of Persons with Disabilities in the service of Company, in pursuance of the relevant provisions under The Rights of Persons with Disabilities, 2016, are furnished in **Annexure V.**

REPRESENTATION OF SCHEDULED CASTES, SCHEDULED TRIBES, OTHER BACKWARD CLASSES AND ECONOMICALLY WEAKER SECTION:

The Company strictly adheres to relevant rules relating to Reservation for SC/ST, OBC and EWS in recruitment. SC and ST employees/ officers are also given reservation in promotion up to Manager rank (Scale-III). In adherence to the relevant instructions from the Government of India, the Company has adopted a 'Post-based Roster system'. Details of 'Reserved vacancies filled in by direct recruitment at different level under reservation for SC, ST, OBC, EWS are furnished in **Annexure VI.** Representation of SCs, STs, OBCs, and EWSs in the total manpower in various cadres as of March 31, 2023 is furnished in **Annexure VII**.

GENERAL ADMINISTRATION

- 1. Revenue and Capital expenditure of the Company are properly controlled and incurred within the annual budget approved by the Board of Directors.
- 2. All the Branch Offices / Regional Offices have been advised to take necessary steps to implement the Government of India's Policy regarding procurement through Micro, Small and Medium Enterprises (MSMEs). The Government of India Public Procurement Policy for MSME Order, 2018 mandates that 25% of procurement of annual requirement of goods and

services by Public Sector Undertaking will be from Micro and Small Enterprises (MSEs). The Government of India has also prescribed a subtarget of 3% procurement of goods and services from women enterprises and 4% from SC/ST entrepreneurs. During the Financial Year 2022-23, the total procurement of the Company at the end of March 2023 stood at ₹11.34 crore, out of which ₹7.18 crore (63.37%) was procured through MSMEs and within MSME procurement worth ₹32.44 lakh (4.52%) was done through SC/ST entrepreneurs and ₹90.05 lakh (12.53%) was done through women entrepreneurs.

- 3. The Company has identified a list of goods and services which may be procured from MSMEs as and when need arises. There have been no reported cases of delayed payment to MSMEs.
- 4. The Company has also complied with e-publishing policy which is a part of e-procurement policy of 2012 of the Government of India. As per the directions received from the Ministry of Commerce & Industry regarding procurement through Government e-Marketplace (GeM), the Company has registered with the GeM portal for on-line procurement of commodities and services. During the FY 2022-23, procurement through the GeM Portal amounted to ₹1.08 crore which is 9.48% of the total procurement done by the Company during the Financial Year 2022-23 amounting to ₹11.34 crore. As per the directive, the monthly procurement data up to March, 2023 is uploaded on MSME Sambandh Portal.

IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS

The IRDAI has vide its letter No.:100/2/Ind AS-Mission Mode/2022-23 dated 14th July, 2022 and 100/2/Ind AS-Mission Mode/2022-23 dated 31st October, 2022, on implementation of Ind AS in insurance sector stated that Ind AS implementation is likely to significantly impact the financial reporting systems, processes and, as such, these changes need to be planned, managed, tested and executed well in advance of the implementation. The steering committee for implementation of Ind AS has been formed as advised by the IRDAI to review the progress made towards implementation, issue/challenges and course of action to mitigate the same. The Company

is in the process of floating a tender for appointment of an Ind AS consultant who will help in the implementation of Ind AS.

For and on behalf of the Board of Directors

M. Senthilnathan
Chairman-cum-Managing Director
DIN 07376766

Place: Mumbai Date: May 04, 2023

PENDING CAG PARAS AND MANAGEMENT REPLIES

	CAC /	ludit Donart rassi	ived during FY 2017-18
		tudit Keport recei	ved during F1 2017-16
S. No.	Name of the Audit Para	Brief of the Audit Para	Reporting Status
1	Part – IIB, Para 1 Sub Para (2) of year 2016 – 17.	Release of excess amount of ₹9.36 crore for acquisition of office premises at New Delhi.	Compliance Audit Report on the transaction Audit of ECGC Ltd — Corporate Office (Excluding Investment and Reinsurance) for the period 2015-16. The CAG audit conducted during 22.02.2017 to 10.03.2017. Query/Para raised by the CAG vide letter/report dated 05.04.2017 Current Status: After reconciliation of the account, the Company has received a refund amount of ₹46,85,803/- after a deduction of ₹26,74,436/- towards interest on delayed payment. As the Ministry of Housing & Urban Affairs (MoHUA) has not agreed for waiver of interest

	CAG A	udit Report recei	ved during FY 2017-18
S. No.	Name of the Audit Para	Brief of the Audit Para	Reporting Status
2	Part – IIB, Para1 of year 2016 – 17.	Delay in sending Statement of Account (SOA) and delay in receiving reinsurance balances and	charged amounting to ₹26.74 lakh, the Company has requested the CAG to drop the para. No further queries have been raised by the CAG on the matter and further response from the CAG on the para is awaited as of 31.03.2023. Transaction Audit Inspection Report of Corporate Office of ECGC Ltd. for the period 2016-17. Audit conducted during 02.01.2018 to 25.01.2018. Query/Para raised by the CAG vide letter/report dated 26.02.2018. Current Status: The Company vide letter dated 29.11.2022 updated the CAG that new software development is at an advanced stage and leg-1 of the
	- 17.	not charging interest for delayed payments.	software comprising of core business modules is expected to go-live during the current Financial year, therefore, such issues will be avoided after implementation of the new software. In view of the above, the Company has requested the CAG to drop the para.

	CAG A	udit Report recei	ved during FY 2017-18
S. No.	Name of the Audit Para	Brief of the Audit Para	Reporting Status
3	Part – IIB Para 2 of year 2017 – 18.	Delay in receiving the reinsurance share of ₹171.79 crore from Reinsurer.	No further queries have been raised by the CAG on the matter and further response from the CAG on the para is awaited as of 31.03.2023. Transaction Audit Inspection Report of Corporate Office of ECGC Ltd for the period 2016-17. Audit conducted during 02.01.2018 to 25.01.2018. Query/Para raised by the CAG vide letter/report dated 26.02.2018 Current Status: The Company vide letter dated 29.11.2022 updated the CAG that the last meeting with GIC Re was held in September 2022 wherein the Company explained its underwriting and claim process in detail and provided all related documents as requested by them. It is expected that issues will be resolved amicably with GIC Re. In view of the above, the Company has requested the CAG to drop
			the para. No further queries have been raised by the CAG on the matter and further response from the

	CAG A	Audit Report recei	ved during FY 2017-18
S.	Name of	Brief of the	
No.	the Audit Para	Audit Para	Reporting Status
			CAG on the para is awaited as of
			31.03.2023.

S.	Name of	Brief of the	Reporting Status
No.	the Audit	Audit Para	
	Para		
4	Part – IIB,	Delay in calling	Inspection report on Transaction
	Para 1 of	cash from	Audit of ECGC Ltd – Corporate
	the year	reinsurers	Office for the year 2017-18. Audit
	2019 – 20.	resulting into	conducted during the period from
		loss of interest	11.02.2019 to 18.02.2019 and
		amounting to	15.03.2019 to 29.03.2019.
		₹11.67 crore	Query/Para raised by the CAG
			vide letter/report dated
			15.04.2019.
			Current Status: The Company
			vide letter dated 29.11.2022
			updated the CAG that new
			software development is at an
			advanced stage and leg-1 of the
			software comprising of core
			business modules is expected to
			go-live during the current
			Financial year. The Company also
			informed the CAG that such
			issues will be avoided after
			implementation of the new
			software. In view of the above, the
			Company has requested the CAG
			to drop the para.

	No further queries have been
	raised by the CAG on the matter
	and further response from the
	CAG on the para is awaited as of
	31.03.2023.

	CAG A	Audit Report recei	ved during FY 2020-21
S.	Name of	Brief of the	Reporting Status
No.	the Audit	Audit Para	
	Para		
5	Part IIB,	Non settlement	Inspection report on Transaction
	Para 1 of	of legal case	Audit of ECGC — Corporate
	the year	even after	Office, Investment, Marketing and
	2020 – 21.	completion of	Reinsurance for the year 2018-19
		five years.	to 2019-20. Audit conducted
			during the period from 01.12.2020
			to 18.02.2021. Query/Para raised
			by the CAG vide letter/report
			dated 17.03.2021.
			Current Status: The latest
			update in the matter was provided
			to the CAG on 10.01.2023 and a
			request was made for closure of
			the para.
			No further queries have been
			raised by the CAG on the matter
			and further response from the
			CAG on the para is awaited as of
			31.03.2023.
6	Part IIB,	Loss to the	Inspection report on Transaction
	Para 3 of	Company in	Audit of ECGC — Corporate
	year 2020	OTS settlement	Office, Investment, Marketing and
	– 21 .		Reinsurance for the year 2018-19
			to 2019-20. Audit conducted

			during the period from 01.12.2020
			to 18.02.2021. Query/Para raised
			by the CAG vide letter/report
			dated 17.03.2021.
			Current Status: The Company
			vide various letters has updated
			the CAG about the current status
			of recovery. The latest update in
			the matter was provided to the
			CAG on 03.01.2023 and a
			request was made for closure of
			the para.
			No further queries have been
			raised by the CAG on the matter
			and further response from the
			CAG on the para is awaited as of
			31.03.2023.
7	Part IIB,	Loss to the	Inspection report on Transaction
	Para 4 of	Company in	Audit of ECGC — Corporate
	year 2020	OTS settlement.	Office, Investment, Marketing and
			i Oilice, ilivesillelli, ivialkelllu allu l
	– 21.		
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020 to 18.02.2021. Query/Para raised
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020 to 18.02.2021. Query/Para raised by the CAG vide letter/report dated 17.03.2021.
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020 to 18.02.2021. Query/Para raised by the CAG vide letter/report
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020 to 18.02.2021. Query/Para raised by the CAG vide letter/report dated 17.03.2021. Current Status: The Company
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020 to 18.02.2021. Query/Para raised by the CAG vide letter/report dated 17.03.2021. Current Status: The Company vide various letters has updated the CAG about the current status
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020 to 18.02.2021. Query/Para raised by the CAG vide letter/report dated 17.03.2021. Current Status: The Company vide various letters has updated
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020 to 18.02.2021. Query/Para raised by the CAG vide letter/report dated 17.03.2021. Current Status: The Company vide various letters has updated the CAG about the current status of recovery. The latest update in
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020 to 18.02.2021. Query/Para raised by the CAG vide letter/report dated 17.03.2021. Current Status: The Company vide various letters has updated the CAG about the current status of recovery. The latest update in the matter was provided to the
	*		Reinsurance for the year 2018-19 to 2019-20. Audit conducted during the period from 01.12.2020 to 18.02.2021. Query/Para raised by the CAG vide letter/report dated 17.03.2021. Current Status: The Company vide various letters has updated the CAG about the current status of recovery. The latest update in the matter was provided to the CAG on 13.01.2023 and a

	No further queries have been
	raised by the CAG on the matter
	and further response from the
	CAG on the para is awaited as of
	31.03.2023.

	CAG Audit Report received during FY 2019-20			
S.	Name of	Brief of the	Reporting Status	
No.	the Audit	Audit Para		
	Para			
8	Part IIB,	Non-Payment	Inspection report on Transaction	
	Para 1 of	of GST on	Audit of ECGC — Corporate	
	the year	reinsurance	Department including Bandra	
	2021-22.	commission by	Bank Business Branch,	
		ECGC Ltd.	Mumbai, Surat Branch and Agra	
			Branch for the year 2020-21.	
			Audit conducted during the	
			period from 15.11.2021 to	
			29.11.2021 & 05.01.2022 to	
			21.01.2022. Query/Para raised	
			by the CAG vide letter/report	
			dated 18.02.2022.	
			Current Status: The Company	
			has explained to the CAG that	
			commission on reinsurance	
			ceded is not liable to tax under	
			GST. The Company has	
			informed the CAG that the	
			premium received from the	
			export credit insurance was	
			exempted (June 2017) from	
			Goods and Service Tax (GST)	
			by the Department of	
			Revenue, Ministry of Finance,	
			as per Notification No.	

		<u> </u>	140/0047 0 / 17 / 5 / 1
			12/2017-Central Tax (Rate)
			SI. No. 35 (g). The Company
			has also requested the CAG for
			closure of the para.
			No further queries have been
			raised by the CAG on the matter
			and further response from the
			CAG on the para is awaited as
			of 31.03.2023.
9	Part IIB,	Inordinate	Inspection report on Transaction
	Para 2 of	delay in	Audit of ECGC — Corporate
	the year	completion of	Department including Bandra
	2021 – 22.	construction of	Bank Business Branch,
		Corporate	Mumbai, Surat Branch and Agra
		Office building.	Branch for the year 2020-21.
			Audit conducted during the
			period from 15.11.2021 to
			29.11.2021 & 05.01.2022 to
			21.01.2022. Query/Para raised
			by the CAG vide letter/report
			dated 18.02.2022.
			Current Status: The Company
			vide mail dated 23.02.2022
			informed the CAG that the
			commercial premises is
			occupied and has become
			functional w.e.f. 10.11.2022.
			The Company also informed
			that it has surrendered the
			leased office accommodation at
			Express Towers and requested
			the CAG to drop the para.
			No further queries have been
			raised by the CAG on the matter
			and further response from the
	l	l .	<u>, </u>

			CAG on the para is awaited as
			of 31.03.2023.
10	Part IIB,	Non-monitoring	Inspection report on Transaction
	Para 3 of	of recovery	Audit of ECGC — Corporate
	the year	towards claims	Department including Bandra
	2021 – 22.	settled by	Bank Business Branch,
		ECGC	Mumbai, Surat Branch and Agra
			Branch for the year 2020-21.
			Audit conducted during the
			period from 15.11.2021 to
			29.11.2021 & 05.01.2022 to
			21.01.2022. Query/Para raised
			by the CAG vide letter/report
			dated 18.02.2022.
			Current Status: A
			comprehensive note on the
			Company's recovery
			mechanism has been provided
			to the CAG and it has also been
			explained that the process of
			formulation of a Standard
			Operating Procedure is in
			progress.
			No further queries have been
			raised by the CAG on the matter
			and further response from the
			CAG on the para is awaited as
			of 31.03.2023.

RIGHT TO INFORMATION (RTI)

The Company has an RTI Cell situated at the Head Office in Mumbai which is headed by an Assistant General Manager. The First Appellate Authority (FAA) at the Head Office in Mumbai is headed by a Deputy General Manager. The applications received under the RTI Act are responded to as and when received within the timeline prescribed under the RTI Act. The

report of number of applications handled is updated on the Central Information Commission's (CIC) website on a quarterly basis. A total of 252 applications were handled during the FY 2022-23. The Company has complied with all regulatory requirements in respect of the RTI applications received.

Annexure V

Representation of Persons with Disabilities in the Services of the Company as of 31.03.2023

Group	Data of per	sons	oc Swith disabilities in ECGC 4th Category		Total VI+ HI+OC + 4th Category
Α	3	1	5	0	9
В	4	3	2	2	11
С	0	0	0	0	0
D	1	0	0	0	1
Total	8	4	7	2	21

VI	Visually Impaired
HI	Hearing Impaired
OC	Orthopaedically Challenged
4th Category	(i) Specific Learning Disability (SLD) or Multiple disabilities including VI, HI, OC and 4th Category

Annexure VI

Representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Economically Weaker Section pertaining to recruitment in the Company-2022-23

Group	Total no of Employees recruited	No. of SC Employees recruited	No. of ST Employees recruited	No. of OBC Employees recruited	No. of EWS Employees recruited
Α	0	0	0	0	0
В	55	7	8	7	7
С	0	0	0	0	0
D	0	0	0	0	0
Total	55	7	8	7	7

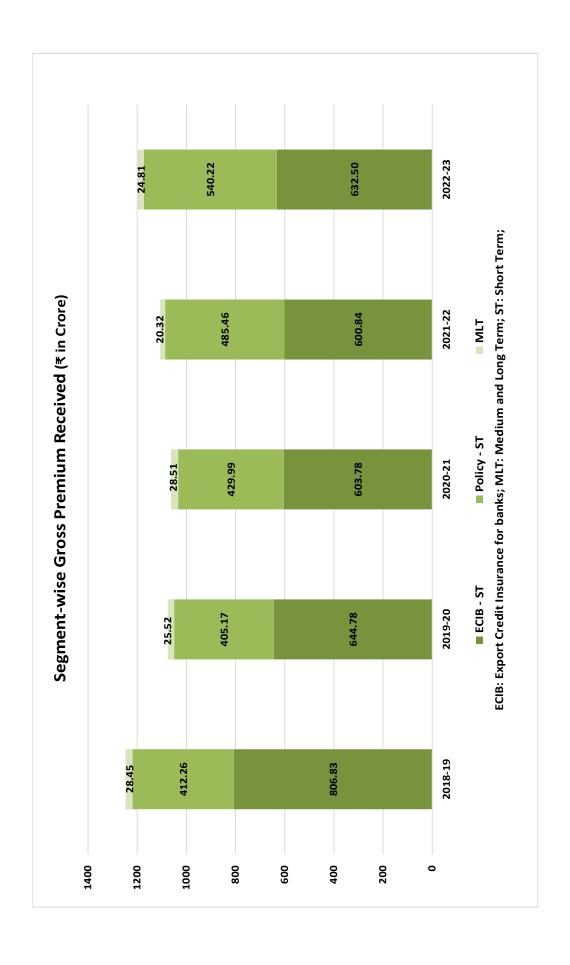
Note: i) Recruitment examination has been conducted for Group B cadre in FY 2022-23 and 55 candidates were recruited as Probationary Officers.

