



ईसीजीसी लिमिटेड
ECGC Limited

63 वीं वार्षिक रिपोर्ट
rd Annual Report
2020 - 2021

ECGC Limited

Annual Report for the FY 2020-21

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Part A

BOARD OF DIRECTORS

1. Shri M Senthilnathan,
Chairman-cum-Managing Director, ECGC Limited
(Chairman w.e.f. April 29, 2020)
2. Shri Vipul Bansal,
Joint Secretary, Department of Commerce,
Ministry of Commerce & Industry (Appointed w.e.f. November 16, 2021)
3. Smt. Aparna Bhatia,
Economic Adviser, Department of Economic Affairs,
Ministry of Finance
(Appointed w.e.f. November 16, 2021)
4. Shri Shirish Chandra Murmu,
Executive Director, Reserve Bank of India
5. Ms. Harsha Bangari,
Managing Director, EXIM Bank of India
(Appointed w.e.f. September 23, 2021)
6. Shri Devesh Srivastava,
Chairman-cum-Managing Director, GIC
7. Dr. A. Sakthivel,
President, Federation of Indian Export Organisations
(Appointed w.e.f. August 09, 2021)
8. Shri Sunil Kumar Joshi,
Executive Director (Policy Matters), ECGC Limited
(Appointed w.e.f. July 09, 2020)
9. Shri Amit Kumar Agarwal (Appointed w.e.f. November 03, 2021)
10. Smt. Pratibha Kushwaha (Appointed w.e.f. November 11, 2021)
11. Shri K. Rajaraman, IAS (Ceased w.e.f. October 18, 2021)
12. Shri Amitabh Kumar, IRS (Ceased w.e.f. November 16, 2021)
13. Shri Sharad Kumar Saraf, President, Federation of Indian Export Organisations (Ceased w.e.f. June 28, 2021)
14. Shri David Paul Rasquinha
Managing Director, Export-Import Bank of India (Ceased w.e.f. May 31, 2021)
15. Shri Bidyut Behari Swain, IAS (Ceased w.e.f. November 04, 2020)
16. Shri Rajnish Kumar, Chairman, State Bank of India (Ceased w.e.f. October 06, 2020)
17. Smt. Padmavathy R. (Appointed w.e.f. June 09, 2020. Ceased w.e.f. June 30, 2020)

COMPANY SECRETARY

Smt. Smita Pandit

BANKERSUnion Bank of India (Erstwhile Corporation Bank)
IDBI Bank**APPOINTED ACTUARY**

Smt. Priscilla Sinha

JOINT STATUTORY AUDITORS

1. M/s. abm & associates LLP
Chartered Accountants,
Firm Registration No. 105016W/W-100015
2. M/s. SNK & Co.
Chartered Accountants
Firm Registration No. 109176W

REGISTERED OFFICE: Express Towers, 10th Floor, Nariman Point, Mumbai – 400 021

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. Shri Nirdosh Chopra
6. Smt Smita V Pandit
7. Shri Anand Singh

DEPUTY GENERAL MANAGERS

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

PERFORMANCE HIGHLIGHTS - PAST DECADE

		(Rs. In Crores)										
YEAR		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	
VALUE OF BUSINESS COVERED												
	Short Term Policies **	241934.17	215021.77	198872.00	1,77,349.00	1,72,788.00	135871.97	1,33,983.00	131344	126100	119621	
	Short Term ECIB ***	354200.12	341826.72	455267.00	4,56,684.00	4,48,604.00	127534.8	1,38,555.00	138150	133251	120119	
	Medium & Long Term Covers	6667.25	4757.37	5787.00	7,415.57	6,027.26	5979.06	7,652.00	9762.8	10160	6886.5	
	Total	602801.54	561605.86	659926.00	641448.57	627419.26	269385.83	280190.00	279256.00	269512.00	246626.00	
PREMIUM INCOME												
	Short Term Policies	429.99	405.17	412.26	367.95	359.99	382.99	383.87	388.57	360.68	355.89	
	Short Term ECIB	603.78	644.78	806.83	843.21	881.07	910.64	942.29	869.68	751.72	601.82	
	Medium & Long Term Covers	28.51	25.52	28.45	29.25	26.56	27.10	36.24	45.48	44.85	47.12	
	Total	1062.28	1075.47	1,247.54	1,240.41	1,267.62	1320.73	1362.40	1303.73	1157.25	1004.83	
CLAIMS PAID												
	Short Term Policies	284.87	146.77	168.13	136.7	206.85	127.32	126.98	109.29	113.69	87.03	
	Short Term ECIB	761.87	261.64	813.39	1131.47	655.50	995.52	462.85	639.55	396.61	626.00	
	Medium & Long Term Covers	-	-	31.79	14.99	22.99	-	-	148.65	38.20	-	
	Total	1046.74	408.41	1,013.31	1,283.16	885.34	1122.84	589.83	897.49	548.50	713.03	
RECOVERIES MADE												
	Short Term Policies	9.77	10.21	21.47	18.55	9.77	7.80	9.61	5.76	7.40	6.31	
	Short Term ECIB	107.53	156.17	129.36	166.39	109.76	106.06	142.52	144.53	104.71	152.59	
	Medium & Long Term Covers	0.17	0.06	-	0.67	19.14	0.18	8.02	8.02	8.42	9.74	
	Total	117.47	166.44	150.83	185.61	138.67	114.04	160.15	158.31	120.53	168.64	

Note:

* Comprises exposure under declaration based policies & exposure based policies. Value of business covered under exposure based policies for FY 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 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.

निदेशकों की रिपोर्ट

Directors'
Report

DIRECTORS' REPORT

Dear Members,

The Directors of ECGC Limited (ECGC) are pleased to present the 63rd Annual Report of the Company, together with the audited financial statements, for the Financial Year (FY) ended on March 31, 2021.

FINANCIAL HIGHLIGHTS

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

Particulars	(₹ in crore)	
	2020-21	2019-20
Turnover (Gross Premium)	1062.28	1075.47
Profit Before Finance Charges, Tax, Depreciation/ Amortization (PBITDA)	594.75	404.54
Less : Finance Charges	-	-
Profit Before Depreciation/ Amortization (PBTDA)	594.75	404.54
Less : Depreciation	6.65	4.52
Net Profit Before Taxation (PBT)	588.10	400.02
Provision for Taxation	127.79	76.18
Profit/(Loss) After Taxation (PAT)	460.31	323.84

During the FY 2020-21, the total claims paid by the Company are ₹1046.74 crore against ₹408.41 crore in the previous FY. After adjusting for reinsurers share, recoveries and provisions, the incurred claim decreased for the FY 2020-21 to ₹884.52 crore against ₹958.42 crore for the previous FY. Investment and other income have increased to ₹1019.22 crore in FY 2020-21 from ₹882.95 crore in the previous FY reflecting a growth of 15.43%.

The Gross Premium earned by the Company during the FY 2020-21 was ₹1062.28 crore against ₹1075.47 crore during the previous FY registering a negative growth of 1.23%. Post adjustment of Reinsurance Cession and Reserve for un-expired risks, the premium earned (Net) for the FY 2020-

21, decreased to ₹827.31 crore, against ₹831.16 crore for the previous FY registering negative growth of 0.46%.

PROFITS AND APPROPRIATIONS

During the FY 2020-21, total income from operations was ₹1405.51 crore against ₹1350.45 crore in the previous FY. During the FY 2020-21, the Company posted an Operating Profit of ₹159.10 crore against ₹86.91 crore in the previous FY. During the FY 2020-21, Profit Before Tax (PBT) was ₹588.10 crore, against ₹400.02 crore in the previous FY. After providing ₹127.79 crore towards income tax and prior period adjustments, Profit After Tax (PAT) available for appropriation in the FY 2020-21 was ₹460.31 crore, against ₹323.84 crore in the previous FY.

DIVIDEND

The Board of Directors are pleased to recommend a full and final dividend of ₹5 per Equity Share on the 31,90,00,000 Equity Shares of ₹100 each, amounting to ₹159.50 crore. The total dividend amounts to ₹159.50 crore representing a pay-out ratio of 34.65% of the PAT of ₹460.31 crore.

RESERVES

The Board, at its 431st Meeting, held on July 16, 2021, proposed to transfer ₹300.80 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, 2021, the Company's Net Worth was ₹6365.22 crore (₹5214.92 crore as on March 31, 2020), comprising Paid-up Share Capital of ₹3190 crore (including ₹300 crore received during the last week of FY 2019-20 and ₹390 crore received during the FY 2020-21) and Reserves and Surplus of ₹3175.22 crore. *With the infusion of additional capital of ₹260 crore during the current FY, the Paid-up Share Capital of the Company as on the date of this report amounts to ₹3450 crore.*

a. BUY BACK OF SECURITIES

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

b. SWEAT EQUITY

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

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

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

MEMORANDUM OF ASSOCIATION OF THE COMPANY

During the FY 2020-21 there was no change in the Memorandum of Association of the Company.

SOLVENCY MARGIN

The Solvency Ratio as on March 31, 2021 is 19.25 against the Insurance Regulatory and Development Authority of India (IRDAI) norm of 1.5. The details are as under:

Particulars	2020-21	2019-20
Required Solvency Margin (RSM) under Regulations (₹in crore)	298.41	323.84
Available Solvency Margin (ASM) (₹in crore)	5745.67	4865.09
Solvency Ratio (Total ASM / RSM) (Times)	19.25	15.02

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, remains unchanged at ₹1,00,000 crore as of March 31, 2021. The ML as of March 31, 2021 was ₹1,01,238.01 crore. The Government of India has been requested to enhance the authorised ML to ₹3.6 lakh crore.

INTRODUCTION OF NEW PRODUCTS

In the FY 2020-21, 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 2020-21 stand at 28.37% (previous FY 27.22%) against the IRDAI norm of 29.26%.

Miscellaneous 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	712.28	27.50%	195.88
Total Written Premium in India	1062.28		310.88
% of Allowable Expenses			29.26

NATIONAL EXPORT INSURANCE ACCOUNT (NEIA) TRUST

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 Trust has an underwriting corpus of ₹3,256.71 crore as of March 31, 2021. The underwriting capacity of the Trust is ₹65,134.20 crore of which 25% amounting to ₹16,283.55 crore has been earmarked for supporting MLT covers issued by the Company. Risk in respect of 295 covers issued supporting 188 projects of value ₹38,466.81 crore in 45 countries has been shared with the NEIA Trust to the extent of ₹12,262.68 crore. The balance 75% of ₹65,134.20 crore amounting to ₹48,850.65 crore is earmarked for the Buyer's Credit scheme of the NEIA Trust (BC-NEIA). As of March 31, 2021, the Trust has issued 23 Buyer's Credit covers with an aggregate Maximum Liability of ₹20,036.95 crore for 23 projects of value ₹14,393.56 crore in the countries Sri Lanka, Zambia, Zimbabwe, Mozambique, Tanzania, Senegal, Iran, Maldives, Cote D' Ivoire, Ghana, Cameroon, Suriname and Mauritania. The GOI is the sole settlor of the Trust and ECGC is the managing agency.

BOARD OF DIRECTORS

The Company is 100% owned by the Government of India. 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.

During the FY 2020-21, two Part-Time Directors viz. Shri Bidyut Behari Swain, Special Secretary, Department of Commerce, Ministry of Commerce and Industry; Shri Rajnish Kumar, Chairman, State Bank of India ceased to be Directors of the Company. Smt. Padmavathy R., ceased to be the Functional Director on her superannuation (she was appointed as a Director w.e.f. June 09,2020). Shri M. Senthilnathan, Functional Director has been elevated as the Chairman-cum-Managing Director of the Company w.e.f. April 29,2020. Shri Amitabh Kumar, Joint Secretary, Department of Commerce, Ministry of Commerce and Industry as a Part-Time Government Director and Shri Sunil Joshi, Executive Director (Policy Matters), ECGC Limited as a Functional Director were inducted into the Board during FY 2020-21.

Shri David Rasquinha, Managing Director, EXIM Bank ceased to be a Director of the Company w.e.f. May 31,2021 on his superannuation from the service of Export-Import Bank of India (EXIM Bank). Shri Sharad Kumar Saraf, past President, FIEO ceased to be a Director w.e.f. June 28, 2021 on completion of his tenure.

As of the date of this report, nine of the thirteen positions of Part-Time Directors (including the position of a Woman Director) 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 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 it 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.

ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is placed at **Annexure I**.

DECLARATION OF INDEPENDENT DIRECTORS AND WOMAN DIRECTOR

The provisions of Section 149 pertaining to the appointment of Independent Directors and Woman Directors applicable to Public Limited Company are fully complied with except the appointment of Woman Director on the Board from May 15, 2020 to June 08, 2020 and October 01, 2020 to till date. The Company is pursuing the matter with the administrative ministry for appointment of a Woman Director at the earliest.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company conducted five 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
1.	Shri K. Rajaraman (appointed as a Member since 08/08/2018)
2.	Shri Amitabh Kumar (appointed as a Member since 20/11/2020)
3.	Shri Shirish Chandra Murmu (appointed as a Member since 10/01/2020)
4.	Shri Devesh Srivastava (appointed as a Member since 21/01/2020)
5.	Shri Sharad Kumar Saraf (appointed as a Member since 22/07/2019) (ceased to be a Member since 28/06/2021)
6.	Shri David Paul Rasquinha (appointed as a Member since 07/08/2019) (ceased to be a Member since 31/05/2021)
7.	Shri Bidyut Behari Swain (appointed as a Member since 20/04/2018) (ceased to be a Member since 04/11/2020)

The above composition of the Audit Committee headed by an Independent Director consists of Independent Directors viz. Shri David Rasquinha, Chairman (superannuated on 31/05/2021), Shri Shirish Chandra Murmu, Shri Devesh Srivastava and Shri Sharad Kumar Saraf (ceased to be a Member w.e.f. 28/06/2021), who form the majority. The Audit Committee shall elect the Chairman at the meeting of the Committee until a Chairman is appointed by the Board of Directors.

The Company has established a vigil 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.

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.

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 2017-18 and FY 2018-19 and is expected to be rated as "Good" in FY 2019-20. The performance of the Company is expected to be rated as "Very Good" for the FY 2020-21.

The COVID-19 pandemic and the consequences thereof had an adverse impact on the performance of the Company in FY 2019-20 and FY 2020-21. While the impact continues in the current FY also, the Company has put in measures to improve the performance.

PLACING OF ANNUAL REPORT BEFORE THE PARLIAMENT

Annual Report of the ECGC Ltd. for the year 2019-20, along with Audited Accounts and Comments of the Comptroller and Auditor General of India thereon, was placed before the Lok Sabha and the Rajya Sabha on March 10, 2021, in compliance with the requirements under Section 394 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

There was no employee who was employed throughout the year or who was employed for part of the year and was in receipt of aggregate remuneration of Rupees one crore two lakh or more for that year or was in receipt of aggregate remuneration of Rupees eight lakh fifty thousand per month for part of the year respectively.

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

A.

S. No	Details	Name of the Employee
1.	Name designation of the employee:	Smt. Priscilla Sinha Appointed Actuary (at par with rank of GM)
2.	remuneration received;	₹85,43,280 in FY 2020-21
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;	54

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; and	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

B.

S. No	Details	Name of the Employee
1.	Name designation of the employee:	Shri Shashank Bajpai Chief Information Security Officer -CISO (at par with the rank of DGM)
2.	remuneration received;	₹48,00,000 in FY 2020-21
3.	nature of employment, whether contractual or otherwise:	Appointment is contractual, on a fixed term basis
4.	qualifications and experience of the employee;	Executive Master's Certificate in Cyber Governance from ISB Hyderabad (Year 2019) Post Graduate Diploma in System Software & Security from CDAC Hyderabad (Year 2012) Bachelor of Engineering (B.E.) from University of Pune (Year 2011) Certifications:

		<p>Certified Chief Information Security Officer (CCISO) from EC-Council (2018)</p> <p>Certified Incident Planning and Response from GCHQ U.K. (2018)</p> <p>Certified Information Security Manager (CISM) from ISACA (2013)</p>
5.	Date of commencement of employment;	Commencement of employment on contractual basis on 01/08/2019
6.	the age of such employee;	34
7.	the last employment held by such employee before joining the Company;	ACKO General Insurance Limited
8.	the percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) above; and	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 Cell, situated at the Head Office in Mumbai and 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 decisions taken by an official would be reviewed by a higher authority in case the earlier decision is to be reiterated. The complaint can be dealt with four times by different officials/Committees. 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 18 times and

disposed of 25 cases during the FY 2020-21. A four-member Independent Review Committee (IRC) was also re-constituted during the FY 2020-21, consisting of external experts from the fields of Judiciary, Banking, Foreign Trade and Credit Insurance, which met three times during the FY 2020-21 and disposed of 10 cases.

The Company is linked to the Centralized Integrated Grievance Management System (CIGMS) 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 CIGMS 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 FY 2020-21 is ₹39.09 crore (₹71.55 crore in the previous FY) while Foreign Exchange outgo during the FY 2020-21 is ₹1.95 crore (₹2.31 crore in the previous FY).

APPOINTED ACTUARY

A full-time Actuary was appointed on a contract basis by the Company with approval of IRDAI effective from April 18, 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 FY 2020-21 vide their letter dated September 09, 2020, the same was taken on record by the Board at its meeting held on November 24, 2020 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 62nd AGM held on November 24, 2020 to fix and approve the remuneration of the Joint Statutory Auditors to be appointed by the C&AG under Section 139(5) of the Companies Act, 2013, for the Head Office and Branch Offices of the Company for the FY 2020-21 and necessary certificate from the Joint Statutory Auditors for the FY 2020-21 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. abm & associates LLP, Chartered Accountants, Mumbai, Firm Registration No. 105016W/W-100015 and M/s. SNK & Co., Chartered Accountants, Mumbai, Firm Registration No. 109176W, are the Joint Statutory Auditors appointed by

the C&AG, to audit the Head Office Accounts and the consolidated accounts of the Company for the FY 2020-21. 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 R. S. Padia & Associates, Practicing Company Secretary (FCS 6804, COP 7488), on corporate governance is annexed to and forms an integral part of this Directors' Report (**Annexure II**).

SECRETARIAL AUDIT

The Secretarial Audit Report of the Company (Form No. MR-3) for the FY 2020-21 received from M/s A. Lakhotia & Co. (formerly known as Abhishek Lakhotia & Co.), Secretarial Auditor (FCS 9082, COP 10547) (**Annexure III**) reported non-compliance with the Department of Public Enterprises (DPE) Guidelines regarding Directors' Training Policy and non-appointment of Woman Director from May 15, 2020 to June 08, 2020 and from October 01, 2020 till date. Reply of the Management to the same is given below:

(a) Non-compliance with DPE Guidelines regarding Directors' Training Policy: Post induction of a new Director on the Board of ECGC Ltd., a welcome letter is addressed to the new Director providing him/her with details of duties and responsibilities required to be performed, in addition to the compliances required to be observed by him/ her under the Companies Act, 2013 and other applicable statutes/ rules/ regulations including the DPE Guidelines. The Management of the Company familiarises the new Director about the Company, its operations, important policies and processes followed by the various Sectors/Departments, including the role and responsibilities of the various Departments of the Company. Directors are also regularly encouraged and sponsored to attend important training programmes organised by various institutes of repute such as National Insurance Academy (NIA), Indian Institute of Corporate Affairs (IICA) and training organised by Standing Conference of Public Enterprises (SCOPE), DPE etc. imparting relevant information on Board related practices. All the Directors are regularly updated on

various provisions related to the corporate governance and other applicable rules and regulations to the Company during Board/ Committee Meetings as per the internal training policy for Directors of the Company.

Presently, all the Independent Directors on the Board are holding higher level positions in their respective organizations and generally unable to attend/participate in sponsored training programs due to their pre-occupation and busy schedule. ECGC Ltd. has formally requested the DPE through the Department of Commerce to grant exemption from the DPE provisions on Directors' Training vide letter dated July 24, 2019. Reply is awaited.

For the Audit Period under consideration, the criteria set under DPE Guidelines could be partially fulfilled by sponsoring the following two Directors for Training programs:

- (i) Shri Devesh Srivastava, CMD, GIC Re.
- (ii) Shri Sunil Joshi, Executive Director (Policy Matters), ECGC Ltd.

(b) Non-appointment of Woman Director from May 15, 2020 to June 08, 2020 and from October 01, 2020 till date: All the Directors on the Board of the Company are appointed by the President of India in terms of Article 63 of the Articles of Association of the Company. The Department of Commerce (DoC), Ministry of Commerce & Industry, Govt. of India issues the orders appointing the Directors. The Company has requested the DoC for appointment of a Woman Director to comply with the provisions of Section 149(1) of the Companies Act, 2013 on July 08, 2020 and a reminder was sent on February 22, 2021. Follow up is being made with DoC.

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 (ERM)

FY 2020-21 was adversely impacted by the COVID-19 pandemic that emerged during the last quarter of FY 2019-20. Intending to get hold of the situation, the Government of India announced a nation-wide lockdown in March 2020, to tackle the pandemic. The lockdown was gradually reversed by September 2020.

Across the world, various countries have implemented varying degrees of lockdown towards the same objective. The containment measures and further precautions advised by relevant authorities have impacted international trade significantly, apart from daily life. The governments across the world have also announced and implemented various stimulus measures to ensure that their economies and trade are put on a path to normality.

Globally, the trade has slowed down considerably and individual firms' working capital requirements have increased due to elongation of credit cycle. In anticipation of delayed payment or business loss, reinsurance business globally was also affected. The reinsurers became more selective in underwriting risk, reinsurance premium increased and treaty conditions for reinsurance have become more stringent. The impact of these developments is yet to be quantified and the Company is confident that the resultant increase in claims will be manageable.

II. Update of Andheri Property

(i) Office premises

1. The Board of Directors had, at its 398th meeting held on July 15, 2015, approved construction of the office building at a preliminary estimate of ₹111,24,12,901 as per the estimation given by Central Public Works Department (CPWD) vide their letter dated May 26, 2015. The Memorandum of Understanding (MoU) for the same had been signed between ECGC Limited and CPWD on June 06, 2016 for construction of office building at the Company's Andheri plot.

2. As per Clause No. 7 of MoU, CPWD had demanded instalments of deposits and accordingly, so far, the Company has made a total payment of ₹97,66,89,030 being 87.80% deposit towards construction of the office building.
3. The contractor, Sam India Builtwell Pvt. Ltd., started the construction work for the office building from March 30, 2017. As informed by CPWD officials vide their e-mail dated June 16, 2021, 89% of work has been completed for the office building.
4. The Board of Directors, at its 422nd meeting held on August 07, 2019, approved the preliminary cost estimate of ₹926.62 lakh for purchase and installation of factory-made knock-down office modular furniture for the new office building at the Andheri site. This was communicated to CPWD and an MOU for the same also was signed by the Company and CPWD on September 26, 2019. As per Clause B (3) of the MOU, the Company has released ₹4,42,66,200 (Rupees four crore forty two lakh sixty six thousand two hundred only) being advance deposit of the estimation approved for ₹926.62 lakh.

(ii) Residential premises

1. The Board of Directors had, at its 405th meeting held on November 07, 2016, approved construction of a residential complex at a preliminary estimate of ₹73,95,80,728.
2. ECGC and CPWD signed an MOU on January 10, 2017 for construction of the Company's residential buildings complex.
3. The Company made a payment of ₹7,39,58,073 to CPWD towards initial deposit of 10% of estimated preliminary cost of ₹73,95,80,728 on January 30, 2017.
4. CPWD had floated a tender for construction of the residential building complex. The tender was opened on December 28, 2017.

5. The Company received Letter No. CHE/116/BP/(Spl.Cell)LOKE/-337 dated December 02, 2017 from the Municipal Corporation of Greater Mumbai (MCGM), informing de-reservation of RH.2.1 (Hospital), ROS 1.1 (Public Open Space), while retaining the 9.15 meter DP Road (Development Planning) in RDDP-2034 (May 2016) within the plot.
6. In view of the above developments, the approval given for lay-out previously became invalid. Consequently, the bid selected for award of contract for construction of five residential buildings was withdrawn by CPWD.
7. The reservation for the DP road was provided for the general purpose of approach to hospital and public open space. As the reservation for hospital and public open space had been vacated, reservation for DP Road did not serve any purpose and de-reserving should have been made applicable rightfully for this portion also. The Company submitted its representation to the Government of Maharashtra through the Urban Development Department vide letter No. ECGC/APDC/245/2017 dated December 14, 2017, for de-reserving the DP Road in question.
8. After vigorous follow up with the Urban Development Department, the Government of Maharashtra sanctioned the deletion of DP Road 9.15 meter from the plot vide Notification No.TPB-432/CR-20/2021/UD-11 dated March 12, 2021.
9. The Architects had informed earlier that the applicable Floor Space Index (FSI) has been revised upwards by the MCGM. They had suggested that the Company may review the residential buildings plan and the required modifications including increase in number/area of flats can be accommodated before submitting the plan for approval by the MCGM. However, due to the onset of the second wave of the COVID-19 pandemic and the resultant restrictions on attendance the review is yet to be initiated.

(iii) Unity Infraprojects Ltd.

1. 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 have submitted a claim on the Company to the tune of ₹23,02,81,857, on June 30, 2015, the Company has claimed a compensation of ₹31,63,42,930.
2. Unity Infraprojects has 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 between Unity Infraprojects and the Company was held on December 20, 2017. In view of the moratorium imposed on Unity Infraprojects Limited, the arbitration proceeding was stayed and the 'Stay' is still continuing. The last hearing in the NCLT was held on March 23, 2021 and the order upon insolvency of Unity Infraprojects is reserved. The order in arbitration proceedings shall be passed after the order of the NCLT.

III. Update on Information Technology Implementation Program

1. The Company has filed a claim of ₹29,17,48,342.96 plus interest and HCL has filed a counter claim of ₹146,98,02,403 plus interest under arbitration.
2. The filing of evidence, examination and cross examination of witnesses, oral arguments and written submission on behalf of both the Parties have been completed in the matter.
3. Currently the arbitration award is awaited from the Arbitration Tribunal.
4. Based on the arbitration award, the Company will make appropriate accounting adjustments, if required during the relevant FY in which the award is given.

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

The Company is in the export credit risk insurance business and is registered as a non-life insurance company with IRDAI. Aggregation of export credit risks is inherent in the nature of business. The Company has reviewed its Risk Management Policy to establish enterprise-wide information system and regulate the risk profile of the Company, through its internal risk management framework. As a part of risk management, the Company endeavours to obtain adequate reinsurance from reinsurers and support from the Government of India in addition to implementing exposure norms for prudential limits in all the lines of business. The Risk Management Committee of 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 industry and securities, in such a way that ensures liquidity risks are minimized with optimum return on the investment. It is monitored by the Investment Committee of the Board. The Company also follows the Board approved Asset Liability Management (ALM) policy. The ALM position is reported to the RMC of the Board on a quarterly basis. The Company has initiated action to improve its risk management functions further to make it dynamic with the help of external consultants.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Please refer to **Annexure IV**.

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

Nil

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH THE 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 the 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.

Form AOC-2 with particulars of contract/ arrangement entered into by the Company with the related party during the FY 2020-21 is given at **Annexure IX**.

