

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION (SLECIC)

**Annual Financial Statements for the year ended
December 31, 2023**

Srilanka Export Credit Insurance Corporation

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Srilanka Export Credit Insurance Corporation

STATEMENT OF FINANCIAL POSITION

AS AT 31st DECEMBER 2023

(All amounts are in Sri Lankan Rupees)

	Note	Current Year 2023	Previous Year 2022
ASSETS			
Non Current Assets			
Property, Plant & Equipment	9	146,557,087	151,127,335
Long-term Financial Investments (Over 1 Year)	10	384,466,868	8,210,419
Total Non Current Assets		531,023,954	159,337,754
Current Assets			
Stock of Stationery & Consumables		204,263	822,235
Investment Fund		2,397,029	1,474,826
Trade Debtors Control A/C		11,699,906	17,774,415
Sundry Debtors, Deposits and Pre-payments	11	34,047,683	6,441,402
Interest Receivable	12	432,894,859	461,763,582
Short-term Financial Investments (Less than 1 Year)	13	4,523,054,416	4,660,927,881
Foreign Currency Savings Accounts	14	9,881,383	91,002,559
Cash and Cash Equivalents	15	16,432,199	32,176,968
Total Current Assets		5,030,611,739	5,272,383,869
Total Assets		5,561,635,694	5,431,721,623
EQUITY			
Stated Capital	(Page No.04)	150,000,000	30,000,000
Reserves	(Page No.04)	2,320,481,939	2,327,046,250
Retained Earning	(Page No.04)	1,895,167,402	2,284,894,930
Total Equity		4,365,649,342	4,641,941,181
LIABILITIES			
Non Current Liabilities			
Staff Gratuity Payable	16	13,466,484	30,010,488
Total Non Current Liabilities		13,466,484	30,010,488
Current Liabilities			
Sundry Creditors, Accrued Expenses & Provisions	17	661,752,728	237,724,956
Provision for Future Claims	18	517,807,098	495,877,928
Premium Advances		2,960,041	26,167,070
Total Current Liabilities		1,182,519,868	759,769,954
Total Liabilities		1,195,986,352	789,780,442
Total Liabilities & Equity		5,561,635,694	5,431,721,623

These Financial Statements have been prepared in accordance with the requirement of the Sri Lanka Public Sector Accounting and Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka and Finance Act No. 38 of 1971.

Ravin Ovtigala
AGM-Finance

The Accounting Policies and Notes to the Accounts form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. The Financial Statements were approved by the Board of Directors and signed on their behalf.

S C J Devendra
Chairman & Managing Director
27-Feb-24

A A I Dilrukshi
Director

A A M Thassim
Director

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts are in Sri Lankan Rupees)

	Note	Current Year	Previous Year
		2023	2022
Revenue			
Gross Written Premium	1	411,935,492	435,561,804
Net Change in Reserve for Unearned Premium	1a	6,590,611	(3,662,948)
Gross Earned Premium		418,526,103	431,898,856
Other Operational Income	2	15,251,796	11,909,785
Total Net Revenue from Operations		433,777,899	443,808,641
Other Income			
Investment Income	3	787,110,607	529,400,575
Total Net Revenue		787,110,607	529,400,575
		1,220,888,505	973,209,215
Claims and Operating Expenses			
Net Claims	4	62,831,747	66,212,929
Status Reports		6,422,511	5,786,631
Establishment Expenditure	5	25,104,920	20,613,096
Administrative Expenditure	6	61,029,577	69,028,608
Selling & Marketing Expenditure	7	9,679,877	4,484,083
Finance Charges	8	196,844	9,970,160
Net Claims and Operating Expenses		165,265,476	176,095,507
Profit/Loss Before Value Added Tax		1,055,623,029	797,113,708
VAT on Financial Services	8a	-	85,864,474
Profit Before Income Tax		1,055,623,029	711,249,234
Income Tax	8b	281,575,841	182,339,084
Profit after tax		774,047,188	528,910,150
Other Income/Expenses			
Exchange Gain/(Loss)		(294,017,104)	1,086,538,807
Total Comprehensive Income after Tax		480,030,084	1,615,448,956