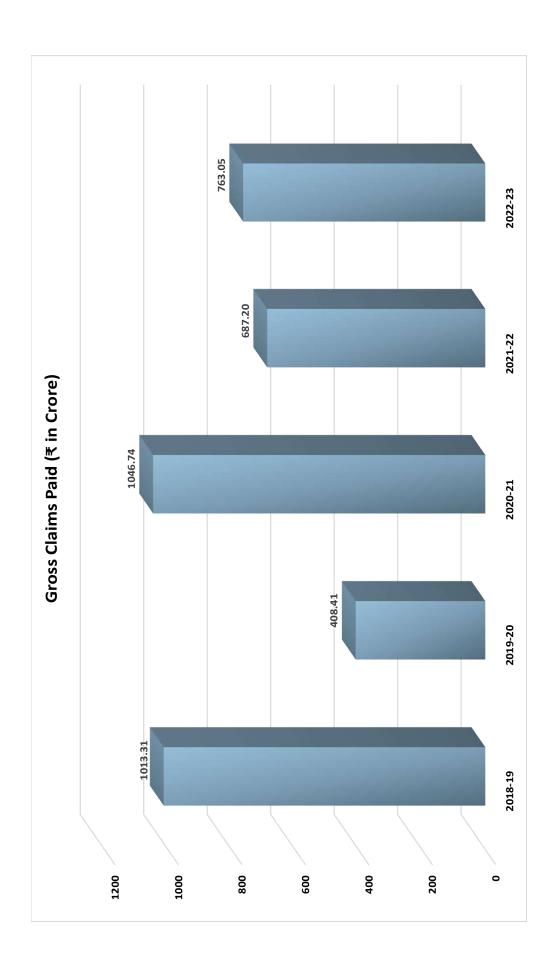
ii) The data above reflects the number of candidates who joined the Company for recruitment exercise conducted in FY 2022-23 and more candidates may join the Company in FY 2023-24

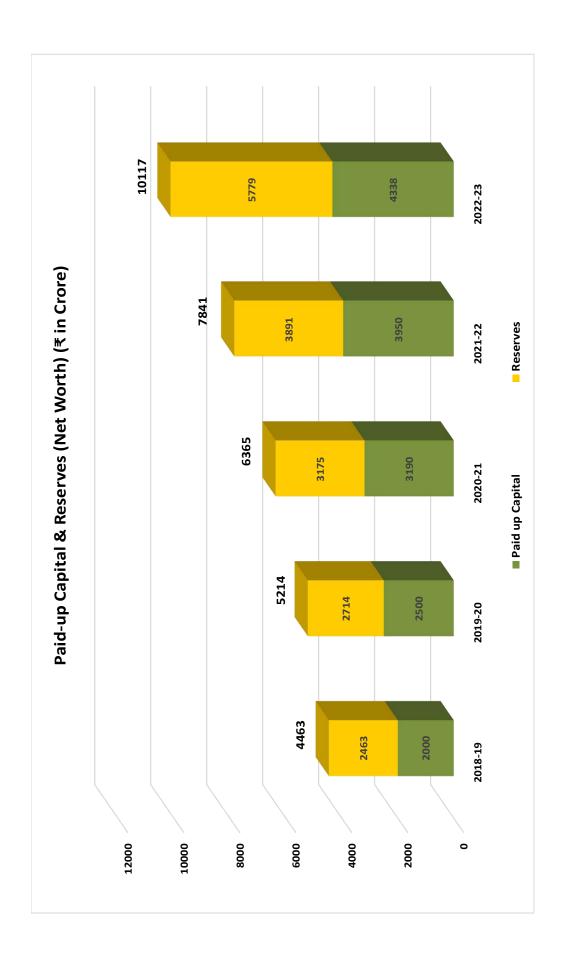
Annexure VII
Representation of Scheduled Castes/ Scheduled Tribes / Other Backward
Classes in the Company's workforce as on 31.03.2023

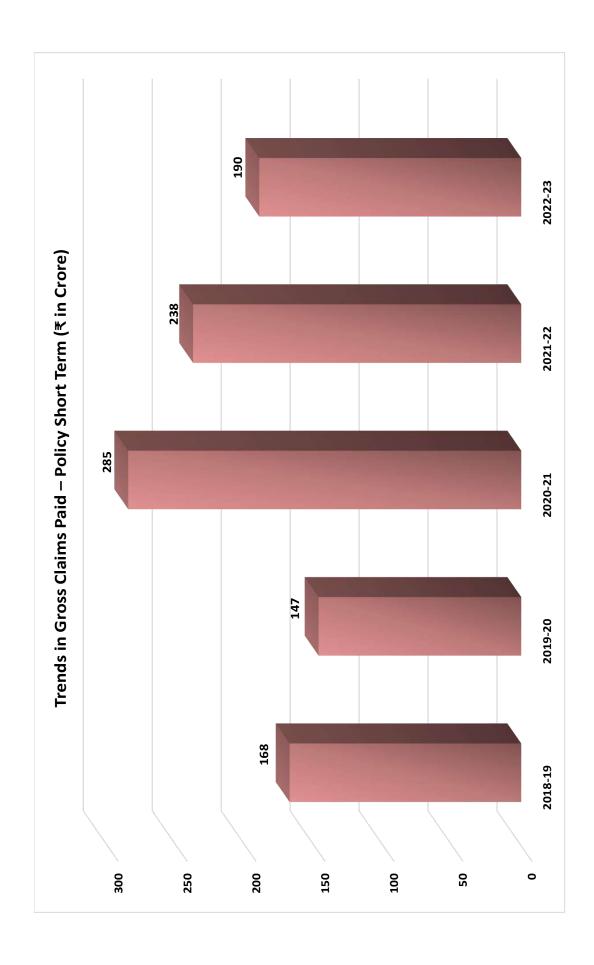
Group	Total No. of Employees	No. of SC Employees	% of SC employees	No. of ST Employees	% of ST employees	No. of OBC Employees	% of OBC employees
Α	253	45	17.8%	19	7.5%	61	24.1%
В	320	57	17.8%	28	8.8%	78	24.4%
С	20	3	15%	3	15%	1	5%
D	4	1	25%	0	0%	1	25%
Total	597	106	17.8%	50	8.4%	141	23.6%

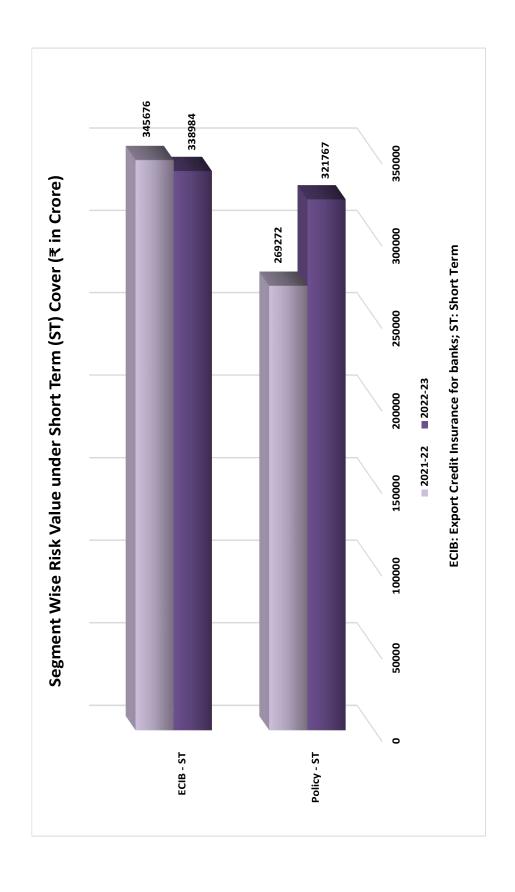


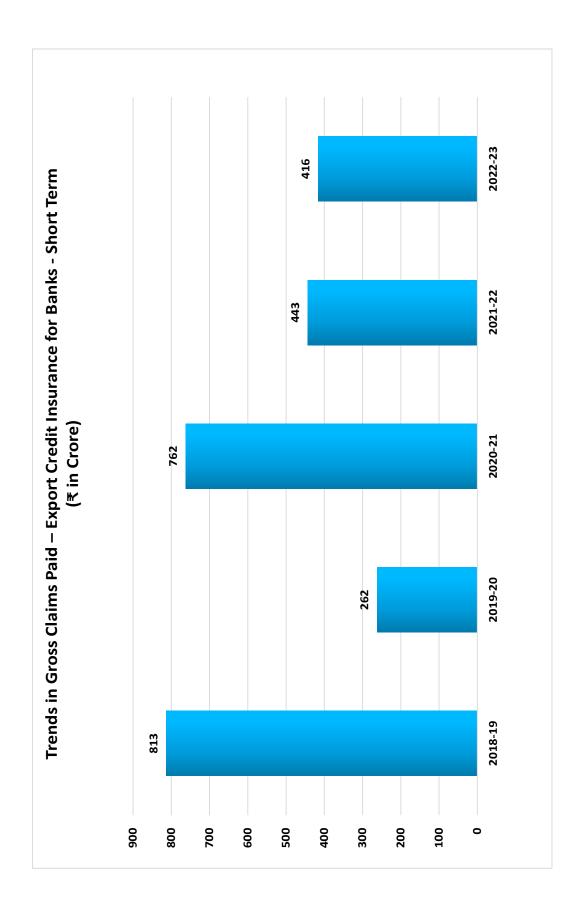






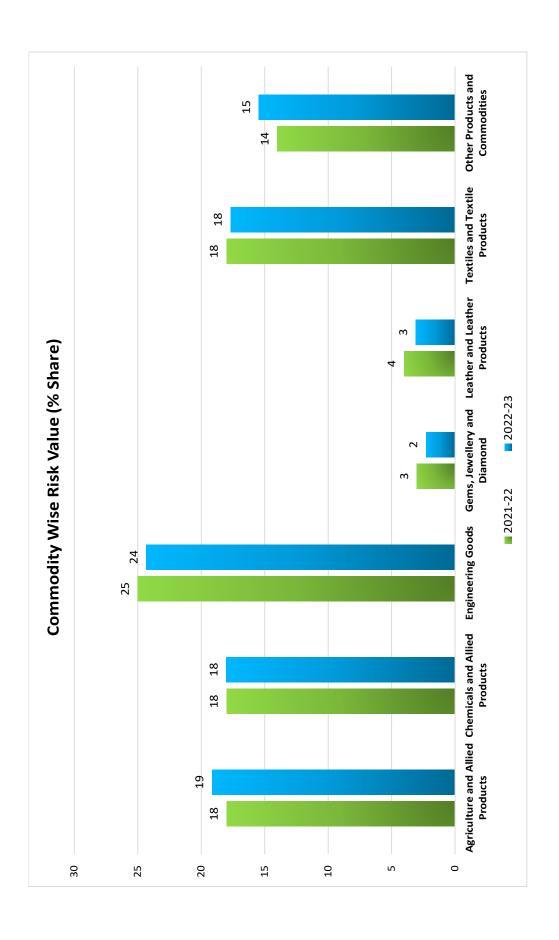


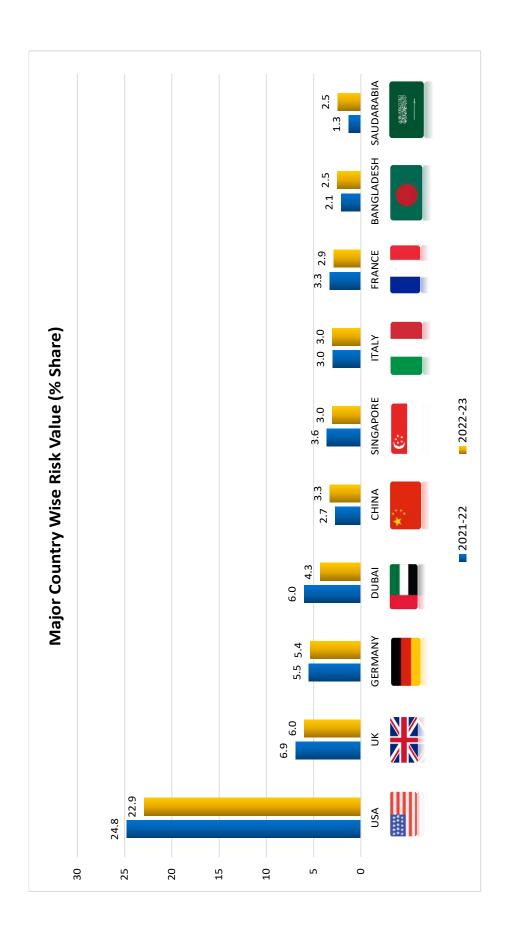


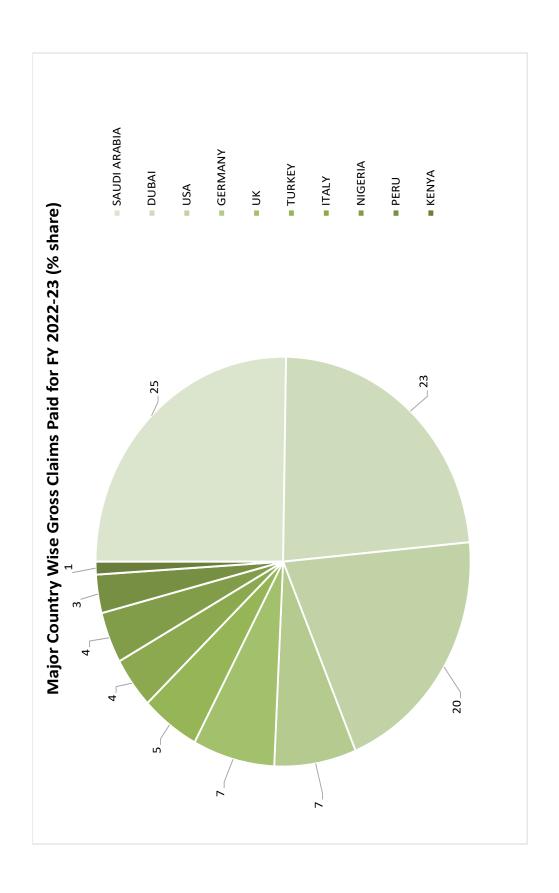


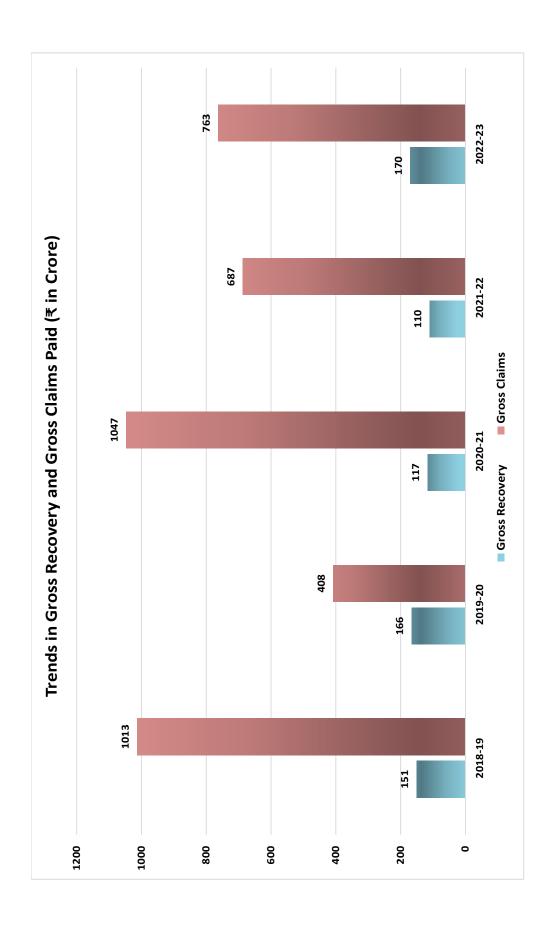
Value of Risk Covered during 2022-23

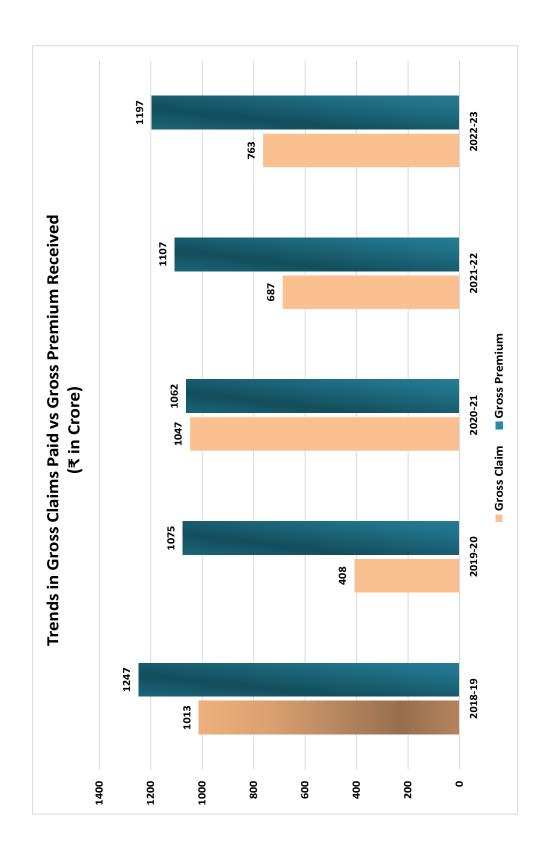












Part B

वित्तीय विवरण Financial Statements

Certificate on Financial Statements

This is to certify that the financial statements of the company for the year ended 31st March, 2023 placed before the Board of Directors for adoption and approval do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

(Ishnath Jha) Chief Financial Officer (M Senthilnathan) Chairman-cum-Managing-Director

Place: Mumbai

Date : 4th May, 2023

FORM B - BS **ECGC Limited**

CIN: U74999MH1957GOI010918

Registration No. 124

Date of Registration: 27th September, 2002

BALANCE SHEET AS AT 31ST MARCH 2023

Particulars	Schedule	Current Year Audited (₹'000)	Previous Year Audited (₹'000)
I. SOURCES OF FUNDS			
Share Capital	5	4338,00,00.00	3950,00,00.00
Reserves and Surplus	6	5778,63,87.58	3890,88,49.12
Fair Value Change Account - Shareholder		343,51,87.12	311,87,02.01
Fair Value Change Account - Policyholder		343,51,87.12	381,17,46.89
Borrowings	7	-	-
Deferred Tax Liability		-	-
Total		10803,67,61.82	8533,92,98.02
II. APPLICATION OF FUNDS			
Investments - Shareholder	8	7323,80,87.73	6086,96,16.11
Investments - Policyholder	8A	7323,80,87.73	7439,61,97.47
Loans	9	7525,00,07.75	-
Fixed Assets	10	373,47,88.41	326,53,19.69
Deferred Tax Assets		44,32,37.97	43,88,90.87
Current Assets		,- ,	-,,-
Cash and Bank Balances	11	1623,64,39.25	1980,35,51.53
Advances and Other Assets	12	1195,38,47.96	1052,35,47.40
Sub Total (A)		2819,02,87.21	3032,70,98.93
A		6202 40 47 52	5440.25.00.62
Current Liabilities	13	6392,40,47.52	7440,37,09.63
Provisions	14	688,36,79.71	955,41,15.42
Sub Total (B)		7080,77,27.23	8395,78,25.05
Net Current Assets (C)= (A-B)		(4261,74,40.02)	(5363,07,26.12)
Miscellaneous Expenditure	15	- 1	- 1
(to the extent not written off or adjusted)			
Debit Balance in Profit & Loss Account		<u>-</u>	-
Total		10803,67,61.82	8533,92,98.02

SIGNIFICANT ACCOUNTING POLICIES 16 NOTES FORMING PART OF ACCOUNTS 17

(M SENTHILNATHAN)

Chairman cum Managing Director DIN - 07376766

(HARSHA BANGARI)

Director DIN - 01807838 (DEVESH SRIVASTAVA)

Director DIN - 08646006

(A SAKTHIVEL)

Director DIN - 00027485 (AMIT KUMAR AGARWAL)

Director DIN - 05333909 (SUNIL JOSHI)

Executive Director DIN - 08778530

(ISHNATH JHA)

Chief Financial Officer

(SMITA PANDIT)

Company Secretary M.No. F-3166

As per our report of even date attached

For SNK & Co.

Chartered Accountants Firm Registration No. 109176W For L. S. Nalwaya & Co.

Chartered Accountants Firm Registration No. 115645W

(ANKIT D. DANAWALA)

Partner - M.No. 119972

(ASHISH NALWAYA) Partner - M.No. 110922

Place: Mumbai Date: 4th May, 2023

FORM B-RA ECGC Limited

CIN: U74999MH1957GOI010918

Registration No. 124 Date of Registration: 27th September,2002

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023

	Particulars	Schedule	Current Period Audited	Previous Period Audited
			(₹'000)	(₹'000)
1	Premiums earned (Net)	1	940,95,41.44	882,16,36.22
2 3	Profit on Sale/Redemption of Investment Loss on Sale/Redemption of Investment		42,63,03.15	67,61,43.47
3	Loss on Sale/Redemption of investment		-	-
4	Others			
	- Fee - Miscellaneous Income		1,59,18.54	1,36,13.14
	- Miscellaneous income - Profit on Sale of Asset		28,40.61 18,34.13	95,52.89 74,46.41
5	Interest, Dividend & Rent - Gross		524,28,42.67	532,13,84.24
	TOTAL (A)		1509,92,80.54	1484,97,76.37
1	Claims Incurred (Net)	2	(702,92,04.79)	546,19,29.35
2	Commission	3	(4,41,15.93)	(31,37,84.39)
3	Operating Expenses related to Insurance Business	4	307,98,83.57	281,51,56.59
4	Others			
	- Premium Deficiency		(308,52,00.00)	(8,02,00.00)
	- Expenses towards Investments		10,39,97.34	11,97,43.10
	- Provision, Write Off - Investments		(1,18.00)	(18,75.48)
	TOTAL (B)		(697,47,57.81)	800,09,69.17
	Operating Profit/(Loss) from Miscellaneous Business C =(A-B)		2207,40,38.35	684,88,07.20
	APPROPRIATIONS		2207,10,00.00	001,00,07120
	Transfer to Shareholder's Account		2207,40,38.35	684,88,07.20
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
Cc	TOTAL (C)	1 D A	2207,40,38.35	684,88,07.20

Significant Accounting Policies and Notes to Accounts form integral part of the Revenue Account

As required by section 40C(2) of the Insurance Act 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and as far as it appears from our examination of Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly in respect of the Export Credit Insurance Business have been fully debited to the Revenue Account as expenses.