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, 2021 and of the profit of the Company for the FY ended March 31, 2021;

(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, 2021, 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 and Department of Financial Services, Ministry of Finance; Ministry of External Affairs; Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India; Insurance Regulatory & Development Authority of India (IRDAI); the Comptroller & Auditor General of India; Reserve Bank of India; NITI Aayog and offices of the Indian Embassies and High Commission 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 FIEO, various Export Promotion Councils, Industrial Organisations, Chambers of Commerce, Trade Organisations and Insurance Brokers. 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: July 16, 2021

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of
The Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: U74999MH1957GOI010918
- ii) Registration Date: 30.07.1957
- iii) Name of the Company: ECGC Limited
- iv) Category/Sub-Category of the Company: Government Company/Public Limited
- v) Address of the Registered office and contact details: 10th Floor, Express Towers, Nariman Point, Mumbai - 400021.
- vi) Whether listed Company Yes / No: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the Company are: -

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	NON-LIFE INSURANCE	65120	100%

III. Particulars of holding, subsidiary and associate Companies

S. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	NA	NA	NA	NA	NA

IV. Shareholding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
A. Promoters									
(1) Indian	NA	NA	NA	NA	NA	NA	NA	NA	NA
a) Individual/HUF	NA	NA	NA	NA	NA	NA	NA	NA	NA
b) Central Govt. I) President of India II) Nominee of the President of India	NA	249999992 8	249999992 8	100	NA	318999992 8	318999992 8	100	0 0
c) State Govt(s)	NA	NA	NA	NA	NA	NA	NA	NA	NA
d) Bodies Corp.	NA	NA	NA	NA	NA	NA	NA	NA	NA
e) Banks / FI	NA	NA	NA	NA	NA	NA	NA	NA	NA
f) Any Other	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sub-total (A) (1):-	NA	250000000	250000000	100	NA	319000000	319000000	100	
(2) Foreign									
a) NRIs - Individuals	NA	NA	NA	NA	NA	NA	NA	NA	NA
b) Other Individuals	NA	NA	NA	NA	NA	NA	NA	NA	NA
c) Bodies Corp.	NA	NA	NA	NA	NA	NA	NA	NA	NA
d) Banks / FI	NA	NA	NA	NA	NA	NA	NA	NA	NA
e) Any Other	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sub-total (A) (2):-	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	NA	250000000	250000000	100	NA	319000000	319000000	100	0
B. Public Shareholding									
1. Institutions	NA	NA	NA	NA	NA	NA	NA	NA	NA
a) Mutual Funds	NA	NA	NA	NA	NA	NA	NA	NA	NA
b) Banks / FI	NA	NA	NA	NA	NA	NA	NA	NA	NA
c) Central Govt	NA	NA	NA	NA	NA	NA	NA	NA	NA
d) State Govt(s)	NA	NA	NA	NA	NA	NA	NA	NA	NA
e) Venture Capital Funds	NA	NA	NA	NA	NA	NA	NA	NA	NA
f) Insurance Companies	NA	NA	NA	NA	NA	NA	NA	NA	NA
g) FIs	NA	NA	NA	NA	NA	NA	NA	NA	NA
h) Foreign Venture Capital Funds	NA	NA	NA	NA	NA	NA	NA	NA	NA
i) Others (specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sub-total (B)(1):-	NA	NA	NA	NA	NA	NA	NA	NA	NA
2. Non-Institutions	NA	NA	NA	NA	NA	NA	NA	NA	NA
a) Bodies Corp.	NA	NA	NA	NA	NA	NA	NA	NA	NA
i) Indian	NA	NA	NA	NA	NA	NA	NA	NA	NA
ii) Overseas	NA	NA	NA	NA	NA	NA	NA	NA	NA
b) Individuals	NA	NA	NA	NA	NA	NA	NA	NA	NA
i) Individual shareholders holding nominal share capital up to ₹1 lakh	NA	NA	NA	NA	NA	NA	NA	NA	NA
ii) Individual	NA	NA	NA	NA	NA	NA	NA	NA	NA

shareholders holding nominal share capital in excess of ₹1 lakh									
c) Others (specify) Sub-total(B)(2):-	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total Public Shareholding (B)=(B)(1)+(B)(2)	NA	NA	NA	NA	NA	NA	NA	NA	NA
C. Shares held by Custodian for GDRs & ADRs	NA	NA	NA	NA	NA	NA	NA	NA	NA
Grand Total (A+B+C)	NA	250000000	250000000	100	NA	319000000	319000000	100	0

ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change In share holding during the year
1.	President of India	249999992	100	0	318999992	100	0	0
2.	Nominees of the President of India	8			8			
	Total	250000000	100	0	319000000	100	0	0

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	250000000	100	250000000	100

2.	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc.):			Additional Shares allotted during the year: (i) 15/05/2020 – 3,00,00,000 (ii) 21/08/2020 – 60,00,000 (iii) 23/09/2020 – 35,00,000 (iv) 24/11/2020 – 55,00,000 (v) 04/02/2021 – 2,40,00,000	
	At the end of the year			319000000	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	NA	NA	NA	NA
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NA	NA	NA	NA
	At the End of the year (or on the date of separation, if separated during the year)	NA	NA	NA	NA

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	NA	NA	NA	NA
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA

(Two shares are held by Shri Amitabh Kumar, JS and one share each is held by Shri M. Senthilnathan, CMD and Shri K. Rajaraman, AS - Director as nominees of the President of India.)

V. Indebtedness

Indebtedness of the Company including interest outstanding/ accrued but not due for payments

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

Change in Indebtedness during the financial year • Addition • Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager:

(₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri. M. Senthilnathan (Appointment as CMD w.e.f. 29/04/2020 Executive Director and Additional Charge of CMD from the period 01/11/2019 to 28/04/2020)	#Shri. Sunil Joshi (Appointment as Executive Director w.e.f. 09/07/2020)	#Smt. Padmavathy R. (Appointment as Executive Director w.e.f. 09/06/2020 and Ceased to be Executive Director w.e.f. 30/06/2020)	

1.	Gross salary (₹)				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,851,521	2,718,390	668,927	6,238,838
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	685,788	673,514	365,847	1,725,149
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-		-
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission - as % of profit -others, specify	-	-		-
5.	Others, please specify	-	-		-
	Total (A)	3,537,309	3,391,904	1,034,774	7,963,987
	Ceiling as per the Act	Not applicable to ECGC Limited as it is a wholly-owned Government Company			

Ceased to be KMP on appointment as a Director.

B. Remuneration to other Directors:

(₹)

S. No.	Particulars of Remuneration	Name of Directors	Total Amount
		Shri Sharad Kumar Saraf	
1.	Independent Directors Fee for attending board /committee meetings Commission	95,000	95,000

	Others, please specify		
	Total (1)	95,000	95,000
2.	Other Non-Executive Directors Fee for attending board /committee meetings Commission Others, please specify	-	-
	Total (2)	-	-
	Total(B) = (1+2)	95,000	95,000
	Total Managerial Remuneration	95,000	95,000
	Overall Ceiling as per the Act	Not applicable to ECGC Limited as it is a wholly-owned Government Company	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Key Managerial Personnel	Particulars of Remuneration						Total Amount (in ₹)	
		Gross Salary			Stock Option	Sweat Equity	Commission - as % of profit-other, specify		Others, please specify
		Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	Value of perquisites u/s 17(2) Income-Tax Act, 1961	Profits in lieu of salary u/s 17 (3) Income Tax Act, 1961					
1	Shri C.N.A. Anbarasan (Executive Director Operations w.e.f. 23/09/2020)	2,682,350.00	843,691.00		NIL	NIL	NIL	EL Encashment / Employer Contribution-NPS Current Year 114,541.36	3,640,582.36
2.	Shri P.L. Thakur, General Manager (Chief Underwriting Officer (ECIB-ST and MLT))	2,618,545.00	889,834.00					-	3,508,379.00
3.	Shri. Nirdosh Chopra, General Manager (Chief Finance Officer w.e.f. 21/05/2020, Chief Risk Officer w.e.f. 02/05/2019 & Transparency Officer)	2,411,434.00	914,089.00					-	3,325,523.00

4	Shri Sristiraj Ambastha General Manager (Chief of Internal Audit & Chief Vigilance Officer) w.e.f. 21/05/2020	2,330,516.00	618,150.00					-	2,948,666.00
5	Shri Ishnath Jha, General Manager (HRD) w.e.f. 21/05/2020	2,388,858.00	895,727.00					-	3,284,585.00
6	Shri Subir Kumar Das General Manager, (Chief Underwriting Officer (Policy)) 21/05/2020	2,305,192.00	821,710.00					-	3,126,902.00
7	Smt. Priscilla Sinha, Appointed Actuary w.e.f. 27/01/2020	8,543,280.00	-					-	8,543,280.00
8	Smt. Smita V. Pandit, Chief Compliance Officer w.e.f. 04/06/2013	2,307,516.00	567,875.00					-	2,875,391.00
9	Smt. Arpita Sen, Chief Investment Officer w.e.f. 26/11/2019	2,122,396.00	801,404.00					89,756.26	3,013,556.26
10	Shri Shivaji Narvekar, General Manager (Chief Marketing Officer) (from 29/09/2017 till 28/02/2021)	2,330,828.00	823,088.00					2,324,685.00	5,478,601.00

Note: Gross Salary and perquisites have been given for full year though the officer may be KMP for part of the financial year.

VII. Penalties/ Punishment/ Compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

M. Senthilnathan
Chairman-cum-Managing Director
DIN 07376766

Place: Mumbai

Date: July 16, 2021

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 plans, underwriting policies/procedures, prudent risk management policies/practices and accounting policies. All policies/procedures are framed conforming to legal and ethical responsibilities.

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, nine 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 qualify for their appointment as an Independent Director 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 2020-21 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 K. Rajaraman, IAS	B.Tech., M.B.A (Fin Mgt.), M.A (Economics)	08/08/2018	Non-Executive Part-Time Government Director (Ministry of Finance, GOI)
3.	Shri Amitabh Kumar, IRS	MBA, LL.B	20/11/2020	Non-Executive Part-Time Government Director (Ministry of Commerce & Industry, GOI)
*4.	Shri Shirish Chandra Murmu, Executive Director, RBI	M.Sc., CAIIB	10/01/2020	Non-Executive Part-Time Non- Government Director
*5.	Shri Devesh Srivastava, Chairman, GIC	M.Sc.(Physics), PGDBM	21/01/2020	Ex-Officio Non- Executive Part- Time Non- Government Director

6.	Shri Sunil Joshi, Executive Director (Policy Matters), ECGC Ltd.	M.Sc. (Physics)	09/07/2020	Functional Director (Whole-Time Director)
*7.	Shri Sharad Kumar Saraf, President, FIEO	Electronics Engineering from IIT Bombay	22/07/2019 (Ceased to be a Director w.e.f. 28/06/2021)	Ex-Officio Non-Executive Part-Time Non-Government Director
*8.	Shri David Paul Rasquinha, MD, Exim Bank	Post Graduate in Business Management	22/07/2019 (Ceased to be a Director w.e.f. 31/05/2021)	Ex-Officio Non-Executive Part-Time Non-Government Director
9.	Shri Bidyut Behari Swain, IAS	Master's Degrees in Arts (Political Studies) from Jawaharlal Nehru University and in Public Policy & Management from the Institute of Social Studies	20/04/2018 (Ceased to be a Director w.e.f. 04/11/2020)	Non- Executive Part- Time Government Director (Ministry of Commerce & Industry, GOI)
*10.	Shri Rajnish Kumar, Chairman, SBI	M.Sc. (Physics)	29/05/2019 (Ceased to be a Director w.e.f. 06/10/2020)	Non-Executive Part-Time Non-Government Director

11.	Smt. Padmavathy R., Executive Director (Policy Matters), ECGC Ltd.	B. Com., CAIIB (Part I)	09/06/2020 (Ceased to be a Director w.e.f. 30/06/2020)	Functional Director (Whole-Time Director)
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*** Non-Official (Independent) Directors**

BRIEF DESCRIPTION OF NEW DIRECTORS: -

1. Shri Amitabh Kumar-

Shri Amitabh Kumar is an Indian Revenue Service (C&IT) officer of 1992 batch. Prior to his appointment in the Ministry of Commerce and Industry since October, 2020, he has held several positions in the Ministry of Finance, Government of India where he was associated with formulation of Indirect tax policy and planning. He worked as a Joint Secretary in the GST Council Secretariat, New Delhi. He is presently looking after the Foreign Trade (South-Asia, SAARC, Iran) and SEZ/EOUs in the Department of Commerce.

Shri Kumar holds the degree of Master of Business Administration (MBA) from the Australian Graduate School of Entrepreneurship (AGSE), Swinburne University of Technology, Melbourne and L.L.B. from Delhi University. He is an alumnus of St. Stephen's College, Delhi.

He joined as a Director on the Board of the Company on November 20, 2020.

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 applicable guidelines of the

Department of Public Enterprises (DPE) and Insurance Regulatory and Development Authority of India (IRDAI). Relevant Disclosures are taken from the Director. The Management of the Company familiarises the new Director about 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 or organisations of repute like the National Insurance Academy, Insurance Regulatory and Development Authority of India (IRDAI), Standing Conference of Public Enterprises (SCOPE), Indian Institute of Corporate Affairs, Department of Public Enterprises etc.

All the 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 2020-21 as follows: -

S. No	DESIGNATION	NAME OF THE DIRECTOR	DETAILS OF TRAINING IMPARTED (SUBJECT AND DATE)
1.	Non-Official (Independent) Director	Shri Devesh Srivastava, Chairman-cum-Managing Director, GIC of India	Orientation Programme for Independent Directors of Insurance Companies conducted by IRDAI at National Insurance Academy, Pune from 19 – 21 August, 2020.

2.	Whole-Time Director	Shri Sunil Joshi, Executive Director (Policy Matters), ECGC Ltd.	Online Workshop on Board Governance for Directors, Independent Directors and KMPs by NAHRD – August 05, 2020.
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DETAILS OF THE MEETINGS OF THE BOARD OF DIRECTORS FOR FY 2020-21

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 or the relaxations granted by the Government of India on account of the COVID-19 pandemic. The Company sends notices, agenda and notes to agenda which are exhaustive in nature to all the Directors 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 desire. Five meetings were held during the FY 2020-21. Details of the meetings of the Board of Directors held during the FY 2020-21 are furnished below in **Table 2**:

Table 2

S. No.	Meeting Number	Date of the Meeting (DD/MM/YYYY)	Board Strength	No. of Directors present
1.	426	15/05/2020	8	7
2.	427	21/08/2020	9	6
3.	428	23/09/2020	9	6
4.	429	24/11/2020	8	7
5.	430	04/02/2021	8	7

DETAILS OF ATTENDANCE OF THE DIRECTORS AT THE BOARD MEETINGS, ANNUAL GENERAL MEETING AND THE NUMBER OF OTHER DIRECTORSHIPS HELD BY THEM AS OF MARCH 31, 2021 (Table 3)

Table 3

S. No.	Name of the Directors	No. of Meetings attended/ Total no. of Meetings held during his/her tenure	Attendance at the 62nd AGM held on November 24, 2020	No. of other Directorships held*
1.	Shri M. Senthilnathan	5/5	Yes	0
2.	Shri K. Rajaraman	2/5	No	1
3.	Shri Amitabh Kumar	2/2	No	1
4.	Shri Shirish Chandra Murmu	3/5	No	0
5.	Shri David Paul Rasquinha	4/5	Yes	0
6.	Shri Devesh Srivastava	4/5	No	4
7.	Shri Sharad Kumar Saraf	5/5	No	4
8.	Shri Sunil Joshi	4/4	Yes	0
9.	Shri Bidyut Behari Swain	2/3	NA	0
10.	Shri Rajnish Kumar	2/3	NA	3
11.	Smt. Padmavathy R.	0/0	NA	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. The Audit Committee of the Company has been re-constituted on 20/11/2020 during the FY 2020-21. As of 31/03/2021, the Audit Committee of the Company comprises of six Non-Executive Directors. Shri David Paul Rasquinha was appointed as the Chairman of the Audit Committee w.e.f. May 15, 2020. He ceased to be the Chairman and Member of the Committee on cessation of his Directorship in the Company w.e.f. May 31, 2021. The Audit Committee shall elect the Chairman during the meeting of the Committee until a Chairman is appointed by the Board of Directors. 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. total audit functions shall imply 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.

The Audit Committee met five times, on 15/05/2020, 21/08/2020, 22/09/2020, 23/11/2020 and 03/02/2021 during the FY 2020-21. The details of the attendance of the Members at the Audit Committee meetings are furnished below in **Table 4:**

Table 4

S. No.	Name of the Directors	Date of appointment as a Member (DD/MM/YYYY)	No. of Meetings attended/Total no. of Meetings held during his/her tenure
1.	Shri K. Rajaraman	08/08/2018	3/5
2.	Shri Amitabh Kumar	20/11/2020	1/2
3.	Shri Shirish Chandra Murmu	10/01/2020	4/5
4.	Shri Devesh Srivastava	21/01/2020	3/5
5.	Shri Sharad Kumar Saraf	22/07/2019 (Ceased to be a Member w.e.f. 28/06/2021)	3/5
6.	Shri David Paul Rasquinha	07/08/2019 (Ceased to be a Member w.e.f. 31/05/2021)	5/5
7.	Shri Bidyut Behari Swain	20/04/2018 (Ceased to be a Member w.e.f. 04/11/2020)	2/3

INVESTMENT COMMITTEE - COMPOSITION AND ATTENDANCE

The Investment Committee of the Company was re-constituted on 09/06/2020, 09/07/2020 and 20/11/2020 during the FY 2020-21. The Investment Committee met five times, on 15/05/2020, 21/08/2020, 23/09/2020, 24/11/2020 and 04/02/2021 during the FY 2020-21. The details of the attendance of the Members of the Investment Committee Meetings are furnished below in **Table 5**:

Table 5

S. No.	Name of the Directors/ Members	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	11/02/2016	5/5
2.	Shri K. Rajaraman	08/08/2018	3/5
3.	Shri Amitabh Kumar	20/11/2020	2/2
4.	Shri Shirish Chandra Murmu	10/01/2020	3/5
5.	Shri Devesh Srivastava	21/01/2020	4/5
6.	Shri Sunil Joshi	09/07/2020	4/4
7.	Shri Nirdosh Chopra	As CRO w.e.f. 02/05/2019, as CRO and CFO w.e.f. 21/05/2020	4/5
8.	Smt. Priscilla Sinha	As Appointed Actuary w.e.f. 27/01/2020	4/5
9.	Smt. Arpita Sen	As CIO w.e.f.26/11/2019	5/5
10.	Shri David Paul Rasquinha	07/08/2019 (Ceased to be a Member w.e.f. 31/05/2021)	4/5

11.	Shri Bidyut Behari Swain	20/04/2018 (Ceased to be a Member w.e.f. 04/11/2020)	2/3
12.	Smt. Padmavathy R.	09/06/2020 (Ceased to be a Member w.e.f. 30/06/2020)	0/0
13.	Shri Ishnath Jha	08/05/2019 (Ceased to be a Member w.e.f. 21/05/2020)	1/1

CRO – Chief Risk Officer, CFO – Chief Financial Officer, CIO – Chief Investment Officer, AA – Appointed Actuary

POLICYHOLDERS’ INTERESTS PROTECTION COMMITTEE - COMPOSITION AND ATTENDANCE

The Policyholders’ Interests Protection Committee of the Company was re-constituted on 09/06/2020, 09/07/2020 and 20/11/2020 during the FY 2020-21. The Policyholders’ Interests Protection Committee met five times, on 15/05/2020, 21/08/2020, 23/09/2020, 24/11/2020 and 03/02/2021 during the FY 2020-21. The details of the attendance of the Members at the Policyholders’ Interests Protection Committee Meetings are furnished below in **Table 6**:

Table 6

S. No.	Name of the Directors	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	13/04/2016	5/5
2.	Shri Amitabh Kumar	20/11/2020	1/2
3.	Shri Shirish Chandra Murmu	10/01/2020	3/5
4.	Shri Devesh Srivastava	21/01/2020	4/5
5.	Shri Sharad Kumar Saraf	22/07/2019 (Ceased to be a Member w.e.f. 28/06/2021)	3/5
6.	Shri Sunil Joshi	09/07/2020	4/4
7.	Shri David Paul Rasquinha	07/08/2019 (Ceased to be a Member w.e.f. 31/05/2021)	5/5
8.	Shri Bidyut Behari Swain	20/04/2018 (Ceased to be a Member w.e.f. 04/11/2020)	2/3
9.	Smt. Padmavathy R.	09/06/2020 (Ceased to be a Member w.e.f. 30/06/2020)	0/0

RISK MANAGEMENT COMMITTEE – COMPOSITION AND ATTENDANCE

The Risk Management Committee of the Company was re-constituted on 09/06/2020, 09/07/2020 and 20/11/2020 during the FY 2020-21. The Risk Management Committee met five times, on 15/05/2020, 21/08/2020, 23/09/2020, 24/11/2020 and 04/02/2021 during the FY 2020-21. The details of the attendance of the Members at Risk Management Committee Meetings are furnished below in **Table 7**:

Table 7

S. No.	Name of the Directors	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	13/04/2016	5/5
2.	Shri K. Rajaraman	08/08/2018	3/5
3.	Shri Amitabh Kumar	20/11/2020	2/2
4.	Shri Shirish Chandra Murmu	10/01/2020	3/5
5.	Shri Devesh Srivastava	21/01/2020	4/5
6.	Shri Sunil Joshi	09/07/2020	4/4
7.	Shri David Paul Rasquinha	07/08/2019 (Ceased to be a Member w.e.f. 31/05/2021)	5/5
8.	Shri Bidyut Behari Swain	20/04/2018 (Ceased to be a Member w.e.f. 04/11/2020)	2/3

9.	Smt. Padmavathy R.	09/06/2020 (Ceased to be a Member w.e.f. 30/06/2020)	0/0
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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 and it was re-constituted on 09/06/2020, 09/07/2020 and 20/11/2020 during the FY 2020-21. No meeting of the NRC was held during the FY 2020-21. The details of the Members of the NRC are furnished below in **Table 8**.

Table 8

S. No.	Name of the Director	Date of appointment as Member (DD/MM/YYYY)
1.	Shri Amitabh Kumar	20/11/2020
2.	Shri Shirish Chandra Murmu	10/01/2020
3.	Shri Devesh Srivastava	21/01/2020
4.	Shri Sharad Kumar Saraf	22/07/2019 (Ceased to be a Member w.e.f. 28/06/2021)
5.	Shri Sunil Joshi	09/07/2020
6.	Shri David Paul Rasquinha	07/08/2019 (Ceased to be a Member w.e.f. 31/05/2021)
7.	Shri Bidyut Behari Swain	20/04/2018 (Ceased to be a Member w.e.f. 04/11/2020)

8.	Smt. Padmavathy R.	09/06/2020 (Ceased to be a Member w.e.f. 30/06/2020)
9.	Shri M. Senthilnathan	13/04/2016 (Ceased to be a Member w.e.f. 29/04/2020)

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 ROC including informing IRDAI. Remuneration of the Whole Time Directors is fixed by the GOI.

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 (presently the Company is paying ₹10,000 per Board Meeting and ₹5000 for each Committee Meeting per Member). The Company has not paid any commission to its Directors. The Company has not issued any stock options to its Directors. None of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the FY 2020-21 except the transaction made by the Company with Shanti Seva Nidhi(SSN) (Trust) for sponsoring seven students for Diploma in Mechanical Engineering course under the Corporate Social Responsibility

(CSR) activity of the Company, which has been approved by the Board of Directors as recommended by the Audit Committee. The Pay Scales and allowances of Officers and Staff of ECGC Ltd. are approved by the GOI.

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

A Committee on CSR & SD of the Company has been constituted for monitoring the Company's CSR & SD Projects/Activities. It was re-constituted on 09/06/2020, 09/07/2020 and 20/11/2020 during the FY 2020-21. Shri M. Senthilnathan, CMD was appointed as the Chairman of the Committee w.e.f. April 29, 2020 after holding the Chairmanship of the Committee while holding the Additional Charge of CMD of the Company from 01/11/2019 to 28/04/2020.

The Committee on CSR & SD met five times, on 15/05/2020, 21/08/2020, 23/09/2020, 24/11/2020 and 03/02/2021 during the FY 2020-21. The details of the attendance of the Members at the Meetings of the Committee on CSR & SD are furnished below in **Table 9**.

Table 9

S. No.	Name of the Director	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	13/04/2016	5/5
2.	Shri Amitabh Kumar	20/11/2020	1/2
3.	Shri Shirish Chandra Murmu	10/01/2020	3/5
4.	Shri Devesh Srivastava	21/01/2020	4/5

5.	Shri Sharad Kumar Saraf	22/07/2019 (Ceased to be a Member w.e.f. 28/06/2021)	3/5
6.	Shri Sunil Joshi	09/07/2020	4/4
7.	Shri David Paul Rasquinha	07/08/2019 (Ceased to be a Member w.e.f. 31/05/2021)	4/5
8.	Shri Bidyut Behari Swain	20/04/2018 (Ceased to be a Member w.e.f. 04/11/2020)	2/3
9.	Smt. Padmavathy R.	09/06/2020 (Ceased to be a Member w.e.f. 30/06/2020)	0/0

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 05, 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. In our case such evaluation is done through the annual Memorandum of Understanding (MOU) with the Department of Public Enterprises (DPE) with marks/ weightage for financial and non-financial targets. Our Productivity-Linked Lumpsum Incentive (PLLI) is based on marks/ grade obtained in such evaluation by the respective Ministry.

The DPE vide OM dated June 20, 2013 has withdrawn review of the performance of the Chairperson of the Company from the purview of separate meeting of Independent Directors. MCA vide circular dated July 05, 2017 has 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 2020-21, the Independent Directors met on November 23, 2020 as per the requirement of DPE guidelines (Office Memorandum dated June 20, 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 10**:

Table 10

S. No.	Financial Year	No. of AGM	Date & Time	Venue	No. of Special Resolutions passed, if any
1	2017-18	60	July 17, 2018 1400 Hrs	Udyog Bhawan, New Delhi	NIL
2	2018-19	EGM	December 07, 2018 1500 Hrs	Udyog Bhawan, New Delhi	10
3	2018-19	61	August 26, 2019 1500 Hrs	Udyog Bhawan, New Delhi	NIL
4	2019-20	62	November 24, 2020 1500 Hrs. (virtual mode)	Registered Office, Mumbai	NIL

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. One transaction made with the Shanti Seva Nidhi (SSN) (Trust) to sponsor seven students for Diploma in Mechanical Engineering course at a cost of ₹34.72 lakh was approved by the Board of Directors. On May 15, 2020 the Board adopted the revised policy on RPT 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 as part of the CSR activity of the Company:

Name of the Activity	Name of the Firm	Interested Director
Sponsoring seven students for Diploma in Mechanical Engineering	Shanti Seva Nidhi (SSN) (Trust)	Shri Sharad Kumar Saraf

The Company has laid down procedures to inform Board Members 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 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.

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:

1. 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 ten only), for non-payment of stamp duty of ₹7,20,500 payable on the construction contract agreement entered with the 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 August 09, 2016 issued by the Regional Provident Fund Commissioner-I and further order dated November 18, 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 April 10, 2017 was issued to the Company by the Asst. PF Commissioner, EPFO u/s.7Q under 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. The hearing was concluded on June 07, 2019 and the orders are reserved.

3. Employees Deposit Linked Insurance Scheme 1976 - APFC, EPFO has issued three notices dated March 12, 2019 (which also includes the interest and Penalty towards Summons dated April 10, 2017) Under Section 14B of the Act (and order of payment of Interest under Section 7Q) for delay in remittances made during the following period were issued to the Company:

(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; and

(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 the APFC, EPFO was conducted on June 07, 2019 in which a detailed submission was made. The hearing was concluded on June 07, 2019 and the orders are reserved.

PLACING OF AUDITED ACCOUNTS BEFORE THE PARLIAMENT

The audited accounts for the FY 2019-20 of the Company were tabled before both the Houses of Parliament on March 10, 2021, 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 63rd Annual General Meeting is scheduled to be held at 1600 hrs. on November 18, 2021 in New Delhi.*
- (b) Shareholding Pattern as of March 31, 2021: The Company is fully owned by the Government of India. The President of India holds the entire lot of 31,90,00,000 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, Express Towers, 10th Floor, Nariman Point, Mumbai-400021. [Email: cs@ecgc.in](mailto: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 V** 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: July 16, 2021

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, 2021.

M. Senthilnathan
Chairman-cum-Managing Director
DIN 07376766

Place: Mumbai
Date: July 16, 2021

CERTIFICATE OF COMPLIANCE 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: July 16, 2021

FORMING PART OF CORPORATE GOVERNANCE

R.S. PADIA & ASSOCIATES
COMPANY SECRETARIES

CORPORATE GOVERNANCE CERTIFICATE FOR F.Y. 2020-21

To,
The Members
ECGC Limited,
10th Floor, Express Towers,
Nariman Point,
Mumbai – 400021.

