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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

TAC/E/SLECIC/FS/2024/26

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

14 October 2025

Chairman
Sri Lanka Export Credit Insurance Corporation

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Export Credit Insurance Corporation for the year ended 31 December 2024 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Export Credit Insurance Corporation ("Corporation") for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of comprehensive income, statement of cash flow and changes in equity statement for the year then ended, and notes to the financial statements, including material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My Report to parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.



1.2 Basis for Qualified Opinion

- (a) According to the paragraph 42 and 49 of the Sri Lanka Accounting Standard 08, the comparative information of prior year errors amounting to Rs.645,775,452 had not been restated and disclosed in the financial statements when correcting errors which occurred in previous year.
- (b) As per the paragraph 34 of the Sri Lanka Accounting Standard 16, property, plant and equipment should be revalued every three or five years. But the buildings had not been revalued over 6 years and computers and printers, furniture and fittings and office equipment had not been revalued over 8 years. According to the paragraph 51 and 79 although the residual value and the useful life of an asset shall be reviewed and accounted annually, 101 nos. of property, plant and equipment items which were fully depreciated and still in use had not been assessed or accounted.
- (c) As per financial statements for the year under review, the unearned premium for guarantees was Rs.34,265,628. However, as per the calculation of audit it was Rs.34,929,832. Hence, a difference of Rs.664,204 was observed.
- (d) The balance confirmations for the trade debtors and over paid by exporters amounting to Rs.24,239,798 and Rs.13,499,810 respectively had not been presented to the audit.
- (e) As per the ledger balance of the specific provision for the claims as at 01 January 2024 was Rs.452,510,346 and as per the financial statements it was Rs.454,601,351. Hence a difference of Rs.2,091,005 was observed between two balances. Further, as per the schedule the balance was Rs.457,547,276.
- (f) As per the documents relating to the policy no. SR/1312/2023, the provision for the claim was Rs.30,000,000. However, the provision made by the Corporation was Rs.41,191,174 and the over provision of Rs.11,191,174.
- (g) Twenty two (22) unidentified direct credits totalling Rs.1,257,883 in two bank accounts had not been identified and adjusted to the relevant accounts during the year under review.

- (h) According to the audit calculation of gratuity expenses for the year under review was Rs.4,116,504. However, as per the financial statements it was Rs.2,239,037. Hence, a difference of Rs.1,877,467 was observed.
- (i) As per the balance shown in cash flow statement and as per the audit calculation, differences in net cash flows used for Operating activities, net cash flows generated from Investing activities and Financing activities amounting to Rs.740,736,125, Rs.493,681,371 and Rs.247,054,755 respectively were observed.
- (j) The incentive for the year 2021 and 2022 aggregating to Rs.7,633,019 had been paid in the year under review. However, the payment had been debited to the retained earnings account instead of being debit to payable account. As a result, the retained earnings had been understated and liabilities had been overstated by similar amount.
- (k) Although the Corporation was not liable for VAT on financial services, a provision of VAT on financial services amounting to Rs.48,193,771 had been made in the financial statements over a period of two years. Therefore, liabilities had been overstated and retain earning had been understated by similar amount.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the Corporation's 2024 Annual Report.

The other information comprises the information included in the Corporation's 2024 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

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

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

If based on the work I have performed on the other information that I have obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a 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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Corporation is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Corporation.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards 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 Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation 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.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 include specific provisions for following requirements.

2.1.1 Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Corporation as per the requirement of section 12(a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6(1)(d)(iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6(1)(d)(iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;

2.2.1 to state that any member of the governing body of the Corporation has any direct or indirect interest in any contract entered into by the Corporation which are out of the normal course of business as per the requirement of section 12(d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Corporation has not complied with any applicable written law, general and special directions issued by the governing body of the Corporation as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for

Reference to law/ direction	Non Compliance
(a) The Shops and Office Workers Act No. 19 of 1954.	Even though 21 days leave encashment is entitled to an employee annually, the Corporation had been paid a leave encashment allowance considering 42 days of leave annually. Accordingly, contrary to the circular provision, the Corporation had been paid Rs.1,763,298 as leave encashment during the year under review.
(b) Section 12.1 of Public Enterprise Circular No.01/2024 dated 28 February 2024	Although the circular had suspended all kind of sponsorships, donations, corporate social responsibility expenses and non-business related promotional expenses, contrary to the provision, the Corporation had been paid Rs.900,000 as donations.

- (c) Section 3.1 of the Public Enterprise Circular No.01/2024 dated 28 February 2024 Without obtaining the prior approval of General Treasury, for the amendment of internal circular no. 01/97 as per the provision of the Public Enterprise Circular, the Corporation had been paid Rs.5,622,753 as medical cost reimbursement.

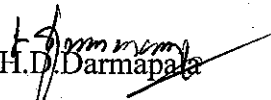
2.2.3 to state that the Corporation has not performed according to its powers, functions and duties as per the requirement of section 12(g) of the National Audit Act, No. 19 of 2018 except for,

- (a) According to the internal memo dated 14 October 2011, all employees are paid an attendance incentive of Rs.140 per day for presenting in the office on due time. This allowance has been increased up to Rs.250 per day from the month of November 2023 and the amount paid by the Corporation without proper approval was Rs.1,295,417.
- (b) An allowance of Rs.20,000 is paid per employee for the Sinhala and Tamil New Year Festive season without obtaining proper approval and this allowance had been increased up to Rs.27,500 in the year 2023. Thus, the corporation had been paid a sum of Rs.1,911,250 as festive allowance for 39 employees during the year under review without obtaining the approval from the Department of Public Enterprises.

2.2.4 to state that the resources of the Corporation had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

2.3 Other Matters

- (a) Interest receivable from General Treasury amounting to Rs.67,615,246 for a deposit which had made by the Corporation in 1996, had been shown in the financial statements over a period of 20 years without being recovered.
- (b) VAT on financial services receivable amounting to Rs.2,185,511 had been remained over a period of 07 years in the finance statements without being recovered.
- (c) The meeting of Committee on Public Enterprises (COPE) held on 04 July 2023 had been directed to fill all the vacancies in permanent basis paying attention to the malpractices of the Corporation that had happened previously. However, six (06) posts of the approved cadre of the Corporation had not been filled even as at 31 December 2024.