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Sri Lankan Rupees)

	Current Year	Previous Year
	2023	2022
Cash Flows from Operating Activities		
Net profit before taxation	1,055,623,029	1,797,788,040
Adjustments for;		
Depreciation	16,346,130	13,584,600
Provision for Gratuity	2,401,583	18,525,745
Provision for Claims	166,611,769	66,212,929
VAT on Financial Services	-	85,864,474
Unearned premium adjustment	(6,590,611)	3,662,948
Foreign Exchange gain	-	(1,086,538,807)
Prior Year Adjustment	(569,757,611)	(91,239,072)
Investment income	(787,110,607)	(529,400,575)
Operating Profit before Working Capital Changes	(122,476,318)	278,460,284
(Increase)/Decrease in Trade & Other Receivables	6,074,509	(473,075,056)
(Increase)/Decrease in Deposits & Prepayments	(262,956,081)	129,713
Increase/(Decrease) in Trade Creditors & Other Payables	424,027,772	(13,415,768)
Increase/(Decrease) in Refundable Deposits Retained from Customers	452,800	106,800
Decrease / (Increase) in Inventories	617,972	(69,600)
Cash Generated from / (Used in) Operation	45,740,654	(207,863,628)
Gratuity paid	(2,568,771)	(2,844,252)
Claims Paid	(40,574,275)	(4,297,947)
Payment of VAT on FS	(7,858,426)	(37,122,002)
Income Tax Paid	(147,945,211)	(71,349,465)
Special Levy Paid to Treasury	(500,000,000)	(50,000,000)
Net Cash from / (Used in) Operating Activities	(653,206,030)	(373,477,294)
Cash flows from Investing Activities		
Purchase of Property, Plant & Equipment	(11,775,880)	(926,423)
Interest income	787,110,607	529,400,575
Fixed Deposits	(137,873,466)	(132,025,754)
Net Cash from / (Used in) investing Activities	637,461,261	396,448,398
Cash flows from Financing Activities		
Treasury Loan Received / Repayments	-	-
Capital Contributed	-	-
Repayment of Loans	-	-
Net Cash from / (Used in) Financing Activities	-	-
Net Decrease in Cash and Cash Equivalents	(15,744,769)	22,971,104
Cash and Cash Equivalent Beginning of the Year (Note A)	32,176,968	9,205,864
Cash and Cash Equivalent End of the Year (Note A)	16,432,199	32,176,968
NOTE A		
Cash & Cash Equivalents		
Hatton National Bank Current Accounts	955,761	1,318,649
Hatton National Bank Debit Tax Exempt current	605,802	-
Hatton National Bank Call Deposit Account	13,428,928	27,601,615
Bank of Ceylon Current Account	1,325,877	3,130,662
People's Bank Current Account	113,831	54,764
Cash in Hand	2,000	71,278
	16,432,199	32,176,968