1. I 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 2020-21. The Company is a Government of India Enterprise with full equity participation from Government of India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. My 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.
3. On the basis of my examination of the records produced and the explanations and information furnished, I 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 2021.
4. I 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: 08.07.2021
UDIN: F006804C000597174

For R.S. Padia & Associates
Company Secretaries

Rajshree
Swadhin Padia

Digitally signed by
Rajshree Swadhin Padia
Date: 2021.07.08
23:54:19 +05'30'

CS Rajshree Padia
FCS: 6804. COP: 7488

Address: B1, 601, Greenland CHSL, J B Nagar, Andheri East, Mumbai - 400059.
Email: rajshreecs@hotmail.com. (M): 9819164904

A Lakhotia & Co.
(Formerly Abhishek Lakhotia & Co.)
Practicing Company Secretary
(A Peer Reviewed Firm)

202, 2nd Floor, Hallmark Business Centre,
LBS Road, Mulund, Mumbai, Maharashtra-80.
Tel: +91 22 2593 3179 HP : +91 96198 66999
Email: info@alandco.in,
web: www.alandco.in

Form MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ECGC LIMITED
Express Towers, 10th Floor, Nariman point,
Mumbai 400021

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ECGC LIMITED** (hereinafter called "the Company") bearing CIN: U74999MH1957GOI010918. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021** ('Audit Period') has 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provision of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**not applicable as the Company is unlisted**);
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



A Lakhota & Co.
Practicing Company Secretary

- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(not applicable);**
- 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(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)**
- vi. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliance under other applicable Acts, Laws and Regulations to the Company.

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

- a) Insurance Act 1938 and Insurance (Amendment) Act, 2015;
- b) IRDA Act, 1999 and Rules made thereunder;
- c) Department of Public Enterprises (DPE) Guidelines, 2010;
- d) The Sexual Harassment of Woman at Workplace Act, 2013.



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered by the Company with Stock Exchanges (**Not applicable to the Company**).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except the following:

1. *Non-compliance with DPE Guidelines regarding Directors Training;*
2. *Non-compliance with sub-section (1) of section 149 of the Companies Act, 2013 with respect to appointment of Women Director from 15th May, 2020 till 08th June, 2020 and from 01st October, 2020 till date.*

I 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 except appointment of Woman Director from 15th May, 2020 till 08th June, 2020 and from 01st October, 2020 till date. All Directors on the Board of ECGC Ltd. are appointed by order of the President of India.

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 the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in certain events at shorter notice 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 unanimous resolution while the dissenting members' views are captured and recorded as part of the Minutes.

Based on the representation and explanation given to me, I 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 & guidelines.

I further report that during the reporting period, following changes took place in the Management of the Company:

1. Appointment of Shri M. Senthilnathan as the Chairman-cum-Managing Director with effect from 29th April, 2020;
2. Appointment of Smt. Padmavathy R. as Whole-Time Director with effect from 09th June, 2020;



A Lakhotia & Co.
Practicing Company Secretary

3. Appointment of Shri Nirdosh Chopra as General Manager, Chief Financial Officer (CFO) and Chief Risk Officer (CRO) with effect from 21st May, 2020;
4. Cessation of Shri Ishnath Jha as Chief Financial Officer (CFO) with effect from 21st May, 2020;
5. Cessation of directorship of Smt. Padmavathy R. as Whole-Time Director with effect from 30th June, 2020;
6. Appointment of Shri Sunil Kumar Joshi as Whole-Time Director with effect from 09th July, 2020;
7. Change in designation of Shri C.N.A. Anbarasan from General Manager to Executive Director (Operations) with effect from 23rd September, 2020;
8. Cessation of directorship of Shri Rajnish Kumar, Chairman, State Bank of India, as Non-Executive Part-Time Director with effect from 06th October, 2020;
9. Cessation of directorship of Shri Bidyut Behari Swain, Special Secretary, Department of Commerce, Ministry of Commerce & Industry, as Non-Executive Part Time Government Director with effect from 04th November, 2020;
10. Appointment of Shri Amitabh Kumar, Joint Secretary, Department of Commerce, Ministry of Commerce & Industry as Non-Executive Part Time Government Director of the Company with effect from 20th November, 2020.

Date: 09/06/2021
Place: Mumbai



For, A Lakhotia & Co.
(formerly known as
Abhishek Lakhotia & Co.)

Abhishek Lakhotia

Abhishek Kumar Lakhotia
M No. : 9082
C.P No: 10547
UC No: S2011MH170500
P.R No: 594/2019
UDIN: F009082C000436861

Note: This report is to be read with my Annexure 'A' of even date which are annexed and forms an integral part of this report.

A Lakhota & Co.
Practicing Company Secretary

'ANNEXURE - A'

My Secretarial Audit Report of even date is to be read along with this letter:

Management Responsibility:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

Auditors Responsibility:

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and other legal compliances as declared by the Company. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer :

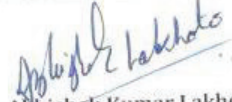
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



Date: 03/06/2021
Place: Mumbai

For, A Lakhota & Co.
(formerly known as
Abhishek Lakhota & Co.)


Abhishek Kumar Lakhota
M No. : 9082
C.P No: 10547
UC No: S2011MH170500
P.R No: 594/2019
UDIN: F009082C000436861

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 PROPOSED TO BE 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 ₹3.78 crore was spent on CSR Activities of the Company during FY 2020-21.

The Company made a commitment of ₹300 lakh for FY 2020-21 for Aspirational District, Rajgarh, Madhya Pradesh and approved proposals viz. providing furniture in primary/secondary government schools, nutrition programme for Operation Bhavisiya for 2457 Anganwadi Centers being operated by the Women and Child Development Department, Distt. Rajgarh and proposal for Health – Kayakalp District Hospital, Rajgarh. 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). 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 satisfy 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. Four projects viz. Awareness and Screening for detection and prevention of breast and cervical cancer, Malnutrition prevention and

control program at Worli (Mumbai), Malnutrition prevention and control program at Anna Bhau Sathe Nagar (Mumbai), Maternal and child health and nutrition at Mahul Village (Mumbai) were undertaken through implementing agency, Concern India Foundation during FY 2020-21. The Company continued to support projects on skill development, training of deaf youth in hospitality and retail trade, implemented by Development Education Empowerment of Disadvantage in Society (DEEDS) in Mumbai. The Company supported the projects, Mobile Medicare Unit in Odisha and Medical activities in North East through Vivekananda Kendra during the year. The Company along with the implementing partner SUADHA (Social Upliftment and Development of Human), constructed toilets/bathrooms in tribal school in Murbad Taluka, Thane District in Maharashtra under Swachhta Action Plan. Company, along with the implementing partner Shree Aastha Mahila Bachat Gat constructed “Smart Vermi Compost System Plant” at the campus of the SNTD Women University, Mumbai under the Swachhta Action Plan. The Company supported with the medicines and consumables to the Bhaktivendanta Hospital & Research Institute, Mira Road, Thane District through Sri Chaitanya Seva Trust. This hospital provides services to rural and tribal areas of Thane and Palghar districts. Further, the Company gave support to Help-Home for the Aged & Homeless at Madurai through Rojavanam Trust, Madurai. The Company also supported seven students for their education in Diploma in Mechanical Engineering for three years through NGO, Shanti Seva Nidhi’s proposal received through Techonocraft Industries (India) Ltd., Mumbai. A proposal of Anirudda Academy of Disaster Management in tribal belt of Mokhada for Rehabilitation Project, Maharashtra was approved by the Company during FY 2020-21. Further, a contribution of ₹0.49 crore was made to the Swachh Bharat Kosh in support of the Swachh Bharat Abhiyan during the year.

1. Brief outline on CSR Policy of the Company:
 - i. 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	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	13/04/2016	5/5
2.	Shri Amitabh Kumar	20/11/2020	1/2
3.	Shri Shirish Chandra Murmu	10/01/2020	3/5
4.	Shri Devesh Srivastava	21/01/2020	4/5
5.	Shri Sunil Joshi	09/07/2020	4/4
6.	Shri Sharad Kumar Saraf	22/07/2019 (Ceased to be a Member w.e.f. 28/06/2021)	3/5

7.	Shri David Paul Rasquinha	07/08/2019 (Ceased to be a Member w.e.f. 31/05/2021)	4/5
8.	Shri Bidyut Behari Swain	20/04/2018 (Ceased to be a Member w.e.f. 04/11/2020)	2/3
9.	Smt. Padmavathy R.	09/06/2020 (Ceased to be a Member w.e.f. 30/06/2020)	0/0

3. 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):

Not Applicable

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 available for set-off from preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NIL	NIL

6. Average net profit of the Company: ₹281.39 crore
7. (a) Two percent of average net profit of the company:
₹5.62 crore, Budget allotted for CSR ₹7 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):
₹7 crore

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

Total amount spent for the Financial Year (in ₹)	Amount unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account		Amount Transferred to any fund specified under Schedule VII		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
694.41 lakh	270.98 lakh	30/04/2021	Swachh Bharat Kosh	49.11 lakh	10/06/2021

- (b) Details of CSR amount spent against ongoing projects for the financial year:
Refer Appendix.
- (c) Details of CSR amount spent against other than ongoing projects for the financial year:
Refer Appendix.
- (d) Amount spent in Administrative overheads **₹5.38 lakh**
- (e) Amount spent on Impact Assessment, if applicable: **NIL**
- (f) Total amount spent for the Financial Year **₹700 lakh**
- (g) Excess amount for set off, if any

S. No.	Particular	Amount in ₹
(i)	Total percent of average net profit of the Company	₹5.62 crore (budget allotted for CSR ₹7 crore)
(ii)	Total amount spent for the financial year	₹7 crore
(iii)	Excess amount spent for the financial year	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s): (₹Lakh)

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.	Status of the project (completed/on-going)
1	Educa tion	SOS Children village	2019-20	One year	3.89	3.89	12.96	Completed.
2	Educa tion	Vivekanand Kendra – Mobile Library cum audio visual	2019-20	One year	3.06	1.92	1.92	Completed. (balance amount transferred to PM CARES fund)
3	Educa tion and health	Vivekanand Kendra – Anandalaya-Odisha	2019-20	One year	9.40	4.44	4.44	Completed (balance amount transferred to PM CARES fund)
4	Health	Akshya Patra – distribution of meal	2019-20	One year	1.30	1.30	1.30	Completed.

5	Health	Vanvasi Kalyan Ashram- distribution of medicines	2018-19	One year	20.00	4.88	20.00	Completed.
6	Educa tion	Concern India foundation -	2018-19	One year	0.40	0	25.00	Completed. (balance amount transferred to PM CARES fund)
		Total			23.29	16.43		

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): **Not applicable**

(M. Senthilnathan)

CMD & Chairman of the CSR Committee

(Nirdosh Chopra)

Chief Financial Officer

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: July 16, 2021

Appendix to Annexure IV

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

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

S. No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area	Location of the projects		Project Duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135 (6)	Mode of implementation - Direct (Yes/ No)	Mode of implementation through implementing agency	
				State	District						Name	CSR registration no.
1	Commitment of previous year approved by Board.	Health and Education	No	Project - Odisha, Assam and Arunachal Pradesh	Sambalpur, Tinsukia, Varanasi	One year	47.03	18.72	12.65	No	Vivekanand Kendra and Sankalp	Applied for
2	Rajgarh - Aspirational District - Providing physical facilities - furniture to Government Primary and Secondary Schools	Education	No	Project - Madhya Pradesh	Rajgarh	One year	300.00	147.30	152.70	No	District collector' office	Ongoing
3	Supply of medicines to the Hospital	Health	No	Project - Maharashtra	Palghar	One year	9.60	4.80	4.80	No	Sri Chaitanya Seva Trust	Applied for
4	Medical activities - North East	Health	No	Project - North East	Various districts of North East States	One year	20.90	8.36	12.54	No	Vivekanand Kendra	Applied for
5	Mobile Medicare Unit- provide free primary medical assistance	Health	No	Project - Odisha	Sambalpur	One year	16.14	6.46	9.68	No	Vivekanand Kendra	Applied for
6	Awareness and Screening for early detection and prevention of Breast and Cervical Cancer, Worli	Health	Yes	Project - Maharashtra	Mumbai	One year	19.69	10.58	9.11	No	Concern India Foundation	CSR00000898
6	Mainutrition Prevention and Control Program, Worli	Health	Yes	Project - Maharashtra	Mumbai	One year	18.38	10.00	8.38	No	Concern India Foundation	CSR00000898

7	Malnutrition Prevention and Control Program, Chembur	Health	Yes	Project - Maharashtra	Mumbai	One year	10.41	5.20	5.21	No	Concern India Foundation	CSR00000898
8	Maternal and child health and Nutrition, Mahul Village, Chembur	Health	Yes	Project - Maharashtra	Mumbai	One year	20.59	11.00	9.59	No	Concern India Foundation	CSR00000898
9	Disaster Management towards Mokhada Rehabilitation project	Nutrition	Yes	Project - Maharashtra	Mokhada Village	One year	26.59	9.25	17.34	No	Anirudda Academy of Disaster Management	Applied for
11	Home for Aged and Homeless	Healthcare	No	Project - Tamil Nadu	Madurai	One year	17.60	10.56	7.04	No	Rojavanam Trust	Applied for
12	Providing diploma in Mechanical Engineering to 10th Passed rural students	Education	No	Project - Maharashtra	Palghar	Three years	34.72	12.78	21.94	No	Shanti Seva Nidhi	Applied for
					TOTAL		541.65	255.01	270.98			

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

S. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	location of the project		Amount spent for the project	Mode of implementation Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR No.
1	Training to deaf youth on hospitality and retail industry	Education	Yes	Maharashtra	Mumbai	10	No	Development Education Empowerment of Disadvantaged in Society	CSR00000703
2	Erection of Smart Vermi Compost Plant	Swachh Action Plan	Yes	Maharashtra	Mumbai	11.7	o	SNDT Women's University/ Shree Aastha Mahila Bachat Gat	Applied for

3	Construction of 8 toilets at Raja Harischandra School (tribal school)	Health	No	Maharashtra	Thane	9.07	No	Social Upliftment and Development of Human	Applied for
4	M power library and study centre	Education	Yes	Maharashtra	Mumbai	68.69	No	Tata Information for Social Science	Applied for
5	PAN India Insurance Awareness Campaign initiated by GI council	Education	No	All over India	NA	5	No	GI Council	Completed projects
6	Family like care program	Health and education	No	Assam	Guwahati	3.89	No	SOS children	Applied for
7	Mid day meal to children	Health	No	Silvasa	Silvasa	1.31	No	The Akshya Patra	Applied for
8	Supply of medicines to tribal area	Health	No	Maharashtra	Pune	4.87	No	Vanvasi Kalyan Ashram	Applied for
9	Swachhta Action Plan	Health	No	All over India		4.99	Yes	Through Branch Offices of ECGC	NA
						119.52			

(M. Senthilnathan)

CEO & Chairman of the CSR Committee

DIN 07376766

Place: Mumbai

Date: July 16, 2021

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY AND TRADE

The COVID-19 pandemic has caused a worldwide recession, contracting the global economy by 4.3 per cent in 2020. While the pandemic-induced crisis has led to a severe loss of life, economies faced financial stress due to surge in debt levels, supply chain disruptions, and fall in global demand and investment. Although global economic activity is picking up again, it is not likely to return to pre-pandemic levels in the foreseeable future.

The GDP growth rate of Advanced Economies (AEs) slowed markedly from 1.6 per cent in 2019 to -5.4 per cent in 2020. The growth rate for the USA reduced from 2.2 per cent in the previous year to -3.6 per cent in 2020. In the Euro area, a resurgence of the COVID-19 decelerated the emerging rebound in the economic activity and the growth rate contracted to 7.4 per cent as compared to 1.3 per cent growth in 2019.

As a result of the health and economic crisis triggered by the COVID-19, the output in the Emerging and Developing Economies (EMDEs) fell by 2.6 per cent in 2020. The pandemic has also caused per capita incomes to fall in more than 90 per cent of the EMDEs. The economies that suffered the most were those with a heavy reliance on tourism and services, and those that faced decline in industrial-commodity exports due to anemic external demand. Also, the pandemic exacerbated the debt-related risks in EMDEs due to the unprecedented fiscal support implemented by the government and private sectors.

The impact of COVID-19 was even more immediate on international trade as most of the major economies started recording negative trends early last year. In 2020, the growth in the volume of world merchandise trade fell by 5.3 per cent from 0.2 per cent, the previous year. Asia was the only region where the export volume was up by 0.3 per cent. A 35 per cent fall in the oil prices further weighed down the export revenues and thus the import demand for regions including Africa (-8.8%), the Middle East (-11.3%) and South America (-9.3%).

Overall, world trade recorded a drop in value of about 9 per cent in 2020. In dollar terms, goods trade declined by more than 7 per cent. The services trade also remained depressed with a 20 per cent fall. In 2020, world merchandise exports was valued at US\$17.6 trillion, which was down by 8 per cent compared to the previous year. The value of commercial services export was close to US\$ 5 trillion, as against US\$ 6.1 trillion the preceding year. The primary reason for tumbling of services exports was attributed to the global travel restrictions due to which travel services were down 63 per cent in 2020. Collectively, import of goods and services was figured at US\$ 22.5 trillion which exhibited a year-on-year fall of 10 per cent.

Due to robust monetary and fiscal policies exercised by many governments, trade and growth underwent smaller than expected contractions. These policies helped prevent a bigger drop in global demand, which might have reduced trade further.

OUTLOOK

The global economy is expected to expand by 4 per cent in 2021 although the COVID-19 pandemic continues to pose the greatest threat to the outlook. The growth is expected to strengthen following improved management of the pandemic and ongoing vaccination which is likely to limit the community spread of the COVID-19 in many countries.

AEs and EMDEs are envisioned to grow at 3.3 per cent and 5 per cent respectively in 2021 with growth moderating to 3.5 per cent and 4.2 per cent respectively in 2022. The improvement in EMDEs largely reflects China's expected rebound by 7.9 per cent in 2021, firming external demand and proper pandemic management. Among the EMDEs, the East Asia and Pacific is projected to expand 7.4 per cent followed by the Latin America and the Caribbean at 3.7 per cent. The regional economic activity in South Asia is likely to grow by 3.3 per cent in 2021 buoyed by the growth prospects of the Indian economy at 5.4 per cent.

The volume of world merchandise trade is expected to increase by 8 per cent in 2021, thus ensuring a V-shaped recovery. Trade demand will be driven by imports from North America, largely due to fiscal stimulus, which

will kindle trade recovery in other economies. Exports from Asia, foreseen to grow by 8.4 per cent, will meet much of the global import demand.

The pandemic's lasting effects will continue to weigh on production, consumption and investment. Effective containment measures and decisive policy action are going to be essential to deal with the far-reaching damage from the COVID-19. Policy measures including those that safeguard health and education, prioritize investment in digital technologies, improve governance, and enhance debt transparency will be the key. Global cooperation is going to be essential for supporting vulnerable populations and achieving a sustainable and inclusive recovery.

INDIAN EXPORTS

During the financial year 2020-21, India's overall exports (Merchandise and Services) stood at US \$ 496.08 billion (₹36,73,928 crore), exhibiting a negative growth of (-) 6 per cent over the total exports of US \$ 527.84 billion (₹37,40,881 crore) in FY 2019-20. Overall imports during this period were US \$ 512.05 billion (₹37,87,888 crore), reflecting a negative growth of (-) 15.4 per cent over the same period last year.

India's merchandise exports for the financial year 2020-21 was US \$ 290.81 billion (₹21,51,771 crore) as against US \$ 313.23 billion (₹22,18,942 crore) over the same period last year, registering a negative growth of (-) 7.7 per cent in dollar terms and (-) 3.02 per cent in rupee terms.

The total value of merchandise imports for the period April 2020 - March 2021 was US \$ 393.60 billion (₹29,09,827 crore), as against US \$ 473.99 billion (₹33,55,725 crore) during the same period previous year. This reflected a negative growth of (-) 16.9 per cent and (-) 13.28 per cent in Dollar and Rupee terms respectively.

Taking merchandise and services together, overall trade deficit for the period April 2020 – March 2021 was US \$ 15.97 billion (₹1,13,961 crore) as compared to the deficit of US \$ 77.7 billion (₹5,47,825 crore) in the corresponding period last year.

OVERVIEW OF COMPANY'S OPERATIONS

SHORT-TERM EXPORT CREDIT INSURANCE POLICIES

The number of distinct exporters availing the Company's cover for export receivables (Short-Term Export Credit Insurance Policies – ST-Policy) was 7372 as of March 31, 2021 as against 7843 as of March 31, 2020. During the Financial Year (FY) 2020-21, the total number of Short-Term (ST) Export Credit Insurance Policies issued and renewed was 12391 as against 12673 issued during the previous FY 2019-20. The number of ST-Policies in force as of March 31, 2021 was 11280 with a total Maximum Liability (ML) of ₹46,073.08 crore as against 11598 policies in force with a total ML of ₹43,432.40 crore as of March 31, 2020, showing a negative growth of 2.74% in the number of policies in force and positive growth of 6.08% in the total ML in force. The total number of fresh policies issued during the year was 4475 out of which 1145 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 97.95% as of March 31, 2021 as against 98.20% as of March 31, 2020.

Declaration-based policies viz. Shipment (Comprehensive Risks) (SCR) Policies, Export Turnover Policies (ETP), Services Policies, Small Exporters Policies (SEP), Buyer Wise Policies, Consignment Policies etc. continued to maintain a larger share at 52.40% of the policies in force as at the end of FY 2020-21. The total number of declaration-based policies in force as of March 31, 2021 was 5911 with an aggregate ML of ₹29,100 crore as against 6354 with an aggregate ML of ₹29,020 crore as of March 31, 2020 while the declaration-based policies in force declined by 7% in number, the aggregate ML remained around the same level. The number of shipments declared was 3,47,195 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 47.60%

of the policies in force as at the end of FY 2020-21. The total number of exposure-based policies in force as of March 31, 2021 viz. MBEP, SBEP, MITES, SITES etc. was 5369 with an aggregate ML of ₹16,973 crore as against 5244 with an aggregate ML of ₹14,413 crore as of March 31, 2020, reflecting a growth of more than 2% in number and more than 17% in aggregate ML.

Total business covered under the ST-Policies during the FY 2020-21 was ₹2,41,934.18 crore, as against ₹2,15,021.77 crore during the previous year, thereby registering a growth of 12.52%. The premium income under ST-Policies was ₹427.45 crore during the FY 2020-21 as against ₹403.24 crore in the previous FY, registering a growth of 6%. The total number of claims paid under ST-Policies during FY 2020-21 was 573 amounting to ₹284.87 crore as against 463 claims amounting to ₹147.02 crore during the previous FY 2019-20. In terms of value, the claims paid under ST-Policies during FY 2020-21 is the highest in a FY since the inception of the Company.

Recovery under ST-Policy was ₹9.93 crore during the FY 2020-21 as against ₹10.21 crore during the previous year, reflecting negative growth of 2.74%.

CUSTOMER-SPECIFIC COVERS

The Company had, with the approval of Insurance Regulatory and Development Authority of India (IRDAI), introduced Customer-Specific Covers (CSC) which are tailor-made to suit specific requirements of the 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 to be the base policy.

During the FY 2020-21, 426 customized policies were issued/renewed with a total Maximum Liability/ Aggregate Loss Limit (ML/ALL) of ₹10,694.50 crore as against 272 customized policies issued with a total Maximum Liability/ Aggregate Loss Limit (ML/ALL) of ₹6,666.19 crore

during the previous year. As of March 31, 2021, 176 CSC policies were in force with a total ML/ALL of ₹6,090.83 crore as against 112 CSC policies in force with ML/ALL of ₹3,493.87 crore as of March 31, 2020. Annual premium income under CSC policies was ₹116.21 crore during the FY 2020-21 as against ₹89.36 crore during the previous year. During the FY 2020-21, claims paid under customized policies increased to ₹28.84 crore from ₹20.61 crore during the previous year.

RELIEF MEASURES EXTENDED TO EXPORTERS DURING THE COVID -19 PANDEMIC:

The adverse effect of the COVID-19 pandemic that unfolded during the last fortnight of FY 2019-20 continued for a major part of the FY 2020-21. Normal working hours with 100% manpower was allowed only in the later part of the year. The constraints emanating from unforeseen circumstances, the challenges in switching to work from home mode and the inability of many exporters to switch to entirely online mode of working warranted certain relief measures relating to compliance with the cover terms and conditions. Accordingly, the following relief measures were introduced:

(a) Measures valid till 30/06/2020

- (i) Specific Shipment Policies expiring in March 2020 were extended automatically.

(b) Measures valid till 31/08/2020

- (i) Extension in time limit for submission of all returns, extension requests and default notification etc. by Policy Holders.
- (ii) Extension in time for filing claim, reply to claim queries, representations for Policy Holders.
- (iii) Exporter was allowed to convert the terms of payment from DP to DA for the shipment that reached destination but not cleared by overseas buyer due to lockdown in the destination countries.
- (iv) Discretion to exporters: (a) to extend due date for payment by buyers for shipments accepted earlier; and (b) to decide about

resale / reimport / or abandonment for the shipments that reached destination but not cleared by overseas buyers due to lockdown in the destination countries.

(v) Waiver of Credit Limit Application fee.

(vi) Reduced Claim eligibility period (waiting period) from the present four months to one month.

(vii) Discretion to exporters to make further shipments when bills pertaining to earlier shipments have fallen due during the lockdown period and the relevant bills remained overdue, within the Credit Limit/ Loss Limit already fixed on the buyer under the relevant policy, subject to availability of valid purchase order and mutually agreed payment reschedule for shipments made earlier and duly accepted by the buyer.

(viii) Discretion to exporter to extend discount to the original buyer or engaging in distress sale settlement to minimize loss, without prior approval of ECGC.

(c) Measures valid till 31/12/2020

(i) For policies which had expired and were due for renewal between 01/01/2020 and 31/08/2020, the review period for considering renewal was extended up to 31/12/2020 instead of the period up to 90 days from the date of expiry. Accordingly, all the benefits including NCB and other eligible discounts were extended under the policy upon renewal. This concession was also extended to those policies which were due for renewal during the above period but were closed.

(d) Measures valid till 31/03/2021

Reduction in policy proposal processing fee by 50% for issue/renewal of policies.

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

The business under ST ECIB was adversely impacted due to COVID-19 pandemic containment measures. While the effect was severe in the first quarter of the year, the Company made up for the lost business in the successive quarters. However, the overall achievement in terms of premium income and recovery is less compared to previous year. The premium earned under ST ECIB for the FY 2020-21 was ₹603.77 crore (previous year ₹644.79 crore), registering a decline of 6.36% over the previous year. ECIB premium accounted for 56.83% of the aggregate premium for the FY 2020-21, from all sectors. The number of claims paid increased significantly to 161 in FY 2020-21 from 91 in the previous FY and the value of claims paid during FY 2020-21 also increased significantly to ₹761.87 crore as against ₹261.65 crore in the previous year. The average number of days taken for claim payment increased to 59.09 days in FY 2020-21 from 58.62 days in the previous FY. The recovery made in the current year was at ₹107.53 crore as against ₹156.17 crore during last year. The total outstanding covered by the Company under the various ECIB covers issued, taken as the Average Daily Products (ADP) for the Whole Turnover (WT) covers and the Highest Amount Outstanding (HAO) under individual covers, reported by banks to ECGC, aggregated to ₹88,550 crore (Previous Year - ₹85,457 crore). The number of accounts covered under the schemes during the year as of March 31, 2021 is 15,520 compared to 16,248 as of March 31, 2020. A total of 9,535 (Previous Year -10,621) distinct exporters of which more than 97.86% 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 ₹3,54,200 crore has been supported during this year compared to ₹3,41,828 crore in 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.

