

बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८०

प्रस्तावना: बीमा ऐन, २०७९ को दफा १६६ ले दिएको अधिकार प्रयोग गरी प्राधिकरणले बीमकको वित्तीय विवरण सम्बन्धमा बीमकलाई देहायको निर्देशन दिएको छ ।

परिच्छेद-१

प्रारम्भिक

१. संक्षिप्त नाम र प्रारम्भ: (१) यस निर्देशनको नाम “बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८०” रहेको छ ।
(२) यो निर्देशन प्राधिकरणले स्वीकृत गरेको मिति देखि लागू हुनेछ ।
२. परिभाषा: विषय वा प्रसङ्गले अर्को अर्थ नलागेमा यस निर्देशनमा,-
 - (क) “ऐन” भन्नाले बीमा ऐन, २०७९ सम्झनुपर्छ ।
 - (ख) “गणनायोग्य सम्पत्ति” भन्नाले बीमकको सल्भेन्सी अनुपात गणना गर्ने प्रयोजनका लागि समावेश गरिने सम्पत्ति सम्झनुपर्छ ।
 - (ग) “वितरणयोग्य मुनाफा” भन्नाले वित्तीय विवरणमा लेखाङ्कन भएको वितरणयोग्य नाफा वा नोक्सान (डिष्ट्रीब्युटेवल प्रोफिट अर लस) सम्झनुपर्छ ।
 - (घ) “वित्तीय विवरण” भन्नाले दफा ४ बमोजिमका विवरणहरू समावेश गरी बीमकले तयार गरेको वित्तीय विवरण सम्झनुपर्छ ।

परिच्छेद-२

वित्तीय विवरण सम्बन्धी व्यवस्था

३. निर्देशन बमोजिम हुनुपर्ने: (१) बीमकले लेखा राख्दा, वित्तीय विवरण तयार गर्दा, प्रकाशित गर्दा वा प्राधिकरणमा पेश गर्दा यस निर्देशन बमोजिम गर्नुपर्नेछ ।
(२) बीमकले प्रचलित कानून तथा नेपाल वित्तीय प्रतिवेदनमान र नेपाल लेखामान अनुरूप आफ्नो कारोबारको यथार्थ स्थिति स्पष्ट रूपमा देखिने गरी आफ्नो सम्पत्ति, दायित्व, इक्वीटी, आम्दानी र खर्चको अभिलेख राख्नु पर्नेछ ।

(३) यस निर्देशनमा जुनसुकै कुरा लेखिएको भए तापनि आयकर निर्धारणका लागि बीमकले प्रचलित आयकर ऐन तथा नियमावली बमोजिम छुट्टै ढाँचामा हिसाब तयार गर्न सक्नेछ ।

(४) बीमकले आर्थिक वर्ष २०७९/८० तथा सो पश्चातका आर्थिक वर्षहरूको वार्षिक वित्तीय विवरण यो निर्देशन बमोजिम तयार गर्नुपर्नेछ ।

तर आर्थिक वर्ष २०७८/७९ तथा सो भन्दा अघिल्ला आर्थिक वर्षको वित्तीय विवरण तयार नगरेका बीमकले यो निर्देशन लागू हुन अघि लागू रहेका निर्देशन, निर्देशिका तथा परिपत्र बमोजिम वित्तीय विवरण तयार गर्न बाधा पर्नेछैन ।

४. वित्तीय विवरणमा समावेश हुनुपर्ने: बीमकको वित्तीय विवरणमा देहाय बमोजिमको विवरण समावेश हुनु पर्नेछ ।

(क) Statement of Financial Position (SOFP) as at the end of the period,

(ख) Statement of Profit or Loss (SOPL) for the period,

(ग) Statement of Other Comprehensive Income (SOCI) for the period,

(ङ) Statement of Changes in Equity (SOCE) for the period,

(च) Statement of Cash Flows (SCF) for the period,

(छ) Statement of Distributable Profit or loss,

(ज) Notes, comprising a summary of significant accounting policies and other explanatory information.

५. वित्तीय विवरणको ढाँचा: (१) जीवन बीमा व्यवसाय गर्ने बीमक, निर्जीवन बीमा व्यवसाय गर्ने बीमक र पुनर्बीमा व्यवसाय गर्ने बीमकले वित्तीय विवरण पेश गर्दा देहाय बमोजिमका विवरण पेश गर्नुपर्नेछ:-

(क) अनुसूची १ बमोजिमको ढाँचामा संचालक समितिबाट अनुमोदित प्रतिवेदन,

(ख) अनुसूची २ बमोजिमको ढाँचामा वित्तीय विवरण,

(ग) अनुसूची ३ बमोजिमको ढाँचामा वित्तीय सूचकाङ्क,

(घ) अनुसूची ४ बमोजिमको ढाँचामा जीवन तथा निर्जीवन बीमकको बीमाङ्क रकमको विवरण ।

(२) लघु जीवन बीमा व्यवसाय गर्ने बीमकले जीवन बीमा व्यवसाय गर्ने बीमकको ढाँचामा र लघु निर्जीवन बीमा व्यवसाय गर्ने बीमकले निर्जीवन बीमा व्यवसाय गर्ने बीमकको ढाँचामा वित्तीय विवरण तयार गर्नुपर्नेछ ।

(३) बीमकको कुनै सहायक कम्पनी भएमा बीमकले कन्सोलिडेटेड वित्तीय विवरण (Consolidated Financial Statements) को ढाँचामा सहायक कम्पनीको हिसाबकिताब समेटी वित्तीय विवरण तयार गर्नुपर्नेछ ।

(४) बीमकको वित्तीय विवरण (Standalone financial statements) र उपदफा (३) बमोजिमको वित्तीय विवरण (Consolidated Financial Statements) लाई बीमकले छुट्टा छुट्टै देखिने गरी एकै वित्तीय विवरणमा प्रस्तुत गर्न सक्नेछ ।

(५) बीमकको वित्तीय विवरण ढाँचामा बीमकले कुनै परिवर्तन, परिमार्जन वा संशोधन गर्न पाउने छैन ।

(६) बीमकले उपदफा (१) बमोजिमको ढाँचामा विवरण तयार गर्दा कुनै शीर्षक अन्तर्गत रकम नरहेको भए तापनि सो शीर्षक कायमै राख्नु पर्नेछ ।

तर अनुसूचीको “अन्य” शीर्षक भित्र आवश्यकतानुसार थप शीर्षकहरु समावेश गर्न कुनै बाधा पर्ने छैन ।

६. वित्तीय विवरणसाथ पेश गर्नुपर्ने: प्राधिकरणमा पेश गर्नुपर्ने वित्तीय विवरणसँग विस्तृत लेखापरीक्षण प्रतिवेदन (लड्ग फर्म अडिट रिपोर्ट) सहित लेखा परीक्षकको प्रतिवेदन संलग्न गर्नुपर्नेछ ।

७. निर्देशन दिन सक्ने: (१) प्राधिकरणमा पेश भएको वित्तीय विवरण अध्ययन तथा विश्लेषण गरी प्राधिकरणले स्वीकृति दिन वा निर्देशन, शर्त तथा आदेश सहित स्वीकृति दिन वा त्यस्तो विवरणमा गम्भीर त्रुटी देखिएमा परिमार्जन सहित पुनः पेश गर्न निर्देशन दिन सक्नेछ ।

(२) उपदफा (१) बमोजिम परिमार्जन सहित पुनः पेश गर्न प्राधिकरणले निर्देशन दिएको पन्ध्र (१५) दिन भित्र त्यस्तो बीमकले परिमार्जित वित्तीय विवरण स्वीकृतिको लागि प्राधिकरणमा पेश गर्नुपर्नेछ ।

८. वार्षिक प्रतिवेदनमा समावेश गर्नुपर्ने: प्राधिकरणबाट वित्तीय विवरण स्वीकृत गर्दा तोकेका शर्त तथा दिइएका आदेश र सो सम्बन्धमा बीमकको संचालक समितिको जवाफ संलग्न गरी बीमकले वार्षिक प्रतिवेदन तयार गर्नुपर्नेछ ।
९. बीमकले वित्तीय विवरण प्रकाशन गर्नुपर्ने: (१) बीमकले प्रत्येक वर्ष लेखापरीक्षण भई प्राधिकरणबाट स्वीकृत भएको वित्तीय विवरणको संक्षिप्त विवरण (Condensed Financial Statements) कम्तीमा दुई पटक राष्ट्रिय स्तरका सञ्चार माध्यमबाट प्रकाशन गर्नु पर्नेछ ।
(२) बीमकले संक्षिप्त वित्तीय विवरणमा कम्तीमा दफा ४ को खण्ड (क), (ख), (ग) र (घ) मा उल्लिखित विवरण समावेश गर्नुपर्नेछ ।

परिच्छेद-३

लाभांश घोषणा सम्बन्धी व्यवस्था

१०. लाभांश घोषणा: (१) बीमकले ऐनको दफा ४३ को अधिनमा रही वितरणयोग्य मुनाफाबाट लाभांश घोषणा गर्नुअघि देहायका कागजात तथा विषय खुलाई स्वीकृतिका लागि प्राधिकरणमा निवेदन दिनु पर्नेछ:-
- (क) ऐनको दफा १०१ बमोजिम बीमक समस्याग्रस्त घोषणा नभएको,
 - (ख) ऐनको दफा ४३ को उपदफा (१) को अवस्था विद्यमान नरहेको,
 - (ग) प्राधिकरणले बीमकको व्यवसाय आंशिक वा पूर्ण रूपमा रोक नलगाएको,
 - (घ) ऐनको दफा ३६, ३८, ३९, ४०, ४१ र ४२ को व्यवस्था पूर्ण रूपमा पालना गरेको,
 - (ङ) व्यवस्थापनबाट प्रमाणित गरिएको वित्तीय विवरण,
 - (च) बाह्य लेखापरीक्षकको प्रारम्भिक प्रतिवेदन र सो सम्बन्धमा बीमकको संचालक समितिले पेश गरेको जवाफ ।
- (२) उपदफा (१) बमोजिमको निवेदनको सम्बन्धमा छलफल गर्न आवश्यक परेमा प्राधिकरणले बीमकका सञ्चालक, कार्यकारी प्रमुख, कर्मचारी, लेखापरीक्षक वा सम्बन्धित कुनै व्यक्ति वा संस्थालाई बोलाउन सक्नेछ र त्यसरी बोलाएको वखत प्राधिकरणमा उपस्थित हुनु निजको कर्तव्य हुनेछ ।

(३) उपदफा (१) बमोजिमको निवेदनका साथ पेश गरेका कागजात तथा विवरण जाँच गर्दा उपयुक्त देखिएमा लाभांश घोषणा गर्न स्वीकृति दिन सक्नेछ ।

(४) उपदफा (३) मा जुनसुकै कुरा लेखिएको भए तापनि उपदफा (१) मा उल्लिखित कागजात तथा विषयको जाँच गर्दा प्राधिकरणले लाभांश घोषणा नगर्न निर्देशन दिन वा शर्त सहित लाभांश घोषणा गर्न स्वीकृति दिन सक्नेछ ।

परिच्छेद-४

वितरणयोग्य मुनाफा

११. कोषमा रकम सार्नुपर्ने: बीमकले देहाय बमोजिमको कोषमा रकम सारेर मात्र वितरणयोग्य मुनाफा गणना गर्नुपर्नेछ:-

(क) विशेष जगेडा (Special Reserves): निर्जीवन बीमकले ऐनको दफा ३९ को उपदफा (२) को खण्ड (ग) बमोजिमको अनिवार्य जगेडा कोषमा जम्मा गर्नुपर्ने रकम छुट्टै खडा गरिएको विशेष जगेडा कोषमा राख्नु पर्नेछ र ऐन लागू हुँदाको बखत निर्जीवन बीमा व्यवसाय गर्ने बीमकले बीमा कोष र बीमा जगेडा हिसाबमा देखाएको रकम विशेष जगेडा कोषमा सार्नुपर्नेछ ।

(ख) महाविपत्ति कोष (Catastrophe Reserves): बीमकले प्रत्येक आर्थिक वर्षमा आफ्नो खुद नाफाको दश प्रतिशत रकम महाविपत्ति कोषमा सार्नुपर्नेछ ।

तर निर्जीवन बीमा व्यवसाय गर्ने बीमक तथा पुनर्बीमा व्यवसाय गर्ने बीमकले खुद नाफा रकमबाट विशेष जगेडा कोषमा सार्नुपर्ने रकम घटाए पश्चात आउने रकमको दश प्रतिशत रकम महाविपत्ति कोषमा सार्नुपर्नेछ ।

(ग) सामाजिक उत्तरदायित्व कोष (Corporate Social Responsibility Reserve): बीमकले प्रत्येक आर्थिक वर्षमा आफ्नो खुद नाफाको एक प्रतिशत रकम सामाजिक उत्तरदायित्व कोषमा सार्नुपर्नेछ ।

(घ) पूँजीगत कोष (Capital Reserves): विदेशी बीमकको शाखा कार्यालयले प्रत्येक आर्थिक वर्षमा आफ्नो खुद नाफाको बीस प्रतिशत रकम पूँजीगत कोषमा सार्नुपर्नेछ ।

स्पष्टीकरण: खण्ड (क), (ख), (ग) र (घ) को प्रयोजनका लागि, -

- (१) “खुद नाफा” भन्नाले नाफा नोक्सान हिसाबको स्थगन कर आम्दानी वा खर्च समायोजन गर्नुपूर्वको नाफा सम्झनु पर्छ ।
- (२) यदि कुनै आर्थिक वर्षमा कोषमा सार्नुपर्ने रकम ऋणात्मक भएमा सोही उपदफामा उल्लिखित कोषहरूमा रकम सार्नु हुदैन ।
- (३) Regulatory Reserve बाट Retained Earning हिसाबमा रकम सारेको अवस्थामा वा Statement of Other Comprehensive Income मा समायोजन भई Fair Value Reserve लगायत अन्य कोषमा जम्मा भएको रकम कुनै आर्थिक वर्षमा Retained Earning हिसाबमा सारेको खण्डमा सो रकमको सोही उपदफामा उल्लेख भए बमोजिमको अनुपातको रकम समेत सम्बन्धित कोषमा सार्नुपर्नेछ ।
तर, यस व्यवस्था बमोजिम Retained Earning हिसाबमा सारेको रकम ऋणात्मक भएमा माथि उल्लेख भएका कोषहरूमा रकम सार्नु हुदैन ।

(ड) बीमा कोष (Insurance Fund): ऐनको दफा ३८ बमोजिम बीमकले सलभेन्सी मार्जिन अनुपात तथा पूँजीकोष कायम गर्ने प्रयोजनका लागि बीमाङ्कीले निर्धारण गरेको रकम बीमा कोषमा सार्नुपर्नेछ ।

(च) स्थगन कर जगेडा (Deferred Tax Reserves): बीमकको Statement of Profit or Loss मा समायोजन भई वित्तीय विवरणमा लेखाङ्कन भएको स्थगनकर सम्पत्ती बराबरको रकम स्थगन कर जगेडामा जम्मा गर्नुपर्ने छ ।

तर बीमकको Statement of Other Comprehensive Income मा समायोजन भई वित्तीय विवरणमा लेखाङ्कन भएको स्थगनकर सम्पत्ती वा दायित्व वापतको कुनै पनि रकम यस शीर्षकमा जम्मा गर्नु हुदैन ।

१२. लघु जीवन बीमा व्यवसाय गर्ने बीमकको कोष सम्बन्धी व्यवस्था: लघु जीवन बीमा व्यवसाय गर्ने बीमकले दफा ११ को खण्ड (ख), (ग), (ड) र (च) मा उल्लेख भए बमोजिमको कोषमा सोही खण्डमा तोकिए बमोजिमको रकम जम्मा गरेर मात्र वितरणयोग्य मुनाफा गणना गर्नुपर्नेछ ।

१३. लघु निर्जीवन बीमा व्यवसाय गर्ने बीमकको कोष सम्बन्धी व्यवस्था: लघु निर्जीवन बीमा व्यवसाय गर्ने बीमकले दफा ११ को खण्ड (क), (ख), (ग), (ड) र (च) उल्लेख भए बमोजिमको

कोषमा सोही खण्डमा तोकिए बमोजिमको रकम जम्मा गरेर मात्र वितरणयोग्य मुनाफा गणना गर्नुपर्नेछ ।

१४. पुनर्बीमा व्यवसाय गर्ने बीमकको कोष सम्बन्धी व्यवस्था: (१) पुनर्बीमा व्यवसाय गर्ने बीमकले दफा ११ को खण्ड (क), (ख), (ग), (ङ) र (च) मा उल्लेख भए बमोजिमको कोषमा सोही खण्डमा तोकिए बमोजिमको रकम जम्मा गरेर मात्र वितरणयोग्य मुनाफा गणना गर्नुपर्नेछ ।

१५. वितरणयोग्य मुनाफा गणना गर्दा घटाउनुपर्ने: (१) Statement of Other Comprehensive Income मा समायोजन भई सिर्जना भएका कोषहरूको कुल योगफल ऋणात्मक भएमा बीमकको वितरणयोग्य मुनाफा गणना गर्दा सो बराबरको रकम घटाउनुपर्नेछ ।

(२) Net Gains or Losses on Fair Value Changes (After tax) र Share of Net Profit of Associates accounted using Equity Method (After tax) शीर्षक अन्तर्गत बीमकको Statement of Profit or Loss मा समायोजन भई संचित मुनाफा हिसाबमा जम्मा भएको धनात्मक Accumulated Gains on Fair Value Changes (After tax) र धनात्मक Accumulated Share of Net Profit of Associates accounted using Equity Method (After tax) को कुल रकम बीमकको वितरणयोग्य मुनाफा गणना गर्दा घटाउनुपर्नेछ ।

स्पष्टीकरण: यस दफामा Accumulated Gains on Fair Value Changes (After tax) भन्नाले कुनै वित्तीय उपकरण वा लगानीमा नोक्सानी भएको भए सो नोक्सानी समायोजन नगरी मुनाफा भएका वित्तीय उपकरण वा लगानीमा भएको Fair value gain रकम सम्झनुपर्छ ।

१६. लगानी रकम घटाउनुपर्ने: (१) बीमकले शेयरमा लगानी गरेको पब्लिक लिमिटेड कम्पनी लगानी गरेको मितिले तीन वर्षसम्म धितोपत्र सम्बन्धी कानून बमोजिम सूचीकृत नभएमा बीमकले वित्तीय विवरणमा लेखाङ्कन गरेको उक्त लगानीको रकमलाई वितरणयोग्य मुनाफा गणना गर्दा घटाउनुपर्छ ।

(२) शेयर वा म्युचुअल फण्डमा गरेको लगानी प्रचलित कानून बमोजिम धितोपत्र बजारको सूचीबाट हटेमा (Delisted भएमा) बीमकले वित्तीय विवरणमा लेखाङ्कन गरेको उक्त लगानीको रकमलाई वितरणयोग्य मुनाफा गणना गर्दा घटाउनुपर्छ ।

१७. कर्जामा नोक्सानी भएमा घटाउनुपर्ने: (१) बीमकले प्रवाह गरेको कुनै कर्जाको भाखा नाघेमा सो कर्जा रकम बराबरको रकम वितरणयोग्य मुनाफा गणना गर्दा घटाउनुपर्नेछ ।

(२) बीमकले वित्तीय विवरणमा कर्जाको Impairment गरेको अवस्थामा Impairment गरी खर्च लेखाङ्कन गरेको रकम भन्दा उपदफा (१) बमोजिम घटाउनुपर्ने रकम बढी भएमा सो बढी रकमलाई वितरणयोग्य मुनाफा गणना गर्दा घटाउनुपर्छ ।

१८. पुराना लिन बाँकी हिसाब घटाउनुपर्ने: बीमकले अन्य बीमक, पुनर्बीमक र ब्रोकरबाट लिन बाँकी देखाएको हिसाबको लागि गरेको इम्पेयरमेन्ट खर्च देहाय बमोजिमको रकम भन्दा कम भएमा सो फरक रकमलाई वितरणयोग्य मुनाफा गणना गर्दा घटाउनुपर्नेछ:-

क्र.सं.	विवरण	रकम
१	चार वर्ष भन्दा बढी समय देखि लिन बाँकी रहेको रकम	लिन बाँकी रकमको शत प्रतिशत रकम
२	तीन वर्ष भन्दा बढी र चार वर्ष भन्दा कम समय देखि लिन बाँकी रहेको रकम	लिन बाँकी रकमको पचहत्तर प्रतिशत रकम
३	दुई वर्ष भन्दा बढी र तीन वर्ष भन्दा कम समय देखि लिन बाँकी रहेको रकम	लिन बाँकी रकमको पचास प्रतिशत रकम
४	एक वर्ष भन्दा बढी र दुई वर्ष भन्दा कम समय देखि लिन बाँकी रहेको रकम	लिन बाँकी रकमको पच्चिस प्रतिशत रकम

परिच्छेद-५

OCI सँग सम्बन्धित कोषहरू

१९. फेयर भ्यालु रिजर्व (Fair Value Reserves): बीमकले Statement of Other Comprehensive Income मा देखाएको Fair Value Gain/Loss (Net of tax) रकमलाई फेयर भ्यालु रिजर्वमा सार्नुपर्नेछ ।

२०. अन्य कोष: बीमकले Statement of Other Comprehensive Income मा देखाएको कुनै खास आमदानी (नेट अफ ट्याक्स) लाई अन्य छुट्टै कोष बनाई सार्न सक्नेछ ।

परिच्छेद-६

जीवन बीमा व्यवसाय र लघु जीवन बीमा व्यवसाय गर्ने बीमक सम्बन्धी विशेष

व्यवस्था

२१. जीवन बीमा कोष: ऐनको दफा ३९ को उपदफा (२) को खण्ड (क) बमोजिम बीमकले अनिवार्य जगेडा कोषमा कायम गर्नु पर्ने रकम जीवन बीमा कोष खडा गरी सोही कोषमा राख्नु पर्नेछ ।
२२. जीवन बीमा कोषमा सार्नुपर्ने बचत रकम: (१) बीमकको बीमाङ्कीय मूल्याङ्कन सम्बन्धी निर्देशिका, २०७७ बमोजिम बीमाङ्कीय मूल्याङ्कन गर्न जीवन बीमा कोषमा सार्नु पर्ने रकमको निर्धारण अनुसूची ५ बमोजिम गर्नुपर्नेछ ।
(२) अनुसूची ५ बमोजिमको विवरण लेखा परीक्षकबाट प्रमाणित गराई बीमाङ्कीय मूल्याङ्कन गर्नुपर्नेछ ।
२३. Regulatory Reserve बाट रकम फिर्ता गर्ने सम्बन्धी व्यवस्था: बीमकले Regulatory Reserve बाट रकम फिर्ता गर्नु परेमा Retained Earning हिसाब र जीवन बीमा कोषमा रकम सार्नुपर्नेछ । यसरी Regulatory Reserve बाट फिर्ता गरिने रकम अनुसूची ५ बमोजिम Retained Earning हिसाबमा र जीवन बीमा कोषमा सार्नुपर्नेछ ।
२४. OCI सँग सम्बन्धित Reserve: बीमकले वित्तीय प्रतिवेदनमान बमोजिम Statement of other comprehensive income को नाफा वा नोक्सानबाट सृजना भएको कुनै पनि Reserves को रकम नाफा नोक्सान हिसाबमा नसारी Retained earning हिसाबमा सार्नुपर्ने अवस्थामा कुल रकममध्ये अनुसूची ५ बमोजिम जीवन बीमा कोषमा रकम सारेर मात्र बाँकी रकम Retained Earning हिसाबमा सार्नुपर्नेछ ।
२५. जीवन बीमा कोषमा नसारेको आम्दानीको बाँडफाँड: बीमकले मूल्याङ्कन प्रयोजनार्थ समावेश नभएका आम्दानीहरू Net Gains on Fair Value Changes (After tax) र Share of Profit of Associates accounted as per Equity Method धनात्मक भएमा सोको कम्तीमा ९०% रकम Insurance Contract liabilities अन्तर्गत सम्बन्धित शीर्षकमा सारी बाँकी दश प्रतिशत रकम मात्र Statement of Profit or Loss हिसाबमा देखाउनुपर्नेछ । यदि Statement of Profit or Loss मा देखाएको तर बीमाङ्कीय मूल्याङ्कन प्रयोजनार्थ समावेश नभएका आम्दानी Net Gains on Fair Value Changes (After tax) र Share of Profit of Associates accounted as per Equity Method रकम ऋणात्मक (नोक्सान) भएमा जीवन बीमाकोष अन्तर्गत सोही शीर्षकमा देखिएको रकमले खामेसम्म सो नोक्सानी रकमको

बढीमा ९०% रकम सम्म बीमकले Insurance Contract liabilities अन्तर्गत सम्बन्धित शीर्षकमा सार्न सक्नेछ ।

२६. OCI को नाफा वा नोक्सानको बाँडफाँड: बीमकले Statement of Other Comprehensive Income मा देखिएको नाफाको कम्तीमा ९०% रकम Contract liabilities अन्तर्गत सम्बन्धित शीर्षकमा सार्नुपर्नेछ । यदि कुनै वर्षमा Statement of Other Comprehensive Income को कुनै शीर्षकमा ऋणात्मक रकम (नोक्सान) भएमा जीवन बीमाकोष अन्तर्गतको सोही शीर्षकमा देखिएको रकमले खामेसम्म सो नोक्सानी रकमको बढीमा ९०% रकम सम्म बीमकले Insurance Contract liabilities अन्तर्गत सम्बन्धित शीर्षकमा सार्न सक्नेछ ।
२७. सीमा भन्दा बढी भएको खर्च: बीमकले बीमा ऐन, नियमावली तथा प्राधिकरणले जारी गरेको निर्देशन भन्दा बढी गरेको खर्चलाई अनुसूची ५ बमोजिम खर्चको बाँडफाँड गर्दा समावेश गर्नुहुँदैन ।

परिच्छेद-७

बीमकको समाप्त भै नसकेको जोखिम र दाबी भुक्तानी कोष

२८. बीमकको समाप्त भै नसकेको जोखिम: ऐनको दफा ३९ को उपदफा (२) को खण्ड (ख) बमोजिम निर्जीवन बीमा व्यवसाय गर्ने बीमकले खुद बीमाशुल्कको आधारमा बीमाङ्कीले निर्धारण गरे बमोजिम बीमकले समाप्त भै नसकेको जोखिमका लागि असमाप्त जोखिम वापतको व्यवस्था (Unexpired Risk Reserve) गर्नुपर्नेछ ।
२९. पुनर्बीमा व्यवसाय र लघु निर्जीवन बीमा व्यवसाय गर्ने बीमकको असमाप्त जोखिम वापतको व्यवस्था: पुनर्बीमा व्यवसाय गर्ने बीमक र लघु निर्जीवन बीमा व्यवसाय गर्ने बीमकले खुद बीमाशुल्कको आधारमा बीमाङ्कीले निर्धारण गरे बमोजिम बीमकले समाप्त भै नसकेको जोखिमका लागि असमाप्त जोखिम वापतको व्यवस्था (Unexpired Risk Reserve) गर्नुपर्नेछ ।
३०. बीमकको दाबी भुक्तानी कोष: (१) ऐनको दफा ४१ मा उल्लेख भए बमोजिम बीमकले दाबी भुक्तानी कोषको व्यवस्था गर्नुपर्नेछ ।
- (२) बीमकको असमाप्त जोखिम (अनएक्स्पायर्ड रिक्स रिजर्व) बापतको रकम ऐनको दफा ३९ बमोजिमको अनिवार्य जगेडा कोषमा समावेश भै सकेको भए सो बापतको रकम दाबी भुक्तानी कोषमा देखाउनु पर्ने छैन ।

(३) जीवन बीमा व्यवसाय गर्ने बीमक तथा लघु जीवन बीमा व्यवसाय गर्ने बीमकले घटना घटिसकेको तर बीमकलाई जानकारी नगराएको (इन्कर्ड बट नट रिपोर्टेड) वा पर्याप्त जानकारी नगराएको बीमा दाबीको दायित्व (इन्कर्ड बट नट इनफ रिपोर्टेड) बापतको रकमको लागि बीमाङ्कीय मूल्याङ्कन बमोजिम पर्याप्त व्यवस्था गर्नुपर्नेछ ।

(४) बीमकले इन्कर्ड बट नट इनफ रिपोर्टेड सम्बन्धमा लेखा नीति बनाई सो को लागि पर्याप्त व्यवस्था गर्नुपर्नेछ ।

३१. बीमकको दाबी नभएको कोष (अनक्लेमड फण्ड): (१) ऐनको दफा १२३ को प्रयोजनको लागि एक वर्ष भित्र बीमा दाबी भुक्तानी हुन नसकेमा उक्त दाबी नगरिएको रकमलाई बीमकले दाबी भुक्तानी कोष अन्तर्गत अनक्लेमड फण्डमा जम्मा गर्नुपर्नेछ ।

(२) जीवन बीमकको हकमा उपनियम (१) बमोजिमको रकम दश वर्षसम्म बीमित वा निजको हकवालालाई भुक्तानी हुन नसकेमा सो रकम बीमिति हित संरक्षण कोषमा जम्मा गर्नुपर्नेछ ।

३२. अन्य बीमाङ्कीय दायित्व: बीमाङ्कीले निर्धारण गरेका अन्य दायित्वलाई बीमकले Insurance Contract liability अन्तर्गत सम्बन्धित शीर्षकमा देखाउनुपर्नेछ ।

परिच्छेद-८

विविध

३३. शेयरधनीले बेहोर्नु पर्ने: बीमकको जीवन बीमा कोषमा नसारिएको र शेयरधनीलाई मात्र बाँडफाँड हुने प्रकृतिका रकम वा मुनाफामा कर दायित्व सिर्जना भएमा सो करको पुरै रकम शेयरधनीकोषबाट बेहोर्नुपर्नेछ ।

३४. नियमनकारी कोष (Regulatory Reserve): (१) बीमकले यस शीर्षकमा देखिएको शुरू मौज्दातलाई Retained Earning हिसाबमा सार्न सक्नेछ ।

(२) जीवन बीमा व्यवसाय र लघु जीवन बीमा व्यवसाय गर्ने बीमकको हकमा नियमनकारी कोषबाट Retained Earning हिसाबमा सार्ने रकम दफा २३ बमोजिम हुनेछ ।

३५. बीमकको गणनायोग्य सम्पत्ति: (१) जीवन बीमा व्यवसाय गर्ने बीमकको बीमाङ्कीय मूल्याङ्कन सम्बन्धी निर्देशिका, २०७७ र निर्जीवन तथा पुनर्बीमा व्यवसाय गर्ने बीमकको बीमाङ्कीय मूल्याङ्कन सम्बन्धी निर्देशिका, २०७६ मा भएको व्यवस्था बमोजिम सम्पत्तिको समायोजन गरी बीमकले गणनायोग्य सम्पत्ति तय गर्नुपर्नेछ ।

(२) जीवन बीमा व्यवसाय गर्ने बीमकको बीमाङ्कीय मूल्याङ्कन सम्बन्धी निर्देशिका, २०७७ र निर्जीवन तथा पुनर्बीमा व्यवसाय गर्ने बीमकको बीमाङ्कीय मूल्याङ्कन सम्बन्धी निर्देशिका, २०७६ मा कुनै सम्पत्तिको समायोजन सम्बन्धमा कुनै कुरा उल्लेख नभएको खण्डमा वित्तीय विवरणमा उक्त सम्पत्तिको लेखाङ्कन भएको रकमलाई नै गणनायोग्य सम्पत्ति मानी सलभेन्सी गणना गर्नुपर्नेछ ।

३६. कर्मचारी बोनश सम्बन्धी व्यवस्था: जीवन बीमकले कर्मचारी बोनश प्रयोजनका लागि गणना गर्ने मुनाफा हिसाबमा अनुसूची ५ बमोजिम Portfolio हरूमा बाँडफाँड गरेको आयकरको रकम घटाई कर्मचारी बोनश रकम गणना गर्नुपर्नेछ ।
३७. कर्मचारी तालिम खर्च: बीमकले अधिल्लो आर्थिक वर्षको कुल कर्मचारी खर्चको कम्तीमा दुई प्रतिशत रकम कर्मचारी तालिममा खर्च गर्नुपर्नेछ ।
३८. अनुसूचीमा परिमार्जन: यस निर्देशनको अनुसूचीमा परिमार्जन गर्नुपरेमा प्राधिकरणको अध्यक्षले गर्न सक्नेछ ।
३९. व्याख्या गर्ने अधिकार: नेपाल वित्तीय प्रतिवेदनमानहरू, लेखामानका व्याख्या र मार्गदर्शनमा उल्लेख भएका विषय बाहेकका अन्य विषयहरू तथा यस निर्देशनको प्रयोगमा कुनै द्विविधा भएमा सो को व्याख्या गर्ने अधिकार प्राधिकरणलाई हुनेछ ।
४०. खारेजी तथा बचाउ: (१) प्राधिकरणबाट जारी भएको निर्जीवन बीमा व्यवसाय गर्ने बीमकको वित्तीय विवरण सम्बन्धी निर्देशन र जीवन बीमा व्यवसाय गर्ने बीमकको वित्तीय विवरण सम्बन्धी निर्देशन खारेज गरिएको छ ।

(२) प्राधिकरणबाट जारी भएका निर्जीवन बीमा व्यवसाय गर्ने बीमकहरूको NFRS मा आधारित वित्तीय विवरण सम्बन्धी निर्देशिका, २०७७, पुनर्बीमा बीमा व्यवसाय गर्ने बीमकहरूको NFRS मा आधारित वित्तीय विवरण सम्बन्धी निर्देशिका, २०७७ र जीवन बीमा व्यवसाय गर्ने बीमकहरूको NFRS मा आधारित वित्तीय विवरण सम्बन्धी निर्देशिका, २०७७ खारेज गरिएको छ ।

(३) प्राधिकरणबाट जारी भएको मिति २०७५।०६।११ को बी.स. १० च.नं. १११८ र मिति २०७५।०९।१२ को बी.स. ६१ च.नं. २६१४ को नेपाल वित्तीय प्रतिवेदनमान अनुसारको वित्तीय विवरण सम्बन्धी निर्देशन खारेज गरिएको छ ।

(४) जीवन बीमा व्यवसाय गर्ने बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, निर्जीवन बीमा व्यवसाय गर्ने बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, निर्जीवन बीमा व्यवसाय गर्ने

बीमकहरूको NFRS मा आधारित वित्तीय विवरण सम्बन्धी निर्देशिका, २०७७, पुनर्बीमा बीमा ब्यवसाय गर्ने बीमकहरूको NFRS मा आधारित वित्तीय विवरण सम्बन्धी निर्देशिका, २०७७ र जीवन बीमा ब्यवसाय गर्ने बीमकहरूको NFRS मा आधारित वित्तीय विवरण सम्बन्धी निर्देशिका, २०७७ बमोजिम भए गरेका सम्पूर्ण कार्यहरू यसै निर्देशन बमोजिम भए गरेको मानिनेछ ।

अनुसूची ५

(दफा २२, २३, २४, २७ र ३६ सँग सम्बन्धित)

जीवन बीमा कोषमा सार्नु पर्ने रकम निर्धारण गर्ने विधि

(क) अनुसूची ५ तयार गर्ने सम्बन्धी मार्गदर्शन:-

१. असमाप्त जोखिम वापतको व्यवस्था: बीमकले यस अघि देखाएको असमाप्त जोखिम वापतको व्यवस्था रकमलाई जीवन बीमाकोष अन्तर्गत बीमालेख अन्तर्गतको दायित्व हिसाबमा देखाउनु पर्नेछ ।
२. बीमकको आय तथा व्यवस्थापन खर्चको बाँडफाँड: (१) बीमकले अनुसूची ५.१.१ बमोजिम बमोजिम आयको र अनुसूची ५.२.१ र अनुसूची ५.२.२ बमोजिम व्यवस्थापन खर्चको बाँडफाँड गर्नुपर्नेछ ।
(२) प्राधिकरणले कुनै पोर्टफोलियोका लागि व्यवस्थापन खर्च मध्येका कुनै शिर्षकमा खर्च गर्न बन्देज लगाएको भए बीमकले उक्त खर्चको बाँडफाँड गर्दा खर्च गर्न बन्देज गरेको पोर्टफोलियोको भार शून्य कायम गर्नुपर्नेछ ।
३. आयको बाँडफाँड गर्दा शेयरधनीकोषको भार: आयको बाँडफाँड गर्दा शेयरधनीकोषको भार गणना अनुसूची ५.१.१ए बमोजिम गर्नुपर्नेछ । अनुसूची ५.१.१ए अन्तर्गत Adjusted retained earning हिसाबमा Statement of distributable profit मा देखाएको Adjusted retained earning को रकम देखाउनुपर्नेछ ।
४. आयकरको बाँडफाँड: (१) बीमकले अनुसूची ५.३ बमोजिम आयकर (स्थगन कर बाहेक) को बाँडफाँड गर्नुपर्नेछ ।
(२) स्थगनकरलाई बीमाङ्कीय मूल्याङ्कन गर्नका लागि जीवन बीमाकोषमा सार्नुपर्ने रकम गणना गर्दा समावेश गर्नु हुदैन ।
(३) यस निर्देशनको दफा ३३ बमोजिम शेयरधनीले व्यहोर्नुपर्ने करलाई जीवन बीमाकोषमा सार्नुपर्ने रकम गणना गर्दा समावेश गर्नु हुदैन ।
५. महाविपत्ती पुनर्बीमाशुल्कको बाँडफाँड: बीमकले दुई वा दुई भन्दा बढि किसिमको बीमा ब्यवसायको लागि एउटै महा विपत्ती पुनर्बीमा ब्यवस्था गरेको अवस्थामा महा विपत्ती पुनर्बीमा शुल्कलाई देहायको सुत्र प्रयोग गरि सम्बन्धित बीमा ब्यवसायको आय ब्यय हिसावमा बाँडफाँड गर्नुपर्नेछ ।

महा विपत्ती पुनर्बीमा शुल्क = [भार / कूल भार]*कूल महाविपत्ती पुनर्बीमाशुल्क
स्पष्टीकरण:

(१) भार = सम्बन्धित बीमा ब्यवसाय अन्तर्गत बीमकले धारण गरेको सम एट रिस्क
(Sum at risk),

(२) कुल भार = प्रत्येक सम्बन्धित बीमा ब्यवसायको स्पष्टीकरण (१) बमोजिमको
भारको योगफल ।

६. भार शून्य मानिने: यस अनुसूचीको प्रयोजनका लागि भार गणना गर्दा ऋणात्मक भार
आएमा सोलाई शून्य कायम गरी बाँडफाँड गर्नुपर्नेछ ।

(ख) Surplus Transfer to Life Insurance Fund for Actuarial valuation purpose

Particulars	Explanatory notes (Reference to Financial Statements and Annex)	Portfolio 1	Portfolio 2	Portfolio n	Total
INCOME					
Gross Written Premium	Note 25.1				
Premiums Ceded	Note 26 excluding adjustment of "Reinsurer's Share of Change in Unearned Premiums"				
Commission Income	Note 27				
Other Direct Income	Note 28				
Interest Income on Loan to Policyholders	Note 11				
Income from Investments & Loans (Annex 5.1)	Note 29,31 and Note 32 Refer to Annex 5.2 below				
Total Income (A)		-	-	-	-
EXPENDITURES					
Gross Benefits and Claims	Note 33				
Claims Ceded	Note 33				
Increase/(Decrease) in Gross claim payment Reserve including IBNR	Note 19.2 (Gross outstanding claim reserve of Current Year minus Previous Year)				
(Increase)/Decrease in Reinsurance Assets in Gross payment Reserve including IBNR	Note 12 (Reinsurance Assets of Current Year minus Previous Year of section "Claim Payment Reserve" less related impairment losses)				
Commission expenses	Note 35				
Service Fees	Note 36				
Other Direct Expenses	Note 37				
Medical Examination Fee	Note 41				
Management expenses excluding agent incentives	Refer to Annex 5.2.1 below				
Agent Incentives	Refer to Annex 5.2.2 below				
Income Tax Expenses	Refer to Annex 5.3 below				
Total Expenditure (B)		-	-	-	-
Surplus/Deficit (C)	Total Income (A) – Total Expenditure (B)				
Transfer from OCI reserves (D)					
Transfer from regulatory reserve (E)					
Total Current Year Surplus transferred to Life Insurance Fund (C+D+E)	This surplus should be transferred to Note 19.1 "Surplus transfer to Life Insurance Fund"				

Annexure 5.1: Income from Investments and Loans and Other Income

Income from Investments and Loans - (Reference: Note 29 of Financial Statements)

Particulars	Current Year
Interest Income from Financial Assets Designated at Amortized Costs	
i) Fixed Deposit with "A" Class Financial Institutions	
ii) Fixed Deposit with Infrastructure Bank	
iii) Fixed Deposit with "B" Class Financial Institutions	
iv) Fixed Deposit with "C" Class Financial Institutions	
v) Debentures	
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	
viii) Bank Deposits other than Fixed Deposit	
ix) Agent Loans	
x) Employee Loans	
xi) Other Interest Income (to be Specified)	
Financial Assets Measured at FVTOCI	
i) Interest Income on Debentures	
ii) Dividend Income	
iii) Other Interest Income (to be specified)	
Financial Assets Measured at FVTPL	
i) Dividend Income	
ii) Other Interest Income (to be specified)	
Rental Income	
Others (to be Specified)	
Sub-Total (1)	-

Other Income- (Reference: Note 32 of Financial Statements)

Particulars	Current Year
Unwinding of discount on Financial Assets at Amortized Cost	
i) Employee Loan	
ii) Bonds	
iii) Others (to be Specified)	
Foreign Exchange Income	
Interest Income from Finance Lease	
Amortization of Deferred Income	
Profit from disposal of Property and Equipment	
Amortization of Deferred Income	
Stamp Income	
Others (to be specified)	
Sub-Total (2)	-

Net Realized Gains/ (Losses) - (Reference: Note 31 of Financial Statements)

Particulars	Current Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL	
i) Equity Instruments	
ii) Mutual Fund	
iii) Others (to be specified)	
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortized Costs	
i) Debentures	
ii) Bonds	
iii) Others (to be specified)	
Sub-Total (3)	-
Total = Subtotal (1+2+3)	-

Annexure 5.1.1 Allocation of Income (Items covered under Annex 5.1), transfer from OCI reserves and Regulatory Reserves

Particulars	Explanatory notes (Reference to Financial Statements)	Portfolio 1	Portfolio n	Total
Life Insurance Fund at the beginning of the Year	Note 19.1 – Closing Previous Year balance of “Life Insurance Fund Details”			
Gross claim payment Reserve including IBNR at the beginning of year	Note 19.2 (Gross outstanding claim reserve of Previous Year)			
Less: Reinsurance Assets in Policy liabilities and provisions	Note 12 (Reinsurance Assets of Previous Year of section “Policy liabilities and provisions”)			
Less: Reinsurance Assets in Gross payment Reserve including IBNR	Note 12 (Reinsurance Assets of Previous Year of section “Claim Payment Reserve”)			
Add: Gross Written Premium	Note 25.1			
Add: Commission Income	Note 27			
Add: Interest Income on Loan to Policyholders	Note 11			
Less: Premiums Ceded	Note 26 Excluding adjustment of “Reinsurer’s Share of Change in Unearned Premiums”			
Less: Commission expenses	Note 35			
Less: Medical Examination fees	Note 41			
Less: Gross Benefits and Claims Paid minus Claims ceded	Note 33			
Less: Loans to Policyholders	Note 11 (a) “Loan Amount of Current Year”			
Weight of portfolios (A)				
Weight of shareholder’s fund (Refer annex 5.1.1A) (B)				
Total weight (A+B)				
Total Income (As per Annex 5.1)				
Allocation of Total Income				
Allocation of transfer from OCI reserves to portfolios	OCI X Weight under each portfolio & Shareholder’s Fund / Total Weight			
Transfer from OCI Reserve to Retained Earnings				
Allocation of transfer from Regulatory reserves to portfolios	Regulatory Reserve X Weight under each portfolio & Shareholder’s Fund / Total Weight			
Transfer from Regulatory Reserve to Retained Earnings				

Annexure 5.1.1A Weight of shareholders fund

Particulars	Amount
Opening Share capital	
Add: Previous year's adjusted Retained Earning	
Add: Opening Share Premium	
Add: Opening Catastrophic reserve	
Add: Opening Insurance Fund	
Add: Opening Capital reserve	
Add: Opening Head Office Fund	
Less: Proposed Cash dividend of previous year	
Weight for Shareholders' Fund	

Note: "Previous year's adjusted Retained Earning" shall be Adjusted Retained Earning as per Statement of Distributable Profit of previous year.