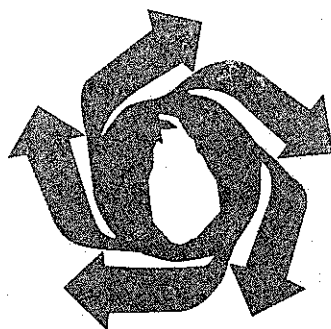

G.H.D. Darmapala
Auditor General (Acting)

FINANCIAL STATEMENTS

Government Audit Branch

27 JUN 2025

Sri Lanka Export Development Board



SLECIC

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION

FOR THE YEAR ENDED 31 DECEMBER 2024

Srilanka Export Credit Insurance Corporation

Content

Sl.No.	Description	Page No.
1	Statement Of Financial Position	1
2	Comprehensive Income Statement	2
3	Cash Flow Statement	3
4	Changes of Equity	4
5	Notes to the Financial Statement 01 to 03	5
6	Notes to the Financial Statement 04 to 05	6
7	Notes to the Financial Statement 06 to 08b	7
8	Notes to the Financial Statement 09 to 11	8
9	Notes to the Financial Statement 12 to 15	9
10	Notes to the Financial Statement 16 to 18	10
11	Notes to the Financial Statement 19 to 21	11
12	Notes to the Financial Statement 22 to 26	12 & 12A
13	Details of Fully Depreciated Property, Plant and Equi.	13 To 16
14	Accounting Policies	17 To 22

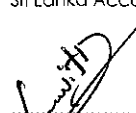
Srilanka Export Credit Insurance Corporation

STATEMENT OF FINANCIAL POSITION

AS AT 31st DECEMBER 2024

		Current Year	Previous Year
(All amounts are in Sri Lankan Rupees)	Note	2024	2023
ASSETS			
Non Current Assets			
Property, Plant & Equipment	9	135,106,143	145,989,512
Intangible Assets	9A	359,719	567,575
Long-term Financial Investments (Over 1 Year)	10	97,664,710	384,466,868
Total Non Current Assets		233,130,571	531,023,954
Current Assets			
Stock of Stationery & Consumables		818,264	204,263
Investment		65,589	2,397,029
Trade Debtors Control A/C		24,239,798	36,255,049
Sundry Debtors, Deposits and Pre-payments	11	18,299,675	34,047,683
Interest Receivable	12	281,132,793	432,894,859
Short-term Financial Investments (Less than 1 Year)	13	5,049,451,227	4,523,054,416
Foreign Currency Savings Accounts	14	9,070,440	9,881,383
Cash and Cash Equivalents	15	24,148,949	16,432,199
Total Current Assets		5,407,226,734	5,055,166,882
Total Assets		5,640,357,305	5,586,190,836
EQUITY			
Stated Capital	16	150,000,000	150,000,000
Reserves	17	2,355,411,772	2,320,481,939
Retained Earning	18	2,636,812,048	1,895,167,402
Total Equity		5,142,223,820	4,365,649,342
LIABILITIES			
Non Current Liabilities			
Staff Gratuity Payable	19	10,396,679	13,466,484
Total Non Current Liabilities		10,396,679	13,466,484
Current Liabilities			
Sundry Creditors, Accrued Expenses & Provisions	20	158,645,347	686,307,871
Provision for Future Claims	21	326,131,418	517,807,098
Premium in Advances		2,960,041	2,960,041
Total Current Liabilities		487,736,807	1,207,075,010
Total Liabilities		498,133,485	1,220,541,495
Total Liabilities & Equity		5,640,357,305	5,586,190,836

These Financial Statements have been prepared in accordance with the requirement of the Sri Lanka Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka.


Ravin Ovitigala
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.


Prof.(Dr.) Aruna Shatharachchi
Chairman & Managing Director


Dr. C. Amarasekara
Director


Ms. M. K. G. Peiris
Director

RI LANKA EXPORT CREDIT INSURANCE CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

<i>All amounts are in Sri Lankan Rupees)</i>		Current Year	Previous Year
	Note	2024	2023
Revenue			
Gross Written Premium	1	578,731,235	411,935,492
Net Change in Reserve for Unearned Premium	1a	(34,929,833)	6,590,611
Gross Earned Premium		543,801,402	418,526,103
Other Operational Income	2	17,120,790	15,251,796
Total Net Revenue from Operations		560,922,192	433,777,899
Other Income			
Investment Income	3	492,854,685	787,110,607
Sundry Income		48,193,771	-
		541,048,456	787,110,607
Total Net Revenue		1,101,970,648	1,220,888,505
Claims and Operating Expenses			
Net Claims	4	133,449,512	62,831,747
Status Reports		7,497,485	6,422,511
Establishment Expenditure	5	29,803,855	25,104,920
Administrative Expenditure	6	90,621,174	61,029,577
Selling & Marketing Expenditure	7	15,483,806	9,679,877
Finance Charges	8	265,460,718	196,844
Net Claims and Operating Expenses		542,316,551	165,265,476
Profit/Loss Before Value Added Tax		559,654,097	1,055,623,029
VAT on Financial Services	8a	-	-
Profit Before Income Tax		559,654,097	1,055,623,029
Income Tax	8b	219,061,590	281,575,841
Profit after tax		340,592,507	774,047,188
Other Income/Expenses			
Exchange Gain/(Loss)		(244,723,314)	(294,017,104)
Total Comprehensive Income after Tax		95,869,194	480,030,084

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

	Current Year 2024	Previous Year 2023
Cash Flows from Operating Activities		
Net profit before taxation	559,654,097	1,055,623,029
Adjustments for;		
Depreciation	13,685,410	16,346,130
Accrual	1,716,778	9,881,383
Provision for Gratuity	2,239,037	2,401,583
Provision for Claims	133,449,512	166,611,769
Unearned premium adjustment	34,929,833	(6,590,611)
Foreign Exchange gain	244,723,314	294,017,104
Prior Year Adjustment	645,775,452	(569,757,611)
Investment income	(492,854,685)	(787,110,607)
Provision for Future Claims	(191,675,680)	21,929,171
Operating Profit before Working Capital Changes	951,643,068	203,351,340
(Increase)/Decrease in Trade & Other Receivables	28,416,198	6,074,509
(Increase)/Decrease in Deposits & Prepayments	(751,118)	(284,885,251)
Increase/(Decrease) in Trade Creditors & Other Payables	245,000	424,027,772
Increase/(Decrease) in Refundable Deposits Retained from Customers	(178,500)	452,800
Decrease / (Increase) in Inventories	(614,002)	617,972
Cash Generated from / (Used in) Operation	978,760,647	349,639,142
Gratuity paid	(4,113,323)	(2,568,771)
Claims Paid	(26,958,061)	(40,574,275)
Payment of VAT on FS	-	(7,858,426)
Income Tax Paid	(296,144,876)	(147,945,211)
Special Levy Paid to Treasury	(265,000,000)	(500,000,000)
Net Cash from / (Used in) Operating Activities	386,544,388	(349,307,542)
Cash flows from Investing Activities		
Purchase of Property, Plant & Equipment	(2,594,185)	(11,775,880)
Interest income	211,721,892	787,110,607
Fixed Deposits	(344,042,974)	(137,873,466)
Net Cash from / (Used in) investing Activities	(134,915,268)	637,461,261
Cash flows from Financing Activities		
Treasury Loan Received / Repayments	-	-
Capital Contributed	-	-
Repayment of Loans	-	-
Foreign Exchange gain	(244,723,314)	(294,017,104)
Net Cash from / (Used in) Financing Activities	(244,723,314)	(294,017,104)
Net Decrease in Cash and Cash Equivalents	6,905,806	(5,863,386)
Cash and Cash Equivalent Beginning of the Year (Note A)	26,313,582	32,176,968
Cash and Cash Equivalent End of the Year (Note A)	33,219,388	26,313,582