(M SENTHILNATHAN)(HARSHA BANGARI)(DEVESH SRIVASTAVA)Chairman cum Managing DirectorDirectorDirectorDIN - 07376766DIN - 01807838DIN - 08646006

 (A SAKTHIVEL)
 (AMIT KUMAR AGARWAL)
 (SUNIL JOSHI)

 Director
 Director
 Executive Director

 DIN - 00027485
 DIN - 05333909
 DIN - 08778530

(ISHNATH JHA) (SMITA PANDIT)
Chief Financial Officer Company Secretary
M.No. F-3166

As per our report of even date attached

For SNK & Co.
Chartered Accountants
Firm Registration No. 109176W

For L. S. Nalwaya & Co.
Chartered Accountants
Firm Registration No. 115645W

(ANKIT D. DANAWALA) (ASHISH NALWAYA)
Partner - M.No. 119972 Partner - M.No. 110922

Place : Mumbai Date : 4th May, 2023

FORM B-PL ECGC Limited

CIN: U74999MH1957GOI010918 Registration No. 124

Registration No. 124 Date of Registration : 27th September, 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023

	Particulars	Schedule	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	OPERATING PROFIT/(LOSS)		` ,	` ,
	(a) Fire Insurance		-	-
	(b) Marine Insurance		-	-
	(c) Miscellaneous Insurance		2207,40,38.35	684,88,07.20
2	INCOME FROM INVESTMENTS			
	(a) Interest, Dividend & Rent -Gross		524,28,42.67	435,38,59.84
	(b) Profit on Sale of Investments Less: Loss on Sale of Investments		42,63,03.15	55,32,08.29
3	OTHER INCOME			
	(a) NEIA Income		7,92,14.26	2,81,42.42
	(b) Rent & Other receipts		19,97.20	17,42.99
	(c) Other Interest Income		1,24,19.13	1,36,31.44
	(d) Other Miscellaneous Income and Factoring Income		2,28,07.88	2,58,60.00
	TOTAL (A)		2785,96,22.64	1182,52,52.18
4	PROVISIONS (Other than Taxation)			
	(a) For diminution in the value of investments		-	-
	(b) Provision, Write Off - Investments			
	- Standard Asset		-	-
	- Sub Standard Asset		-	-
	- Doubtful Asset		(1,18.00)	(15,34.48)
	- Loss Assets		- (21	- 25.60
	(c) Provision for Doubtful Debts		6.21	35.60
5	OTHER EXPENSES			
	(a) Expenses other than those related to Insurance Business			
	- Expenses towards Investments		10,39,97.34	9,79,71.62
	- Expenses towards Corporate Social Responsibility		14,40,00.12	11,90,09.34
	- Miscellaneous Expense		0.63	11,25.42
	(b) Others - Factoring expenses		-	1.26
	TOTAL (B)		24,78,86.31	21,66,08.76
	Profit Before Tax (A - B)		2761,17,36.34	1160,86,43.42
	Less:			
	(a) Provision for Taxation		(40.45.10)	25.50
	- Deferred Tax		(43,47.10)	35,79.89
	- Current Tax		598,00,00.00	255,00,00.00
	(b) Prior Period Adjustments (c) Tax Adjustments - Earlier years		11,57.77 (76,12.79)	29,84,55.51 49,88.17
	Profit available for appropriation		2164,25,38.46	875,16,19.85

FORM B-PL **ECGC Limited**

CIN: U74999MH1957GOI010918

Date of Registration: 27th September, 2002 Registration No. 124

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Schedule	Current Period Audited (`'000)	Previous Period Audited (`'000)
APPROPRIATIONS			
(a) Interim Dividends Paid During the Year		-	-
(b) Dividend Distribution Tax on Interim Dividend		-	-
(c) Proposed Final Dividend		-	-
(d) Dividend Distribution Tax on Proposed Dividend		-	-
(e) Transfer to Reserve for Factoring Scheme		-	-
(f) Transfer to General Reserve		1730,45,38.46	598,66,19.85
Balance of profit/loss brought forward from last year		-	-
Balance carried forward to Balance Sheet		433,80,00.00	276,50,00.00

(M SENTHILNATHAN)

(HARSHA BANGARI)

(DEVESH SRIVASTAVA)

Chairman cum Managing Director DIN - 07376766

Director DIN - 01807838

Director DIN - 08646006

(A SAKTHIVEL) Director DIN - 00027485

(AMIT KUMAR AGARWAL)

Director DIN - 05333909 (SUNIL JOSHI) Executive Director DIN - 08778530

(ISHNATH JHA)

Chief Financial Officer

(SMITA PANDIT)

Company Secretary M.No. F-3166

As per our report of even date attached

For SNK & Co.

Chartered Accountants Firm Registration No. 109176W For L. S. Nalwaya & Co.

Chartered Accountants Firm Registration No. 115645W

(ANKIT D. DANAWALA)

Partner - M.No. 119972

(ASHISH NALWAYA)

Partner - M.No. 110922

Place : Mumbai Date : 4th May, 2023

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE -1 PREMIUM EARNED (NET)

Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
Premium from Direct Business Written Add: Premium on Reinsurance Accepted Less: Premium on Reinsurance Ceded	1197,52,85.83 - 217,62,43.48	-
Net Premium	979,90,42.35	902,00,40.54
Adjustment for change in Reserve for Unexpired Risks	(38,95,00.91)	(19,84,04.32)
Total Premium Earned (Net)	940,95,41.44	882,16,36.22

SCHEDULE -2 CLAIMS INCURRED (NET)

Particulars		Current Period Audited	Previous Period Audited
1 at ticulars		Audited (₹'000)	Audited (₹'000)
Claims Paid			
Direct		763,04,85.84	687,20,43.27
Add: Reinsurance accepted		-	-
Less : Reinsurance ceded		246,47,85.46	182,93,54.59
Less:			
Recovered during the year	169,50,60.10		109,97,13.90
Add: Interest received on Recovery of Claims Paid	24,62,27.18		23,47.7
Less: Share of reinsurer	38,29,31.31		44,49,90.14
	155,83,55.97	155,83,55.97	65,70,71.4
Net Claims paid (A)		360,73,44.41	438,56,17.2
Add: Claims Outstanding at the end of the year (net of reinsurance)		5929,31,09.23	6992,96,58.43
Minus provision for recovery (net of reinsurance)		-	-
(B)	-	5929,31,09.23	6992,96,58.43
Less: Claims Outstanding at the beginning (net of reinsurance)		6992,96,58.43	6885,34,79.90
Minus Provision for recovery (net of reinsurance)		-	1,33.6
(C)		6992,96,58.43	6885,33,46.29
			·
Total Claims Incurred (A + B - C)		(702,92,04.79)	546,19,29.35

SCHEDULE -3 COMMISSION

Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
Commission Paid		
Direct	25,91,79.76	13,45,84.63
TOTAL (A)	25,91,79.76	
Add: Commission on Reinsurance Accepted Less: Commission on Re-insurance Ceded	30,32,95.69	44,83,69.02
Net Commission	(4,41,15.93)	(31,37,84.39)
Note: The profit/commission, if any are to be combined with the Re-insuran	ce accepted or Re-insurance of	eded figures.
Break-up of the expenses (Gross) incurred to procure business to be furnished	ed as per details indicated bel	ow:
Agents	-	-
Brokers	25,91,79.76	13,45,83.39
Corporate Agency	-	1.24
Others (pl. specify)	-	-
TOTAL (B)	25,91,79.76	13,45,84.63
Note: Total (A) and (B) above should tally.		

SCHEDULE -4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

		Current Period	Previous Period
	Particulars	Audited	Audited
		(₹'000)	(₹'000)
1	Employees' Remuneration and Welfare benefits	190,59,34.26	176,69,37.71
2	Travel, Conveyance and Vehicle running expenses	11,05,36.15	9,21,48.00
3	Training expenses	1,99,68.48	38,23.51
4	Rent, Rates & Taxes	22,16,17.12	27,36,04.27
5	Repairs	20,58,80.49	22,58,74.46
6	Printing & Stationery	2,18,22.71	1,72,48.96
7	Communication	1,42,09.72	1,18,23.07
8	Legal & Professional charges	10,30,76.49	9,28,65.06
9	Auditors' fees, expenses etc.		
	(a) As auditor	76,77.51	79,24.41
	(b) As adviser or in any other capacity, in respect of		
	(i) Taxation matters	16,48.66	14,82.16
	(ii) Insurance matters	-	-
	(iii) Management services	-	-
	(c) In any other capacity	98,63.07	70,90.46
10	Advertisement and Publicity	10,55,04.66	5,87,71.72
11	Interest and Bank Charges	7,44.47	5,96.44
12	Others - Miscellaneous Expenses and Other Expenses	25,81,57.15	18,79,37.12
13	Depreciation	9,32,42.63	6,70,29.24
	TOTAL	307,98,83.57	281,51,56.59

SCHEDULE -5 SHARE CAPITAL

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Authorised Capital		
	1,00,00,00,000 Equity Shares of Rs. 100 each	10000,00,00.00	5000,00,00.00
	(Previous Period 50,00,00,000 Equity Shares of Rs. 100 each)		
2	Issued Capital		
	4338,00,000 Equity Shares of Rs. 100 each	4338,00,00.00	3950,00,00.00
	(Previous Period 3950,00,000 Equity Shares of Rs 100 each)		
3	Subscribed Capital	4338,00,00.00	3950,00,00.00
	4338,00,000 Equity Shares of Rs. 100 each	, ,	
	(Previous Period 3950,00,000 Equity Shares of Rs 100 each)		
4	Called up & Paid up Capital	4338,00,00.00	3950,00,00.00
	4338,00,000 Equity Shares of Rs. 100 each		
1	(Previous Period 3950,00,000 Equity Shares of Rs 100 each)		
	Add: Equity Shares forfeited (Amount originally paid up)	_	-
	Less : Par Value of Equity Shares bought back	-	-
	Less : Preliminary Expenses	-	-
	Expenses including commission or brokerage	-	-
	on Underwriting or subscription of shares	-	-
	TOTAL	4338,00,00.00	3950,00,00.00

SCHEDULE -5 A PATTERN OF SHAREHOLDING

(As Certified by the Management)

Shareholder	Curren	t Period	Previous	s Period
	No. of Shares	% of holding	No. of Shares	% of holding
Promoters				
Indian				
President of India & His Nominees	43,38,00,000	100.00	39,50,00,000	100.00
Foreign	-	-	-	-
Others	-	-	-	-
Total	43,38,00,000	100.00	39,50,00,000	100.00

SCHEDULE -6 RESERVES AND SURPLUS

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Capital Reserve	_	
2	Capital Redemption Reserve	_	-
3	Share Premium	-	-
4	General Reserve - Opening Balance	3554,38,49.12	2955,72,29.27
	Additions during year	1730,45,38.46	598,66,19.85
		5284,83,87.58	3554,38,49.12
	Deduction during year	-	-
		5284,83,87.58	3554,38,49.12
5	Catastrophe Reserve	_	_
6	Factoring Scheme Reserve	60,00,00.00	60,00,00.00
7	Balance in Profit & Loss Account	433,80,00.00	276,50,00.00
	TOTAL	5778,63,87.58	3890,88,49.12

SCHEDULE -7 BORROWINGS

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Debentures/Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	-	-

SCHEDULE -8 INVESTMENTS (SHAREHOLDER)

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	2994,73,31.82	2454,47,86.57
2	Other approved Securities	259,41,92.56	209,80,57.95
3	Other Investments	257,41,72.30	207,00,57.75
	(a) Shares		
	(aa) Equity	971,27,89.63	838,68,67.12
	(bb) Preference Shares	7/1,2/,05.05	-
	(b) Mututal Funds	29,60,57.67	_
	(c) Derivative Instruments	25,00,57.07	_
	(d) Debentures/Bonds	1085,23,47.05	757,19,16.37
	(e) Other Securities (TREPS, CP, CD)	-	-
	(f) Subsidiaries	_	_
	(g) Investment Properties-Real Estate	_	_
4	Investments in Infrastructure and Social Sector	1490,71,97.29	1338,90,57.36
5	Other than Approved Investments	84,78,72.62	76,37,84.63
	Total (A)	6915,77,88.64	5675,44,70.00
	SHORT TERM INVESTMENTS	0,15,77,00.01	3073,11,70100
1	Government securities and Government guaranteed bonds including Treasury Bills	111,22,81.11	156,78,31.86
2	Other Approved Securities	22,07,59.80	-
3	Other Investments	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	(a) Shares		
	(aa) Equity	_	_
	(bb) Preference Shares	_	_
	(b) Mututal Funds	55,80,89.88	50,51,59.12
	(c) Derivative Instruments	_	
	(d) Debentures/Bonds	56,62,73.96	81,52,02.71
	(e) Other Securities (TREPS, CP, CD)	66,48,20.40	-
	(f) Subsidiaries	-	_
	(g) Investment Properties-Real Estate	_	_
4	Investments in Infrastructure and Social Sector	65,81,89.86	95,70,56.75
5	Other than Approved Investments	29,98,84.08	26,98,95.67
	Total (B)	408,02,99.09	411,51,46.11
		,. ,)- ,1002
	TOTAL (A+B)	7323,80,87.73	6086,96,16.11

Note: Provision made for Doubtful Assets shown under Schedule 14 against Assets in Schedule 8 and Schedule 8A

105,43,93.57

105,46,29.56

SCHEDULE -8A INVESTMENTS (POLICYHOLDER)

		Current Period	Previous Period
	Particulars	Audited	Audited
		(₹'000)	(₹'000)
		, ,	, ,
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	2994,73,31.82	2999,91,83.58
2	Other approved Securities	259,41,92.56	256,42,93.06
3	Other Investments		
	(a) Shares		
	(aa) Equity	971,27,89.63	1025,06,15.37
	(bb) Preference Shares	-	-
	(b) Mututal Funds	29,60,57.67	-
	(c) Derivative Instruments	-	-
	(d) Debentures/Bonds	1085,23,47.05	925,45,64.45
	(e) Other Securities (TREPS, CP, CD)	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	1490,71,97.29	1636,44,03.45
5	Other than Approved Investments	84,78,72.62	93,35,14.54
	Total (A)	6915,77,88.64	6936,65,74.45
	SHORT TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	111,22,81.11	191,62,38.94
2	Other approved Securities	22,07,59.80	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference Shares	-	-
	(b) Mututal Funds	55,80,89.88	61,74,16.71
	(c) Derivative Instruments	-	-
	(d) Debentures/Bonds	56,62,73.96	99,63,58.87
	(e) Other Securities (TREPS, CP, CD)	66,48,20.40	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	65,81,89.86	116,97,36.02
5	Other than Approved Investments	29,98,84.08	32,98,72.48
	Total (B)	408,02,99.09	502,96,23.02
	TOTAL (A+B)	7323,80,87.73	7439,61,97.47

SCHEDULE -9 LOANS

Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1 SECURITY-WISE CLASSIFICATION		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government Securities	-	-
(c) Others	-	-
Unsecured	-	-
TOTAL	-	-
2 BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	_	_
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
TOTAL	-	-
3 PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
TOTAL	-	-
4 MATURITY -WISE CLASSIFICATION		
(a) Short Term	-	-
(b) Long Term	-	-
TOTAL	-	-

SCHEDULE 10 FIXED ASSETS

			Gross Block	ock			Depreciation	ciation		Net Block	lock
SI. No.	Particulars	Opening	Additions	Deductions	Closing	Up to 31.03.2022	For the Year	On Sale / Adjustments	To date	As at 31.03.2023	As at 31.03.2022
-	Good Will	1		1	1	1	1	1	ı	1	1
2	Intangibles	8,04,92.10	10,65.71	-	8,15,57.81	6,37,14.87	66,25.22	1	7,03,40.09	1,12,17.72	1,67,77.23
3	Land - Free Hold	74,81,52.33	1	1	74,81,52.33	-	-	1	1	74,81,52.33	74,81,52.33
4	Leasehold Property	60,58,30.10	•	1	60,58,30.10	7,82,44.37	1,86,97.79	,	9,69,42.16	50,88,87.94	52,75,85.73
3	Building	43,61,13.69	114,23,98.53	•	157,85,12.22	16,71,51.43	1,49,48.68	•	18,21,00.11	139,64,12.11	26,89,62.26
9	Furniture and Fittings	21,24,32.83	9,31,86.04	3,32,54.86	27,23,64.01	15,77,00.98	1,19,16.69	3,27,70.99	13,68,46.68	13,55,17.33	5,47,31.85
7	Information Technology Equipment	20,44,88.72	2,88,66.46	8,04,32.70	15,29,22.48	18,09,12.49	1,78,32.85	8,03,22.06	11,84,23.28	3,44,99.20	2,35,76.23
œ	Vehicles	9,59,45.07	1	26,42.04	9,33,03.03	1,96,45.67	1,09,23.41	26,42.04	2,79,27.04	6,53,75.99	7,62,99.40
6	Office Equipment	8,87,57.86	9,73,45.18	95,54.19	17,65,48.85	7,60,79.63	1,22,97.99	94,31.74	7,89,45.88	9,76,02.97	1,26,78.23
	Total	247,22,12.70	136,28,61.92	12,58,83.79	370,91,90.83	74,34,49.44	9,32,42.63	12,51,66.83	71,15,25.24	299,76,65.59	172,87,63.26
	Work in Progress									73,71,22.82	153,65,56.43
	Grand Total	247,22,12.70	136,28,61.92	12,58,83.79	370,91,90.83	74,34,49.44	9,32,42.63	12,51,66.83	71,15,25.24	373,47,88.41	326,53,19.69
	Previous Year	243,88,86.53	10,00,19.09	6,66,92.92	247,22,12.70	74,15,85.89	6,70,29.24	6,51,65.69	74,34,49.44	326,53,19.69	303,63,70.76

SCHEDULE -11 CASH AND BANK BALANCES

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1 2	Cash (including cheques, drafts and stamps) Bank Balances	58,74.09	50,22.37
2	(a) Deposit Accounts		
	(aa) Short Term (due within 12 months): With Banks	1614,24,00.00	1968,07,00.00
	With Financial Institutions (bb) Others	-	-
	With Banks With Financial Institution		1,99,00.00
	(b) Current Accounts	8,80,65.16	
	(c) Others - Balance with Reserve Bank of India	1,00.00	1,00.00
	TOTAL	1623,64,39.25	1980,35,51.53