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION

Annual Financial Statements - 2023

Changes in Equity Statement As At 31st December 2023

	Stated Capital Rs.	Retained Earnings Rs.	General Reserve Rs.	Revaluation Reserve Rs.	Investment Fund Rs.	Unearned Premium Rs.	Total Rs.
Balance as at 01st January 2022	30,000,000.00	669,419,673.77	2,157,589,464.84	137,308,408.27	58,507,949.05	20,003,780.27	3,072,829,276.20
Transferred from Revaluation Reserve							-
Prior period adjustments		26,300.01	13,291,520.00	(13,291,520.00)	-	-	26,300.01
Net Profit for the Year 2022		1,615,448,956.48		-	-	3,662,948.02	1,615,448,956.48
Transferred during the year 2022							3,662,948.02
Special Levy for 2022			(50,000,000.00)				(50,000,000.00)
Balance as at 31st December 2022	30,000,000.00	2,284,894,930.26	2,120,880,984.84	124,016,888.27	58,507,949.05	23,666,728.29	4,641,967,480.71
Transferred from Revaluation Reserve							-
Treasury Investment							120,000,000.00
Adjustments							(569,757,611.38)
Net Profit for the Year 2023		120,000,000.00	(569,757,611.38)	-	-	-	480,030,083.55
Transferred during the year 2023			480,030,083.55				-
Special Levy for 2023			(300,000,000.00)			(6,590,611.36)	(306,590,611.36)
Balance as at 31st December 2023	150,000,000.00	1,895,167,402.43	2,120,880,984.84	124,016,888.27	58,507,949.05	17,076,116.93	4,365,649,341.52

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2023
 (All amounts are in Sri Lankan Rupees)

		Current Year 2023	Previous Year 2022
Note			
1	Gross Written Premium		
	Pre-shipment Credit Guarantee	450,000.00	5,325,354.24
	Post Shipment Credit Guarantee	468,737.70	547,381.60
	Export Performance Guarantee	2,181,000.00	50,000.00
	Cost of Passage Guarantee (APARA)	79,993,105.14	13,317,727.20
	Export Payments Insurance Policy (Seller's Risk)	328,842,648.83	416,321,340.57
		411,935,491.67	435,561,803.61
	(Increase)/Decrease in Unearned Premium	6,590,611.36	(3,662,948.02)
	Gross Earned Premium	418,526,103.03	431,898,855.59
1a	Unearned Premium		
	Export Payments Insurance Policies Gross Unearned Premium		
	Balance as at 1st January	23,170,908.10	18,706,711.86
	Premium written during the year	328,842,648.83	416,321,340.57
	Premium earned during the year	337,734,106.47	411,857,144.33
	Balance as at 31st December	14,279,450.46	23,170,908.10
	Credit Guarantee Gross Unearned Premium		
	Balance as at 1st January	495,820.20	1,297,068.42
	Premium written during the year	83,092,842.84	19,240,463.04
	Premium earned during the year	80,791,996.56	20,041,711.26
	Balance as at 31st December	2,796,666.48	495,820.20
	Total Reserve as at 31st December	17,076,116.94	23,666,728.30
	Total Reserve as at 1st January	23,666,728.30	20,003,780.28
	Net Change in Unearned Premium Reserve	(6,590,611.36)	3,662,948.02
2	Other operational Income		
	Guarantee, Policy, Administrative, Processing and BLL Fees	15,147,115.00	11,909,785.00
	BizInfo Income	104,680.61	-
		15,251,795.61	11,909,785.00
3	Investment Income		
	Treasury Bills / Bonds	28,045,523.55	16,641,860.14
	Call Deposit	489,268.11	14,454,884.86
	SMIB Deposit	22,838.62	18,558.38
	US Dollar Fixed Deposits	267,416,944.68	168,310,483.25
	US Dollar Savings	531,397.83	59,614.55
	Euro Fixed Deposit	7,476,874.89	3,499,239.15
	Dividends	-	240,000.00
	LKR Fixed Deposit	480,500,950.81	324,414,633.62
	Interest on Investment Fund	1,492,150.68	36,582.25
	Interest on Staff Loans	62,911.23	118,234.43
	Treasury Bill Interest on Gratuity Fund	1,067,711.70	1,602,241.61
	Interest on Gratuity Savings Account	-	4,242.28
	Sundry Income	4,034.69	-
		787,110,606.79	529,400,574.52

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Sri Lankan Rupees)

Current Year	Previous Year
2023	2022

Note

4 Net Claims Paid

Claims Provision as at end of the year - Specific	452,510,347.07	430,581,176.42
Claims Provided in the previous years	391,976,133.00	393,389,307.63
Claims for the year	60,534,214.07	37,191,868.79
Less: Excess Provision made in previous year	(2,297,532.89)	-
Net Claims for the year - Specific	62,831,746.96	37,191,868.79
Contingent Provision - 2023 (Please refer Note 18)	103,780,022.24	29,021,060.58
	166,611,769.20	66,212,929.37