NOTE A

Cash & Cash Equivalents

Hatton National Bank Current Accounts	12,806,420	955,761
Hatton National Bank Debit Tax Exempt current	1,468,526	605,802
Hatton National Bank Call Deposit Account	-	13,428,928
Bank of Ceylon Current Account	8,254,923	1,325,877
People's Bank Current Account	1,611,525	113,831
NSB Saving Account	5,555	-
Bank of Ceylon - US Dollar Account	4,516,128	4,931,537
People's Bank - US Dollar Account	4,509,655	4,897,246
EURO Savings Account	44,657	52,600
Cash in Hand	2,000	2,000

33,219,388 **26,313,583**

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
Annual Financial Statements - 2024
Changes in Equity Statement As At 31st December 2024

Description	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 2023	30,000,000.00	2,284,894,930.26	2,107,589,464.84	137,308,408.27	58,507,949.05	23,866,728.29	4,641,967,480.71
Transferred from Revaluation Reserve	-	-	13,291,520.00	(13,291,520.00)	-	-	-
Treasury Investment	120,000,000.00	-	-	-	-	-	120,000,000.00
Prior period adjustments	-	(569,757,611.38)	-	-	-	-	(569,757,611.38)
Net Profit for the Year 2023	-	480,030,083.55	-	-	-	-	480,030,083.55
Transferred during the year 2023	-	-	-	-	-	(6,590,611.36)	(6,590,611.36)
Special Levy for 2023	-	(300,000,000.00)	-	-	-	-	(300,000,000.00)
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
Transferred from Revaluation Reserve	-	-	-	-	-	-	-
Treasury Investment	-	-	-	-	-	-	-
Adjustments	-	645,775,452.06	-	-	-	-	645,775,452.06
Net Profit for the Year 2024	-	95,869,193.51	-	-	-	-	95,869,193.51
Over Provisioned re-adjusted	-	-	-	-	-	-	-
Special Levy for 2024	-	-	-	-	-	34,929,832.88	34,929,832.88
Balance as at 31st December 2024	150,000,000.00	2,636,812,048.00	2,120,880,984.84	124,016,888.27	58,507,949.05	52,005,949.81	5,142,223,819.97

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

		Current Year 2024	Previous Year 2023
Note			
1	Gross Written Premium		
	Pre-shipment Credit Guarantee	-	450,000.00
	Post Shipment Credit Guarantee	474,241.60	468,737.70
	Export Performance Guarantee	3,184,000.00	2,181,000.00
	Cost of Passage Guarantee (APARA)	229,207,310.93	79,993,105.14
	Export Payments Insurance Policy (Seller's Risk)	345,865,682.60	328,842,648.83
		578,731,235.13	411,935,491.67
	(Increase)/Decrease in Unearned Premium	1a. -34,929,832.88	8,590,611.36
	Gross Earned Premium	543,801,402.25	418,526,103.03
1a	Unearned Premium		
	Export Payments Insurance Policies Gross Unearned Premium		
	Balance as at 1st January	14,279,450.46	23,170,908.10
	Premium written during the year	345,865,682.60	328,842,648.83
	Premium earned during the year	342,404,811.76	337,734,106.47
	Balance as at 31st December	17,740,321.30	14,279,450.46
	Credit Guarantee Gross Unearned Premium		
	Balance as at 1st January	2,796,666.48	495,820.20
	Premium written during the year	232,865,552.53	83,092,842.84
	Premium earned during the year	201,396,590.49	80,791,996.56
	Balance as at 31st December	34,265,628.52	2,796,666.48
	Total Reserve as at 31st December	52,005,949.82	17,076,116.94
	Total Reserve as at 1st January	17,076,116.94	23,666,728.30
	Net Change in Unearned Premium Reserve	34,929,832.88	-6,590,611.36
2	Other operational Income		
	Guarantee, Policy, Administrative, Processing and BLL Fees	17,092,546.97	15,147,115.00
	BizInfo Income	28,242.55	104,680.61
		17,120,789.52	15,251,795.61
3	Investment Income		
	Treasury Bills / Bonds	26,104,916.26	28,045,523.55
	Call Deposit	-	489,268.11
	SMIB Deposit	23,598.01	22,838.62
	US Dollar Fixed Deposits	164,533,313.46	267,416,944.68
	US Dollar Savings	119,342.38	531,397.83
	Euro Fixed Deposit	3,675,363.38	7,476,874.89
	Dividends	-	-
	LKR Fixed Deposit	296,867,821.08	480,500,950.81
	Interest on Investment Fund	66,336.90	1,492,150.68
	Interest on Staff Loans	92,417.06	62,911.23
	Treasury Bill Interest on Gratuity Fund	1,367,283.73	1,067,711.70
	Interest on Gratuity Savings Account	-	-
	Interest Received on SLR SAVING	4,292.44	4,034.69
		492,854,684.70	787,110,606.79

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Current Year	Previous Year
2024	2023

Note

4 Net Claims Paid

Claims Provision as at end of the year - Specific	231,117,880.54	452,510,347.07
Claims Provided in the previous years	118,353,565.22	391,976,133.00
Claims for the year	112,764,315.32	60,534,214.07
Less: Excess Provision made in previous year	11,496,594.35	-2,297,532.89
Net Claims for the year - Specific	101,267,720.97	62,831,746.96
Contingent Provision(Refer Note No.21)	32,181,790.95	103,780,022.24
	133,449,511.92	166,611,769.20

5 Establishment Expenditure

Rates	990,990.00	990,990.00
Water	317,949.84	177,392.79
Electricity	1,395,047.44	859,908.55
Telephone	551,198.98	570,922.34
E-Mail & Internet, Website	457,458.60	452,811.32
Security	768,219.61	671,180.28
Depreciation - Building	8,825,000.04	8,825,000.00
Motor Vehicles	4,332,000.00	4,332,000.00
Office Equipment	233,749.29	145,046.07
Computers & Printers	2,604,978.06	2,604,978.06
Furniture & Fittings	250,534.59	231,249.35
Software	207,856.25	207,856.25
Insurance - Building - Office Premises (Nawam Mwt)	65,505.51	217,568.74
Motor Vehicles	107,529.07	242,236.12
Office Equipment, Furniture & Fittings	10,693.07	27,666.19
Fidelity Insurance	40,735.21	-
Insurance on Cash in Transit	2,965.06	-
Travelling Insurance	11,774.16	-
Repairs & Maintenance - Building	2,178,599.55	1,195,059.53
Motor Vehicles	2,822,547.30	1,248,584.00
Office Equipment, Furniture	75,271.41	473,012.15
Computers & Printers	3,004,638.40	629,183.78
Software	548,613.18	1,002,272.35
	29,803,854.62	25,104,919.87