The premium rates under Whole Turnover (WT) ECIB covers were fixed based on the three-year claim-premium ratio and percentages of cover were determined on the six-year claim premium ratio. Appropriate risk mitigation measures were continued in respect of the Gems, Jewellery and Diamond sector in view of the high claim premium ratio with an objective of protecting the interest of ECGC as well as that of banks.

MEDIUM-AND LONG-TERM BUSINESS

The premium income from the Medium-and Long-Term (MLT) business, for the FY 2020-21 stood at ₹28.51 crore as against ₹25.52 crore in the previous year. No claim was paid during the FY 2020-21. The top five countries in which the Company has underwritten major business during the FY 2020-21 are Afghanistan, Bangladesh, Tanzania, Mauritania and Nepal.

During the FY 2020-21, 39 credit insurance policies were issued to MLT project exporters as against 30 in the previous financial year, covering political risks and comprehensive risks on various projects undertaken by them. Major sectors covered are 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 2020-21 was 65 as against 89 in the previous year. No cover was issued under the Overseas Investment Insurance scheme and the Buyer's Credit scheme for private buyers during the FY 2020-21.

NATIONAL EXPORT INSURANCE ACCOUNT (NEIA) TRUST

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 Trust has an underwriting corpus of ₹3,256.71 crore as of March 31, 2021. The underwriting capacity of the Trust is ₹65,134.20 crore of which 25% amounting to ₹16,283.55 crore has been earmarked for supporting MLT covers issued by the Company. Risk in respect of 295 covers issued supporting 188 projects of value ₹38,466.81 crore in 45 countries has been shared with NEIA Trust to the

extent of ₹12,262.68 crore. The balance 75% of ₹65,134.20 crore amounting to ₹48,850.65 crore is earmarked for the Buyer's Credit scheme of the NEIA Trust (BC-NEIA). As of March 31, 2021, the Trust has issued 23 Buyer's Credit covers with an aggregate Maximum Liability of ₹20,036.95 crore for 23 projects of value ₹14,393.56 crore in the countries Sri Lanka, Zambia, Zimbabwe, Mozambique, Tanzania, Senegal, Iran, Maldives, Cote D'Ivoire, Ghana, Cameroon, Suriname and Mauritania. 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 ₹3.24 crore as its income from the Trust.

FACTORING

FULL-FLEDGED FACTORING SCHEME (FFFS)

The Board of Directors had at its meeting held on May 13, 2014 approved the Full-Fledged Factoring Scheme (FFFS) primarily for MSME exporters. During the Financial Year (FY) 2020-21 the Company has approved six proposals benefitting four exporters. During the FY 2020-21, 21 bills have been factored amounting to ₹5.02 crore as against nine bills amounting to ₹2.14 crore during the previous year showing a growth of 134% in the business volume.

COVER TO FACTORS

Factoring companies in India have approached the Company for issuance of credit insurance cover in respect of export receivables handled by them due to the reason that import factor is sometimes not available or is expensive.

With the due approvals of the Board of Directors and 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.

Further, the Board of Directors has authorized Chairman-cum-Managing Director to effect amendments in respect of product eligibility criteria including the ceiling of export turnover in case of non-MSME exporters.

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, 2021, the investment portfolio comprising of investments in Government Securities, Corporate Bonds, Equity Shares, Fixed Deposits etc. stood at ₹13,332.03 crore as against ₹12,241.59 crore as of March 31, 2020, showing an increase of ₹1,090.44 crore, exhibiting growth of 8.91%. The growth in the Investment Portfolio was on account of infusion of additional capital and surplus generated from investments.

The Company has complied with all regulatory requirements in respect of investments. Investment under mandatory category stood at 69.69% as against a minimum of 45% prescribed by IRDAI.

Income generated from investment operations (including profit on sale of investments) increased to ₹1,012.45 crore in FY 2020-21 from ₹876.70 crore in FY 2019-20, recording an increase of 15.48%. 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 and a higher profit booked in the equity portfolio on account of a significant increase in the domestic indices during the year. The yield on investment for the year FY 2020-21 was 8.52% as against 8.29% 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 the latest credit information reports on buyers from various credit information agencies. Based on the reports and review of the transactional behavior of buyers on the basis of system-generated data and the score card 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 it accessible in the system to the officials for the underwriting purpose.

During the financial year 2020-21, in line with the developments in international trade, certain minor modifications were made in the Score card model, with the approval of the Head Office Underwriting Committee (HUC), for determination of score card based overall limit on a buyer. The changes enabled the Company to meet the credit limit requirement of the policyholders.

During the pandemic situation in the post lockdown phase, efforts were made to grant adequate credit limit approvals in a timely manner to the exporters. In this regard a few changes were made in the Application Software, which facilitated quicker and timely preparation of score cards of the buyers and also additional man-power was deployed for Buyer Underwriting activities for quicker credit limit decisions. Further, as a relief measure during the pandemic situation exporters were not charged the status enquiry fee for credit limit applications and the same were accepted in electronic mode without insisting on physical submission of credit limit applications and related documents.

The number of credit limit applications received in FY 2020-21 was 31,286 as against 33,424 in the previous year. During the FY 2020-21, the aggregate Overall Limits fixed on foreign buyers was ₹53,706 crore as

against ₹51,981 crore in the previous year. The number of new buyers added to the Company's database during the FY 2020-21 was 12,259 as against 19,068 in the previous year.

COUNTRY UNDERWRITING

Country Underwriting deals with identification, evaluation and measurement of political and economic risks. It is an important tool for monitoring of 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 county rating so arrived has an impact on calculation of the 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 rating of countries under Short-Term (ST) and Medium-and-Long-Term (MLT).

A review of risk classification of countries is carried out on a yearly, half-yearly and, if necessary, on an ad-hoc basis taking into account the latest economic and political developments.

COUNTRY RISK CLASSIFICATION

During the FY 2020-21:

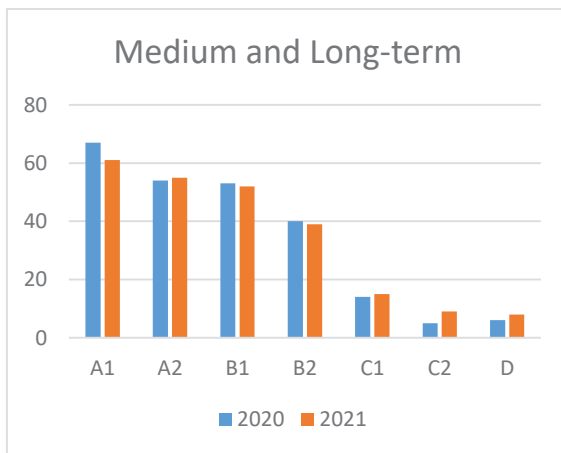
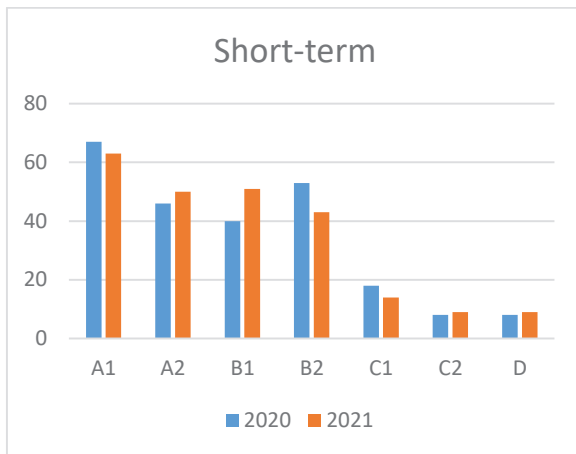
- a) Western Sahara was removed by the Company from its country risk classification list.
- b) The total number of countries reviewed by the Company stood at 239.

c) Under ST, the Company continues the classification of Pakistan as 'C1' under Restricted cover category – I where cover is available only for 'therapeutic products' which are regulated by the Drug Regulatory Authority of Pakistan.

The summary of country risk classification as of 31/03/2021 is as follows:

	A1	A2	B1	B2	C1	C2	D
ST	63	50	51	43	14	9	9
MLT*	61	55	52	39	15	9	8

*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 March 31,2021, 211

Countries are placed in Open Cover, 19 countries in Restricted Cover Category-I and nine countries in Restricted Cover Category-II.

COUNTRY EXPOSURE LIMIT

The Company reviewed its criteria for determining Country Exposure Limits (CEL) under ST Policy business in November 2020. The CEL sets the aggregate liability that the Company accepts on a country for shipments made at any point in time under both commercial and political risks. The modification in the CEL determines the risk appetite of the Company and factors in changes in the country risk classification for all 239 countries.

REINSURANCE

For the FY 2020-21 the Company had a Proportional (Quota Share – QS) Reinsurance treaty to the extent of 15% for Short-Term Policy (SCOR 5%, GIC Re 6% and Hannover Re 4%) and 8% for Short-Term ECIB (SCOR 2.5%, GIC Re 2.5% and Hannover Re 3%) from Indian Reinsurers and Foreign Reinsurer Branches (FRB) along with obligatory 5% reinsurance (QS) cover from GIC Re for the entire business including MLT covers. Additionally, Excess of Loss covers for large risks under Short-Term Policy and ECIB covers were also arranged with the same reinsurers.

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, based on risk assessment, regulatory requirements, financial viability and long-term sustainability. The existing organization structure and practices that have evolved over more than six decades incorporate fundamental structures that can be built upon in the risk function. The Company introduced prudential risk management norms in 2011 and fixed limits for exposure for a single exporter, an exporter group, a buyer, an industry and a country. Managing the concentration risk of a portfolio is a continuous process.

During the FY 2014-15, the exposure norms were modified by introducing temporary suspension of fresh export credit limits to the Gems, Jewellery and Diamond Sector under WT covers issued to banks and also by introducing criteria for fixing Country Exposure limits. In addition to these norms, during FY 2015-16, the Company further modified the prudential norms for Exposure Limits on buyer/LC opening banks under short term policies, individual exporter/group exporter under short-term ECIB Schemes, exposure norms for industry sector and Medium-and Long-Term export transactions.

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

In order to facilitate an informed and prudent underwriting decision under ST Policy covers, a streamlined approach for evaluation of an exporter has been introduced. The Company has already in place score card models for the assessment of buyers as well as countries. On similar lines, Exporter Score Card Rating Model (ESCRM) has been introduced to facilitate prudent decision making with regard to issuance of covers to exporters. The model will also be useful while underwriting risk on overseas buyers, where limit requirement is higher or the report does not have sufficient financial information. The ESCRM is intended to be used in determining the relative standing of exporters in order to facilitate an informed and prudent underwriting decision.

Besides operational and financial risks, the Company is also focussed on Information & Cyber Security Risks. The Company has initiated the Information & Cyber Security Audit based on IRDAI guidelines for FY 2020-21 by Paladion, a CERT-In empanelled auditor. Major security controls and processes have been implemented to achieve higher cyber maturity level in terms of overall cyber risk management framework.

During the year, with the help of external consultants KPMG, Business Continuity Management Systems (BCMS) framework has been established taking into consideration the current pandemic situation and guidelines of IRDAI. Business impact analysis and functional recovery procedure of all key departments and business units have been completed.

Currently, the Company is in the process of setting up a full-fledged Enterprise Risk Management (ERM) framework in order to create a more robust Risk Management framework and cultivate a risk aware culture.

RECOVERIES

ST ECIB: During the FY 2020-21, a sum of ₹107.53 crore was recovered against claims paid and pending for recovery compared to ₹156.17 crore, for the same period, in the previous FY.

ST Policy: A sum of ₹9.78 crore was recovered from claims paid and pending for recovery under Short-Term Policies during the FY 2020-21 compared to ₹10.21 crore for the same period in the previous FY.

MLT ECIB: During the FY 2020-21, there was a “NIL” recovery against claims paid and pending for recovery as against the recovery of ₹6.00 lakh in the previous FY.

INFORMATION TECHNOLOGY (IT)

The Company has progressed with its Enterprise Resource Planning (ERP) Revamp Project to Development and Integration Phase, and the User Acceptance Test (UAT) has commenced from June, 2021 onwards and the Project is expected to achieve GO-LIVE by November, 2021.

In tandem with this project, the Company is in the process of appointing a System Integrator to procure, install, manage, and support the required computing and storage infrastructure.

The mobile application of the Company is in the beta stage, and the National Marketing Division is testing the same, and is expected to launch the same to selected clients before full-fledged launch of the mobile application.

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 holds reviews of the business performance of the Company with the Regional/Branch/Department heads which is presided over by the CMD.

The Company, besides focussing on its core business of export credit risk insurance works in close co-ordination with export promotion agencies like Export Promotion Councils (EPC), 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 are also undertaken. In view of the impact of the COVID-19 pandemic during the FY 2020-21, not many personal visits were undertaken. However, the Company conducted 113 meetings to educate the customers about the important compliance procedures including policy terms and conditions. The Company officials also participated in 59 meetings organised by EPCs/ CII etc. and discussed issues relating to terms and conditions of credit insurance cover, credit risk management etc. About 5000 exporters attended these meetings.

CORPORATE PLAN

The concept of a Corporate Plan was introduced to direct the resources-financial, 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 counterpart, 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 business segments 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 National Marketing Division is updating the Corporate Plan for the five-year period 2021-22 to 2025-26. The continuing impact of COVID-19 pandemic on the business performance of the Company from FY 2020-21 to till date will be reflected in the projection for FY 2021-22.

ALTERNATE MARKETING & DISTRIBUTION CHANNELS

In order to strengthen the marketing and distribution of credit insurance products and to increase the penetration of credit insurance in India, the National Marketing Division (NMD) has empanelled 169 brokers and one Corporate Agent (Bank) as of March 31, 2021. Continuous efforts are being made to strengthen and expand this channel further. NMD and Regional/Branch offices conduct workshops for brokers which help in educating 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 on credit terms.

During the FY 2020-21, the premium earned under the business procured through the brokers was ₹112.57 crore which constituted 26.18% of the Short-Term policy premium income of ₹429.97 crore. The premium earned under the business procured through Corporate Agent (Bank) was ₹0.70 crore for the FY 2020-21.

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 requires to spend at least 2% of its last three years' average net profit every year for various activities under CSR as per Section 135 of the Companies Act, 2013. 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. An aggregate amount of ₹3.78 crore was spent on CSR activities of the Company during FY 2020-21. Further, allocation of ₹2.71 crore has been made for projects already initiated and an amount of ₹0.49 crore has been paid to the Swachha Bharat Kosh (SBK) for the FY 2020-21.

The implementation partners for CSR activities are Office of the District Collector, Rajgarh, Madhya Pradesh (Aspirational District), the TATA Institute of Social Sciences (TISS), Vivekananda Kendra, Development Education Empowerment of Disadvantaged in Society (DEEDS) and Concern India Foundation, Shanti Seva Nidhi, Rojavanam Trust, Shri Chaitnya Seva Trust, Aastha Mahila Bhacht Gat, Anirudda Academy of Disaster Management and SUADHA (Social Upliftment and Development of Human). A number of initiatives have been undertaken in the field of education, health care, skill development, support to differently abled and contribution to the Swachh Bharat Kosh account. The Company continued to support the TISS for 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 Vivekananda Kendra in the North East and Odisha for medical activities to provide free primary medical assistance.

IMPLEMENTATION OF THE OFFICIAL LANGUAGE POLICY

ECGC Ltd. is proactive in the implementation of Official Language Policy of the Government of India. The Company has achieved all targets laid down in the Annual Rajbhasha Programme for the FY 2020-21 by the Department of Official Language, Ministry of Home Affairs, Government

of India. The Company's Head Office was conferred the second prize of the Rajbhasha Keerti Puraskaar, by the Department of Official Language, Ministry of Home Affairs. The Company was also awarded the first prize, by the Mumbai Town Official Language Implementation committee (TOLIC), (Undertaking) for effective implementation of the official language policy.

During the financial year 2020-21 the Third Sub- Committee of the Parliamentary Committee on Official Language had inspected two branch offices of the Company namely Delhi BBB branch, on October 07,2020 and Delhi LEB branch on January 21, 2021. The directions given by the above committee have been complied with.

From this FY onwards the Company has decided to celebrate the month of September as the Hindi month. In pursuance of the Hindi month (that was celebrated from September 01, 2020 to September 30, 2020) various competitions were held during the Hindi Month and officers of all levels participated in the competitions enthusiastically. On September 14, 2020 on the occasion of the Hindi day a virtual All India "Kavi Sammelan" was organised wherein officers from all the branches and departments of the Head Office recited poetry either their own poetry or that of other authors.

An online training program was organized on "Kanthasth" an online Hindi Translation tool developed by the OL Department of the Ministry of Home Affairs on March 27, 2021, wherein 70 officers of all the Branch Offices and the Head Office Departments of the Company participated in the training program.

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 limit of financial incentives given under the various schemes / incentives has been increased and new monetary incentives schemes have been also introduced by the Company.

To encourage employees to use Rajbhasha in their day-to-day official work, employees at Branch Offices, Regional Offices and at the 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 steady growth. With the installation of Unicode software in all the computers of the Company, Branch Offices have started sending mails in Hindi to exporters and bankers. Also, the Website of the Company is available in bilingual.

During the FY 2020-21 various training programs, including a training program for sub-staff, were conducted by the Company, in which training was provided bilingually. In all training programs conducted by the Company, a separate session on the Official Language Policy is also included.

In the previous year Quarterly Review Meetings of the Official Language Implementation Committee were held regularly in all Branch Offices, Regional Offices and the Head Office of the Company wherein detailed discussions were held with regard to implementation of the official language policy. Due to the COVID-19 pandemic it was not feasible to organize regular meetings hence the review of official language implementation was done on the basis of the reports received from the Departments at Head Office, Regional Offices and Branch Offices, and after the review, the analysis of Rajbhasha implementation in the form of report along with necessary directives was circulated to all the Heads of the Departments and Rajbhasha Officers.

INTERNATIONAL RELATIONS

Since 1957, the Company has been an active member of the Berne Union (BU), the International Union of Credit and Investment Insurers, a leading international association for the export credit and investment insurers. The Company was the first Asian member to join the BU and has been closely associated with its activities. The members benefit by continual interaction, which has been instrumental in enhancing common understanding and developing sound principles in export credit insurance.

Collectively, members provide around US\$ 2.5 trillion of payment risk protection which corresponds to nearly 13% of global cross-border merchandise and service 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 and the Regional Co-operation Group (RCG), a special forum of the BU members from the Asia-Pacific region. Shri M. Senthilnathan, Chairman-cum-Managing Director (CMD), presently represents ECGC on the Management Committee (MC) of the BU as a member of the ST committee. In October 2020, Shri Sunil Joshi, Executive Director (Policy Matters) was elected as the Vice-Chair of the ST Committee of the BU for a two-year term.

Due to the COVID-19 pandemic, the BU held its meetings over virtual platform. The Company participated in the Spring Meeting held in May 2020, MC meetings of June, July, September 2020 and January 2021 and the Annual General Meeting (AGM) held in October 2020.

The 71st RCG meeting, conducted online in December 2020, enabled the members to discuss the opportunities and challenges faced due to the unprecedented situation that resulted due to the outbreak of the COVID-19 pandemic. The members also shared the initiatives undertaken to support exporters during the COVID-19 stress.

The Company works in close association with ECAs globally. The virtual meeting of the G-12 Heads of ECAs was held during September 8 & 9, 2020 and the Company was represented by CMD. The meeting provided opportunity to the Heads of the ECAs to collaborate on trade related projects and have in-depth discussion on issues of common interest. CMD was also a panelist to the EXIM Annual Conference on the topic “Role of Official ECAs in 2020’s—Indispensable or Irrelevant?”.



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). It is also a member of the International Working Group on export credit which was created in 2012.

On December 21, 2020, the Company and the Etihad Export Credit Insurance Company PJSC (ECI), the UAE Federal export credit company, signed a Memorandum of Understanding (MoU). The MoU was signed by CMD, ECGC and Mr. Massimo Falcioni, CEO, ECI in a meeting held through a virtual platform. The MoU aims to create a general framework for the relations between the two agencies and increase cooperation for stimulating trade and investment between India and the UAE and, where appropriate, the supply of goods and services from their respective countries as part of a project to a third country.



ECGC and ECI during the signing of the MoU

The Company continued to provide consultancy services to Credit Oman, (Oman) which involved reviewing all aspects of their operations and products and suggested future plan of action.

Shri Senthilnathan was appointed as a Director on the Board of the African Trade Insurance (ATI) Agency during the 20th AGM of the ATI which was held virtually on July 17, 2020. He shall represent the Republic of India, the first non-African nation in the ATI, for a period of three years. On behalf of the Government of India, the Company has invested US \$ 11.7 mn in the ATI, a pan-African and multilateral investment and credit insurer, and subscribed to 100 Class 'B' shares in June 2019.

With a view to fostering trade and supporting the overall business environment, the Company participated in specialist meetings and workshops organised by the BU on topics including Claims and Recoveries, Digitalisation Specialist, Scenario building and methodology in the context of political risk, LIBOR transition and Blockchain. IfTI Global Symposium, BU-ICISA Regulatory Seminar and Export Credits Anti-Bribery Workshop were also attended by the delegates from the Company. Officials also attended the session on 'Geopolitical risk in the

age of COVID-19' organised by Global Trade Review (GTR). These sessions were arranged via webinars.

During the financial year, the Company held bilateral discussions, through virtual platform, with the officials of Export Development Canada (Mumbai Office) and Empresa Mocambicana de Seguros (EMOSE), the insurance company of Mozambique, on the issues related to export credit insurance.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The employee strength of the Company as of March 31, 2021 was 536 which consisted of 516 executive-level and 20 non-executive-level employees. This includes 150 women employees, constituting almost twenty-eight per cent of the total work force.

In light of the changing business environment, the Company has consolidated its operational network to effectively cater to the business needs of the exporting community and banks. The objective of the consolidation is to reduce duplication in efforts among multiple branches in the same city, for better customer service efficiency, optimum utilization of manpower and synergy in operations which will result in reduction of avoidable administrative expenses. Accordingly, twenty-two branches of the Company were consolidated into nine branches and one department of the Head Office.

All statutory provisions pertaining to industrial relations and labour laws were complied with during the FY 2020-21. Harmonious and cordial industrial relations were maintained throughout the year in the Company.

During the year, the Company introduced new employee welfare facilities and also continued the existing facilities to take care of the employees' health, economic wellbeing, etc.

In the FY 2020-21, various welfare schemes were introduced including a scheme of Sabbatical Leave to pursue work life balance, reimbursement of COVID-19 related expenses incurred by employees while convalescing at home, leave management of the employees was made liberal during

the pandemic period. Attendance requirement was modified in line with the guidelines issued by the central/state/local authorities to contain the pandemic.

Recruitment examination to onboard probationary officers for the FY 2021-22 was conducted and the selection process is likely to be completed soon.

In view of the increase in the cost of the hospitalisation and medication over the years, the coverage of retired employees under the Group Medclaim policy was increased significantly.

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Company's Policy on prevention of sexual harassment of women at the workplace, Internal Complaints Committees (ICC) have been functioning in all the branches/offices, employing at least 10 employees. One ICC is functioning at the HO which includes all the departments at the Head Office and those Mumbai-based branches where employee strength is fewer than 10. During the FY 2020-21 no cases were filed under this Act.

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 FY 2020-21, 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 All-India level in the online mode.

A few senior officials of the Company have been nominated for a one-year on-line training program at IIM Indore for Strategy & Leadership Certification. Training Programs were also conducted for the Field Officers in the Company.

REPRESENTATION OF PERSONS WITH DISABILITY:

The Company endeavours to provide employment to Persons with Disabilities. As of March 31, 2021, the Company had 15 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 VI**.

REPRESENTATION OF SCHEDULED CASTES, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES:

The Company strictly adheres to relevant rules relating to Reservation for SCs/STs in recruitment and in internal promotions. 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 and OBC are furnished in **Annexure VII**. Representation of SCs, STs, and OBCs in the total manpower in various cadres as of March 31, 2021 is furnished in **Annexure VIII**.

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 framed in April 2012, for all MSMEs 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 sub-target of 3% procurement of goods and services from women enterprises and 5% from SC/ST entrepreneurs. During the financial year 2020-21, the total procurement of the Company at the end of March 2021 stood at

₹30.81 crore, out of which ₹5.28 crore (17.13%) was procured through MSMEs and within MSME procurement worth ₹1.09 crore (20.63%) was done through SC/ ST entrepreneurs and ₹38.26 lakh (7.25%) 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 2020-21, procurement through the GeM Portal amounted to ₹4.60 crore which is 48.99% of the total procurement done by the Company during the financial year 2019-20 amounting to ₹9.39 crore. As per the directive, the monthly procurement data up to March, 2021 is uploaded on MSME Sambandh Portal.

IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS

The IRDAI has vide its circular reference No. IRDAI/F&A/CIR/ACTS/023/01/2020 dated January 21, 2020, informed that insurers should implement Ind AS 109 and Ind AS equivalent of IFRS 17 simultaneously along with all other applicable Ind AS. The effective date of implementation shall be decided after the finalization of IFRS 17 by the International Accounting Standards Board (IASB). Accordingly, the Company awaits further instructions from IRDAI in this regard.

For and on behalf of the Board of Directors

M. Senthilnathan
Chairman-cum-Managing Director
DIN 07376766

Place: Mumbai
Date: July 16, 2021

Annexure - VI

Representation of Persons with Disabilities in the Services of the Company as on 31/03/2021

Group	No. of Disabled Persons			Total
	VI	HI	OC	VI+ HI+OC
A	3	1	5	9
B	2	1	2	5
C	0	0	0	0
D	1	0	0	1
Total	6	2	7	15

VI Visually Impaired
HI Hearing Impaired
OC Orthopedically Challenged

Annexure VII

Representation of Scheduled Castes, Scheduled Tribes and Other Backward Classes pertaining to recruitment in the Company 2020-21

	Group	Total Number of Employees	No. of SC Employees recruited	No. of ST Employees recruited	No. of OBC Employees recruited
	Group A	239	NIL	NIL	NIL
	Group B	277	NIL	NIL	NIL
	Group C	14	NIL	NIL	NIL
	Group D	6	NIL	NIL	NIL
	TOTAL	536	NIL	NIL	NIL

Note – Recruitment examination has been conducted for the FY 2021-22 and the Recruitment is in the process of being completed.