SCHEDULE -12 ADVANCES AND OTHER ASSETS

	Particulars		Current Period Audited (₹'000)	Previous Period Audited (₹'000)
	ADVANCES			
1	Reserve deposits with ceding companies		-	-
2	Application money for investments		-	-
3	Prepayments		11,57,04.72	11,83,63.51
4	Advance to Directors		-	-
_	Advance Tax paid and taxes deducted at source (Net of provision for			
5	taxation)		269,22,97.74	214,51,23.57
6	Advances to Employees		22,18,80.74	23,92,52.76
7	Advance for Expenses		18,05,00.07	12,42,45.43
	TOTAL (A)		321,03,83.27	262,69,85.27
	OTHER ASSETS			
1	Income accrued on Investments		365,62,84.47	347,61,58.44
2	Outstanding Premiums		-	-
3	Agents' Balances		-	_
4	Foreign Agencies Balances		-	_
	Due from other entities carrying on insurance business (including			
5	reinsurers)		210,01,84.89	256,38,10.25
6	Due from subsidiaries/holding		_	_
7	Deposit with Reserve Bank of India		_	_
,	(Pursuant to section 7 of Insurance Act, 1938)			
8	Interest accrued on Housing Loan		1,22,27.74	1,45,67.18
9	Sundry Debtors-		1,22,2,1,7	1,15,07110
,	Standard Asset	1,53,44.28		1,37,91.11
	Less : Provision for Standard Asset	61.38		55.17
	(1)	1,52,82.90		1,37,35.94
	Sub - Standard Asset	-		-
	Less : Provision for Sub - Standard Asset	-		-
	(II)	-	-	-
	Doubtful Asset	7,04,26.80		7,04,26.80
	Less : Provision for Doubtful Asset	7,04,26.80		7,04,26.80
	(III)	-	-	-
	(I+II+III)		1,52,82.90	1,37,35.94
10	Amount Recoverable from others	133,42,26.06		23,18,60.59
10	Less: Provision for Doubtful Recovery	94,71.30		94,71.30
	Ecss. 1 lovision for Boubtur Recovery	132,47,54.76	132,47,54.76	22,23,89.29
		,.,.	,,	,,
11	Sundry Deposits	74,41,13.32		73,79,44.90
	Less : Provision for Doubtful Debts	74 41 12 22	74 41 12 22	72 70 44 00
		74,41,13.32	74,41,13.32	73,79,44.90
12	Unclaimed Amount for Policyholder Assets	1,54,94.65		1,54,94.64
	Add: Interest earned on Unclaimed Amount for Policyholder Assets	53,83.93		42,44.40
		2,08,78.58	2,08,78.58	1,97,39.04
13	ATI Participation on behalf of Govt. of India		86,97,38.03	84,82,17.09
	TOTAL (B)	ŀ	874,34,64.69	789,65,62.13
	TOTAL (A+B)		1195,38,47.96	1052,35,47.40

SCHEDULE -13 CURRENT LIABILITIES

	Particulars		Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Agents' Balances		-	_
2	Balances due to other Insurance Companies		80,66,45.93	78,87,15.08
3	Deposits held on re-insurance ceded		-	-
4	Premiums received in advance		234,10,32.83	223,81,05.16
5	Unallocated Premium		38,88,10.85	46,64,70.20
6	Unclaimed Amount of Policyholders	1,40,10.74		1,53,50.33
	Add: Interest earned on Unclaimed Amount of Policyholders	43,39.68		39,87.39
	·	1,83,50.42	1,83,50.42	1,93,37.72
7	Sundry Creditors		79,92,94.81	64,91,70.98
8	Due to subsidiaries/holding company		-	-
9	Claims outstanding		5929,31,09.23	6992,96,58.43
10	Due to Employees		10,56,49.00	7,87,56.30
11	Others			
	- NEIA		12,81,97.53	19,01,86.33
	- Factoring		28,34.60	33,67.00
	- Miscellaneous		3,09,70.59	2,69,32.74
	- GST Liability		91,51.73	1,30,09.69
	TOTAL		6392,40,47.52	7440,37,09.63

SCHEDULE -14 PROVISIONS

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
,	Decemin for University of Diele	489,95,21.18	451,00,20.27
1	Reserve for Unexpired Risk	409,93,21.10	
2	Reserve for Premium Deficiency	-	308,52,00.00
3	For Taxation		
	- Income Tax (Net of Advance Tax)	-	-
4	For Proposed Dividends	-	-
5	For Dividend distribution Tax	-	-
6	For Retirement Benefits		
	- Leave Encashment & Long Service	56,66,73.75	56,16,24.84
	- Gratuity	1,43,21.58	4,66,83.15
	- Pension	34,87,69.63	29,59,57.60
7	For Thinly Traded Shares	-	-
8	For Investment Assets	105,43,93.57	105,46,29.56
	TOTAL	688,36,79.71	955,41,15.42

SCHEDULE -15 MISCELLANEOUS EXPENDITURE

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Discount Allowed in issue of shares/debentures	-	-
2	Others	-	-
	TOTAL	_	_

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

1.1 The financial statements are drawn up in accordance with the Regulatory provisions of section 11(1) of the Insurance Act, 1938; regulations framed under Insurance Regulatory and Development Authority Act, 1999, read with the applicable provisions of the Companies Act, 2013. These financial statements prepared under the historical cost convention and on accrual basis, comply with the Insurance Regulatory and Development Authority (Preparation of financial statements and Auditors' Report of Insurance Companies) Regulation 2002 and are in conformity with the requirements of Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and conform to practices prevailing in the credit insurance industry unless otherwise stated.

1.2 USE OF ESTIMATES:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual result and estimates are recognized in periods in which the results are known / materialised.

2. FIXED ASSETS AND DEPRECIATION

- 2.1 Fixed Assets are stated at cost of acquisition less depreciation.
- 2.2 Depreciation is provided on straight-line method at the relevant rates as per Schedule II to the Companies Act, 2013. Assets added/disposed off during the year are depreciated on a pro-rata basis with reference to the date of addition/disposal. Assets are depreciated fully during the course of its useful life.
- 2.3 Leased Assets are amortised over the period of lease.
- 2.4 The computer software forming integral part of hardware which comprises pre-loaded software and the software procured for loading in the newly bought-out hardware is capitalized along with the hardware.
- 2.5 The Software development and acquisition costs which meet the recognition criteria of AS26 Intangible Assets issued by Companies Accounting Standard Rules, 2006 are

- capitalised under the head "Intangibles" and amortised on a straight-line basis over the useful life of the Asset subject to a maximum period of 5 years.
- 2.6 Projects under commissioning are carried forward at cost as Capital Work-in-Progress (CWIP) and represents payments made to contractors including advances and directly attributable cost.

3. IMPAIRMENTS

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indications exist, the assets recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

4. INVESTMENTS

- 4.1 Short Term Money Market Instruments such as Commercial Papers and Certificate of Deposit, are shown at their discounted value and the difference between the acquisition cost and the redemption value is apportioned on time basis and recognised as accrued income.
- 4.2 Contracts for purchase and sale of shares, bonds, debentures, etc., are accounted for as "Investments" as on date of Transaction.
- 4.3 The cost of investments include premium on acquisition, expenses like brokerage, transfer stamps, transfer charges, etc., and is net of incentive/fee if any, received thereon.
- 4.4 Dividend is accounted for as income in the year of declaration. Dividend on shares/interest on debentures under objection/pending delivery is accounted for, on realisation. Interim dividend is accounted where the warrants are dated 31st March or earlier.
- 4.5 Profit/Loss on realisation of investments is computed by taking Weighted Average Book Value as cost of investments except Government Securities which are held to maturity and profit/loss on such investments are worked out on First In First Out Basis (FIFO).
- 4.6 Investment in Government Securities, debt securities and redeemable preference shares are considered as held till maturity and valued at cost. However, in terms of Insurance Regulatory and Development Authority Regulations the premium paid at the time of acquisition of securities is amortised over the residual period of maturity.
- 4.7 a) Investments in Mutual Fund/s are valued at Net Asset Value (NAV) at the year-end and the difference between cost/book value and NAV is accounted in Fair Value Change Account. However, if there is impairment in value, the same is charged to Revenue and the book value of investment is reduced accordingly. Any reversal of impairment loss earlier recognised, shall be taken to revenue to the extent of reduction in impairment recognised earlier.

- b) In case of non-availability of NAV as at the Balance Sheet date, investment is shown at cost.
- 4.8 a) Investment Portfolio in respect of Equity/Equity related instruments are segregated into Actively Traded and Thinly Traded as prescribed by Insurance Regulatory and Development Authority Regulations. The shares are treated as thinly traded by taking into consideration transactions in the month of March on both NSE and BSE.
 - b) Actively Traded Equity/Equity related instruments will be valued as per IRDA guidelines. The equity investments will be valued at the last quoted closing prices on the National Stock Exchange (NSE) which will be the primary exchange. If any of the instruments is not quoted on NSE, then the last quoted closing price on the Bombay Stock Exchange (BSE) (as secondary exchange) will be taken for valuation. The difference between weighted average cost and quoted value is accounted in Fair Value Change Account.
- 4.9 Investment in thinly traded Equity shares and unlisted equity shares are shown at cost. However, difference between cost and break-up value is provided for as diminution in value. Further, if the published accounts of an unlisted Company are not available for last three accounting years ending on or immediately preceding the date of working out provision for thinly/unlisted shares or if the break-up value is negative then the provision is made for the entire cost.
- 4.10 Investment in Listed Equity/Equity related instruments/Preference shares made in those Companies, which are making losses continuously for last three years and where capital is eroded, are considered to have Impairment in value. Further, if the published accounts of a Company are not available for last three accounting years ending on or immediately preceding the date of working out Impairment in value, it is presumed that the value of investments is fully impaired and is written off to a nominal value of Re 1/- per Company.
- 4.11 A) Valuation of investments considered to have impairment in value is done as under:
 - a) In respect of Actively Traded Equity shares: Least of Cost Price, Market Price or Break-up Value provided Break-up Value is positive. However, if the Break-up Value is negative the nominal value is taken at Rs.1/- per Company.
 - b) In respect of Other Than Actively Traded Equity Shares: Lower of Cost Price or Break-up Value provided Break-up Value is positive. However, if Break-up Value is negative the nominal value is taken at Rs. 1/- per Company.
 - c) In respect of preference shares, if the dividend is not received for the last three years: The preference shares are written down to a value which will bear to its face value, the same proportion as value taken/which would have been taken for writing down equity shares bears to the face value of the equity shares. However, if the equity shares are written off to

Re.1/- per Company, preference shares also will be written off to a nominal value of Re. 1/- per Company.

- B) Once the value of investment in listed equity/equity related instruments/preference shares is impaired in accordance with the above mentioned policy, the reversal of such impairment losses are recognised in revenue/profit & loss account only when the accumulated losses of such investee companies are completely wiped out and capital is fully restored as per the latest available published accounts on or immediately preceding the date of working out the reversal.
- 4.12 REVERSE REPO Transactions are treated as secured lending transactions and accordingly disclosed in the financial statements. The difference between total consideration at the 1st and 2nd leg of the transaction is treated as income.
- 4.13 "TriParty Repo System (TREPS), which is issued at Discount to the Face Value, is treated as Money Market Instrument as per Reserve Bank of India Notification. Discount earned at the time of lending through TREPS is shown as income, which is apportioned on time basis.
- 4.14 a) Unrealised gain, losses arising due to changes in the fair value of listed equity shares are taken under the head "Fair Value Change Account" and on realisation reported in profit and loss account.
 - b) Pending realisation, the credit balance in the "Fair Value Change Account" is not available for distribution.
- 4.15 "Allocation of Investments into Shareholders' & Policyholders' Funds": Investments of the Company are allocated to Shareholders' and Policyholders' funds as presented in schedule 8 and 8a in the ratio of Shareholders' Fund and Policyholders' Fund respectively as at the beginning of the financial year as stated in Significant Accounting Policy (para) No.10.2
- 4.16 The Company follows the prudential norms prescribed by Insurance Regulatory and Development Authority (IRDA)/related Reserve Bank of India (RBI) guidelines as regards asset classification, recognition of income and provisioning pertaining to loans/ advances/debentures.

5. PREMIUM INCOME

Premium Income is recognised on assumption of risk. The assumption of risk and the premium income, relating to shipments made by the exporters/export credits disbursed by banks in the month of March is recognised in the subsequent year as per the directions of IRDAI vide its letter no. FNA/GEC/LR/001/2013-14/12 dated 30th January, 2014, and the same is consistently followed.

6. RESERVE FOR UNEXPIRED RISKS

Reserve for unexpired risks is created at 50% of net premium income for the year.

7. PREMIUM DEFICIENCY

Premium deficiency is recognised when the sum of expected claim costs and related expenses exceed the reserve for un-expired risks.

8. RESERVE FOR OUTSTANDING CLAIMS

- 8.1 In case of processed outstanding claims under Short Term (ST) covers and in case of all outstanding claims under Medium and Long Term covers the reserve for outstanding claims on the reporting date is recognised as the amount estimated as payable. For the outstanding claims that are yet to be processed under ST covers, a provision will be made on an average rate arrived on the basis of actuarial analysis of earlier years claim paid experience. Such provision is progressively modified for changes as appropriate on availability of further information/scrutiny of supporting documents.
- 8.2 Further, the provision for Claims Incurred But Not Reported (IBNR), Provision for Claims Incurred But Not Enough Reported (IBNER) are accounted for as per actuarial valuation as at end of the year.
- 8.3 No provision is made for following claims which are treated as Contingent Liability:
 - (i) Claims rejected by the Company and not acknowledged as debts in respect of which legal action and/or arbitration has been initiated except cases where there have been adverse ruling. Such cases have been provided under claims in the financial statements.
 - (ii) Claims preferred by Banks where, as confirmed by them, compromise proposals for recovery of dues are under negotiation.

Interest claimed, if any, in respect of cases referred to (i) & (ii) is not considered either for the purpose of contingent liability or for provision.

9. REINSURANCE

- 9.1 Insurance premium on ceding of the risk is recognised in the year in which the risk commences. Any subsequent revision to premium ceded is recognised in the year of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the year in which it is cancelled.
- 9.2 Commission received on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.
- 9.3 Profit commission under re-insurance treaties, wherever applicable, is recognized in the year of final determination of the profits and as intimated by re-insurer.

9.4 Amounts received/receivable from the re-insurers, under the terms of the reinsurance arrangement, are recognized together with the recognition of the claim.

10. EXPENSES OF MANAGEMENT

- 10.1 Management expenses, other than those directly related to other businesses of the Company, incurred by the Company are considered as expenses relating to the insurance business and are therefore charged to revenue account. Expenses relating to investment are apportioned between Revenue and Profit & Loss Account in the same proportion as stated in Significant Accounting Policy No.10.2.
- 10.2 Investment Income is apportioned between Profit & Loss Account and Revenue Accounts in the ratio of Shareholders' Funds and Policyholders' Funds respectively at the beginning of the financial year. Shareholders' Fund consists of Share Capital, General Reserves and Capital Reserves. Policyholders' Fund consists of Reserve for Unexpired Risk, Reserve for Outstanding Claims etc.
- 10.3 Printing and Stationery items are treated as consumed in the year of purchase.

11. EMPLOYEE BENEFITS

- 11.1 The Company provides for gratuity, a defined benefit plan covering all eligible employees. The plan provides a lump sum payment to eligible employees on retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company. The Company contributes to a gratuity fund maintained by Insurance Company. The amount of contribution is determined based upon actuarial valuations as at the year end. Such contributions are charged off to the Revenue Account.
- 11.2 Provision is made for the shortfall between the actuarial valuation as per Projected Unit Credit Method and the funded balance with the Insurance Company as at the Balance Sheet date.
- 11.3 As per Company's policy, employees are eligible to encash leave standing to the credit of employees at the time of resignation/retirement subject to terms and conditions. Provision for short-term compensated absences is made on the basis of an estimate of availment of the leave balance to the credit of the employees as at the Balance Sheet date. Long-term compensated absences are provided for based on actuarial valuation as at Balance Sheet date.
- 11.4. Provident Fund is a Defined Benefit Plan. Company's contribution towards the fund is charged to the Revenue Account. In case the return of the Provident Fund Trust's corpus is below the Statutory Prescribed Minimum, the Company will have to fund the shortfall.

- 11.5. Employees are eligible to receive Provident Fund benefits through a defined benefit plan in which employees make monthly contributions to the plan, @ 10%, of the covered employees' basic salary. The Company contributes an equal amount in case of the eligible employees who have joined the Company on or before 31/03/2010 and have not opted for pension benefit. The Company has established a Provident Fund Trust to which contributions towards Provident Fund are made and contributions towards Provident Fund are charged to the Revenue Account on an accrual basis. The Company guarantees the specified rate of return on such contributions on a periodical basis. The Company will meet the shortfall in the return, if any.
- 11.6 Employees are eligible to receive Pension benefits through a defined benefit plan to which the Company contributes to the plan, @ 10%, of the covered employee's basic salary. Employees who have joined the Company on or before 31/03/2010, and have opted to receive Pension benefit are covered under the Pension Plan. The Company has established a Pension Fund Trust to which contributions towards Pension are made each month. Contributions towards Pension Fund are charged to the Revenue Account on an accrual basis. The Company will evaluate the net liability based on an actuarial valuation of the Obligation and the Fair Value of the Assets to meet the obligation and provides for the same as on the date of Balance Sheet.
- 11.7 Those employees who have joined the Company on or after 01.04.2010 are eligible to be the members of a Defined Contribution Plan (New Pension Scheme) in which employees make monthly contributions to the plan @ 10% of the their basic salary and Dearness Allowance (DA). The Company contributes an equal amount in case of the eligible employees. The Company's contributions are charged to the Revenue Account on an accrual basis
- 11.8 All other Long Term Benefits are provided for on Actuarial Basis.
- 11.9 The actuarial gains/losses on the employee benefits are immediately recognized in the Revenue Account.

12. INCOME TAX

12.1 Provision for Tax is made on the basis of taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961. MAT paid in accordance with the Tax Laws, which gives rise to future economic benefits in form of tax credit against future Income Tax liability, is recognised as an asset in the balance sheet if there is convincing evidence that the Company will pay normal tax in future years and the resulting asset can be measured reliably.

12.2 Deferred Tax is calculated at the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed carry forward business losses or depreciation, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation in future.

13. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

- 13.1 A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.
- 13.2 Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.
- 13.3 Contingent assets are neither recognised nor disclosed in the financial statements.

14. FACTORING

- 14.1 Factoring Service Charges including interest are accounted as and when accrued.
- 14.2 Debts Factored are included under the head Current Assets as Sundry Debtors. Such debtors are classified as performing and non-performing assets, based on the guidelines issued by the IRDA. Performing debtors are classified as Standard assets, Non-Performing debtors are classified into sub-standard, doubtful and loss assets, based on the classification criteria stipulated by IRDA
- 14.3 The unpaid balances of the price of debts factored and due to the clients on collection are included under Current Liabilities and are reflected in the form of Factoring Margin Account.
- 14.4 Gain and loss arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are charged to clients
- 14.5 Provision for factoring debts is made as per IRDA norms notified from time to time. Such provision includes provision at the rate of 0.40% on standard assets. Provisions are made

for NPAs as per the guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below by the IRDA:

Substandard Assets:	i. A general provision of 10%		
	ii. Additional provision of 10% for exposures		
	which are unsecured ab-initio (where realisable		
	value of security is not more than 10 % ab-		
	initio)		
Doubtful Assets:			
- Secured portion:	i. Upto one year – 20%		
	ii. One to three years – 30%		
	iii. More than three years – 100%		
- Unsecured portion	100%		
Loss Assets:	100%		

15. NEIA TRUST ACCOUNT

The administrative charges received from NEIA Trust is being allocated equally throughout the cover period.