Annexure 5.2: Management Expenses

This section includes Employee Benefits Expenses, Depreciation and Amortization Expenses, Other Operating Expenses and Finance Cost of Financial Statements.

Particulars	Explanatory notes (Reference to Financial Statements)	Current Year
Employee Benefit expenses Less Employee Bonus	Note 38 less Employee Bonus Expenses	
Depreciation and Amortization expenses	Note 39	
Other Operating expenses excluding agent incentives	Note 41 Less Fines, interest, Late Fees and Penalties, Medical Examination Fees and agent incentives	
Finance Cost	Note 42	
Total Management Expenses excluding agent incentives		-

Annexure 5.2.1 Allocation of Management expense

Particulars	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio n	Total
Gross Written Premium					
Less: Commission Expenses					
Less: Medical Examination Fee					
Weight					
Total management expenses excluding agent incentives (A)					
Management expense excluding agent					

incentives for allocation (90 % of A)					
Allocation of expense according to weight					

Annexure 5.2.2 Allocation of Agent incentives

Particulars	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio n	Total
Agent training					
Agent others					
Business Promotion expense					
Total agent incentives (B)					
Agent incentives for allocation (90% of B)					
Weight (First year premium)					
Allocation of agent incentives according to weight					

Annexure 5.3: Allocation of Income tax

Particulars	Portfolio 1	Portfolio 2	Portfolio n	Total
Income from Investments and Loans and Other Income (Annex 5.1.1)				
Less: Management Expenses (Annex 5.2.1 and Annex 5.2.2)				
Weight of each portfolio and Shareholders' Fund				
Total Income Tax Expenses				
Total Income tax for allocation				
Allocated income tax according to weight				

Annexure 5.4: Allocation of Catastrophic reinsurance premium

Particulars	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio n	Total
Weight of each portfolio					
Total cat. reinsurance premium for allocation					
Allocated Cat. Reinsurance premium according to weight					

अनुसूची १
(दफा ५ को उपदफा (१) को खण्ड (क) सँग सम्वन्धित)
संचालक समितिको प्रतिवेदन
ABC LIFE INSURANCE COMPANY LIMITED
Minimum Disclosure in Directors' Report

A Information related to Life Insurer

Under this title following matters shall be disclosed

- 1 Date of establishment
- 2 Insurer licence date
- 3 Insurance business type, nature
- 4 Date of commencement of business
- 5 Other matters which insurer wish to include

B Insurer's Board of Directors shall approve following matters

- 1 Tax, service charges, fine and penalties to be paid under laws & regulation whether paid or not
- 2 Share structure of the insurer, changes if any in line with prevailing laws & regulation
- 3 Whether solvency ratio as prescribed by Nepal Insurance Authority is maintained or not
- 4 a) Statement regarding assets that financial amount contained in SOFP are not overstated than it's fair value.
b) Measurement basis of the assets recognized in financial statements.
- 5 Declaration on investment made by insurer that are in line with prevailing laws. If not reason to be disclosed.
- 6 Number of claim settled within the year and outstanding claim number and time frame to settle the outstanding claim.
Declaration on compliance with the provision of Insurance Act 2079, Insurance Regulation, Company Act 2063,
- 7 NFRSs and other prevailing laws & regulation to which insurer shall adhere to and any non compliance with reasons thereof.
- 8 Declaration that the appropriate accounting policy has been consistently adopted.
- 9 Declaration on Financial Statements as at Reporting Date that the insurer's Financial Position and Financial Performance are presented true & fairly.
- 10 Declaration that Board of Directors have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.
- 11 Declaration that Financial Statements have been prepared based on going concern basis.
- 12 Declaration that the internal control system is commensurate with the size, nature & volume of the insurer's business.
Declaration that the insurer has not conducted any transactions contrary to Insurance Act, 2079, Insurance Regulation, Companies Act, 2063, related regulations and directions with any person, firm, company and insurer's director or with any entity in which insurer's director has interest.
- 13 Declaration on any penalties, levied by Nepal Insurance Authority for the particular financial year.
- 14 Disclosure on any penalties, levied by Nepal Insurance Authority for the particular financial year.
- 15 Other disclosure which is deemed appropriate by Board of Directors/management

अनुसूची २
(दफा ५ को उपदफा (१) को खण्ड (ख) सँग सम्बन्धित)

ABC LIFE INSURANCE COMPANY LIMITED
Statement of Financial Position
As At ..th July, XXX1 (Ashad End 2080)

Fig in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	-	-
Property and Equipment	5	-	-
Investment Properties	6	-	-
Deferred Tax Assets	7	-	-
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	-	-
Loans	11	-	-
Reinsurance Assets	12	-	-
Current Tax Assets	21	-	-
Insurance Receivables	13	-	-
Other Assets	14	-	-
Other Financial Assets	15	-	-
Cash and Cash Equivalent	16	-	-
Total Assets		-	-
Equity & Liabilities			
Equity			
Share Capital	17 (a)	-	-
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17 (c)	-	-
Catastrophe Reserves	17 (d)	-	-
Retained Earnings	17 (e)	-	-
Other Equity	17 (f)	-	-
Total Equity		-	-
Liabilities			
Provisions	18	-	-
Gross Insurance Contract Liabilities	19	-	-
Deferred Tax Liabilities	7	-	-
Insurance Payable	20	-	-
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	-	-
Other Financial Liabilities	24	-	-
Total Liabilities		-	-
Total Equity and Liabilities		-	-

The accompanying notes form an Integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED

Statement of Profit or Loss

For Period ..th July, XXX0 - ..th July, XXX1

(For the Year Ended Ashad, 2080)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	-	-
Premiums Ceded	26	-	-
Net Earned Premiums		-	-
Commission Income	27	-	-
Other Direct Income	28	-	-
Interest Income on Loan to Policyholders	11	-	-
Income from Investments and Loans	29	-	-
Net Gain/(Loss) on Fair Value Changes	30	-	-
Net Realised Gains/(Losses)	31	-	-
Other Income	32	-	-
Total Income		-	-
Expenses:			
Gross Benefits and Claims Paid	33	-	-
Claims Ceded	33	-	-
Gross Change in Contract Liabilities	34	-	-
Change in Contract Liabilities Ceded to Reinsurers	34	-	-
Net Benefits and Claims Paid		-	-
Commission Expenses	35	-	-
Service Fees	36	-	-
Other Direct expenses	37	-	-
Employee Benefits Expenses	38	-	-
Depreciation and Amortization Expenses	39	-	-
Impairment Losses	40	-	-
Other Operating Expenses	41	-	-
Finance Cost	42	-	-
Total Expenses		-	-
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		-	-
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		-	-
Income Tax Expense	43	-	-
Net Profit/(Loss) For The Year		-	-
Earning Per Share	51		
Basic EPS			
Diluted EPS			

The accompanying notes form an Integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED
Statement of Other Comprehensive Income
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad, 2080)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		-	-
Other Comprehensive Income			
<u>a) Items that are or may be Reclassified to Profit or Loss</u>			
Changes in Fair Value of FVOCI Debt Instruments			
Cash Flow Hedge - Effective Portion of Changes in Fair Value			
Exchange differences on translation of Foreign Operation			
Share of other comprehensive income of associates accounted for using the equity method	9	-	-
Income Tax Relating to Above Items			
Reclassified to Profit or Loss			
<u>b) Items that will not be Reclassified to Profit or Loss</u>			
Changes in fair value of FVOCI Equity Instruments			
Revaluation of Property and Equipment/ Goodwill & Intangible Assets			
Remeasurement of Post-Employment Benefit Obligations			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Total Other Comprehensive Income For the Year, Net of Tax		-	-
Total Comprehensive Income For the Year, Net of Tax		-	-

The accompanying notes form an Integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED
Statement of Changes In Equity
For Period .th July, XXX0 - .th July, XXX1
(For the Year Ended Ashad, 2080)

Fig. in NPR

	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2078															
Prior period adjustment															
Restated Balance as at Shrawan 1, 2078															
Profit/(Loss) For the Year															
Other Comprehensive Income for the Year, Net of Tax															
i) Changes in Fair Value of FVOCI Debt Instruments															
ii) Gains/ (Losses) on Cash Flow Hedge															
iii) Exchange differences on translation of Foreign Operation															
iv) Changes in fair value of FVOCI Equity Instruments															
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets															
vi) Remeasurement of Post-Employment Benefit Obligations															
Transfer to Reserves/ Funds															
Transfer to Deferred Tax Reserves															
Transfer of Depreciation on Revaluation of Property and Equipment															
Transfer on Disposal of Revalued Property and Equipment															
Transfer on Disposal of Equity Instruments Measured at FVTOCI															
Transfer to Insurance Contract Liabilities															
Share Issuance Costs															
Contribution by/ Distribution to the owners of the Company															
i) Bonus Share Issued															
ii) Share Issue															
iii) Cash Dividend															
iv) Dividend Distribution Tax															
v) Others (To be specified)															
Balance as on Ashadh end, 2079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior period adjustment															
Restated Balance as at Shrawan 1, 2079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The accompanying notes form an integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED
Statement of Changes In Equity
For Period .th July, XXX0 - .th July, XXX1
(For the Year Ended Ashad, 2080)

Fig. in NPR

	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Restated Balance as at Shrawan 1, 2079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) For the Year															
Other Comprehensive Income for the Year, Net of Tax															
i) Changes in Fair Value of FVOCI Debt Instruments															
ii) Gains/ (Losses) on Cash Flow Hedge															
iii) Exchange differences on translation of Foreign Operation															
iv) Changes in fair value of FVOCI Equity Instruments															
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets															
vi) Remeasurement of Post-Employment Benefit Obligations															
Transfer to Reserves/ Funds															
Transfer to Deferred Tax Reserves															
Transfer of Depreciation on Revaluation of Property and Equipment															
Transfer on Disposal of Revalued Property and Equipment															
Transfer on Disposal of Equity Instruments Measured at FVOCI															
Transfer to Insurance Contract Liabilities															
Share Issuance Costs															
Contribution by/ Distribution to the owners of the Company															
i) Bonus Share Issued															
ii) Share Issue															
iii) Cash Dividend															
iv) Dividend Distribution Tax															
v) Others (To be specified)															
Balance as on Ashadh end, 2080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The accompanying notes form an Integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED
Statement of Cash Flows
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad, 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received		
Commission Received		
Claim Recovery Received from Reinsurers		
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income		
Others (to be specified)		
Cash Paid		
Gross Benefits and Claims Paid		
Reinsurance Premium Paid		
Commission Paid		
Service Fees Paid		
Employee Benefits Expenses Paid		
Other Expenses Paid		
Others (to be specified)		
Income Tax Paid		
Net Cash Flow From Operating Activities [1]	-	-
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets		
Proceeds From Sale of Intangible Assets		
Acquisitions of Investment Properties		
Proceeds From Sale of Investment Properties		
Rental Income Received		
Acquisitions of Property and Equipment		
Proceeds From Sale of Property and Equipment		
Investment in Subsidiaries		
Receipts from Sale of Investments in Subsidiaries		
Investment in Associates		
Receipts from Sale of Investments in Associates		
Purchase of Equity Instruments		
Proceeds from Sale of Equity Instruments		
Purchase of Mutual Funds		
Proceeds from Sale of Mutual Funds		
Purchase of Preference Shares		
Proceeds from Sale of Preference Shares		
Purchase of Debentures		
Proceeds from Sale of Debentures		
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits		
Maturity of Deposits		
Loans Paid		
Proceeds from Loans		
Rental Income Received		

ABC LIFE INSURANCE COMPANY LIMITED
Statement of Cash Flows
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad, 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Proceeds from Finance Lease		
Interest Income Received		
Dividend Received		
Others (to be specified)		
Total Cash Flow From Investing Activities [2]	-	-
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		
Dividend Distribution Tax Paid		
Others (to be specified)		
Total Cash Flow From Financing Activities [3]	-	-
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	-	-
Cash & Cash Equivalents At Beginning of The Year/Period	-	
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	-	-
Components of Cash & Cash Equivalents		
Cash In Hand	-	-
Cheuge in Hand		
Term Deposit with Banks (with initial maturity upto 3 months)		
Balance With Banks	-	-

Notes:

Insurers shall prepare Statement of Cash Flows using Direct Method. Insurers may voluntarily prepared Cash Flow Statement using Indirect Method as well.

The accompanying notes form an Integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED
Statement of Distributable Profit or Loss
For Period ..th July, XXX0 - ..th July, XXX1
(Year Ended Upto Ashad .., 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings		
Transfer from OCI reserves to retained earning in current year		
Net profit or (loss) as per statement of profit or loss		
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Catastrophe Reserve		
iii) Transfer to Capital Reserve		
iv) Transfer to CSR reserve		
v) Transfer to/from Regulatory Reserve		
vi) Transfer to Fair Value Reserve		
vii) Transfer of Deferred Tax Reserve		
viii) Transfer to OCI reserves due to change in classification		
ix) Others (to be Specified)		
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments		
b) Mutual Fund		
c) Others (if any)		
ii) Accumulated Fair Value gain on Investment Properties		
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges		
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges		
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges		
vi) Goodwill Recognised		
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency		
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account		
ix) Overdue loans		
x) Fair value gain recognised in Statement of Profit or Loss		
xi) Investment in unlisted shares as per sec 16 of Financial Directive		
xii) Delisted share investment or mutual fund investment		
xiii) Bonus share/ dividend paid		
xiv) Deduction as per Sec 17 of Financial directive		
xiv) Deduction as per Sec 18 of Financial directive		
xv) Others (to be specified)		
Adjusted Retained Earning	-	-
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 15(1) Of Financial directive		
Add/Less: Others (to be specified)		
Total Distributable Profit/(loss)	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

4 Goodwill & Intangible Assets

Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be specified)	Total
Gross carrying amount				-
As at Shrawan 1, 2078				-
Additions during the year				-
Acquisition				-
Internal Development				-
Business Combination(to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment				-
Balance as at Ashadh 32, 2079	-	-	-	-
Additions during the year				
Acquisition				
Internal Development				
Business Combination(to be Specified)				
Disposals during the year				
Revaluation/Adjustment				
Balance as at Ashadh 31, 2080	-	-	-	-
Accumulated amortization and impairment				
As at Shrawan 1, 2078				
Additions during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh 32, 2079	-	-	-	-
Additions during the year				
Disposals during the year				
Impairment during the year				
Balance as at Ashadh 31, 2080	-	-	-	-
Capital Work-In-Progress				
As on Shrawan 1, 2078				
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 32, 2079	-	-	-	-
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 31, 2080	-	-	-	-
Net Carrying Amount				
As on Ashadh 32, 2079	-	-	-	-
As on Ashadh 31, 2080	-	-	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

6 Investment Properties

Fig. in NPR

Investment Properties at Cost

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 2078			-
Additions during the year			-
Acquisition			
Subsequent Expenditure			
Assets classified as held for sales			
Disposals during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2079	-	-	-
Additions during the year			-
Acquisition			
Subsequent Expenditure			
Assets classified as held for sales			
Disposals during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2080	-	-	-
Accumulated depreciation and impairment			
As at Shrawan 1, 2078			-
Addition during the year			-
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2079	-	-	-
Addition during the year			-
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2080	-	-	-
Capital Work-In-Progress			
As on Shrawan 1, 2078			
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 32, 2079	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 31, 2080	-	-	-
Net Carrying Amount			
Net Balance As At Ashad 31, 2079	-	-	-
Net Balance As At Ashad 31, 2080	-	-	-

(i) Amounts recognised in statement of profit or loss

Particulars	Current Year	Previous Year
Rental income		
Direct operating expenses from property that generated rental income		
Direct operating expenses from property that didn't generated rental income		

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

6 Investment Properties

Fig. in NPR

Profit from investment properties before depreciation	-	-
Depreciation charge		
Profit from investment properties	-	-

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land		
Building		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

6 Investment Properties

Fig. in NPR

Notes on Fair Value :

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :

i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,

ii) discounted cash flow projections based on reliable estimates of future cash flows,

iii) capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.

The fair values of investment properties have been determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

6 Investment Properties

Fig. in NPR

OR Investment Properties at Fair Value

Particulars	Land	Building	Total
Gross carrying amount			-
As at Shrawan 1, 2078			-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			
Revaluation/Adjustment			-
Balance as at Ashadh 32, 2079	-	-	-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			
Revaluation/Adjustment			-
Balance as at Ashadh 31, 2080	-	-	-
Capital Work-In-Progress			
As on Shrawan 1, 2078			
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 32, 2079	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 31, 2080	-	-	-
Net Carrying Amount			
Net Balance As At Ashad 31, 2079	-	-	-
Net Balance As At Ashad 31, 2080	-	-	-

Notes on Fair Value :

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :

- i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
 - ii) discounted cash flow projections based on reliable estimates of future cash flows,
 - iii) capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.
- The fair values of investment properties have been determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

8 Investment in Subsidiaries

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	-	-
Less: Impairment Losses		
Total	-	-

Investment in Quoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs. Each of Ltd.				
..... Shares of Rs. Each of Ltd.				
Total	-	-	-	-

Investment in Unquoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs. Each of Ltd.				
..... Shares of Rs. Each of Ltd.				
Total	-	-	-	-

Information Relating to Subsidiaries

Particulars	Percentage of Ownership	
	Current Year	Previous Year
..... Shares of Rs. Each of Ltd.		
..... Shares of Rs. Each of Ltd.		
..... Shares of Rs. Each of Ltd.		
..... Shares of Rs. Each of Ltd.		

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

9 Investment in Associates

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Quoted Associates		
Investment in Unquoted Associates		
Less: Impairment Losses		
Total	-	-

Investment in Quoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Ltd.						
..... Shares of Rs. Each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year						
Total	-	-	-	-	-	-

Investment in Unquoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Ltd.						
..... Shares of Rs. Each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year						
Total	-	-	-	-	-	-

Information Relating to Associates

Particulars	Current Year	Previous Year
Name		
Place of Business		
Accounting Method		
% of Ownership		
Current Assets		
Non-Current Assets		
Current Liabilities		
Non-Current Liabilities		
Income		
Net Profit or Loss		
Other Comprehensive Income		
Total Comprehensive Income		
Company's share of profits		
Net Profit or Loss		
Other Comprehensive Income		

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

10 Investments

Fig. in NPR

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	-	-
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures		
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
iv) Fixed Deposits in "A" Class Financial Institutions		
v) Fixed Deposits in Infrastructure Banks		
vi) Fixed Deposits in "B" Class Financial Institutions		
vii) Fixed Deposits in "C" Class Financial Institutions		
viii) Others (to be Specified)		
Less: Impairment Losses		
Investments at FVTOCI	-	-
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
v) Others (to be Specified)		
Investments at FVTPL	-	-
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
v) Others (to be Specified)		
Total	-	-

a) Details of Impairment Losses

Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions		
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

b) Investments having expected maturities less than 12 months:

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)		
Investment in Equity Instruments (Unquoted)		
Investment in Mutual Funds		
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions		
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

c) Information relating to investment in equity instruments

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				

.....Ltd....shares of Rs....Each				
Investment in Equity Instruments (Unquoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				

d) The company has earmarked investments amounting to NPR.... To Nepal Insurance Authority.

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

11 Loans

Fig. in NPR

Particulars	Current Year	Previous Year
Loans measured at Amortised Cost		
Loan to Employees		
Loan to Agents		
Loan to Policyholders	-	-
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Loans to Policyholders

Particulars	Loan amount		Interest Income	
	Current Year	Previous Year	Current Year	Previous Year
Endowment				
Anticipated Endowment				
Endowment cum Whole Life				
Whole Life				
Foreign Employment Term				
Micro Term				
Special Term				
Others (to be Specified)				
Total	-	-	-	-

b) Expected repayment of loan within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees		
Loan to Agents		
Loan to Policyholders		
Others (to be Specified)		
Total	-	-

12 Reinsurance Assets

Description	Policy liabilities and provisions		Claim Payment Reserve		Impairment Losses		Net Reinsurance Assets	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Endowment							-	-
Anticipated Endowment							-	-
Endowment cum Whole Life							-	-
Whole Life							-	-
Foreign Employment Term							-	-
Micro Term							-	-
Special Term							-	-
Others (to be Specified)							-	-
Total	-	-	-	-	-	-	-	-

13 Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurer		
Receivable from other Insurance Companies		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected receivable within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurer		
Receivable from Other Insurance Companies		
Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

Fig. in NPR

14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advance To Suppliers		
Staff Advances		
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses		
Deferred Agent Commission Expenses		
Lease Receivables		
Others (to be specified)		
Less: Impairment Losses		
Total	-	-

a) Expected to be recovered/ settled within 12 months:

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advance To Suppliers		
Staff Advances		
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses		
Deferred Agent Commission Expenses		
Lease Receivables		
Others (to be specified)		
Total	-	-

15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest		
Interest Receivable from Loan to Policyholders		
Other Receivables		
Other Deposits		
Sundry Debtors		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest		
Interest Receivable from Loan to Policyholders		
Other Receivables		
Other Deposits		
Sundry Debtors		
Other (to be Specified)		
Total	-	-

16 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand		
Cheque in Hand		
Bank Balances		
i) Balance With "A" Class Financial Institutions		
ii) Balance With Infrastructure Banks		
iii) Balance With "B" Class Financial Institutions		
iv) Balance With "C" Class Financial Institutions		
Less: Impairment Losses		
Deposit with initial maturity upto 3 months		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

17 (a) Share Capital

Fig. in NPR

Particulars	Current Year	Previous Year
Ordinary Shares		
As at Shrawan 1, 2079		
Additions during the year		
i) Bonus Share Issue		
ii) Share Issue		
As at Ashadh 31, 2080		
Convertible Preference Shares (Equity Component only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Irredeemable Preference Shares (Equity Component only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Total	-	-

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Ordinary Shares of Rs. XXX Each		
Issued Capital:		
..... Ordinary Shares of Rs. XXX Each.		
Subscribed and Paid Up Capital:		
..... Ordinary Shares of Rs. XXX Each.		
Total	-	-

(ii) Preference Share Capital

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Issued Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Subscribed and Paid Up Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Total	-	-

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions				
Nepali Citizens				
Foreigners				
Others (to be Specified)				
Total (A)	-	-	-	-
Other than Promoters				
General Public				
Others (to be Specified)				
Total (B)	-	-	-	-
Total(A+B)	-	-	-	-

ABC LIFE INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Details of shareholders holding 1% or more than 1% of the aggregate shares in the Company:

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

17 (b) Share Application Money Pending Allotment

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment		
Total	-	-

17 (c) Share Premium

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Increase due to issue of shares at premium		
Decrease due to issue of bonus shares		
Transaction costs on issue of share		
Others (to be Specified)		
As on Ashadh 31, 2080	-	-

17 (d) Catastrophe Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Additions		
Utilizations		
As on Ashadh 31, 2080	-	-

17 (e) Retained Earnings

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Net Profit or Loss		
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves		
Capital Reserves		
Catastrophe Reserves		
Corporate Social Responsibility (CSR) Reserves		
Insurance Fund		
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserve		
Regulatory Reserve		
Other Reserve(to be specified)		
Transfer of Depreciation on Revaluation of Property and Equipment		
Transfer of Disposal of Revalued Property and Equipment		
Transfer of Disposal of Equity Instruments Measured at FVTOCI		
Issue of Bonus Shares		
Transaction costs on issue of Shares		
Dividend Paid		
Dividend Distribution Tax		
Transfer to Insurance Contract Liability		
Others (to be Specified)		
As on Ashadh 31, 2080	-	-

17 (f) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves		
Capital Reserves		
Corporate Social Responsibility (CSR) Reserves		

ABC LIFE INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Insurance Fund		
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserve		
Other Reserve(to be specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

18 Provisions

Fig. in NPR

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other Employee Benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		
Total	-	-

(a) Movement of Provisions, Contingent Liabilities and Contingent Assets

Description	Opening Balance	Additions During the Year	Utilised During the Year	Reversed During the Year	Unwinding of Discount	Closing Balance
Provision for employee benefits						
i) Provision for Leave						
ii) Provision for Gratuity						
iii) Termination Benefits						
iv) Other Employee Benefit obligations (to be Specified)						
Provision for tax related legal cases						
Provision for non-tax related legal cases						
Others (to be Specified)						

(b) Provision with expected payouts within 12 months

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other employee benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

19 Gross Insurance Contract Liabilities

Fig. in NPR

Particulars	Current Year	Previous Year
Life Insurance Fund as per Actuary Report (19.1)	-	-
Claim Payment Reserve including IBNR (19.2)	-	-
Transfer from:		
Fair Value Reserve		
Actuarial Reserve		
Revaluation Reserve		
Other Reserve		
Net gain on fair value changes on FVTPL instruments		
Fair Value Gain on Investment Properties		
Share of Profit of Associates accounted as per Equity Method		
Share of Other Comprehensive Income of Associates Accounted for using the Equity Method		
Total	-	-

i) Notes on the cash-flows considered for valuation of liabilities

ii) Notes on valuation methods and assumptions

iii) Notes on the discounting policy

iv) Notes on aggregation practises

v) Any other disclosures as required

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

19.2 Gross claim payment Reserve including IBNR/IBNER

Fig. in NPR

Description	Outstanding "Death Claim"		Outstanding "Maturity Claim"		Outstanding "Partial Maturity Claim"		Outstanding "Surrender Claim"		Outstanding "Other Claim"		IBNR/IBNER Claim		Gross outstanding claim reserve	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Endowment														
Anticipated Endowment													-	-
Endowment cum Whole Life													-	-
Whole Life													-	-
Foreign Employment Term													-	-
Micro Term													-	-
Special Term													-	-
Others (to be Specified)													-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Description	Gross outstanding claim reserve		Claim outstanding upto one year		Unclaimed fund as per sec 123(2) of Insurance Act		Transfer to Policyholder's protection fund		Gross claim payment reserve	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Endowment										
Anticipated Endowment										
Endowment cum Whole Life										
Whole Life										
Foreign Employment Term										
Micro Term										
Special Term										
Others (to be Specified)										
Total	-	-	-	-	-	-	-	-	-	-

Note: Unclaimed fund includes all outstanding claim which have not been settled for more than one year from the date of intimation/maturity.

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

20 Insurance Payable

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer		
Payable to other Insurance Companies		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer		
Payable to other Insurance Companies		
Others (to be Specified)		
Total	-	-

21 Current Tax Assets/(Liabilities) (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities		
Income Tax Assets		
Total	-	-

22 Borrowings

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans-Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans-Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

23 Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable		
Unidentified deposits		
Advance Premiums		
Insurance Service Fee Payable		
Lease Liability		
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	-	-

Payable within 12 months

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable		
Unidentified deposits		
Advance Premiums		
Insurance Service Fee Payable		
Lease Liability		
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	-	-

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Agents		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
Total	-	-

Payable within 12 months

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Agents		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		

ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

25 Gross Earned Premiums

Fig.in NPR

Particulars	Direct Premium		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-	-	-
Endowment Cum Whole Life	-	-	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-
Others(to be Specified)	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

25.1 Gross Written Premiums

Particulars	First Year Premium		Renewal Premium		Single Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-	-	-
Endowment Cum Whole Life	-	-	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-
Others(to be Specified)	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

26 Premiums Ceded

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premium		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-
Endowment cum Whole Life	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	-	-	-	-	-	-

26.1 Portfolio-wise detail of Net Earned Premium

Particulars	Gross Earned Premium		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-
Endowment cum Whole Life	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	-	-	-	-	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

27 Commission Income

Fig.in NPR

Particulars	Reinsurance Commission		Profit Commission		Total Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment					-	-
Anticipated Endowment					-	-
Endowment Cum Whole Life					-	-
Whole Life					-	-
Foreing Employment Term					-	-
Micro Term					-	-
Special Term					-	-
Othes(to be Specified)					-	-
Total	-	-	-	-	-	-

28 Other Direct Income

Particulars	Other Direct Income		Late Fee		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment					-	-
Anticipated Endowment					-	-
Endowment Cum Whole Life					-	-
Whole Life					-	-
Foreing Employment Term					-	-
Micro Term					-	-
Special Term					-	-
Othes(to be Specified)					-	-
Total	-	-	-	-	-	-

29 Income from Investments and Loans

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions		
ii) Fixed Deposit with Infrastructure Bank		
iii) Fixed Deposit with "B" Class Financial Institutions		
iv) Fixed Deposit with "C" Class Financial Institutions		
v) Debentures		
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
vii) Bank Deposits other than Fixed Deposit		
viii) Agent Loans		
ix) Employee Loans		
x) Other Interest Income (to be Specified)		
Financial Assets Measured at FVTOCI		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Financial Assets Measured at FVTPL		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Rental Income		
Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

30 Net Gain/(Loss) on Fair Value Changes

Fig.in NPR

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Others (to be specified)		
Changes in Fair Value on Investment Properties		
Changes in Fair Value on Hedged Items in Fair Value Hedges		
Changes in Fair Value on Hedging Instruments in Fair Value Hedges		
Other (to be Specified)		
Total	-	-

31 Net Realised Gains/(Losses)

Particulars	Current Year	Previous Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Debentures		
iv) Others (to be specified)		
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs		
i) Debentures		
ii) Bonds		
iii) Others (to be specified)		
Total	-	-

32 Other Income

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Cost		
i) Employee Loan		
ii) Bonds		
iii) Others (to be Specified)		
Foreign Exchange Income		
Interest Income from Finance Lease		
Amortization of Deferred Income		
Profit from disposal of Property and Equipment		
Amortization of Deferred Income		
Stamp Income		
Others (to be specified)		
Total	-	-

Particulars	Gross Change in Insurance Contract Liabilities		Change in Reinsurance Assets		Net Change in Insurance Contract Liabilities	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-
Endowment cum Whole Life	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	-	-	-	-	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

38 Employee Benefits Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Salaries		
Allowances		
Festival Allowances		
Defined Benefit Plans		
i) Gratuity		
ii) Others (to be Specified)		
Defined Contribution Plans		
i) Provident Fund/ Social Security Fund		
ii) Others (to be specified)		
Leave Encashments		
Termination Benefits		
Training Expenses		
Uniform Expenses		
Medical Expenses		
Insurance Expenses		
Welfare		
Others(to be Specified)		
Sub-Total	-	-
Employees Bonus		
Total	-	-

39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)		
Depreciation on Property and Equipment (Refer Note.5)		
Depreciation on Investment Properties (Refer Note. 6)		
Total	-	-

40 Impairment Losses

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties, Goodwill & Intangible Assets		
i) Property and Equipment		
ii) Investment properties		
iii) Goodwill & Intangible Assets		
Impairment Losses on Financial Assets		
i) Investments		
ii) Loans		
iii) Other Financial Assets		
iv) Cash and Cash Equivalents		
v) Others (to be Specified)		
Impairment Losses on Other Assets		
i) Reinsurance Assets		
ii) Insurance Receivables		
iii) Lease Receivables		
iv) Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

41 Other Operating Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Rent Expenses		
Electricity and Water		
Repair & Maintenance		
i) Building		
ii) Vehicle		
iii) Office Equipments		
iv) Others(to be Specified)		
Telephone & Communication		
Printing & Stationary		
Office Consumable Expenses		
Travelling Expenses		
i) Domestic		
ii) Foreign		
Transportation Expenses		
Agents Training		
Agents Others		
Insurance Premium		
Security and Outsourcing Expenses		
Legal and Consulting Expenses		
Newspapers, Books and Periodicals		
Advertisement & Promotion Expenses		
Business Promotion		
Guest Entertainment		
Gift and Donations		
Board Meeting Fees and Expenses		
i) Meeting Allowances		
ii) Other Allowances		
Other Committee/ Sub-committee Expenses		
i) Meeting Allowances		
ii) Other Allowances		
General Meeting Expenses		
Actuarial Service Fee		
Other Actuarial Expenses		
Audit Related Expenses		
i) Statutory Audit		
ii) Tax Audit		
iii) Long Form Audit Report		
iv) Other Fees		
v) Internal Audit		
vi) Others (to be Specified)		
Bank Charges		
Fee and Charges		
Postage Charges		
Foreign Exchange Losses		
Others (to be Specified)		
Sub-Total	-	-
Medical examination fee		
Fines, interest, Late Fees and Penalties		
Total	-	-

42 Finance Cost

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions		
Unwinding of discount on Financial Liabilities at Amortised Costs		
Interest Expenses - Bonds		

Interest Expenses - Debentures		
Interest Expenses - Term Loans		
Interest Expenses - Leases		
Interest Expenses - Overdraft Loans		
Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED

Notes to the Financial Statements

43 **Income Tax Expense**

Fig.in NPR

(a) **Income Tax Expense**

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year		
ii) Income Tax Relating to Prior Periods		
Deferred Tax For The Year		
i) Originating and reversal of temporary differences		
ii) Changes in tax rate		
iii) Recognition of previously unrecognised tax losses		
iv) Write-down or reversal		
v) Others (to be Specified)		
Income Tax Expense	-	-

(b) **Reconciliation of Taxable Profit & the Accounting Profit**

Particulars	Current Year	Previous Year
Accounting Profit Before Tax		
Applicable Tax Rate		
Tax at the applicable rate on Accounting Profit		
Add: Tax effect of expenses that are not deductible for tax purpose		
Less: Tax effect on exempt income and additional deduction		
Less: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others(to be Specified)		
Income Tax Expense	-	-
Effective Tax Rate		

OR

Particulars	Current Year	Previous Year
Accounting Profit Before Tax		
Income Tax Expense		
Average Effective Tax Rate		
Less: Tax effect of expenses that are not deductible for tax purpose		
Add: Tax effect on exempt income and additional deduction		
Add: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others(to be Specified)		

Applicable Tax Rate	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

Fig. in NPR

44 Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashadh, 20X2 (July, 20X2) the company has recognised an amount of NPR. as an expenses under the defined contribution plans in the Statement of Profit or Loss.

b) Post Employment Benefit - Defined Benefit Plans

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out.

c) Total Expenses Recognised in the Statement of Profit or Loss

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost				
Past service cost				
Net interest cost (a-b)				
a. Interest expense on defined benefit obligation (DBO)				
b. Interest (income) on plan assets				
Defined benefit cost included in Statement of Profit or Loss	-	-	-	-

d) Remeasurement effects recognised in Statement of Other Comprehensive Income (OCI)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
a. Actuarial (gain)/ loss due to financial assumption changes in DBO				
b. Actuarial (gain)/ loss due to experience on DBO				
c. Return on plan assets (greater)/ less than discount rate				
Total actuarial (gain)/ loss included in OCI	-	-	-	-

e) Total cost recognised in Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss				
Remeasurements effects recognised in OCI				
Total cost recognised in Comprehensive Income	-	-	-	-

f) Change in Defined Benefit Obligation

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year				
Service cost				
Interest cost				
Benefit payments from plan assets				
Actuarial (gain)/ loss - financial assumptions				
Actuarial (gain)/ Loss - experience				
Defined Benefit Obligation as at Year End	-	-	-	-

g) Change in Fair Value Of Plan Assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year				
Interest Income				
Expected return on plan assets				
Employer contributions				
Participant contributions				
Benefit payments from plan assets				
Transfer in/ transfer out				
Actuarial gain/ (loss) on plan assets				

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

Fig. in NPR

44 Employee Retirement Benefits

Fair value of Plan Assets as at Year End	-	-	-	-
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ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

Fig. in NPR

44 Employee Retirement Benefits

h) Net Defined Benefit Asset/(Liability)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation			-	-
Fair Value of Plan Assets			-	-
Liability/ (Asset) Recognised in Statement of Financial Position	-	-	-	-

i) Expected Company Contributions for the Next Year

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year				

j) Reconciliation of amounts in Statement of Financial Position

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end				
Defined benefit cost included in Statement of Profit or Loss				
Total remeasurements included in OCI				
Acquisition/ divestment				
Employer contributions				
Net defined benefit liability/(asset)	-	-	-	-

k) Reconciliation of Statement of Other Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period				
Total remeasurements included in OCI				
Cumulative OCI - (Income)/Loss	-	-	-	-

l) Current/Non - Current Liability

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability				
Non - Current Liability				
Total	-	-	-	-

m) Expected Future Benefit Payments

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year				
Between 1-2 years				
Between 2-5 years				
From 6 to 10				
Total	-	-	-	-

n) Plan assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
	(% Invested)	(% Invested)	(% Invested)	(% Invested)
Government Securities (Central and State)				
Corporate Bonds (including Public Sector bonds)				
Mutual Funds				

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

Fig. in NPR

44 Employee Retirement Benefits

Deposits				
Cash and bank balances				
Others (to be Specified)				
Total	-	-	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

Fig. in NPR

44 Employee Retirement Benefits
o) Sensitivity Analysis

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Effect in Defined Benefit Obligation Due to 1% Increase in Discount Rate				
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate				
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate				
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate				
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate				
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate				

p) Assumptions

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate		
Escalation Rate (Rate of Increase in Compensation Levels)		
Attrition Rate (Employee Turnover)		
Mortality Rate During Employment		

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

45 Fair Value Measurements

(i) Financial Instruments by Category & Hierarchy

This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are (a) recognised and measured at fair value and (b) measured at Amortised Cost and for which Fair Values are disclosed in the Financial Statements.