Annexure VIII**Representation of Scheduled Castes/ Scheduled Tribes/Other Backward Castes in the services of the Company's workforce as on 31/03/2021**

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
Group A	239	41	17%	17	7%	49	21%
Group B	277	52	19%	24	9%	70	25%
Group C	14	3	21%	3	21%	1	7%
Group D	6	1	17%	0	0%	1	17%
TOTAL	536	97	18%	44	8%	121	23%

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions at Arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Shri Sharad Kumar Saraf, Director of ECGC Ltd. and Chairman of Technocraft Industries (India) Ltd. and Trustee of Shanti Seva Nidhi (SSN)
b)	Nature of contracts/ arrangements/ transaction	Proposal from Shanti Seva Nidhi (SSN) received through Technocraft Industries (India) Limited approved under CSR for funding the cost of seven students for Diploma in Mechanical Engineering for the total cost of ₹34.72 lakh for three years.
c)	Duration of the contracts/ arrangements/ transaction	Three years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	As mentioned above at Col (b)
e)	Date of approval by the Board	24.11.2020
f)	Amount paid as advances, if any	Yes, ₹12,77,500.00

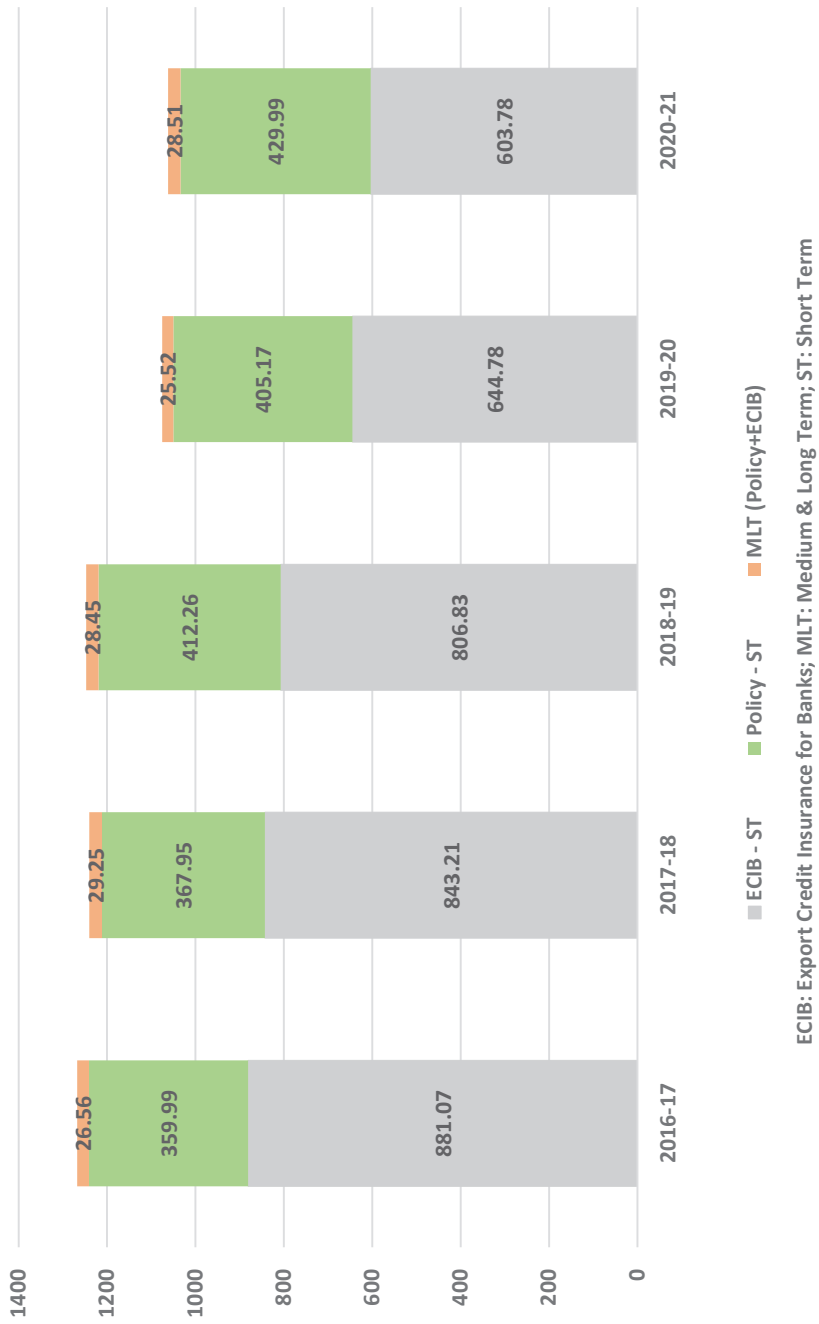
For and on behalf of the Board of Directors

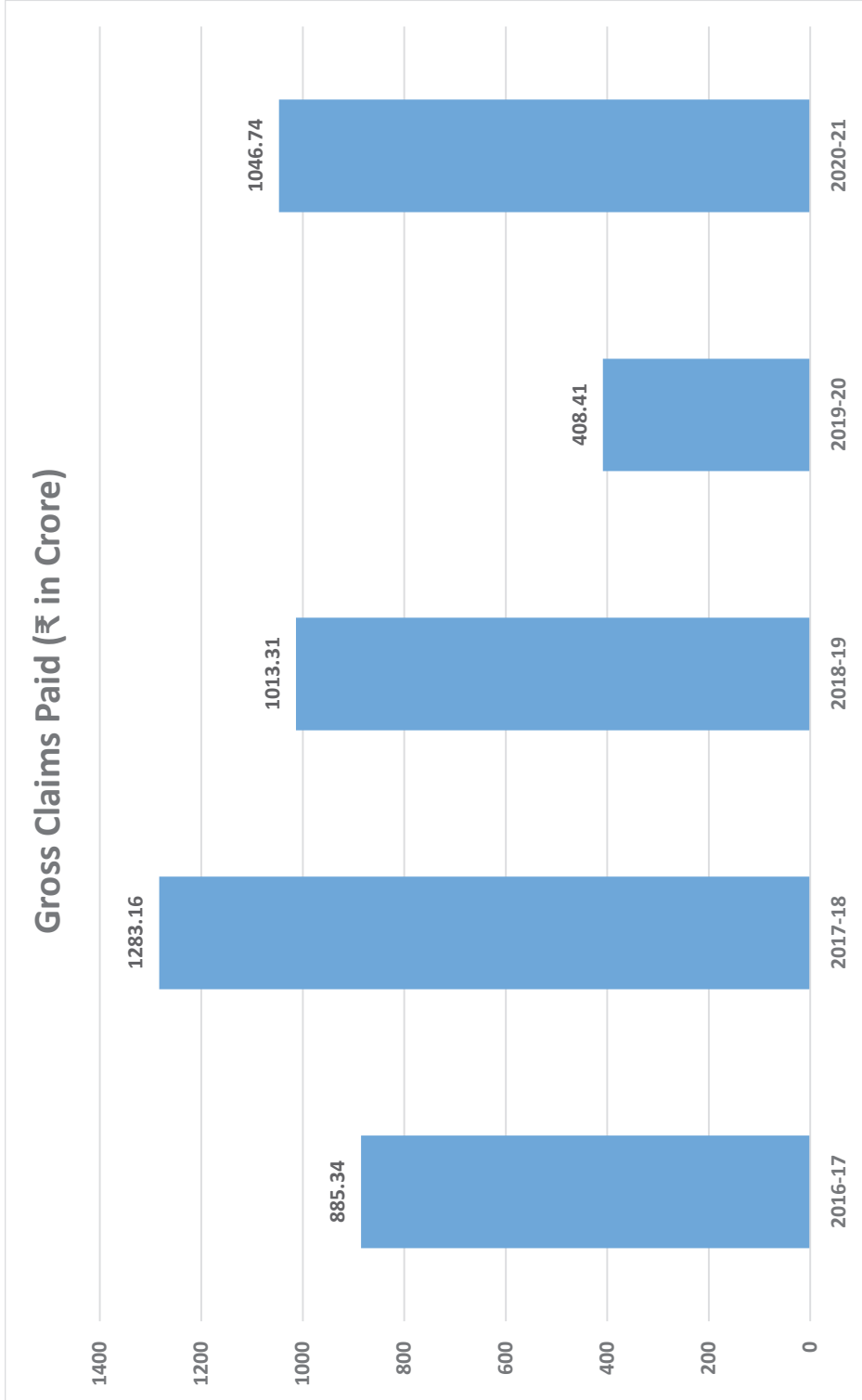
M. Senthilnathan
Chairman-cum-Managing Director
DIN 07376766



कारोबार निष्पादन रेखाचित्र
Business Performance
Graphs

Segment wise Gross Premium Received (₹ in Crore)

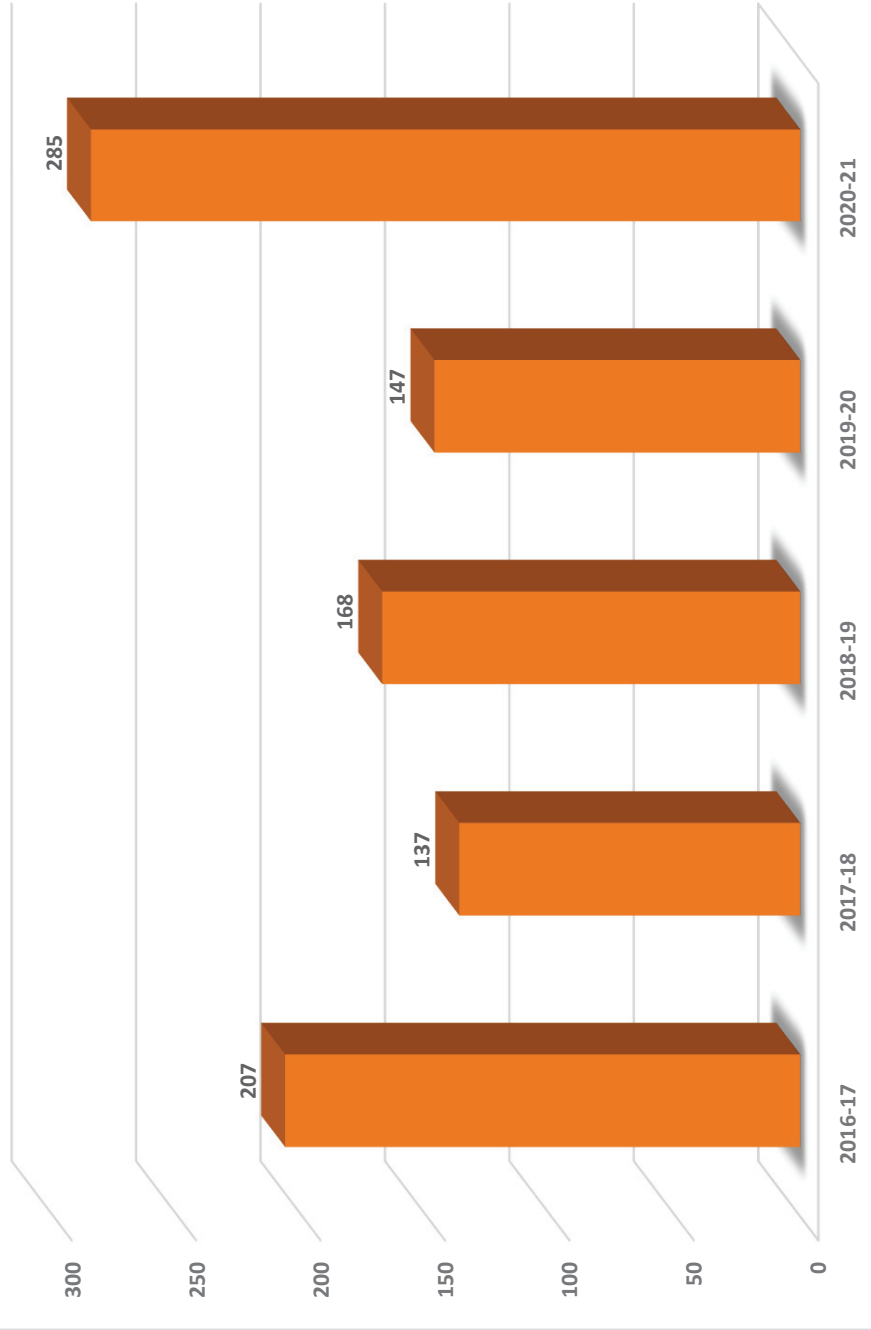


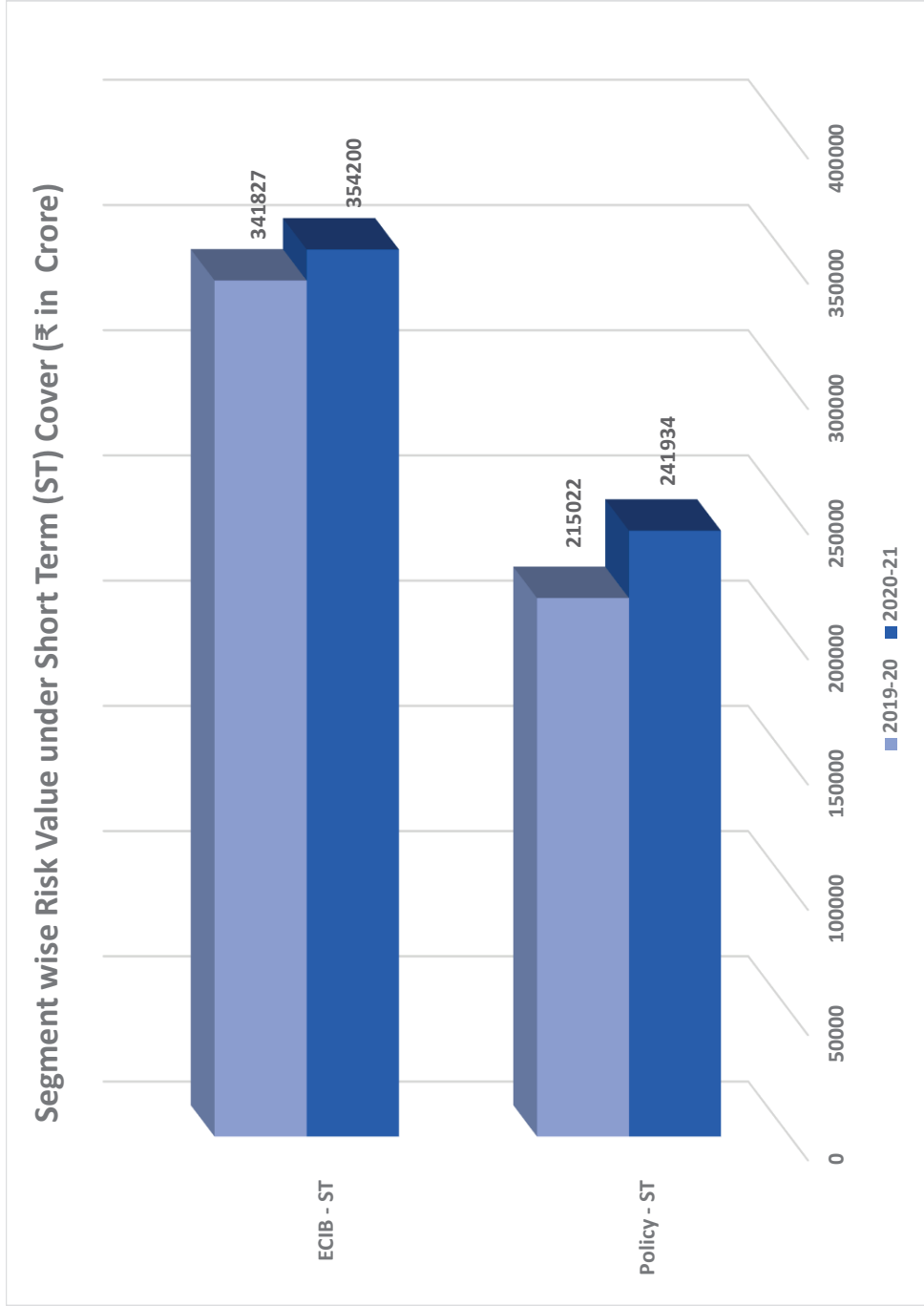


Paid up Capital & Reserves (Net Worth) (₹ in Crore)

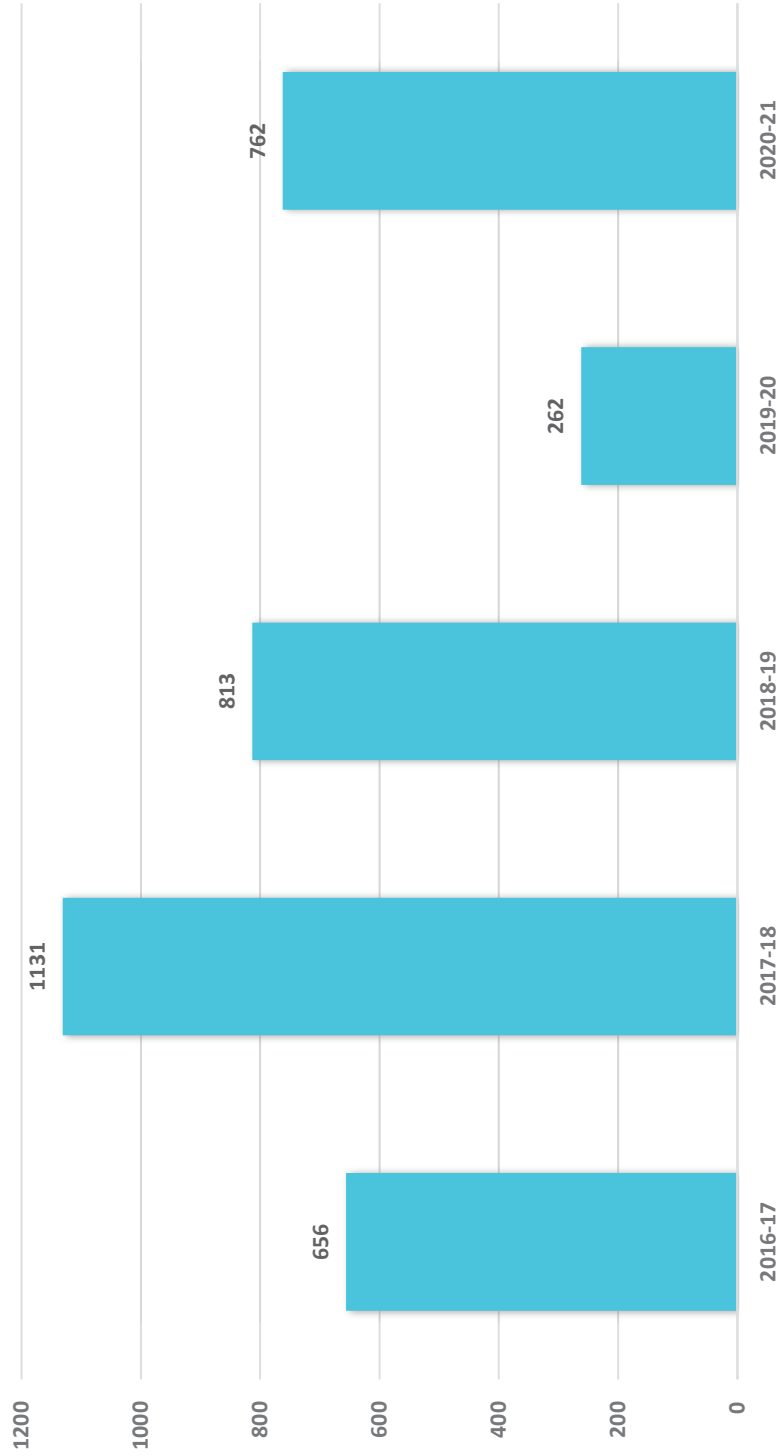


Trends in Gross Claims Paid - Policy Short Term (₹ in Crore)

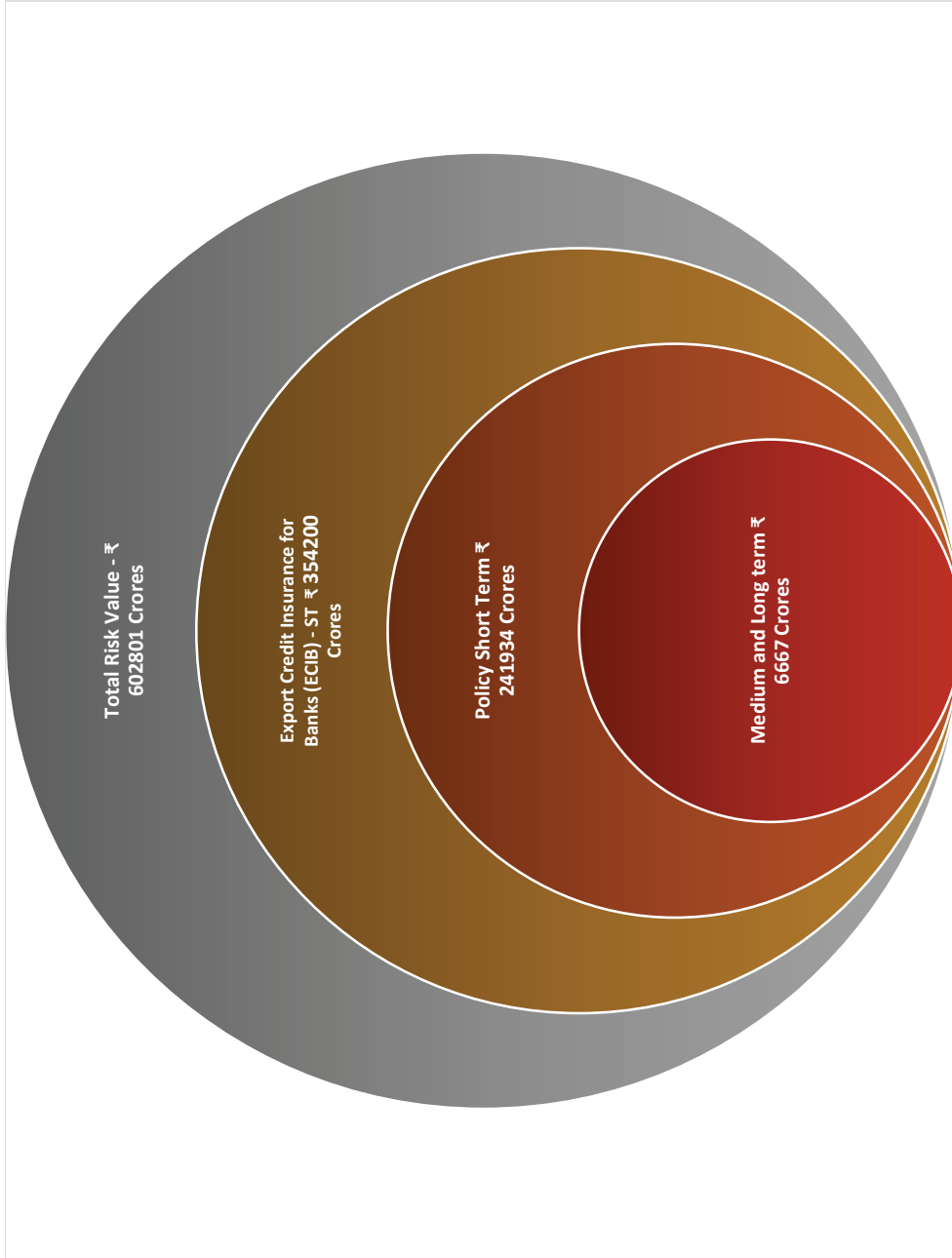




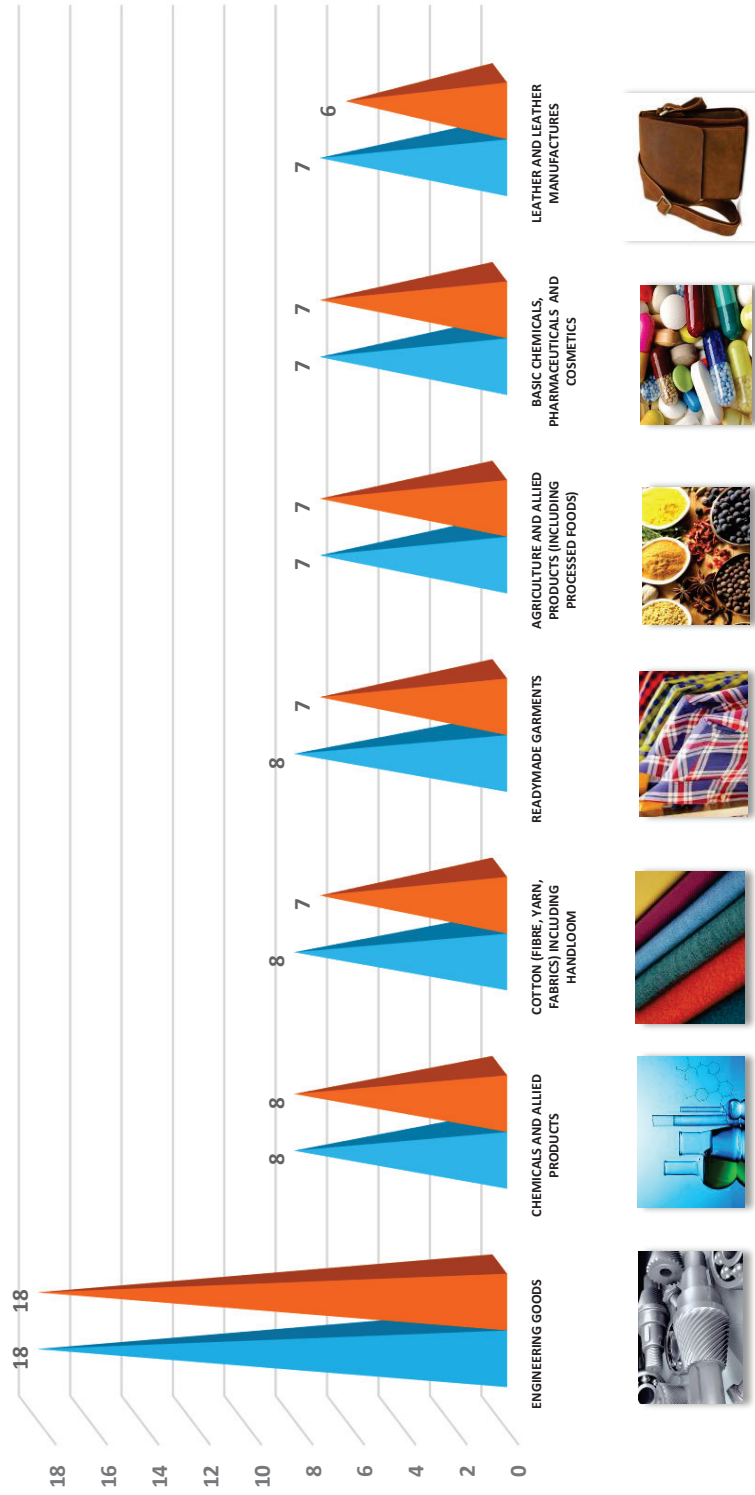
Trend in Gross Claim Paid – Export Credit Insurance for Banks Short Term (₹ in Crore)



Value of Risk Covered during 2020-21

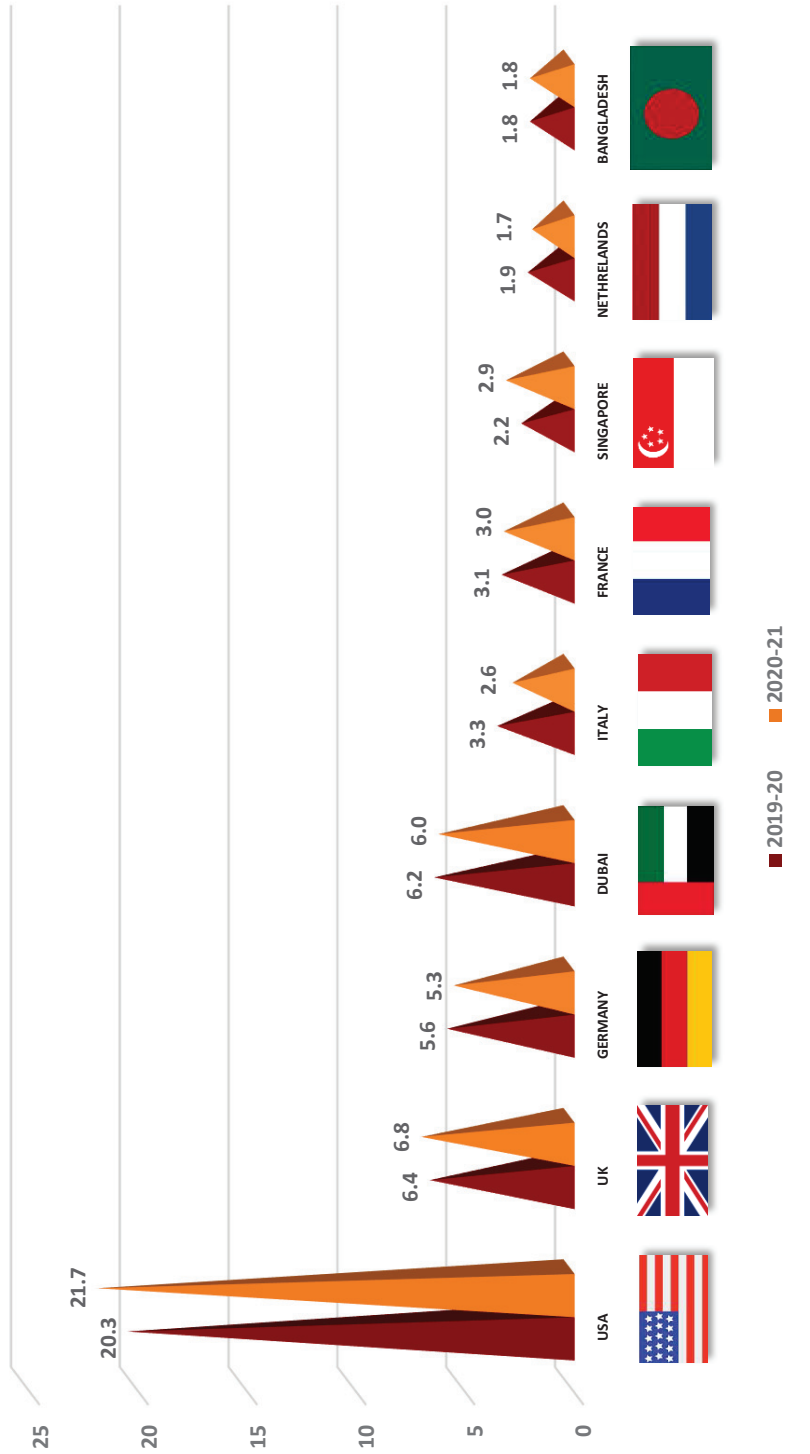


Major Commodity Wise Risk Value (% share)