16. FOREX TRANSACTIONS

- 16.1 Initial Recognition Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency approximately at the date of the transaction.
- 16.2 Conversion Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- 16.3 Exchange Differences Exchange differences arising on the settlement or conversion of monetary items, are recognized as income or as expenses in the period in which they arise and are charged to revenue account.

SCHEDULE 17

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS:

1. PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements have been prepared as per the provisions of the Insurance Regulatory and Development Authority of India (IRDAI) (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulation, 2002 and circulars and/or guidelines issued in the context of preparation of the financial statements; Companies Act, 2013 and the Insurance Act, 1938.

2. REALISABILITY OF STATED AMOUNTS

In the opinion of the Management, the items under the Current Assets, Loans and Advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.

3. FIXED ASSETS:

- 3(a) "Buildings" under Fixed Assets include certain properties costing ₹3,98.47 thousand (previous year ₹3,98.47 thousand) where stamp duty has been paid but registration formalities are pending including redevelopment agreement entered into by the Company along with fellow society members of Juhu Geetanjali Vastushilp CHS with the property developer. Further, it includes, properties costing ₹5,77,43.90 thousand (previous year ₹5,77,43.90 thousand) where stamped agreements are lost / presently not available with the Company. However, the Company is in the possession of the share certificates of the co-operative institution in respect of these properties.
- The Company had taken the "Dalamal House" on lease and had exercised reversionary rights to purchase the said property at a given rate as per the Lease Agreement. However, the Lessor did not agree and ECGC filed a suit for specific performance. This suit was decided unfavourable to the Company vide Order dated 07/07/2016 against which Company filed an Appeal. The Appeal is pending. It is noted that the said premises are not yet classified as asset, however the Company is contesting the matter before a Court of Law to exercise reversionary rights to purchase the said assets.

4. ADVANCES AND OTHER ASSETS:

- 4(a) Advances and other assets include:
 - An amount of ₹66,63,60.05 thousand (previous year ₹60,42,83.49 thousand) is deposited with the Courts in pursuance of Court Orders for claim suits filed against the Company and in respect of which final decisions are awaited. The same is disclosed under Sundry Deposits.
- 4(b) Interest on housing loans to employees is accounted for on accrual basis. Adjustments required, if any, are carried out at the time of final settlement.
- 4(c) Advances and Other Assets (Schedule 12) includes ₹17,23,92.70 thousand for the year ended (previous year ₹17,23,92.70 thousand) recoverable from an IT Vendor and is mentioned as "Amount Recoverable from Others". This matter is under arbitration as the Vendor has filed a counter claim of ₹146,98,02.40 thousand as against Company's demand of ₹29,17,48.34 thousand. The amount of ₹146,98,02.40 thousand is also included in Contingent Liability (refer note below).
- 4(d) Advances and Other Assets (Schedule 12) includes ₹161,89,42.95 thousand (previous years ₹161,89,42.95 thousand) as receivables from a Reinsurer on account of Excess of Loss (XOL) Treaty since June 2014 in respect of a claim filed with them. The reinstatement premium is also payable to the said reinsurer company. The company had made recovery from its customers and the same needs to be shared with the Reinsurer. The Company had several rounds of positive discussions with Reinsurance Company and there is a high probability that the amount shall be recovered. The net amount receivable will be ₹126,10,10.79 thousand after adjusting Reinstatement premium of ₹35,79,32.16 thousand.
- 4(e) Advances and Other Assets (Schedule 12) includes amount of ₹86,97,38.03 thousand (previous years ₹84,82,17.09 thousand) capitalised in African Trade Insurance (ATI) on behalf of the Govt. of India. ATI has declared dividend of ₹2,15,20.94 thousand (USD 274.97 thousand) and the same is capitalised during the current year.

5. CURRENT LIABILITIES:

5(a) Current Liabilities include ₹6,16,00.00 thousand (previous year ₹2,80,10.00 thousand) towards Productivity Linked Lump Sum Incentive (PLLI) payable to the employees which has been accounted for based on the provisional rating of the Company as on 31st March,

- 2023 under the annual Memorandum of Understanding (MOU) signed with the Administrative Ministry, pending final rating to be conveyed by the Administrative Ministry.
- 5(b) As per the Accounting practice followed by the Company, liability towards claims preferred and outstanding is provided for based on the assessment of individual claims. Liabilities towards such claims have been recognized based on information available up to the year end. In the opinion of management, the impact if any, of the above has been considered during the year while assessing the overall provision of unreported and not enough reported (IBNR & IBNER) claims and additional provision for outstanding claims which is arrived at based on actuarial valuation by the Appointed Actuary. Accordingly, an amount of ₹5572,29,75.28 thousand (previous year ₹6168,23,49.47 thousand) has been recognized as estimated liability towards unreported and not enough reported claims (IBNR & IBNER).
- 5(c) The Company has rejected the claim of a Policy Holder against which the Policy Holder (PH) has filed a suit against the Company for performance of the contract and as on 31/03/2022 the matter is sub-judice. Premium Received in advance under Schedule 13 − Current Liabilities includes an amount of ₹2,32,44.55 thousand of premium not adjusted due to non-receipt of declaration from the PH. The Policy issued by the Company has expired on August 31, 2009. As per the terms of the policy, the PH committed ₹2,40,00.00 thousand as the minimum premium to the Company and the balance is to be refunded to the PH in case the same is not utilized. As the policy documentation gives the option of refund or adjusting the premium and the issue being sub-judice, the entire amount of ₹2,32,44.55 thousand (including amount of ₹30,00.00 thousand being over and above the minimum premium) is shown under the head Sundry Creditors Schedule 13.
- 5(d) Further, 'Sundry Creditors' under 'Schedule 13 Current Liabilities' includes an amount of ₹24,61.77 thousand (previous year ₹24,61.77 thousand) on account of premium received from various banks, towards extension of cover to be given by the Company to various banks on account of guarantees provided by the banks to an exporter borrower. The Company has not accepted the said amount and has communicated to the banks about its inability to extend the cover. The Company has refunded the said premium amount to the bankers some of the banks have not accepted the refund. Accordingly, the Company has reflected the said amount under the head 'Sundry Creditors'.

6. PROVISIONS

Investment in Debentures amounting to ₹105,00,00.00 thousand Face Value (previous year ₹110,00,00.00 thousand) and has a Book Value of ₹104,97,70.60 thousand (previous year ₹109,97,70.60 thousand) is treated as doubtful and fully provided in the Books of accounts in the earlier years in line with IRDAI norms. It is shown under the head Provision for Investment Assets – Schedule 14.

7. FACTORING

The Company has made provision of ₹61.38 thousand (previous year ₹55.17 thousand) on account of standard assets, whereas in relation to doubtful assets the company in the past has made a provision of ₹7,04,26.80 thousand in line with IRDAI norms.

8. REINSURANCE

The Company has ceded obligatory cession of 4% (previous year 5%) of the entire business of the Company (Short-Term as well as Medium and Long-Term business) as required under the IRDAI guidelines to General Insurance company of India. Quota Share cession under Policy is 21% (previous year 19.24%) – with GIC Re (6%), SCOR Re (6%), Hannover Re (4%), CCR Re (3.24%), Partner Re (1.76%) and under ECIB is 10% (previous year 8.85%) – with GIC Re (1.5%), SCOR Re (3%), Hannover Re (3%), CCR Re (1.50%) and Partner Re (1%). The Company has no Excess of Loss (XOL) Treaty cession for short Term (ST) covers with the above reinsurer. The re-insurance programme for the earlier year was as under:

Financial year	Quota Share		XOL (ST)
	Obligatory	Treaty (ST)	
2007-08 (Only ST)	15%	20%	No XOL available
2008-09	10%	10%	XOL available
2009-10	10%	15%	XOL available
2010-11	10%	NIL	No XOL available
2011-12	10%	13%	XOL available
2012-13	10%	12%	XOL available
2013-14	5%	15%	XOL available
2014-15 (Policy)	5%	20%	XOL available
2014-15 (ECIB)	5%	13%	XOL available
2015-16 (Policy)	5%	25%	XOL available
2015-16 (ECIB)	5%	25%	XOL available

2016-17 (Policy)	5%	25%	XOL available
2016-17 (ECIB)	5%	25%	XOL available
2017-18 (Policy)	5%	27%	XOL available
2017-18 (ECIB)	5%	23%	XOL available
2018-19 (Policy)	5%	26%	XOL available
2018-19 (ECIB)	5%	21.5%	XOL available
2019-20 (Policy)	5%	26%	XOL available
2019-20 (ECIB)	5%	14.5%	XOL available
2020-21 (Policy)	5%	15%	XOL available
2020-21 (ECIB)	5%	8%	XOL available
2021-22 (Policy)	5%	19.24%	XOL available
2021-22 (ECIB)	5%	8.85%	XOL available

9. ALTERNATE RISK TRANSFER AGREEMENTS (ART)

The company had risk sharing arrangement for some high value exposures under Medium and Long Term (MLT) covers with the NEIA Trust set up by Government of India. The Company has obtained guarantee from the NEIA Trust for 2 MLT covers (previous year 34 MLT covers) on payment of a fee for the FY 2022-23. During the current FY, the Company paid guarantee fees of ₹2,23,19.68 thousand (previous year ₹3,75,04.65 thousand) to NEIA Trust.

10. PREMIUM INCOME

Premium income is recognised on assumption of risk. As per the accounting policy, the assumption of risk and the premium income, relating to shipments made by the exporters / export credits disbursed by banks in the month of March is recognised in the subsequent year. IRDAI vide its letter No. FNA/GEC/LR/001/2013-14/12 dated 30th January, 2014, has concurred with the method of Premium accounting consistently followed by the Company since inception. The Company has estimated such premium income, based on available information relating to shipments made / advances granted in the month of March 2023 at ₹19,01,16.81 thousand (previous year ₹44,41,22.62 thousand) which is recognised in subsequent year.

11. NEIA TRUST

The administrative charges receivable by the Company from the NEIA Trust of ₹7,92,14.26 thousand (previous year ₹2,81,42.42 thousand) are included in Other Income.

- Administrative charges received in advance of ₹12,81,97.53 thousand (previous year ₹19,01,86.33 thousand), are included in Current Liabilities Others NEIA Trust.
- 12. As per the Standard practice followed by the Company, claims are settled by the various officials of the Company including the Head Office Claims Committee (HCC) within their delegated powers by condoning some lapses in the claims preferred. All these claims settled are considered to have been settled in the normal course of business of the Company.

13. Prior Period Adjustments Include:

(₹ '000)

Particulars	Current Year	Previous Year
Premium	64.24	64,80.76
Others	2,77.96	30.07
Rent, rates, and Taxes	5,47.80	-
Repair and Maintenance	2,46.27	-
Agency Commission	21.50	-
Provision for Tax Liability	-	29,19,44.68
Total Prior Period Adjustments	11,57.77	29,84,55.51

14. Earnings and Expenditure in Foreign Exchange:

(₹ '000)

Earnings	Current Year	Previous Year
Re-insurance*	30,77,18.51	55,80,54.88
Other Receipt	6,47.30	22,37.09
Expenditure	Current Year	Previous Year
Membership Fees and other expenses	42,00.33	57,83.48
Status Enquiry Fees	1,18,52.00	1,71,81.59
Books and periodicals	34,48.22	-
Travelling Expenses	23,91.67	-

^{*}Reinsurance earning is the recoveries in foreign currency for claims paid net off reinsurance premium.

15. The Company does not have any exposure in derivative contracts and forward contracts. The Company has no exposure in foreign currency (un-hedged).

16. Segmental Reporting (Accounting Standard 17)

The Company operates in single segment 'Export Credit Insurance'. The Company also provide factoring activities to exporters. Total bill factored during the year amounting to ₹3,61,47.94 thousand (previous year ₹6,61,02.39 thousand) Total revenue during the year is ₹6,05.57 thousand (previous year ₹9,73.56 thousand). Since factoring revenue, profit or loss and assets are less than 10% of total segment activity, therefore, it is not reportable segment as per AS 17.

17. Related Party Disclosures pursuant to Accounting Standard No. 18:

(i) Key Management Personnel:

S. No.	Name	Designation	Category	As of
				31.03.2023
1	Shri M Senthilnathan	Chairman-cum- Managing Director	Chief Executive Officer	Appointed w.e.f. 29-04-2020
2	Shri Sunil Joshi	Executive Director (Policy Matters)	Functional Director - Executive	Appointed w.e.f. 21-05-2020
3	Shri C N A Anbarasan	Executive Director	Executive Director (Operations)	Appointed w.e.f. 23-09-2020
4	Shri Nirdosh Chopra	General Manager	(i) Chief Financial Officer; (ii) Chief Risk Officer	Appointed w.e.f. 21-05-2020 Appointed w.e.f. 02-05-2019
				Ceased w.e.f. 31-08-2022
5	Shri P L Thakur	General Manager	Chief Underwriting Officer (ECIB-ST)	Appointed w.e.f. 24-09-2020
6	Shri Sristiraj Ambastha	General Manager	Chief of Internal Audit & Chief Vigilance Officer	Appointed w.e.f. 21-05-2020
7	Shri Ishnath Jha	General Manager	(i) Human Resource Development and Administration Department; and (ii) Chief Financial Officer	Appointed w.e.f. 21-05-2020 Appointed w.e.f. 31-08-2022

S. No.	Name	Designation	Category	As of
				31.03.2023
8	Shri Subir Kumar Das	General Manager	(i) Chief Underwriting Officer (Policy); and (ii) Chief Underwriting Officer (MLT)	Appointed w.e.f. 21-05-2020 Appointed w.e.f. 16-08-2021
9	Smt. Smita V Pandit	General Manager	(i) Company Secretary & Chief Compliance Officer	Appointed w.e.f. 04-06-2013
10	Shri Anand Singh	General Manager	(i) Chief Marketing Officer; (ii) Chief Risk Officer	Appointed w.e.f. 16-08-2021 Appointed w.e.f. 31-08-2022
11	Ms. Priscilla Sinha	Appointed Actuary	Appointed Actuary	Appointed w.e.f. 27-01-2020
12	Shri Yashwant Breed	Deputy General Manager	Chief Investment Officer	Appointed w.e.f. 09-09-2021

(ii) Remuneration paid to Key Management Personnel during the year:

(₹ '000)

Particulars	Current year	Previous Year
Salary and Allowances	4,78,50.93	6,99,07.35
Appointed Actuary	94,99.02	90,19.05

(iii) Transactions during the year with related parties:

NEIA Trust (₹ '000)

S. No.	Nature of Transactions	Current year	Previous Year
1	Administrative Charges Received for the Year	7,92,14.26	2,81,42.42
2	Administrative Charges received in advance (Balance as on date)	12,81,97.53	19,01,86.33
3	Prepaid Expenses paid to NEIA (Balance as on date)	5,35,67.19	7,42,37.76
4	Outstanding Dues as at year end – Debit Balance	112,61,49.57	3,26,83.71
5	Guarantee Fees paid	2,23,19.68	3,75,04.65

M/s Kumar International (₹ '000)

S. No.	Nature of Transactions	Current year	Previous Year
1	Amount Received for Advance Premium	87.00	-

18. DEFFERED TAX ACCOUNTING

During the year the Company has accounted for the Deferred Tax in accordance with the Accounting Standard 22. This has resulted in a Net Deferred Tax Debit (Charge) during the year amounting to ₹43,47.10 thousand (previous year Credit ₹35,79.89 thousand). The Net Deferred Tax Assets at the end of the year amounts to ₹44,32,37.97 thousand (previous year Deferred Tax Assets ₹43,88,90.87 thousand). The breakup of Deferred Tax Assets and Deferred Tax Liabilities is as under:

(₹ '000)

Particulars	Opening at	Charge/Credit	Closing at
raiticulais	01-04-2022	during the year	31-03-2023
Liability			
Depreciation	2,71,21.65	75,74.02	3,46,95.67
Total	2,71,21.65	75,74.02	3,46,95.67
Assets			
Provision for leave encashment	14,13,49.74	12,70.71	14,26,20.45
Provision for doubtful debts	28,55,51.81	(57.83)	28,54,93.98
Provision for gratuity	1,17,49.22	(1,16,22.06)	1,27.16
Provision for Tax Liability	2,03,12.19	1,37,40.03	3,40,52.22
NPS	-	1,36.34	1,36.34
PLLI	70,49.56	84,53.93	1,55,03.49
Total	46,60,12.52	1,19,21.12	47,79,33.64
Deferred Tax Asset/(Liability)	43,88,90.87	43,47.10	44,32,37.97

19. Earnings Per Share is calculated as under:

(₹ '000)

	Particulars	Current Year	Previous Year
a)	Numerator:	2164,25,38.46	875,16,19.85
	Net Profit as per Profit & Loss A/c (₹ '000)		
b)	Denominator:	40,03,15,068	34,20,52,055
	Weighted Average Number of Shares		
c)	Earnings per share: Basic (₹)	54.06	25.59

d) Nominal Value	of Shares (₹)	100.00	100.00
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The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

20. CONTINGENT LIABILITIES

(₹ '000)

S. No.	Particulars	Current year	Previous Year
1.	Partly paid-up investments	Nil	Nil
2.	Claims, other than against policies, not acknowledged as debts by the Company	170,83,17.00	172,66,40.00
3.	Policies and ECIB claims against the Company not acknowledged as debt	2126,63,60.00	2150,48,68.00
4.	Guarantees given by or on behalf of the Company	Nil	Nil
5.	Income Tax	824,57,00.00	625,29,00.00

21. CAPITAL COMMITMENTS

Amount of capital commitments outstanding is ₹204,23,49.85 thousand (previous year ₹110,51,58.90 thousand).

22. Based on the actuarial valuations by the Appointed Actuary, no premium deficiency reserve is provided (previous year ₹308,52,00.00 thousand) as per IRDAI requirements.

23. RESERVE FOR CORPORATE SOCIAL RESPONSIBILITY:

The Company has computed CSR provision for the year 2022-23 as per section 135 and section 198 of the Companies Act, 2013. The details of opening reserve, payments made and closing reserve is as follows:

(₹ '000)

(a)	Gross amount required to be spent by the Company during the year:		15,44,30.32			
(b)	Amount approved by the Board to be spent during the year:		14,40,00.12			
	Amount s					
(c)	(i)	NIL				
	(ii)	On purposes other than (i) above	13,89,39.16			
	Details o	f related party transactions, e.g., contribution to a trust/society/				
(d)	section 8 company controlled by the company in relation to CSR					
(u)	expenditu	re as per Accounting Standard (AS) 18, Related Party	NIL			
	Disclosur	es.				

(e) Th	(e) The details as per section 135(5) and section 135(6) are given below:									
			;	Section 135(5) Unspe	nt Amo	unt			
					Amo	ount				
Openii	na		Amount Dep	osited in	Requi	red to	Amount Spent			
Baland		Sp	ecified Fund	of Schedule	be S	pent	during the		Clos	sing Balance
Dalain			VII within 6	Months	Durin	g the	during the	i Gai		
					Υe	ar				
1,04,	30.20			8,93.19	14,40	,00.12	13,80,	45.97		1,54,91.16
Section 135(5) Excess Amount Spent										
Opening	n Ralanco		Amount R	equired to be	Spent Amount Spent		ent		Closing	
Opening Balance		Du	ring the Year Durir		During the Year			Balance		
				Not A	Applicab	le			<u> </u>	
				Section 135(6) Ongoi	ng Proj	ect			
	Openi	ing	Balance		Amour	•	During the	Clo	sinc	Balance
		J				Yea				,
			In	Amount			From			In Separate
Years	With		Separate	Required to	Fro	om	Separate	With		CSR
	Compan	ıv	CSR	be Spent	Comp	any's	CSR	Compa	nv	Unspent
		,	Unspent		Banl	κ A/c	Unspent		,	A/c
			A/c				A/c			7 0 0
2020-21	-		56,81.01	-	-	-	56,81.01	-		-
2021-22	8,93.1	9	38,56.00	-	8	,93.19	38,56.00	-		-
2022-23	-		-	14,40,00.12	12,85	,08.96	-	3,68.6	66*	1,51,22.50

^{*}Unspent amount of Rs.368.66 thousand not relating to any project (Balance unspent amount related to Swachta Action Plan and Administrative Expenses) for the current year proposed for transfer to Swachh Bharat Kosh during the FY 2023-24.