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Investments							
i) Investment in Equity Instruments				-		-	
Investment in Equity (Quoted)	1						
Investment in Equity (Unquoted)	3						
ii) Investment in Mutual Funds	1			-		-	
iii) Investment in Preference Shares of Bank and Financial Institutions							
iv) Investment in Debentures	3			-		-	
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3			-		-	
vi) Fixed Deposits	3			-		-	
vii) Others (to be specified)							
Loans				-		-	
Other Financial Assets	3			-		-	
Cash and Cash Equivalents	3			-		-	
Total Financial Assets			-	-	-	-	-
Borrowings			-	-		-	
Other Financial Liabilities	3			-		-	
Total Financial Liabilities			-	-	-	-	-

Level 1: Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There is no transfer of Financial Instruments between different levels as mentioned above during the year.

(ii) Valuation Technique Used to Determine Fair Value

- a) Use of quoted market prices or dealer quotes for similar instruments
- b) Fair Value of remaining financial instruments is determined using discounted cash flow analysis

(iii) Valuation Process

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Discussion on valuation processes and results are held at least once in a year.

The main level 3 inputs are derived and evaluated as follows:

- a) Discount rate is arrived at considering the internal and external factors.
- b) Discounting has been applied where assets and liabilities are non-current, and the impact of the discounting is material

(iv) Fair Value of Financial Assets and Liabilities Measured at Amortised Cost

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investments				
i) Investment in Preference Shares of Bank and Financial Institutions				
ii) Investment in Debentures	-		-	
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-		-	
iv) Fixed Deposit	-		-	
v) Others (to be Specified)				
Loans				
i) Loan to Associates	-		-	
ii) Loan to Employees	-		-	
iii) Loan to Agent	-		-	
iv) Loan to Policyholders	-		-	
v) Others (to be Specified)				
Other Financial Assets				
Total Financial Assets at Amortised Cost	-	-	-	-
Borrowings				
i) Bonds	-		-	
ii) Debentures	-		-	
iii) Term Loans - Bank and Financial Institution	-		-	
iv) Bank Overdrafts	-		-	

Notes to the Financial Statements

v) Others (to be Specified)	-		-	
Other Financial Liabilities	-		-	
Total Financial Liabilities at Amortised Cost	-	-	-	-

The fair values of the above financial instruments measured at amortised cost are calculated based on cash flows discounted using current discount rate.
The carrying amounts of cash and cash equivalents are considered to be the same as their fair values due to their short-term nature.

ABC LIFE INSURANCE COMPANY LIMITED
Recommendatory Notes to the Financial Statements

Note: Insurers should have their own risk management policy and notes shall be prepared accordingly. However, the insurer should include all the headings and tables as prescribed in this recommendatory note.

46 Insurance Risk

Insurance risk includes the risk of incurring higher claims costs than expected owing to the random nature of claims, frequency and severity and the risk of change in the legal or economic conditions of insurance or reinsurance cover. This may result in the insurer having either received too little premium for the risks it has agreed to underwrite and hence has not enough funds to invest and pay claims, or that claims are in excess of those expected.

The Company seeks to minimise insurance risk through a formalised reinsurance arrangement with an appropriate mix and spread of business between classes of business based on its overall strategy. This is complemented by observing formalised risk management policies.

The Company considers insurance risk to be a combination of the following components of risks:

- a) Product development
- b) Pricing
- c) Underwriting and
- d) Claims Handling
- e) Reinsurance
- f) Reserving

a) Product development:

The Company principally issues the following types of Life Insurance contracts:

- Endowment
- Anticipated Endowment
- Endowment Cum Whole Life
- Whole Life
- Foreign Employment Term
- Other Term
- Special Term
- Others (to be Specified)

The above risk exposure is mitigated by the diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business.

b) Pricing:

The pricing of an insurance product involves the estimation of claims, operational and financing costs and the income arising from investing the premium received. The pricing process typically comprises collecting data on the underlying risks to be covered, determining the pricing assumptions and the base rate, setting the final premium rate, and monitoring the review of the appropriateness of pricing.

The Company collects adequate data to validate the reasonableness of the underlying assumptions used for pricing. The base rate represents the amount required to meet the value of anticipated benefits, expenses, and margins for risks and profit. Data primarily relates to the company's own historical experience and that of the industry where relevant. These may be supplemented by other internal and external data, and could include trends observed in claims costs and expenses.

Pricing is done by modelling all identified risks, using appropriate methodologies depending on the complexity of the risks and available data. Adequate buffers are kept in the premiums to cushion against the risk that actual experience may turn out to be worse than expected.

ABC LIFE INSURANCE COMPANY LIMITED
Recommendatory Notes to the Financial Statements

Note: Insurers should have their own risk management policy and notes shall be prepared accordingly. However, the insurer should include all the headings and tables as prescribed in this recommendatory note.

46 Insurance Risk

c) Underwriting:

The Company's underwriting process is governed by the by the internal underwriting procedures. Some of the actions undertaken to mitigate underwriting risks are detailed below:

- i) Investments are made on the training and development of underwriting and claims management staff, including those attached to the distribution network.
- ii) Application of Four-Eye principle on underwriting process.
- iii) Pre-underwriting inspections are made on new business over a predetermined threshold to evaluate risk prior to acceptance.
- iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed.
- v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers.

d) Claims handling:

The Company considers insurance claim risk to be a combination of the following components of risks:

- i) Mortality Risk – risk of loss arising due to policyholder death experience being different than expected
- ii) Longevity Risk – risk of loss arising due to the annuitant living longer than expected
- iii) Investment Return Risk – risk of loss arising from actual returns being different than expected
- iv) Expense Risk – risk of loss arising from expense experience being different than expected
- v) Policyholder Decision Risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

Assumptions

The assumptions that have the greatest effect on the statement of financial position and statement of profit or loss of the Company are listed below:

Particulars	Current Year				Previous Year			
	Mortality Rates	Investment Return	Lapse and Surrender Rate	Discount Rate	Mortality Rates	Investment Return	Lapse and Surrender Rate	Discount Rate
Life Insurance								

Sensitivities

The life insurance claim liabilities are sensitive to the key assumptions as mentioned in the table below.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and profit after tax. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

Particulars	Changes in Assumptions	Current Year		Previous Year	
		Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities
Mortality Rate	+ 50%				
Longevity	+ 10%				
Discount Rate	+ 1%				
Mortality Rate	-50%				
Longevity	-10%				
Discount Rate	-1%				

ABC LIFE INSURANCE COMPANY LIMITED
Recommendatory Notes to the Financial Statements

47 Financial Risk

The Company's activities expose it to Credit Risk, Liquidity Risk & Market Risk.

i) Credit Risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company. Thus, for an insurance contract, credit risk includes the risk that an insurer incurs a financial loss because a reinsurer defaults on its obligations under the reinsurance contract.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

- a) Company has credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- b) Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by entering into agreement with more than one party. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- c) The company deals with only creditworthy counterparties and obtains sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh ..., 20X2

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses					
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses					
Credit Risk has significantly increased and credit impaired						

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh ..., 20X1

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses					
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses					
Credit Risk has significantly increased and credit impaired						

Reconciliation of Loss Allowance Provision

Particulars	Measured at 12 months expected credit losses	Measured at life-time expected credit losses	
		Credit Risk has significantly increased and not credit impaired	Credit Risk has significantly increased and credit impaired
Loss Allowance on Ashadh ..., 20X1			
Changes in loss allowances			
Write-offs			
Recoveries			
Loss Allowance on Ashadh ..., 20X2		-	-

ABC LIFE INSURANCE COMPANY LIMITED
Recommendatory Notes to the Financial Statements

ii) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

Maturity of Financial Liabilities:

The table below summarises the Company's Financial Liabilities into Relevant Maturity Groupings based on their Contractual Maturities for all Financial Liabilities.

Particulars	Current Year			Previous Year		
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	Upto 1 Year	1 Year to 5 Year	More than 5 Year
Borrowings						
Other Financial Liabilities						
Total Financial Liabilities	-	-	-	-	-	-

iii) Market Risk

a1) Foreign Currency Risk Exposure

Foreign exchange risk is the potential for the Company to experience volatility in the value of its assets, liabilities and solvency and to suffer actual financial losses as a result of changes in value between the currencies of its assets and liabilities and its reporting currency. The Company does not maintain foreign currency denominated assets in its investment portfolios and as such is not exposed to foreign exchange risk related to investments.

The Company has no significant concentration of currency risk. The amount with reinsurer is settled in Nepali Rupee.

Alternative note for Foreign Currency Risk Exposure (where there is Foreign Currency Risk)

Operation of the Company has exposed it to foreign exchange risk arising from foreign currency transactions, with respect to the USD and Currency A. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the NPR cash flows of highly probable forecast transactions.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in NPR, are as follows:

Particulars	Current Year		Previous Year	
	USD	Currency A	USD	Currency A
Investments				
Loans				
Insurance Receivables				
Other Financial Assets				
Less: Derivative Assets				
i) Foreign exchange forward contracts - Sell Foreign Currency				
ii) Foreign exchange option contracts - Sell Foreign Currency				
Net Exposure to Foreign Currency Risk/ (Assets)	-	-	-	-
Insurance Payables				
Other Financial Liabilities				
Less: Derivative Liabilities				
i) Foreign exchange forward contracts - Buy Foreign Currency				
ii) Foreign exchange option contracts - Buy Foreign Currency				
Net Exposure to Foreign Currency Risk/ (Liabilities)	-	-	-	-

a2) Foreign Currency Risk - Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on the other components of equity arising from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges

Particulars	Impact on profit after tax		Impact on other component of equity	
	Current Year	Previous Year	Current Year	Previous Year
USD sensitivity				
NPR/ USD - Increases by 10% *				
NPR/ USD - Decreases by 10% *				
Currency A sensitivity				
NPR/ USD - Increases by 10% *				
NPR/ USD - Decreases by 10% *				

* Holding all other variable constant

ABC LIFE INSURANCE COMPANY LIMITED
Recommendatory Notes to the Financial Statements

b1) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The major interest rate risk that the Company is exposed to is the discount rate for determining insurance liabilities.

b2) Interest Rate Sensitivity

Profit or Loss is sensitive to changes in Interest Rate for Borrowings. A change in Market Interest Level by 1% which is reasonably possible based on Management's Assessment would have the following effect on the Profit After Tax.

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*		
Interest Rate - Decrease By 1%*		

* Holding all other Variable Constant

c1) Equity Price Risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company has invested in equity securities and the exposure is equity securities price risk from investments held by the Company and classified in the statement of financial position as fair value through OCI.

c2) Sensitivity

The table below summarises the impact of increase/decrease of the index in the Company's equity and impact on OCI for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 1% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*		
Interest Rate - Decrease By 1%*		

* Other components of equity would increase/decrease as a result of gains/ (losses) on equity securities classified as fair value through other comprehensive income.

48 Operational Risk

Operational Risk is the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, people and systems or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

49 Climate Risk

(Please provide the disclosure as per Climate Risk related Directive)

50 Capital Management

The Company's objectives when managing Capital are to:

- a) Safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- b) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Regulatory minimum paid up capital

Life insurance companies were required by the Directive of Nepal Insurance Authority to attain a stipulated minimum paid up capital of NPR XXX billion by XXXX 20XX. As on the

Dividend

Particulars	Current Year	Previous Year
(i) Dividends recognised		
Final dividend for the year ended Ashadh .., 20X1 of NPR/- (Ashadh .., 20X1 - NPR/-) per fully paid share		
	-	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the year ended the directors have recommended the payment of a final dividend of NPR/- per fully		
	-	-

ABC LIFE INSURANCE COMPANY LIMITED
 Recommendatory Notes to the Financial Statements

51 Earnings Per Share

Particulars	Current Year	Previous Year
Profit For the Year used for Calculating Basic Earning per Share		
Less: Dividend on Preference Share		
Add: Interest saving on Convertible Bonds		
Profit For the Year used for Calculating Diluted Earning per Share		
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share		
Adjustments for calculation of Diluted Earning per Share:		
i) Dilutive Shares		
ii) Options		
iii) Convertible Bonds		
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share	-	-
Nominal Value of Equity Shares		
Basic Earnings Per Share		
Diluted Earnings Per Share		
Proposed Bonus Share		
Weighted Average Number of Equity Shares Outstanding During the Year for Restated Earning Per Share		
Restated Basic Earning Per Share		
Restated Diluted Earning Per Share		

ABC LIFE INSURANCE COMPANY LIMITED
Recommendatory Notes to the Financial Statements

c) Reconciliation of Segmental Profit with Statement of Profit or Loss

Particulars	Current Year	Previous Year
Segmental Profit	-	-
Less: Employee Benefits expenses		
Less: Depreciation and Amortization		
Less: Other operating expenses		
Less: Impairment losses		
Less: Finance Cost		
Add: Unallocable Other Income		
Profit Before Tax	-	-

d) Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets	-	-
Goodwill & Intangible Assets		
Property and Equipment		
Investment Properties		
Deferred Tax Assets	-	
Investment in Subsidiaries		
Investment in Associates		
Investments		
Loans		
Current Tax Assets		
Other Assets		
Other Financial Assets		
Cash and Cash Equivalents		
Total Assets	-	-

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	-	-
Provisions		
Deferred Tax Liabilities		
Current Tax Liabilities		
Other Financial Liabilities		
Other Liabilities		
Total Liabilities	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Recommendatory Notes to the Financial Statements

53 Related Party Disclosure

(a) Identify Related Parties

Holding Company:

Subsidiaries:

Associates:

Fellow Subsidiaries:

Key Management Personnel:

(b) Key Management Personnel Compensation:

Particulars	Current Year	Previous Year
Short-term employee benefits		
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Total	-	-

Payment to Chief Executive Officer (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances		
Performance based allowances		
i) Employee Bonus		
ii) Benefits as per prevailing provisions		
iii) Incentives		
Insurance related benefits		
i) Life Insurance		
ii) Accident Insurance		
iii) Health Insurance (including family members)		
Total	-	-

(c) Related Party Transactions:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Premium Earned						
Current Year						
Previous Year						
Commission Income						
Current Year						
Previous Year						
Rental Income						
Current Year						
Previous Year						
Interest Income						
Current Year						
Previous Year						
Sale of Property & Equipment						
Current Year						
Previous Year						
Purchase of Property & Equipment						
Current Year						
Previous Year						
Premium Paid						
Current Year						
Previous Year						

ABC LIFE INSURANCE COMPANY LIMITED
 Recommendatory Notes to the Financial Statements

53 Related Party Disclosure

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Commission Expenses						
Current Year						
Previous Year						
Dividend						
Current Year						
Previous Year						
Meeting Fees						
Current Year						
Previous Year						
Allowances to Directors						
Current Year						
Previous Year						
Others (to be specified)						
Current Year						
Previous Year						

(d) Related Party Balances:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
Current Year						
Previous Year						
Other Receivables (to be Specified)						
Current Year						
Previous Year						
Payables including Reinsurance Payables						
Current Year						
Previous Year						
Other Payables (to be Specified)						
Current Year						
Previous Year						

ABC LIFE INSURANCE COMPANY LIMITED
Recommendatory Notes to the Financial Statements

54 Leases

(a) Leases as Lessee

(i) Operating Leases:

The Company has various operating leases ranging from years to years for and Non-cancellable periods range from months to months. The leases are renewable by mutual consent and contain escalation clause. Rental expenses for operating leases recognised in the Statement of Profit and Loss for the year is NPR (Ashadh ..., 20X1/ July ..., 20X1: NPR).

Disclosure in respect of Non-cancellable lease is as given below

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year		
ii) Later than 1 year and not later than 5 years		
iii) Later than 5 years		

(ii) Finance Lease:

The Company holds assets under finance leases. Future minimum lease payments and lease liability at the end of the year is given below:

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year		
ii) Later than 1 year and not later than 5 years		
iii) Later than 5 years		
Total Future Minimum Lease Payments	-	-
Less: Effect of Discounting		
Finance lease liability recognised	-	-

(b) Leases as Lessor

(i) Operating Lease:

The Company has leased out certain office spaces that are renewable on a periodic basis. Rental income received during the year in respect of operating lease is NPR (Ashadh ..., 20X1/ July ..., 20X1: NPR). Details of assets given on operating lease as at year end are as below.

Disclosure in respect of Non-cancellable lease is as given below

Future Minimum Lease Income	Current Year	Previous Year
i) Not Later than 1 year		
ii) Later than 1 year and not later than 5 years		
iii) Later than 5 years		

(ii) Finance Lease:

The Company has given assets under finance leases. At the year end receivables under finance lease agreements fall due as follows:

Particulars	Current Year			Previous Year		
	Gross Investment	Unearned Finance Income	Net Investment	Gross Investment	Unearned Finance Income	Net Investment
i) Not Later than 1 year						
ii) Later than 1 year and not later than 5 years						
iii) Later than 5 years						
Total	-	-	-	-	-	-

55 Capital Commitments

Estimated amount of contracts remaining to be executed in capital accounts and not provided for

Particulars	Current Year	Previous Year
Property and Equipment		
Investment Properties		
Goodwill & Intangible Assets		
Total	-	-

56 Contingent Liabilities

Estimated amount of contracts remaining to be executed in capital accounts and not provided for (net of advances)

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as debts		
a) Income Tax		
b) Indirect Taxes		
c) Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Recommendatory Notes to the Financial Statements

57 Events occurring after Balance Sheet

58 Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are:

Particulars	Current Year	Previous Year
Reinsurance Receivables		
Investments in equity		
Fixed Deposits		
Property and Equipment		
Others (to be Specified)		
Total	-	-

59 Corporate Social Responsibility

(Disclosure as per Good Governance Directive, 2075)

60 Miscellaneous

- (i) All amounts are in Nepalese Rupees unless otherwise stated.
- (ii) All figures are in the Nearest Rupee & Rounded off.

61 Others (to be Specified)

अनुसूची ३
(दफा ५ को उपदफा (१) को खण्ड (ग) सँग सम्बन्धित)

ABC Life Insurance Limited
Major Financial Indicators

S.N	Particular	Indicators	Fiscal Year				
			2079/80	2078/79	2077/78	2076/77	2075/76
	Equity:						
1	Net worth	NPR					
2	Number of Shares	No.s					
3	Book value per shares	NPR					
4	Net Profit	NPR					
5	Earning per Shares (EPS)	NPR					
6	Dividend per Shares (DPS)	NPR					
7	Market Price per Shares (MPPS)	NPR					
8	Price Earning Ratio (PE Ratio)	Ratio					
9	Change in Equity	%					
10	Return on Equity	%					
11	Capital to Total Net Assets Ratio	%					
12	Capital to Technical Reserve Ratio	%					
13	Affiliate Ratio	%					
	Business:						
14	First Year Premium Growth Rate	%					
	<i>Endowment</i>	%					
	<i>Anticipated Endowment</i>	%					
	<i>Endowment Cum Whole Life</i>	%					
	<i>Whole Life</i>	%					
	<i>Foreign Employment Term</i>	%					
	<i>Micro Term</i>	%					
	<i>Special Term</i>	%					
	<i>Othes(to be Specified)</i>	%					
15	Renewal Premium Growth Rate	%					
	<i>Endowment</i>	%					
	<i>Anticipated Endowment</i>	%					
	<i>Endowment Cum Whole Life</i>	%					
	<i>Whole Life</i>	%					
	<i>Foreign Employment Term</i>	%					
	<i>Micro Term</i>	%					
	<i>Special Term</i>	%					
	<i>Othes(to be Specified)</i>	%					
16	Single Premium Growth Rate	%					
	<i>Endowment</i>	%					
	<i>Anticipated Endowment</i>	%					
	<i>Endowment Cum Whole Life</i>	%					
	<i>Whole Life</i>	%					
	<i>Foreign Employment Term</i>	%					
	<i>Micro Term</i>	%					
	<i>Special Term</i>	%					
	<i>Othes(to be Specified)</i>	%					
17	Total Direct Premium Growth Rate	%					
18	Net Insurance Premium/ Gross Insurance Premium	%					
19	Reinsurance Ratio	%					
20	Reinsurance Commission Income/ Gross Reinsurance Premium	%					
21	Gross Premium Revenue/ Equity	%					
22	Net Premium Revenue/ Equity	%					
23	Gross Insurance Premium/Total Assets	%					
24	Return on Revenue	%					
25	Net Profit/ Gross Insurance Premium	%					
26	Return on Investments and Loan	%					

ABC Life Insurance Limited
Major Financial Indicators

S.N	Particular	Indicators	Fiscal Year				
			2079/80	2078/79	2077/78	2076/77	2075/76
	Expenses:						
27	Management expenses/ Direct Insurance Premium	%					
28	Agent Related Expenses/ Total Management expenses	%					
29	Employee expenses/ Management expenses	%					
30	Agent Related Expenses/ Direct Insurance Premium	%					
31	Employee expenses/ Number of Employees	Amt.					
32	Expense Ratio	%					
33	Commission Ratio	%					
34	Direct Business Acquisition Ratio	%					
35	Operating Expense Ratio	%					
	Assets:						
36	Increment in Investment held	%					
37	Return on Assets	%					
38	Long term Investments/Total Investments	%					
39	Short term Investments/Total Investments	%					
40	Total Investment & Loan/Gross Insurance Contract Liabilities	%					
41	Investment in Unlisted Shares and Debtors/ Total Net Assets	%					
42	Investment in Shares/ Total Net Assets	%					
43	Agent loan / Number of Agents	Per agent					
44	Liquidity Ratio	%					

ABC Life Insurance Limited
Major Financial Indicators

S.N	Particular	Indicators	Fiscal Year				
			2079/80	2078/79	2077/78	2076/77	2075/76
	Liabilities:						
45	Solvency Margin	%					
46	Increment in Gross Insurance Contract Liabilities	%					
47	Net Technical Reserve/ Average Net Premium of Previous 3 Years	%					
	<i>Endowment</i>	%					
	<i>Anticipated Endowment</i>	%					
	<i>Endowment Cum Whole Life</i>	%					
	<i>Whole Life</i>	%					
	<i>Foreign Employment Term</i>	%					
	<i>Micro Term</i>	%					
	<i>Special Term</i>	%					
	<i>Othes(to be Specified)</i>	%					
48	Actuarial Provision	Amt.					
49	Technical Provisions/ Total Equity	%					
50	Insurance Debt/ Total Equity	%					
51	Outstanding Claim/ Claim Paid	%					
52	No. of Outstanding Claim/ No. of Intimated Claims	%					
53	Total Number of Inforce Policies	No.s					
54	Lapse Ratio	%					
55	Number of Renewed Policy/ Last Year's Total Number of In Force Policies	%					
56	Number of Intimated Claim/ Total Number of In Force Policy	%					
57	Declared Bonus Rate	Per'000					
58	Interim Bonus Rate	Per'000					
	Others:						
59	Number of Offices	No.s					
60	Number of Agents	No.s					
61	Number of Employees	No.s					

ABC Life Insurance Company Limited

Notes to the Financial Statements

for the year ended Ashadh XX, 20XX (July XXth, 20XX)

Insurers may prepare their own accounting policies in compliance of Insurance Act, 2079, Financial directive issued by Nepal Insurance Authority, Nepal Financial Reporting Standards and Nepal Accounting Standards. However, the accounting policies of the insurer should include all the headings as prescribed in this recommendatory notes to Financial statements.

1. General Information

ABC Life Insurance Company Limited (herein after referred to as the 'Company') is a public limited company, incorporated on..... and operated as Life Insurance Company after obtaining license on under the Insurance Act 2049. TheCompany is a subsidiary/Associates the Company.

The registered office of the Company is located atThe Company's share are listed on

The principal activities of the Company are to provide various life insurance products including participating and non-participating products through its province offices, branches, sub-branches, and network of agents.

2. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of Compliance

The Financial Statements of the Company comprises of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown as two separate statements, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements which have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB) and in compliance with the requirements of the Companies Act , 2006, directives issued by Nepal Insurance Authority and required disclosures as per Securities Board of Nepal. The format used in the preparation and presentation of the Financial Statements and disclosures made therein also complies with the specified formats prescribed in the directives of Nepal Insurance Authority.

The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

The financial statements are approved for issue by the Company's Board of Directors on

(b) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 20XX to 32nd Ashadh20XX with the corresponding previous year from 1st Shrawan 20XX to 32nd Ashadh20XX . These financial statements have been approved by the Board of Directors of(.....)

(c) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for following Assets & Liabilities which have been measured at Fair Value amount:

- i. Certain Financial Assets and Liabilities which are required to be measured at fair value
- ii. Defined Employee Benefits
- iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).

Historical cost is generally Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2 or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurements in its entirety, which are described as follows:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2- Inputs are inputs ,other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3- Inputs are unobservable inputs for the Asset or Liability.

(d) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the reported balance of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the year presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the Financial Statements.

(e) Functional and Presentation Currency

These Financial Statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

(f) Going Concern

The financial statements are prepared on going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operation of it.

(g) Change in Accounting Policies

Accounting Policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flow.

(h) Recent Accounting Pronouncements

Accounting standards issued and effective

Accounting standards issued and non-effective

(i) Carve-outs

The Company has not applied any carve outs provided by the ASB.

(j) Presentation of financial statements

The assets and liabilities of the Company presented in the Statement of Financial Position are grouped by the nature and listed in an order that reflects their relative liquidity and maturity pattern.

(k) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by Nepalese Financial Reporting Standards or Interpretation (issued by the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC) and as specifically disclosed in the Significant Accounting Policies of the Company.

(l) Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard-NAS 1 on 'Presentation of Financial Statements'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

3. Significant Accounting Policies

(a) Goodwill and Intangible Assets

i) Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Goodwill on business combination is recognized on the acquisition date at the excess of (a) over (b) below :

(a) The aggregate of :

- a. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value
- b. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and
- c. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.
- d. The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

ii) Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the entity.

Amortization is recognized in statement of profit of loss on Straight Line Method (SLM) over the estimated useful life of the intangible assets/ Diminishing Balance Method (DBM), from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify

the amortization period or method, as appropriate, and are treated as changes in accounting estimates, The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss. Useful Life of Intangible Assets based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Soft wares	
Licenses	
Others(to be specified)	

iii)Derecognition

An Intangible Asset is derecognized when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

iv)Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Intangible Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognized in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(b) Property and Equipment (P&E)

i)Recognition

Freehold land is carried at historical cost and other items of property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

ii)Revaluation

After recognition as an assets, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers.

An increase in the carrying amount as a result of revaluation, is recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss. A decrease in the carrying amount as a result of revaluation, is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Difference between depreciation on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

iii)Depreciation

Depreciation of Property, Plant and Equipment other than the Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Straight Line Method (SLM)/ Diminishing Balance Method ((DBM)" based on Useful Life estimated by technical expert of the management. The Assets Useful Life/ Rate of Depreciation and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Useful Life of Property, Plant and Equipment based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM/Rate for WDV
Land	
Buildings	
Leasehold Improvement	
Furniture & Fixture	
Computers and IT Equipment	
Officer Equipment	
Vehicles	
Other Assets	

iv) Derecognition

An item of Property, Plant and Equipment is derecognized upto disposal or when no Future Economic Benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

v) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

vi) Capital Work-In-Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development which are to be capitalized. Capital Work in Progress would be transferred to the relevant asset when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.

(c) Investment Properties

Cost Model

Property that is held for rental income or for capital appreciation or both, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost, however, buildings are depreciated over their estimated useful lives as mentioned above.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

OR

Fair Value Model

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise, including the corresponding tax effect.

The fair value of investment property is determined by an external, independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category by property being valued.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

(d) Deferred Tax Assets and Liabilities

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred Tax Liabilities are generally recognized for all taxable Temporary Difference.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

(e) Financial Assets

i)Initial Recognition & Measurement

Financial Assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Assets at initial recognition.

When Financial Assets are recognized initially, they are measured at Fair Value, plus, in the case of Financial Assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried at Fair Value through Profit or Loss are expensed in the Statement of Profit or Loss.

ii)Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is achieved is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest

on the principal amount outstanding. Interest income in these financial assets is measured using effective interest rate method.

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

iii) De-Recognition

A Financial Assets is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Assets. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv) Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a financial asset or a group of financial assets is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(f) Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurer. These assets are created for the reinsurer's share of insurance contract liabilities.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the re-insurer. If a reinsurance asset is impaired, the company reduce the carrying amount accordingly and is recognized in statement of profit or loss.

(g) Current Tax Assets

(h) Cash & Cash Equivalent

Cash & Cash Equivalent includes Cash in Hand, Cheque in Hand, Bank Balances and short term deposits with a maturity of three months or less.

(i) Financial Liabilities

i)Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition.

All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii)Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair Value due to short maturity of these instruments.

iii)De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(k) Equity

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(l) Reserves and Funds

i) Share Application Money Pending Allotment :

ii) Share Premium :

iii) Catastrophe Reserve:

iv) Fair Value Reserve:

v) Actuarial Reserves:

vi) Revaluation Reserves: Reserve created against revaluation gain on property, plant & equipment & intangible assets, other than the reversal or earlier revaluation losses charged to profit or loss.

Corporate Social Responsibility Reserves:

viii) Other Reserves:

(m) Gross Insurance Contract Liabilities

Liability adequacy

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability.

(n) Employee Benefits

i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the Statement of Financial Position.

ii) Post-Employment Benefits

-Defined Contribution Plan

The Company pays Provident Fund contributions to publicly administered Provident Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expenses when they are due.

-Defined Benefit Plan

For Defined Benefit Plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

iii) Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the year using the Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognizes termination benefits at the earlier of the following dates:

- a) When the Company can no longer withdraw the offer of those benefits; and
- b) When the entity recognizes costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits. The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(o) Revenue Recognition

i) Gross Premium

Gross Premium are recognized as soon as the amount of the premiums can be reliably measured. First premium is recognized from inception date. At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured.

ii) Unearned Premium Reserves

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a pro rate basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

iii) Premiums on Reinsurance Accepted

Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.

iv) Commission Income

Commission Income is recognized on accrual basis. If the income is for future periods, then they are deferred and recognized over those future periods.

v) Investment Income

Interest income is recognized in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commission that are an integral part of the effective yield of the financial asset are recognized as an adjustment to the EIR of the instrument.

vi) Net realized gains and losses

Net realized gains and losses recorded in the statement or profit or loss include gains and losses on financial assets and properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

(p) Benefit, Claims and Expenses

i) Gross Benefits and Claims

Benefits and claims includes the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlement of claims. Benefits and claims that are incurred during the financial year are recognized when a claimable event occurs and/or the insurer is notified. Death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered.

ii) Reinsurance Claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the term of the relevant contracts.

iii) Commission Expenses: Commission expenses are recognized on accrual basis. If the expenses is for future periods, then they are deferred and recognized over those future periods.

iv) Service Fees: Service fees are recognized on accrual basis as per the rates mentioned in Insurance act, 2079.

v) Finance Cost : Finance costs are recognized for the period relating to unwinding of discount and interest expenses due to re-measurement of liabilities.

(q) Product Classification

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

The Company has following portfolios under which it operates its business:

i) Endowment

This is a with profit plan that makes provisions for the family of the Life Assured in event of his early death and also assures a lump sum at a desired age on maturity. It costs moderate premiums, has high liquidity and is savings oriented. This plan is opt for people of all ages and social groups who wish to protect their families from a financial setback that may occur owing to their demise.

ii) Anticipated

This scheme provides for specific periodic payments or partial survival benefits during the term of the policy itself so long as the policy holder is alive. It is therefore suitable to meet specified financial requirements needed for occasions like Brata Bandha, Academic Graduations etc. An important feature of plan is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival benefit amounts, which have already been paid. It is also with profit plan.

iii) Endowment Cum Whole Life

This plan is a combination of Endowment Assurance and Whole Life with profit plan. It provided financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the maturity of the policy to the assured in case of his survival.

iv) Whole Life

Whole life is a type of life insurance contract that provides insurance coverage of the contract holder for his or her entire life. Upon the inevitable death of the contract holder, the insurance payout is made to the contract's beneficiaries. These policies also include a savings component, which accumulates a cash value. This cash value is one of the key elements of whole life insurance.

v) Foreign Employment Term

The main objective of foreign employment term is providing insurance for financial assistance if there is death or elimination of any insured due to work or staying abroad.

vi) Other Term

Term life insurance, also known as pure life insurance, is life insurance that guarantees payment of a stated death benefit during a specified term. Once the term expires, the policyholder can renew it for another term, convert the policy to permanent coverage, or allow the policy to terminate.

vii) Special Term

Special Term insurance is modified version of term insurance with added benefits.

viii) Others to be Specified –(Anticipated Whole Life)

This scheme provides for specific periodic payments or partial survival benefits during the term of the policy itself so long as the policy holder is alive. An important feature of plan is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival

benefit amounts, which have already been paid. It provides insurance coverage of the contract holder for his or her entire life. It is also with profit plan.

(r) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(s) Cash Flow Statement

Cash Flows are reported using the direct method, whereby major classes of cash receipts and cash payments are disclosed as cash flows.

(t) Leases

The lease liability has been accounted for under NFRS 16 "Leases". For all the significant lease, the Right-of-Use assets has been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date. The lease payment has been discounted at the incremental borrowing rate in lease which is 9%.

After the commencement date, the right of use asset has been measured using cost model. The lease liability has been increased to reflect interest on the lease liability & has been reduced by the lease payment.

The lease assets having the lease liability of equal to or less than 30 lacs present value at inception has been considered as low value and for those lease the expenses has been recognized under straight line basis.

(u) Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

i) Current Tax

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii) Deferred Tax

Deferred Tax is recognized on temporary difference between the carrying amounts of Assets and Liabilities in the Statement of Financial Position and their Tax Base. Deferred Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profit nor Loss at the time of the transaction.

(v) Provisions, Contingent Liabilities & Contingent Assets

i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks

specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Provisions for Contingent Liability are recognized in the books a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

ii) Contingent Liabilities

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

iii) Contingent Assets

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

(w) Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which in the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions.

(x) Earnings Per Share

Basic Earnings per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assumed conversion of all dilutive potential ordinary shares.

(y) Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".

Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

(z) Leased Assets

The Company has made the use of leasing arrangements principally for the provision of the office spaces. The rental contracts for the offices are typically negotiated for terms of between.....and ...years and some of these have extension terms. The Company has not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis. The Company has assessed whether a contract is or contains a lease at inception of the company. The lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified assets for a period of time in exchange for consideration.

At lease commencement date, the company has recognized a right-of-use lease asset and a lease liability in its Statement of Financial Position. The right of use assets is measured at cost. Which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Company has depreciated the right of use asset on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The company has also assessed the right of use asset for impairment when such indicator exist.

At the commencement date, the company has measured the lease liability at the present value of the lease payments unpaid at that date, discounted using the company's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is

implicit in the lease. The incremental borrowing rate is the estimated rate that the company would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value.