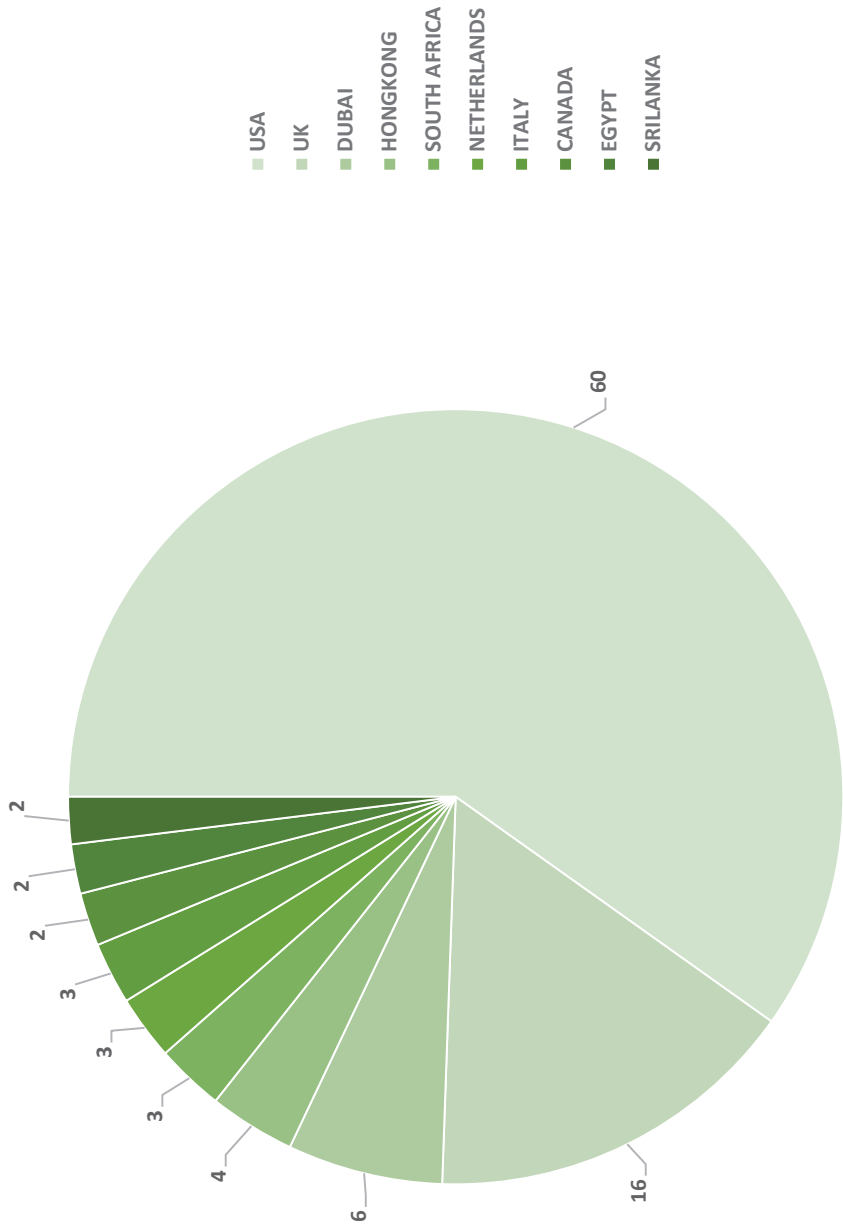


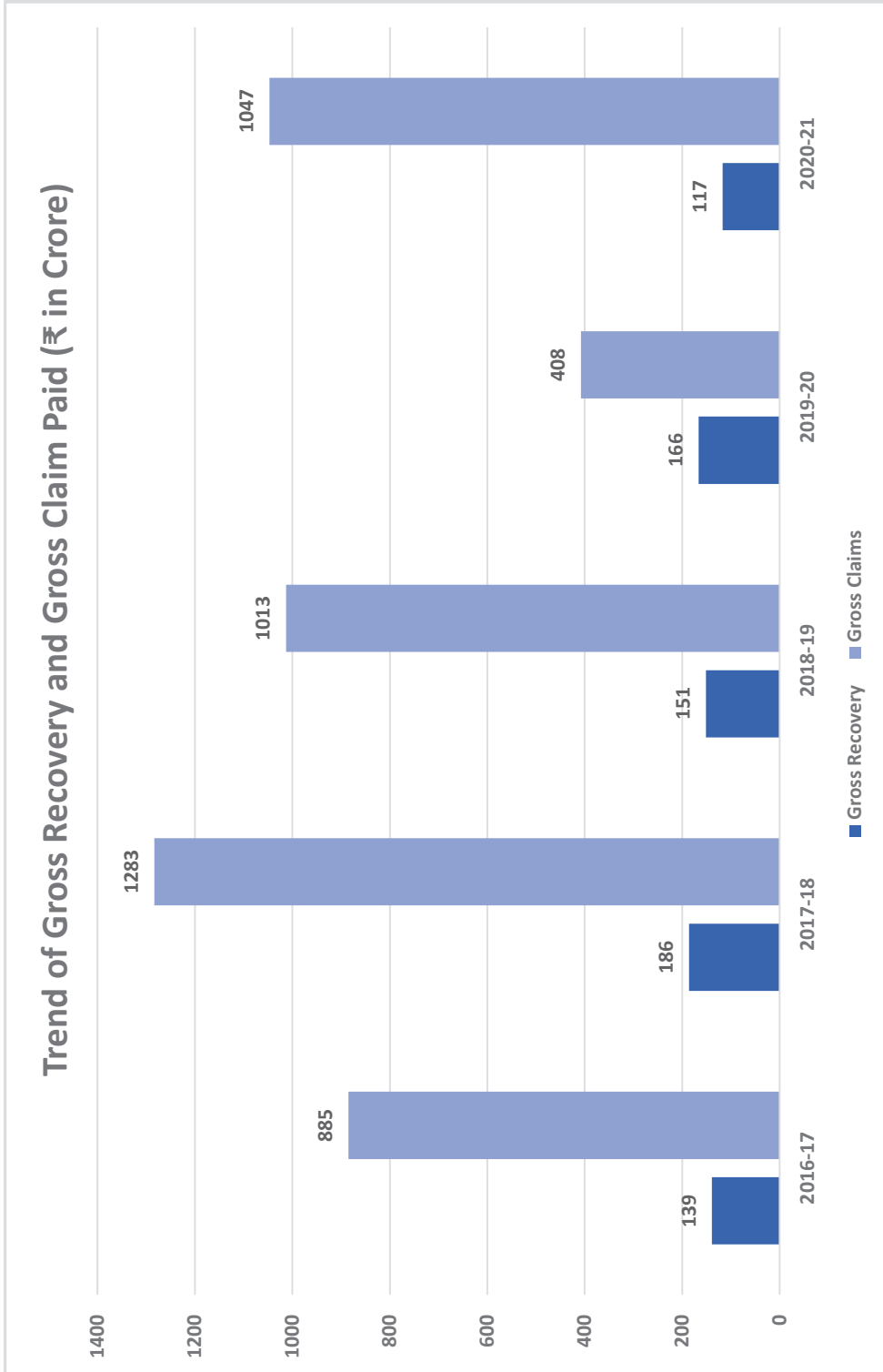
■ 2019-20 ■ 2020-21

Major Country Wise Risk Value (% share)

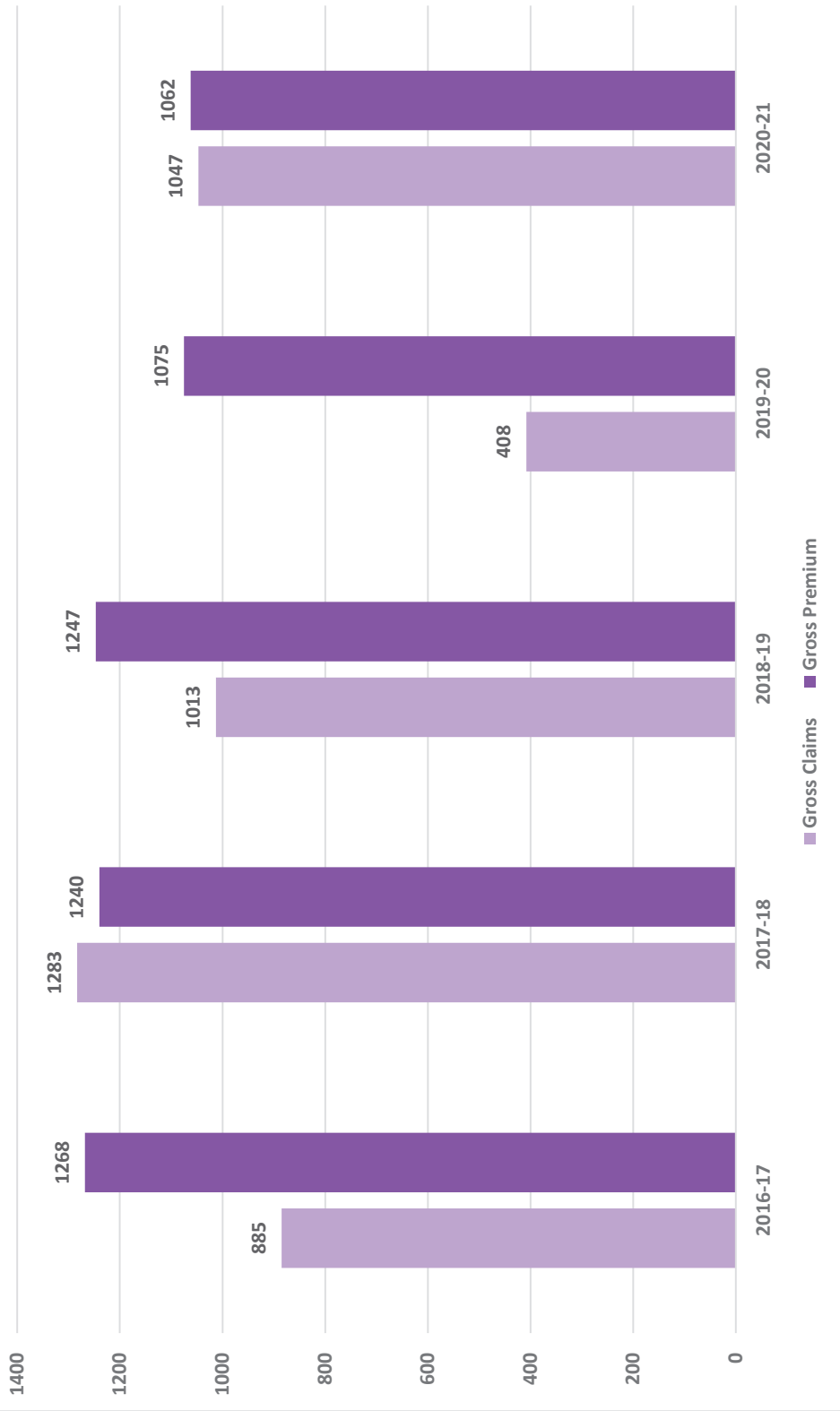


Major Country Wise Gross Claims Paid for FY 2020-21 (% share)





Trend of Gross Claims Paid vs Gross Premium Received (₹ in Crore)



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, 2021 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.

(Nirdosh Chopra)
Chief Financial Officer

(M Senthilnathan)
Chairman-cum-Managing Director

Place : Mumbai

Date : 16th July, 2021

FORM B - BS
ECGC Limited

CIN: U74999MH1957GOI010918

Registration No. 124

Date of Registration : 27th September, 2002

BALANCE SHEET AS AT 31ST MARCH 2021

Particulars	Schedule	Current Year Audited (₹'000)	Previous Year Audited (₹'000)
I. SOURCES OF FUNDS			
Share Capital	5	3190,00,00.00	2500,00,00.00
Reserves and Surplus	6	3175,22,29.27	2714,91,80.31
Advance Against Share Capital		-	300,00,00.00
Fair Value Change Account - Shareholder		276,04,67.00	(40,20,20.00)
Fair Value Change Account - Policyholder		365,92,24.23	(57,85,16.12)
Borrowings	7	-	-
Deferred Tax Liability		-	-
Total		7007,19,20.50	5416,86,44.19
II. APPLICATION OF FUNDS			
Investments - Shareholder	8	5347,30,07.86	4528,29,98.03
Investments - Policyholder	8A	7088,28,24.32	6516,33,38.62
Loans	9	-	-
Fixed Assets	10	303,63,70.76	293,49,15.15
Deferred Tax Assets		44,24,70.76	41,28,81.21
Current Assets			
Cash and Bank Balances	11	1551,46,00.97	1100,83,30.75
Advances and Other Assets	12	968,67,46.93	942,73,27.81
Sub Total (A)		2520,13,47.90	2043,56,58.56
Current Liabilities	13	7354,55,68.58	7187,18,57.81
Provisions	14	941,85,32.52	818,92,89.57
Sub Total (B)		8296,41,01.10	8006,11,47.38
Net Current Assets (C)= (A-B)		(5776,27,53.20)	(5962,54,88.82)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit & Loss Account		-	-
TOTAL		7007,19,20.50	5416,86,44.19
SIGNIFICANT ACCOUNTING POLICIES	16		
NOTES FORMING PART OF ACCOUNTS	17		

(M SENTHILNATHAN)
Chairman cum Managing Director
DIN - 07376766

(DEVESH SRIVASTAVA)
Director
DIN - 08646006

(SHIRISH CHANDRA MURMU)
Director
DIN - 08664748

(SUNIL JOSHI)
Executive Director
DIN - 08778530

(NIRDOSH CHOPRA)
Chief Financial Officer

(SMITA PANDIT)
Company Secretary

As per our report of even date attached

For abm & associates LLP
Chartered Accountants
Firm Registration No. 105016W/W-100015

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

(ANIL CHIKODI)
Partner - M.No. 107659
Kolhapur

(SANJAY KAPADIA)
Partner - M.No. 38292

Place : Mumbai
Dated : 16th July, 2021

FORM B-RA
ECGC Limited

CIN: U74999MH1957GOI010918
Registration No. 124

Date of Registration : 27th September,2002

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2021

	Particulars	Schedule	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Premiums earned (Net)	1	827,30,63.57	831,15,51.19
2	Profit on Sale/Redemption of Investment		108,92,91.45	40,53,64.86
3	Loss on Sale/Redemption of Investment		(30,25,69.93)	(14,63,54.48)
4	Others			
	- Fee		92,07.61	1,41,58.78
	- Miscellaneous Income		9,59.10	61,72.30
	- Profit on Sale of Asset		9,07.89	76.10
5	Interest, Dividend & Rent - Gross		498,42,64.58	491,35,19.69
	TOTAL (A)		1405,51,24.27	1350,44,88.44
1	Claims Incurred (Net)	2	884,52,05.49	958,41,52.78
2	Commission	3	(26,19,85.99)	(37,15,68.81)
3	Operating Expenses related to Insurance Business	4	270,92,57.55	267,63,23.61
4	Others			
	- Premium Deficiency		106,24,00.00	18,92,00.00
	- Expenses towards Investments		10,92,75.81	9,27,83.51
	- Provision, Write Off towards Investments		-	46,44,89.65
	TOTAL (B)		1246,41,52.86	1263,53,80.74
	Operating Profit/(Loss) from Miscellaneous Business C=(A-B)		159,09,71.41	86,91,07.70
	APPROPRIATIONS			
	Transfer to Shareholder's Account		159,09,71.41	86,91,07.70
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		159,09,71.41	86,91,07.70

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)
Chairman cum Managing Director
DIN - 07376766

(DEVESH SRIVASTAVA)
Director
DIN - 08646006

(SHIRISH CHANDRA MURMU)
Director
DIN - 08664748

(SUNIL JOSHI)
Executive Director
DIN - 08778530

(NIRDOSH CHOPRA)
Chief Financial Officer

(SMITA PANDIT)
Company Secretary

As per our report of even date attached

For abm & associates LLP
Chartered Accountants
Firm Registration No. 105016W/W-100015

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

(ANIL CHIKODI)
Partner - M.No. 107659
Kollhapur

(SANJAY KAPADIA)
Partner - M.No. 38292

Place : Mumbai
Dated : 16th July, 2021

FORM B-PL
ECCG Limited

CIN: U74999MH1957GOI010918
Registration No. 124

Date of Registration : 27th September, 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2021

	Particulars	Schedule	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	OPERATING PROFIT/(LOSS) (a) Fire Insurance (b) Marine Insurance (c) Miscellaneous Insurance		- - 159,09,71.41	- - 86,91,07.70
2	INCOME FROM INVESTMENTS (a) Interest, Dividend & Rent -Gross (b) Profit on Sale of Investments Less: Loss on Sale of Investments		376,00,59.24 82,17,46.18 (22,82,54.51)	341,44,79.79 28,16,94.23 (10,17,03.96)
3	OTHER INCOME (a) NEIA Income (b) Rent & Other receipts (c) Other Interest Income (d) Other Miscellaneous Income and Factoring Income		2,65,29.75 18,32.03 1,52,22.60 1,30,22.49	2,48,68.09 11,55.33 1,57,15.99 3,78.82
	TOTAL (A)		600,11,29.19	450,56,95.99
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 - Loss Assets (c) Provision for Doubtful Debts		- - - - - (30.80)	- - 32,27,80.95 - 50.37
5	OTHER EXPENSES (a) Expenses other than those related to Insurance Business - Expenses towards Investments - Expenses towards Corporate Social Responsibility - Miscellaneous Expense		8,24,36.14 3,77,53.48 (0.05)	6,44,76.68 11,82,01.07 (2.29)
	TOTAL (B)		12,01,58.77	50,55,06.78
	Profit Before Tax (A - B)		588,09,70.42	400,01,89.21
	Less: (a) Provision for Taxation - Deferred Tax - Current Tax (b) Prior Period Adjustments (c) Tax Adjustments - Earlier years		(2,95,89.55) 127,00,00.00 5,44,88.94 (1,69,77.93)	(10,59,28.58) 87,00,00.00 4,72.34 (27,51.96)
	Profit available for appropriation		460,30,48.96	323,83,97.41

FORM B-PL
ECGC Limited

CIN: U74999MH1957GOI010918
Registration No. 124

Date of Registration : 27th September, 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2021

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		300,80,48.96	323,83,97.41
Balance of profit/loss brought forward from last year		-	-
Balance carried forward to Balance Sheet		159,50,00.00	-

(M SENTHILNATHAN)
Chairman cum Managing Director
DIN - 07376766

(DEVESH SRIVASTAVA)
Director
DIN - 08646006

(SHIRISH CHANDRA MURMU)
Director
DIN - 08664748

(SUNIL JOSHI)
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(NIRDOSH CHOPRA)
Chief Financial Officer

(SMITA PANDIT)
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As per our report of even date attached

For abm & associates LLP
Chartered Accountants
Firm Registration No. 105016W/W-100015

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

(ANIL CHIKODI)
Partner - M.No. 107659
Kolhapur

(SANJAY KAPADIA)
Partner - M.No. 38292

Place : Mumbai
Dated : 16th July, 2021

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	1062,28,19.61	1075,47,39.68
	Add : Premium on Reinsurance Accepted	-	-
	Less: Premium on Reinsurance Ceded	199,95,87.70	283,18,44.44
	Net Premium	862,32,31.91	792,28,95.24
	Adjustment for change in Reserve for Unexpired Risks	(35,01,68.34)	38,86,55.95
	Total Premium Earned (Net)	827,30,63.57	831,15,51.19

SCHEDULE -2
CLAIMS INCURRED (NET)

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
	Claims Paid		
	Direct	1046,74,05.69	408,41,21.62
	Add : Reinsurance accepted	-	-
	Less : Reinsurance ceded	290,65,78.90	118,09,13.69
	Less :		
	Recovered during the year	117,46,79.60	166,43,65.31
	Add : Interest received on Recovery of Claims Paid	24,51.76	20,51.21
	Less : Share of reinsurer	34,97,37.04	38,29,53.70
		<u>82,73,94.32</u>	<u>128,34,62.82</u>
	Net Claims paid (A)	673,34,32.47	161,97,45.11
	Add : Claims Outstanding at the end of the year (net of reinsurance)	6885,34,79.90	6674,15,73.27
	Minus provision for recovery (net of reinsurance)	1,33.61	-
	(B)	6885,33,46.29	6674,15,73.27
	Less : Claims Outstanding at the beginning (net of reinsurance)	6674,15,73.27	5877,71,65.60
	Minus Provision for recovery (net of reinsurance)	-	-
	(C)	6674,15,73.27	5877,71,65.60
	Total Claims Incurred (A + B - C)	884,52,05.49	958,41,52.78

**SCHEDULE -3
COMMISSION**

Particulars		Current Period Audited (₹'000)	Previous Period Audited (₹'000)
Commission Paid			
Direct		11,28,78.42	9,39,09.98
TOTAL (A)		11,28,78.42	9,39,09.98
Add : Commission on Reinsurance Accepted		-	-
Less: Commission on Re-insurance Ceded		37,48,64.41	46,54,78.79
Net Commission		(26,19,85.99)	(37,15,68.81)
Note: The profit/commission, if any are to be combined with the Re-insurance accepted or Re-insurance ceded figures.			
Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:			
Agents		-	-
Brokers		11,18,54.07	9,24,44.28
Corporate Agency		10,24.35	14,65.70
Others (pl. specify)		-	-
TOTAL (B)		11,28,78.42	9,39,09.98
Note: Total (A) and (B) above should tally.			

**SCHEDULE -4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

Particulars		Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Employees' Remuneration and Welfare benefits	172,37,03.13	164,25,23.35
2	Travel, Conveyance and Vehicle running expenses	5,79,50.57	11,55,45.02
3	Training expenses	15,11.27	88,28.23
4	Rent, Rates & Taxes	26,54,00.75	26,56,86.07
5	Repairs	20,74,45.21	22,26,70.57
6	Printing & Stationery	1,62,77.84	1,71,67.52
7	Communication	1,07,84.81	1,30,89.75
8	Legal & Professional charges	7,00,60.92	5,15,38.64
9	Auditors' fees, expenses etc.		
	(a) As auditor	70,27.08	67,47.18
	(b) As adviser or in any other capacity, in respect of		
	(i) Taxation matters	15,23.30	14,42.08
	(ii) Insurance matters	-	-
	(iii) Management services	-	-
	(c) In any other capacity	65,00.27	75,89.95
10	Advertisement and Publicity	5,10,39.78	6,54,85.78
11	Interest and Bank Charges	5,29.56	6,22.36
12	Others - Miscellaneous Expenses and Other Expenses	22,29,34.76	21,21,52.44
13	Depreciation	6,65,68.30	4,52,34.67
TOTAL		270,92,57.55	267,63,23.61

SCHEDULE -5
SHARE CAPITAL

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Authorised Capital 50,00,00,000 Equity Shares of Rs. 100 each (Previous Period 50,00,00,000 Equity Shares of Rs. 100 each)	5000,00,00.00	5000,00,00.00
2	Issued Capital 31,90,00,000 Equity Shares of Rs. 100 each (Previous Period 25,00,00,000 Equity Shares of Rs 100 each)	3190,00,00.00	2500,00,00.00
3	Subscribed Capital 31,90,00,000 Equity Shares of Rs. 100 each (Previous Period 25,00,00,000 Equity Shares of Rs 100 each)	3190,00,00.00	2500,00,00.00
4	Called up & Paid up Capital 31,90,00,000 Equity Shares of Rs. 100 each (Previous Period 25,00,00,000 Equity Shares of Rs 100 each)	3190,00,00.00	2500,00,00.00
	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	3190,00,00.00	2500,00,00.00

SCHEDULE -5 A
PATTERN OF SHAREHOLDING
(As Certified by the Management)

Shareholder	Current Period		Previous Period	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoters				
Indian				
President of India & His Nominees	319,000,000.00	100.00	250,000,000.00	100.00
Foreign	-	-	-	-
Others	-	-	-	-
Total	319,000,000.00	100.00	250,000,000.00	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	2654,91,80.31	2331,07,82.90
	Additions during year	300,80,48.96	323,83,97.41
		2955,72,29.27	2654,91,80.31
	Deduction during year	-	-
		2955,72,29.27	2654,91,80.31
5	Catastrophe Reserve	-	-
6	Factoring Scheme Reserve	60,00,00.00	60,00,00.00
7	Balance in Profit & Loss Account	159,50,00.00	-
	TOTAL	3175,22,29.27	2714,91,80.31

**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	1850,83,62.33	1407,29,19.08
2	Other approved Securities	182,65,04.89	100,42,88.02
3	Other Investments		
	(a) Shares		
	(aa) Equity	746,06,31.60	475,55,00.59
	(bb) Preference Shares	-	-
	(b) Mututal Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/Bonds	561,41,33.72	624,93,64.37
	(e) Other Securities (CBLO)	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	1363,09,06.96	1137,57,42.39
5	Other than Approved Investments	57,00,77.33	61,57,08.07
	Total (A)	4761,06,16.83	3807,35,22.52
	SHORT TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	58,37,07.43	119,67,77.92
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference Shares	-	-
	(b) Mututal Funds	242,90,80.02	328,53,21.66
	(c) Derivative Instruments	-	-
	(d) Debentures/Bonds	185,18,15.37	204,71,67.92
	(e) Other Securities (CBLO)	10,74,50.40	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	52,44,59.41	37,32,54.14
5	Other than Approved Investments	36,58,78.40	30,69,53.87
	Total (B)	586,23,91.03	720,94,75.51
	TOTAL (A + B)	5347,30,07.86	4528,29,98.03

Note:

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

109,97,70.60

109,97,70.60

SCHEDULE -8A
INVESTMENTS (POLICYHOLDER)

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	2453,43,40.76	2025,12,73.81
2	Other approved Securities	242,11,80.90	144,51,94.96
3	Other Investments		
	(a) Shares		
	(aa) Equity	988,96,74.45	684,32,81.33
	(bb) Preference Shares	-	-
	(b) Mututal Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/Bonds	744,19,91.20	899,29,87.75
	(e) Other Securities (CBLO)	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	1806,88,76.66	1636,99,70.76
5	Other than Approved Investments	75,56,83.90	88,60,18.93
	Total (A)	6311,17,47.87	5478,87,27.54
	SHORT TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	77,37,51.70	172,21,92.61
2	Other approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference Shares	-	-
	(b) Mututal Funds	321,99,43.28	472,76,57.99
	(c) Derivative Instruments	-	-
	(d) Debentures/Bonds	245,47,32.00	294,59,24.56
	(e) Other Securities (CBLO)	14,24,34.24	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	69,52,13.63	53,71,21.82
5	Other than Approved Investments	48,50,01.60	44,17,14.10
	Total (B)	777,10,76.45	1037,46,11.08
	TOTAL (A + B)	7088,28,24.32	6516,33,38.62