24. Disclosures as required under the Insurance Regulatory and Development Authority (preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulation, 2002 are enclosed herewith as per Annexure – 1A & 1B.

25. Investment in Central Government Securities (Schedule 8) includes:

(a) 7.16% 2023 Government of India bonds having book value of ₹4,99,25.00 thousand (previous year ₹4,99,25.00 thousand 7.16% 2023 Government of India bonds) charged to Clearing Company of India Limited towards margin for secondary market transactions entered into by the Company.

- (b) 8.24% 2027 Government of India bonds having book value of ₹93,17.00 thousand (previous year ₹93,17.00 thousand 8.24% 2027 Government of India bonds) charged to Clearing Company of India Limited towards margin for collateral borrowing and lending obligations by the Company.
- (c) 7.95% 2032 Government of India bonds having face value of ₹40,00,00.00 thousand (previous year 7.95% 2032 Government of India bonds ₹40,00,00.00 thousand) is charged to National Stock Exchange Limited towards margin for secondary market equity transactions entered into by the company as per the regulatory requirement.

26. Investments

- (a) In the year 2018-19, Company has segregated ₹290,58,37.42 thousand Book Value (Face Value ₹275,00,00.00 thousand) for Shareholders Fund in excess of solvency margin. After transfer to the African Trade Insurance as mentioned in para 4(e), balance in the Shareholders fund in excess of Solvency Margin as on March 31, 2023 is ₹270,16,65.12 thousand Book Value (Face Value ₹260,41,66.73 thousand).
- (b) As per the resolution plan approved by the Hon'ble NCLT for Amtek Auto Limited, the Company was entitled to receive an amount of ₹48,58.96 thousand. Out of above, the Company has received ₹2,35.99 thousand during the financial year 2022-23 and balance receivable amount is ₹46,22.97 thousand which has already been fully provided.

27. EMPLOYEE BENEFITS:

- (a) The Defined Benefit Pension Scheme has been extended to include all employees who have joined the Company on or before 31/03/2010. The employees who have joined the Company on or after 01/04/2010 are covered by the New Pension Scheme (NPS) under the Defined Contribution Scheme.
- **(b)** The Company pays 10% of basic salary & dearness allowance/ personal allowance to a Pension Fund administrator for each eligible employee.
- (c) In case of employees who are eligible for the Defined Benefit Pension Scheme, the Company remits the contribution to the Pension Fund Trust. For those employees, who are not covered under Defined Benefit Pension Scheme or Defined Contribution Pension Scheme, the Company remits the Company's share to the Provident Fund Trust.

- (d) The Guidance note on implementing AS 15 (Revised 2005), issued by ICAI, states that provident funds set-up by employers, which require interest shortfall to be met by the employer, need to be treated as a defined benefit plan.
- (e) The employees of the Company are entitled to leave and long service benefits as per the policy of the Company. The liability on account of accumulated leave and long service benefits as on last day of the accounting year is recognised at present value of the defined obligation at the balance sheet date based on the actuarial valuation.

(₹ '000)

	Category	Current Year	Previous Year
1	Recognized in the Balance Sheet		
	Present Value of the Defined Benefit Obligation	56,66,73.75	56,16,24.84
	Liability at the beginning of the year	56,16,24.84	54,17,81.86
	Additional Liability recognised in the Balance Sheet	50,48.91	(1,98,42.98)

(f) The details of employee benefits under "defined employee benefit plans" for the period on account of gratuity and superannuation which are funded are as under.

Pension (₹ '000)

	Category	Current Year	Previous Year
1	Change in Benefit Obligations		
	Projected benefit obligations at the beginning of the	390,71,88.52	384,12,45.20
	year		
	Interest Cost	28,95,22.67	26,54,30.04
	Current Service Cost	10,56,89.80	12,99,02.38
	Liability Transferred		
	Benefits paid	(43,25,19.15)	(64,72,56.55)
	Actuarial (Gain) / Loss	29,45,93.65	31,78,67.45
	Projected Benefit Obligations at the end of the year	416,44,75.49	390,71,88.52
2	Change in Plan Assets		
	Plan Assets at the beginning of the year at fair value	361,12,30.94	359,62,87.53
	Expected return on Plan Assets	26,75,92.21	24,85,03.47
	Contributions	33,79,96.25	36,11,71.02
	Assets Transferred in	-	-

	Category	Current Year	Previous Year
	Benefits paid	(43,25,19.15)	(64,72,56.55)
	Actuarial Gain / (Loss)	3,14,05.62	5,25,25.47
	Plan Assets at the end of the year at fair value	381,57,05.87	361,12,30.94
3	Recognized in the Balance Sheet		
	Present Value of the Defined Benefit Obligation	416,44,75.49	390,71,88.53
	Plan Assets at the end of the year at fair value	381,57,05.87	361,12,30.94
	Liability recognised in the Balance Sheet	34,87,69.62	29,59,57.59
4	Cost for the year		
	Current Service Cost	10,56,89.80	12,99,02.38
	Interest Cost	2,19,30.46	1,69,26.58
	(Includes Expected return on Plan Assets)		
	Actuarial (Gain) / Loss	26,31,88.03	26,53,41.98
	Expense recognised in the Revenue account	39,08,08.29	41,21,70.94

Gratuity (₹ '000)

	Category	Current Year	Previous Year
1	Change in Benefit Obligations		
	Projected Benefit Obligations at the beginning of the	41,27,38.89	43,84,86.43
	year		
	Interest Cost	3,02,53.76	3,02,55.56
	Current Service Cost	79,82.27	67,39.63
	Past Service Cost – Vested Benefit		
	Benefits paid	(4,76,90.92)	(4,35,20.98)
	Actuarial (Gain) / Loss	25,71.39	(1,92,21.75)
	Projected Benefit Obligations at the end of the year	40,58,55.39	41,27,38.89
2	Change in Plan Assets		
	Plan Assets at the beginning of the year at fair value	36,60,55.74	38,34,80.00
	Expected return on Plan Assets	2,68,31.39	2,64,60.12
	Contributions	4,50,18.40	-
	Assets Transferred In	-	-
	Benefits paid	(4,76,90.92)	(4,35,20.98)
	Actuarial Gain / (Loss)	13,18.70	(3,63.40)

	Cate	gory	Current Year	Previous Year	
	Plan Assets at the end of the	e year, at fair value	39,15,33.81	36,60,55.74	
3	Recognized in the Balance	e Sheet			
	Present Value of the Define	ed Benefit Obligation	40,58,55.39	41,27,38.89	
	Plan Assets at the end of the	39,15,33.81	36,60,55.74		
	Liability recognised in the B	alance Sheet	1,43,21.58	4,66,83.15	
4	Cost for the year				
	Current Service Cost		79,82.27	67,39.63	
	Interest Cost		34,21.67	37,95.44	
	(Includes Expected return of	on Plan Assets)			
	Actuarial (Gain) / Loss	12,52.69	(1,88,58.35)		
	Past Service Cost – Vested				
	Expense Recognised in the	1,26,56.63	(83,23.28)		
	Cate	gory	Pension	Gratuity	
5	Assumptions				
	Interest rate for Discounting	1	7.53%	7.49%	
			(7.41%)	(7.33%)	
	Estimated rate of return on	Plan Assets	7.53%	7.49%	
			(7.41%)	(7.33%)	
	Salary Escalation		7.00%	7.00%	
			(7.00%)	(7.00%)	
	Rate of Employee Turnover	•	0.50%	0.50%	
6.	Method of Valuation	Projected Unit Credit Met	hod		
	Basis used to determine	The expected rate of return on plan assets is based on the			
	the expected rate of	f current portfolio of the assets, investment strategy and the			
	return on Plan Assets.	market scenario, in order to protect capital and optimize			
		returns within acceptable	risk parameters;	the Plan Assets	
		are well diversified.			

28. OPERATING LEASES

The Company has operating leases for office premises and residential flats at various locations that are renewable on a periodic basis and are cancellable by giving a notice period ranging from one month to six months. Rent escalation clauses vary from contract to contract. Rent expenses included in Revenue Account towards operating leases are

₹16,52,21.70 thousand (previous year ₹14,19,01.99 thousand). As per AS-19 "Leases" amount of minimum future payments for operating leases is ₹24,26,86.66 thousand (previous year ₹22,59,57.64 thousand).

29. As per the provisions of the MSMED Act, 2006:

- (a) Amount Outstanding ₹ NIL (previous year ₹ NIL)
- (b) Delayed Payments made through-out the year ₹ NIL (previous year ₹ NIL)
- (c) Interest payable where principal dues are settled after due date ₹ NIL (previous year ₹ NIL).
- **30.** The recoveries of claims paid in earlier years (Schedule 2) are accounted net of expenses at ₹169,50,60.10 thousand (previous year ₹109,97,13.90 thousand) such as recovery commission, bank charges, etc. incurred on such recoveries as per the practice consistently followed by the Company.
- 31. Pursuant to the regulatory requirement vide IRDAI circular no. 067/IRDA/F&A/CIR/MAR-08 dt. 28/03/2008 the additional disclosure is given as under:

(₹ '000)

S. No	Particulars	Current Year	Previous Year	
1	Outsourcing Expenses	40,88,37.81	12,87,51.64	
	Business Development	1,87,22.39	1,54,06.26	
III	Marketing Support	8,67,82.27	4,33,65.46	

32. RATIOS FOR NON - LIFE COMPANIES

Information in respect of ratios is as per Annexure – 2 attached.

33. Extent of risk retained and reinsured is set out below (excluding catastrophe reinsurance)

Premium Statistics for the Period April 2022 to March 2023						
	Premium					
FY	Premium	Retention	%	RI Ceding	%	
2022-23	1197,52,85.83	979,90,42.35	81.83%	217,62,43.48	18.17%	
2021-22	1106,61,67.81	902,00,40.54	81.51%	204,61,27.27	18.49%	

- **34.** Statement showing Age-wise Analysis of un-claimed amount of the policy-holders as per IRDAI Master Circular no. IRDA/F&A/CIR/Misc/282/11/2020 dated 17/11/2020 is given in Annexure 3A & 3B.
- **35.** Pursuant to the regulatory requirement vide IRDAI circular no. 005/IRDA/F&A/CIR/MAY-09 dt. 7/05/2009 the additional disclosure is given as under:

		Non-	Am	nount in ₹	'000
S. No	Authority		Penalty Levied	Penalty Paid	Penalty Waived/ Reduced
1.	Insurance Regulatory and Development Authority of India	NIL	NIL	NIL	NIL
2.	GST/Service Tax Authorities	NIL	NIL	NIL	NIL
3.	Income Tax Authorities.	NIL	NIL	NIL	NIL
4.	Any other Tax Authorities	NIL	NIL	NIL	NIL
5.	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	NIL	NIL	NIL	NIL
6.	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act,2013	NIL	NIL	NIL	NIL
7.	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	NIL	NIL	NIL	NIL
8.	Securities and Exchange Board of India	Not Applicable as the Company is not a Listed Entity			
9.	Competition Commission of India	NIL	NIL	NIL	NIL
10.	Any other Central/State/Local Government / Statutory Authority	*The Maharashtra Stamp Act, 1958	4,46.71	NIL	NIL

Note:

The Maharashtra Stamp Act, 1958: Stamp Office, Mumbai, Maharashtra State, vide its letter dated January 06, 2015, has imposed a penalty of ₹4,46,710/- (Rupees four lakh forty-six thousand seven hundred and ten only), for non-payment of stamp duty of ₹7,20,500/- (Rupees seven lakh twenty thousand and five hundred only) payable on the construction contract agreement entered with Project Contractor, Unity Infra projects Limited on April 07, 2012.

However, the Company had represented its case on January 22, 2015 to the Deputy Inspector General of Registration for waiver of penalty and the matter is being continuously followed up with the respective authority for early decision. The Appeal is pending as of date for orders with the Chief Controlling Revenue Authority and Inspector General of Registration (Appellate Authority), Maharashtra State, Pune, and there is no further progress in the matter.

36. ALLOCATION OF INCOME AND EXPENSES

Investment incomes and expenses are allocated pro-rata between the Revenue Account and the Profit & Loss Account on the basis of opening balances of Policyholders' Fund and Shareholders' Fund which practice has been followed consistently. This is in line with the disclosure norm set by IRDAI by its master circular No IRDA/F&I/CIR/F&A/231/10/2012 dated 5th October, 2012 and corrigendum IRDA/F&A/CIR/FA/126/07/2013 issued dated 3rd July, 2013 effective from FY 2013-14.

37. IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (IND AS)

The IRDAI has vide its letter No.:100/2/Ind AS-Mission Mode/2022-23 dated: 14th July, 2022 and 100/2/Ind AS-Mission Mode/2022-23 dated 31st October, 2022, on implementation of Ind AS in insurance sector stated that Ind AS implementation is likely to significantly impact the financial reporting systems, processes and, as such, these changes need to be planned, managed, tested and executed well in advance of the implementation. The steering committee for implementation of Ind AS is formed as advised by IRDAI to review the progress made towards implementation, issue/challenges and course of action to mitigate the same. The Company is in the process of floating a tender for appointment of an Ind AS consultant who will help in the implementation of Ind AS.

38. The Board of Directors at their meeting has proposed a dividend of ₹10 per share of the Company subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard AS-4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through the

amendments to the Companies Accounting Standard Rules 2016, the Company has not appropriated proposed dividend amounting to ₹433,80,00.00 thousand from the Profit Loss Account for the year ended on March 31, 2023.

39. The figures for the previous period/year have been re-grouped/re-classified wherever necessary to make them comparable with the current period's/year's figures.

(M SENTHILNATHAN)	(HARSHA BANGARI)	(DEVESH SRIVASTAVA)
Chairman cum Managing Director	Director	Director
DIN – 07376766	DIN - 01807838	DIN - 08646006

(A SAKTHIVEL)	(AMIT KUMAR AGARWAL)	(SUNIL JOSHI)
Director	Director	Executive Director
DIN - 00027485	DIN - 05333909	DIN - 08778530

(ISHNATH JHA)	(SMITA PANDIT)
Chief Financial Officer	Company Secretary
	M.No. F-3166

As per our Report of even date attached:

For SNK & Co.	For L. S. Nalwaya & Co.
Chartered Accountants	Chartered Accountants
Firm Registration No. 109176W	Firm Registration No. 115645W

(ANKIT D. DANAWALA)	(ASHISH NALWAYA)
Partner - M. No. 119972	Partner - M. No. 110922

Place : Mumbai

Date : 4th May, 2023

CIN: U74999MH1957GOI010918

Annexure - 1 (a) to Schedule 17

DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS

		Current Year (₹'000)	Previous Year (₹'000)
1	The details of encumbrances to the assets of the Company are as under		
	a) In India Outside India	Nil Nil	Nil Nil
2	Commitments Outstanding (as per the data provided by the management) a) Commitments made and outstanding for loans and investments	Nil	Nil
	b) Commitments made for Fixed Assets (Net of advance		110,51,58.90
3	Claims, less reinsurance, paid to claimants		
	a) In Indiab) Outside India	516,57,00.38 Nil	504,26,88.68 Nil
4	Claim liabilities where claim payment period exceeds four years	Nil	Nil
5	Claims outstanding for more than six months (Gross - Indian)		
	Number of Claims Amount	27 99,94,47.82	159 588,60,03.59
	Claims outstanding for less than six months (Gross - Indian)		
	Number of Claims	183	229
	Amount	342,52,65.93	563,56,34.99
	Total Number of Claims outstanding (Gross - Indian) Amount	210 442,47,13.75	388 1152,16,38.58
6	Premiums, less reinsurance, written from business		
	In India Outside India	979,90,42.35 Nil	902,00,40.54 Nil
7	Premium is recognised as Income as per the declared accounting policy. A reserve for un-expired risks is created at 50% of net premium.	489,95,21.18 d	451,00,20.27
8	Details of contracts in relation to investments for,		
	a) Purchase where deliveries are pendingb) Sales where payments are due	Nil Nil	Nil Nil

			Current Year (₹'000)	Previous Year (₹'000)
9		entire operating expenses pertain to credit insurance ness.		
10		estments are valued in accordance with the lared accounting policy.		
11	is ex u/s	reputation of Managerial Remuneration: The Company sempted vide notification: GSR 463 462 of the Companies Act, 2013, being a rernment Company.		
12		is of amortisation of debt securities vision for diminution in the value of the investments	Refer Point no. 4.6 of Significant Accounting Policy Nil	Refer Point no. 4.6 of Significant Accounting Policy Nil
13	a)	Unrealised gains and losses due to changes in fair value of listed equity shares under Fair value change a/c	687,03,74.24	693,04,48.90
	b)	Pending realisation, credit balance in Fair value change a/c not available for distribution.	687,03,74.24	693,04,48.90
14		Company does not have investment in 'Real Estate estment Property.'		
15	A	Claims settled and remaining unpaid for a period more than six months as on balance sheet date are as under		
		Number of claims Amount	Nil Nil	Nil Nil
	В	All Significant accounting policies forming part of the financial statements are disclosed separately.		
	C 1	Deposits made in accordance with statutory requirements are as under		
		a) In India- under Section 7 of the Insurance Act 1938 (Face Value 1000.00 lacs) b) Outside India	N.A N.A	N.A N.A
	2	Segregation of Investments into performing and non-performing investments is as under		
		Performing(Standard) Investments Non Performing Investments Total Book Value(Closing Value)	16156,39,52.49 105,46,22.97 16261,85,75.46	15391,15,54.62 105,48,58.96 15496,64,13.58
	3	Percentage of business sectorwise As the company caters to exporters only, no such sectors are specifically identifiable.	h	

A summary of financial statements for 5 years is enclosed. As per Annexure 1b As per Annexure 1b

Current Year (₹'000)	Previous Year (₹'000)	Growth %
)		
1197,52,85.83	1106,61,67.81	8.22
979,90,42.35	902,00,40.54	8.64
81.83	81.51	0.39
63.65	29.39	116.58
27.29	14.81	84.27
21.39	11.16	91.67
28.75	27.74	3.64
4,64,08.25	2,05,20.68	126.15
489,95,21.18 5929,31,09.23 - 6419,26,30.41 979,90,42.35 6.55	451,00,20.2 6992,96,58.4 308,52,00.0 7752,48,78.7 902,00,40.5 8.5	3 -15.21% 0 -100.00% 0 -17.20% 4 8.64%
	Year (₹'000) 1197,52,85.83 979,90,42.35 81.83 63.65 27.29 21.39 28.75 4,64,08.25 489,95,21.18 5929,31,09.23 6419,26,30.41 979,90,42.35	Year (₹000) (₹000) 1197,52,85.83 1106,61,67.81 979,90,42.35 902,00,40.54 81.83 81.51 63.65 29.39 27.29 14.81 21.39 11.16 28.75 27.74 4,64,08.25 2,05,20.68 489,95,21.18 451,00,20.2 5929,31,09.23 6992,96,58.4 - 308,52,00.0 6419,26,30.41 7752,48,78.7 979,90,42.35 902,00,40.5