(aa) Other Disclosure as per requirement of Nepal Financial Reporting Standards

ABC LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Financial Position
As At ..th July, XXX1 (Ashad End 2080)

Fig in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	-	-
Property and Equipment	5	-	-
Investment Properties	6	-	-
Deferred Tax Assets	7	-	-
Investment in Associates	9	-	-
Investments	10	-	-
Loans	11	-	-
Reinsurance Assets	12	-	-
Current Tax Assets	21	-	-
Insurance Receivables	13	-	-
Other Assets	14	-	-
Other Financial Assets	15	-	-
Cash and Cash Equivalent	16	-	-
Total Assets		-	-
Equity & Liabilities			
Equity			
Share Capital	17 (a)	-	-
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17 (c)	-	-
Catastrophe Reserves	17 (d)	-	-
Retained Earnings	17 (e)	-	-
Other Equity	17 (f)	-	-
Total Equity attributable to equity holders		-	-
Non Controlling Interest	17(g)	-	-
Total Equity		-	-
Liabilities			
Provisions	18	-	-
Gross Insurance Contract Liabilities	19	-	-
Deferred Tax Liabilities	7	-	-
Insurance Payable	20	-	-
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	-	-
Other Financial Liabilities	24	-	-
Total Liabilities		-	-
Total Equity and Liabilities		-	-

The accompanying notes form an Integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Profit or Loss
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad, 2080)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<u>Income:</u>			
Gross Earned Premiums	25	-	-
Premiums Ceded	26	-	-
Net Earned Premiums		-	-
Commission Income	27	-	-
Other Direct Income	28	-	-
Interest Income on Loan to Policyholders	11	-	-
Income from Investments and Loans	29	-	-
Net Gain/(Loss) on Fair Value Changes	30	-	-
Net Realised Gains/(Losses)	31	-	-
Other Income	32	-	-
Total Income		-	-
<u>Expenses:</u>			
Gross Benefits and Claims Paid	33	-	-
Claims Ceded	33	-	-
Gross Change in Contract Liabilities	34	-	-
Change in Contract Liabilities Ceded to Reinsurers	34	-	-
Net Benefits and Claims Incurred		-	-
Commission Expenses	35	-	-
Service Fees	36	-	-
Other Direct expenses	37	-	-
Employee Benefits Expenses	38	-	-
Depreciation and Amortization Expenses	39	-	-
Impairment Losses	40	-	-
Other Operating Expenses	41	-	-
Finance Cost	42	-	-
Total Expenses		-	-
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		-	-
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		-	-
Income Tax Expense	43	-	-
Net Profit/(Loss) For The Year		-	-
Profit attributable to:			
Equity holders of the insurer			
Non-Controlling Interest			
Earning Per Share	50		
Basic EPS			
Diluted EPS			

The accompanying notes form an Integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Other Comprehensive Income
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad, 2080)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		-	-
Other Comprehensive Income			
<u>a) Items that are or may be Reclassified to Profit or Loss</u>			
Changes in Fair Value of FVOCI Debt Instruments			
Cash Flow Hedge - Effective Portion of Changes in Fair Value			
Exchange differences on translation of Foreign Operation			
Share of other comprehensive income of associates accounted for using the equity method	9	-	-
Income Tax Relating to Above Items			
Reclassified to Profit or Loss			
<u>b) Items that will not be Reclassified to Profit or Loss</u>			
Changes in fair value of FVOCI Equity Instruments			
Revaluation of Property and Equipment/ Goodwill & Intangible Assets			
Remeasurement of Post-Employment Benefit Obligations			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Total Other Comprehensive Income For the Year, Net of Tax		-	-
Total Comprehensive Income For the Year, Net of Tax		-	-
Total Comprehensive Income attributable to:			
Equity holders of the insurer			
Non-Controlling Interest			

The accompanying notes form an Integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Changes In Equity
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad, 2080)

Fig. in NPR

	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Non-Controlling Interest	Total
Balance as on Shrawan 1, 2078																-
Prior period adjustment																-
Restated Balance as at Shrawan 1, 2078																-
Profit/(Loss) For the Year																-
Other Comprehensive Income for the Year, Net of Tax																-
i) Changes in Fair Value of FVOCI Debt Instruments																-
ii) Gains/ (Losses) on Cash Flow Hedge																-
iii) Exchange differences on translation of Foreign Operation																-
iv) Changes in fair value of FVOCI Equity Instruments																-
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations																-
Transfer to Reserves/ Funds																-
Transfer to Deferred Tax Reserves																-
Transfer of Depreciation on Revaluation of Property and Equipment																-
Transfer on Disposal of Revalued Property and Equipment																-
Transfer on Disposal of Equity Instruments Measured at FVTOCI																-
Transfer to Insurance Contract Liabilities																-
Share Issuance Costs																-
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued																-
ii) Share Issue																-
iii) Cash Dividend																-
iv) Dividend Distribution Tax																-
v) Others (To be specified)																-
Balance as on Ashadh end, 2079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior period adjustment																-
Restated Balance as at Shrawan 1, 2079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) For the Year																-
Other Comprehensive Income for the Year, Net of Tax																-
i) Changes in Fair Value of FVOCI Debt Instruments																-
ii) Gains/ (Losses) on Cash Flow Hedge																-
iii) Exchange differences on translation of Foreign Operation																-
iv) Changes in fair value of FVOCI Equity Instruments																-
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations																-
Transfer to Reserves/ Funds																-
Transfer to Deferred Tax Reserves																-
Transfer of Depreciation on Revaluation of Property and Equipment																-
Transfer on Disposal of Revalued Property and Equipment																-
Transfer on Disposal of Equity Instruments Measured at FVTOCI																-
Transfer to Insurance Contract Liabilities																-
Share Issuance Costs																-
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued																-
ii) Share Issue																-
iii) Cash Dividend																-
iv) Dividend Distribution Tax																-
v) Others (To be specified)																-
Balance as on Ashadh end, 2080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The accompanying notes form an Integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Cash Flows
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad, 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received		
Commission Received		
Claim Recovery Received from Reinsurers		
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income		
Others (to be specified)		
Cash Paid		
Gross Benefits and Claims Paid		
Reinsurance Premium Paid		
Commission Paid		
Service Fees Paid		
Employee Benefits Expenses Paid		
Other Expenses Paid		
Others (to be specified)		
Income Tax Paid		
Net Cash Flow From Operating Activities [1]	-	-
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets		
Proceeds From Sale of Intangible Assets		
Acquisitions of Investment Properties		
Proceeds From Sale of Investment Properties		
Rental Income Received		
Acquisitions of Property and Equipment		
Proceeds From Sale of Property and Equipment		
Investment in Subsidiaries		
Receipts from Sale of Investments in Subsidiaries		
Investment in Associates		
Receipts from Sale of Investments in Associates		
Purchase of Equity Instruments		
Proceeds from Sale of Equity Instruments		
Purchase of Mutual Funds		
Proceeds from Sale of Mutual Funds		
Purchase of Preference Shares		
Proceeds from Sale of Preference Shares		
Purchase of Debentures		
Proceeds from Sale of Debentures		
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits		
Maturity of Deposits		
Loans Paid		
Proceeds from Loans		
Rental Income Received		
Proceeds from Finance Lease		
Interest Income Received		
Dividend Received		
Others (to be specified)		
Total Cash Flow From Investing Activities [2]	-	-
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		
Dividend Distribution Tax Paid		
Others (to be specified)		
Total Cash Flow From Financing Activities [3]	-	-
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	-	-
Cash & Cash Equivalents At Beginning of The Year/Period	-	-
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	-	-
Components of Cash & Cash Equivalents		
Cash In Hand	-	-
Cheque in Hand		
Term Deposit with Banks (with initial maturity upto 3 months)		
Balance With Banks	-	-

Notes:

Insurers shall prepare Statement of Cash Flows using Direct Method. Insurers may voluntarily prepared Cash Flow Statement using Indirect Method as well.
The accompanying notes form an Integral Part of Financial Statements.

ABC LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Distributable Profit or Loss
For Period ..th July, XXX0 - ..th July, XXX1
(Year Ended Upto Ashad .., 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings		
Transfer from OCI reserves to retained earning in current year		
Net profit or (loss) as per statement of profit or loss		
Appropriations:		
i)Transfer to Insurance Fund		
ii)Transfer to Catastrophe Reserve		
iii)Transfer to Capital Reserve		
iv)Transfer to CSR reserve		
v)Transfer to/from Regulatory Reserve		
vi)Transfer to Fair Value Reserve		
vii)Transfer of Deferred Tax Reserve		
viii)Transfer to OCI reserves due to change in classification		
ix)Others (to be Specified)		
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments		
b) Mutual Fund		
c) Others (if any)		
ii) Accumulated Fair Value gain on Investment Properties		
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges		
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges		
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges		
vi) Goodwill Recognised		
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency		
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account		
ix) Overdue loans		
x) Fair value gain recognised in Statement of Profit or Loss		
xi) Investment in unlisted shares		
xii) Delisted share investment or mutual fund investment		
xiii) Bonus share/dividend paid		
xiv) Deduction as per Sec 17 of Financial directive		
xv) Others (to be specified)		
Adjusted Retained Earning	-	-
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 14(1) Of Financial directive		
Add/Less: Others (to be specified)		
Total Distributable Profit/(loss)	-	-

4 Goodwill & Intangible Assets

Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be specified)	Total
Gross carrying amount				-
As at Shrawan 1, 2078				-
Additions during the year				-
Acquisition				-
Internal Development				-
Business Combination(to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment				-
Balance as at Ashadh 32, 2079	-	-	-	-
Additions during the year				-
Acquisition				-
Internal Development				-
Business Combination(to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment				-
Balance as at Ashadh 31, 2080	-	-	-	-
Accumulated amortization and impairment				
As at Shrawan 1, 2078				-
Additions during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh 32, 2079	-	-	-	-
Additions during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh 31, 2080	-	-	-	-
Capital Work-In-Progress				
As on Shrawan 1, 2078				-
Additions during the year				-
Capitalisation during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as on Ashadh 32, 2079	-	-	-	-
Additions during the year				-
Capitalisation during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as on Ashadh 31, 2080	-	-	-	-
Net Carrying Amount				
As on Ashadh 32, 2079	-	-	-	-
As on Ashadh 31, 2080	-	-	-	-

6 Investment Properties

Fig. in NPR

Investment Properties at Cost			
Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 2078			-
Additions during the year			-
Acquisition			
Subsequent Expenditure			
Assets classified as held for sales			
Disposals during the year			-
Transfer/Adjustment			-
Balance as at Ashadh 32, 2079	-	-	-
Additions during the year			-
Acquisition			
Subsequent Expenditure			
Assets classified as held for sales			
Disposals during the year			-
Transfer/Adjustment			-
Balance as at Ashadh 31, 2080	-	-	-
Accumulated depreciation and impairment			
As at Shrawan 1, 2078			-
Additional during the year			-
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2079	-	-	-
Additional during the year			-
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2080	-	-	-
Capital Work-In-Progress			
As on Shrawan 1, 2078			
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 32, 2079	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 31, 2080	-	-	-
Net Carrying Amount			
Net Balance As At Ashadh 31, 2079	-	-	-
Net Balance As At Ashadh 31, 2080	-	-	-

(i) Amounts recognised in statement of profit or loss

Particulars	Current Year	Previous Year
Rental income		
Direct operating expenses from property that generated rental income		
Direct operating expenses from property that didn't generated rental income		
Profit from investment properties before depreciation	-	-
Depreciation charge		
Profit from investment properties	-	-

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land		
Building		
Total	-	-

Notes on Fair Value :

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
- discounted cash flow projections based on reliable estimates of future cash flows,
- capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.

The fair values of investment properties have been determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

OR

Investment Properties at Fair Value

Particulars	Land	Building	Total
Gross carrying amount			-
As at Shrawan 1, 2078			-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Revaluation/Adjustment			-
Balance as at Ashadh 32, 2079	-	-	-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Revaluation/Adjustment			-
Balance as at Ashadh 31, 2080	-	-	-
Capital Work-In-Progress			
As on Shrawan 1, 2078			
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 32, 2079	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 31, 2080	-	-	-
Net Carrying Amount			
Net Balance As At Ashad 31, 2079	-	-	-
Net Balance As At Ashad 31, 2080	-	-	-

Notes on Fair Value :

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :

- i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
- ii) discounted cash flow projections based on reliable estimates of future cash flows,
- iii) capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.

The fair values of investment properties have been determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

Particulars	Current Year	Previous Year
Investment in Quoted Associates		
Investment in Unquoted Associates		
Less: Impairment Losses		
Total	-	-

Investment in Quoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Ltd.						
..... Shares of Rs. Each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year						
Total	-	-	-	-	-	-

Investment in Unquoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Ltd.						
..... Shares of Rs. Each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year						
Total	-	-	-	-	-	-

Information Relating to Associates

Particulars	Current Year	Previous Year
Name		
Place of Business		
Accounting Method		
% of Ownership		
Current Assets		
Non-Current Assets		
Current Liabilities		
Non-Current Liabilities		
Income		
Net Profit or Loss		
Other Comprehensive Income		
Total Comprehensive Income		
Company's share of profits		
Net Profit or Loss		
Other Comprehensive Income		

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

10 Investments

Fig. in NPR

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	-	-
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures		
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
iv) Fixed Deposits in "A" Class Financial Institutions		
v) Fixed Deposits in Infrastructure Banks		
iv) Fixed Deposits in "B" Class Financial Institutions		
iiiv) Fixed Deposits in "C" Class Financial Institutions		
iiiv) Others (to be Specified)		
Less: Impairment Losses		
Investments at FVTOCI	-	-
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
v) Others (to be Specified)		
Investments at FVTPL	-	-
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
v) Others (to be specified)		
Total	-	-

a) Details of Impairment Losses

Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions		
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

b) Investments having expected maturities less than 12 months:

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)		
Investment in Equity Instruments (Unquoted)		
Investment in Mutual Funds		
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions		
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

c) Information relating to investment in equity instruments

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
Investment in Equity Instruments (Unquoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				

d) The company has earmarked investments amounting to NPR.... To Nepal Insurance Authority.

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

11 Loans

Fig. in NPR

Particulars	Current Year	Previous Year
Loans measured at Amortised Cost		
Loan to Employees		
Loan to Agents		
Loan to Policyholders	-	-
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Loans to Policyholders

Particulars	Loan amount		Interest Income	
	Current Year	Previous Year	Current Year	Previous Year
Endowment				
Anticipated Endowment				
Endowment cum Whole Life				
Whole Life				
Foreign Employment Term				
Micro Term				
Special Term				
Others (to be Specified)				
Total	-	-	-	-

b) Expected repayment of loan within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees		
Loan to Agents		
Loan to Policyholders		
Others (to be Specified)		
Total	-	-

12 Reinsurance Assets

Description	Policy liabilities and provisions		Claim Payment Reserve		Impairment Losses		Net Reinsurance Assets	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Endowment							-	-
Anticipated Endowment							-	-
Endowment cum Whole Life							-	-
Whole Life							-	-
Foreign Employment Term							-	-
Micro Term							-	-
Special Term							-	-
Others (to be Specified)							-	-
Total	-	-	-	-	-	-	-	-

13 Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurer		
Receivable from other Insurance Companies		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected receivable within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurer		
Receivable from Other Insurance Companies		
Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

Fig. in NPR

14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advance To Suppliers		
Staff Advances		
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses		
Deferred Agent Commission Expenses		
Lease Receivables		
Others (to be specified)		
Less: Impairment Losses		
Total	-	-

a) Expected to be recovered/ settled within 12 months:

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advance To Suppliers		
Staff Advances		
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses		
Deferred Agent Commission Expenses		
Lease Receivables		
Others (to be specified)		
Total	-	-

15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest		
Interest Receivable from Loan to Policyholders		
Other Receivables		
Other Deposits		
Sundry Debtors		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest		
Interest Receivable from Loan to Policyholders		
Other Receivables		
Other Deposits		
Sundry Debtors		
Other (to be Specified)		
Total	-	-

16 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand		
Cheque in Hand		
Bank Balances		
i) Balance With "A" Class Financial Institutions		
ii) Balance With Infrastructure Banks		
iii) Balance With "B" Class Financial Institutions		
iv) Balance With "C" Class Financial Institutions		
Less: Impairment Losses		
Deposit with initial maturity upto 3 months		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

17 (a) Share Capital

Fig. in NPR

Particulars	Current Year	Previous Year
Ordinary Shares		
As at Shrawan 1, 2079		
Additions during the year		
i) Bonus Share Issue		
ii) Share Issue		
As at Ashadh 31, 2080		
Convertible Preference Shares (Equity Component only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Irredeemable Preference Shares (Equity Component only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Total	-	-

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Ordinary Shares of Rs. XXX Each		
Issued Capital:		
..... Ordinary Shares of Rs. XXX Each.		
Subscribed and Paid Up Capital:		
..... Ordinary Shares of Rs. XXX Each.		
Total	-	-

(ii) Preference Share Capital

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Issued Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Subscribed and Paid Up Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Total	-	-

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions				
Nepali Citizens				
Foreigners				
Others (to be Specified)				
Total (A)	-	-	-	-
Other than Promoters				
General Public				
Others (to be Specified)				
Total (B)	-	-	-	-
Total(A+B)	-	-	-	-

Details of shareholders holding 1% or more than 1% of the aggregate shares in the Company:

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

17(b) Share Application Money Pending Allotment

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment		
Total	-	-

17 (c) Share Premium

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Increase due to issue of shares at premium		
Decrease due to issue of bonus shares		
Transaction costs on issue of share		
Others (to be Specified)		
As on Ashadh 31, 2080	-	-

17 (d) Catastrophe Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Additions		
Utilizations		
As on Ashadh 31, 2080	-	-

17 (e) Retained Earnings

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Net Profit or Loss		
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves		
Capital Reserves		
Catastrophic Reserves		
Corporate Social Responsibility(CSR) Reserves		
Insurance Fund		
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserve		
Regulatory Reserves		
Other Reserve(to be specified)		
Transfer of Depreciation on Revaluation of Property and Equipment		
Transfer of Disposal of Revalued Property and Equipment		
Transfer of Disposal of Equity Instruments Measured at FVTOCI		
Issue of Bonus Shares		
Transaction costs on issue of Shares		
Dividend Paid		
Dividend Distribution Tax		
Transfer to Insurance Contract Liability		
Others (to be Specified)		
As on Ashadh 31, 2080	-	-

17 (f) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves		
Capital Reserves		
Corporate Social Responsibility(CSR) Reserves		
Insurance Fund		
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserve		
Other Reserve(to be specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

17(g) Non Controlling Interest

Fig. in NPR

Particulars	Current Year	Previous Year
Equity Interest Held by Non-Controlling Interest(NIC) xxx%		
Accumulated Balance of NCI as on Shrawan 1, 2079		
Total Comprehensive Income Allocated to NCI for the year		
Divident Paid to NCI		
Accumulated Balance of NCI as on Ashadh 32, 2080	-	-

18 Provisions

Fig. in NPR

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other Employee Benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others(to be Specified)		
Total	-	-

(a) Movement of Provisions, Contingent Liabilities and Contingent Assets

Description	Opening Balance	Additions During the Year	Utilised During the Year	Reversed During the Year	Unwinding of Discount	Closing Balance
Provision for employee benefits						
i) Provision for Leave						
ii) Provision for Gratuity						
iii) Termination Benefits						
iv) Other Employee Benefit obligations (to be Specified)						
Provision for tax related legal cases						
Provision for non-tax related legal cases						
Others(to be Specified)						

(b) Provision with expected payouts within 12 months

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other employee benefit obligations(to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others(to be Specified)		

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

19 Gross Insurance Contract Liabilities

Fig. in NPR

Particulars	Current Year	Previous Year
Life Insurance Fund as per Actuary Report (19.1)	-	-
Claim Payment Reserve including IBNR (19.2)	-	-
Transfer from:		
Fair Value Reserve		
Actuarial Reserve		
Revaluation Reserve		
Other Reserve		
Net gain on fair value changes on FVTPL instruments		
Fair Value Gain on Investment Properties		
Share of Profit of Associates accounted as per Equity Method		
Share of Other Comprehensive Income of Associates Accounted for using the Equity Method		
Total	-	-

i) Notes on the cash-flows considered for valuation of liabilities

ii) Notes on valuation methods and assumptions

iii) Notes on the discounting policy

iv) Notes on aggregation practises

v) Any other disclosures as required

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

19.2 Gross claim payment Reserve including IBNR/IBNER

Fig. in NPR

Description	Outstanding "Death Claim"		Outstanding "Maturity Claim"		Outstanding "Partial Maturity Claim"		Outstanding "Surrender Claim"		Outstanding "Other Claim"		IBNR/IBNER Claim		Gross outstanding claim reserve		
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	
Endowment														-	-
Anticipated Endowment														-	-
Endowment cum Whole Life														-	-
Whole Life														-	-
Foreign Employment Term														-	-
Micro Term														-	-
Special Term														-	-
Others (to be Specified)														-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Description	Gross outstanding claim reserve		Claim outstanding upto one year		Unclaimed fund as per sec 123(2) of Insurance Act		Transfer to Policyholder's protection fund		Gross claim payment reserve	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Endowment										
Anticipated Endowment										
Endowment cum Whole Life										
Whole Life										
Foreign Employment Term										
Micro Term										
Special Term										
Others (to be Specified)										
Total	-	-	-	-	-	-	-	-	-	-

Note: Claim outstanding upto one year includes all outstanding claim which have not been settled for more than one year from the date of intimation.

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

20 Insurance Payable

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer		
Payable to other Insurance Companies		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer		
Payable to other Insurance Companies		
Others (to be Specified)		
Total	-	-

21 Current Tax Assets/(Liabilities) (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities		
Income Tax Assets		
Total	-	-

22 Borrowings

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans-Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans-Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

23 Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable		
Unidentified deposits		
Advance Premiums		
Insurance Service Fee Payable		
Lease Liability		
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	-	-

Payable within 12 months

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable		
Unidentified deposits		
Advance Premiums		
Insurance Service Fee Payable		
Lease Liability		
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	-	-

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Agents		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
Total	-	-

Payable within 12 months

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Agents		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

25 Gross Earned Premiums

Fig.in NPR

Particulars	Direct Premium		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-	-	-
Endowment Cum Whole Life	-	-	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-	-	-
Foreing Employment Term	-	-	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-
Othes(to be Specified)	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

25.1 Gross Written Premiums

Particulars	First Year Premium		Renewal Premium		Single Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-	-	-
Endowment Cum Whole Life	-	-	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-	-	-
Foreing Employment Term	-	-	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-	-	-
Special Term	-	-	-	-	-	-	-	-
Othes(to be Specified)	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

26 Premiums Ceded

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premium		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-
Endowment cum Whole Life	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	-	-	-	-	-	-

26.1 Portfolio-wise detail of Net Earned Premium

Particulars	Gross Earned Premiums		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	-	-	-	-	-	-
Anticipated Endowment	-	-	-	-	-	-
Endowment cum Whole Life	-	-	-	-	-	-
Whole Life	-	-	-	-	-	-
Foreign Employment Term	-	-	-	-	-	-
Micro Term	-	-	-	-	-	-
Special Term	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-
Total	-	-	-	-	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

27 Commission Income

Fig.in NPR

Particulars	Reinsurance Commission		Profit Commission		Total Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment					-	-
Anticipated Endowment					-	-
Endowment Cum Whole Life					-	-
Whole Life					-	-
Foreing Employment Term					-	-
Micro Term					-	-
Special Term					-	-
Othes(to be Specified)					-	-
Total	-	-	-	-	-	-

28 Other Direct Income

Particulars	Other Direct Income		Late Fee		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment					-	-
Anticipated Endowment					-	-
Endowment Cum Whole Life					-	-
Whole Life					-	-
Foreing Employment Term					-	-
Micro Term					-	-
Special Term					-	-
Othes(to be Specified)					-	-
Total	-	-	-	-	-	-

29 Income from Investments and Loans

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions		
ii) Fixed Deposit with Infrastructure Bank		
iii) Fixed Deposit with "B" Class Financial Institutions		
iv) Fixed Deposit with "C" Class Financial Institutions		
v) Debentures		
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
vii) Bank Deposits other than Fixed Deposit		
viii) Agent Loans		
ix) Employee Loans		
x) Other Interest Income (to be Specified)		
Financial Assets Measured at FVTOCI		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Financial Assets Measured at FVTPL		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Rental Income		
Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

30 Net Gain/(Loss) on Fair Value Changes

Fig.in NPR

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Others (to be specified)		
Changes in Fair Value on Investment Properties		
Changes in Fair Value on Hedged Items in Fair Value Hedges		
Changes in Fair Value on Hedging Instruments in Fair Value Hedges		
Other (to be Specified)		
Total	-	-

31 Net Realised Gains/(Losses)

Particulars	Current Year	Previous Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Debentures		
iv) Others (to be specified)		
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs		
i) Debentures		
ii) Bonds		
iii) Others (to be specified)		
Total	-	-

32 Other Income

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Cost		
i) Employee Loan		
ii) Bonds		
iii) Others (to be Specified)		
Foreign Exchange Income		
Interest Income from Finance Lease		
Amortization of Deferred Income		
Profit from disposal of Property and Equipment		
Amortization of Deferred Income		
Stamp Income		
Others (to be specified)		
Total	-	-

	Gross Change in Insurance Contract Liabilities		Change in Reinsurance Assets		Net Change in Insurance Contract Liabilities	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Life Insurance Fund and gross claim payment reserve						
Endowment			-		-	-
Anticipated Endowment			-		-	-
Endowment cum Whole Life			-		-	-
Whole Life			-		-	-
Foreign Employment Term			-		-	-
Micro Term			-		-	-
Special Term			-		-	-
Others (to be Specified)			-		-	-
Total	-	-	-	-	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

35 Commission Expenses

Fig.in NPR

Particulars	Commission Expenses on First Year Premium		Commission Expenses on Renewal Premium		Commission Expenses on Single Premium		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment							-	-
Anticipated Endowment							-	-
Endowment Cum Whole Life							-	-
Whole Life							-	-
Foreign Employment Term							-	-
Micro Term							-	-
Special Term							-	-
Othes(to be Specified)							-	-
Total	-	-	-	-	-	-	-	-

36 Service Fees

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment					-	-
Anticipated Endowment					-	-
Endowment Cum Whole Life					-	-
Whole Life					-	-
Foreign Employment Term					-	-
Micro Term					-	-
Special Term					-	-
Othes(to be Specified)					-	-
Total	-	-	-	-	-	-

Note: Service fees shall be calculated on the basis of Gross Written Premiums as Per Note 25.1.

37 Other Direct Expenses

Particulars	Reinsurance Commission Expenses		Other Direct Expenses		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment					-	-
Anticipated Endowment					-	-
Endowment Cum Whole Life					-	-
Whole Life					-	-
Foreign Employment Term					-	-
Micro Term					-	-
Special Term					-	-
Othes(to be Specified)					-	-
Total	-	-	-	-	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

38 Employee Benefits Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Salaries		
Allowances		
Festival Allowances		
Defined Benefit Plans		
i) Gratuity		
ii) Others (to be Specified)		
Defined Contribution Plans		
i) Provident Fund/ Social Security Fund		
ii) Others (to be specified)		
Leave Encashments		
Termination Benefits		
Training Expenses		
Uniform Expenses		
Medical Expenses		
Insurance Expenses		
Staff Welfare		
Others(to be Specified)		
Sub-Total	-	-
Employees Bonus		
Total	-	-

39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)		
Depreciation on Property and Equipment (Refer Note.5)		
Depreciation on Investment Properties (Refer Note. 6)		
Total	-	-

40 Impairment Losses

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties, Goodwill & Intangible Assets		
i) Property and Equipment		
ii) Investment properties		
iii) Goodwill & Intangible Assets		
Impairment Losses on Financial Assets		
i) Investments		
ii) Loans		
iii) Other Financial Assets		
iv) Cash and Cash Equivalents		
v) Others (to be Specified)		
Impairment Losses on Other Assets		
i) Reinsurance Assets		
ii) Insurance Receivables		
iii) Lease Receivables		
iv) Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

41 Other Operating Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Rent Expenses		
Electricity and Water		
Repair & Maintenance		
i) Building		
ii) Vehicle		
iii) Office Equipments		
iv) Others(to be Specified)		
Telephone & Communication		
Printing & Stationary		
Office Consumable Expenses		
Travelling Expenses		
i) Domestic		
ii) Foreign		
Transportation Expenses		
Agents Training		
Agents Others		
Insurance Premium		
Security and Outsourcing Expenses		
Legal and Consulting Expenses		
Newspapers, Books and Periodicals		
Advertisement & Promotion Expenses		
Business Promotion		
Guest Entertainment		
Gift and Donations		
Board Meeting Fees and Expenses		
i) Meeting Allowances		
ii) Other Allowances		
Other Committee/ Sub-committee Expenses		
i) Meeting Allowances		
ii) Other Allowances		
General Meeting Expenses		
Actuarial Service Fee		
Other Actuarial Expenses		
Audit Related Expenses		
i) Statutory Audit		
ii) Tax Audit		
iii) Long Form Audit Report		
iv) Other Fees		
v) Internal Audit		
vi) Others (to be Specified)		
Bank Charges		
Fee and Charges		
Postage Charges		
Foreign Exchange Losses		
Others (to be Specified)		
Sub-Total	-	-
Medical examination fee		
Fines, interest, Late Fees and Penalties		
Total	-	-

42 Finance Cost

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions		
Unwinding of discount on Financial Liabilities at Amortised Costs		
Interest Expenses - Bonds		
Interest Expenses - Debentures		
Interest Expenses - Term Loans		
Interest Expenses - Leases		
Interest Expenses - Overdraft Loans		
Others (to be Specified)		
Total	-	-

ABC LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

43 **Income Tax Expense**

Fig.in NPR

(a) **Income Tax Expense**

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year		
ii) Income Tax Relating to Prior Periods		
Deferred Tax For The Year		
i) Originating and reversal of temporary differences		
ii) Changes in tax rate		
iii) Recognition of previously unrecognised tax losses		
iv) Write-down or reversal		
v) Others (to be Specified)		
Income Tax Expense	-	-

(b) **Reconciliation of Taxable Profit & the Accounting Profit**

Particulars	Current Year	Previous Year
Accounting Profit Before Tax		
Applicable Tax Rate		
Tax at the applicable rate on Accounting Profit		
Add: Tax effect of expenses that are not deductible for tax purpose		
Less: Tax effect on exempt income and additional deduction		
Less: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others(to be Specified)		
Income Tax Expense	-	-
Effective Tax Rate		

OR

Particulars	Current Year	Previous Year
Accounting Profit Before Tax		
Income Tax Expense		
Average Effective Tax Rate		
Less: Tax effect of expenses that are not deductible for tax purpose		
Add: Tax effect on exempt income and additional deduction		
Add: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others(to be Specified)		
Applicable Tax Rate	-	-

ABC Life Insurance Company Limited
Notes to the Consolidated Financial Statements
for the year ended Ashadh 32, 2080(July 16th, 2023)

Insurers may prepare their own accounting policies in compliance of Insurance Act, 2079, Financial directive issued by Nepal Insurance Authority, Nepal Financial Reporting Standards and Nepal Accounting Standards. However, the accounting policies of the insurer should include all the headings as prescribed in this recommendatory note to Financial statements.

1. Reporting Entity

ABC Life Insurance Company Limited (herein after referred to as the 'Company') is a public limited company, incorporated on..... and operated as Life Insurance Company after obtaining license on under the Insurance Act 2049. TheCompany is a subsidiary/Associates the Company.

The registered office of the Company is located atThe Company's share are listed on

The principal activities of the Company are to provide various life insurance products including participating and non-participating products through its province offices, branches, sub-branches, and network of agents.

2. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 20XX to 32nd Ashadh20XX with the corresponding previous year from 1st Shrawan 20XX to 32nd Ashadh20XX . These financial statements have been approved by the Board of Directors of(.....)

(b) Statement of Compliance

The Financial Statements of the Company comprises of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown as two separate statements, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements which have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB) and in compliance with the requirements of the Companies Act , 2006, directives issued by Nepal Insurance Authority and required disclosures as per Securities Board of Nepal. The format used in the preparation and presentation of the Financial Statements and disclosures made therein also complies with the specified formats prescribed in the directives of Nepal Insurance Authority.

The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

The financial statements are approved for issue by the Company's Board of Directors on

(c) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for following Assets & Liabilities which have been measured at Fair Value amount:

- i. Certain Financial Assets and Liabilities which are required to be measured at fair value

ii. Defined Employee Benefits

iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).

Historical cost is generally Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2 or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurements in its entirety, which are described as follows:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2- Inputs are inputs ,other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3- Inputs are unobservable inputs for the Asset or Liability.

(d) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the reported balance of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the year presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the Financial Statements.

(e) Functional and Presentation Currency

These Financial Statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

(f) Going Concern

The financial statements are prepared on going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operation of it.

(g) Change in Accounting Policies

Accounting Policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flow.

(h) Recent Accounting Pronouncements

Accounting standards issued and effective

Accounting standards issued and non-effective

(i) Carve-outs

The Company has not applied any carve outs provided by the ASB.

(j) Presentation of financial statements

The assets and liabilities of the Company presented in the Statement of Financial Position are grouped by the nature and listed in an order that reflects their relative liquidity and maturity pattern.

(k) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by Nepalese Financial Reporting Standards or Interpretation (issued by the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC) and as specifically disclosed in the Significant Accounting Policies of the Company.

(l) Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard-NAS 1 on 'Presentation of Financial Statements'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

3. Significant Accounting Policies

(a) Property and Equipment

i) Recognition

Freehold land is carried at historical cost and other items of property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

ii) Revaluation

After recognition as an assets, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers.

An increase in the carrying amount as a result of revaluation, is recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss. A decrease in the carrying amount as a result of revaluation, is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Difference between depreciation on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

iii) Depreciation

Depreciation of Property, Plant and Equipment other than the Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Straight Line Method (SLM)/ Diminishing Balance Method ((DBM)" based on Useful Life estimated by technical expert of the management.

The Assets Useful Life/ Rate of Depreciation and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Useful Life of Property, Plant and Equipment based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM/Rate for WDV
Land	
Buildings	
Leasehold Improvement	
Furniture & Fixture	
Computers and IT Equipment	
Officer Equipment	
Vehicles	
Other Assets	

iv) Derecognition

An item of Property, Plant and Equipment is derecognized upto disposal or when no Future Economic Benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

v) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

vi) Capital Work-In-Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development which are to be capitalized. Capital Work in Progress would be transferred to the relevant asset when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.

(b) Intangible Assets

i) Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Goodwill on business combination is recognized on the acquisition date at the excess of (a) over (b) below :

- (a) The aggregate of:
- a. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value
 - b. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and
 - c. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.
 - d. The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

ii)Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the entity.

Amortization is recognized in statement of profit of loss on Straight Line Method (SLM) over the estimated useful life of the intangible assets/ Diminishing Balance Method (DBM), from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates, The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Useful Life of Intangible Assets based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Soft wares	
Licenses	
Others(to be specified)	

iii)Derecognition

An Intangible Asset is derecognized when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

iv)Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Intangible Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognized in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(c) Investment Properties

Cost Model

Property that is held for rental income or for capital appreciation or both, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost, however, buildings are depreciated over their estimated useful lives as mentioned above.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

OR

Fair Value Model

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise, including the corresponding tax effect.

The fair value of investment property is determined by an external, independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category by property being valued.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

(d) Cash & Cash Equivalent

Cash & Cash Equivalent includes Cash in Hand, Cheque in Hand, Bank Balances and short term deposits with a maturity of three months or less.

(e) Financial Assets

i) Initial Recognition & Measurement

Financial Assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Assets at initial recognition.

When Financial Assets are recognized initially, they are measured at Fair Value, plus, in the case of Financial Assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried at Fair Value through Profit or Loss are expensed in the Statement of Profit or Loss.

ii) Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is achieved is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income in these financial assets is measured using effective interest rate method.

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

iii) De-Recognition

A Financial Assets is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Assets. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv) Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a financial asset or a group of financial assets is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(f) Financial Liabilities

i) Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition.

All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii) Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair Value due to short maturity of these instruments.

iii) De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(h) Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurer. These assets are created for the reinsurer's share of insurance contract liabilities.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the re-insurer. If a reinsurance asset is impaired, the company reduce the carrying amount accordingly and is recognized in statement of profit or loss.

(i) Equity

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(j) Reserves and Funds

- i) Share Application Money Pending Allotment :**
- ii) Share Premium :**
- iii) Revaluation Reserves:**
- iv) Capital Reserve:**
- v) Catastrophe Reserve:**
- vi) Corporate Social Responsibility (CSR) Reserves:**
- vii) Insurance Fund:**
- viii) Fair Value Reserves:**
- ix) Actuarial Reserves:**
- x) Deferred Tax Reserves:**
- xi) Other Reserves:**

(k) Insurance Contract Liabilities

i) Life Insurance Fund

The life insurance fund as per the actuarial valuation report including net policyholder's liability, cost of bonus, any other liabilities plus any unallocated surplus shall be presented under life insurance fund.

ii) Claim Payment Reserve including IBNR

Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the statement of financial position date, whether reported or not, together with related claims handling costs.

iii) Transfer from Reserves

Any regulatory transfer to be made from fair value reserve, actuarial reserve, revaluation reserves or any other reserve shall be presented under insurance contract liabilities.

Liability adequacy

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability.

(l) Employee Benefits

i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the Statement of Financial Position.

ii) Post-Employment Benefits

-Defined Contribution Plan

The Company pays Provident Fund contributions to publicly administered Provident Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expenses when they are due.

-Defined Benefit Plan

For Defined Benefit Plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

iii) Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in

respect of services provided by employees up to the end of the year using the Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognizes termination benefits at the earlier of the following dates:

- a) When the Company can no longer withdraw the offer of those benefits; and
- b) When the entity recognizes costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits. The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(m) Revenue Recognition

i) Gross Earned Premium

Gross Premium are recognized as soon as the amount of the premiums can be reliably measured. First premium is recognized from inception date. At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured.

ii) Unearned Premium

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a pro rate basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

iii) Premiums on Reinsurance Accepted

Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.

iv) Commission Income

Commission Income is recognized on accrual basis. If the income is for future periods, then they are deferred and recognized over those future periods.

v) Income from investment and loans

Interest income is recognized in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commission that are an integral part of the effective yield of the financial asset are recognized as an adjustment to the EIR of the instrument.

vi) Net realized gains and losses

Net realized gains and losses recorded in the statement or profit or loss include gains and losses on financial assets and properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

(n) Benefit, Claims and Expenses

i) Gross Benefits and Claims

Benefits and claims includes the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlement of claims. Benefits and claims that are incurred during the financial year are recognized when a claimable event occurs and/or the insurer is notified. Death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered.

Note: Please provide the basis of calculating reserves for Incurred But Not Reported Claims (IBNR)

ii) Claims ceded

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the term of the relevant contracts.

(o) Product Classification

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

The Company has following portfolios under which it operates its business:

i) Endowment

This is a with profit plan that makes provisions for the family of the Life Assured in event of his early death and also assures a lump sum at a desired age on maturity. It costs moderate premiums, has high liquidity and is savings oriented. This plan is opt for people of all ages and social groups who wish to protect their families from a financial setback that may occur owing to their demise.

ii) Anticipated

This scheme provides for specific periodic payments or partial survival benefits during the term of the policy itself so long as the policy holder is alive. It is therefore suitable to meet specified financial requirements needed for occasions like Brata Bandha, Academic Graduations etc. An important feature of plan is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival benefit amounts, which have already been paid. It is also with profit plan.

iii) Endowment Cum Whole Life

This plan is a combination of Endowment Assurance and Whole Life with profit plan. It provided financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the maturity of the policy to the assured in case of his survival.

iv) Whole Life

Whole life is a type of life insurance contract that provides insurance coverage of the contract holder for his or her entire life. Upon the inevitable death of the contract holder, the insurance payout is made to the contract's beneficiaries. These policies also include a savings component, which accumulates a cash value. This cash value is one of the key elements of whole life insurance.

v) Foreign Employment Term

The main objective of foreign employment term is providing insurance for financial assistance if there is death or elimination of any insured due to work or staying abroad.

vi) Other Term

Term life insurance, also known as pure life insurance, is life insurance that guarantees payment of a stated death benefit during a specified term. Once the term expires, the policyholder can renew it for another term, convert the policy to permanent coverage, or allow the policy to terminate.

vii) Special Term

Special Term insurance is modified version of term insurance with added benefits.

viii) Others to be Specified –(Anticipated Whole Life)

This scheme provides for specific periodic payments or partial survival benefits during the term of the policy itself so long as the policy holder is alive. An important feature of plan is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival benefit amounts, which have already been paid. It provides insurance coverage of the contract holder for his or her entire life. It is also with profit plan.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(q) Cash Flow Statement

Cash Flows are reported using the direct method, whereby major classes of cash receipts and cash payments are disclosed as cash flows.