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Current Year
2024

Previous Year
2023

Note

6 Administrative Expenditure

Salaries & Allowances	40,521,196.35	23,171,743.81
Other Staff Benefits	17,262,973.06	18,230,029.82
Recruitment, Local Training & Subscriptions to Educational Inst.	2,137,401.06	1,765,047.51
Tea & Related Expenses	1,358,152.05	1,001,906.35
Employees Provident Fund	8,090,173.45	4,897,171.72
Employees Trust Fund	1,025,445.10	667,039.42
Gratuity	2,239,036.70	2,401,583.33
Directors Fees	350,000.00	390,000.00
Travelling, Transport & Subsistence	436,946.79	408,822.81
Postage	282,285.52	66,219.48
Annual Report & Other Printing	982,072.60	455,100.00
Staff Loan Written Off	-	111,115.44
Stationery	669,466.90	1,337,437.21
Fuel	1,012,410.80	993,223.56
External Audit Fees	5,230,000.00	1,295,000.00
Cloud Backup cost & Hosting of Website e-mail etc	696,580.65	682,815.95
Professional, Legal & Consultancy Fees	1,390,000.00	1,068,453.79
General Expenses	762,154.33	236,693.75
Stamp Duty	126,050.00	23,490.00
News Papers, Books & Magazines	11,110.00	0.00
Anniversary Expenses	1,935,287.00	720,544.00
Annual Trip	1,022,540.00	654,766.80
Life Insurance	552,065.87	251,372.74
Foreign Training	2,072,465.32	-
Entertainment Expenses	455,360.87	-
	90,621,174.42	61,029,577.49

7 Selling & Marketing Expenditure

Promotional and Business Development Expenses	2,088,203.55	1,129,211.87
Advertising	3,240,196.65	1,356,535.00
Printing Cost on - Brochures, Forms, Applications etc.	-	86,940.00
Translation Charges	41,095.00	59,075.00
Fuel Cost	150,427.80	189,185.44
Corporate Memberships	262,591.00	241,530.00
Subs. to Int. Professional & Export Related Organizations	6,338,798.58	5,782,400.00
Sponsorships	2,400,000.00	835,000.00
Product Development and Aware. Prog. for bank/Exporter	962,493.64	-
	15,483,806.22	9,679,877.11

8 Finance Charges

Bank Charges	58,977.11	168,133.56
Stamp Duty	-	28,710.00
Social Security Cont. Levy	401,741.33	-
Special Levy for 2024	265,000,000.00	-
	265,460,718.44	196,843.56

8a VAT on Financial Services

As per the act, Corporation not liable for VAT on Financial Services.

8b Income Tax

As per the provisions under the Inland Revenue (Amendment) Act, No. 45 of 2022, Income tax payable for the Y/A 2024/25 & Corporations is liable to pay the rate of 30%.

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

THE YEAR ENDED 31 DECEMBER 2024		Current Year	Previous Year	
amounts are in Sri Lankan Rupees)		2024	2023	
9	Property, Plant & Equipment			
9.1 Gross Carrying Amounts	Cost as at 01-Jan-2024	Additions/Transfers	(Disposals)/Transfers	Cost as at 31-Dec-2024
Building	176,500,000.00	-	-	176,500,000.00
Furniture and Fittings	2,321,994.75	624,383.75	-	2,946,378.50
Computers & Printers	15,884,364.57	-	-	15,884,364.57
Office Equipment	1,831,242.58	1,969,801.47	-	3,801,044.05
Motor Vehicle	21,660,000.00	-	-	21,660,000.00
	218,197,601.90	2,594,185.22	-	220,791,787.12
9.2 Depreciation	Balance as at 01-Jan-24	Charge for the year/Transfers	Disposals/Error Correction/Transfers	Balance as at 31-Dec-2024
Building	52,950,000.00	8,825,000.04	-	61,775,000.04
Furniture and Fittings	1,073,360.86	250,534.59	79,288.15	1,244,607.30
Computers & Printers	8,069,430.39	2,604,978.06	2,590,059.17	8,084,349.28
Office Equipment	1,451,299.08	233,749.29	99,360.53	1,585,687.84
Motor Vehicle	8,664,000.00	4,332,000.00	-	12,996,000.00
	72,208,090.33	16,246,261.98	2,768,707.85	85,685,644.46
Net Value	145,989,511.57			135,106,142.66
NOTE - 9-A Intangible Assets				
Software	7,504,374.77	-	-	7,504,374.77
	7,504,374.77	-	-	7,504,374.77
Amortization				
Software	6,936,799.73	207,856.25	-	7,144,655.98
	6,936,799.73	207,856.25	-	7,144,655.98
Net Value	567,575.04			359,718.79
Total Property, Plant & Equipment	146,557,086.61			135,465,861.45
The gross Carrying amount of all fully depreciated Property,Plant and equipment that is still in use - Note 28				
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		97,541,000.00	8,089,500.00	
LKR Fixed Deposits		-	376,253,657.81	
		97,664,710.00	384,466,867.81	
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		2,973,249.77	2,671,468.28	
Sundry Deposits		108,837.50	108,837.50	
Refundable Deposits		408,500.00	408,500.00	
Loan to the Welfare Society of Slecic		500,000.00	500,000.00	
Salary & Allowance Control A/C		-67,243.79	30,935.25	
Sundry Debtors		770.00	770.00	
Pre-payments		1,315,114.14	563,996.27	
BizInfo Income Receivable		-6,430.80	-6,430.80	
VAT on Financial Services Recoverable		2,185,511.00	2,185,511.00	
WHT Receivable		10,883,366.92	27,586,095.84	
		18,299,674.74	34,047,683.34	