CIN: U74999MH1957GOI010918

DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS

Annexure - 1 (b) to Schedule 17

(₹'000)

		2022-23	2021-22	2020-21	2019-20	2018-19
	OPERATING RESULTS					
1	Gross Direct Premium	1197,52,85.83	1106,61,67.81	1062,28,19.61	1075,47,39.68	1247,54,25.98
2	Net Earned Premium	979,90,42.35	902,00,40.54	862,32,31.91	792,28,95.24	870,02,07.14
3	Income from Investments (Net)	556,51,48.48	587,77,84.61	566,17,10.29	507,97,46.56	484,33,90.96
4	Other Income(Fee & Other Receipts)	2,05,93.28	3,06,12.44	1,10,74.60	2,04,07.18	2,34,38.90
5	Total Income	1538,47,84.11	1492,84,37.59	1429,60,16.80	1302,30,48.98	1356,70,37.00
6	Commission (Net) (Including Brokerage)	(4,41,15.93)	(31,37,84.39)	(26,19,85.99)	(37,15,68.81)	(51,56,04.98)
7	Operating Expenses	307,97,65.57	281,32,81.11	270,92,57.55	314,08,13.26	265,94,06.60
8	Net Incurred Claim	(702,92,04.79)	546,19,29.35	884,52,05.49	958,41,52.78	1141,16,19.58
9	Change in Unexpired Risk Reserve	(38,95,00.91)	(19,84,04.32)	(35,01,68.34)	38,86,55.95	(15,59,79.10)
10	Operating Profit / (Loss)	2207,40,38.35	684,88,07.20	159,09,71.41	86,91,07.70	(42,76,63.30)
	NON OPERATING RESULTS					
11	Total Income under Shareholders' account	553,76,97.99	475,98,36.22	428,99,99.01	313,10,81.51	357,15,43.20
12	Profit / (Loss) before tax	2761,17,36.34	1160,86,43.42	588,09,70.42	400,01,89.21	314,38,79.90
13	Provision for tax	596,91,97.88	285,70,23.57	127,79,21.46	76,17,91.80	70,00,52.77
14	Profit / (Loss) after tax	2164,25,38.46	875,16,19.85	460,30,48.96	323,83,97.41	244,38,27.13
	MISCELLANEOUS					
	Policyholders' Account *					
15	Total Funds	8339,63,97.28	8627,45,43.68	8027,76,02.10	7644,96,74.89	6923,69,85.54
13	Total Investments #	8130,92,87.73	8523,15,27.47	7892,22,17.77	7144,83,19.52	6722,76,41.55
	Yield on Investments	7.81	8.12	8.52	8.29	8.76
	Shareholders' Account *					
16	Total Funds	8339,63,97.28	7058,82,63.01	6056,02,96.32	5312,60,45.27	4066,29,91.51
10	Total Investments #	8130,92,87.73	6973,48,86.11	5953,78,13.41	4965,05,27.13	3948,29,00.59
	Yield on Investments	7.81	8.12	8.52	8.29	8.76
17	Paid up Equity Capital	4338,00,00.00	3950,00,00.00	3190,00,00.00	2500,00,00.00	2000,00,00.00
18	Net Worth	10116,63,87.58	7840,88,49.12	6365,22,29.27	5214,91,80.31	4463,41,14.66
19	Total Assets	17884,44,89.05	16929,71,23.07	15303,60,21.60	13422,97,91.57	11840,49,31.53
20	Yield on Total Investments	7.81	8.12	8.52	8.29	8.76
21	Earnings Per Share (Rs.)	54.06	25.59	16.01	14.09	13.41
22	Book Value per share (Rs.)	233.21	198.50	199.54	208.60	223.17
23	Total Dividend	-	276,50,00.00	159,50,00.00	-	60,00,00.00
24	Dividend per share (Rs.)	-	7.00	5.00	•	3.00

^{*} Total funds & total investments shown above are as of year end. Funds & investments has been divided into Policyholders(PH) & shareholders(SH) accounts in the ratio of total funds available at the start of year under PH & SH account.

[#] Investments includes Fixed deposits under Sch 11 - Cash & Bank Balances.

CIN: U74999MH1957GOI010918

Annexure 2 to Schedule 17

Analytical Ratios for the period ended on 31st March 2023

Sl. No	Particular	31 March 2023	31 March 2022
1	Gross Direct Premium Growth Rate		
	Gross Direct Premium	1197,52,85.83	1106,61,67.81
	Growth	8.22%	4.17%
2	Gross Direct Premium to Net Worth Ratio (Times)		
	Total Gross Direct Premium	1197,52,85.83	1106,61,67.81
	Net Worth (Closing)	10116,63,87.58	7840,88,49.12
	Ratio (times)	0.12	0.14
3	Growth Rate of Net Worth		
	Net Worth (Opening)	7840,88,49.12	6365,22,29.27
	Net Worth (Closing)	10116,63,87.58	7840,88,49.12
	Growth rate of Net Worth	29.02%	23.18%
4	Net Retention Ratio		
	Net Premium	979,90,42.35	902,00,40.54
	Gross Direct Premium	1197,52,85.83	1106,61,67.81
	Net Retention Ratio	81.83%	81.51%
5	Net Commission Ratio		
	Net Commission	(4,41,15.93)	(31,37,84.39)
	Net Premium	979,90,42.35	902,00,40.54
	Ratio	-0.45%	-3.48%
6	Expenses of Management to Gross Direct Premium Ratio		
Ü	Expenses of Management	344,30,60.67	306,94,84.32
	Gross Direct Premium	1197,52,85.83	1106,61,67.81
	Ratio	28.75%	27.74%
7	Expenses of Management to Net Written Premium Ratio	20.007	
,	Expenses of Management	344,30,60.67	306,94,84.32
	Net Written Premium	979,90,42.35	902,00,40.54
	Ratio	35.14%	34.03%
8	Net Incurred Claims to Net Earned Premium	33.1170	01.0070
0	Net Incurred Claims	(702,92,04.79)	546,19,29.35
	Net Earned Premium	940,95,41.44	882,16,36.22
	Ratio	-74.70%	61.92%
9	Combined ratio	-7 4.7 0 /0	01.7270
,	Net Incurred Claims	(702,92,04.79)	546,19,29.35
	Net Farned Premium	940,95,41.44	882,16,36.22
	Ratio (a)	-74.70%	61.92%
	Katio (a)	-74.7076	01.92/0
	Expenses of management	313,97,64.98	262,11,15.30
	Net Written Premium	979,90,42.35	902,00,40.54
	Ratio (b)	32.04%	29.06%
		-42.66%	90.98%
10	Combined Ratio (a + b) Technical Reserves to Net Premium Ratio (Times)	-42.00 /6	90.90 //
10	` /	5020 21 00 22	(002.0(.50.42
	Reserve for Outstanding Claims	5929,31,09.23	6992,96,58.43
	Reserve For Un-expired Risks	489,95,21.18	451,00,20.27
	Reserve for Premium Deficiency Total	(410.26.20.41	308,52,00.00
	1	6419,26,30.41	7752,48,78.70
	Net Premium	979,90,42.35	902,00,40.54
11	Ratio (Times)	6.55	8.59
11	Underwriting Balance Ratio		
	Underwriting Profit	1648,81,78.59	93,85,34.67
	Net Premium	940,95,41.44	882,16,36.22
	Ratio	175.23%	10.64%

CIN: U74999MH1957GOI010918

Annexure 2 to Schedule 17

Analytical Ratios for the period ended on 31st March 2023

Sl. No	Particular	31 March 2023	31 March 2022
110			
12	Operating Profit Ratio		
	Underwriting Profit	1648,81,78.59	93,85,34.67
	Investment Income	556,52,66.48	587,96,60.09
	Other Income in Revenue account	2,05,93.28	3,06,12.44
	Operating Profit	2207,40,38.35	684,88,07.20
	Net Earned Premium	940,95,41.44	882,16,36.22
	Ratio	234.59%	77.64%
13	Liquid assets to liabilities ratio: (Liquid assets of the insurer divided by		
13	the policy holders' liabilities) (Times)		
	Liquid Assets	2439,69,37.43	2894,82,20.66
	Policy Holder Liabilities	6419,26,30.41	7752,48,78.70
	Ratio (Times)	0.38	0.37
14	Net earnings ratio		
	Profit After Tax	2164,25,38.46	875,16,19.85
	Net Premium	979,90,42.35	902,00,40.54
	Ratio	220.86%	97.02%
15	Return on net worth		
	Profit After Tax	2164,25,38.46	875,16,19.85
	Net Worth	10116,63,87.58	7840,88,49.12
	Ratio	21.39%	11.16%
16	Available Solvency to Required Solvency margin Ratio (Times)		
	Available Solency Margin	9394,14,59.00	7178,75,33.00
	Required Solvency Margin	195,98,08.40	238,91,28.90
	Ratio (Times)	47.93	30.05
17	NPA Ratio		
	Investment:	0.649%	0.681%
	Factoring:	82.18%	83.69%

Ratios for the Current Year & Previous Year calculated as per IRDA's Master circular IRDA/F&I/CIR/F&A/231/10/2012 dated 5th October 2012 and corrigendum IRDA/F&A/CIR/FA/126/07/2013 issued dated 3rd July2013 effective from FY 2013-14.

(M SENTHILNATHAN)
Chairman cum Managing Director

DIN - 07376766

(HARSHA BANGARI) Director DIN - 01807838 (DEVESH SRIVASTAVA)

Director DIN - 08646006

(A SAKTHIVEL)

(AMIT KUMAR AGARWAL)

(SUNIL JOSHI)

Director DIN - 00027485 Director DIN - 05333909 Executive Director DIN - 08778530

(ISHNATH JHA) Chief Financial Officer (SMITA PANDIT)

Company Secretary M.No. F-3166

As per our report of even date attached

For SNK & Co.

For L. S. Nalwaya & Co.

Chartered Accountants Firm Registration No. 109176W Chartered Accountants Firm Registration No. 115645W

(ANKIT D. DANAWALA)

(ASHISH NALWAYA)

Partner - M.No. 119972

Partner - M.No. 110922

Place: Mumbai Date: 4th May, 2023

CIN: U74999MH1957GOI010918

Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders as on 31-March-2023

Annexure 3(A) to Schedule 17 Amount in ₹ '000

						AGE-WISE	AGE-WISE ANALYSIS			
SI. No	Particulars	Total Amount	0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	37-120 months	More than 120 months
П	Claims settled but not paid to the policyholders/ beneficiaries due to any reasons except under litigation from the policyholders/ beneficiaries	1	1	1	1	-	ı	1	-	1
7	Sum due to the policyholders/ beneficiaries on maturity or otherwise	1	1	1	1	•	1	1	1	1
ю	Any excess collection of the premium / tax or any other charges which is refundable to the policyholders/beneficiaries either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	76,60.04	14.09	1,12.43	,	7,64.57	1,58.20	31,53.41	18,43.65	16,13.69
4	Cheques issued but not encashed by the policyholder/beneficiaries	63,50.70	23,74.18	2,82.94	31.37	10.16	13.40	1,38.47	34,47.95	52.23
	Total	1,40,10.74	23,88.27	3,95.37	31.37	7,74.73	1,71.60	32,91.88	52,91.60	16,65.92

Cheques issued but not encashed under point no 4 above includes only the amount on account of cheques issued whose validity has expired. In respect of other cheques issued but not cleared, the management is of the opinion that the policyholder is legally entitled to encash the cheque anytime till the validity of cheque. Accordingly the amount of such cheques need not be classified as unclaimed. Note:

CIN: U74999MH1957GOI010918

Details of Unclaimed Amounts and Investment Income thereon as on 31-March-2023

Annexure 3(B) to Schedule 17 Amount in ₹ '000

	Current Year (2022-23)		Previous Year (2021-22)	
Particular	Policy Dues	Income Accrued	Policy Dues	Income Accrued
Opening Balance	1,53,50.33	39,87.39	1,50,69.05	34,69.27
Add: Amount transferred to Unclaimed Fund	23,85.57		3,74.85	-
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	2,85.64		6,63.53	-
Add: Investment Income on Unclaimed Fund	-	10,99.33	-	6,18.88
Less: Amount of claims paid during the quarter	26,47.96	7,47.04	4,06.74	10.48
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	13,62.84		3,50.36	90.28
Closing Balance of Unclaimed Amount Fund	1,40,10.74	43,39.68	1,53,50.33	39,87.39

ECGC Limited CIN: U74999MH1957GOI010918

 $Receipts \ \& \ Payments \ Account \ / \ Cash \ Flow \ Statement \ - \ (Direct \ Method) \ for \ the \ year \ ended \ 31st \ March \ 2023$

			(₹ '000)
	Particulars	2022-23	2021-22
A	CASH FLOW FROM OPERATING ACTIVITY		
1	Premium received from policyholder including advance receipts	1149,27,30.45	1186,37,51.21
2	Other Receipts / Recoveries / Fees	167,44,89.29	89,74,01.73
3	Payments to reinsurers net of commission and claims	(36,26,37.09)	(16,56,82.62)
4	Payments of Claims	(763,04,85.84)	(687,20,43.27)
5	Payments of Commission & Brokerage	(16,77,92.73)	(8,85,84.13)
6	Payments of Other operating expenses	(350,92,13.40)	(376,47,79.28)
7	Deposits, Advances & Staff Loan	(46,34,50.71)	(4,46,46.09)
8	Income Tax Paid (Net)	(615,62,92.18)	(289,45,45.68)
9	GST Paid	(4,49,12.13)	(2,71,42.49)
10	Other Paymens/Collection (net)	(22,05,47.16)	(45,56,47.27)
	Cash Flow before extra ordinary items	(538,81,11.50)	(155,19,17.89)
11	Cash Flow from extra ordinary operations	-	-
	Net Cash Flow from Operating Activities (A)	(538,81,11.50)	(155,19,17.89)
n			
В	CASH FLOW FROM INVESTING ACTIVITIES	(10.20.07.45)	(10.55.00.35)
1	Addition to Fixed Assets (including capital work in progress)	(10,28,07.45)	(18,76,80.27)
2	Proceeds from Sale of Fixed Assets	15,79.58	63,98.46
3	Net of Purchase and Sale of Investments	(1069,94,17.21)	(946,03,87.40)
4	Rent / Interest / Dividends Received	1036,70,58.54	948,01,73.70
5	Investments in money market instruments and in liquid mutual funds	(21.21.42)	(22.15.42)
6	Expenses related to investments	(21,31.43)	(22,16.42)
	Net Cash Flow from Investing Activities (B)	(43,57,17.97)	(16,37,11.93)
С	CASH FLOW FROM FINANCING ACTIVITIES		
1	Proceeds from issuance of share capital (Includes Advance Received for	388,00,00.00	760,00,00.00
2	Interest / Dividend paid	(276,50,00.00)	(159,50,00.00)
3	Dividend Distribution Tax	-	_
	Net Cash Flow from Financing Activities (C)	111,50,00.00	600,50,00.00
D	700 4 00 1 1 1 4 1 1 1 1 1 1 1 1 1 1 1 1	(70.97)	(4.10.62)
D	Effect of foreign exchange rates on Cash and Cash equivalents, net	(70.97)	(4,19.62)
	Net Cash Flow (A+B+C+D)	(356,71,12.28)	428,89,50.56
E	Net increase in Cash and Cash equivalents:		
1	at the beginning of the year	1980,35,51.53	1551,46,00.97
2	at the end of the year	1623,64,39.25	1980,35,51.53
	Change in Cash and Cash equivalent	(356,71,12,28)	428,89,50.56

(M SENTHILNATHAN)

(HARSHA BANGARI)

(DEVESH SRIVASTAVA)

Chairman cum Managing Director DIN - 07376766 Director DIN - 01807838 Director DIN – 08646006

(A SAKTHIVEL)

(AMIT KUMAR AGARWAL)

(SUNIL JOSHI)

Director DIN - 00027485 Director DIN - 05333909 Executive Director DIN - 08778530

(ISHNATH JHA)

(SMITA PANDIT)

Chief Financial Officer

Company Secretary M.No. F-3166

As per our report of even date attached

For SNK & Co.

For L. S. Nalwaya & Co.

Chartered Accountants Firm Registration No. 109176W Chartered Accountants Firm Registration No. 115645W

(ANKIT D. DANAWALA)

(ASHISH NALWAYA)

Partner - M.No. 119972

Partner - M.No. 110922

Place: Mumbai Date: 4th May, 2023



MANAGEMENT REPORT AS REQUIRED IN PART IV OF SCHEDULE 'B' OF INSURANCE REGULATORY & DEVELOPMENT AUTHORITY OF INDIA (PREPARATION OF FINANCIAL STATEMENTS AND AUDITOR'S REPORT INSURANCE COMPANIES) REGULATION 2002.

- 1. We confirm that the registration granted by the Insurance Regulatory & Development Authority of India is valid during the year. The same was renewed for the year 2022-23.
- 2. We confirm that all dues payable to the statutory authorities have been duly paid / provided for.
- 3. We confirm that the shareholding pattern and transfer of shares are in accordance with statutory and regulatory requirements.
- 4. We confirm that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
- 5. We confirm that required solvency margins have been maintained.
- 6. We certify that the value of all the assets have been reviewed on the date of the Balance Sheet and in the best of our belief the assets set forth in Balance Sheet are shown in the aggregate amounts not exceeding their realisable or market value under several headings "Loans', 'Investments', 'Sundry Debtors', 'Cash', and the several items specified under 'Current Assets'.
- 7. The overall exposure of the Company is ₹114777,12,83 thousand against the enhanced Maximum Liability of ₹150000,00,00 thousand by Ministry of Commerce & Industry vide letter dated 09.03.2022.
- 8. We do not have any overseas operations.
- 9. Ageing of claims outstanding during the preceding five years is as per Annexure I.
- 10. Ageing of claims indicating the trend in average claims settlement time during the preceding five years is as per **Annexure II**.
- 11. We certify that the Investments have been valued according to the guidelines issued by Insurance Regulatory and Development Authority of India.
- 12. All Investment assets are reviewed periodically and assets are classified into performing and non-performing based on IRDAI norms.

13. We hereby confirm:

- a. That in preparation of financial statements, the applicable accounting standards, principles and policies has been followed.
- b. That the management has adopted accounting policies and applied them consistently, apart from changes made as per IRDAI Regulations, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating profit and net profit of the Company for the year.

- c. That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) and Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the management has prepared the financial statements on a going concern basis.
- e. That the management has ensured that the internal audit system commensurate with the size and nature of business exists and is operating effectively.
- 14. There are no payments made to individual firms, companies and organizations in which Directors of the Company are interested except the transactions carried out in the ordinary course of business.

For ECGC Limited.