(r) Leases

The lease liability has been accounted for under NFRS 16 "Leases". For all the significant lease, the Right-of-Use assets has been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date. The lease payment has been discounted at the incremental borrowing rate in lease which is ...%.

After the commencement date, the right of use asset has been measured using cost model. The lease liability has been increased to reflect interest on the lease liability & has been reduced by the lease payment.

The lease assets having the lease liability of equal to or less than 30 lacs present value at inception has been considered as low value and for those lease the expenses has been recognized under straight line basis.

(s) Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

i) Current Tax

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii) Deferred Tax

Deferred Tax is recognized on temporary difference between the carrying amounts of Assets and Liabilities in the Statement of Financial Position and their Tax Base. Deferred Tax Assets & Liabilities are recognized for

deductible and taxable temporary differences arising between the tax base of Assets & Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profit nor Loss at the time of the transaction.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred Tax Liabilities are generally recognized for all taxable Temporary Difference.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

(t) Provisions, Contingent Liabilities & Contingent Assets

i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Provisions for Contingent Liability are recognized in the books a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

ii) Contingent Liabilities

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

iii) Contingent Assets

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

(u) Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which in the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions.

(v) Earnings Per Share

Basic Earnings per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assumed conversion of all dilutive potential ordinary shares.

(w) Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".

Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

अनुसूची १
(दफा ५ को उपदफा (१) को खण्ड (क) सँग सम्बन्धित)
संचालक समितिको प्रतिवेदन

ABC NON-LIFE INSURANCE COMPANY LIMITED
Minimum Disclosure in Directors' Report

A Information related to Non-Life Insurer

Under this title following matters shall be disclosed

- 1 Date of establishment
- 2 Insurer licence date
- 3 Insurance business type, nature
- 4 Date of commencement of business
- 5 Other matters which insurer wish to include

B Insurer's Board of Directors shall approve following matters

- 1 Tax, service charges, fine and penalties to be paid under laws & regulation whether paid or not
- 2 Share structure of the insurer, changes if any in line with prevailing laws & regulation
- 3 Whether solvency ratio as prescribed by Nepal Insurance Authority is maintained or not
- 4 a) Statement regarding assets that financial amount contained in SOFP are not overstated than it's fair value.
b) Measurement basis of the assets recognized in financial statements.
- 5 Declaration on investment made by insurer that are in line with prevailing laws. If not reason to be disclosed.
- 6 Number of claim settled within the year and outstanding claim number and time frame to settle the outstanding claim.
Declaration on compliance with the provision of Insurance Act 2079, Insurance Regulation, Company Act 2063, NFRSs and other
- 7 prevailing laws & regulation to which insurer shall adhere to and any non compliance with reasons thereof.
- 8 Declaration that the appropriate accounting policy has been consistently adopted.
- 9 Declaration on Financial Statements as at Reporting Date that the insurer's Financial Position and Financial Performance are presented true & fairly.
- 10 Declaration that Board of Directors have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.
- 11 Declaration that Financial Statements have been prepared based on going concern basis.
- 12 Declaration that the internal control system is commensurate with the size, nature & volume of the insurer's business.
Declaration that the insurer has not conducted any transactions contrary to Insurance Act, 2079, Insurance Regulation, Companies
- 13 Act, 2063, related regulations and directions with any person, firm, company and insurer's director or with any entity in which insurer's director has interest.
- 14 Disclosure on any penalties, levied by Nepal Insurance Authority for the particular financial year.
- 15 Other disclosure which is deemed appropriate by Board of Directors/management

अनुसूची २
(दफा ५ को उपदफा (१) को खण्ड (ख) संग सम्वन्धित)

ABC NON-LIFE INSURANCE COMPANY LIMITED
Statement of Financial Position
As At ..th July, XXX1 (Ashad End 2080)

Fig in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	-	-
Property and Equipment	5	-	-
Investment Properties	6	-	-
Deferred Tax Assets	7	-	-
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	-	-
Loans	11	-	-
Reinsurance Assets	12	-	-
Current Tax Assets	21	-	-
Insurance Receivables	13	-	-
Other Assets	14	-	-
Other Financial Assets	15	-	-
Cash and Cash Equivalent	16	-	-
Total Assets		-	-
Equity & Liabilities			
Equity			
Share Capital	17 (a)	-	-
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17 (c)	-	-
Special Reserves	17 (d)	-	-
Catastrophe Reserves	17 (e)	-	-
Retained Earnings	17 (f)	-	-
Other Equity	17 (g)	-	-
Total Equity		-	-
Liabilities			
Provisions	18	-	-
Gross Insurance Contract Liabilities	19	-	-
Deferred Tax Liabilities	7	-	-
Insurance Payable	20	-	-
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	-	-
Other Financial Liabilities	24	-	-
Total Liabilities		-	-
Total Equity and Liabilities		-	-

The accompanying notes form an Integral Part of Financial Statements.

ABC NON-LIFE INSURANCE COMPANY LIMITED

Statement of Profit or Loss

For Period ..th July, XXX0 - ..th July, XXX1

(For the Year Ended Ashad 2080)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<u>Income:</u>			
Gross Earned Premiums	25	-	-
Premiums Ceded	26	-	-
Net Earned Premiums		-	-
Commission Income	27	-	-
Other Direct Income	28	-	-
Income from Investments & Loans	29	-	-
Net Gain/ (Loss) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	-	-
Other Income	32	-	-
Total Income		-	-
<u>Expenses:</u>			
Gross Claims Paid	33	-	-
Claims Ceded	33	-	-
Gross Change in Contract Liabilities	34	-	-
Change in Contract Liabilities Ceded to Reinsurers	34	-	-
Net Claims Incurred		-	-
Commission Expenses	35	-	-
Service Fees	36	-	-
Other Direct Expenses	37	-	-
Employee Benefits Expenses	38	-	-
Depreciation and Amortization Expenses	39	-	-
Impairment Losses	40	-	-
Other Operating Expenses	41	-	-
Finance Cost	42	-	-
Total Expenses		-	-
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		-	-
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		-	-
Income Tax Expense	43	-	-
Net Profit/(Loss) For The Year		-	-
Earning Per Share	51		
Basic EPS			
Diluted EPS			

The accompanying notes form an Integral Part of Financial Statements.

ABC NON-LIFE INSURANCE COMPANY LIMITED
Statement of Other Comprehensive Income
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad 2080)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		-	-
Other Comprehensive Income			
a) Items that are or may be Reclassified to Profit or Loss			
Changes in Fair Value of FVOCI Debt Instruments			
Cash Flow Hedge - Effective Portion of Changes in Fair Value			
Exchange differences on translation of Foreign Operation			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Reclassified to Profit or Loss			
b) Items that will not be Reclassified to Profit or Loss			
Changes in fair value of FVOCI Equity Instruments			
Revaluation of Property and Equipment/ Goodwill & Intangible Assets			
Remeasurement of Post-Employment Benefit Obligations			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Total Other Comprehensive Income For the Year, Net of Tax		-	-
Total Comprehensive Income For the Year, Net of Tax		-	-

The accompanying notes form an Integral Part of Financial Statements.

ABC NON-LIFE INSURANCE COMPANY LIMITED
Statement of Changes In Equity
For Period .th July, XXX0 - .th July, XXX1
(For the Year Ended Ashad 2080)

Fig. in NPR

Previous Year

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2078																-
Prior period adjustment																-
Restated Balance as at Shrawan 1, 2078																-
Profit/(Loss) For the Year																-
Other Comprehensive Income for the Year, Net of Tax																-
i) Changes in Fair Value of FVOCI Debt Instruments																-
ii) Gains/ (Losses) on Cash Flow Hedge																-
iii) Exchange differences on translation of Foreign Operation																-
iv) Changes in fair value of FVOCI Equity Instruments																-
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations																-
Transfer to Reserves/ Funds																-
Transfer to Deferred Tax Reserves																-
Transfer of Depreciation on Revaluation of Property and Equipment																-
Transfer on Disposal of Revalued Property and Equipment																-
Transfer on Disposal of Equity Instruments Measured at FVTOCI																-
Share Issuance Costs																-
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued																-
ii) Share Issue																-
iii) Cash Dividend																-
iv) Dividend Distribution Tax																-
v) Others (To be specified)																-
Balance as on Ashadh end, 2079	-		-	-	-	-		-				-	-	-	-	-
Balance as on Shrawan 1, 2079																-
Prior period adjustment																-
Restated Balance as at Shrawan 1, 2079																-
Profit/(Loss) For the Year																-
Other Comprehensive Income for the Year, Net of Tax																-
i) Changes in Fair Value of FVOCI Debt Instruments																-
ii) Gains/ (Losses) on Cash Flow Hedge																-
iii) Exchange differences on translation of Foreign Operation																-
iv) Changes in fair value of FVOCI Equity Instruments																-
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations																-
Transfer to Reserves/ Funds																-
Transfer to Deferred Tax Reserves																-
Transfer of Depreciation on Revaluation of Property and Equipment																-
Transfer on Disposal of Revalued Property and Equipment																-
Transfer on Disposal of Equity Instruments Measured at FVTOCI																-
Share Issuance Costs																-
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued																-
ii) Share Issue																-
iii) Cash Dividend																-
iv) Dividend Distribution Tax																-
v) Others (To be specified)																-
Balance as on Ashadh end, 2080																-

The accompanying notes form an Integral Part of Financial Statements.

ABC NON-LIFE INSURANCE COMPANY LIMITED

Statement of Cash Flows

For Period ..th July, XXX0 - ..th July, XXX1

(For the Year Ended Ashad 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received		
Reinsurance Commission Received		
Claim Recovery Received from Reinsurers		
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income Received		
Others (to be specified)		
Cash Paid		
Gross Benefits and Claims Paid		
Reinsurance Premium Paid		
Commission Paid		
Service Fees Paid		
Employee Benefits Expenses Paid		
Other Expenses Paid		
Other Direct Expenses Paid		
Others (to be specified)		
Income Tax Paid		
Net Cash Flow From Operating Activities [1]	-	-
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets		
Proceeds From Sale of Intangible Assets		
Acquisitions of Investment Properties		
Proceeds From Sale of Investment Properties		
Acquisitions of Property & Equipment		
Proceeds From Sale of Property & Equipment		
Investment in Subsidiaries		
Receipts from Sale of Investments in Subsidiaries		
Investment in Associates		
Receipts from Sale of Investments in Associates		
Purchase of Equity Instruments		
Proceeds from Sale of Equity Instruments		
Purchase of Mutual Funds		
Proceeds from Sale of Mutual Funds		
Purchase of Preference Shares		
Proceeds from Sale of Preference Shares		
Purchase of Debentures		
Proceeds from Sale of Debentures		
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits		
Maturity of Deposits		
Loans Paid		
Proceeds from Loans		
Rental Income Received		
Proceeds from Finance Lease		
Interest Income Received		
Dividend Received		
Others (to be specified)		
Total Cash Flow From Investing Activities [2]	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED

Statement of Cash Flows

For Period ..th July, XXX0 - ..th July, XXX1

(For the Year Ended Ashad 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		
Dividend Distribution Tax Paid		
Others (to be specified)		
Total Cash Flow From Financing Activities [3]	-	-
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	-	-
Cash & Cash Equivalents At Beginning of The Year/Period	-	
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	-	-
Components of Cash & Cash Equivalents		
Cash In Hand	-	-
Cheque in Hand		
Term Deposit with Banks (with initial maturity upto 3 months)		
Balance With Banks	-	-

Notes:

Insurers shall prepare Statement of Cash Flows using Direct Method. Insurers may voluntarily prepared Cash Flow Statement using Indirect Method as well.

The accompanying notes form an Integral Part of Financial Statements.

ABC NON-LIFE INSURANCE COMPANY LIMITED

Statement of Distributable Profit or Loss

For Period ..th July, XXX0 - ..th July, XXX1

(For the Year Ended Ashad 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings		
Transfer from OCI reserves to retained earning in current year		
Net profit or (loss) as per statement of profit or loss		
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Special Reserve		
iii) Transfer to Catastrophe Reserve		
iv) Transfer to Capital Reserve		
v) Transfer to CSR reserve		
vi) Transfer to/from Regulatory Reserve		
vii) Transfer to Fair Value Reserve		
viii) Transfer of Deferred Tax Reserve		
ix) Transfer to OCI reserves due to change in classification		
x) Others (to be Specified)		
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments		
b) Mutual Fund		
c) Others (if any)		
ii) Accumulated Fair Value gain on Investment Properties		
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges		
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges		
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges		
vi) Goodwill Recognised		
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency		
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account		
ix) Overdue loans		
x) Fair value gain recognised in Statement of Profit or Loss		
xi) Investment in unlisted shares		
xii) Delisted share Investment or mutual fund investment		
xiii) Bonus share/ dividend paid		
xiv) Deduction as per Sec 17 of Financial directive		
xiv) Deduction as per Sec 18 of Financial directive		
xv) Others (to be specified)		
Adjusted Retained Earning	-	-
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 15(1) Of Financial directive		
Add/Less: Others (to be specified)		
Total Distributable Profit/(loss)	-	-

4 Goodwill & Intangible Assets

Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be Specify)	Total
Gross carrying amount				
As at Shrawan 1, 2078				
Additions during the year				
Acquisition				-
Internal Development				-
Business Combination (to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment				-
Balance as at Ashadh 32, 2079	-	-	-	-
Additions during the year				
Acquisition				
Internal Development				
Business Combination (to be Specified)				
Disposals during the year				
Revaluation/Adjustment				
Balance as at Ashadh 31, 2080	-	-	-	-
Accumulated amortization and impairment				
As at Shrawan 1, 2078				
Additions during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh 32, 2079	-	-	-	-
Additions during the year				
Disposals during the year				
Impairment during the year				
Balance as at Ashadh 31, 2080	-	-	-	-
Capital Work-In-Progress				
As on Shrawan 1, 2078				
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 32, 2079	-	-	-	-
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 31, 2080	-	-	-	-
Net Carrying Amount				
As on Ashadh 32, 2079	-	-	-	-
As on Ashadh 31, 2080	-	-	-	-

6 Investment Properties

Fig. in NPR

Investment Properties at Cost

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 2078			-
Additions during the year			-
Acquisition			
Subsequent Expenditure			
Assets classified as held for sales			
Disposals during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2079	-	-	-
Additions during the year			-
Acquisition			
Subsequent Expenditure			
Assets classified as held for sales			
Disposals during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2080	-	-	-
Accumulated depreciation and impairment			
As at Shrawan 1, 2078			-
Additions during the year			-
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2079	-	-	-
Additions during the year			-
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2080	-	-	-
Capital Work-In-Progress			
As on Shrawan 1, 2078			
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 32, 2079	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 31, 2080			
Net Carrying Amount			
Net Balance As At Ashad 31, 2079	-	-	-
Net Balance As At Ashad 31, 2080	-	-	-

(i) Amounts recognised in statement of profit or loss

Particulars	Current Year	Previous Year
Rental income		
Direct operating expenses from property that generated rental income		
Direct operating expenses from property that didn't generated rental income		
Profit from investment properties before depreciation	-	-
Depreciation charge		
Profit from investment properties	-	-

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land		
Building		
Total	-	-

Notes on Fair Value :

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :

- i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
 ii) discounted cash flow projections based on reliable estimates of future cash flows,
 iii) capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.
 The fair values of investment properties have been determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

OR

Investment Properties at Fair Value

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 2078			-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2079	-	-	-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2080	-	-	-
Capital Work-In-Progress			
As on Shrawan 1, 2078			
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 32, 2079	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 31, 2080			
Net Carrying Amount			
Net Balance As At Ashad 31, 2079	-	-	-
Net Balance As At Ashad 31, 2080	-	-	-

Notes on Fair Value :

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :

- i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
 ii) discounted cash flow projections based on reliable estimates of future cash flows,
 iii) capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.
 The fair values of investment properties have been determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

ABC NON-LIFE INSURANCE COMPANY LIMITED

Notes to the Financial Statements

7 Deferred Tax Assets/(Liabilities)

Fig. in NPR

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Googwill & Intangible Assets			-			-
Property and Equipment			-			-
Financial Assets at FVPTL			-			-
Financial Assets at FVTOCI			-			-
Provision for Leave			-			-
Provision for Gratuity						
Impairment Loss on Financial Assets			-			-
Impairment Loss on Other Assets			-			-
Unearned Premiums Reserve						
Premium Deficiency Reserve						
IBNR and IBNER Claims						
Margin For Adverse Deviation						
Carry forward of unused tax losses						
Changes in tax rate						
Others (specify if any)						
Total	-	-	-	-	-	-
Deferred Tax Asstes			-			-
Deferred Tax Liabilities			-			-

Movements in deferred tax Assets/ (Liabilities)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
As at Shrawan 1, 2079						
Charged/(Credited) to Statement of Profit or Loss						
Charged/(Credited) to Other Comprehensive Income						
As at Ashadh 31, 2080			-	-		

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

8 Investment in Subsidiaries

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	-	-
Less: Impairment Losses		
Total	-	-

Investment in Quoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs. Each of Ltd.				
..... Shares of Rs. Each of Ltd.				
Total	-	-	-	-

Investment in Unquoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs. Each of Ltd.				
..... Shares of Rs. Each of Ltd.				
Total	-	-	-	-

Information Relating to Subsidiaries

Particulars	Percentage of Ownership	
	Current Year	Previous Year
..... Shares of Rs. Each of Ltd.		
..... Shares of Rs. Each of Ltd.		
..... Shares of Rs. Each of Ltd.		
..... Shares of Rs. Each of Ltd.		

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

9 Investment in Associates

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Quoted Associates		
Investment in Unquoted Associates		
Less: Impairment Losses		
Total	-	-

Investment in Quoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Ltd.						
..... Shares of Rs. Each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year						
Total	-	-	-	-	-	-

Investment in Unquoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Ltd.						
..... Shares of Rs. Each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year						
Total	-	-	-	-	-	-

Information Relating to Associates

Particulars	Current Year	Previous Year
Name		
Place of Business		
Accounting Method		
% of Ownership		
Current Assets		
Non-Current Assets		
Current Liabilities		
Non-Current Liabilities		
Income		
Net Profit or Loss		
Other Comprehensive Income		
Total Comprehensive Income		
Company's share of profits		
Net Profit or Loss		
Other Comprehensive Income		

ABC NON-LIFE INSURANCE COMPANY LIMITED

Notes to the Financial Statements

10 Investments

Fig. in NPR

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	-	-
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures		
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
iv) Fixed Deposits in "A" Class Financial Institutions		
v) Fixed Deposits in Infrastructure Banks		
vi) Fixed Deposits in "B" Class Financial Institutions		
vii) Fixed Deposits in "C" Class Financial Institutions		
viii) Others (to be Specified)		
Less: Impairment Losses		
Investments at FVTOCI	-	-
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
v) Others (to be Specified)		
Investments at FVTPL	-	-
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
v) Others (to be Specified)		
Total	-	-

a) Details of Impairment Losses

Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions		
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

b) Investments having expected maturities less than 12 months:

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)		
Investment in Equity Instruments (Unquoted)		
Investment in Mutual Funds		
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions		
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

c) Information relating to investment in equity instruments

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
Investment in Equity Instruments (Unquoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				

d) The company has earmarked investments amounting to NPR.... To Nepal Insurance Authority.

ABC NON-LIFE INSURANCE COMPANY LIMITED

Notes to the Financial Statements

11 Loans

Fig. in NPR

Particulars	Current Year	Previous Year
Loans measured at Amortised Cost		
Loan to Employees		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected repayment of loan within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees		
Others (to be Specified)		
Total	-	-

12 Reinsurance Assets

Particulars	Current Year	Previous Year
Reinsurance Assets on:		
Unearned Premium Reserve		
Premium Deficiency Reserve		
Outstanding Claims		
IBNR and IBNER Claim		
Margin For Adverse Deviation		
Less: Impairment Losses		
Total	-	-

13 Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurer		
Receivable from Other Insurance Companies		
Others(to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected receivable within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurer		
Receivable from Other Insurance Companies		
Others(to be Specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Fig. in NPR

14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advance To Suppliers		
VAT Receivable		
Staff Advances		
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses		
Deferred Agent Commission Expenses		
Lease Receivables		
Others (to be specified)		
Less: Impairment Losses		
Total	-	-

a) Expected to be recovered/ settled within 12 months:

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advance To Suppliers		
Staff Advances		
VAT Receivable		
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses		
Deferred Agent Commission Expenses		
Lease Receivables		
Others (to be specified)		
Total	-	-

15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest		
Other Receivables		
Other Deposits		
Sundry Debtors		
Other (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest		
Other Receivables		
Other Deposits		
Sundry Debtors		
Other (to be Specified)		
Total	-	-

16 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand		
Cheque in Hand		
Bank Balances		
i) Balance With "A" Class Financial Institutions		
ii) Balance With Infrastructure Banks		
iii) Balance With "B" Class Financial Institutions		
iv) Balance With "C" Class Financial Institutions		
Less: Impairment Losses		
Deposit with initial maturity upto 3 months		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

17 (a) Share Capital

Fig. in NPR

Particulars	Current Year	Previous Year
Ordinary Shares		
As at Shrawan 1, 2079		
Additions during the year		
i) Bonus Share Issue		
ii) Share Issue		
As at Ashadh 31, 2080		
Convertible Preference Shares (Equity Component Only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Irredeemable Preference Shares (Equity Component Only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Total	-	-

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Ordinary Shares of Rs. XXX Each		
Issued Capital:		
..... Ordinary Shares of Rs. XXX Each.		
Subscribed and Paid Up Capital:		
..... Ordinary Shares of Rs. XXX Each.		
Total	-	-

(ii) Preference Share Capital

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Issued Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Subscribed and Paid Up Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Total	-	-

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions				
Nepali Citizens				
Foreigners				
Others (to be Specified)				
Total (A)	-	-	-	-
Other than Promoters				
General Public				
Others (to be Specified)				
Total (B)	-	-	-	-
Total(A+B)	-	-	-	-

Details of shareholders holding 1% or more than 1% of the aggregate shares in the Company:

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

17(b) Share Application Money Pending Allotment

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment		
Total	-	-

17 (c) Share Premium

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Increase due to issue of shares at premium		
Decrease due to issue of bonus shares		
Transaction costs on issue of share		
Others (to be Specified)		
As on Ashadh 31, 2080	-	-

17 (d) Special Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Additions		
Utilizations		
As on Ashadh 31, 2080	-	-

17 (e) Catastrophe Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Additions		
Utilizations		
As on Ashadh 31, 2080	-	-

17 (f) Retained Earnings

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Net Profit or Loss		
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves		
Special Reserves		
Capital Reserves		
Catastrophe Reserves		
Corporate Social Responsibility (CSR) Reserves		
Insurance Fund including Insurance Reserves		
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserves		
Regulatory Reserves		
Other Reserve(to be specified)		
Transfer of Depreciation on Revaluation of Property and Equipment		
Transfer of Disposal of Revalued Property and Equipment		
Transfer of Disposal of Equity Instruments Measured at FVTOCI		
Issue of Bonus Shares		
Transaction costs on issue of Shares		
Dividend Paid		
Dividend Distribution Tax		
Others (to be Specified)		
As on Ashadh 31, 2080	-	-

17 (g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves		
Capital Reserves		
Corporate Social Responsibility (CSR) Reserves		
Insurance Fund including Insurance Reserves		
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserve		
Other Reserve(to be specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

18 Provisions

Fig. in NPR

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other Employee Benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		
Total	-	-

(a) Movement of Provisions, Contingent Liabilities and Contingent Assets

Description	Opening Balance	Additions During the Year	Utilised During the Year	Reversed During the Year	Unwinding of Discount	Closing Balance
Provision for employee benefits						
i) Provision for Leave						
ii) Provision for Gratuity						
iii) Termination Benefits						
iv) Other Employee Benefit obligations (to be Specified)						
Provision for tax related legal cases						
Provision for non-tax related legal cases						
Others (to be Specified)						

(b) Provision with expected payouts within 12 months

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other Employee Benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		

19 Gross Insurance Contract Liabilities

Particulars	Current Year	Previous Year
Unearned Premium Reserve		
Premium Deficiency Reserve		
Outstanding Claims		
IBNR and IBNER Claim		
Margin For Adverse Deviation		
Others		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED

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19.2 Disclosure of Outstanding claim

S.no	Type of insurance	Outstanding claim for claims intimated during the year (A)	Unclaimed Fund				Gross outstanding claim (A+B)	Reinsurance share (C)	Net Outstanding Claim (A+B-C)
			Outstanding claim for claims intimated during the previous 1 year	Outstanding claim for claims intimated during the previous 2 year	Outstanding claim for claims intimated during the previous 3 year	Total Unclaimed Fund (B)			
1	Property					-	-	-	
2	Motor					-	-	-	
3	Marine					-	-	-	
4	Engineering					-	-	-	
5	Micro					-	-	-	
6	Aviation					-	-	-	
7	Cattle and Crop					-	-	-	
8	Miscellaneous					-	-	-	
	Total	-	-	-	-	-	-	-	

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

20 Insurance Payable

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer		
Payable to Other Insurance Companies		
Portfolio Withdrawal Premium		
Outstanding Withdrawal Claims		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer		
Payable to other Insurance Companies		
Portfolio Withdrawal Premium		
Outstanding Withdrawal Claims		
Others (to be Specified)		
Total	-	-

21 Current Tax Assets/(Liabilities) (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities		
Income Tax Assets		
Total	-	-

22 Borrowings

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans-Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans-Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

23 Other Liabilities

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable		
VAT Payable		
Unidentified deposits		
Advance Premiums		
Insurance Service Fee Payable		
Lease Liability		
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	-	-

Payable within 12 months

Particulars	Current Year	Previous Year
TDS Payable		
VAT Payable		
Unidentified Deposits		
Advance Premiums		
Insurance Service Fee Payable		
Lease Liability		
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	-	-

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Insured		
Payable to Agents		
Payable to Surveyor		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
Total	-	-

Payable within 12 months

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Insured		
Payable to Agents		
Payable to Surveyor		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

25 Gross Earned Premiums

Fig.in NPR

Particulars	Direct Premiums		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-					-	-
Motor	-	-					-	-
Marine	-	-					-	-
Engineering	-	-					-	-
Micro	-	-					-	-
Aviation	-	-					-	-
Cattle and Crop	-	-					-	-
Miscellaneous	-	-					-	-
Total	-	-	-	-	-	-	-	-

25.1 Direct Premiums

Particulars	New Business Premium		Renewal Premium		Co-Insurance Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property							-	-
Motor							-	-
Marine							-	-
Engineering							-	-
Micro							-	-
Aviation							-	-
Cattle and Crop							-	-
Miscellaneous							-	-
Total	-	-	-	-	-	-	-	-

26 Premiums Ceded

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premiums		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property					-	-
Motor					-	-
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Total	-	-	-	-	-	-

26.1 Portfolio-wise detail of Net Earned Premiums

Particulars	Gross Earned Premiums		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-	-	-	-	-
Motor	-	-	-	-	-	-
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total	-	-	-	-	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

27 Commission Income

Fig.in NPR

Particulars	Reinsurance Commission Income		Deferred Commission Income		Profit Commission		Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property							-	-
Motor							-	-
Marine							-	-
Engineering							-	-
Micro							-	-
Aviation							-	-
Cattle and Crop							-	-
Miscellaneous							-	-
Total			-	-	-	-	-	-

28 Other Direct Income

Particulars	Direct Income		Others (to be Specified)		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property					-	-
Motor					-	-
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Total	-	-	-	-	-	-

29 Income from Investments & Loans

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions		
ii) Fixed Deposit with Infrastructure Bank		
iii) Fixed Deposit with "B" Class Financial Institutions		
iv) Fixed Deposit with "C" Class Financial Institutions		
v) Debentures		
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
vii) Bank Deposits other than Fixed Deposit		
xiii) Employee Loans		
ix) Other Interest Income (to be Specified)		
Financial Assets Measured at FVTOCI		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Financial Assets Measured at FVTPL		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Rental Income		
Others(to be Specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

30 Net Gain/ (Loss) on Fair Value Changes

Fig.in NPR

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Others (to be specified)		
Changes in Fair Value on Investment Properties		
Changes in Fair Value on Hedged Items in Fair Value Hedges		
Changes in Fair Value on Hedging Instruments in Fair Value Hedges		
Other (to be Specified)		
Total	-	-

31 Net Realised Gains/ (Losses)

Particulars	Current Year	Previous Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Debentures		
iii) Others (to be specified)		
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs		
i) Debentures		
ii) Bonds		
iii) Others (to be specified)		
Total	-	-

32 Other Income

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Cost		
i) Employee Loan		
ii) Bonds		
iii) Others (to be Specified)		
Foreign Exchange Income		
Interest Income from Finance Lease		
Amortization of Deferred Income		
Profit from disposal of Property and Equipment		
Amortization of Deferred Income		
Stamp Income		
Others (to be specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

35 Commission Expenses

Fig.in NPR

Particulars	Commission Expenses on Direct Premiums		Commission Expenses on Premium on Reinsurance Accepted		Deferred Commission Expenses		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property							-	-
Motor							-	-
Marine							-	-
Engineering							-	-
Micro							-	-
Aviation							-	-
Cattle and Crop							-	-
Miscellaneous							-	-
Total	-	-	-	-	-	-	-	-

36 Service Fees

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property					-	-
Motor					-	-
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Total	-	-	-	-	-	-

Note: Service fee shall be calculated on the basis of gross written premium.

37 Other Direct Expenses

Particulars	Direct Expenses		Other(to be Specified)		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property					-	-
Motor					-	-
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Total	-	-	-	-	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

38 Employee Benefits Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Salaries		
Allowances		
Festival Allowances		
Defined Benefit Plans		
i) Gratuity		
ii) Others (to be Specified)		
Defined Contribution Plans		
i) Provident Fund/ Social Security Fund		
ii) Others (to be specified)		
Leave Encashments		
Termination Benefits		
Training Expenses		
Uniform Expenses		
Medical Expenses		
Insurance Expenses		
Staff Welfare Expenses		
Others(to be Specified)		
Sub Total	-	-
Employees Bonus		
Total	-	-

39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)		
Depreciation on Property and Equipment(Refer Note.5)		
Depreciation on Investment Properties (Refer Note. 6)		
Total	-	-

40 Impairment Losses

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties and Goodwill & Intangible Assets		
i) Property and Equipment		
ii) Investment properties		
iii) Goodwill & Intangible Asssets		
Impairment Losses on Financial Assets		
i) Investments		
ii) Loans		
iii) Other Financial Assets		
iv)Cash and Cash Equivalentents		
v)Others (to be Specified)		
Impairment Losses on Other Assets		
i) Reinsurance Assets		
ii) Insurance Receivables		
iii) Lease Receivables		
iv)Others (to be Specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

41 Other Operating Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Rent Expenses		
Electricity and Water		
Repair & Maintenance		
i) Building		
ii) Vehicle		
iii) Office Equipments		
iv) Others(to be Specified)		
Telephone & Communication		
Printing & Stationary		
Office Consumable Expenses		
Travelling Expenses		
i) Domestic		
ii) Foreign		
Transportation & Fuel Expenses		
Agent Training		
Other Agent Expenses		
Insurance Premium		
Security & Outsourcing Expenses		
Legal and Consulting Expenses		
Newspapers, Books and Periodicals		
Advertisement & Promotion Expenses		
Business Promotion		
Guest Entertainment		
Gift and Donations		
Board Meeting Fees and Expenses		
i) Meeting Allowances		
ii) Other Allowances		
Other Committee/ Sub-committee Expenses		
i) Meeting Allowances		
ii) Other Allowances		
General Meeting Expenses		
Actuarial Service Fee		
Other Actuarial Expenses		
Audit Related Expenses		
i) Statutory Audit		
ii) Tax Audit		
iii) Long Form Audit Report		
iv) Other Fees		
v) Internal Audit		
vi) Others(to be Specified)		
Bank Charges		
Fee and Charges		
Postage Charges		
Foreign Exchange Losses		
Fines and Penalties		
Others (to be Specified)		
Total	-	-

42 Finance Cost

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions		
Unwinding of discount on Financial Liabilities at Amortised Costs		
Interest Expenses - Bonds		
Interest Expenses - Debentures		
Interest Expenses - Term Loans		
Interest Expenses - Leases		
Interest Expenses - Overdraft Loans		
Others (to be Specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Financial Statements

43 **Income Tax Expense**

Fig.in NPR

(a) **Income Tax Expense**

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year		
ii) Income Tax Relating to Prior Periods		
Deferred Tax For The Year		
i) Originating and reversal of temporary differences		
ii) Changes in tax rate		
iii) Recognition of previously unrecognised tax losses		
iv) Write-down or reversal		
v) Others (to be Specified)		
Income Tax Expense	-	-

(b) **Reconciliation of Taxable Profit & the Accounting Profit**

Particulars	Current Year	Previous Year
Accounting Profit Before Tax		
Applicable Tax Rate		
Tax at the applicable rate on Accounting Profit		
Add: Tax effect of expenses that are not deductible for tax purpose		
Less: Tax effect on exempt income and additional deduction		
Less: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others(to be Specified)		
Income Tax Expense	-	-
Effective Tax Rate		

OR

Particulars	Current Year	Previous Year
Accounting Profit Before Tax		
Income Tax Expense		
Average Effective Tax Rate		
Less: Tax effect of expenses that are not deductible for tax purpose		
Add: Tax effect on exempt income and additional deduction		
Add: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others(to be Specified)		
Applicable Tax Rate	-	-

44 Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashadh, 20X2 (July, 20X2) the company has recognised an amount of NPR. as an expenses under the defined contribution plans in the Statement of Profit or Loss.

b) Post Employment Benefit - Defined Benefit Plans

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out.

c) Total Expenses Recognised in the Statement of Profit or Loss

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost				
Past service cost				
Net interest cost (a-b)				
a. Interest expense on defined benefit obligation (DBO)				
b. Interest (income) on plan assets				
Defined benefit cost included in Statement of Profit or Loss	-	-	-	-

d) Remeasurement effects recognised in Statement of Other Comprehensive Income (OCI)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
a. Actuarial (gain)/ loss due to financial assumption changes in DBO				
b. Actuarial (gain)/ loss due to experience on DBO				
c. Return on plan assets (greater)/ less than discount rate				
Total actuarial (gain)/ loss included in OCI	-	-	-	-

e) Total cost recognised in Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss				
Remeasurements effects recognised in OCI				
Total cost recognised in Comprehensive Income	-	-	-	-

f) Change in Defined Benefit Obligation

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year				
Service cost				
Interest cost				
Benefit payments from plan assets				
Actuarial (gain)/ loss - financial assumptions				
Actuarial (gain)/ Loss - experience				
Defined Benefit Obligation as at Year End	-	-	-	-

g) Change in Fair Value Of Plan Assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year				
Interest Income				
Expected return on plan assets				
Employer contributions				
Participant contributions				
Benefit payments from plan assets				
Transfer in/ transfer out				
Actuarial gain/ (loss) on plan assets				
Fair value of Plan Assets as at Year End	-	-	-	-

h) Net Defined Benefit Asset/(Liability)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation			-	-
Fair Value of Plan Assets			-	-
Liability/ (Asset) Recognised in Statement of Financial Position	-	-	-	-

i) Expected Company Contributions for the Next Year

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year				

j) Reconciliation of amounts in Statement of Financial Position

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end				
Defined benefit cost included in Statement of Profit or Loss				
Total remeasurements included in OCI				
Acquisition/ divestment				
Employer contributions				
Net defined benefit liability/(asset)	-	-	-	-

k) Reconciliation of Statement of Other Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period				
Total remeasurements included in OCI				
Cumulative OCI - (Income)/Loss	-	-	-	-

l) Current/Non - Current Liability

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability				
Non - Current Liability				
Total	-	-	-	-

m) Expected Future Benefit Payments

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year				
Between 1-2 years				
Between 2-5 years				
From 6 to 10				
Total	-	-	-	-

n) Plan assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year (% Invested)	Previous Year (% Invested)	Current Year (% Invested)	Previous Year (% Invested)
Government Securities (Central and State)				
Corporate Bonds (including Public Sector bonds)				
Mutual Funds				
Deposits				
Cash and bank balances				
Others (to be Specified)				
Total	-	-	-	-

o) Sensitivity Analysis

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Effect in Defined Benefit Obligation Due to 1% Increase in Discount Rate				
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate				
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate				
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate				
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate				
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate				

p) Assumptions

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate		
Escalation Rate (Rate of Increase in Compensation Levels)		
Attrition Rate (Employee Turnover)		
Mortality Rate During Employment		

Notes to Financial Statements (Continued...)

45 Fair Value Measurements

(i) Financial Instruments by Category & Hierarchy

This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are (a) recognised and measured at fair value and (b) measured at Amortised Cost and for which Fair Values are disclosed in the Financial Statements.

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Investments							
i) Investment in Equity Instruments							
Investment in Equity (Quoted)	1						
Investment in Equity (Unquoted)	3						
ii) Investment in Mutual Funds	1						
iii) Investment in Preference Shares of Bank and Financial Institutions							
iv) Investment in Debentures	3						-
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3						-
vi) Fixed Deposits	3						-
vii) Others (to be specified)							
Loans	3						-
Other Financial Assets	3						-
Cash and Cash Equivalents	3						-
Total Financial Assets							-
Borrowings							-
Other Financial Liabilities	3						-
Total Financial Liabilities							-

Level 1: Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There is no transfer of Financial Instruments between different levels as mentioned above during the year.

(ii) Valuation Technique Used to Determine Fair Value

- Use of quoted market prices or dealer quotes for similar instruments
- Fair Value of remaining financial instruments is determined using discounted cash flow analysis

(iii) Valuation Process

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Discussion on valuation processes and results are held at least once in a year.

The main level 3 inputs are derived and evaluated as follows:

- Discount rate is arrived at considering the internal and external factors.
- Discounting has been applied where assets and liabilities are non-current, and the impact of the discounting is material

(iv) Fair Value of Financial Assets and Liabilities Measured at Amortised Cost

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investments				
i) Investment in Preference Shares of Bank and Financial Institutions				
ii) Investment in Debentures				
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)				
iv) Fixed Deposit				
v) Others (to be Specified)				
Loans				
i) Loan to Employees				
ii) Others (to be Specified)				
Other Financial Assets				
Total Financial Assets at Amortised Cost			-	-
Borrowings				
i) Bonds				
ii) Debentures				
iii) Term Loans - Bank and Financial Institution				
iv) Bank Overdrafts				
v) Others (to be Specified)				
Other Financial Liabilities				
Total Financial Liabilities at Amortised Cost			-	-

The fair values of the above financial instruments measured at amortised cost are calculated based on cash flows discounted using current discount rate.

The carrying amounts of cash and cash equivalents are considered to be the same as their fair values due to their short-term nature.

Recommendatory Notes to Financial Statements (Continued...)