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

	Current Year 2024	Previous Year 2023
12 Interest Receivable		
Treasury Deposit	67,615,246.42	67,615,246.42
Treasury Bills/Bonds	8,867,551.54	1,295,539.36
US Dollar Fixed Deposits	90,780,935.35	219,884,472.41
Interest Receivable - Euro Fix	3,530,898.32	7,428,203.88
LKR Fixed Deposits	112,338,161.35	136,671,397.33
	281,132,792.98	432,894,859.40
13 Short Term Investments		
US Dollar Fixed Deposits	2,338,639,947.03	2,275,731,540.49
Euro Fixed Deposits	69,841,971.94	74,691,306.25
LKR Fixed Deposits	2,443,274,147.65	1,995,433,571.29
Gratuity Savings Account	150,983.26	143,722.88
Treasury Bills on Gratuity Savings	15,529,259.54	12,880,628.00
Govt. Treasury Bills	181,318,852.43	163,500,000.00
State Mortgage & Investment Bank Deposit	696,064.85	673,646.74
	5,049,451,226.70	4,523,054,415.65
14 Foreign Currency Savings Accounts		
Bank of Ceylon - US Dollar Account	4,516,127.77	4,931,537.43
People's Bank - US Dollar Account	4,509,654.79	4,897,245.54
EURO Savings Account	44,657.41	52,600.30
	9,070,439.97	9,881,383.27
<u>In Foreign Currency</u>		
Bank of Ceylon - US Dollar Account	15,663.09	15,451.13
People's Bank - US Dollar Account	15,640.64	15,343.69
EURO Savings Account	149.65	149.65
<u>Exchange Rate</u>		
Bank of Ceylon - US Dollar Account	288.33	319.17
People's Bank - US Dollar Account	288.33	319.17
EURO Savings Account	298.41	351.48
15 Cash & Cash Equivalent		
Cash at Bank		
Hatton National Bank Current Accounts	12,806,419.72	955,761.17
Hatton National Bank Debit Tax Exempt current	1,468,525.96	605,801.67
Hatton National Bank Call Deposit Account	-	13,428,928.39
Bank of Ceylon Current Account	8,254,922.99	1,325,877.13
People's Bank Current Account	1,611,525.36	113,831.01
NSB Saving Account	5,554.63	-
	24,146,948.66	16,430,199.37
Cash in Hand	2,000.00	2,000.00
	24,148,948.66	16,432,199.37

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Current Year
2024

Previous Year
2023

Note			
16	Stated Capital	150,000,000.00	150,000,000.00
17	Reserves	2,355,411,771.97	2,320,481,939.09
18	Retained Earning		
	Balance as at 31st December	1,895,167,402.43	2,284,894,930.26
	Prior period adjustments	645,775,452.06	-569,757,611.38
	Net Profit	95,869,193.51	480,030,083.55
	Special Levy	0.00	-300,000,000.00
		<u>2,636,812,048.00</u>	<u>1,895,167,402.43</u>

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

		Current Year 2024	Previous Year 2023
Note			
19	Gratuity Payable		
	Balance B/F	13,466,484.40	30,010,488.00
	Gratuity Provision for the Year	2,239,036.70	2,401,583.33
	Adjustment for Under/Over provision	-91,386.67	-16,376,815.93
		15,614,134.43	16,035,255.40
	Paid during the year	-4,113,323.33	-2,568,771.00
	Transfer to the Other Payable	-1,104,132.27	-
	Balance as at 31st December	10,396,678.83	13,466,484.40
20	Sundry Creditors, Accrued Expenses and Provisions		
	Sundry Creditors		
	General VAT (Charged from Policy Premium)	1,906,902.00	1,906,902.00
	Staff Medical Fund	883,758.00	724,038.00
	Refundable Deposits Retained from Customers	1,846,800.00	2,025,300.00
	Over Paid by Exporters	13,499,810.14	24,555,142.76
	Accrued Expenses		
	Employees Provident Fund	-309,862.55	-309,861.96
	Employees Trust Fund	-49,063.78	32,783.51
	Stamp Duty	17,750.00	6,925.00
	Other Payables	19,591,100.57	21,739,550.66
	Charges on Status Reports	1,983,730.46	-
	Status Report Tax Remi Payable	250,000.00	-
	Accruals	-	8,621,280.00
	Provisions		
	Audit Fees Payable	4,214,436.43	1,287,118.00
	Income Tax Payable	114,384,822.07	267,576,715.48
	VAT on Financial Services	-	48,193,771.16
	Annual Report Printing Charges	275,000.00	1,485,540.00
	SSCL Payable	-	8,325,754.55
	APIT Tax Payable	150,163.99	131,761.93
	Welfare Society of SLECIC	-	5,150.00
	Special Levy Payable to Treasury	-	300,000,000.00
		158,645,347.33	686,307,871.09
21	Provision for Future Claims		
	Specific Provision for Claims	231,117,880.54	454,601,351.49
	Contingent Provision for Claims		
	Balance as at 1st January	62,831,746.95	65,296,751.37
	Utilization During the Year	-	40,948,275.29
	Charge for the Year	32,181,790.95	38,483,270.87
	Balance as at 31st December	95,013,537.90	62,831,746.95
	Total Provision for the Claims	326,131,418.44	517,433,098.44

SRI LANKA EXPORT CREDIT INSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Sri Lankan Rupees)

Note

22 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

23 Contingent Liabilities

(a) Lawsuits against the Corporation

- 1 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 2024.

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

24 Related Party Transaction

NAME	DESIGNATION	NATURE OF THE RELATED PARTY TRANSACTION	ADDRESS
Prof.(Dr.)Aruna Shatharachchi	Chairman	None (From 28-Oct-24)	Sri Lanka Export Credit Insurance Corporation, # 42, Level 4, NDB-EDB Tower, Colombo 02
Mr.S.C.Jdevendra	Chairman	None (Resigned on 10-Oct-2024)	
Ms.A.A.I.Dilrukshi	Director	None (Resigned on 30-Nov-2024)	Dept.of Treasury Operations, Ministry of Finance, The Secretariate, Colombo 01
Mrs. Aravindi De Silva	Director	None	Ministry of Trade, Commerce, Food Security & Co-operative Development, No.492, R.A. De Mel Mawatha, Colombo
Mr.A.A.M.Thassim	Director	None (Resigned on 30-Sep-2024)	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 (Resigned on 30-June-2024)	Ministry of Trade, LHP Building, 492, R.A. De Mel Mawatha, Colombo 03.
Dr.C.Amarasekara	Director	None	Central Bank of Srilanka, No.30, Janadhipathi Mawatha, Colombo 01.
Ms.M.K.G.Peiris	Director	None	Department of Development Finance, Ministry of Finance, The Secretariate, Colombo 01.
Mr.A.M.P.Abhayasinghe	Director	None	Ministry of Trade, No.492, R.A. De Mel Mawatha, Colombo 03.

Disclosure of due amounts

Treasury Deposit 67, 615,246.42 is undergoing Forensic audit by Ernst & Young as well the treasury confirmed, there were no records on above deposit on their books. Corporation follow up necessary actions after the Forensic audit report received.

Advances on Export Bill discounting Facility amounting 34,958,636.11 undergoing Forensic audit by Ernst & Young. Corporation follow up necessary actions after the Forensic audit report received.