5 Establishment Expenditure

Rates	990,990.00	762,300.00
Water	177,392.79	102,712.73
Electricity	859,908.55	620,656.20
Telephone	570,922.34	735,431.09
E-Mail & Internet, Website	452,811.32	740,553.32
Security	671,180.28	638,059.55
Depreciation -		
Building	8,825,000.00	8,825,000.00
Motor Vehicles	4,332,000.00	4,332,000.00
Office Equipment	145,046.07	169,109.40
Computers & Printers	2,604,978.06	61,559.00
Furniture & Fittings	231,249.35	140,925.98
Software	207,856.25	56,005.71
Insurance -		
Building - Office Premises (Nawam Mwt)	217,568.74	21,791.90
Motor Vehicles	242,238.12	234,242.01
Office Equipment, Furniture & Fittings	27,666.19	2,731.60
Repairs & Maintenance -		
Building	1,195,059.53	1,107,114.94
Motor Vehicles	1,248,584.00	1,056,869.00
Office Equipment, Furniture	473,012.15	135,678.28
Computers & Printers	629,183.78	334,776.00
Software	1,002,272.35	535,579.33
	25,104,919.87	20,613,096.04

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Sri Lankan Rupees)

	Current Year 2023	Previous Year 2022
Note		
6 Administrative Expenditure		
Salaries & Allowances	23,171,743.81	20,895,566.78
Other Staff Benefits	18,230,029.82	16,092,403.45
Recruitment, Local Training & Subscriptions to Educational Inst.	1,765,047.51	4,450.00
Tea & Related Expenses	1,001,906.35	565,766.12
Employees Provident Fund	4,897,171.72	5,130,783.51
Employees Trust Fund	667,039.42	641,348.05
Gratuity	2,401,583.33	18,525,745.00
Directors Fees	390,000.00	230,000.00
Travelling, Transport & Subsistence	408,822.81	225,460.00
Postage	66,219.48	8,660.00
Annual Report & Other Printing	455,100.00	1,414,687.00
Staff Loan Written Off	111,115.44	-
Stationery	1,337,437.21	140,965.00
Fuel	993,223.56	1,822,172.50
External Audit Fees	1,295,000.00	1,310,000.00
Cloud Backup cost & Hosting of Website e-mail etc	682,815.95	-
Internal Audit Fees	-	688,160.00
Professional, Legal & Consultancy Fees	1,068,453.79	278,770.25
General Expenses	236,693.75	167,610.45
Stamp Duty	23,490.00	19,300.00
News Papers, Books & Magazines	-	6,520.00
Anniversary Expenses	720,544.00	700,000.00
Employee Safety Expenses (COVID)	-	160,240.00
Annual Trip	854,766.80	-
Life Insurance	251,372.74	-
	61,029,577.49	69,028,608.11
7 Selling & Marketing Expenditure		
Promotional and Business Development Expenses	1,129,211.67	-
Advertising	1,356,535.00	-
Printing Cost on - Brochures, Forms, Applications etc.	86,940.00	-
Translation Charges	59,075.00	143,640.00
Fuel Cost	189,185.44	334,612.50
Corporate Memberships	241,530.00	198,705.00
Subs. to Int.Professional & Export Related Organizations	5,782,400.00	3,807,125.22
Sponsorships	835,000.00	-
	9,679,877.11	4,484,082.72
8 Finance Charges		
Bank Charges	168,133.56	117,636.78
Stamp Duty	28,710.00	23,750.00
Social Security Cont. Levy	-	9,611,459.80
Value Added Tax	-	217,313.00
	196,843.56	9,970,159.58
8a VAT on Financial Services		
As per the act , Corporation not liable for VAT on Financial Services.		
8b Income Tax		
In terms of the new Inland Revenue Act No.24 of 2017 which came into effect from 1st April 2018 and its subsequent amendments the Corporation's total income became liable for income tax where as previously it was liable only for its Investment Income.		
Prior to 2018, the Corporation paid income tax at the rate of 28% while with the new amendments the Corporation was categorized as a SME resulting in tax being paid at a reduced rate of 14%.		
However, as per the provisions under the Inland Revenue (Amendment) Act, No. 45 of 2022, Income tax payable for the Y/A 2022/23 shall be calculated separately for two periods on the actual basis OR pro-rata basis at 75:25 to the periods of nine month and three month respectively. Hence, the Corporation is liable for Corporate Income Tax at the rate of 30% for the Q-4 of Y/A 2022/23.		