Note: Insurers should have their own risk management policy and notes shall be prepared accordingly. However, the insurer should include all the headings and tables as prescribed in this recommendatory note.

46 Insurance Risk

Insurance risk includes the risk of incurring higher claims costs than expected owing to the random nature of claims, frequency and severity and the risk of change in the legal or economic conditions of insurance or reinsurance cover. This may result in the insurer having either received too little premium for the risks it has agreed to underwrite and hence has not enough funds to invest and pay claims, or that claims are in excess of those expected.

The Company seeks to minimise insurance risk through a formalised reinsurance arrangement with an appropriate mix and spread of business between classes of business based on its overall strategy. This is complemented by observing formalised risk management policies.

The Company considers insurance risk to be a combination of the following components of risks:

- a) Product development
- b) Pricing
- c) Underwriting
- d) Claims Handling
- e) Reinsurance
- f) Reserving

a) Product development:

The Company principally issues the following types of Non-Life Insurance contracts:

- Property
- Motor
- Marine
- Engineering
- Micro
- Aviation
- Cattle and Crop
- Miscellaneous

The above risk exposure is mitigated by the diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business.

b) Pricing:

The pricing of an insurance product involves the estimation of claims, operational and financing costs and the income arising from investing the premium received. The pricing process typically comprises collecting data on the underlying risks to be covered, determining the pricing assumptions and the base rate, setting the final premium rate, and monitoring the review of the appropriateness of pricing.

The Company collects adequate data to validate the reasonableness of the underlying assumptions used for pricing. The base rate represents the amount required to meet the value of anticipated benefits, expenses, and margins for risks and profit. Data primarily relates to the company's own historical experience and that of the industry where relevant. These may be supplemented by other internal and external data, and could include trends observed in claims costs and expenses.

Pricing is done by modelling all identified risks, using appropriate methodologies depending on the complexity of the risks and available data. Adequate buffers are kept in the premiums to cushion against the risk that actual experience may turn out to be worse than expected.

c) Underwriting:

The Company's underwriting process is governed by the by the internal underwriting procedures. Some of the actions undertaken to mitigate underwriting risks are detailed below:

- i) Investments are made on the training and development of underwriting and claims management staff, including those attached to the distribution network.
- ii) Application of Four-Eye principle on underwriting process.
- iii) Pre-underwriting inspections are made on new business over a predetermined threshold to evaluate risk prior to acceptance.
- iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed.
- v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers.

d) Claims handling:

Some of the actions undertaken to mitigate claims risks is detailed below:

- i) Claims are assessed immediately.
- ii) Assessments are carried out by in-house as well as independent assessors/loss adjustors working throughout.
- iii) The service of a qualified independent actuary is obtained annually to assess the adequacy of reserves.
- iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed.
- v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers.

e) Reinsurance

The Company purchases reinsurance as part of its risks mitigation programme. Premium ceded to the reinsurers is in accordance with the terms of the programmes already agreed based on the risks written by the insurance companies. Recoveries from reinsurers on claims are based on the cession made in respect of each risk and is estimated in a manner consistent with the outstanding claims provisions made for the loss. Although we mitigate our exposures through prudent reinsurance arrangements, the obligation to meet claims emanating from policy holders rests with the Company. Default of reinsurers does not negate this obligation and in that respect the Company carries a credit risk up to the extent ceded to each reinsurer.

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Sensitivities

The non-life insurance claim liabilities are sensitive to the key assumptions as mentioned in the table below.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and profit after tax. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

Particulars	Changes in Assumptions	Current Year				Previous Year			
		Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax
Average Claim Cost	+ 10%								
Average Number of Claims	+ 10%								
Average Claim Cost	- 10%								
Average Number of Claims	- 10%								

Claim development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive incident year at each reporting date, together with

Gross outstanding claim provision

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year							-
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Current estimate of cumulative claims		-	-	-	-	-	-
At end of incident year							-
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Cumulative payments to date							-
Gross outstanding claim provision		-	-	-	-	-	-

Net outstanding claim provision

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year							-
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Current estimate of cumulative claims		-	-	-	-	-	-
At end of incident year							-
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Cumulative payments to date		-	-	-	-	-	-
Net outstanding claim provision		-	-	-	-	-	-

f) Reserving

Insurance Contract Liabilities are created to cover this risk based on the actuarial valuation report.

The table below sets out the concentration of risk associated with above mentioned products. Risk as at year end has been measured as insurance contract liabilities and disclosed as

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Property			-			-
Motor			-			-
Marine			-			-
Engineering			-			-
Micro			-			-
Aviation			-			-
Cattle and Crop			-			-
Miscellaneous			-			-
Total		-	-		-	-

Notes to Financial Statements (Continued...)

47 Financial Risk

a) The Company's activities expose it to Credit Risk, Liquidity Risk & Market Risk.

i) Credit Risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company. Thus, for an insurance contract, credit risk

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

a) Company has credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

b) Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by entering into agreement with more than one party. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

c) The company deals with only creditworthy counterparties and obtains sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh ..., 20X2

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses					
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses					
Credit Risk has significantly increased and credit impaired						

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh ..., 20X1

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses					
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses					
Credit Risk has significantly increased and credit impaired						

Reconciliation of Loss Allowance Provision

Particulars	Measured at 12 months expected credit losses	Measured at life-time expected credit	
		Credit Risk has significantly increased and not credit impaired	Credit Risk has significantly increased and credit impaired
Loss Allowance on Ashadh ..., 20X1			
Changes in loss allowances			
Write-offs			
Recoveries			
Loss Allowance on Ashadh ..., 20X2	-	-	-

ii) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

Maturity of Financial Liabilities:

The table below summarises the Company's Financial Liabilities into Relevant Maturity Groupings based on their Contractual Maturities for all Financial Liabilities.

Particulars	Current Year			Previous Year		
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	Upto 1 Year	1 Year to 5 Year	More than 5 Year
Borrowings						
Other Financial Liabilities						
Total Financial Liabilities	-	-	-	-	-	-

iii) Market Risk

a1) Foreign Currency Risk Exposure

Foreign exchange risk is the potential for the Company to experience volatility in the value of its assets, liabilities and solvency and to suffer actual financial losses as a result of changes in value between the currencies of its assets and liabilities and its reporting currency. The Company does not maintain foreign currency denominated assets in its investment portfolios and as such is not exposed to foreign exchange risk related to investments.

Alternative note for Foreign Currency Risk Exposure (where there is Foreign Currency Risk)

Operation of the Company has exposed it to foreign exchange risk arising from foreign currency transactions, with respect to the USD and Currency A. The risk is measured through a The Company's exposure to foreign currency risk at the end of the reporting period expressed in NPR, are as follows:

Particulars	-		Previous Year	
	USD	Currency A	USD	Currency A
Investments				
Loans				
Insurance Receivables				
Other Financial Assets				
Less: Derivative Assets				
i) Foreign exchange forward contracts - Sell Foreign Currency				
ii) Foreign exchange option contracts - Sell Foreign Currency				
Net Exposure to Foreign Currency Risk/ (Assets)	-	-	-	-
Insurance Payables				
Other Financial Liabilities				
Less: Derivative Liabilities				
i) Foreign exchange forward contracts - Buy Foreign Currency				
ii) Foreign exchange option contracts - Buy Foreign Currency				
Net Exposure to Foreign Currency Risk/ (Liabilities)	-	-	-	-

a2) Foreign Currency Risk - Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on the other components of equity arising from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

Particulars	Impact on profit after tax		Impact on other component of equity	
	Current Year	Previous Year	Current Year	Previous Year
USD sensitivity				
NPR/ USD - Increases by 10% *				
NPR/ USD - Decreases by 10% *				
Currency A sensitivity				
NPR/ USD - Increases by 10% *				
NPR/ USD - Decreases by 10% *				

* Holding all other variable constant

b1) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The major interest rate risk that the Company is exposed to is the discount rate for determining insurance liabilities.

b2) Interest Rate Sensitivity

Profit or Loss is sensitive to changes in Interest Rate for Borrowings.

A change in Market Interest Level by 1% which is reasonably possible based on Management's Assessment would have the following effect on the Profit After Tax.

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*		
Interest Rate - Decrease By 1%*		

* Holding all other Variable Constant

c1) Equity Price Risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company has invested in equity securities and the exposure is equity securities price risk from investments held by the Company and classified in the statement of financial position as fair value through OCI.

c2) Sensitivity

The table below summarises the impact of increase/decrease of the index in the Company's equity and impact on OCI for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 1% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*		
Interest Rate - Decrease By 1%*		

* Other components of equity would increase/decrease as a result of gains/ (losses) on equity securities classified as fair value through other comprehensive income.

Operational Risk is the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, people and systems or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

49 Climate Related Risk

Please provide the disclosure related to climate risk.

50 Capital Management

The Company's objectives when managing Capital are to:

- Safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Regulatory minimum paid up capital

Non-Life insurance companies were required by the Directive of Nepal Insurance Authority to attain a stipulated minimum paid up capital of NPR..... billion by As on the reporting date, the company's paid up capital is NPR

Dividend

Particulars	Current Year	Previous Year
(i) Dividends recognised		
Final dividend for the year ended Ashadh .., 20X1 of NPR/- (Ashadh .., 20X1 - NPR/-) per fully paid share	-	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the year ended the directors have recommended the payment of a final dividend of NPR/- per fully paid equity share (Ashadh .., 20X1 - NPR/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	-	-

51 Earnings Per Share

Particulars	Current Year	Previous Year
Profit For the Year		
Less: Dividend on Preference Shares		
Profit For the Year used for Calculating Basic Earning per Share		
Add: Interest saving on Convertible Bonds		
Profit For the Year used for Calculating Diluted Earning per Share		
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share		
Adjustments for calculation of Diluted Earning per Share:		
i) Dilutive Shares		
ii) Options		
iii) Convertible Bonds		
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share	-	-
Nominal Value of Equity Shares		
Basic Earning Per Share		
Diluted Earning Per Share		
Proposed Bonus Share		
Weighted Average Number of Equity Shares Outstanding During the Year for Restated Earning Per Share		
Restated Basic Earning Per Share		
Restated Diluted Earning Per Share		

Notes to Financial Statements (Continued...)

c) Reconciliation of Segmental Profit with Statement of Profit or Loss

Particulars	Current Year	Previous Year
Add: Net Gains/ (Losses) on Fair Value Changes		
Add: Net Realised Gains/ (Losses)		
Add: Other Income		
Less: Depreciation and Amortization		
Less: Impairment Losses		
Less: Finance Cost		
Profit Before Tax	-	-

d) Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets		
Goodwill & Intangible Assets		
Property, Plant and Equipment		
Investment Properties		
Deferred Tax Assets		
Investment in Subsidiaries		
Investment in Associates		
Investments		
Loans		
Current Tax Assets		
Other Assets		
Other Financial Assets		
Cash and Cash Equivalents		
Total Assets	-	-

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	#REF!	#REF!
Provisions		
Deferred Tax Liabilities		
Current Tax Liabilities		
Other Financial Liabilities		
Other Liabilities		
Total Liabilities	#REF!	#REF!

Notes to Financial Statements (Continued...)

53 Related Party Disclosure

(a) Identify Related Parties

Holding Company:

Subsidiaries:

Associates:

Fellow Subsidiaries:

Key Management Personnel:

(b) Key Management Personnel Compensation:

Particulars	Current Year	Previous Year
Short-term employee benefits		
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Total	-	-

Payment to Chief Executive Officer (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances		
Performance based allowances		
i) Employee Bonus		
ii) Benefits as per prevailing provisions		
iii) Incentives		
Insurance related benefits		
i) Life Insurance		
ii) Accident Insurance		
iii) Health Insurance (including family members)		
Total	-	-

(c) Related Party Transactions:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Premium Earned						
Current Year						
Previous Year						
Commission Income						
Current Year						
Previous Year						
Rental Income						
Current Year						
Previous Year						
Interest Income						
Current Year						
Previous Year						
Sale of Property & Equipment						
Current Year						
Previous Year						
Purchase of Property & Equipment						
Current Year						
Previous Year						
Premium Paid						
Current Year						
Previous Year						
Commission Expenses						
Current Year						
Previous Year						
Dividend						
Current Year						
Previous Year						

Meeting Fees						
Current Year						
Previous Year						
Allowances to Directors						
Current Year						
Previous Year						
Others (to be specified)						
Current Year						
Previous Year						

(d) Related Party Balances:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
Current Year						
Previous Year						
Other Receivables (to be Specified)						
Current Year						
Previous Year						
Payables including Reinsurance Payables						
Current Year						
Previous Year						
Other Payables (to be Specified)						
Current Year						
Previous Year						

Notes to Financial Statements (Continued...)

54 Leases

(a) Leases as Lessee

(i) Operating Leases:

The Company has various operating leases ranging from years to years for Non-cancellable periods range from months to months. The leases are renewable by mutual consent and contain escalation clause. Rental expenses for operating leases recognised in the Statement of Profit and Loss for the year is NPR (Ashadh ..., 20X1/ July ..., 20X1: NPR).

Disclosure in respect of Non-cancellable lease is as given below

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year		
ii) Later than 1 year and not later than 5 years		
iii) Later than 5 years		

(ii) Finance Lease:

The Company holds assets under finance leases. Future minimum lease payments and lease liability at the end of the year is given below:

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year		
ii) Later than 1 year and not later than 5 years		
iii) Later than 5 years		
Total Future Minimum Lease Payments	-	-
Less: Effect of Discounting		
Finance lease liability recognised	-	-

(b) Leases as Lessor

(i) Operating Lease:

The Company has leased out certain office spaces that are renewable on a periodic basis. Rental income received during the year in respect of operating lease is NPR (Ashadh ..., 20X1/ July ..., 20X1: NPR). Details of assets given on operating lease as at year end are as below.

Disclosure in respect of Non-cancellable lease is as given below

Future Minimum Lease Income	Current Year	Previous Year
i) Not Later than 1 year		
ii) Later than 1 year and not later than 5 years		
iii) Later than 5 years		

(ii) Finance Lease:

The Company has given assets under finance leases. At the year end receivables under finance lease agreements fall due as follows:

Particulars	Current Year			Previous Year		
	Gross Investment	Unearned Finance Income	Net Investment	Gross Investment	Unearned Finance Income	Net Investment
i) Not Later than 1 year						
ii) Later than 1 year and not later than 5 years						
iii) Later than 5 years						
Total	-	-	-	-	-	-

55 Capital Commitments

Estimated amount of contracts remaining to be executed in capital accounts and not provided for

Particulars	Current Year	Previous Year
Property and Equipment		
Investment Properties		
Goodwill & Intangible Assets		
Total	-	-

56 Contingent Liabilities

Estimated amount of contracts remaining to be executed in capital accounts and not provided for (net of advances)

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as debts		
a) Income Tax		
b) Indirect Taxes		
c) Others (to be Specified)		
Total	-	-

57 Events occurring after Balance Sheet

58 Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are:

Particulars	Current Year	Previous Year
Reinsurance Receivables		
Investments in equity		
Fixed Deposits		
Property and Equipment		
Others (to be Specified)		
Total	-	-

59 Corporate Social Responsibility

60 Miscellaneous

(i) All amounts are in Nepalese Rupees unless otherwise stated.
(ii) All figures are in the Nearest Rupee & Rounded off.

61 Others (to be Specified)

अनुसूची ३
(दफा ५ को उपदफा (१) को खण्ड (ग) सँग सम्बन्धित)
ABC NON-LIFE INSURANCE COMPANY LIMITED
Major Financial Indicators

S.N	Particular	Indicators	Fiscal Year				
			2079/80	2078/79	2077/78	2076/77	2075/76
	Equity:						
1	Net worth	NPR					
2	Number of Shares	No.s					
3	Book value per shares	NPR					
4	Net Profit	NPR					
5	Earning per Shares (EPS)	NPR					
6	Dividend per Shares (DPS)	NPR					
7	Market Price per Shares (MPPS)	NPR					
8	Price Earning Ratio (PE Ratio)	Ratio					
9	Change in Equity	%					
10	Return on Equity	%					
11	Capital to Total Net Assets Ratio	%					
12	Capital to Technical Reserve Ratio	%					
13	Affiliate Ratio	%					
	Business:						
14	Total Premium Growth Rate						
	<i>Property</i>	%					
	<i>Motor</i>	%					
	<i>Marine</i>	%					
	<i>Engineering</i>	%					
	<i>Micro</i>	%					
	<i>Aviation</i>	%					
	<i>Cattle and Crop</i>	%					
	<i>Miscellaneous</i>	%					
15	Net Premium Growth Rate	%					
	<i>Property</i>	%					
	<i>Motor</i>	%					
	<i>Marine</i>	%					
	<i>Engineering</i>	%					
	<i>Micro</i>	%					
	<i>Aviation</i>	%					
	<i>Cattle and Crop</i>	%					
	<i>Miscellaneous</i>	%					
16	Net Insurance Premium/ Gross Insurance Premium						
	<i>Property</i>	%					
	<i>Motor</i>	%					
	<i>Marine</i>	%					
	<i>Engineering</i>	%					
	<i>Micro</i>	%					
	<i>Aviation</i>	%					
	<i>Cattle and Crop</i>	%					
	<i>Miscellaneous</i>	%					
17	Reinsurance Commission Income/ Gross Reinsurance Premium	%					
18	Gross Premium Revenue/ Equity	%					
19	Net Premium Revenue/ Equity	%					
20	Gross Insurance Premium/Total Assets	%					
21	Return on Investments & Loan	%					
22	Net Profit/ Gross Insurance Premium	%					
	Expenses:						
23	Reinsurance Ratio	%					
24	Management expenses/ Gross Insurance Premium	%					
25	Agent Related Expenses/ Gross Insurance Premium	%					
26	Agent Related Expenses/Management Expenses	%					
27	Employee Expenses/ Management Expenses	%					
28	Employee Expenses/ Number of Employees	Amt.					
29	Expense Ratio (Underwriting Expense/Net Written Premium)	%					
30	Commission Ratio (Commission Expense/Net Written Premium)	%					
31	Loss Ratio ((Claim Paid + change in reserve)/ (Net Written Premium))	%					
32	Combined Ratio (Loss Ratio + Expense Ratio)	%					
	Assets:						
33	Increment in Investment Held	%					
34	Return on Assets	%					

35	Long term Investments/Total Investments	%					
36	Short term Investments/Total Investments	%					
37	Total Investment & Loan/Gross Insurance Contract Liabilities	%					
38	Investment in Unlisted Shares and Debtors/ Total Net Assets	%					
39	Investment in Shares/ Total Net Assets	%					
40	Liquidity Ratio	%					
	Liabilities:						
41	Solvency Margin	%					
42	Increment in Gross Insurance Contract Liabilities	%					
43	Net Technical Reserve/ Average of Net Claim Paid for Last 3 Years	%					
44	Actuarial Provision	Amt.					
45	Technical Provisions/ Total Equity	%					
46	Insurance Debt/ Total Equity	%					
47	Outstanding Claim/ Claim Intimated	%					
48	No. of Outstanding Claim/ No. of Intimated Claim	%					
49	Total Number of Inforce Policies	No.s					
50	Number of Renewed Policy/ Last Year's Total Number of In Force Policies	%					
51	Number of Intimated Claim/ Total Number of In Force Policy	%					
	Others:						
52	Number of Offices	No.s					
53	Number of Agents	No.s					
54	Number of Surveyor	No.s					
55	Number of Employees	No.s					

ABC Non-Life Insurance Company Limited

Notes to the Financial Statements

for the year ended Ashadh 32, 2080(July 16th, 2023)

Insurers may prepare their own accounting policies in compliance of Insurance Act, 2079, Financial directive issued by Nepal Insurance Authority, Nepal Financial Reporting Standards and Nepal Accounting Standards. However, the accounting policies of the insurer should include all the headings as prescribed in this recommendatory note to financial statements.

1. Reporting Entity

ABC Non-Life Insurance Company Limited (herein after referred to as the 'Company') is a public limited company, incorporated on..... and operated as Non-Life Insurance Company after obtaining license on under the Insurance Act 2049. TheCompany is a subsidiary/Associates the Company.

The registered office of the Company is located atThe Company's share are listed on

The principal activities of the company are to provide various non-life insurance products through its province offices, branches, sub-branches, and network of agents.

2. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 20XX to 32nd Ashadh20XX with the corresponding previous year from 1st Shrawan 20XX to 32nd Ashadh20XX . These financial statements have been approved by the Board of Directors of(.....)

(b) Statement of Compliance

The Financial Statements of the Company comprises of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown as two separate statements, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements which have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB) and in compliance with the requirements of the Companies Act , 2006, directives issued by Nepal Insurance Authority and required disclosures as per Securities Board of Nepal. The format used in the preparation and presentation of the Financial Statements and disclosures made therein also complies with the specified formats prescribed in the directives of Nepal Insurance Authority.

The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

The financial statements are approved for issue by the Company's Board of Directors on

(c) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for following Assets & Liabilities which have been measured at Fair Value amount:

- i. Certain Financial Assets and Liabilities which are required to be measured at fair value

- ii. Defined Employee Benefits
- iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).

Historical cost is generally Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2 or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurements in its entirety, which are described as follows:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2- Inputs are inputs ,other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3- Inputs are unobservable inputs for the Asset or Liability.

(d) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the reported balance of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the year presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the Financial Statements.

(e) Functional and Presentation Currency

These Financial Statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

(f) Going Concern

The financial statements are prepared on going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operation of it.

(g) Change in Accounting Policies

Accounting Policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flow.

(h) Recent Accounting Pronouncements

Accounting standards issued and effective

Accounting standards issued and non-effective

(i) Carve-outs

The Company has not applied any carve outs provided by the ASB.

(j) Presentation of financial statements

The assets and liabilities of the Company presented in the Statement of Financial Position are grouped by the nature and listed in an order that reflects their relative liquidity and maturity pattern.

(k) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by Nepalese Financial Reporting Standards or Interpretation (issued by the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC) and as specifically disclosed in the Significant Accounting Policies of the Company.

(l) Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard-NAS 1 on 'Presentation of Financial Statements'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

3. Significant Accounting Policies

(a) Property and Equipment

i) Recognition

Freehold land is carried at historical cost and other items of Property and Equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

ii) Revaluation

After recognition as an assets, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers.

An increase in the carrying amount as a result of revaluation, is recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss. A decrease in the carrying amount as a result of revaluation, is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Difference between depreciation on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

iii) Depreciation

Depreciation of Property and Equipment other than the Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Straight Line Method (SLM)/ Diminishing Balance Method ((DBM)" based on Useful Life estimated by technical expert of the management.

The Assets Useful Life/ Rate of Depreciation and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Useful Life of Property and Equipment based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM/Rate for WDV
Land	
Buildings	
Leasehold Improvement	
Furniture & Fixture	
Computers and IT Equipment	
Officer Equipment	
Vehicles	
Other Assets	

iv) Derecognition

An item of Property and Equipment is derecognized up to disposal or when no Future Economic Benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

v) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

vi) Capital Work-In-Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development which are to be capitalized. Capital Work in Progress would be transferred to the relevant asset when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.

(b) Goodwill & Intangible Assets

i) Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Goodwill on business combination is recognized on the acquisition date at the excess of (a) over (b) below:

- (a) The aggregate of :

1. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value
2. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and
3. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

ii)Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the entity.

Amortization is recognized in statement of profit of loss on Straight Line Method (SLM) over the estimated useful life of the intangible assets/ Diminishing Balance Method (DBM), from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates, The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Useful Life of Intangible Assets based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Soft wares	
Licenses	
Others(to be specified)	

iii)Derecognition

An Intangible Asset is derecognized when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

iv)Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Intangible Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognized in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(c) Investment Properties

Cost Model

Property that is held for rental income or for capital appreciation or both, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost, however, buildings are depreciated over their estimated useful lives as mentioned above.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

OR

Fair Value Model

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise, including the corresponding tax effect.

The fair value of investment property is determined by an external, independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category by property being valued.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

(d) Cash & Cash Equivalent

Cash & Cash Equivalents includes Cash in Hand, Cheque in Hand, Bank Balances and short term deposits with a maturity of three months or less.

(e) Financial Assets

i)Initial Recognition & Measurement

Financial Assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Assets at initial recognition.

When Financial Assets are recognized initially, they are measured at Fair Value, plus, in the case of Financial Assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried at Fair Value through Profit or Loss are expensed in the Statement of Profit or Loss.

ii)Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is achieved is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding,. Interest income in these financial assets is measured using effective interest rate method.

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

iii)De-Recognition

A Financial Assets is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Assets. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv)Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a financial asset or a group of financial assets is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(f) Financial Liabilities

i)Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition. All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii)Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair Value due to short maturity of these instruments.

iii)De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future

events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(h) Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurer. These assets are created for the reinsurer's share of insurance contract liabilities.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the reinsurer. If a reinsurance asset is impaired, the company reduce the carrying amount accordingly and is recognized in statement of profit or loss.

(i) Equity

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(j) Reserves and Funds

i) Share Application Money Pending Allotment

ii) Share Premium:

ii) Catastrophe Reserve:

iii) Fair Value Reserve:

iv) Regulatory Reserves:

v) Actuarial Reserves:

vi) Revaluation Reserves:

vii) Special Reserve:

viii) Other Reserves:

(k) Insurance Contract Liabilities

i) Provision for unearned premiums

Unearned premiums reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage.

Change in reserve for unearned insurance premium represents the net portion of the gross written premium transferred to the unearned premium reserve during the year to cover the unexpired period of the policies.

ii) Outstanding claims provisions

Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the statement of financial position date, whether reported or not, together with related claims handling costs.

iii) Provision for claim incurred but not reported (IBNR)

Significant delays are experienced in the notification and settlement of certain types of claims, the ultimate cost of which cannot be known with certainty at the statement of financial position date.

The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation.

Liability adequacy

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability.

(l) Employee Benefits

i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the Statement of Financial Position.

ii) Post-Employment Benefits

-Defined Contribution Plan

The Company pays Provident Fund contributions to publicly administered Provident Funds/Social Security Fund as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expenses when they are due.

-Defined Benefit Plan

For Defined Benefit Plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

iii) Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the year using the Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognizes termination benefits at the earlier of the following dates:

a) When the Company can no longer withdraw the offer of those benefits; and

b) When the entity recognizes costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits. The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(m) Revenue Recognition

i) Gross Premium

Gross Premium are recognized as soon as the amount of the premiums can be reliably measured. First premium is recognized from inception date. At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured.

ii) Unearned Premium Reserves Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a pro rate basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

iii) Premiums on Reinsurance Accepted

Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

iv) Reinsurance Premium

Direct Reinsurance premiums comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks- attaching contracts and over the term of the reinsurance contract for losses occurring contracts.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

v) Commission Income

Commission Income is recognized on accrual basis. If the income is for future periods, then they are deferred and recognized over those future periods.

vi) Investment Income

Interest income is recognized in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commission that are an integral part of the effective yield of the financial asset are recognized as an adjustment to the EIR of the instrument.

vii) Net realized gains and losses

Net realized gains and losses recorded in the statement or profit or loss include gains and losses on financial assets and properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

(n) Claims and Expenses

i) Gross Claims

Claims includes the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlement of claims. Claims that are incurred during the financial year are recognized when a claimable event occurs and/or the insurer is notified.

Note: Please provide the basis of calculating reserves for Incurred But Not Reported Claims (IBNR)

ii) Reinsurance Claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the term of the relevant contracts.

(o) Product Classification

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

The Company has following portfolios under which it operates its business:

i) Property Portfolio - Property/Fire insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the property/fire insurance business.

ii) Motor Portfolio - Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third party risks but exclusive of transit risks.

iii) Marine Portfolio - Marine insurance business means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.

iv) Engineering Portfolio - Engineering insurance business means the insurance that provides economic safeguard to the risks faced by the ongoing construction project, installation project, and machines and equipment in project operation.

v) Micro Portfolio - Micro Insurance protects against loss of or damage to crops or livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.

vi) Aviation Portfolio – Aviation Insurance provides coverage for hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents.

vii) Cattle and Crop Portfolio - Cattle and Crop Insurance provides insurance against loss of or damage to Cattle and crops.

viii) Miscellaneous Portfolio – All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(q) Cash Flow Statement

Cash Flows are reported using the direct method, whereby major classes of cash receipts and cash payments are disclosed as cash flows.

(r) Leases

The lease liability has been accounted for under NFRS 16 “Leases”. For all the significant lease, the Right-of-Use assets has been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date. The lease payment has been discounted at the incremental borrowing rate in lease which is%.

After the commencement date, the right of use asset has been measured using cost model. The lease liability has been increased to reflect interest on the lease liability & has been reduced by the lease payment.

The lease assets having the lease liability of equal to or less than NPR present value at inception has been considered as low value and for those lease the expenses has been recognized under straight line basis.

(s) Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

i) Current Tax

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii) Deferred Tax

Deferred Tax is recognized on temporary difference between the carrying amounts of Assets and Liabilities in the Statement of Financial Position and their Tax Base. Deferred Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profit nor Loss at the time of the transaction.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred Tax Liabilities are generally recognized for all taxable Temporary Difference.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

(t) Provisions, Contingent Liabilities & Contingent Assets

i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Provisions for Contingent Liability are recognized in the books a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

ii) Contingent Liabilities

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

iii) Contingent Assets

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

(u) Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which in the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions.

(v) Earnings Per Share

Basic Earnings per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assumed conversion of all dilutive potential ordinary shares.

(w) Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".

Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

ABC NON-LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Financial Position
As At ..th July, XXX1 (Ashad End 2080)

Fig in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	-	-
Property and Equipment	5	-	-
Investment Properties	6	-	-
Deferred Tax Assets	7	-	-
Investment in Associates	9	-	-
Investments	10	-	-
Loans	11	-	-
Reinsurance Assets	12	-	-
Current Tax Assets	21	-	-
Insurance Receivables	13	-	-
Other Assets	14	-	-
Other Financial Assets	15	-	-
Cash and Cash Equivalent	16	-	-
Total Assets		-	-
Equity & Liabilities			
Equity			
Share Capital	17 (a)	-	-
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17 (c)	-	-
Special Reserves	17 (d)		
Catastrophe Reserves	17 (e)	-	-
Retained Earnings	17 (f)	-	-
Other Equity	17 (g)	-	-
Non-Controlling Interest	17 (h)	-	-
Total Equity		-	-
Liabilities			
Provisions	18	-	-
Gross Insurance Contract Liabilities	19	-	-
Deferred Tax Liabilities	7	-	-
Insurance Payable	20	-	-
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	-	-
Other Financial Liabilities	24	-	-
Total Liabilities		-	-
Total Equity and Liabilities		-	-

The accompanying notes form an Integral Part of Financial Statements.

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ABC NON-LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Profit or Loss
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad 2080)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	-	-
Premiums Ceded	26	-	-
Net Earned Premiums		-	-
Commission Income	27	-	-
Other Direct Income	28	-	-
Income from Investments & Loans	29	-	-
Net Gain/ (Loss) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	-	-
Other Income	32	-	-
Total Income		-	-
Expenses:			
Gross Claims Paid	33	-	-
Claims Ceded	33	-	-
Gross Change in Contract Liabilities	34	-	-
Change in Contract Liabilities Ceded to Reinsurers	34	-	-
Net Claims Incurred		-	-
Commission Expenses	35	-	-
Service Fees	36	-	-
Other Direct Expenses	37	-	-
Employee Benefits Expenses	38	-	-
Depreciation and Amortization Expenses	39	-	-
Impairment Losses	40	-	-
Other Operating Expenses	41	-	-
Finance Cost	42	-	-
Total Expenses		-	-
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		-	-
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		-	-
Income Tax Expense	43	-	-
Net Profit/(Loss) For The Year		-	-
Earning Per Share	51		
Basic EPS			
Diluted EPS			

The accompanying notes form an Integral Part of Financial Statements.

ABC NON-LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Other Comprehensive Income
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad 2080)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		-	-
Other Comprehensive Income			
<u>a) Items that are or may be Reclassified to Profit or Loss</u>			
Changes in Fair Value of FVOCI Debt Instruments			
Cash Flow Hedge - Effective Portion of Changes in Fair Value			
Exchange differences on translation of Foreign Operation			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Reclassified to Profit or Loss			
<u>b) Items that will not be Reclassified to Profit or Loss</u>			
Changes in fair value of FVOCI Equity Instruments			
Revaluation of Property and Equipment/ Goodwill & Intangible Assets			
Remeasurement of Post-Employment Benefit Obligations			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Total Other Comprehensive Income For the Year, Net of Tax		-	-
Total Comprehensive Income For the Year, Net of Tax		-	-

The accompanying notes form an Integral Part of Financial Statements.

ABC NON-LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Changes In Equity
For Period .th July, XXX0 - .th July, XXX1
(For the Year Ended Ashad 2080)

Previous Year

Fig. in NPR

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2078																-
Prior period adjustment																-
Restated Balance as at Shrawan 1, 2078																-
Profit/(Loss) For the Year																-
Other Comprehensive Income for the Year, Net of Tax																-
i) Changes in Fair Value of FVOCI Debt Instruments																-
ii) Gains/ (Losses) on Cash Flow Hedge																-
iii) Exchange differences on translation of Foreign Operation																-
iv) Changes in fair value of FVOCI Equity Instruments																-
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations																-
Transfer to Reserves/ Funds																-
Transfer to Deferred Tax Reserves																-
Transfer of Depreciation on Revaluation of Property and Equipment																-
Transfer on Disposal of Revalued Property and Equipment																-
Transfer on Disposal of Equity Instruments Measured at FVTOCI																-
Share Issuance Costs																-
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued																-
ii) Share Issue																-
iii) Cash Dividend																-
iv) Dividend Distribution Tax																-
v) Others (To be specified)																-
Balance as on Ashadh end, 2079	-		-	-	-	-		-				-	-	-	-	-
Balance as on Shrawan 1, 2079																-
Prior period adjustment																-
Restated Balance as at Shrawan 1, 2079																-
Profit/(Loss) For the Year																-
Other Comprehensive Income for the Year, Net of Tax																-
i) Changes in Fair Value of FVOCI Debt Instruments																-
ii) Gains/ (Losses) on Cash Flow Hedge																-
iii) Exchange differences on translation of Foreign Operation																-
iv) Changes in fair value of FVOCI Equity Instruments																-
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations																-
Transfer to Reserves/ Funds																-
Transfer to Deferred Tax Reserves																-
Transfer of Depreciation on Revaluation of Property and Equipment																-
Transfer on Disposal of Revalued Property and Equipment																-
Transfer on Disposal of Equity Instruments Measured at FVTOCI																-
Share Issuance Costs																-
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued																-
ii) Share Issue																-
iii) Cash Dividend																-
iv) Dividend Distribution Tax																-
v) Others (To be specified)																-
Balance as on Ashadh end, 2080																-

The accompanying notes form an Integral Part of Financial Statements.

ABC NON-LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Cash Flows
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received		
Reinsurance Commission Received		
Claim Recovery Received from Reinsurers		
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income Received		
Others (to be specified)		
Cash Paid		
Gross Benefits and Claims Paid		
Reinsurance Premium Paid		
Commission Paid		
Service Fees Paid		
Employee Benefits Expenses Paid		
Other Expenses Paid		
Other Direct Expenses Paid		
Others (to be specified)		
Income Tax Paid		
Net Cash Flow From Operating Activities [1]	-	-
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets		
Proceeds From Sale of Intangible Assets		
Acquisitions of Investment Properties		
Proceeds From Sale of Investment Properties		
Acquisitions of Property & Equipment		
Proceeds From Sale of Property & Equipment		
Investment in Subsidiaries		
Receipts from Sale of Investments in Subsidiaries		
Investment in Associates		
Receipts from Sale of Investments in Associates		
Purchase of Equity Instruments		
Proceeds from Sale of Equity Instruments		
Purchase of Mutual Funds		
Proceeds from Sale of Mutual Funds		
Purchase of Preference Shares		
Proceeds from Sale of Preference Shares		
Purchase of Debentures		
Proceeds from Sale of Debentures		
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits		
Maturity of Deposits		
Loans Paid		
Proceeds from Loans		
Rental Income Received		
Proceeds from Finance Lease		
Interest Income Received		
Dividend Received		
Others (to be specified)		
Total Cash Flow From Investing Activities [2]	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Cash Flows
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		
Dividend Distribution Tax Paid		
Others (to be specified)		
Total Cash Flow From Financing Activities [3]	-	-
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	-	-
Cash & Cash Equivalents At Beginning of The Year/Period	-	-
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	-	-
Components of Cash & Cash Equivalents		
Cash In Hand	-	-
Cheque in Hand		
Term Deposit with Banks (with initial maturity upto 3 months)		
Balance With Banks	-	-

Notes:

Insurers shall prepare Statement of Cash Flows using Direct Method. Insurers may voluntarily prepared Cash Flow Statement using Indirect Method as well.

The accompanying notes form an Integral Part of Financial Statements.