Prior Year Adjustment

Reversal of Provision	84,360,349
Correction of Error Posting	561,415,103

645,775,452

Note No 27**Fully depreciated Assets****SOFTWARE PACKAGE**

Sr No	Item Name	Assets at Cost	Accumulated	Written Down
		01/01/2024	Depreciation as at 2024/12/31	Value as at 31/12/2024
1	Thibas Software Package & Network Card	29,441.00	29,441.00	-
2	Software Package	4,644,750.90	4,644,750.90	-
3	MS SQL Server 2000 SE Software Package	164,016.90	164,016.90	-
4	Software Package	239,609.87	239,609.87	-
5	Software Package	276,000.00	276,000.00	-
6	Thibas Software Package & Network Card	36,360.00	36,360.00	-
7	Thibas Software Package & Network Card	18,180.00	18,180.00	-
8	K Aspersky Business Space Security	113,696.06	113,696.06	-
9	Account Software	523,395.04	523,395.04	-
10	Sever Operation Software	155,000.00	155,000.00	-
11	Software Development for Declaration	472,500.00	472,500.00	-
Total		6,672,949.77	6,672,949.77	-

COMPUTERS AND PRINTERS

Sr.No	Item Name	Assets at Cost	Accumulated	Written Down
		01/01/2024	Depreciation as at 2024/12/31	Value as at 31/12/2024
1	HPE 5510 24G 4SFP+HI Switch	639,046.14	639,046.14	-
2	02 No of HPE X361 150W AC Power Supply	78,019.94	78,019.94	-
3	02 No's of HP 1950-24G-2SFP+2XGT Switch	228,858.50	228,858.50	-
4	ACER Laptop Computer	95,900.00	95,900.00	-
5	Fortigate FIREWALL 200D Support Equipment	108,549.90	108,549.90	-
6	Fortigate FIREWALL 200D Support Equipment	775,577.85	775,577.85	-
7	APC Smart 6KVA Online UPS	585,000.00	585,000.00	-
8	HP M 402DN Laser jet printer	33,000.00	33,000.00	-
9	HP M 402DN Laser jet printer	33,000.00	33,000.00	-
10	Epson LQ310	41,000.00	41,000.00	-
11	Computer Simm Kit 2x 16 upgrading	1,000.00	1,000.00	-
12	Computer 92G7322302 MB EDO Simm Kit 2x 16 upgr	1,000.00	1,000.00	-
13	HP Laser Jet Print (SGCD 330184 & SGCD 312444)	2,500.00	2,500.00	-
14	Dell Server with Key Board, Rack Cabinet, Monitor & I	250,000.00	250,000.00	-
15	Computer Printer	2,000.00	2,000.00	-
16	Lazerjet Printer	2,500.00	2,500.00	-
17	03 No's Lazerjet P2015 D Printers	12,500.00	12,500.00	-
18	HP Computer	80,000.00	80,000.00	-
19	37 Nos HP Compaq pro 6300 Computers	2,220,000.00	2,220,000.00	-
20	HP 4010N Lazerjet Printer	35,000.00	35,000.00	-
21	HP 4010N Lazerjet Printer	35,000.00	35,000.00	-
22	HP cOMPUTER	115,000.00	115,000.00	-
23	Lazerjet Printers	30,000.00	30,000.00	-
24	Lazerjet Printers	30,000.00	30,000.00	-
25	HP 4010N Lazerjet Printer	30,000.00	30,000.00	-
Total		5,464,452.33	5,464,452.33	-

Furniture & Fittings - 1

Sr.No	Item Name	Assets at Cost	Accumulated	Written Down
		01/01/2024	Depreciation	Value as at
			as at 2024/12/31	31/12/2024
1	Lobby Seats Corner Table	9,500.00	9,500.00	-
2	Lobby Seat Coner Table	6,000.00	6,000.00	-
Total		15,500.00	15,500.00	-

Furniture & Fittings - 2

Sr.No	Item Name	Assets at Cost	Accumulated	Written Down
		01/01/2024	Depreciation	Value as at
			as at 2024/12/31	31/12/2024
3	02 Nos. Wall Units- 68"x96"x34"(01 No)155"x96"x18"(01)	20,000.00	20,000.00	-
Total		20,000.00	20,000.00	-

Furniture & Fittings - 3

Sr. No	Item Name	Assets at Cost	Accumulated	Written Down
		01/01/2024	Depreciation	Value as at
			as at 2024/12/31	31/12/2024
4	Metal Name Board at entrance to 4th floor	20,000.00	20,000.00	-
Total		20,000.00	20,000.00	-

Office Equipment

Sr. No	Item Name	Assets at Cost	Accumulated	Written Down
		01/01/2024	Depreciation	Value as at
			as at 2024/12/31	31/12/2024
1	Singer Iceberg Fridge	7,500.00	7,500.00	-
2	Typewriter Electronic Brother	2,000.00	2,000.00	-
3	PABX System	250,000.00	250,000.00	-
4	Finger Print Machine	50,000.00	50,000.00	-
5	Cellular Phone Samsung Galaxy Y Dous	12,500.00	12,500.00	-
6	Cellular Phone Samsung Galaxy Y Dous	12,500.00	12,500.00	-
7	Cellular Phone Samsung Galaxy Y Dous	12,500.00	12,500.00	-
8	Cellular Phone Samsung Galaxy Core 18262	22,500.00	22,500.00	-
9	Cellular Phone Nokia 630 EMA Black	15,000.00	15,000.00	-
10	Cellular Phone Nokia Lumia 532 EMA Black	14,000.00	14,000.00	-
11	Cellular Phone Nokia Lumia 735	40,000.00	40,000.00	-
12	Cellular Phone Samsung Galaxy A3 Gold	40,000.00	40,000.00	-
13	Franking machine	15,000.00	15,000.00	-
14	Paper Cutter	1,500.00	1,500.00	-
15	Flip Chart System	2,000.00	2,000.00	-
16	Dalite Tripod 70"x70" Screen	1,500.00	1,500.00	-
17	Cash Box 12 1/2" x 9 1/2" x 5"	1,000.00	1,000.00	-
18	Water Boiler 20 LTR - 01 No.	500.00	500.00	-
19	Cannon Fax Model B 150.	3,000.00	3,000.00	-
20	LG Refrigerator	5,000.00	5,000.00	-
21	Toshiba TV 20". TV Antena	1,000.00	1,000.00	-
22	Shredder Machine	3,000.00	3,000.00	-
23	Nescafe Machine	7,500.00	7,500.00	-
24	Pedestal Fan	750.00	750.00	-
25	Fax Machine	3,500.00	3,500.00	-
26	Pedestal Fan Singer S:No 50602102	1,500.00	1,500.00	-
27	Pedestal Fan Singer S:No 50602019	1,500.00	1,500.00	-
28	03 No's Flag Posts	15,000.00	15,000.00	-
29	02 No's Pedestal Fan	4,000.00	4,000.00	-
30	02 No's Fax Machine	6,000.00	6,000.00	-