**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

Figures in ₹ '000

Sl. No.	Particulars	Gross Block					Depreciation				Net Block	
		Opening	Additions	Deductions	Closing	Up to 31.03.2020	For the Year	On Sale / Adjustments	To date	As at 31.03.2021	As at 31.03.2020	
1	Good Will	-	-	-	-	-	-	-	-	-	-	-
2	Intangibles	6,41,89.22	1,38,24.88	-	7,80,14.10	5,15,83.31	52,31.22	-	5,68,14.53	2,11,99.57	1,26,05.91	
3	Land - Free Hold	74,81,52.33	-	-	74,81,52.33	-	-	-	-	74,81,52.33	74,81,52.33	
4	Leasehold Property	6,89,31.54	53,68,98.56	-	60,58,30.10	1,52,72.31	1,85,19.44	(2,57,50.98)	5,95,42.73	54,62,87.37	5,36,59.23	
5	Building	43,61,13.69	-	-	43,61,13.69	15,18,23.10	75,08.58	-	15,93,31.68	27,67,82.01	28,42,90.59	
6	Furniture and Fittings	18,13,74.78	3,16.01	7,84.06	18,09,06.73	14,89,52.67	56,12.28	7,84.06	15,37,80.89	2,71,25.84	3,24,22.11	
7	Information Technology Equipment	17,76,01.75	3,01,87.23	75,05.69	20,02,83.29	15,43,16.14	2,19,15.10	72,28.28	16,90,02.96	3,12,80.33	2,32,85.61	
8	Vehicles	7,25,73.06	3,71,85.15	27,68.21	10,69,90.00	7,05,95.23	18,76.54	27,68.21	6,97,03.56	3,72,86.44	19,77.83	
9	Office Equipment	8,29,86.29	8,22.69	12,12.69	8,25,96.29	6,87,17.09	59,05.14	12,12.69	7,34,09.54	91,86.75	1,42,69.20	
	Total	183,19,22.66	61,92,34.52	1,22,70.65	243,88,86.53	66,12,59.85	6,65,68.30	(1,37,57.74)	74,15,85.89	169,73,00.64	117,06,62.81	
	Work in Progress									133,90,70.12	176,42,52.34	
	Grand Total	183,19,22.66	61,92,34.52	1,22,70.65	243,88,86.53	66,12,59.85	6,65,68.30	(1,37,57.74)	74,15,85.89	303,63,70.76	293,49,15.15	
	Previous Year	183,21,01.41	91,78.50	93,57.25	183,19,22.66	62,47,69.06	4,52,34.67	87,43.88	66,12,59.85	293,49,15.15	243,32,93.23	

**SCHEDULE -11
CASH AND BANK BALANCES**

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Cash (including cheques, drafts and stamps)	95,11.62	14,35.91
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short Term (due within 12 months):		
	With Banks	1350,42,00.00	363,36,00.00
	With Financial Institutions	59,99,99.00	701,89,10.00
	(bb) Others		
	With Banks	127,00,00.00	25,00,00.00
	With Financial Institution	-	-
	(b) Current Accounts	13,07,90.35	10,42,84.84
	(c) Others - Balance with Reserve Bank of India	1,00.00	1,00.00
	TOTAL	1551,46,00.97	1100,83,30.75

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	11,11,30.12	12,96,34.01
4	Advance to Directors	-	-
5	Advance Tax paid and taxes deducted at source (Net of provision for taxation)	180,14,22.30	234,74,85.14
6	Advances to Employees	26,81,58.54	28,55,84.37
7	Advance for Expenses	25,27,49.99	18,59,03.06
	TOTAL (A)	243,34,60.95	294,86,06.58
	OTHER ASSETS		
1	Income accrued on Investments	324,69,88.06	303,08,74.95
2	Outstanding Premiums	-	-
3	Agents' Balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business (including reinsurers)	254,78,34.31	197,39,90.54
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	1,83,58.24	2,15,49.75
9	Sundry Debtors-		
	Standard Asset	48,91.24	1,25,91.20
	Less : Provision for Standard Asset	19.57	50.37
	(I)	48,71.67	1,25,40.83
	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)	48,71.67	1,25,40.83
10	Amount Recoverable from others	22,62,74.71	23,74,52.93
	Less: Provision for Doubtful Recovery	94,71.30	94,71.30
		21,68,03.41	22,79,81.63
11	Sundry Deposits	37,53,74.39	38,22,28.24
	Less : Provision for Doubtful Debts	-	-
		37,53,74.39	38,22,28.24
12	Unclaimed Amount for Policyholder Assets	1,49,70.60	1,42,48.63
	Add: Interest earned on Unclaimed Amount for Policyholder Assets	35,87.41	29,75.66
		1,85,58.01	1,72,24.29
13	ATI Participation on behalf of Govt. of India	82,44,97.90	81,23,31.00
	TOTAL (B)	725,32,85.98	647,87,21.23
	TOTAL (A+B)	968,67,46.93	942,73,27.81

**SCHEDULE -13
CURRENT LIABILITIES**

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Agents' Balances	-	-
2	Balances due to other Insurance Companies	80,45,36.20	93,54,19.25
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	219,68,70.77	217,16,08.73
5	Unallocated Premium	40,17,53.94	48,63,80.92
6	Unclaimed Amount of Policyholders	1,50,69.05	1,51,38.81
	Add: Interest earned on Unclaimed Amount of Policyholders	34,69.27	31,86.08
		<u>1,85,38.32</u>	<u>1,83,24.89</u>
7	Sundry Creditors	37,04,00.43	81,59,85.26
8	Due to subsidiaries/holding company	-	-
9	Claims outstanding	6885,33,46.28	6674,15,73.27
10	Due to Employees	68,37,97.23	27,22,30.99
11	Others		
	- NEIA	18,48,85.20	18,21,36.04
	- Factoring	23,14.75	27,14.15
	- Miscellaneous	2,11,53.03	2,74,98.22
	- GST Liability	79,72.43	1,02,26.39
12	Unrecorded Receipt in Bank	-	20,77,59.70
	TOTAL	7354,55,68.58	7187,18,57.81

**SCHEDULE -14
PROVISIONS**

	Particulars	Current Period Audited (₹'000)	Previous Period Audited (₹'000)
1	Reserve for Unexpired Risk	431,16,15.96	396,14,47.62
2	Reserve for Premium Deficiency	316,54,00.00	210,30,00.00
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	54,17,81.86	49,50,72.55
	- Gratuity	5,50,06.43	2,81,49.26
	- Pension	24,49,57.67	50,18,49.54
7	For Thinly Traded Shares	-	-
8	For Doubtful Assets - Investment	109,97,70.60	109,97,70.60
	TOTAL	941,85,32.52	818,92,89.57

**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 AS 26 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 Un-expired 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; 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. 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.
- 3(b) 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 is 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 ₹24,17,68.89 thousand (previous year ₹17,81,87.22 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 ₹171,78,48.42 thousand as receivables from one of the Reinsurance companies on account of Excess of Loss (XOL) Treaty since June 2014 in respect of a claim filed with them. The Company had several rounds of positive discussions with the Reinsurance Company and there is a high probability that the amount shall be recovered.
- 4(e) Advances and Other Assets (Schedule 12) includes amount of ₹82,44,97.90 thousand (previous years ₹81,23,31.00 thousand) capitalised in African Trade Insurance (ATI) on behalf of the Govt. of India. ATI has declared dividend of ₹1,21,66.90 thousand (USD 1,62.00 thousand) and the same is capitalised during the current year.

5. CURRENT LIABILITIES:

- 5(a) Current Liabilities include ₹70,20.00 thousand (previous year ₹1,39,50.00 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, 2021 under the annual Memorandum of Understanding (MOU) signed with the Administrative Ministry, pending final rating to be conveyed by the Administrative Ministry.
- 5(b) The Company has made a provision of ₹65,11,48.00 thousand towards wage revision due to its employees based on prevalent Industry practices which includes differential provision of ₹21,99,69.00 thousand attributable to the period 1st August, 2017 to 31st March, 2020 and the same will be payable to the employees upon approval from the Ministry of Commerce & Industry, Government of India.
- 5(c) 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 ₹5740,47,70.49 thousand (previous year ₹4819,59,31.75 thousand) has been recognized as estimated liability towards unreported and not enough reported claims (IBNR & IBNER).

6. PROVISIONS

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

7. FACTORING

The Company has made provision of ₹19.57 thousand (previous year ₹50.37 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 5% (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 15% (previous year 26%) – with GIC Re (6%), SCOR Re (5%), Hannover Re (4%) and under ECIB is 8% (previous year 14.5%) – with GIC Re (2.5%), SCOR Re (2.5%) and Hannover Re (3%). The Company has 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

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 46 MLT covers (previous year 50 MLT covers) on payment of a fee for the FY 2020-21. During the current FY, the Company paid guarantee fees of ₹4,88,44.53 thousand (previous year ₹4,74,82.00 thousand) to NEIA Trust.

10. PREMIUM INCOME

Premium income is recognised on assumption of risk. The Company has estimated the premium income, based on available information relating to shipments made / advances granted in the month of March 2020 at ₹49,52,47.60 thousand (previous year ₹67,07,47.92 thousand) which is recognised in 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.

11. NEIA TRUST

The administrative charges receivable by the Company from the NEIA Trust of ₹2,65,29.75 thousand (previous year ₹2,48,68.09 thousand) are included in Other Income. Administrative charges received in advance of ₹18,48,85.20 thousand (previous year ₹18,21,36.04 thousand), are included in Current Liabilities – Others – NEIA Trust.

12. COVID 19

In order to reduce the impact of pandemic, RBI has brought in certain measures relaxing period of realisation and repatriation of export proceeds to India. In line with the Govt. relaxations the Company has also relaxed its terms of covers issued to its clients. The Company has further taken cognizance of the impact of COVID 19 on its business and made assessment of the situation on its financials for the current year. The Company is confident that the resultant claims will be manageable. On the basis of actuarial estimation we have provided the suitable provisions in our books of accounts and same is included in IBNR & IBNER provision. The IBNR & IBNER provision has been increased to Rs.5740.48 crore from Rs.4819.59 crore previous year due to resultant increase in defaults and expected claims. For the IBNR estimates, the assumptions used have prudent margins to reflect any uncertainty arising out of COVID exposure.

13. (a) 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 31/03/2021 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.
13. (b) 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'.

14. Balances under Sundry Debtors, Sundry Creditors and Deposits, Other Liabilities, Loans, Advances and Other Assets including amount recoverable, Deposits premium accounts including personal ledger balances of insureds, minimum premium account, reinsurance accounts are subject to confirmation and consequential adjustments, if any.
15. 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.

16. **Prior Period Adjustments Include:**

(₹ '000)

Particulars	Current Year	Previous Year
Premium	52,12.36	-
Others	1,55.88	20.00
Depreciation	2,57,50.98	-
Repair and Maintenance	1,34.05	2,38.39
Property Tax - Andheri Premises	2,32,35.67	-
Interest on Housing Loan	-	2,13.95
Total Prior Period Adjustments	5,44,88.94	4,72.34

17. **Earnings and Expenditure in Foreign Exchange:**

(₹ '000)

Earnings	Current Year	Previous Year
Claims Recovered	-	1,19,43.75
Re-insurance*	39,08,29.67	68,48,69.66
Other Receipt	46.56	1,86,70.85

Expenditure	Current Year	Previous Year
Membership Fees and other expenses	24,15.22	35,40.18
Travelling expenses	-	46,33.35
Status Enquiry Fees	1,30,39.93	1,09,16.85
Books and periodicals	40,79.79	40,30.26

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

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

19. 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 ₹5,02,35.43 thousand. (previous year ₹2,14,44.43 thousand) Total revenue during the year is ₹6,80.40 thousand (previous year ₹3,78.82 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.

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

(i) **Key Management Personnel:**

S. No.	Name	Designation
1	Shri M Senthilnathan	Chairman-cum-Managing Director Since 29.04.2020
		Executive Director (Policy Matters) up to 28.04.2020 and additional charge as CMD from 01.11.2019 to 28.04.2020
2	Shri R Padmavathy	Executive Director (Policy Matters) from 09.06.2020 to 30.06.2020
		Executive Director (Operations) up to 08.06.2020
3	Shri Sunil Joshi	Executive Director (Policy Matters) Since 09.07.2020
		Executive Director (Operations) from 09.06.2020 to 08.07.2020
		General Manager, Chief Vigilance Officer, Chief of Internal Audit up to 08.06.2020
4	Shri C N A Anbarasan	Executive Director (Operations) Since 23.09.2020
		General Manager, Chief Underwriting Officer (ECIB-ST) up to 22.09.2020
5	Shri P L Thakur	General Manager, Chief Underwriting Officer ECIB-ST) Since 24.09.2020
		General Manager, Chief Underwriting Officer (MLT) Since 21.05.2020 and Chief Underwriting Officer (Policy ST) up to 20.05.2020
6	Shri Shivaji Narvekar	General Manager, Chief Marketing Officer and Transparency Officer up to 28.02.2021
7	Shri Ishnath Jha	General Manager, HRD from 21.05.2020 Chief Financial Officer from 08.05.2019 to 20.05.2020
8	Shri Sristiraj Ambastha	General Manager, Chief Vigilance Officer, Chief of Internal Audit Since 21.05.2020 General Manager (HRD) up to 20.05.2020

S. No.	Name	Designation
9	Shri Subir Kumar Das	Chief Underwriting Officer (Policy- ST) Since 21.05.2020 General Manager, Chief Underwriting Officer (MLT) Since 01.07.2019 up to 20.05.2020
10	Shri Nirdosh Chopra	Chief Financial Officer, Transparency Officer and Chief Risk Officer Since 21.05.2020
11	Smt. Smita V Pandit	Chief Compliance Officer
12	Ms. Priscilla Sinha	Appointed Actuary
13	Ms. Arpita Sen	Chief Investment Officer

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

(₹ '000)

Particulars	Current year	Previous Year
Salary and Allowances	4,15,26.96	4,60,95.63
Appointed Actuary	85,43.28	80,03.97

(iii) Transactions during the year with related parties:

(a) NEIA Trust

(₹ '000)

S. No.	Nature of Transactions	Current year	Previous Year
1	Administrative Charges Received for the Year	2,65,29.75	2,48,68.09
2	Administrative Charges received in advance (Balance as on date)	18,48,85.20	18,21,36.04
3	Prepaid Expenses paid to NEIA (Balance as on date)	7,37,88.39	10,40,95.92
4	Outstanding Dues as at year end – Debit Balance	3,23,53.19	3,84,68.97
5	Guarantee Fees paid	4,88,44.53	4,74,82.00

(b) M/s Technocraft Industries (India)

(₹ '000)

S. No.	Nature of Transactions	Current year	Previous Year
1	Donation under CSR Activity	12,77.50	-

21. 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 during the year amounting to ₹2,95,89.55 thousand (previous year debit ₹10,59,28.58 thousand). The Net Deferred Tax Assets at the end of the year amounts to ₹44,24,70.76 thousand (previous

year Deferred Tax Assets ₹41,28,81.21 thousand). The breakup of Deferred Tax Assets and Deferred Tax Liabilities is as under:

(₹ '000)

Particulars	Opening at 01-04-2020	Charge/Credit during the year	Closing at 31-03-2021
Liability			
Depreciation	2,57,50.72	(35,11.84)	2,22,38.88
Total	2,57,50.72	(35,11.84)	2,22,38.88
Assets			
Provision for leave encashment	12,45,99.86	1,17,55.80	13,63,55.66
Provision for doubtful debts	29,69,11.70	(7.76)	29,69,03.94
Provision for gratuity	62,19.35	76,24.67	1,38,44.02
PLLI	35,10.94	(17,44.15)	17,66.79
Wage Revision (PF& leave encashment)	73,90.08	84,49.15	1,58,39.23
Total	43,86,31.93	2,60,77.71	46,47,09.64
Deferred Tax Asset/(Liability)	41,28,81.21	2,95,89.55	44,24,70.76

22. Earnings Per Share is calculated as under:

(₹ '000)

	Particulars	Current Year	Previous Year
a)	Numerator: Net Profit as per Profit & Loss A/c (₹ '000)	460,30,48.96	323,83,97.41
b)	Denominator: Weighted Average Number of Shares Outstanding during the year	28,74,82,192	22,98,63,691
c)	Earnings per share: Basic (₹)	16.01	14.09
d)	Nominal Value of Shares (₹)	100.00	100.00

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.

23. 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	172,65,64.00	172,82,61.00
3.	Policies and ECIB claims against the Company not acknowledged as debt	1053,66,45.00	1052,15,10.00
4.	Guarantees given by or on behalf of the Company	Nil	Nil

5.	Income Tax	377,00,00.00	377,00,00.00
6.	ESI, EPF and Stamp Act.	47,64.75	47,64.75

24. CAPITAL COMMITMENTS

Amount of capital commitments outstanding is ₹205,38,10.02 thousand (previous year ₹203,63,09.93 thousand).

25. Based on the actuarial valuations by the Appointed Actuary, premium deficiency reserve of ₹316,54,00.00 thousand (previous year ₹210,30,00.00 thousand) is provided as per IRDAI requirements.

26. RESERVE FOR CORPORATE SOCIAL RESPONSIBILITY:

The Company has computed CSR provision for the year 2020-21 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)
Particulars		Amount
Amount committed to be spent	(A)	35,34.02
Amount to be spent as per section 135 of Companies Act, 2013	(B)	7,00,00.00
Total available amount	(C=A+B)	7,35,34.02
Amount spent during the year	(D)	3,77,53.48
Total unspent amount balance under CSR activities	(E=C-D)	3,57,80.54

27. 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.

28. 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) 7.06% 2046 Government of India bonds having face value of ₹40,00,00.00 thousand (previous year NIL) is charged to National Stock Exchange Limited towards margin for secondary market equity transactions entered into by the company as per the regulatory requirement.

29. Investments

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, 2021 is ₹237,73,86.62 thousand Book Value (Face Value ₹225,89,65.97 thousand).

30. 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) As the corpus of the Provident Fund and earnings thereon are sufficient to meet the requirement of the interest payable on the Provident fund, no provision for the same and no specific disclosure on account of provision is made in the account. However, the

Company has paid ₹25,75.12 thousand during the year to the Provident Fund Trust to meet the shortfall of Interest for the previous year 2019-20.

- (f) 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	54,17,81.86	49,50,72.55
	Liability at the beginning of the year	49,50,72.55	45,12,51.38
	Additional Liability recognised in the Balance Sheet	(4,67,09.31)	(4,38,21.17)

- (g) 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 year	364,75,12.12	336,34,47.37
	Interest Cost	24,83,95.58	26,16,76.21
	Current Service Cost	12,50,24.11	11,42,42.30
	Liability Transferred		
	Benefits paid	(40,26,58.20)	(51,85,52.90)
	Actuarial (Gain) / Loss	22,29,71.59	42,66,99.14
	Projected Benefit Obligations at the end of the year	384,12,45.20	364,75,12.12
2	Change in Plan Assets		
	Plan Assets at the beginning of the year at fair value	314,56,62.58	303,84,00.00
	Expected return on Plan Assets	21,42,19.62	23,63,87.52
	Contributions	52,99,28.06	35,56,13.33
	Assets Transferred in	-	-
	Benefits paid	(40,26,58.20)	(51,85,52.90)
	Actuarial Gain / (Loss)	10,91,35.47	3,38,14.63

	Category	Current Year	Previous Year
	Plan Assets at the end of the year at fair value	359,62,87.53	314,56,62.58
3	Recognized in the Balance Sheet		
	Present Value of the Defined Benefit Obligation	384,12,45.20	364,75,12.12
	Plan Assets at the end of the year at fair value	359,62,87.53	314,56,62.58
	Liability recognised in the Balance Sheet	24,49,57.67	50,18,49.54
4	Cost for the year		
	Current Service Cost	12,50,24.11	11,42,42.30
	Interest Cost (Includes Expected return on Plan Assets)	3,41,75.96	2,52,88.69
	Actuarial (Gain) / Loss	11,38,36.12	39,28,84.51
	Expense recognised in the Revenue account	27,30,36.19	53,24,15.50

Gratuity

(₹ '000)

	Category	Current Year	Previous Year
1	Change in Benefit Obligations		
	Projected Benefit Obligations at the beginning of the year	44,17,03.76	43,55,74.18
	Interest Cost	3,02,12.54	3,39,31.23
	Current Service Cost	82,27.00	70,83.93
	Past Service Cost – Vested Benefit		
	Benefits paid	(5,97,22.02)	(6,11,51.44)
	Actuarial (Gain) / Loss	1,80,65.15	2,62,65.86
	Projected Benefit Obligations at the end of the year	43,84,86.43	44,17,03.76
2	Change in Plan Assets		
	Plan Assets at the beginning of the year at fair value	41,35,54.50	42,04,35.18
	Expected return on Plan Assets	2,82,87.13	3,27,51.90
	Contributions	23,18.55	2,54,14.65
	Assets Transferred In	-	-
	Benefits paid	(5,97,22.02)	(6,11,51.44)
	Actuarial Gain / (Loss)	(9,58.16)	(38,95.79)
	Plan Assets at the end of the year, at fair value	38,34,80.00	41,35,54.50
3	Recognized in the Balance Sheet		
	Present Value of the Defined Benefit Obligation	43,84,86.43	44,17,03.76
	Plan Assets at the end of the year at fair value	38,34,80.00	41,35,54.50
	Liability recognised in the Balance Sheet	5,50,06.43	2,81,49.26
4	Cost for the year		
	Current Service Cost	82,27.00	70,83.93

	Category	Current Year	Previous Year
	Interest Cost (Includes Expected return on Plan Assets)	19,25.41	11,79.33
	Actuarial (Gain) / Loss	1,90,23.31	3,01,61.65
	Past Service Cost – Vested Benefit		
	Expense Recognised in the Revenue account	2,91,75.72	3,84,24.91
	Category	Pension	Gratuity
5	Assumptions		
	Interest rate for Discounting	6.91% (6.81%)	6.90% (6.84%)
	Estimated rate of return on Plan Assets	6.91% (6.81%)	6.90% (6.84%)
	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 Method	
	Basis used to determine the expected rate of return on Plan Assets.	The expected rate of return on plan assets is based on the current portfolio of the assets, investment strategy and the market scenario, in order to protect capital and optimize returns within acceptable risk parameters; the Plan Assets are well diversified.	

31. 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 ₹14,57,77.33 thousand (previous year ₹13,92,14.20 thousand). As per AS-19 “Leases” amount of minimum future payments for operating leases is ₹34,80,26.79 thousand (previous year ₹35,29,38.59 thousand).

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

- Amount Outstanding ₹ NIL (previous year ₹ NIL)
- Delayed Payments made through-out the year ₹ NIL (previous year ₹ NIL)
- Interest payable where principal dues are settled after due date ₹ NIL (previous year ₹ NIL).

33. The recoveries of claims paid in earlier years (Schedule 2) are accounted net of expenses at ₹117,46,79.60 thousand (previous year ₹166,43,65.31 thousand) such as recovery

commission, bank charges, etc. incurred on such recoveries as per the practice consistently followed by the Company.

34. 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
i	Outsourcing Expenses	10,91,45.51	25,89,16.80
ii	Business Development	1,23,91.87	1,93,42.18
iii	Marketing Support	3,86,47.91	4,61,43.60

35. RATIOS FOR NON – LIFE COMPANIES

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

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

FY	Premium Statistics for the Period April 2020 to March 2021				
	Premium				
	Premium	Retention	%	RI Ceding	%
2020-21	1062,28,19.61	862,32,31.91	81.18%	199,95,87.70	18.82%
2019-20	1075,47,39.68	792,28,95.24	73.67%	283,18,44.44	26.33%

37. 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.

38. 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:

S. No	Authority	Non-Compliance/ Violation	Amount in ₹' 000		
			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, 1956/2013	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	*Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952	NIL	NIL	NIL
		**Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952, and Employees Deposit Linked Insurance (EDLI) Scheme 1976.	NIL	NIL	NIL
		***The Maharashtra Stamp Act, 1958	4,46.71	NIL	NIL

Note:

*Employees Provident Fund & Miscellaneous Provisions (EPF & MP) Act, 1952 - ECGC while executing the order dated 9.8.2016 issued by the Regional Provident Fund Commissioner-I 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 under 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. The hearing was concluded on June 07, 2019 and the orders are reserved.

**Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952 - APFC, EPFO has issued three notices 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 delayed remittances made during the following period were issued to the Company:

(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/-; and

(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 the APFC, EPFO was conducted on June 07, 2019 in which a detailed submission was made. The hearing was concluded on June 07, 2019 and the orders are reserved.

*** The Maharashtra Stamp Act, 1958: Stamp Office, Mumbai, Maharashtra State, vide its letter dated 06/01/2015, has 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 07/04/2012.

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.

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.

39. 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.