(M SENTHILNATHAN)

Chairman cum Managing Director DIN – 07376766 (HARSHA BANGARI)

Director DIN - 01807838

(DEVESH SRIVASTAVA)

Director DIN - 08646006 (A SAKTHIVEL)

Director DIN - 00027485

(AMIT KUMAR AGARWAL)

Director DIN - 05333909 (SUNIL JOSHI)

Executive Director DIN - 08778530

Place: Mumbai Date: 4th May, 2023

Annexure I

Ageing of Claim outstanding as on Financial Years

(2,000)

		2022-23		2021-22		2020-21	_	2019-20		2018-19
Period	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved
30 Days	29	159,11,26.48	80	111,06,18.22 107	107	105,22,75.43 102	102	144,39,15.20 137	137	433,26,82.28
30 Days to 6 Months	116	183,41,39.45 149	149	452,50,16.77 322	322	514,08,48.88 377	377	618,84,38.87 330	330	1511,19,49.84
6 Months to 1 Year	22	61,21,75.35	93	239,05,30.53 150	150	262,34,73.89 200	200	775,84,21.04	84	761,31,39.08
1 year to 5 years	S	38,72,72.47	63	334,26,02.09 111	1111	658,87,57.42 132	132	1028,84,36.72	35	545,58,38.80
5 years & above	ı	1	3	15,28,70.97	ı	1	ı	1	-	I
Total	210	442,47,13.75 388	388	1152,16,38.58 690	069	1540,53,55.62 811	811	2567,92,11.83 596	969	3251,36,10.00

Annexure II

Ageing of Claim settlement during Financial Years

((∡,000)

		2022-23		2021-22		2020-21		2019-20		2018-19
Period	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved
30 Days	62	18,54,25.32	51	11,89,46.04	46	8,29,16.25 41	41	7,05,56.70	48	8,36,74.42
30 Days to 6 Months 348	348	248,27,80.81 329	329	142,32,75.88 430	430	257,86,14.47 424	424	184,52,13.31 538	538	313,44,99.37
6 Months to 1 Year	103	335,03,34.52 223	223	258,49,51.22	177	168,36,24.40	77	154,75,50.96	88	292,01,80.79
1 year to 5 years	38	161,19,45.19 78	78	274,48,70.13	81	612,22,50.57	11	62,08,00.65	51	399,47,17.13
5 years & above	ı	1	1	1	ı	1	ı	1	ı	1
Total	551	763,04,85.84 681	681	687,20,43.27 734	734	1046,74,05.69 553	553	408,41,21.62 725	725	1013,30,71.71

*The Company operates in single segment 'Export Credit Insurance'. Hence no segmental reporting is provided.

भारत के नियंत्रक और महालेखा परीक्षक की टिप्पणी

Comments of C&AG

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ECGC LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of ECGC LIMITED for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 4 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of ECGC LIMITED for the year ended 31 March 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the Comptroller & Auditor General of India

(Guljari Lal) Director General of Audit (Shipping), Mumbai

Place: Mumbai Date: 11.07.2023



SNK & Co. Chartered Accountants 303, 3rd Floor, Konark Shram Building, 156, Tardeo, Mumbai – 400034 L. S. Nalwaya & Co. Chartered Accountants 'Saffron', A-605, Crystal Plaza, Opp. Infiniti Mall, New Link Road, Andheri (West), Mumbai - 400053

INDEPENDENT AUDITORS' REPORT

To, The Members of ECGC Limited,

Report on Audit of Financial Statements

Opinion

We have audited the financial statements of the ECGC Ltd. ("the Company") which comprise of the Balance Sheet as at March 31, 2023, the Revenue Account, the Profit and Loss Account, the Cash Flow Statement (Receipts and Payments Account) for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, in which are incorporated returns of Forty-six branches and Four regional offices situated in India out of which Forty-five branches and Four regional offices audited by branch auditors appointed by Comptroller and Auditor General of India, New Delhi.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 ("the Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 ("the IRDAI Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the IRDAI Financial Statements Regulations"), orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI"/ "the Authority") to the extent applicable, the Companies Act, 2013 ("the Act") including the Accounting Standard specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 with other recognized accounting practices and policies and Circular No. IRDAI/F&A/CIR/MISC/256/09/2021 dated 30-09-2021 on 'Public Disclosures by Insurers' issued by Insurance Regulatory Development Authority ("the IRDA"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 in so far as it relates to:

- i. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2023
- ii. In the case of Revenue Account, of the surplus for the year ended on that date;
- iii. In the case of Profit and Loss Account, of the Profit for the year ended on that date;
- iv. In the case of Cash Flow Statement (Receipts and Payments Account), of the receipts and payments during the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under provision of Act and the Rules made thereunder, the Insurance Act, 1938, the Insurance Regulatory and Development Authority of India Act, 1999 and the regulations made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

KEY AUDIT MATTERS

INVESTMENTS

Classification, Valuation & Allocation of Investments, Revenue Recognition and Identification of and provisioning for Non-Performing Investments (Clause no. 4 of Schedule 16 read with Note 26 & 27 of Schedule 17 to the financial statements).

Investments include investments made by the Company in various Government Securities, Bonds, Debentures, Shares, Mutual Funds and other approved securities & Investments.

Investments constitute 81.90% of the Company's total assets. These are governed by the circulars and directives of the RBI and IRDAI.

These directions of RBI and IRDAI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.

AUDITOR'S RESPONSE

Our audit approach towards Investments with reference to the RBI and IRDAI Circulars/directives included understanding of internal controls and substantive audit procedures in relation to valuation. classification. revenue recognition, identification of nonperforming investments (NPIs), provisioning/depreciation related Investments. In particular:

- Test the design, implementation and operating effectiveness of key internal financial controls over allocation, classification, valuation, revenue recognition and identification & provisioning process of NPIs.
- Assess & evaluate the process adopted for collection of information from various sources for determining fair value of these investments, appropriateness of the valuation methodologies, revenue recognition &

Valuation of actively traded equity shares and ETFs is made on the closing price of NSE. If such security is not listed/ not traded on NSE on closing day, the closing price of BSE is considered.

Valuation of Mutual Funds is made on the closing NAV of the year end subject to impairment test.

All debts securities including government securities and redeemable preference shares have been measured at historical cost subject to amortization of premium paid over residual period.

Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.

Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.

provisioning of NPIs with reference to prudential norms of the RBI and IRDAI.

We selected samples from the investments of each category and tested for ensuring compliance with the presentation & disclosure requirements as per RBI and IRDAI Circular/directions and determining correctness of mapping investments, classification, valuation and revenue recognition of these investments along-with assessed and evaluated the process of identification & provisioning of NPIs.

INFORMATION TECHNOLOGY

Key Information Technology (IT) systems called Intranet & Intellect used in financial reporting process.

Company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed on daily basis and hence, considered as a key audit matter, correctness & effectiveness of which are mainly dependent on the Key Information Technology (IT) systems called Intranet & Intellect along-with other allied systems/packages.

We have relied upon the consistent and accurate functioning of Key Information Technology (IT) systems & other allied systems/packages respect to Income Recognition, Provisioning, Factoring, Reinsurance Investments in conformity with the IRDA guidelines along with such other financial accounting and reporting records transactions.

We conducted an assessment and identified key IT applications, databases and operating systems that are relevant to our audit and have identified Key Information Technology (IT) systems called Intranet & Intellect System primarily as relevant for financial reporting.

Our audit approach consisted understanding & testing of the design and operating effectiveness of the general IT controls as follows:

- Obtained an understanding of the Company's IT control environment, IT infrastructure i.e. Operating systems and databases and IT policies during the audit period.
- Reviewed the design, implementation and operating effectiveness of the Company's general IT controls including application & access

controls that are critical to financial reporting on test check basis.

- Reviewed the IS Audit Reports and discussed with IS Department on

- Test the general, application & access IT controls for design and operating effectiveness for the audit period on

compliance to key IS Controls.

IT controls for design and operating effectiveness for the audit period on test check basis

Emphasis of Matter

We draw attention to the following:

- a. Note no. 3(a) to Schedule 17 regarding properties where registration formalities with appropriate authorities have not been completed and properties where agreements are lost/presently not available with the Company, though the Company is in possession of original share certificates which vests with the Company, with legal ownership of the properties.
- b. Note no. 4 (d) to Schedule 17 regarding amount receivable from Reinsurance Company, which is outstanding since June 2014.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matters to those charged with governance and determine the actions under the applicable laws and regulations.

Management's Responsibility and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial

statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Insurance Act 1938 as amended by the Insurance Laws (Amendment) Act, 2015 ('the Insurance Act'), the Insurance Regulatory and Development Authority Act, 1999 ('the IRDAI Act'), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDAI Financial Statements Regulations), the Companies Act, 2013 ('the Act') including the Accounting Standard specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with Insurance Act 1938, the Insurance Regulatory and Development Authority of India Act, 1999 and the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the

Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the financial statement that, individually or in aggregate, makes it probable that the economic decisions of reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a. We did not audit the financial statements/information of Forty-six branches (including Guwahati sub office) and Four regional offices included in the financial statements of the Company whose financial statements / financial information reflect total assets of Rs.1861,80,63.90 thousands as at 31st March, 2023, total operating revenues in terms of

Premium of Rs.1172,48,26.27 thousands and Claims paid of Rs.606,11,77.89 thousands for the year ended on that date, as considered in the financial statements. The financial statements / information of Forty-five branches and Four regional offices have been audited by the branch auditors, whose reports have been furnished to us, and one unaudited branch whose returns have been furnished to us by the management. Our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and returns furnished to us by the management.

b. Note No. 5(b) and 22 to Schedule 17 regarding the Actuarial Valuation of liabilities in respect of claims Incurred But Not Reported (IBNR), Incurred But Not Enough Reported (IBNER) and Premium Deficiency as at 31st March, 2023 which is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The Appointed Actuary has duly certified the actuarial valuation of these liabilities IBNR, IBNER and Premium Deficiency as at March 31, 2023 and in her opinion the assumptions considered by her for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's Certificate in this regard for forming our opinion on the Financial Statements of the Company.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- a) The financial statements as at March 31, 2023 have been prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority of India Act, 1999 and the regulations made thereunder and the Companies Act, 2013.
- b) As required by the Regulations, we have issued a separate certificate on May 04, 2023 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI Financial Statements Regulations.
- c) This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditors' Report) order 2020, ("the order"), issued by the Central Government of India in terms of section 143(11) of the Act, since in our opinion and according to the information and explanation given to us, the Order is not applicable to the Company.

As required by section 143(3) of the Act, we report that;

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, and to the best of our information and according to the explanations given to us, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books and proper returns (audited/certified) have been received from the Forty-six branches (including Guwahati sub Office) and Four regional offices, not visited by us;
- c) The reports on the accounts of the Forty-five branches and Four regional offices of the Company audited under Section 143(8) of the Act by branch auditors and returns of one

- unaudited branch have been sent to us, have been properly dealt with by us in preparing this report;
- d) The balance sheet, the revenue account, the statement of profit and loss, and the cash flow statement (Receipts and Payments Account) dealt with by this Report are in agreement with the books of account and returns received from the branches not visited by us;
- e) In our opinion financial statements of the Company comply with the Accounting Standards specified under section 133 of the Act.
- f) Being a Government Company, pursuant to the Notification No. G.S.R 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, provisions of sub-section (2) of section 164 of the Companies Act, 2013, are not applicable to the Company.
- g) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over the financial statements.
- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 20 to Schedule 17 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. (a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested by the company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or in behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiary.
 - (b) The management has represented that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies) including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiary.
 - (c) In our opinion based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us

to believe that the representations under the sub-clause (a) and (b) above contain any material misstatement.

- v. The dividend declared or paid during the year by the company is in compliance with section 123 of Companies Act, 2013.
- vi. The Ministry of Corporate Affairs (MCA) has extended the due date of Audit Trail applicability till 1st April 2023 under the provisions of the Companies Act, 2013 by amending by notifying the rules, i.e., Companies (Accounts) Second Amendment Rules, 2022 and hence this clause is not applicable.

With regards to the Directions issued by the Comptroller and Auditor General of India u/s 143(5) of the Companies Act, 2013, based on our audit, we report hereunder on the action taken and the financial impact on the accounts of the financial statements of the Company:

S.No.	DIRECTIONS	ANSWER
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	 i) The Company has system in place to process all the accounting transactions through IT systems except for the following: • Working of Reinsurance Business, Depreciation Working of Fixed Assets, Factoring and calculation of provision of 'Yet to be processed' (YTBP) claims. Though manual controls are available, they may not suffice hence Reinsurance, Fixed Assets, Factoring and 'Yet to be processed' (YTBP) claims are also required to be routed through system. • Investment software is not integrated with the main IT system, and the final Trial Balance of Investment Department is manually incorporated in the main trial balance, maintained in IT system for consolidation. Though the Company has control at the time of incorporation of the Investment Trial Balance in the Main Trial Balance, it may not suffice hence Investment Software should also be merged with the main IT system.
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts/loans/interest etc. made by a lender to the company due to the	Not Applicable as the Company has not borrowed any money nor it has lent any money to other company.

S.No.	DIRECTIONS	ANSWER
	company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	

With respect to additional directions issued by Comptroller and Auditor General of India u/s 143(5) of the Companies Act, 2013, based on our audit, we report hereunder on the action taken and the financial impact on the accounts of the financial statements of the Company:

S.No.	ADDITIONAL DIRECTIONS	ANSWER
1.	Number of titles of ownership in respect of CGS/SGS/Bonds/Debentures etc. available in physical/DEMAT form and out of these number of cases which are not in agreement with the respective amounts shown in the Company's books of accounts may be verified and discrepancy found may be suitably reported.	All the investments in CGS/SGS are held with RBISGL Account and have been verified with records and no discrepancies have been found. Two Central Government Securities have been kept with CCIL for secondary market operations of Government Securities and TREPS operations & further one Central Government Security is kept with National Stock Exchange, towards margin requirement against equity operations, for which we have obtained the necessary certificates. Bonds/Debentures are held in DEMAT account with the ICICI Bank (custodian). All securities have been verified with the underlying records and no discrepancies have been found. Type of security No. titles in No. of titles in Physical in Physical
		Form Form
		Central Govt Securities 42 NIL State Govt Securities 439 NIL
		Bonds, debentures and 205 NIL other securities
		Equity Shares 58 NIL
2.	Whether Investment Policy exists and includes mechanism to review investment portfolios and also	As informed by the Management of the Company, the Company is having the Board approved Investment policy, SOP and
	whether stop loss limits are	Strategy which includes mechanism to

prescribed? If yes, whether it was adhered to? If not in existence or not adhered to, details may be given.	review investment portfolio. Further, as informed by the Company, the Company does not have trading portfolio. Company's entire investment Portfolio is under HTM (Held-to-Maturity) / AFS (Available-for-Sale) category.
	Accordingly, Company is not having stop
	loss policy / stop loss limits.

for L. S. Nalwaya & Co. for SNK & Co. **Chartered Accountants Chartered Accountants** Firm Registration No. 109176W Firm Registration No. 115645W (Ankit D. Danawala) (Ashish Nalwaya) Partner **Partner** Membership No. 119972 Membership No. 110922 Place: Mumbai Place: Mumbai Date: 4th May, 2023 Date: 4th May, 2023 UDIN: 23119972BGWTD04336 UDIN: 23110922BGWVDL7468 SNK & Co. Chartered Accountants 303, 3rd Floor, Konark Shram Building, 156, Tardeo, Mumbai – 400034 L. S. Nalwaya & Co. Chartered Accountants 'Saffron', A-605, Crystal Plaza, Opp. Infiniti Mall, New Link Road, Andheri (West), Mumbai - 400053

INDEPENDENT AUDITORS' CERTIFICATE

(Referred to in paragraph (b) under "Report on other legal and regulatory requirements" forming part of our Independent Auditors' Report dated 4th May, 2023)

To,

The Members of ECGC Limited,

Report on other legal and regulatory requirements

1. This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C to the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, read with regulation 3 of the Regulations in respect of financial statements as at 31.03.2023, of ECGC Ltd ("the Company"), Mumbai.

Management Responsibility

2. The Company's Board of Directors is responsible for complying with the provisions of Companies Act, 2013, Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations") and orders/ circulars issued by Insurance Regulatory and Development Authority of India (IRDAI) which includes the preparation and maintenance of books of accounts and the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of Internal Controls suitable for ensuring compliance as aforesaid.

Auditors' Responsibility

- 3. Pursuant to the requirements of the Regulations, it is our responsibility to obtain reasonable assurance and form an opinion based on our audit and examination of books and records as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C of the Regulations read with Regulation 3 of the Regulations.
- 4. We audited financial statements of the Company as of and financial year ended March 31, 2023 on which we issued an unmodified audit opinion vide our audit report dated May 4, 2023. Our audits of these financial statements were conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed

in connection with any transactions to identify matters that may be of potential interest to third parties.

- 5. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the ICAI. The Guidance note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.
- 6. We have complied with the relevant applicable requirements of the Standards on Quality Control (SQC)-1, Quality control for Firms that performs audits and reviews of Historical Financial Information and Other Assurance and Related service engagements.

Opinion

- 7. In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of accounts and other records maintained by the ECGC Ltd., for the year ended March 31, 2023, we certify that:
 - a) We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2023 and on the basis of our review, there are no apparent mistakes or material inconsistencies between the Management Report and the standalone financial statements.
 - b) Based on management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention that causes to believe that the Company has not complied with the terms and conditions of the registration stipulated by IRDA.
 - c) We have verified the cash balances (except of the branches where audits were conducted by the concerned branch auditors and the cash balances were verified by the concerned auditors and securities relating to the loans and investments made by the company by actual inspection or by production of certificates/confirmations received from the Custodian and/or Depository Participants appointed by the Company or the other documentary evidences).
 - d) To the best of the information and explanation given to us and as per the representation made by the Company, Investments have been valued in accordance with the provisions of the Insurance Act and its regulations;
 - e) To the best of the information and explanation given to us and as per the representation made by the Company, the Company is not a trustee of any trust; and
 - f) The Company has bifurcated shareholders' funds and policyholders' funds based on the nature of items as per the last Balance Sheet and accordingly the income has been segregated in Revenue Account and Profit and Loss Account. Since no separate accounts relating to shareholders and policyholders have been maintained in terms of Section 11(1B) of the Insurance Act, 1938 and since such information is not available at the branches, the application of the funds is therefore not verifiable from the available records. Based on the verification of the books of the account and based on the information and explanation given to us and on a review of the available records,

we have not come across with the cases where any part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the policyholders' funds.

for SNK & Co.for L. S. Nalwaya & Co.Chartered AccountantsChartered Accountants

Firm Registration No. 109176W Firm Registration No. 115645W

(Ankit D. Danawala) (Ashish Nalwaya)

Partner Partner

Membership No. 119972 Membership No. 110922

Place: Mumbai
Date: 4th May, 2023

Place: Mumbai
Date: 4th May, 2023

SNK & Co. Chartered Accountants 303, 3rd Floor, Konark Shram Building, 156, Tardeo, Mumbai – 400034 L. S. Nalwaya & Co. Chartered Accountants 'Saffron', A-605, Crystal Plaza, Opp. Infiniti Mall, New Link Road, Andheri (West), Mumbai - 400053

"Annexure-A" to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls of **ECGC Limited** ("the Company"), as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

The actuarial valuation of liability in respect of Claims Incurred but not Reported (IBNR), Incurred But Not Enough Reported (IBNER) and Premium Deficiency as at March 31, 2023 is as certified by the Company's Appointed Actuary and has been relied upon by us as mentioned in our audit report on the financial statements for the year ended on March 31, 2023. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valuation.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for SNK & Co.	for L. S. Nalwaya & Co.
Chartered Accountants	Chartered Accountants

Firm Registration No. 109176W Firm Registration No. 115645W

(Ankit D. Danawala) (Ashish Nalwaya)

Partner Partner

Membership No. 119972 Membership No. 110922

Place : Mumbai
Date : 4th May, 2023

Place : Mumbai
Date : 4th May, 2023





ई सी जी सी लिमिटेड (भारत सरकार का उद्यम) ECGC Limited (A Government of India Enterprise)

पंजीकृत कार्यालय: सीटीएस नं. 393, 393/1 से 45, एम. वी. रोड, अंधेरी (पूर्व), मुंबई - 400069, भारत. संपर्क: 6659 0500 / 6659 0510 वेबसाइट: www.ecgc.in

Registered Office: CTS No.393, 393/1 to 45, M. V. Road, Andheri (East), Mumbai - 400069, India. Contact : 6659 0500 / 6659 0510. Website: www.ecgc.in

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