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Sri Lankan Rupees)

			Current Year 2023	Previous Year 2022
9	Property, Plant & Equipment			
	9.1 Gross Carrying Amounts	Cost as at 01-Jan-2023	Additions/Transfers	(Disposals)/Transfers
	Building	176,500,000.00	-	176,500,000.00
	Furniture and Fittings	1,409,261.00	912,733.75	2,321,994.75
	Computers & Printers	5,464,452.33	10,419,912.24	15,884,364.57
	Office Equipment	1,388,008.58	443,234.00	1,831,242.58
	Motor Vehicle	21,660,000.00	-	21,660,000.00
		206,421,721.91	11,775,879.99	218,197,601.90
	9.2 Depreciation	Balance as at 01-Jan-2023	Charge for the year/Transfers	Disposals/Error Correction/Transfers
	Building	44,125,000.00	8,825,000.00	52,950,000.00
	Furniture and Fittings	842,111.51	231,249.35	1,073,360.86
	Computers & Printers	5,464,452.33	2,604,978.06	8,069,430.39
	Office Equipment	1,306,253.01	145,046.07	1,451,299.08
	Motor Vehicle	4,332,000.00	4,332,000.00	8,664,000.00
		56,069,816.85	16,138,273.48	72,208,090.33
	Net Value	<u>150,351,905.06</u>		<u>145,989,511.57</u>
	NOTE - 9-A Intangible Assets			
	Software	7,504,374.77	-	7,504,374.77
		<u>7,504,374.77</u>		<u>7,504,374.77</u>
	Amortization			
	Software	6,728,943.48	207,856.25	6,936,799.73
		<u>6,728,943.48</u>	<u>207,856.25</u>	<u>6,936,799.73</u>
	Net Value	<u>775,431.29</u>		<u>567,575.04</u>
	Total Property, Plant & Equipment	<u>151,127,336.35</u>		<u>146,557,086.61</u>
10	Long Term Investments			
	Shares in Ingrin Ltd		10.00	10.00
	Shares in Credit Information Bureau		123,700.00	123,700.00
	Treasury Bonds		8,089,500.00	8,086,709.12
	LKR Fixed Deposits		376,253,657.81	-
			<u>384,466,867.81</u>	<u>8,210,419.12</u>
11	Sundry Debtors, Deposits & Pre Payments			
	Advances on Export Bill Discounting Facility		34,958,636.11	34,958,636.11
	Less: Provision for Doubtful Debts		(34,958,636.11)	(34,958,636.11)
			-	-
	Staff Loans & General Advances		2,671,468.28	2,247,114.91
	Sundry Deposits		108,837.50	108,837.50
	Refundable Deposits		406,500.00	131,500.00
	Loan to the Welfare Society of Slecic		500,000.00	-
	Salary & Allowance Control A/C		30,935.25	-
	Sundry Debtors		770.00	770.00
	Pre-payments		563,996.27	747,371.50
	BizInfo Income Receivable		(6,430.80)	368,346.82
	VAT on Financial Services Recoverable		2,185,511.00	2,185,511.00
	WHT Receivable		27,586,095.84	-
			<u>34,047,683.34</u>	<u>6,441,401.78</u>