31	Toshiba Digital Photocopier	25,000.00	25,000.00	-
32	02 No's Pedestal Fan	3,000.00	3,000.00	-
33	02 No's Box Fan	2,000.00	2,000.00	-
34	Binding Machine	15,000.00	15,000.00	-
35	Water Standing Unit	3,000.00	3,000.00	-
36	Maitimedia Projector	55,000.00	55,000.00	-
37	Air Sonic Box Fan	500.00	500.00	-
38	Fax Machine	3,000.00	3,000.00	-
39	Fax Machine	3,000.00	3,000.00	-
40	Type Writer	7,500.00	7,500.00	-
41	Toshiba Photocopier DP2809A	206,385.49	206,385.49	-
42	05 Nos NEC IP4WW Console Phone Unit	12,900.00	12,899.00	1.00
43	05 Nos NEC IP4WW Console Phone Unit	12,900.00	12,899.00	1.00
44	05 Nos NEC IP4WW Console Phone Unit	12,900.00	12,899.00	1.00
45	05 Nos NEC IP4WW Console Phone Unit	12,900.00	12,899.00	1.00
46	05 Nos NEC IP4WW Console Phone Unit	12,900.00	12,899.00	1.00
47	Galaxy J2 Prime Samsung 5MG 532 Gold	17,900.00	17,899.00	1.00
48	Cellular Phone Samsung Galaxy J1 2016 Gold	15,800.00	15,799.00	1.00
49	Cellular Phone Samsung Galaxy J1 2016 Gold+	15,800.00	15,799.00	1.00
50	Cellular Phone Samsung Galaxy J1 2016 Gold	15,800.00	15,799.00	1.00
51	Cellular Phone Samsung Galaxy J 01 2016]	14,900.00	14,899.00	1.00
52	Cellular Phone Nokia 06	35,990.00	35,989.00	1.00
53	Cellular Phone Samsung Galaxy J 02 2016	15,987.00	15,986.00	1.00
54	Pedestal fan	7,147.50	7,146.50	1.00
55	Pedestal fan	7,147.50	7,146.50	1.00
56	Cellular Phone Samsung Galaxy J 01 2016]	19,290.00	19,289.00	1.00
57	Cellular Phone Samsung Galaxy A3	43,755.50	43,754.50	1.00
58	Cellular Phone Nokia 6.2	40,840.50	40,839.50	1.00
59	Cellular Phone Samsung Galaxy M01	17,099.05	17,098.05	1.00
60	Cellular Phone Samsung Galaxy M02	25,919.04	25,918.04	1.00
61	Cellular Phone Samsung Galaxy M32	59,999.00	59,999.00	-
Total		1,293,010.58	1,292,991.58	19.00

SRILANKA EXPORT CREDIT INSURANCE CORPORATION (SLECIC)

Significant Accounting Policies

General Information

Sri Lanka Export Credit Insurance Corporation was established by the Sri Lanka Export Credit Insurance Corporation Act No. 15 of 1978 and commenced commercial operations on 8th February 1979.

The registered office of the Corporation is situated at Level 4, NDB-EDB Tower, No.42, Nawam Mawatha, Colombo 02.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1. Basis of Preparation

1.1 Principal Activities and Nature of Operations

Principal activities of the Corporation are undertaking risks in export trade by issue of Export Payments Insurance Policies to Exporters covering the risk of non-payment by their foreign buyers due to commercial and political reasons and issue of guarantees to the banks and other financial institutions mainly to facilitate granting of liberal finances to exporters to meet their fund requirements for their export businesses.

1.2 Basis of measurement

The Balance sheet, Income and Expenditure account, changes in equity and cash flows together with accounting policies and notes (Financial Statement) of the Corporation as at 31st December 2024 and for the year ended, complies with the Sri Lanka Accounting Standards. These Financial Statements are presented in Sri Lankan Rupees. The Financial Statements are prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements.

1.3 Use of Estimates and Judgments

The preparation of Financial Statements are in conformity with LKAS (Lanka Accounting Standards) which requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments on the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

1.4 Going Concern

When preparing the Financial Statements, we have made an assessment of the liability of the organization to continue as a going concern in the foreseeable future. We do not foresee a need for liquidation or cessation of trading, taking into account all available information about the future.

2. Comparative Information

The accounting policies have been consistently applied by the Corporation and are consistent with those used in the previous year.

03. Significant Accounting Policies.

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, and have been applied consistently by the Corporation.

3.1 Foreign Currency Transactions

Items included in the financial statements are measured using Sri Lanka rupees (LKR). Foreign Currency transactions are translated into the reporting currency using the rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated to Sri Lankan Rupees at the foreign exchange rate ruling at that date. Foreign exchange gains and losses from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account with effect from the financial year 2018 confirming to LKAS 21

Prior to 2018, the net exchange gain/loss was recognized in a separate Foreign Currency Equalization Reserve which has ceased to be in effect from 2018.

3.2 Property, Plant and Equipment

a) Recognition and Measurement

Property, Plant and Equipment are stated at cost/revaluation less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self -constructed assets includes the cost materials, direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Where an item of Property, Plant and Equipment comprise major components having different useful lives, they are accounted for as separate items of Property, Plant and Equipment.

Gains and losses upon disposal of items of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment, and are recognized net within "Other Operating Income" in the Income Statement.

b) Depreciation

The provision for depreciation is calculated using a straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives of all Property, Plant and Equipment other than freehold land. Pro-rata basis will be calculate the depreciation as per the purchase date.

The principal annual rates used are as follows.

1. Building	5%	20 years
2. Office Equipment	25%	04 years
3. Motor Vehicles	20%	05 years
4. Software & Computers	25%	04 years
5. Furniture & Fittings	10%	10 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the surplus in the revaluation to the Accumulated Profit. The assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

c) Disposal

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognized in determining operating profit or loss in the Income Statement. When revalued assets are sold, the amount included in the revaluation reserve is transferred to retained earnings.

d) Impairment

The carrying value of property, plant and equipment is reviewed for impairment either annually or when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where

the carrying value exceeds the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognized in the income statement unless it reverses a previous revaluation surplus for the same asset.

e) Profit/Loss from Sales of Property, Plant and Equipment.

Any gains or losses on retirement or disposal of Property, Plant and Equipment are recognized in the period in which the sale occurs and is classified as other Income.

3.4 Capital Work in Progress

Capital expenses incurred during the year, which are not completed as at the Balance Sheet date are shown as advance payments, whilst the capital assets which have been completed during the year and put to use have been transferred to Property, Plant and Equipment.

3.5 Intangible Assets

Intangible assets that are acquired by the Corporation, which have substantial useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products implemented and controlled by the Corporation are recognized as intangible assets.

a) Basis of Recognition

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and cost can be measured reliably and carried at cost less accumulated amortization and accumulated impairment losses.

b) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relate. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the income Statement as incurred.

c) Retirement and Disposal

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

d) Amortization

Amortization is recognized in the income Statement on a straight-line basis over the estimated useful lives of intangible Assets, from the date that they are available for use.

e) Impairment

The carrying amounts of the Corporation's assets are reviewed at each balance sheet date to determine where there is any indication of impairments. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the Income Statement.

3.6 Investment Properties

Property that is held for long-term yields or for capital appreciation for both and that is classified as investment property. After initial recognition investment property is carried at cost.