40. The Board of Directors at their meeting has proposed a dividend of ₹5 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 ₹159,50,00.00 thousand from the Profit Loss Account for the year ended on March 31, 2021.
41. 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)
Chairman cum Managing Director
DIN - 07376766

(DEVESH SRIVASTAVA)
Director
DIN - 08646006

(SHIRISH CHANDRA MURMU)
Director
DIN – 08664748

(SUNIL JOSHI)
Executive Director
DIN - 08778530

(NIRDOSH CHOPRA)
Chief Financial Officer

(SMITA PANDIT)
Company Secretary

As per our Report of even date attached:

For abm & associates LLP
Chartered Accountants
Firm Registration No. 105016W/W-100015

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

(ANIL CHIKODI)
Partner - M. No. 107659
Kolhapur

(SANJAY KAPADIA)
Partner - M. No. 38292

Place: Mumbai

Dated: 16th July, 2021

ECGC Limited

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	Nil
	Outside India	Nil
2	Commitments Outstanding (as per the data provided by the management)	
a)	Commitments made and outstanding for loans and investments	Nil
b)	Commitments made for Fixed Assets (Net of advances)	205,38,10.02
		203,63,09.93
3	Claims, less reinsurance, paid to claimants	
a)	In India	756,08,26.79
b)	Outside India	290,32,07.93
		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	261
	Amount	921,22,31.31
		332
		1804,68,57.76
	Claims outstanding for less than six months (Gross - Indian)	
	Number of Claims	429
	Amount	619,31,24.31
		479
		763,23,54.07
	Total Number of Claims outstanding (Gross - Indian)	690
	Amount	1540,53,55.62
		811
		2567,92,11.83
6	Premiums, less reinsurance, written from business	
	In India	862,32,31.91
	Outside India	792,28,95.24
		Nil
		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.	431,16,15.96
		396,14,47.62
8	Details of contracts in relation to investments for,	
a)	Purchase where deliveries are pending	Nil
b)	Sales where payments are due	Nil
		Nil
		Nil

	Current Year (₹ '000)	Previous Year (₹ '000)
9	The entire operating expenses pertain to credit insurance business.	
10	Investments are valued in accordance with the declared accounting policy.	
11	Computation of Managerial Remuneration: The Company is exempted vide notification: GSR 463 u/s 462 of the Companies Act, 2013, being a Government Company.	
12	Refer Point no. 4.6 of Significant Accounting Policy Nil	Refer Point no. 4.6 of Significant Accounting Policy Nil
13	Basis of amortisation of debt securities Provision for diminution in the value of the investments	
a)	Unrealised gains and losses due to changes in fair value of listed equity shares under Fair value change a/c	641,96,91.23 (98,05,36.12)
b)	Pending realisation, credit balance in Fair value change a/c not available for distribution.	641,96,91.23 -
14	The Company does not have investment in 'Real Estate Investment 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	Nil Nil
	Amount	Nil Nil
B	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)	N.A N.A
	b) Outside India	N.A N.A
2	Segregation of Investments into performing and non-performing investments is as under	
	Performing(Standard) Investments	13736,00,31.18 11999,88,46.65
	Non Performing Investments	110,00,00.00 110,00,00.00
	Total Book Value(Closing Value)	13846,00,31.18 12109,88,46.65
3	Percentage of business sectorwise As the company caters to exporters only, no such sectors are specifically identifiable.	
4	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 %
5 Various Financial Ratios (as compiled by the management) (in the absence of specific ratios prescribed by the authority, some of the important ratios are given.) (Year-end unless otherwise stated)			
Gross Premium	1062,28,19.61	1075,47,39.68	-1.23
Net Premium	862,32,31.91	792,28,95.24	8.84
Net Retention Ratio (%) (Net Premium/Gross Premium)	81.18	73.67	10.19
Profit before Tax to Share Capital (%)	18.44	16.00	15.22
Profit before Tax to Networth (%)	9.24	7.67	20.47
Profit after Tax to Networth (%)	7.23	6.21	16.43
Expenses of Management to Gross Premium (%)	28.37	27.22	4.22
PBDIT to Total Employment	110,97.14	70,85.90	56.61
Technical Reserves to Net Premium			
Unexpired Risks Reserve	431,16,15.96	396,14,47.62	8.84%
Outstanding Claims	6885,33,46.28	6674,15,73.27	3.16%
Premium Deficiency	316,54,00.00	210,30,00.00	50.52%
Total Technical Reserves	7633,03,62.24	7280,60,20.89	4.84%
Net Premium	862,32,31.91	792,28,95.24	8.84%
Ratio	8.85	9.19	-3.67

ECGC Limited

CIN: U74999MH1957GOI010918

DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS

Annexure - 1 (b) to Schedule 17

(₹ '000)

		2020-21	2019-20	2018-19	2017-18	2016-17
	OPERATING RESULTS					
1	Gross Direct Premium	1062,28,19.61	1075,47,39.68	1247,54,25.98	1240,41,70.70	1267,62,48.71
2	Net Earned Premium	862,32,31.91	792,28,95.24	870,02,07.14	838,82,48.95	839,64,91.37
3	Income from Investments (Net)	566,17,10.29	507,97,46.56	484,33,90.96	421,18,52.23	377,94,12.18
4	Other Income(Fee & Other Receipts)	1,10,74.60	2,04,07.18	2,34,38.90	3,85,05.23	2,48,01.65
5	Total Income	1429,60,16.80	1302,30,48.98	1356,70,37.00	1263,86,06.41	1220,07,05.20
6	Commission (Net) (Including Brokerage)	(26,19,85.99)	(37,15,68.81)	(51,56,04.98)	(58,09,97.22)	(70,04,80.73)
7	Operating Expenses	270,92,57.55	314,08,13.26	265,94,06.60	192,78,45.75	195,49,31.98
8	Net Incurred Claim	884,52,05.49	958,41,52.78	1141,16,19.58	1138,58,81.99	1056,65,01.81
9	Change in Unexpired Risk Reserve	(35,01,68.34)	38,86,55.95	(15,59,79.10)	41,21.21	31,92,36.41
10	Operating Profit / (Loss)	159,09,71.41	86,91,07.70	(42,76,63.30)	(130,05,02.90)	138,09,89.14
	NON OPERATING RESULTS					
11	Total Income under Shareholders' account	428,99,99.01	313,10,81.51	357,15,43.20	253,46,72.77	269,39,52.70
12	Profit / (Loss) before tax	588,09,70.42	400,01,89.21	314,38,79.90	123,41,69.87	407,49,41.84
13	Provision for tax	12779,21.46	76,17,91.80	70,00,52.77	55,49,97.61	125,35,00.55
14	Profit / (Loss) after tax	460,30,48.96	323,83,97.41	244,38,27.13	67,91,72.26	282,14,41.29
	MISCELLANEOUS					
15	Policyholders' Account *					
	Total Funds	8027,76,02.10	7644,96,74.89	6923,69,85.54	6289,14,37.20	5640,60,00.59
	Total Investments #	7892,22,17.77	7144,83,19.52	6722,76,41.55	5458,50,54.42	4996,80,82.41
	Yield on Investments	8.52	8.29	8.76	9.08	8.50
16	Shareholders Account' *					
	Total Funds	6056,02,96.32	5312,60,45.27	4066,29,91.51	3854,63,64.73	3760,40,00.39
	Total Investments #	5953,78,13.41	4965,05,27.13	3948,29,00.59	3345,53,55.94	3331,20,54.94
	Yield on Investments	8.52	8.29	8.76	9.08	8.50
17	Paid up Equity Capital	3190,00,00.00	2500,00,00.00	2000,00,00.00	1500,00,00.00	1450,00,00.00
18	Net Worth	6365,22,29.27	5214,91,80.31	4463,41,14.66	3737,11,20.47	3619,19,48.21
19	Total Assets	15303,60,21.60	13422,97,91.57	11840,49,31.53	10447,07,12.65	9775,15,06.80
20	Yield on Total Investments	8.52	8.29	8.76	9.08	8.50
21	Earnings Per Share (Rs.)	16.01	14.09	13.41	4.98	20.90
22	Book Value per share (Rs.)	199.54	208.60	223.17	270.50	270.45
23	Total Dividend	-	-	60,00,00.00	15,00,00.00	72,50,00.00
24	Dividend per share (Rs.)	-	-	3.00	1.00	5.00

* 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.

ECGC Limited

CIN: U74999MH1957GOI010918

Annexure 2 to Schedule 17

Analytical Ratios for the period ended on 31st March 2021

Sl. No	Particular	31 March 2021	31 March 2020
1	Gross Direct Premium Growth Rate Gross Direct Premium Growth	1062,28,19.61 -1.23%	1075,47,39.68 -13.79%
2	Gross Direct Premium to Net Worth Ratio (Times) Total Gross Direct Premium Net Worth (Closing) Ratio (times)	1062,28,19.61 6365,22,29.27 0.17	1075,47,39.68 5214,91,80.31 0.21
3	Growth Rate of Net Worth Net Worth (Opening) Net Worth (Closing) Growth rate of Net Worth	5214,91,80.31 6365,22,29.27 22.06%	4463,41,14.66 5214,91,80.31 16.84%
4	Net Retention Ratio Net Premium Gross Direct Premium Net Retention Ratio	862,32,31.91 1062,28,19.61 81.18%	792,28,95.24 1075,47,39.68 73.67%
5	Net Commission Ratio Net Commission Net Premium Ratio	(26,19,85.99) 862,32,31.91 -3.04%	(37,15,68.81) 792,28,95.24 -4.69%
6	Expenses of Management to Gross Direct Premium Ratio Expenses of Management Gross Direct Premium Ratio	301,38,17.07 1062,28,19.61 28.37%	292,75,41.86 1075,47,39.68 27.22%
7	Expenses of Management to Net Written Premium Ratio Expenses of Management Net Written Premium Ratio	301,38,17.07 862,32,31.91 34.95%	292,75,41.86 792,28,95.24 36.95%
8	Net Incurred Claims to Net Earned Premium Net Incurred Claims Net Earned Premium Ratio	884,52,05.49 827,30,63.57 106.92%	958,41,52.78 831,15,51.19 115.31%
9	Combined ratio Net Incurred Claims Net Earned Premium Ratio (a) Expenses of management Net Written Premium Ratio (b) Combined Ratio (a + b)	884,52,05.49 827,30,63.57 106.92% 263,89,52.66 862,32,31.91 30.60% 137.52%	958,41,52.78 831,15,51.19 115.31% 246,20,63.07 792,28,95.24 31.08% 146.39%
10	Technical Reserves to Net Premium Ratio (Times) Reserve for Outstanding Claims Reserve For Un-expired Risks Reserve for Premium Deficiency Total Net Premium Ratio (Times)	6885,33,46.28 431,16,15.96 316,54,00.00 7633,03,62.24 862,32,31.91 8.85	6674,15,73.27 396,14,47.62 210,30,00.00 7280,60,20.89 792,28,95.24 9.19
11	Underwriting Balance Ratio Underwriting Profit Net Premium Ratio	(408,18,13.48) 827,30,63.57 -49.34%	(376,65,56.39) 831,15,51.19 -45.32%

ECGC Limited

CIN: U74999MH1957GOI010918

Annexure 2 to Schedule 17

Analytical Ratios for the period ended on 31st March 2021

Sl. No	Particular	31 March 2021	31 March 2020
12	Operating Profit Ratio		
	Underwriting Profit	(408,18,13.48)	(376,65,56.39)
	Investment Income	566,17,10.29	461,52,56.91
	Other Income in Revenue account	1,10,74.60	2,04,07.18
	Operating Profit	159,09,71.41	86,91,07.70
	Net Earned Premium	827,30,63.57	831,15,51.19
	Ratio	19.23%	10.46%
13	Liquid assets to liabilities ratio: (Liquid assets of the insurer divided by the policy holders' liabilities) (Times)		
	Liquid Assets	2914,79,68.45	2859,23,17.34
	Policy Holder Liabilities	7633,03,62.24	7280,60,20.89
	Ratio (Times)	0.38	0.39
14	Net earnings ratio		
	Profit After Tax	460,30,48.96	323,83,97.41
	Net Premium	862,32,31.91	792,28,95.24
	Ratio	53.38%	40.87%
15	Return on net worth		
	Profit After Tax	460,30,48.96	323,83,97.41
	Net Worth	6365,22,29.27	5214,91,80.31
	Ratio	7.23%	6.21%
16	Available Solvency to Required Solvency margin Ratio (Times)		
	Available Solvency Margin	5745,67,36.00	4865,08,85.63
	Required Solvency Margin	298,40,97.90	323,83,70.70
	Ratio (Times)	19.25	15.02
17	NPA Ratio		
	Investment:	0.787%	0.907%
	Factoring	93.53%	84.89%

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 July 2013 effective from FY 2013-14.

(M SENTHILNATHAN)
Chairman cum Managing Director
DIN - 07376766

(DEVESH SRIVASTAVA)
Director
DIN - 08646006

(SHIRISH CHANDRA MURMU)
Director
DIN - 08664748

(SUNIL JOSHI)
Executive Director
DIN - 08778530

(NIRDOSH CHOPRA)
Chief Financial Officer

(SMITA PANDIT)
Company Secretary

As per our report of even date attached

For abm & associates LLP
Chartered Accountants
Firm Registration No. 105016W/W-100015

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

(ANIL CHIKODI)
Partner - M.No. 107659
Kolhapur

(SANJAY KAPADIA)
Partner - M.No. 38292

Place : Mumbai
Dated : 16th July, 2021

ECCG Limited

CIN: U74999MH1957GOI010918

Due to Insured - Unclaimed as on 31st March, 2021

Annexure 3(A) to Schedule 17

Amount in ₹ '000

Sl. No	Particulars	Total Amount	AGE-WISE ANALYSIS							More than 120 months		
			0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	37-120 months			
1	Claims settled but not paid to the policyholders/beneficiaries due to any reasons except under litigation from the policyholders/beneficiaries	-										
2	Sum due to the policyholders/beneficiaries on maturity or otherwise											
3	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	97,73.17	10,87.96	31,54.65	43.38			29.85			53,18.60	1,38.73
4	Cheques issued but not encashed by the policyholder/beneficiaries	52,95.88	40.19	82.83	1,06.53			11,60.92		31.71	31,47.28	1,61.27
	Total	1,50,69.05	11,28.15	32,37.48	1,49.91			11,90.77		31.71	84,65.88	3,00.00

Note : 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.

ECGC Limited
CIN: U74999MH1957GOI010918

Details of Unclaimed Amounts and Investment Income thereon as on 31-March-2021

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

Particular	Current Year (2020-21)		Previous Year (2019-20)	
	Policy Dues	Income Accrued	Policy Dues	Income Accrued
Opening Balance	1,51,38.81	31,86.08	1,41,24.10	25,10.50
Add: Amount transferred to Unclaimed Fund	10,88.40	-	44,31.79	-
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	3,13.27	-	2,12.49	-
Add: Investment Income on Unclaimed Fund	-	4,27.04	-	6,80.64
Less: Amount of claims paid during the quarter	9,34.50	18.03	35,72.96	5.06
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	5,36.93	1,25.82	56.61	-
Closing Balance of Unclaimed Amount Fund	1,50,69.05	34,69.27	1,51,38.81	31,86.08

ECGC Limited
CIN: U74999MH1957GOI010918

Receipts & Payments Account / (Cash Flow Statement) for the year ended 31st March 2021

		(₹ '000)	
	Particulars	2020-21	2019-20
A	CASH FLOW FROM OPERATING ACTIVITY		
1	Premium received from policyholder including advance receipts	1086,95,13.07	1166,68,09.01
2	Other Receipts / Recoveries / Fees	108,23,09.82	141,32,09.10
3	Payments to reinsurers net of commission and claims	24,65,58.26	(43,10,78.85)
4	Payments of Claims	(1046,74,05.69)	(409,06,38.16)
5	Payments of Commission & Brokerage	(8,70,30.21)	(5,57,16.18)
6	Payments of Other operating expenses	(251,74,14.42)	(262,44,17.91)
7	Deposits, Advances & Staff Loan	(5,80,41.70)	(91,20,24.91)
8	Income Tax Paid (Net)	(69,00,00.00)	(156,64,37.80)
9	GST Paid	(3,27,22.93)	(2,20,54.64)
10	Other Paymens/Collection (net)	(8,77,87.62)	(19,90,41.52)
	Cash Flow before extra ordinary items	(174,20,21.42)	317,86,08.14
11	Cash Flow from extra ordinary operations	-	-
	Net Cash Flow from Operating Activities (A)	(174,20,21.42)	317,86,08.14
	Fund Transfer received from HO to Branches	-	-
	Fund Transfer within HO	-	-
B	CASH FLOW FROM INVESTING ACTIVITIES		
1	Addition to Fixed Assets (including capital work in progress)	(21,94,79.46)	(38,89,88.49)
2	Proceeds from Sale of Fixed Assets	9,10.43	5,03.72
3	Net of Purchase and Sale of Investments	(582,92,08.19)	(1371,75,62.53)
4	Rent / Interest / Dividends Received	861,14,52.41	794,00,04.32
5	Investments in money market instruments and in liquid mutual funds	-	-
6	Expenses related to investments	(72,71.07)	(84,47.83)
	Net Cash Flow from Investing Activities (B)	255,64,04.12	(617,44,90.81)
C	CASH FLOW FROM FINANCING ACTIVITIES		
1	Proceeds from issuance of share capital (Includes Advance Received for	390,00,00.00	800,00,00.00
2	Interest / Dividend paid	-	(60,00,00.00)
3	Dividend Distribution Tax	-	(12,33,31.76)
	Net Cash Flow from Financing Activities (C)	390,00,00.00	727,66,68.24
D	Effect of foreign exchange rates on Cash and Cash equivalents, net	(3,52.78)	(2,12.39)
	Net Cash Flow (A+B+C+D)	471,40,29.92	428,05,73.18
E	Net increase in Cash and Cash equivalents:		
1	-- at the beginning of the year	1080,05,71.05	651,99,97.87
2	-- at the end of the year	1551,46,00.97	1080,05,71.05
	Change in Cash and Cash equivalent	471,40,29.92	428,05,73.18

(M SENTHILNATHAN)
Chairman cum Managing Director
DIN - 07376766

(DEVESH SRIVASTAVA)
Director
DIN - 08646006

(SHIRISH CHANDRA MURMU)
Director
DIN - 08664748

(SUNIL JOSHI)
Executive Director
DIN - 08778530

(NIRDOSH CHOPRA)
Chief Financial Officer

(SMITA PANDIT)
Company Secretary

As per our report of even date attached

For abm & associates LLP
Chartered Accountants
Firm Registration No. 105016W/W-100015

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

(ANIL CHIKODI)
Partner - M.No. 107659
Kolhapur

(Sanjay Kapadia)
Partner - M.No. 38292

Place : Mumbai
Dated : 16th July, 2021

प्रबंधन रिपोर्ट

**Management
Report**

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 2020-21.
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 ₹101238,01,81 thousands against the enhanced Maximum Liability of ₹100000,00,00 thousands by Ministry of Commerce & Industry vide letter dated 20.04.2009.
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

(DEVESH SRIVASTAVA)
Director
DIN - 08646006

(SHIRISH CHANDRA MURMU)
Director
DIN – 08664748

(SUNIL JOSHI)
Executive Director
DIN - 08778530

Place : Mumbai

Date : 16th July, 2021

Annexure I

Ageing of Claim outstanding as on Financial Years end

(₹ '000)

Period	2020-21		2019-20		2018-19		2017-18		2016-17	
	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved
30 Days	107	105,22,75.43	102	144,39,15.20	137	433,26,82.28	152	222,40,53.78	100	289,62,03.90
30 Days to 6 Months	322	514,08,48.88	377	618,84,38.87	330	1511,19,49.84	257	912,16,99.19	185	1010,91,08.40
6 Months to 1 Year	150	262,34,73.89	200	775,84,21.04	84	761,31,39.08	84	730,94,48.66	145	1113,28,86.64
1 year to 5 years	111	658,87,57.42	132	1028,84,36.72	35	545,58,38.80	60	429,14,12.50	36	391,34,63.50
5 years & above	-	-	-	-	-	-	-	-	-	-
Total	690	1540,53,55.62	811	2567,92,11.83	596	3251,36,10.00	553	2294,66,14.13	466	2805,16,62.44

Annexure II

Ageing of Claim settlement during Financial Years

(₹ '000)

Period	2020-21		2019-20		2018-19		2017-18		2016-17	
	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved	No.	Amount Involved
30 Days	46	8,29,16.25	41	7,05,56.70	48	8,36,74.42	79	20,10,79.22	126	25,98,28.19
30 Days to 6 Months	430	257,86,14.47	424	184,52,13.31	538	313,44,99.37	481	262,48,56.37	538	376,97,39.86
6 Months to 1 Year	177	168,36,24.40	77	154,75,50.96	88	292,01,80.79	91	847,69,72.78	84	242,82,44.91
1 year to 5 years	81	612,22,50.57	11	62,08,00.65	51	399,47,17.13	27	152,87,47.54	30	239,55,77.20
5 years & above	-	-	-	-	-	-	-	-	-	-
Total	734	1046,74,05.69	553	408,41,21.62	725	1013,30,71.71	678	1283,16,55.91	778	885,33,90.16

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

स्वतंत्र लेखा परीक्षकों
की रिपोर्ट
Independent Auditors'
Report

abm & associates LLP Chartered Accountants Office No 210, Plot No 9, Shah Heritage, Sector 42A, Opp. D Mart, Seawoods West, Thane - 400706	SNK & Co. Chartered Accountants 303, 3rd Floor, Konark Shram Building, 156, Tardeo, Mumbai – 400034
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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, 2021, 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 sixty branches situated in India out of which fifty eight branches are 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 Regulatory and Development Authority of India Act, 1999 (“IRDAI”) and the regulations made thereunder and the Companies Act, 2013 (“the Act”), 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, 2021 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, 2021
- 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.

1. 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.

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.
- c. Note No.12 to Schedule 17 which explains the uncertainties and the management's assessment of the financial impact and the solvency position due to the lockdown and other restrictions imposed by the Government and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. In this respect, the management has not separately disclosed the financial impact of COVID-19 but the Appointed Actuary has certified that the Provision of liabilities in respect of claims Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) includes the impact of covid on financial statement of the company.
- d. Note No. 5 (c) and 25 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, 2021 which is the responsibility of the Corporation'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, 2021 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.
- e. Note no. 14 to Schedule 17 regarding pending reconciliation of and consequential adjustment of certain balances under Sundry Debtors, Sundry Creditors and deposits, Other liabilities, Loans, Advances and other Assets including amount recoverable, and Sundry

Deposits including personal ledger balances of insured, minimum premium account, deposit premium account and reinsurance accounts;

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.

2. 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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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.

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.

Other Matter

1. We did not audit the financial statements/information of sixty branches included in the financial statements of the Company whose financial statements / financial information reflect total assets of **Rs.2964,62,04.83** thousands as at 31st March, 2021, total operating revenues in terms of Premium of **Rs.1062,28,19.61** thousands and Claims paid of **Rs.1046,74,05.69** thousands for the year ended on that date, as considered in the financial statements. The financial statements/ information of fifty eight branches have been audited by the branch auditors (in which financial statements / information of 2 unaudited branches have been merged) whose reports have been furnished to us by the management, and 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.

Our opinion is not modified in respect of these matters.

3. Report on Other Legal and Regulatory Requirements

- a) The financial statements as at March 31, 2021 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 dt. July 16, 2021 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 2016, ("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.
4. 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;
 - c) The reports on the accounts of the fifty eight branch offices of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and accounts of 2 unaudited branches provided by the management of the company, 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 23 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;
5. 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.	<p>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.</p>	<p>i) The Company has system in place to process all the accounting transactions through IT systems except for the following:-</p> <ul style="list-style-type: none"> ➔ Working of Reinsurance Business & Depreciation Working of Fixed Assets. Though manual controls are available, they may not suffice and Reinsurance & Fixed Assets 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 Trail Balance, it may not suffice and Investment Software should also be merged with the main IT system.
2.	<p>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 company's inability to repay the loan? If yes, the financial impact may be stated.</p> <p>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).</p>	<p>Not Applicable as the Company has not borrowed any money nor it has lended any money to other company</p>
3.	<p>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.</p>	<p>Yes, funds received from central government, in the form of share capital were properly accounted for/ utilized as per its term and conditions.</p>

6. 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.	<p>All the investments in CGS/SGS are held with RBISGL Account and have been verified with records and no discrepancies have been found. Two Securities of CGS have been kept with CCIL for secondary market operations of Government Securities and TREPS operations & further one Security is kept with National Stock Exchange towards margin requirement against equity operations, for which we have obtained the necessary certificates.</p> <p>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.</p>
2.	Whether stop loss limits have been prescribed in respect of the investments. If yes, whether or not the limit was adhered to. If no, details may be given.	<p>As informed by the Management of the Company, its entire investment Portfolio is under HTM (Held-to-Maturity) / AFS (Available-for-Sale) category. Company is not having trading portfolio.</p> <p>Accordingly, Company is not having stop loss policy / stop loss limits.</p>

7. Matters required to be dealt with as prescribed by the Schedule C, Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of financial statements and Auditor's Report of Insurance Companies) Regulations, 2002 to the extent not reported elsewhere:
- a. the accounting policies adopted by the Company are appropriate and are in compliance with the applicable Accounting Standards specified under Section 133 of the Act and with the accounting principles prescribed by the Regulations and orders/directions prescribed by IRDAI in this regard;
 - b. we have reviewed the management report attached to the financial statements, and there are no apparent mistakes or material inconsistencies with the financial statements;
 - c. as per the explanation given by the management, the Company has complied with the terms and conditions of registration as laid down in sub section 4 of section 3 of the Insurance Act, 1938;
 - d. 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

- a. auditors and in case of unaudited branches by the branch managers) and securities relating to the loans and investments made by the company by actual inspection or by production of certificates or the other documentary evidences except securities held by the bank for which confirmations have been received;
- b. 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 Act and these regulations;
- c. 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
- d. 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.

<p><i>for abm & associates LLP</i> Chartered Accountants Firm Registration No. 105016W/W-100015</p> <p>(Anil Chikodi) Partner Membership No. 107659</p> <p>Place : Kolhapur Date : 16/07/2021</p> <p>UDIN : 21107659AAAAEV2222</p>	<p><i>for SNK & Co.</i> Chartered Accountants Firm Registration No. 109176W</p> <p>(Sanjay Kapadia) Partner Membership No. 38292</p> <p>Place : Mumbai Date : 16/07/2021</p> <p>UDIN : 21038292AAAACN1909</p>
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abm & associates LLP Chartered Accountants Office No 210, Plot No 9, Shah Heritage, Sector 42A, Opp. D Mart, Seawoods West, Thane - 400706	SNK & Co. Chartered Accountants 303, 3rd Floor, Konark Shram Building, 156, Tardeo, Mumbai – 400034
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INDEPENDENT AUDITORS' CERTIFICATE

(Referred to in paragraph 3(2) under “Report on other legal and regulatory requirements” forming part of our Independent Auditors’ Report dated July 16th, 2021)

To,

ECGL Ltd.,
Express Towers,
10th Floor, Nariman Point,
Mumbai – 400021

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 31.03.2021, 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, 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, 2021 on which we issued an unmodified audit opinion vide our audit report dated

July 16, 2021. 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, 2021, we certify that :
 - a) We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2021 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 in case of unaudited branches by the branch managers) 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.

<p><i>for abm & associates LLP</i> Chartered Accountants Firm Registration No. 105016W/W-100015</p> <p>(Anil Chikodi) Partner Membership No. 107659</p> <p>Place : Kolhapur Date : 16/07/2021</p> <p>UDIN : 21107659AAAAEV2222</p>	<p><i>for SNK & Co.</i> Chartered Accountants Firm Registration No. 109176W</p> <p>(Sanjay Kapadia) Partner Membership No. 38292</p> <p>Place : Mumbai Date : 16/07/2021</p> <p>UDIN : 21038292AAAACN1909</p>
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“Annexure-A” to the 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”), which comprise as of March 31, 2021 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) and those incurred but not Enough Reported (IBNER) and Premium Deficiency as at March 31, 2021 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, 2021. 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, 2021, 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.

<p><i>for abm & associates LLP</i> Chartered Accountants Firm Registration No. 105016W/W-100015</p> <p>(Anil Chikodi) Partner Membership No. 107659</p> <p>Place : Kolhapur Date : 16/07/2021</p> <p>UDIN : 21107659AAAAEV2222</p>	<p><i>for SNK & Co.</i> Chartered Accountants Firm Registration No.109176W</p> <p>(Sanjay Kapadia) Partner Membership No. 38292</p> <p>Place : Mumbai Date : 16/07/2021</p> <p>UDIN : 21038292AAAACN1909</p>
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**भारत के नियंत्रक और
महालेखा परीक्षक की टिप्पणी**

Comments
of
C&AG

भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय प्रधान निदेशक लेखापरीक्षा
(नौवहन), मुंबई



INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
(SHIPPING), MUMBAI.

गोपनीय/शीघ्र डाक

संख्या: जीए/सीए-1/ ECGC - लेखा/ 2020-21/ 164

15/09/2021

सेवा में,
अध्यक्ष एवं प्रबंध निदेशक,
ईसीजीसी लिमिटेड,
एक्सप्रेस टावर्स, 10 वीं मंजिल,
नरीमन पॉइंट,
मुंबई - 400 021.

विषय:- 31 मार्च 2021 को समाप्त वर्ष हेतु ईसीजीसी लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

31 मार्च 2021 को समाप्त वर्ष हेतु ईसीजीसी लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक के द्वारा दी गई टिप्पणियाँ इस पत्र के साथ संलग्न हैं। टिप्पणियों को मुद्रित वार्षिक प्रतिवेदन के विषयसूची में उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये।

वार्षिक सामान्य बैठक के समापन के पश्चात, वित्तीय विवरणों, सांविधिक लेखापरीक्षक का प्रतिवेदन तथा भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियों को अपनाते हुए सामान्य वार्षिक बैठक की कार्यवाही की एक प्रतिलिपि इस कार्यालय को अविलंब अग्रेषित की जाए। मुद्रित वार्षिक रिपोर्ट की दस प्रतियाँ भी इस कार्यालय को भेजी जायें।

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें।

भवदीय,

(पी. वी. हरि कृष्णा)

प्रधान निदेशक लेखापरीक्षा (नौवहन), मुंबई

संलग्न: यथोपरि।

**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 2021**

The preparation of financial statements of ECGC LIMITED for the year ended 31 March 2021 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 16 July 2021.

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 2021 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

(P. V. Hari Krishna)
Principal Director of Audit (Shipping), Mumbai

Place : Mumbai
Date : 15.09.2021



ईसीजीसी लिमिटेड

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय, एक्सप्रेस टावर्स, 10वीं मंजिल, नरीमन पॉइन्ट, मुंबई - 400 021
टेली: 6659 0500 / 6659 0510 • वेबसाइट: www.ecgc.in

IRDA Regn. No. 124

आप निर्यात पर ध्यान केंद्रित करें, हम जोखिम से रक्षा प्रदान करेंगे.

ECGC Limited

(A Government of India Enterprise)

Registered Office: Express Towers, 10th Floor, Nariman Point,
Mumbai - 400 021, India. Tel: 6659 0500 / 6659 0510 • Website: www.ecgc.in

CIN No. U74999MH1957GOI010918

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