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Sri Lankan Rupees)

		Current Year 2023	Previous Year 2022
12	Interest Receivable		
Treasury Deposit		67,615,246.42	67,154,144.92
Treasury Bills/Bonds		1,295,539.36	16,182,770.17
US Dollar Fixed Deposits		219,884,472.41	151,696,425.21
Interest Receivable - Euro Fix		7,428,203.88	-
Gratuity Funds - Treasury Bills		-	332,440.32
LKR Fixed Deposits		136,671,397.33	226,397,801.52
		432,894,859.40	461,763,582.14
13	Short Term Investments		
US Dollar Fixed Deposits		2,275,731,540.49	2,359,281,604.14
Euro Fixed Deposits		74,691,306.25	-
LKR Fixed Deposits		1,995,433,571.29	2,168,068,737.25
Gratuity Savings Account		143,722.88	143,722.88
Treasury Bills on Gratuity Savings		12,880,628.00	11,482,617.00
Govt. Treasury Bills		163,500,000.00	121,951,200.00
State Mortgage & Investment Bank Deposit		673,646.74	651,950.05
		4,523,054,415.65	4,660,927,881.27
14	Foreign Currency Savings Accounts		
Bank of Ceylon - US Dollar Account		4,931,537.43	5,157,241.10
People's Bank - US Dollar Account		4,897,245.54	4,523,939.02
EURO Savings Account		52,600.30	81,321,379.02
		9,881,383.27	91,002,559.14
In Foreign Currency			
Bank of Ceylon - US Dollar Account		15,451.13	14,309.77
People's Bank - US Dollar Account		15,343.69	12,552.55
EURO Savings Account		149.65	212,660.51
Exchange Rate			
Bank of Ceylon - US Dollar Account		319.17	360.40
People's Bank - US Dollar Account		319.17	360.40
EURO Savings Account		351.48	382.40
15	Cash & Cash Equivalent		
Cash at Bank			
Hatton National Bank Current Accounts		955,761.17	1,318,649.36
Hatton National Bank Debit Tax Exempt current		605,801.67	-
Hatton National Bank Call Deposit Account		13,428,928.39	27,601,615.08
Bank of Ceylon Current Account		1,325,877.13	3,130,661.78
People's Bank Current Account		113,831.01	54,763.96
		16,430,199.37	32,105,690.18
Cash in Hand		2,000.00	71,278.00
		16,432,199.37	32,176,968.18

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Sri Lankan Rupees)

Note		Current Year 2023	Previous Year 2022
16	Gratuity Payable		
	Balance B/F	30,010,488.00	14,328,995.00
	Gratuity Provision for the Year	2,401,583.33	18,525,745.00
	Under/Over provision	<u>(16,376,815.93)</u>	-
	Paid during the year	16,035,255.40	32,854,740.00
		(2,568,771.00)	(2,844,252.00)
	Balance as at 31st December	13,466,484.40	30,010,488.00
17	Sundry Creditors, Accrued Expenses and Provisions		
	Sundry Creditors		
	General VAT (Charged from Policy Premium)	1,906,902.00	2,538,291.00
	Staff Medical Fund	724,038.00	667,618.00
	Refundable Deposits Retained from Customers	2,025,300.00	1,572,500.00
	Accrued Expenses		
	Employees Provident Fund	(309,861.96)	907256.25
	Employees Trust Fund	32,783.51	75604.71
	Stamp Duty	6,925.00	11275.00
	Other Payables	21,739,550.66	12924730.89
	Charges on Status Reports	-	1032733.11
	Accruals	8,621,280.00	-
	Provisions		
	Audit Fees Payable	1,287,118.00	1,506,480.00
	Income Tax Payable	267,576,715.48	150,622,225.52
	VAT on Financial Services	48,193,771.16	56,052,197.31
	Annual Report Printing Charges	1,485,540.00	1,488,290.00
	SSCL Payable	8,325,754.55	8,325,754.55
	APIT Tax Payable	131,761.93	-
	Welfare Society of SLECIC	5,150.00	-
	Special Levy Payable to Treasury	300,000,000.00	-
		661,752,728.33	237,724,956.34
18	Provision for Future Claims		
	Balance as at 1st January	454,601,351.49	469,648,335.00
	Claims Paid During the Year	(40,574,275.29)	(2,791,467.79)
	Contingent Provision for Claims	414,027,076.20	466,856,867.21
	Provision for the Year	103,780,022.24	29,021,060.58
	Balance provision as at 31st December	517,807,098.44	495,877,927.79
	Total Provision for Claims	517,807,098.44	495,877,927.79