ABC NON-LIFE INSURANCE COMPANY LIMITED
Consolidated Statement of Distributable Profit or Loss
For Period ..th July, XXX0 - ..th July, XXX1
(For the Year Ended Ashad 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings		
Transfer from OCI reserves to retained earning in current year		
Net profit or (loss) as per statement of profit or loss		
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Special Reserve		
iii) Transfer to Catastrophe Reserve		
iv) Transfer to Capital Reserve		
v) Transfer to CSR reserve		
vi) Transfer to/from Regulatory Reserve		
vii) Transfer to Fair Value Reserve		
viii) Transfer of Deferred Tax Reserve		
ix) Transfer to OCI reserves due to change in classification		
x) Others (to be Specified)		
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments		
b) Mutual Fund		
c) Others (if any)		
ii) Accumulated Fair Value gain on Investment Properties		
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges		
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges		
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges		
vi) Goodwill Recognised		
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency		
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account		
ix) Overdue loans		
x) Fair value gain recognised in Statement of Profit or Loss		
xi) Investment in unlisted shares		
xii) Delisted share Investment or mutual fund investment		
xiii) Bonus share/ dividend paid		
xiv) Deduction as per Sec 17 of Financial directive		
xiv) Deduction as per Sec 18 of Financial directive		
xv) Others (to be specified)		
Adjusted Retained Earning	-	-
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 15(1) Of Financial directive		
Add/Less: Others (to be specified)		
Total Distributable Profit/(loss)	-	-

Particulars	Softwares	Goodwill	Others (to be Specify)	Total
Gross carrying amount				
As at Shrawan 1, 2078				
Additions during the year				
Acquisition				-
Internal Development				-
Business Combination (to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment				-
Balance as at Ashadh 32, 2079	-	-	-	-
Additions during the year				
Acquisition				
Internal Development				
Business Combination (to be Specified)				
Disposals during the year				
Revaluation/Adjustment				
Balance as at Ashadh 31, 2080	-	-	-	-
Accumulated amortization and impairment				
As at Shrawan 1, 2078				
Additions during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh 32, 2079	-	-	-	-
Additions during the year				
Disposals during the year				
Impairment during the year				
Balance as at Ashadh 31, 2080	-	-	-	-
Capital Work-In-Progress				
As on Shrawan 1, 2078				
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 32, 2079	-	-	-	-
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 31, 2080	-	-	-	-
Net Carrying Amount				
As on Ashadh 32, 2079	-	-	-	-
As on Ashadh 31, 2080	-	-	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

6 Investment Properties

Fig. in NPR

Investment Properties at Cost

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 2078			-
Additions during the year			-
Acquisition			
Subsequent Expenditure			
Assets classified as held for sales			
Disposals during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2079	-	-	-
Additions during the year			-
Acquisition			
Subsequent Expenditure			
Assets classified as held for sales			
Disposals during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2080	-	-	-
Accumulated depreciation and impairment			
As at Shrawan 1, 2078			-
Additions during the year			-
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2079	-	-	-
Additions during the year			-
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2080	-	-	-
Capital Work-In-Progress			
As on Shrawan 1, 2078			
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 32, 2079	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 31, 2080			
Net Carrying Amount			
Net Balance As At Ashad 31, 2079	-	-	-
Net Balance As At Ashad 31, 2080	-	-	-

(i) Amounts recognised in statement of profit or loss

Particulars	Current Year	Previous Year
Rental income		
Direct operating expenses from property that generated rental income		
Direct operating expenses from property that didn't generated rental income		
Profit from investment properties before depreciation	-	-
Depreciation charge		
Profit from investment properties	-	-

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land		
Building		
Total	-	-

Notes on Fair Value :

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :

i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,

ii) discounted cash flow projections based on reliable estimates of future cash flows,
iii) capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.
The fair values of investment properties have been determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

OR

Investment Properties at Fair Value

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 2078			-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2079	-	-	-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2080	-	-	-
Capital Work-In-Progress			
As on Shrawan 1, 2078			
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 32, 2079	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 31, 2080			
Net Carrying Amount			
Net Balance As At Ashad 31, 2079	-	-	-
Net Balance As At Ashad 31, 2080	-	-	-

Notes on Fair Value :

<p>The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :</p>
<p>i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,</p>
<p>ii) discounted cash flow projections based on reliable estimates of future cash flows,</p>
<p>iii) capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.</p>
<p>The fair values of investment properties have been determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.</p>

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

7 Deferred Tax Assets/(Liabilities)

Fig. in NPR

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Googwill & Intangible Assets			-			-
Property and Equipment			-			-
Financial Assets at FVPTL			-			-
Financial Assets at FVTOCI			-			-
Provision for Leave			-			-
Provision for Gratuity						
Impairment Loss on Financial Assets			-			-
Impairment Loss on Other Assets			-			-
Unearned Premiums Reserve						
Premium Deficiency Reserve						
IBNR and IBNER Claims						
Margin For Adverse Deviation						
Carry forward of unused tax losses						
Changes in tax rate						
Others (specify if any)						
Total	-	-	-	-	-	-
Deferred Tax Asstes			-			-
Deferred Tax Liabilities			-			-

Movements in deferred tax Assets/ (Liabilities)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
As at Shrawan 1, 2079						
Charged/(Credited) to Statement of Profit or Loss						
Charged/(Credited) to Other Comprehensive Income						
As at Ashadh 31, 2080			-	-		

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

9 Investment in Associates

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Quoted Associates		
Investment in Unquoted Associates		
Less: Impairment Losses		
Total	-	-

Investment in Quoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Ltd.						
..... Shares of Rs. Each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year						
Total	-	-	-	-	-	-

Investment in Unquoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Cost	Fair Value	(or) Equit Method
..... Shares of Rs. Each of Ltd.						
..... Shares of Rs. Each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year						
Total	-	-	-	-	-	-

Information Relating to Associates

Particulars	Current Year	Previous Year
Name		
Place of Business		
Accounting Method		
% of Ownership		
Current Assets		
Non-Current Assets		
Current Liabilities		
Non-Current Liabilities		
Income		
Net Profit or Loss		
Other Comprehensive Income		
Total Comprehensive Income		
Company's share of profits		
Net Profit or Loss		
Other Comprehensive Income		

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

10 Investments

Fig. in NPR

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	-	-
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures		
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
iv) Fixed Deposits in "A" Class Financial Institutions		
v) Fixed Deposits in Infrastructure Banks		
vi) Fixed Deposits in "B" Class Financial Institutions		
vii) Fixed Deposits in "C" Class Financial Institutions		
viii) Others (to be Specified)		
Less: Impairment Losses		
Investments at FVTOCI	-	-
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
v) Others (to be Specified)		
Investments at FVTPL	-	-
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
v) Others (to be Specified)		
Total	-	-

a) Details of Impairment Losses

Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions		
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

b) Investments having expected maturities less than 12 months:

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)		
Investment in Equity Instruments (Unquoted)		
Investment in Mutual Funds		
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions		
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

c) Information relating to investment in equity instruments

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
Investment in Equity Instruments (Unquoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				

d) The company has earmarked investments amounting to NPR.... To Nepal Insurance Authority.

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

11 Loans

Fig. in NPR

Particulars	Current Year	Previous Year
Loans measured at Amortised Cost		
Loan to Employees		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected repayment of loan within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees		
Others (to be Specified)		
Total	-	-

12 Reinsurance Assets

Particulars	Current Year	Previous Year
Reinsurance Assets on:		
Unearned Premium Reserve		
Premium Deficiency Reserve		
Outstanding Claims		
IBNR and IBNER Claim		
Margin For Adverse Deviation		
Less: Impairment Losses		
Total	-	-

13 Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurer		
Receivable from Other Insurance Companies		
Others(to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected receivable within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurer		
Receivable from Other Insurance Companies		
Others(to be Specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

Fig. in NPR

14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advance To Suppliers		
VAT Receivable		
Staff Advances		
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses		
Deferred Agent Commission Expenses		
Lease Receivables		
Others (to be specified)		
Less: Impairment Losses		
Total	-	-

a) Expected to be recovered/ settled within 12 months:

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advance To Suppliers		
Staff Advances		
VAT Receivable		
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses		
Deferred Agent Commission Expenses		
Lease Receivables		
Others (to be specified)		
Total	-	-

15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest		
Other Receivables		
Other Deposits		
Sundry Debtors		
Other (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest		
Other Receivables		
Other Deposits		
Sundry Debtors		
Other (to be Specified)		
Total	-	-

16 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand		
Cheque in Hand		
Bank Balances		
i) Balance With "A" Class Financial Institutions		
ii) Balance With Infrastructure Banks		
iii) Balance With "B" Class Financial Institutions		
iv) Balance With "C" Class Financial Institutions		
Less: Impairment Losses		
Deposit with initial maturity upto 3 months		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

17 (a) Share Capital

Fig. in NPR

Particulars	Current Year	Previous Year
Ordinary Shares		
As at Shrawan 1, 2079		
Additions during the year		
i) Bonus Share Issue		
ii) Share Issue		
As at Ashadh 31, 2080		
Convertible Preference Shares (Equity Component Only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Irredeemable Preference Shares (Equity Component Only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Total	-	-

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Ordinary Shares of Rs. XXX Each		
Issued Capital:		
..... Ordinary Shares of Rs. XXX Each		
Subscribed and Paid Up Capital:		
..... Ordinary Shares of Rs. XXX Each		
Total	-	-

(ii) Preference Share Capital

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
..... Irredeemable Preference Shares of Rs. XXX Each		
Issued Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
..... Irredeemable Preference Shares of Rs. XXX Each		
Subscribed and Paid Up Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
..... Irredeemable Preference Shares of Rs. XXX Each		
Total	-	-

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions				
Nepali Citizens				
Foreigners				
Others (to be Specified)				
Total (A)	-	-	-	-
Other than Promoters				
General Public				
Others (to be Specified)				
Total (B)	-	-	-	-
Total(A+B)	-	-	-	-

Details of shareholders holding 1% or more than 1% of the aggregate shares in the Company:

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

17(b) Share Application Money Pending Allotment

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment		
Total	-	-

17 (c) Share Premium

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Increase due to issue of shares at premium		
Decrease due to issue of bonus shares		
Transaction costs on issue of share		
Others (to be Specified)		
As on Ashadh 31, 2080	-	-

17 (d) Special Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Additions		
Utilizations		
As on Ashadh 31, 2080	-	-

17 (e) Catastrophe Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Additions		
Utilizations		
As on Ashadh 31, 2080	-	-

17 (f) Retained Earnings

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079		
Net Profit or Loss		
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves		
Special Reserves		
Capital Reserves		
Catastrophe Reserves		
Corporate Social Responsibility (CSR) Reserves		
Insurance Fund including Insurance Reserves		
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserves		
Regulatory Reserves		
Other Reserve(to be specified)		
Transfer of Depreciation on Revaluation of Property and Equipment		
Transfer of Disposal of Revalued Property and Equipment		
Transfer of Disposal of Equity Instruments Measured at FVTOCI		
Issue of Bonus Shares		
Transaction costs on issue of Shares		
Dividend Paid		
Dividend Distribution Tax		
Others (to be Specified)		
As on Ashadh 31, 2080	-	-

17 (g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves		
Capital Reserves		
Corporate Social Responsibility (CSR) Reserves		
Insurance Fund including Insurance Reserves		
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserve		
Other Reserve(to be specified)		
Total	-	-

17 (h) Non-Controlling Interest

Particulars	Current Year	Previous Year
Equity Interest Held by Non-Controlling Interest (NCI) (%)		
Accumulated Balance of NCI As on Shrawan 1, 2079		
Total Comprehensive Income Allocated to NCI for the Year		
Dividend Paid to NCI		
Accumulated Balance of NCI As on Ashadh 31, 2080	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

18 Provisions

Fig. in NPR

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other Employee Benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		
Total	-	-

(a) Movement of Provisions, Contingent Liabilities and Contingent Assets

Description	Opening Balance	Additions During the Year	Utilised During the Year	Reversed During the Year	Unwinding of Discount	Closing Balance
Provision for employee benefits						
i) Provision for Leave						
ii) Provision for Gratuity						
iii) Termination Benefits						
iv) Other Employee Benefit obligations (to be Specified)						
Provision for tax related legal cases						
Provision for non-tax related legal cases						
Others (to be Specified)						

(b) Provision with expected payouts within 12 months

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other Employee Benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		

19 Gross Insurance Contract Liabilities

Particulars	Current Year	Previous Year
Unearned Premium Reserve		
Premium Deficiency Reserve		
Outstanding Claims		
IBNR and IBNER Claim		
Margin For Adverse Deviation		
Others		
Total	-	-

19.2 Disclosure of Outstanding claim

S.no	Type of insurance	Outstanding claim for claims intimated during the year (A)	Unclaimed Fund			Total Unclaimed Fund (B)	Gross outstanding claim (A-B)	Reinsurance share (C)	Net Outstanding Claim (A-B-C)
			Outstanding claim for claims intimated during the previous 1 year	Outstanding claim for claims intimated during the previous 2 year	Outstanding claim for claims intimated during the previous 3 year				
1	Property					-	-	-	
2	Motor					-	-	-	
3	Marine					-	-	-	
4	Engineering					-	-	-	
5	Micro					-	-	-	
6	Aviation					-	-	-	
7	Cattle and Crop					-	-	-	
8	Miscellaneous					-	-	-	
	Total	-	-	-	-	-	-	-	

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

20 Insurance Payable

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer		
Payable to Other Insurance Companies		
Portfolio Withdrawal Premium		
Outstanding Withdrawal Claims		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer		
Payable to other Insurance Companies		
Portfolio Withdrawal Premium		
Outstanding Withdrawal Claims		
Others (to be Specified)		
Total	-	-

21 Current Tax Assets/(Liabilities) (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities		
Income Tax Assets		
Total	-	-

22 Borrowings

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans-Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans-Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

23 Other Liabilities

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable		
VAT Payable		
Unidentified deposits		
Advance Premiums		
Insurance Service Fee Payable		
Lease Liability		
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	-	-

Payable within 12 months

Particulars	Current Year	Previous Year
TDS Payable		
VAT Payable		
Unidentified Deposits		
Advance Premiums		
Insurance Service Fee Payable		
Lease Liability		
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	-	-

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Insured		
Payable to Agents		
Payable to Surveyor		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
Total	-	-

Payable within 12 months

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Insured		
Payable to Agents		
Payable to Surveyor		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

25 Gross Earned Premiums

Fig.in NPR

Particulars	Direct Premiums		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-					-	-
Motor	-	-					-	-
Marine	-	-					-	-
Engineering	-	-					-	-
Micro	-	-					-	-
Aviation	-	-					-	-
Cattle and Crop	-	-					-	-
Miscellaneous	-	-					-	-
Total	-	-	-	-	-	-	-	-

25.1 Direct Premiums

Particulars	New Business Premium		Renewal Premium		Co-Insurance Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property							-	-
Motor							-	-
Marine							-	-
Engineering							-	-
Micro							-	-
Aviation							-	-
Cattle and Crop							-	-
Miscellaneous							-	-
Total	-	-	-	-	-	-	-	-

26 Premiums Ceded

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premiums		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property					-	-
Motor					-	-
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Total	-	-	-	-	-	-

26.1 Portfolio-wise detail of Net Earned Premiums

Particulars	Gross Earned Premiums		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-	-	-	-	-
Motor	-	-	-	-	-	-
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total	-	-	-	-	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

27 Commission Income

Fig.in NPR

Particulars	Reinsurance Commission Income		Deferred Commission Income		Profit Commission		Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property							-	-
Motor							-	-
Marine							-	-
Engineering							-	-
Micro							-	-
Aviation							-	-
Cattle and Crop							-	-
Miscellaneous							-	-
Total			-	-	-	-	-	-

28 Other Direct Income

Particulars	Direct Income		Other(to be Specified)		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property					-	-
Motor					-	-
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Total	-	-	-	-	-	-

29 Income from Investments & Loans

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions		
ii) Fixed Deposit with Infrastructure Bank		
iii) Fixed Deposit with "B" Class Financial Institutions		
iv) Fixed Deposit with "C" Class Financial Institutions		
v) Debentures		
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
vii) Bank Deposits other than Fixed Deposit		
xiii) Employee Loans		
ix) Other Interest Income (to be Specified)		
Financial Assets Measured at FVTOCI		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Financial Assets Measured at FVTPL		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Rental Income		
Others(to be Specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

30 Net Gain/ (Loss) on Fair Value Changes

Fig.in NPR

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Others (to be specified)		
Changes in Fair Value on Investment Properties		
Changes in Fair Value on Hedged Items in Fair Value Hedges		
Changes in Fair Value on Hedging Instruments in Fair Value Hedges		
Other (to be Specified)		
Total	-	-

31 Net Realised Gains/ (Losses)

Particulars	Current Year	Previous Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Debentures		
iv) Others (to be specified)		
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs		
i) Debentures		
ii) Bonds		
iii) Others (to be specified)		
Total	-	-

32 Other Income

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Cost		
i) Employee Loan		
ii) Bonds		
iii) Others (to be Specified)		
Foreign Exchange Income		
Interest Income from Finance Lease		
Amortization of Deferred Income		
Profit from disposal of Property and Equipment		
Amortization of Deferred Income		
Stamp Income		
Others (to be specified)		
Total	-	-

35 Commission Expenses

Fig.in NPR

Particulars	Commission Expenses on Direct Premiums		Commission Expenses on Premium on Reinsurance Accepted		Deferred Commission Expenses		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property							-	-
Motor							-	-
Marine							-	-
Engineering							-	-
Micro							-	-
Aviation							-	-
Cattle and Crop							-	-
Miscellaneous							-	-
Total	-	-	-	-	-	-	-	-

36 Service Fees

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property					-	-
Motor					-	-
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Total	-	-	-	-	-	-

Note: Service fee shall be calculated on the basis of gross written premium.

37 Other Direct Expenses

Particulars	Direct Expenses		Other(to be Specified)		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property					-	-
Motor					-	-
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Total	-	-	-	-	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

38 Employee Benefits Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Salaries		
Allowances		
Festival Allowances		
Defined Benefit Plans		
i) Gratuity		
ii) Others (to be Specified)		
Defined Contribution Plans		
i) Provident Fund/ Social Security Fund		
ii) Others (to be specified)		
Leave Encashments		
Termination Benefits		
Training Expenses		
Uniform Expenses		
Medical Expenses		
Insurance Expenses		
Staff Welfare Expenses		
Others(to be Specified)		
Sub Total	-	-
Employees Bonus		
Total	-	-

39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of goodwill & Intangible Assets (Refer Note. 4)		
Depreciation on Property and Equipment(Refer Note.5)		
Depreciation on Investment Properties (Refer Note. 6)		
Total	-	-

40 Impairment Losses

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties and Goodwill & Intangible Assets		
i) Property and Equipment		
ii) Investment properties		
iii) Goodwill & Intangible Asssets		
Impairment Losses on Financial Assets		
i) Investments		
ii) Loans		
iii) Other Financial Assets		
iv)Cash and Cash Equivalentents		
v)Others (to be Specified)		
Impairment Losses on Other Assets		
i) Reinsurance Assets		
ii) Insurance Receivables		
iii) Lease Receivables		
iv)Others (to be Specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

41 Other Operating Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Rent Expenses		
Electricity and Water		
Repair & Maintenance		
i) Building		
ii) Vehicle		
iii) Office Equipments		
iv) Others(to be Specified)		
Telephone & Communication		
Printing & Stationary		
Office Consumable Expenses		
Travelling Expenses		
i) Domestic		
ii) Foreign		
Transportation & Fuel Expenses		
Agent Training		
Other Agent Expenses		
Insurance Premium		
Security & Outsourcing Expenses		
Legal and Consulting Expenses		
Newspapers, Books and Periodicals		
Advertisement & Promotion Expenses		
Business Promotion		
Guest Entertainment		
Gift and Donations		
Board Meeting Fees and Expenses		
i) Meeting Allowances		
ii) Other Allowances		
Other Committee/ Sub-committee Expenses		
i) Meeting Allowances		
ii) Other Allowances		
General Meeting Expenses		
Actuarial Service Fee		
Other Actuarial Expenses		
Audit Related Expenses		
i) Statutory Audit		
ii) Tax Audit		
iii) Long Form Audit Report		
iv) Other Fees		
v) Internal Audit		
vi) Others(to be Specified)		
Bank Charges		
Fee and Charges		
Postage Charges		
Foreign Exchange Losses		
Fines and Penalties		
Others (to be Specified)		
Total	-	-

42 Finance Cost

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions		
Unwinding of discount on Financial Liabilities at Amortised Costs		
Interest Expenses - Bonds		
Interest Expenses - Debentures		
Interest Expenses - Term Loans		
Interest Expenses - Leases		
Interest Expenses - Overdraft Loans		
Others (to be Specified)		
Total	-	-

ABC NON-LIFE INSURANCE COMPANY LIMITED
Notes to the Consolidated Financial Statements

43 **Income Tax Expense**

Fig.in NPR

(a) **Income Tax Expense**

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year		
ii) Income Tax Relating to Prior Periods		
Deferred Tax For The Year		
i) Originating and reversal of temporary differences		
ii) Changes in tax rate		
iii) Recognition of previously unrecognised tax losses		
iv) Write-down or reversal		
v) Others (to be Specified)		
Income Tax Expense	-	-

(b) **Reconciliation of Taxable Profit & the Accounting Profit**

Particulars	Current Year	Previous Year
Accounting Profit Before Tax		
Applicable Tax Rate		
Tax at the applicable rate on Accounting Profit		
Add: Tax effect of expenses that are not deductible for tax purpose		
Less: Tax effect on exempt income and additional deduction		
Less: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others(to be Specified)		
Income Tax Expense	-	-
Effective Tax Rate		

OR

Particulars	Current Year	Previous Year
Accounting Profit Before Tax		
Income Tax Expense		
Average Effective Tax Rate		
Less: Tax effect of expenses that are not deductible for tax purpose		
Add: Tax effect on exempt income and additional deduction		
Add: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others(to be Specified)		
Applicable Tax Rate	-	-

ABC Non-Life Insurance Company Limited

Notes to the Consolidated Financial Statements

For the year ended Ashadh 32, 2080(July 16th, 2023)

Insurers may prepare their own accounting policies in compliance of Insurance Act, 2079, Financial directive issued by Nepal Insurance Authority, Nepal Financial Reporting Standards and Nepal Accounting Standards. However, the accounting policies of the insurer should include all the headings as prescribed in this recommendatory note to financial statements.

1. Reporting Entity

ABC Non-Life Insurance Company Limited (herein after referred to as the 'Company') is a public limited company, incorporated on..... and operated as Non-Life Insurance Company after obtaining license on under the Insurance Act 2049. TheCompany is a subsidiary/Associates the Company.

The registered office of the Company is located atThe Company's share are listed on

The principal activities of the Company are to provide various non-life insurance products through its province offices, branches, sub-branches, and network of agents.

2. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 20XX to 32nd Ashadh20XX with the corresponding previous year from 1st Shrawan 20XX to 32nd Ashadh20XX . These financial statements have been approved by the Board of Directors of(.....)

(b) Statement of Compliance

The Financial Statements of the Company comprises of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown as two separate statements, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements which have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB) and in compliance with the requirements of the Companies Act , 2006, directives issued by Nepal Insurance Authority and required disclosures as per Securities Board of Nepal. The format used in the preparation and presentation of the Financial Statements and disclosures made therein also complies with the specified formats prescribed in the directives of Nepal Insurance Authority.

The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

The financial statements are approved for issue by the Company's Board of Directors on

(c) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 20XX to 32nd Ashadh20XX with the corresponding previous year from 1st Shrawan 20XX to 32nd Ashadh20XX . These financial statements have been approved by the Board of Directors of(.....)

(d) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for following Assets & Liabilities which have been measured at Fair Value amount:

- i. Certain Financial Assets and Liabilities which are required to be measured at fair value
- ii. Defined Employee Benefits
- iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).

Historical cost is generally Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2 or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurements in its entirety, which are described as follows:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2- Inputs are inputs ,other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3- Inputs are unobservable inputs for the Asset or Liability.

(e) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the reported balance of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the year presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the Financial Statements.

(f) Functional and Presentation Currency

These Financial Statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

(g) Going Concern

The financial statements are prepared on going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operation of it.

(h) Change in Accounting Policies

Accounting Policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flow.

(i) Recent Accounting Pronouncements

Accounting standards issued and effective

Accounting standards issued and non-effective

(j) Carve-outs

The Company has not applied any carve outs provided by the ASB.

(k) Presentation of financial statements

The assets and liabilities of the Company presented in the Statement of Financial Position are grouped by the nature and listed in an order that reflects their relative liquidity and maturity pattern.

(l) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by Nepalese Financial Reporting Standards or Interpretation (issued by the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC) and as specifically disclosed in the Significant Accounting Policies of the Company.

(m) Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard-NAS 1 on 'Presentation of Financial Statements'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

(n) Principles of Consolidation and Equity Accounting

i) Subsidiaries:

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line by adding together items like assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and statement of financial position respectively. Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

ii) Associates:

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Significant Accounting Policies

(a) Property and Equipment

i) Recognition

Freehold land is carried at historical cost and other items of Property and Equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

ii) Revaluation

After recognition as an assets, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers.

An increase in the carrying amount as a result of revaluation, is recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss. A decrease in the carrying amount as a result of revaluation, is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Difference between depreciation on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

iii) Depreciation

Depreciation of Property and Equipment other than the Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Straight Line Method (SLM)/ Diminishing Balance Method ((DBM)" based on Useful Life estimated by technical expert of the management.

The Assets Useful Life/ Rate of Depreciation and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Useful Life of Property and Equipment based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM/Rate for WDV
Land	
Buildings	
Leasehold Improvement	
Furniture & Fixture	
Computers and IT Equipment	
Officer Equipment	
Vehicles	
Other Assets	

iv) Derecognition

An item of Property and Equipment is derecognized up to disposal or when no Future Economic Benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

v) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

vi) Capital Work-In-Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development which are to be capitalized. Capital Work in Progress would be transferred to the relevant asset when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.

(b) Goodwill & Intangible Assets

i) Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Goodwill on business combination is recognized on the acquisition date at the excess of (a) over (b) below:

(a) The aggregate of :

1. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value
2. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and
3. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

ii) Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the entity.

Amortization is recognized in statement of profit of loss on Straight Line Method (SLM) over the estimated useful life of the intangible assets/ Diminishing Balance Method (DBM), from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The

amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates, The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Useful Life of Intangible Assets based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Soft wares	
Licenses	
Others(to be specified)	

iii) Derecognition

An Intangible Asset is derecognized when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

iv) Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Intangible Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognized in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(c) Investment Properties

Cost Model

Property that is held for rental income or for capital appreciation or both, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost, however, buildings are depreciated over their estimated useful lives as mentioned above.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

OR

Fair Value Model

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the reporting date. Gains or losses

arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise, including the corresponding tax effect.

The fair value of investment property is determined by an external, independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category by property being valued.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

(d) Cash & Cash Equivalent

Cash & Cash Equivalents includes Cash in Hand, Cheque in Hand, Bank Balances and short term deposits with a maturity of three months or less.

(e) Financial Assets

i)Initial Recognition & Measurement

Financial Assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Assets at initial recognition.

When Financial Assets are recognized initially, they are measured at Fair Value, plus, in the case of Financial Assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried at Fair Value through Profit or Loss are expensed in the Statement of Profit or Loss.

ii)Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is achieved is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding,. Interest income in these financial assets is measured using effective interest rate method.

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

iii)De-Recognition

A Financial Assets is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Assets. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv)Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a financial asset or a group of financial assets is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(f) Financial Liabilities

i)Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition. All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii)Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair Value due to short maturity of these instruments.

iii)De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(h) Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurer. These assets are created for the reinsurer's share of insurance contract liabilities.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the reinsurer. If a reinsurance asset is impaired, the company reduce the carrying amount accordingly and is recognized in statement of profit or loss.

(i) Equity

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(j) Reserves and Funds

i) Share Application Money Pending Allotment:

ii) Share Premium:

ii) Catastrophe Reserve:

iii) Fair Value Reserve:

iv) Regulatory Reserves:

v) Actuarial Reserves:

vi) Revaluation Reserves:

vii) Special Reserve:

viii) Other Reserves:

(k) Insurance Contract Liabilities

i) Provision for unearned premiums

Unearned premium reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage.

Change in reserve for unearned insurance premium represents the net portion of the gross written premium transferred to the unearned premium reserve during the year to cover the unexpired period of the policies.

ii) Outstanding claims provisions

Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the statement of financial position date, whether reported or not, together with related claims handling costs.

iii) Provision for claim incurred but not reported (IBNR)

Significant delays are experienced in the notification and settlement of certain types of claims, the ultimate cost of which cannot be known with certainty at the statement of financial position date.

The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation.

Liability adequacy

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability.

(l) Employee Benefits

i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the Statement of Financial Position.

ii) Post-Employment Benefits

-Defined Contribution Plan

The Company pays Provident Fund contributions to publicly administered Provident Funds/Social Security Fund as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expenses when they are due.

-Defined Benefit Plan

For Defined Benefit Plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

iii) Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the year using the Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognizes termination benefits at the earlier of the following dates:

- a) When the Company can no longer withdraw the offer of those benefits; and
- b) When the entity recognizes costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits. The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(m) Revenue Recognition

i) Gross Premium

Gross Premium are recognized as soon as the amount of the premiums can be reliably measured. First premium is recognized from inception date. At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured.

- ii) Unearned Premium Reserves** Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a pro rate basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

iii) Premiums on Reinsurance Accepted

Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

iv) Reinsurance Premium

Direct Reinsurance premiums comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks- attaching contracts and over the term of the reinsurance contract for losses occurring contracts.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

v) Commission Income

Commission Income is recognized on accrual basis. If the income is for future periods, then they are deferred and recognized over those future periods.

vi) Investment Income

Interest income is recognized in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commission that are an integral part of the effective yield of the financial asset are recognized as an adjustment to the EIR of the instrument.

vii) Net realized gains and losses

Net realized gains and losses recorded in the statement of profit or loss include gains and losses on financial assets and properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

(n) Claims and Expenses

i) Gross Claims

Claims includes the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlement of claims. Claims that are incurred during the financial year are recognized when a claimable event occurs and/or the insurer is notified.

Note: Please provide the basis of calculating reserves for Incurred But Not Reported Claims (IBNR)

ii) Reinsurance Claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the term of the relevant contracts.

(o) Product Classification

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

The Company has following portfolios under which it operates its business:

i) Property Portfolio - Property/Fire insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to

fire, explosion, storm and other occurrences customarily included among the risks insured against in the property/fire insurance business.

ii) Motor Portfolio - Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third party risks but exclusive of transit risks.

iii) Marine Portfolio - Marine insurance business means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.

iv) Engineering Portfolio - Engineering insurance business means the insurance that provides economic safeguard to the risks faced by the ongoing construction project, installation project, and machines and equipment in project operation.

v) Micro Portfolio - Micro Insurance protects against loss of or damage to crops or livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.

vi) Aviation Portfolio – Aviation Insurance provides coverage for hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents.

vii) Cattle and Crop Portfolio - Cattle and Crop Insurance provides insurance against loss of or damage to Cattle and crops.

viii) Miscellaneous Portfolio – All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(q) Cash Flow Statement

Cash Flows are reported using the direct method, whereby major classes of cash receipts and cash payments are disclosed as cash flows.

(r) Leases

The lease liability has been accounted for under NFRS 16 “Leases”. For all the significant lease, the Right-of-Use assets has been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date. The lease payment has been discounted at the incremental borrowing rate in lease which is%.

After the commencement date, the right of use asset has been measured using cost model. The lease liability has been increased to reflect interest on the lease liability & has been reduced by the lease payment.

The lease assets having the lease liability of equal to or less than NPR present value at inception has been considered as low value and for those lease the expenses has been recognized under straight line basis.

(s) Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

i) Current Tax

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii) Deferred Tax

Deferred Tax is recognized on temporary difference between the carrying amounts of Assets and Liabilities in the Statement of Financial Position and their Tax Base. Deferred Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profit nor Loss at the time of the transaction.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred Tax Liabilities are generally recognized for all taxable Temporary Difference.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

(t) Provisions, Contingent Liabilities & Contingent Assets

i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Provisions for Contingent Liability are recognized in the books a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

ii) Contingent Liabilities

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

iii) Contingent Assets

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

(u) Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which in the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions.

(v) Earnings Per Share

Basic Earnings per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assumed conversion of all dilutive potential ordinary shares.

(w) Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".

Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

..... Re- Insurance Limited
Minimum Disclosure in Directors' Report

A Information related to Non-Life Insurer

Under this title following matters shall be disclosed

- 1 Date of establishment
- 2 Insurer licence date
- 3 Insurance business type, nature
- 4 Date of commencement of business
- 5 Other matters which insurer wish to include

B Insurer's Board of Directors shall approve following matters

- 1 Tax, service charges, fine and penalties to be paid under laws & regulation whether paid or not
- 2 Share structure of the insurer, changes if any in line with prevailing laws & regulation
- 3 Whether solvency ratio as prescribed by Nepal Insurance Authority is maintained or not
- 4 a) Statement regarding assets that financial amount contained in SOFP are not overstated than it's fair value.
b) Measurement basis of the assets recognized in financial statements.
- 5 Declaration on investment made by insurer that are in line with prevailing laws. If not reason to be disclosed.
- 6 Number of claim settled within the year and outstanding claim number and time frame to settle the outstanding claim.
Declaration on compliance with the provision of Insurance Act 2079, Insurance Regulation, Company Act 2063, NFRSs and other
- 7 prevailing laws & regulation to which insurer shall adhere to and any non compliance with reasons thereof.

- 8 Declaration that the appropriate accounting policy has been consistently adopted.
- 9 Declaration on Financial Statements as at Reporting Date that the insurer's Financial Position and Financial Performance are presented true & fairly.
- 10 Declaration that Board of Directors have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.
- 11 Declaration that Financial Statements have been prepared based on going concern basis.
- 12 Declaration that the internal control system is commensurate with the size, nature & volume of the insurer's business.
Declaration that the insurer has not conducted any transactions contrary to Insurance Act, 2079, Insurance Regulation, Companies
- 13 Act, 2063, related regulations and directions with any person, firm, company and insurer's director or with any entity in which insurer's director has interest.
- 14 Disclosure on any penalties, levied by Nepal Insurance Authority for the particular financial year.
- 15 Other disclosure which is deemed appropriate by Board of Directors/management

Annexure I
NFRSs based Financial Statements

..... Re- Insurance Limited
Statement of Financial Position
As At Ashadh, 20X2 (... th July, 20X2)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	-	-
Property and Equipment	5	-	-
Investment Properties	6	-	-
Deferred Tax Assets	7	-	-
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	-	-
Loans	11	-	-
Reinsurance Assets	12	-	-
Current Tax Assets (Net)	21	-	-
Insurance Receivables	13	-	-
Other Assets	14	-	-
Other Financial Assets	15	-	-
Cash and Cash Equivalents	16	-	-
Total Assets		-	-
Equity & Liabilities			
Equity			
Share Capital	17 (a)	-	-
Share Application Money Pending Allotment	17(b)	-	-
Share Premium	17 (c)	-	-
Special Reserves	17 (d)	-	-
Catastrophe Reserves	17 (e)	-	-
Retained Earnings	17 (f)	-	-
Other Equity	17 (g)	-	-
Total Equity		-	-
Liabilities			
Provisions	18	-	-
Gross Insurance Contract Liabilities	19	-	-
Deferred Tax Liabilities	7	-	-
Insurance Payables	20	-	-
Current Tax Liabilities (Net)	21	-	-
Borrowings	22	-	-
Other Liabilities	23	-	-
Other Financial Liabilities	24	-	-
Total Liabilities		-	-
Total Equity and Liabilities		-	-

The accompanying notes form an integral part of these Financial Statements.

..... Re- Insurance Limited
Statement of Profit or Loss
For The Year Ended Ashadh, 20X2
(For The Year Ended July, 20X2)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	-	-
Premiums Ceded	26	-	-
Net Earned Premiums		-	-
Commission Income	27	-	-
Other Direct Income	28	-	-
Income from Investment & Loans	29	-	-
Net Gains/ (Losses) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	-	-
Other Income	32	-	-
Total Income		-	-
Expenses:			
Gross Claims Paid	33	-	-
Claims Ceded	33	-	-
Gross Change in Contract Liabilities	34	-	-
Change in Contract Liabilities Ceded to Reinsurers	34	-	-
Net Claims Incurred		-	-
Commission & Brokerage Expenses	35	-	-
Service Fees	36	-	-
Other Direct Expenses	37	-	-
Employee Benefits Expenses	38	-	-
Depreciation and Amortization Expenses	39	-	-
Impairment Losses	40	-	-
Other Operating Expenses	41	-	-
Finance Cost	42	-	-
Total Expenses		-	-
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		-	-
Share of Net Profit of Associates accounted using Equity Method	9		
Profit Before Tax			
Income Tax Expense	43	-	-
Net Profit/ (Loss) For The Year		-	-
Earning Per Share	51		
Basic EPS			
Diluted EPS			

The accompanying notes form an integral part of these Financial Statements.

..... Re- Insurance Limited
Statement of Comprehensive Income
For The Year Ended Ashadh, 20X2
(For The Year Ended July, 20X2)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/ (Loss) For The Year		-	-
Other Comprehensive Income			
<u>a) Items that are or may be Reclassified to Profit or Loss</u>			
Changes in Fair Value of FVOCI Debt Instruments			
Cash Flow Hedge - Effective Portion of Changes in Fair Value			
Exchange differences on translation of Foreign Operation			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Reclassified to Profit or Loss			
<u>b) Items that will not be Reclassified to Profit or Loss</u>			
Changes in fair value of FVOCI Equity Instruments			
Revaluation of Property and Equipment/Goodwill & Intangible Assets			
Remeasurement of Post-Employment Benefit Obligations			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Total Other Comprehensive Income For the Year, Net of Tax		-	-
Total Comprehensive Income For the Year, Net of Tax		-	-

The accompanying notes form an integral part of these Financial Statements.

..... Re- Insurance Limited
Statement of Cash Flows
For The Year Ended Ashadh, 20X2
(For The Year Ended July, 20X2)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received		
Commission Received		
Claim Recovery Received from Reinsurers		
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income Received		
Others (to be specified)		
Cash Paid		
Gross Claims Paid		
Reinsurance Premium Paid		
Commission Paid		
Brokerage Paid		
Service Fees Paid		
Employee Benefits Expenses Paid		
Other Expenses Paid		
Other Direct Expenses Paid		
Others (to be specified)		
Income Tax Paid		
Net Cash Flow From Operating Activities [1]	-	-
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets		
Proceeds From Sale of Intangible Assets		
Acquisitions of Investment Properties		
Proceeds From Sale of Investment Properties		
Acquisitions of Property & Equipment		
Proceeds From Sale of Property & Equipment		
Investment in Subsidiaries		
Proceeds from Sale of Investments in Subsidiaries		
Investment in Associates		
Proceeds from Sale of Investments in Associates		
Purchase of Equity Instruments		
Proceeds from Sale of Equity Instruments		
Purchase of Mutual Funds		
Proceeds from Sale of Mutual Funds		
Purchase of Preference Shares		
Proceeds from Sale of Preference Shares		
Purchase of Debentures		
Proceeds from Sale of Debentures		
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits		
Maturity of Deposits		
Loans and Receivables Paid		
Proceeds from Loans and Receivables		
Rental Income Received		
Proceeds from Finance Lease		
Interest Income Received		
Dividend Received		
Others (to be specified)		
Total Cash Flow From Investing Activities [2]	-	-
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		
Dividend Distribution Tax Paid		
Others (to be specified)		
Total Cash Flow From Financing Activities [3]	-	-
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	-	-
Cash & Cash Equivalents At Beginning of The Year/Period	-	-
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	-	-
Components of Cash & Cash Equivalents		
Cash In Hand	-	-
Cheques In Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Balance With Banks	-	-

Notes:

Insurers shall prepare Statement of Cash Flows using Direct Method. Insurers may voluntarily prepare Cash Flow Statement using Indirect Method as well.

The accompanying notes form an integral part of these Financial Statements.