3.7 Short term Investments

a) Short term Investments in Local currency

The Corporation has made short term surplus funds in Government Treasury bills and other fixed income

investments and accounted at cost except for the foreign currency denominated fixed deposits which are valued at the exchange rate prevailing on the Balance Sheet date. The interest accrued on these investments is recognized in the income statement.

b) Short term Investments in Foreign currency

The funds required to meet future claims obligation in foreign currency have been set aside and deposited in foreign currency account earning interest. The interests accrued have been recognized in the Income statement translated at the rate prevailing at the date of the transaction. The values of the investments recognized in the financial statement are translated at the rate prevailing at the Balance Sheet date.

3.7.1 Financial Investments: Held-to-Maturity

All the Rupee short term and long terms investments made in Treasury Bills, Treasury Bonds, Fixed Deposits and Debentures are held to maturity and are stated at cost plus interest receivable.

3.7.2 Risk arising from Financial Instruments

The short term and long term investments comprise of investments made in Treasury Bills, Treasury Bonds, State Bank Fixed Deposits and Debentures. Debentures carry the interest rate risk, reinvestment risk, default risk and liquidity risk. As the fixed deposits are held up to maturity it carries only the default and liquidity risks except for the foreign currency denominated fixed deposits which are exposed to the risk of currency fluctuations in addition to the other risks inherent to the local currency fixed deposits. In the context of holding these investments in state banks, all the stated risks are at its minimal except for foreign currency value fluctuation risk.

3.8 Trade and Other Receivables

Trade and other receivables are stated at the amount estimated to be realized. Provision has been made in the Financial Statements for bad and doubtful debts which are outstanding for more than three years period.

3.9 Inventories

Inventories comprised of stock of stationery and consumable items. Inventories are valued at lower of cost or net realizable value, after making provision for obsolete and repairable items. Net realizable value is the price at which inventories can be sold in the ordinary course of business.

3.10 Cash and Cash Equivalents

Cash and Cash Equivalents are defined as cash in hand and short term highly liquid investments, readily convertible to known amounts of cash for the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and net of outstanding bank overdrafts, short term borrowings and short term investments.

3.11 Cash Flow Statements

The Cash Flow Statements have been prepared using the indirect method in accordance with Lanka Accounting Standard (LAKAS) No. 07 -Cash Flow Statements.

Under the payment of Gratuity Act, No. 12 of 1983, the liability to an employee arises only on completion of one years of continued service. The obligation is not externally funded.

4 Employee Benefits

a) Defined Benefit Plan - Retirement Gratuity

The defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Corporation's net obligation in respect of defined benefit plans is calculated by using project unit credit method for determining the required provisions. The calculation is performed once in three years by a qualified independent Actuary. The measurement of the net defined benefit liability which comprise actuarial gains/losses are recognized immediately in the statement of profit or loss and other comprehensive income

b) Define Contribution Plan

Employee's Provident Fund & Employee's Trust Fund. Employees are eligible for Employees Provident Fund contribution and Employees Trust Fund contributions in line with respective statutes and regulation.

5. Liabilities and provisions

Liabilities and provisions are recognized in the Balance sheet when there is a present legal /constructive obligation as a result of the past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor or within one year of the Balance Sheet date are treated as current liabilities in the Balance Sheet. Liabilities payable after one year from the Balance Sheet date are treated as non- current liabilities in the Balance Sheet.

a) Trade and Other Payables

Trade and other payables are stated at their cost.

b) Contingent Provision for Claims

Our past experiences in claims payout ratio for cost of passage guarantees have been in the range of 30 percent of premium received. The premium received will have a claim liability, spread over a period of 3 years from the date of premium received. In keeping with the past experience a provision up to 30 percent of the premium received spread over the three years period on the proportion of 15%, 10% and 5% respectively for cost of passage Credit Guarantees have been provided as a provision for contingent claims.

The provision may be adjusted every year to keep pace with the balances reflecting as at the end of the year.

Seller's Risk Insurance Policy	15%
Direct Guarantee on the ATA Carnet System	2%
Pre Shipment Credit Guarantee	12%
Post Shipment Credit Guarantee	5%

Provisions for other products have been created according to the following basis.

c) Provision for Reported Claims

Claims reported have been recognized and taken into account when creating this provision. A specific provision for claims have been made on the situations prevailed as at the Balance Sheet date where reasonable. Evidences and assurances are available as to the fact that there is a probability that a claim would have to be made. The payment of claims subsequently will be set off against the provision made. The continuity of the provision made will be based on the existence of the probable occurrences of a liability for claims.

d) Reserve for Unearned Premium on Unexpired Risk

Premium written and received during the year under review and the unexpired risk on the premium so collected will spread over the cover period in which part of the premium is related to the next financial year. A reserve has been created by segregating the proportionate premium for the cover period after the end of the current financial year in keeping with industry norms. In determining the reserve 1/365 method have been applied.

In recognition of the reserve actual cover period on unexpired risks have been taken into account on the premium collected on Export Payments Insurance Policies. 15% of the premium collected on the guarantees during the year under review have been set aside as a reserve for the unexpired risks considering the complexity, nature and quantum of risks associated within the cover period.

6. Revenue

6.1 Premium Income

Revenue received from the Premium Income has been recognized on 'Accrual Basis' by taking account of all the declarations submitted up to the end of the year. Transfer of risks and rewards vary depending on the Individual terms of the contract all the expenditure items are accounted on "Accrual Basis". The accounting policies applied are consistent with those applied in the previous year.

6.2 Other Operating Income

a) Profit & Loss from Sale of Property, Plant and Equipment.

Any gains or losses on retirement or disposal of Property, Plant and Equipment are recognized in the period in which the sale occurs and is classified as other Operating Income.

6.3 Expense Recognition

a) Revenue Expenditure

The profit earned by the Corporation as shown in the Income Statement is after providing for all known liabilities and for depreciation of Property, Plant and Equipment.

For the purpose of presentation of the Income Statement, the Directors are of the opinion that the function of expenses method present fairly the elements of the enterprise's performance, hence this presentation method is adopted.

b) Capital Expenditure

Expenditure incurred for the purposes of extending or improving assets of a permanent nature by means to carry on the business or for the purposes of increasing the earning capacity of the business has been treated as Capital Expenditure.

Gains or losses of revenue nature on the disposal of property, plant and Equipment have been accounted for in the Income statement.

6.4 Taxation

Income Tax Expenses

Income tax expenses for the year comprise of tax on total operation of the Corporation.. Income tax is recognized in the Income Statement for the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted on the reporting date, and any adjustments to tax payable in respect of previous years. Provision for taxation is based on the net profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No.24 of 2017.

6.5 Borrowing costs

Borrowing costs are recognized as an expense in the year in which they are incurred.

6.6 Comparative information

Comparative information has been reclassified where necessary to confirm to the current year's presentation.

6.7 Commitments and Contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrences or non- occurrence of uncertain future events, which are beyond the Corporation's control.

6.8 Events Occurring After the Balance Sheet Date

All material post Balance Sheet events have been considered disclosed and adjusted where applicable.