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Sri Lankan Rupees)

Note

19 Disclosure on Revaluation of Fixed Assets

- Effective date of Revaluation

Building	01-Jan-18
Motor Vehicles	31-Dec-21
Computers and Printers	31-Dec-16
Office Equipment	31-Dec-16
Furniture and Fittings	31-Dec-16

- Valuation was carried out by the Government Valuation Department

- Valuation has been done as accurately as possible after inspection and observation and considering all the relevant factors that affect the value.

- The value arrived by the revaluation is the market value of the assets.

- Carrying value of the revalued assets under the cost model.

Buildings	132,375,000.00
Motor vehicle	17,328,000.00
Computers and Printers	-
Office Equipment	-
Furniture and Fittings	567,148.24
Software	775,431.29

20 Contingent Liabilities

(a) Lawsuits against the Corporation

- 1 Southern Son Teas (Pvt) Ltd Vs Sri Lanka Export Credit Insurance Corporation ; HC (CIVIL) 193 2004 (I)
The case was instituted by the exporter on a rejection of a claim for a value of Rs.17.02Million in the Commercial High Court of Colombo.
Present Position: The judgement was given in favour of the exporter, the case has been appellate and the appeal court decision is pending.
- 2 Tropical Fishery (Pvt) Limited Vs. Sri lanka Export Credit Insurance Corporation; CHC 47/2020/MR case lodged against part payment made o/a of Suriya LLC of USA claiming Rs.27.5Mln.

(b) The Total Liability underwritten by the Corporation as at 31st December 2023.

- Export Payments Insurance Policies in Force
- Credit Guarantees in Force
- Maximum Liability

21 Investment Fund Account

An Investment Fund Account was established in November 2011 to transfer funds equivalent to the total of 8% of the Value Added Tax on Financial Services and 5% of the Income Tax on an Annual basis on a Treasury Directive. Since the Corporation is not involved in lending funds, as per the guidelines issued by the Central Bank of Sri Lanka, the funds in the Investment Fund Account has been invested in Treasury Bonds over 7 years. The Corporation has invested a sum of Rs. 8.086 Million with a face value of Rs. 8.089 Million in over 7 years Treasury Bonds and these investments have been listed under the Long Term Investments.

22 Related Party Transaction

NAME	DESIGNATION	NATURE OF THE RELATED PARTY TRANSACTION	ADDRESS
Mr.S.C.J.Devendra	Chairman	None	Sri Lanka Export Credit Insurance Corporation,# 42, Level 4, NDB-EDB Tower,Colombo 02
Ms.A.A.I.Dilrukshi	Director	None	Dept.of Treasury Operations, Ministry of Finance,The Secretariate,Colombo 01
Mr.A.A.M.Thassim	Director	None	Central Bank of Srilanka,No.30,Janadhipathi Mawatha,Colombo 01.
Mr.Priyantha Perera	Director	None	Srilanka Insurance Corporation,No.21,Vauxhall Street, Colombo 02.
Ms.B.M.S.Bandara	Director	None	Ministry of Trade,LHP Building,492,R.A.De Mel Mawatha,Colombo 03.