..... Re- Insurance Limited
Statement of Distributable Profit or Loss
For The Year Ended Ashadh, 20X2
(For The Year Ended July, 20X2)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings		
Transfer from OCI reserves to retained earning in current year		
Net profit or (loss) as per statement of profit or loss		
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Special Reserve		
iii) Transfer to Catastrophe Reserve		
iv) Transfer to Capital Reserve		
v) Transfer to CSR reserve		
vi) Transfer to/from Regulatory Reserve		
vii) Transfer to Fair Value Reserve		
viii) Transfer of Deferred Tax Reserve		
ix) Transfer to OCI reserves due to change in classification		
x) Others (to be Specified)		
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments		
b) Mutual Fund		
c) Others (if any)		
ii) Accumulated Fair Value gain on Investment Properties		
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges		
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges		
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges		
vi) Goodwill Recognised		
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency		
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account		
ix) Overdue loans		
x) Fair value gain recognised in Statement of Profit or Loss		
xi) Investment in unlisted shares		
xii) Delisted share Investment or mutual fund investment		
xiii) Bonus share/ dividend paid		
xiv) Deduction as per Sec. 17 of Financial Directive		
xv) Deduction as per Sec. 18 of Financial Directive		
xvi) Others (to be specified)		
Adjusted Retained Earning	-	-
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 15(1) Of Financial directive		
Add/(Less): Others (to be specified)		
Total Distributable Profit/(loss)	-	-

..... Re- Insurance Limited
Notes to the Financial Statements
For The Year Ended Ashadh, 20X2
(For The Year Ended July, 20X2)

Fig. in NPR

4 Goodwill & Intangible Assets

Particulars	Software	License	Others (to be Specified)	Total
Gross carrying amount				
As at Shrawan 1, 20X1				
Additions during the year				-
Acquisition during the year				-
Internal Development during year				-
Business Combination (to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment during the year				-
Balance as at Ashadh .., 20X2	-	-	-	-
Additions during the year				-
Acquisition during the year				-
Internal Development during year				-
Business Combination (to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment during the year				-
Balance as at Ashadh .., 20X3	-	-	-	-
Accumulated amortization and impairment				
As at Shrawan 1, 20X1	-	-	-	-
Additions during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh .., 20X2	-	-	-	-
Additions during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh .., 20X3	-	-	-	-
Capital Work In Progress				
As at Shrawan 1, 20X1				
Additions during the year				-
Capitalization during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh .., 20X2	-	-	-	-
Additions during the year				-
Capitalization during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh .., 20X3	-	-	-	-
Net Carrying Amount				
As at Ashadh .., 20X2	-	-	-	-
As at Ashadh .., 20X3	-	-	-	-

6 Investment Properties

Investment Properties at Cost

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 20X1			-
Additions during the year			-
Acquisition			-
Subsequent Expenditure			-
Assets Classified as Held for Sales			-
Disposals during the year			-
Transfer/ adjustments			-
Balance as at Ashadh .., 20X2	-	-	-
Additions during the year			-
Acquisition			-
Subsequent Expenditure			-
Assets Classified as Held for Sales			-
Disposals during the year			-
Transfer/ adjustments			-
Balance as at Ashadh .., 20X3	-	-	-
Accumulated Depreciation and impairment			
As at Shrawan 1, 20X1			-
Addition during the year			-
Disposals during the year			-
Impairment losses during the year			-
Transfer/ adjustments			-
Balance as at Ashadh .., 20X2	-	-	-
Addition during the year			-
Disposals during the year			-
Impairment losses during the year			-
Transfer/ adjustments			-
Balance as at Ashadh .., 20X3	-	-	-
Capital Work-In-Progress			
As at Shrawan 1, 20X1			-
Additions during the year			-
Capitalization during the year			-
Disposals during the year			-
Impairment losses during the year			-
Balance as at Ashadh .., 20X2	-	-	-
Additions during the year			-
Capitalization during the year			-
Disposals during the year			-
Impairment losses during the year			-
Balance as at Ashadh .., 20X3	-	-	-
Net Carrying Amount			
As at Ashadh .., 20X2	-	-	-
As at Ashadh .., 20X3	-	-	-

(i) Amounts recognised in profit or loss

Particulars	Current Year	Previous Year
Rental income		
Direct operating expenses from property that generated rental income		
Direct operating expenses from property that didn't generate rental income		
Profit from investment properties before depreciation	-	-
Depreciation		
Profit from investment properties	-	-

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land		
Buildings		
Total	-	-

Notes: Fair Value

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

- i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
- ii) discounted cash flow projections based on reliable estimates of future cash flows,
- iii) capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

OR Investment Properties at Fair Value

Particulars	Land	Building	Total
Investment Properties at Fair Value			
Gross carrying amount			
As at Shrawan 1, 20X1			-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Transfer/Adjustment			-
Balance as at Ashadh 32, 20X2	-	-	-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Transfer/Adjustment			-
Balance as at Ashadh 31, 20X3	-	-	-
Capital Work-in-Progress			
As at Shrawan 1, 20X1			-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Revaluation/Adjustment			-
Balance as at Ashadh 32, 20X2	-	-	-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Revaluation/Adjustment			-
Balance as at Ashadh 31, 20X3	-	-	-
Net Carrying Amount			
Net Balance As At Ashad 31, 20X2	-	-	-
Net Balance As At Ashad 31, 20X3	-	-	-

Notes on Fair Value :

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :

- i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
 - ii) discounted cash flow projections based on reliable estimates of future cash flows,
 - iii) capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.
- The fair values of investment properties have been determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

Notes to the Financial Statements (Continued...)

7 Deferred Tax Assets/ (Liabilities)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
Deferred Tax on Temporary Differences						
Goodwill & Intangible Assets			-			-
Property and Equipment			-			-
Financial Assets at FVTPL			-			-
Financial Assets at FVTOCI			-			-
Provision for Leave Encashment			-			-
Defined Benefits Plan (Gratuity or Others)			-			-
Impairment Loss on Financial Assets			-			-
Impairment Loss on Other Assets			-			-
Unearned Premiums Reserve						
Premium Deficiency Reserve						
IBNR and IBNER Claims						
Margin For Adverse Deviations			-			-
Right of Use (ROU) Assets			-			-
Carry forward of unused tax losses						
Changes in tax rate						
Other (to be Specified)			-			-
Total	-	-	-	-	-	-
Deferred Tax Asstes						
Deferred Tax Liabilities						

Movements in deferred tax assets/ (liabilities)

Particulars	Current Year	Previous Year
As at Shrawan 1, 20X1		
Charged/(Credited) to Profit or Loss		
Charged/(Credited) to Other Comprehensive Income		
As at Ashadh ..., 20X2	-	-

8 Investments in Subsidiaries

Particulars	Current Year	Previous Year
Investment in Quoted Subsidiaries		
Investment in Unquoted Subsidiaries		
Less: Impairment Losses		
Total	-	-

Investment in Quoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs..... each of Ltd.				
..... Shares of Rs..... each of Ltd.				
Total			-	-

Investment in Unquoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs..... each of Ltd.				
..... Shares of Rs..... each of Ltd.				
Total			-	-

Information Relating to Subsidiaries

Particulars	Percentage of Ownership	
	Current Year	Previous Year
..... Shares of Rs..... each of Ltd.		
..... Shares of Rs..... each of Ltd.		
..... Shares of Rs..... each of Ltd.		
..... Shares of Rs..... each of Ltd.		

9 Investments in Associates

Particulars	Current Year	Previous Year
Investment in Quoted Associates		
Investment in Unquoted Associates		
Less: Impairment Losses		
Total	-	-

Investment in Quoted Associates						
Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equity Method	Cost	Fair Value	(or) Equity Method
..... Shares of Rs..... each of Ltd.						
..... Shares of Rs..... each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year						
Total	-	-	-	-	-	-

Investment in Unquoted Associates						
Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equity Method	Cost	Fair Value	(or) Equity Method
..... Shares of Rs..... each of Ltd.						
..... Shares of Rs..... each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-

Information Relating to Associates		
Particulars	Current Year	Previous Year
Name		
Place of Business		
Accounting Method		
% of Ownership		
Current Assets		
Non-Current Assets		
Current Liabilities		
Non-Current Liabilities		
Income		
Net Profit or Loss		
Other Comprehensive Income		
Total Comprehensive Income		
Company's share of profits		
Net Profit or Loss		
Other Comprehensive Income		

10 Investments

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost		
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures		
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
iv) Fixed Deposits in "A" Class Financial Institutions		
v) Fixed Deposits in Infrastructure Banks		
vi) Fixed Deposits in "B" Class Financial Institutions		
vii) Fixed Deposits in "C" Class Financial Institutions		
viii) Others (to be Specified)		
Less: Impairment Losses		
Investments measured at FVTOCI		
i) Investment in Equity Instruments		
ii) Investment in Equity Instruments (Quoted)		
iii) Investment in Equity Instruments (Unquoted)		
iv) Investment in Mutual Funds		
v) Investment in Debentures		
vi) Others (to be Specified)		
Investments measured at FVTPL		
i) Investment in Equity Instruments		
ii) Investment in Equity Instruments (Quoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
iv) Others (to be Specified)		
Total	-	-

a) Details of Impairment Losses

Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposits with "B" Class Financial Institutions		
Fixed Deposits with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

b) Investments having expected maturities less than 12 months:

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)		
Investment in Equity Instruments (Unquoted)		
Investment in Mutual Funds		
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposits with "B" Class Financial Institutions		
Fixed Deposits with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

c) Information relating to investment in equity instruments

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
Investment in Equity Instruments (Unquoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				

d) The Company has earmarked investments amounting to NPR.... To Nepal Insurance Authority.

11 Loans

Particulars	Current Year	Previous Year
Loans measured at Amortized Cost		
Loan to Employees		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected recovery period within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees		
Others (to be Specified)		
Total	-	-

12 Reinsurance Assets

Particulars	Current Year	Previous Year
Reinsurance Assets on:		
Unearned Premiums Reserve	-	-
Premium Deficiency Reserve	-	-
Outstanding Claims	-	-
IBNR and IBNER Claims	-	-
Margin For Adverse Deviations	-	-
Less: Impairment Losses		
Total	-	-

13 Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurers		
Receivable from Other Insurance Companies		
Deposit Retained by Cedants		
Other Reinsurance Receivables (to be specified)		
Less: Impairment Losses		
Total	-	-

a) Expected recovery period within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurers		
Receivable from Other Insurance Companies		
Deposit Retained by Cedants		
Other Reinsurance Receivables (to be specified)		
Total	-	-

14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advances to Suppliers		
Staff Advances		
Printing and Stationery Stock		
Deferred Expenses		
Deferred Re-Insurance Commission Expenses	-	-
Deferred Brokerage Expenses	-	-
Lease Receivables		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected to be recovered/ settled within 12 months:

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advances to Suppliers		
Staff Advances		
Printing and Stationery Stock		
Deferred Expenses		
Deferred Re-Insurance Commission Expenses		
Deferred Brokerage Expenses		
Lease Receivables		
Others (to be Specified)		
Total	-	-

15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits		
Accrued Interest		
Other Receivables		
Other Deposits		
Sundry Debtors		
Premium Reserve		
Loss Reserve		
Other (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected to be realized within 12 months:

Particulars	Current Year	Previous Year
Security Deposits		
Accrued Income		
Other Receivables		
Other Deposits		
Sundry Debtors		
Premium Reserve		
Loss Reserve		
Other (to be Specified)		
Total	-	-

16 Cash and Cash Equivalents

Particulars	Current Year	Previous Year
Cash in Hand		
Cheques in Hand		
Bank Balances		
i) Balance with "A" Class Financial Institutions		
ii) Balance with Infrastructure Banks		
iii) Balance with "B" Class Financial Institutions		
iv) Balance with "C" Class Financial Institutions		
Less: Impairment Losses		
Deposits with initial maturity upto 3 months		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

17(a) Share Capital

Particulars	Current Year	Previous Year
Ordinary Shares		
As at Shrawan 1, 20X1		
Additions during the year		
i) Bonus Share Issue		
ii) Share Issue		
As at Ashadh ..., 20X2		
Convertible Preference Shares (Equity Component Only)		
As at Shrawan 1, 20X1		
Additions during the year		
As at Ashadh ..., 20X2		
Irredeemable Preference Shares (Equity Component Only)		
As at Shrawan 1, 20X1		
Additions during the year		
As at Ashadh ..., 20X2		
Total	-	-

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Ordinary Shares of Rs.each		
Issued Capital:		
..... Ordinary Shares of Rs.each		
Subscribed and Paid Up Capital:		
..... Ordinary Shares of Rs.each		
Total	-	-

(ii) Preference Share Capital

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Convertible Preference Shares of Rs. ... each		
.....Irredeemable Preference Shares of Rs. ... each		
Issued Capital:		
..... Convertible Preference Shares of Rs. ... each		
.....Irredeemable Preference Shares of Rs. ... each		
Subscribed and Paid Up Capital:		
..... Convertible Preference Shares of Rs. ... each		
.....Irredeemable Preference Shares of Rs. ... each		
Total	-	-

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions				
Nepali Citizens				
Foreigners				
Others (to be Specified)				
Total (A)	-	-	-	-
Other than Promoters				
General Public				
Others (to be Specified)	-	-	-	-
Total (B)	-	-	-	-

Details of shareholders holding 1% or more than 1% of the aggregate shares in the Company:

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year

17(b) Share Application Money Pending Allotment

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment		
Total	-	-

17(c) Share Premium

Particulars	Current Year	Previous Year
As at Shrawan 1, 20X1		
Increase due to issue of shares at premium		
Decrease due to issue of bonus shares		
Transaction costs on issue of shares		
Others (to be Specified)		
As at Ashadh ..., 20X2	-	-

17(d) Special Reserves

Particulars	Current Year	Previous Year
As at Shrawan 1, 20X1		
Additions		
Utilizations		
As at Ashadh .., 20X2	-	-

17(e) Catastrophe Reserves

Particulars	Current Year	Previous Year
As at Shrawan 1, 20X1		
Additions		
Utilizations		
As at Ashadh ..., 20X2	-	-

17(f) Retained Earning

Particulars	Current Year	Previous Year
As at Shrawan 1 20X1		
Net Profit or Loss		
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserve		
Revaluation Reserve		
Special Reserve		
Capital Reserve		
Catastrophe Reserve		
Corporate Social Responsibility (CSR) Reserve		
Insurance Fund Including Insurance Reserve		
Fair Value Reserve		
Actuarial Reserve		
Deferred Tax Reserve		
Regulatory Reserve		
Other Reserves (to be specified)		
Transfer of Depreciation on Revaluation of Property and Equipment		
Transfer on Disposal of Revalued Property and Equipment		
Transfer on Disposal of Equity Instruments Measured at FVTOCI		
Issuance of Bonus Shares		
Transaction Costs on Issue of Shares		
Dividend Paid		
Dividend Distribution Tax		
Others (to be specified)		
As at Ashadh .., 20X2	-	-

17(g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserve		
Capital Reserve		
Corporate Social Responsibility (CSR) Reserve		
Insurance Fund Including Insurance Reserve		
Fair Value Reserve		
Actuarial Reserve		
Deferred Tax Reserve		
Other Reserve (to be specified)		
Total	-	-

18 Provisions

Particulars	Current Year	Previous Year
Provisions for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other employee benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		
Total	-	-

(a) Movement of Provisions, Contingent Liabilities and Contingent Assets

Description	Opening Balance	Additions During the Year	Utilised During the Year	Reversed During the Year	Unwinding of Discount	Closing Balance
Provision for Employee Benefits						
i) Provision for Leave						
ii) Provision for Gratuity						
iii) Termination Benefits						
iv) Other employee benefit obligations (to be Specified)						
Provision for tax related legal cases						
Provision for non-tax related legal cases						
Others (to be specified)						

Provision with expected payout within 12 months:

Particulars	Current Year	Previous Year
Provisions for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other employee benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		
Total	-	-

20 Insurance Payables

Particulars	Current Year	Previous Year
Payable to Reinsurers		
Payable to Other Insurance Companies		
Other Insurance Payable (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurers		
Payable to Other Insurance Companies		
Other Insurance Payable (to be Specified)		
Total	-	-

21 Current Tax (Assets)/Liabilities (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities		
Income Tax Assets		
Total	-	-

22 Borrowings

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans - Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans - Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

23 Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable		
VAT Payable (Reverse & Other)		
Deposit Premiums		
Insurance Service Fee Payable		
Lease Liability		
Deferred Commission Income		
Deferred Income		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
TDS Payable		
VAT Payable (Reverse & Other)		
Deposit Premiums		
Deferred Commission Income		
Insurance Service Fee Payable		
Lease Liability		
Deferred Income		
Others (to be Specified)		
Total	-	-

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Surveyor		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fee Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Surveyor		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fee Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be Specified)		
Total	-	-

25 Gross Earned Premium

Particulars	Premium on Reinsurance Accepted		Gross Change in Unearned Premiums		Gross Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Non-life						
Property						
Motor						
Marine						
Engineering						
Micro						
Aviation						
Cattle and Crop						
Miscellaneous						
Excess of Loss (Whole Account)						
Others (to be specified)						
Life						
Term						
Others (to be specified)						
Total	-	-	-	-	-	-

26 Premium Ceded

Particulars	Premium Ceded to Reinsurers		Reinsurers' Share of Change in Unearned Premiums		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Non-life						
Property						
Motor						
Marine						
Engineering						
Micro						
Aviation						
Cattle and Crop						
Miscellaneous						
Excess of Loss (Whole Account)						
Others (to be specified)						
Life						
Term						
Others (to be specified)						
Total	-	-	-	-	-	-

26.1 Portfolio-wise details of Net Earned Premium

Particulars	Gross Earned Premium		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Non-life						
Property	-	-	-	-	-	-
Motor	-	-	-	-	-	-
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Excess of Loss (Whole Account)	-	-	-	-	-	-
Others (to be specified)	-	-	-	-	-	-
Life						
Term	-	-	-	-	-	-
Others (to be specified)	-	-	-	-	-	-
Total	-	-	-	-	-	-

29 Income from Investment & Loans

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Measured at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions		
ii) Fixed Deposit with Infrastructure Banks		
iii) Fixed Deposit with "B" Class Financial Institutions		
iv) Fixed Deposit with "C" Class Financial Institutions		
v) Debentures		
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
vii) Bank Deposits other than Fixed Deposit		
viii) Employee Loan		
ix) Other Interest Income (to be specified)		
Financial Assets Measured at at FVTOCI		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Financial Assets Measured at at FVTPL		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Rental Income		
Others (to be specified)		
Total	-	-

30 Net Gains/ (Losses) on Fair Value Changes

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Others (to be specified)		
Changes in Fair Value on Investment Properties		
Changes in Fair Value on Hedged Items in Fair Value Hedges		
Changes in Fair Value on Hedging Instruments in Fair Value Hedges		
Others (to be specified)		
Total	-	-

31 Net Realised Gains/ (Losses)

Particulars	Current Year	Previous Year
Realised Gain on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Debentures		
iv) Others (to be specified)		
Realised Gain on Derecognition of Financial Assets at Amortised Costs		
i) Debentures		
ii) Bonds		
iii) Others (to be specified)		
Total	-	-

32 Other Income

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Costs		
i) Employee Loans		
ii) Bonds		
iii) Others (to be Specified)		
Foreign Exchange Income		
Interest Income from Finance Lease		
Profit from disposal of Property and Equipment		
Amortization of Deferred Income		
Others (to be specified)		
Total	-	-

33 Gross Claims Paid and Claims Ceded

Particulars	Gross Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Non-life						
Property					-	-
Motor					-	-
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Excess of Loss (Whole Account)					-	-
Others (to be specified)					-	-
Life						
Term					-	-
Others (to be specified)					-	-
Total	-	-	-	-	-	-

34 Change in Insurance Contract Liabilities

Particulars	Gross Change in Insurance Contract Liabilities		Change in Reinsurance Asssts		Net Change in Insurance Contract Liabilities	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Non-life						
Property	-				-	-
Motor	-				-	-
Marine	-				-	-
Engineering	-				-	-
Micro	-				-	-
Aviation	-				-	-
Cattle and Crop	-				-	-
Miscellaneous	-				-	-
Excess of Loss (Whole Account)					-	-
Others (to be specified)					-	-
Life						
Term	-				-	-
Others (to be specified)					-	-
Total	-	-	-	-	-	-

38 Employee Benefits Expenses

Particulars	Current Year	Previous Year
Salaries		
Allowances		
Festival Allowances		
Defined Benefit Plans		
i) Gratuity		
ii) Others (to be Specified)		
Defined Contribution Plans		
i) Provident Fund/Social Security Fund		
ii) Others (to be Specified)		
Leave Encashments		
Termination Benefits		
Training Expenses		
Uniform Expenses		
Medical Expenses		
Insurance Expenses		
Staff Welfare Expenses		
Others (to be specified)		
Sub Total	-	-
Employee Bonus		
Total	-	-

39 Depreciation & Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)	-	-
Depreciation on Property and Equipment (Refer Note. 5)	-	-
Depreciation on Investment Properties (Refer Note. 6)	-	-
Total	-	-

40 Impairment Losses

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties and Goodwill & Intangible Assets		
i) Property and Equipment		
ii) Investment Properties		
iii) Goodwill & Intangible Assets		
Impairment Losses on Financial Assets		
i) Investments		
ii) Loans		
iii) Other Financial Assets		
iv) Cash and Cash Equivalents		
v) Others (to be Specified)		
Impairment Losses on Other Assets		
i) Reinsurance Assets		
ii) Insurance Receivables		
iii) Lease Receivables		
iv) Others (to be Specified)		
Total	-	-

41 Other Operating Expenses

Particulars	Current Year	Previous Year
Rent Expenses		
Electricity and Water		
Repair & Maintenance		
i) Buildings		
ii) Vehicles		
iii) Office Equipments		
iv) Others (to be Specified)		
Telephone & Communication		
Printing & Stationary		
Office Consumable Expenses		
Travelling Expenses		
i) Domestic		
ii) Foreign		
Transportation & Fuel Expenses		
Insurance Premium		
Security & Outsourcing Expenses		
Legal and Consulting Expenses		
Newspapers, Books and Periodicals		
Advertisement & Promotion Expenses		
Business Promotion		
Guest Entertainment		
Gift and Donations		
Board Meeting Fees and Expenses		
i) Meeting Allowances		
ii) Other Allowances		
Other Committee/ Sub-committee Expenses		
i) Meeting Allowances		
ii) Other Allowances		
Annual General Meeting Expenses		
Audit Related Expenses		
i) Statutory Audit		
ii) Tax Audit		
iii) Long Form Audit Report		
iv) Other Fees		
v) Internal Audit		
vi) Others (to be Specified)		
Bank Charges		
Fee and Charges		
Postage Charges		
Foreign Exchange Losses		
Fines and Penalties		
Others (to be Specified)		
Total	-	-

42 Finance Cost

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions		
Unwinding of discount on Financial Liabilities at Amortised Costs		
Interest Expenses - Bonds		
Interest Expenses - Debentures		
Interest Expenses - Term Loans		
Interest Expenses - Leases		
Interest expenses - Overdraft Loans		
Others (to be Specified)		
Total	-	-

43 **Income Tax Expense**

(a) **Income Tax Expense**

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year		
ii) Income Tax Relating to Prior Periods		
Deferred Tax For The Year		
i) Originating and reversal of temporary differences		
ii) Changes in tax rate		
iii) Recognition of previously unrecognised tax losses		
iv) Write-down or reversal		
iv) Others (to be specified)		
Income Tax Expense	-	-

(b) **Reconciliation of Taxable Profit & the Accounting Profit**

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	-	-
Applicable Tax Rate		
Tax at the applicable rate on Accounting Profit	-	-
Add: Tax effect of expenses that are not deductible for tax purpose		
i)		
ii)		
Less: Tax effect on exempt income and additional deduction		
i)		
ii)		
Less: Adjustments to Current Tax for Prior Periods		
i)		
ii)		
Add/ (Less): Others (to be Specified)		
i)		
ii)		
Income Tax Expense	-	-
Effective Tax Rate	-	-

OR

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	-	-
Income Tax Expense	-	-
Average Effective Tax Rate	-	-
Less: Tax effect of expenses that are not deductible for tax purpose		
i)		
ii)		
Add: Tax effect on exempt income and additional deduction		
i)		
ii)		
Add: Adjustments to Current Tax for Prior Periods		
i)		
ii)		
Add/ (Less): Others (to be Specified)		
i)		
ii)		
Applicable Tax Rate	-	-

44 Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashadh, 20X2 (July, 20X2) the company has recognised an amount of NPR. as an expenses under the defined contribution plans in the Statement of Profit or Loss.

b) Post Employment Benefit - Defined Benefit Plans

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out.

c) Total Expenses Recognised in the Statement of Profit or Loss

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost				
Past service cost				
Net interest cost (a-b)				
a. Interest expense on defined benefit obligation (DBO)				
b. Interest (income) on plan assets				
Defined benefit cost included in Statement of Profit or Loss	-	-	-	-

d) Remeasurement effects recognised in Statement of Other Comprehensive Income (OCI)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
a. Actuarial (gain)/ loss due to financial assumption changes in DBO				
b. Actuarial (gain)/ loss due to experience on DBO				
c. Return on plan assets (greater)/ less than discount rate				
Total actuarial (gain)/ loss included in OCI	-	-	-	-

e) Total cost recognised in Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss				
Remeasurements effects recognised in OCI				
Total cost recognised in Comprehensive Income	-	-	-	-

f) Change in Defined Benefit Obligation

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year				
Service cost				
Interest cost				
Benefit payments from plan assets				
Actuarial (gain)/ loss - financial assumptions				
Actuarial (gain)/ Loss - experience				
Defined Benefit Obligation as at Year End	-	-	-	-

g) Change in Fair Value Of Plan Assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year				
Interest Income				
Expected return on plan assets				
Employer contributions				
Participant contributions				
Benefit payments from plan assets				
Transfer in/ transfer out				
Actuarial gain/ (loss) on plan assets				
Fair value of Plan Assets as at Year End	-	-	-	-

h) Net Defined Benefit Asset/(Liability)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation			-	-
Fair Value of Plan Assets			-	-
Liability/ (Asset) Recognised in Statement of Financial Position	-	-	-	-

i) Expected Company Contributions for the Next Year

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year				

j) Reconciliation of amounts in Statement of Financial Position

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end				
Defined benefit cost included in Statement of Profit or Loss				
Total remeasurements included in OCI				
Acquisition/ divestment				
Employer contributions				
Net defined benefit liability/(asset)	-	-	-	-

k) Reconciliation of Statement of Other Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period				
Total remeasurements included in OCI				
Cumulative OCI - (Income)/Loss	-	-	-	-

l) Current/Non - Current Liability

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability				
Non - Current Liability				
Total	-	-	-	-

m) Expected Future Benefit Payments

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year				
Between 1-2 years				
Between 2-5 years				
From 6 to 10				
Total	-	-	-	-

n) Plan assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
	(% Invested)	(% Invested)	(% Invested)	(% Invested)
Government Securities (Central and State)				
Corporate Bonds (including Public Sector bonds)				
Mutual Funds				
Deposits				
Cash and bank balances				
Others (to be Specified)				
Total	-	-	-	-

o) Sensitivity Analysis

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Effect in Defined Benefit Obligation Due to 1% Increase in Discount Rate				
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate				
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate				
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate				
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate				
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate				

p) Assumptions

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate		
Escalation Rate (Rate of Increase in Compensation Levels)		
Attrition Rate (Employee Turnover)		
Mortality Rate During Employment		

46 Fair Value Measurements

(i) Financial Instruments by Category & Hierarchy

This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are (a) recognised and

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Investments							
i) Investment in Equity Instruments			-			-	
Investment in Equity (Quoted)	1						
Investment in Equity (Unquoted)	3						
ii) Investment in Mutual Funds	1		-			-	
iii) Investment in Preference Shares of Bank and Financial Institutions							
iv) Investment in Debentures	3			-			-
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3			-			-
vi) Fixed Deposits	3			-			-
vii) Others (to be specified)							
Loans	3			-			-
Other Financial Assets	3			-			-
Cash and Cash Equivalents	3			-			-
Total Financial Assets			-	-		-	-
Borrowings			-	-		-	-
Other Financial Liabilities	3			-			-
Total Financial Liabilities			-	-		-	-

Level 1: Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There is no transfer of Financial Instruments between different levels as mentioned above during the year.

(ii) Valuation Technique Used to Determine Fair Value

- Use of quoted market prices or dealer quotes for similar instruments
- Fair Value of remaining financial instruments is determined using discounted cash flow analysis

(iii) Valuation Process

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Discussion on valuation processes and results are held at least once in a year.

The main level 3 inputs are derived and evaluated as follows:

- Discount rate is arrived at considering the internal and external factors.
- Discounting has been applied where assets and liabilities are non-current, and the impact of the discounting is material

(iv) Fair Value of Financial Assets and Liabilities Measured at Amortised Cost

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investments				
i) Investment in Preference Shares of Bank and Financial Institutions				
ii) Investment in Debentures	-		-	
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-		-	
iv) Fixed Deposit	-		-	
v) Others (to be Specified)				
Loans				
i) Loan to Employees	-		-	
ii) Others (to be Specified)				
Other Financial Assets				
Total Financial Assets at Amortised Cost	-	-	-	-
Borrowings				
i) Bonds	-		-	
ii) Debentures	-		-	
iii) Term Loans - Bank and Financial Institution	-		-	
iv) Bank Overdrafts	-		-	
v) Others (to be Specified)	-		-	
Other Financial Liabilities	-		-	
Total Financial Liabilities at Amortised Cost	-	-	-	-

The fair values of the above financial instruments measured at amortised cost are calculated based on cash flows discounted using current discount rate. The carrying amounts of cash and cash equivalents are considered to be the same as their fair values due to their short-term nature.

Claim development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive incident year at each reporting date, together with

Gross outstanding claim provision

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year							-
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Current estimate of cumulative claims	-	-	-	-	-	-	-
At end of incident year							-
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Cumulative payments to date							-
Gross outstanding claim provision	-	-	-	-	-	-	-

Net outstanding claim provision

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year							-
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Current estimate of cumulative claims	-	-	-	-	-	-	-
At end of incident year							-
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Cumulative payments to date	-	-	-	-	-	-	-
Net outstanding claim provision	-	-	-	-	-	-	-

f) Reserving

Insurance Contract Liabilities are created to cover this risk based on the actuarial valuation report.

The table below sets out the concentration of risk associated with above mentioned products. Risk as at year end has been measured as insurance contract liabilities and disclosed as

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Property			-			-
Motor			-			-
Marine			-			-
Engineering			-			-
Micro			-			-
Aviation			-			-
Cattle and Crop			-			-
Miscellaneous			-			-
Total	-	-	-	-	-	-

Notes to Financial Statements (Continued...)

47 Financial Risk

The Company's activities expose it to Credit Risk, Liquidity Risk & Market Risk.

i) Credit Risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company. Thus, for an insurance contract, credit risk

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

a) Company has credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

b) Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by entering into agreement with more than one party. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

c) The company deals with only creditworthy counterparties and obtains sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh ..., 20X2

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses					
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses					
Credit Risk has significantly increased and credit impaired						

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh ..., 20X1

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses					
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses					
Credit Risk has significantly increased and credit impaired						

Reconciliation of Loss Allowance Provision

Particulars	Measured at 12 months expected credit losses	Measured at life-time expected credit	
		Credit Risk has significantly increased and not credit impaired	Credit Risk has significantly increased and credit impaired
Loss Allowance on Ashadh .., 20X1			
Changes in loss allowances			
Write-offs			
Recoveries			
Loss Allowance on Ashadh .., 20X2	-	-	-

ii) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

Maturity of Financial Liabilities:

The table below summarises the Company's Financial Liabilities into Relevant Maturity Groupings based on their Contractual Maturities for all Financial Liabilities.

Particulars	Current Year			Previous Year		
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	Upto 1 Year	1 Year to 5 Year	More than 5 Year
Borrowings						
Other Financial Liabilities						
Total Financial Liabilities	-	-	-	-	-	-

iii) Market Risk

a1) Foreign Currency Risk Exposure

Foreign exchange risk is the potential for the Company to experience volatility in the value of its assets, liabilities and solvency and to suffer actual financial losses as a result of changes in value between the currencies of its assets and liabilities and its reporting currency. The Company does not maintain foreign currency denominated assets in its investment portfolios and as such is not exposed to foreign exchange risk related to investments.

Alternative note for Foreign Currency Risk Exposure (where there is Foreign Currency Risk)

Operation of the Company has exposed it to foreign exchange risk arising from foreign currency transactions, with respect to the USD and Currency A. The risk is measured through The Company's exposure to foreign currency risk at the end of the reporting period expressed in NPR, are as follows:

Particulars	-		Previous Year	
	USD	Currency A	USD	Currency A
Investments				
Loans				
Insurance Receivables				
Other Financial Assets				
Less: Derivative Assets				
i) Foreign exchange forward contracts - Sell Foreign Currency				
ii) Foreign exchange option contracts - Sell Foreign Currency				
Net Exposure to Foreign Currency Risk/ (Assets)	-	-	-	-
Insurance Payables				
Other Financial Liabilities				
Less: Derivative Liabilities				
i) Foreign exchange forward contracts - Buy Foreign Currency				
ii) Foreign exchange option contracts - Buy Foreign Currency				
Net Exposure to Foreign Currency Risk/ (Liabilities)	-	-	-	-

a2) Foreign Currency Risk - Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on the other components of equity arising from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

Particulars	Impact on profit after tax		Impact on other component of equity	
	Current Year	Previous Year	Current Year	Previous Year
USD sensitivity				
NPR/ USD - Increases by 10% *				
NPR/ USD - Decreases by 10% *				
Currency A sensitivity				
NPR/ USD - Increases by 10% *				
NPR/ USD - Decreases by 10% *				

* Holding all other variable constant

b1) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The major interest rate risk that the Company is exposed to is the discount rate for determining insurance liabilities.

b2) Interest Rate Sensitivity

Profit or Loss is sensitive to changes in Interest Rate for Borrowings.

A change in Market Interest Level by 1% which is reasonably possible based on Management's Assessment would have the following effect on the Profit After Tax.

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*		
Interest Rate - Decrease By 1%*		

* Holding all other Variable Constant

c1) Equity Price Risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company has invested in equity securities and the exposure is equity securities price risk from investments held by the Company and classified in the statement of financial position as fair value through OCI.

c2) Sensitivity

The table below summarises the impact of increase/decrease of the index in the Company's equity and impact on OCI for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 1% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*		
Interest Rate - Decrease By 1%*		

* Other components of equity would increase/decrease as a result of gains/ (losses) on equity securities classified as fair value through other comprehensive income.

48 Operational Risk

Operational Risk is the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, people and systems or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

49 Climate Related Risk

Please provide the disclosure related to climate risk.

50 Capital Management

The Company's objectives when managing Capital are to:

- a) Safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- b) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Regulatory minimum paid up capital

Reinsurance companies were required by the Directive of Nepal Insurance Authority to attain a stipulated minimum paid up capital of NPR..... billion by As on the reporting date, the company's paid up capital is NPR

Dividend

Particulars	Current Year	Previous Year
(i) Dividends recognised		
Final dividend for the year ended Ashadh .., 20X1 of NPR/- (Ashadh .., 20X1 - NPR/-) per fully paid share	-	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the year ended the directors have recommended the payment of a final dividend of NPR/- per fully paid equity share (Ashadh .., 20X1 - NPR /-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	-	-

51 Earnings Per Share

Particulars	Current Year	Previous Year
Profit for the year		
Less : Dividend on Preference Shares		
Profit For the Year used for Calculating Basic Earning Per Share		
Add: Interest saving on Convertible Bonds		
Profit For the Year used for Calculating Diluted Earning per Share		
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share		
Adjustments for calculation of Diluted Earning per Share:		
i) Dilutive Shares		
ii) Options		
iii) Convertible Bonds		
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share	-	-
Nominal Value of Equity Shares		
Basic Earning Per Share		
Diluted Earning Per Share		
Proposed Bonus Share		
Weighted Average Number of Equity Shares Outstanding During the Year for Restated Earning Per Share		
Restated Basic Earning Per Share		
Restated Diluted Earning Per Share		

Notes to Financial Statements (Continued...)

c) Reconciliation of Segmental Profit with Statement of Profit or Loss

Particulars	Current Year	Previous Year
Add: Net Gains/(Losses) on Fair Value Changes		
Add: Net Realized Gains/(Losses)		
Add: Other Income		
Less: Depreciation and Amortization		
Less: Impairment Losses		
Less: Finance Cost		
Profit Before Tax	-	-

d) Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets	-	-
Goodwill & Intangible Assets		
Property, Plant and Equipment		
Investment Properties		
Deferred Tax Assets	-	
Investment in Subsidiaries		
Investment in Associates		
Investments		
Loans		
Current Tax Assets (Net)		
Other Assets		
Other Financial Assets		
Cash and Cash Equivalents		
Total Assets	-	-

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	-	-
Provisions		
Deferred Tax Liabilities		
Current Tax Liabilities (Net)		
Other Financial Liabilities		
Other Liabilities		
Total Liabilities	-	-

53 Related Party Disclosure

(a) Identify Related Parties

Holding Company:

Subsidiaries:

Associates:

Fellow Subsidiaries:

Key Management Personnel:

(b) Key Management Personnel Compensation:

Particulars	Current Year	Previous Year
Short-term employee benefits		
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Total	-	-

Payment to Chief Executive Officer (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances		
Performance based allowances		
i) Employee Bonus		
ii) Benefits as per prevailing provisions		
iii) Incentives		
Insurance related benefits		
i) Life Insurance		
ii) Accident Insurance		
iii) Health Insurance (including family members)		
Total	-	-

(c) Related Party Transactions:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Premium Earned						
Current Year						
Previous Year						
Commission Income						
Current Year						
Previous Year						
Rental Income						
Current Year						
Previous Year						
Interest Income						
Current Year						
Previous Year						
Sale of Property & Equipment						
Current Year						
Previous Year						
Purchase of Property & Equipment						
Current Year						
Previous Year						
Premium Paid						
Current Year						
Previous Year						
Commission Expenses						
Current Year						
Previous Year						
Dividend						
Current Year						
Previous Year						
Meeting Fees						
Current Year						
Previous Year						
Allowances to Directors						
Current Year						
Previous Year						
Others (to be specified)						
Current Year						
Previous Year						

(d) Related Party Balances:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
Current Year						
Previous Year						
Other Receivables (to be Specified)						
Current Year						
Previous Year						
Payables including Reinsurance Payables						
Current Year						
Previous Year						
Other Payables (to be Specified)						
Current Year						
Previous Year						

7 Leases

(a) Leases as Lessee

(i) Operating Leases:

The Company has various operating leases ranging from years to years for Non-cancelable periods range from months to months. The leases are renewable by mutual consent and contain escalation clause. Rental expenses for operating leases recognized in the Statement of Profit and Loss for the year is NPR (Aushadh .. 20X1 July .. 20X2: NPR).

Disclosure in respect of Non-cancelable lease is as given below:

Future Minimum Lease Payments	Current Year	Previous Year
(i) Not Later than 1 year		
(ii) Later than 1 year and not later than 5 years		
(iii) Later than 5 years		

(ii) Finance Lease:

The Company holds assets under finance leases. Future minimum lease payments and lease liability at the end of the year is given below:

Future Minimum Lease Payments	Current Year	Previous Year
(i) Not Later than 1 year		
(ii) Later than 1 year and not later than 5 years		
(iii) Later than 5 years		
Total Future Minimum Lease Payments		
Less: Amount of Discount		
Finance lease liability recognized		

(b) Leases as Lessor

(i) Operating Lease:

The Company has leased out certain office spaces that are renewable on a periodic basis. Rental income received during the year in respect of operating lease is NPR (Aushadh .. 20X1 July .. 20X2: NPR). Details of assets given on operating lease as at year end are as below:

Disclosure in respect of Non-cancelable lease is as given below:

Future Minimum Lease Income	Current Year	Previous Year
(i) Not Later than 1 year		
(ii) Later than 1 year and not later than 5 years		
(iii) Later than 5 years		

(ii) Finance Lease:

The Company has given assets under finance leases. At the year end receivables under finance lease agreements fall due as follows:

Particulars	Current Year			Previous Year		
	Gross Investment	Unearned Finance Income	Net Investment	Gross Investment	Unearned Finance Income	Net Investment
(i) Not Later than 1 year						
(ii) Later than 1 year and not later than 5 years						
(iii) Later than 5 years						
Total						

8 Capital Commitments

Estimated amount of contracts remaining to be executed in capital accounts and not provided for:

Particulars	Current Year	Previous Year
Prepaid and Equipment		
Government Deposits		
Leasehold & Intangible Assets		
Total		

9 Contingent Liabilities

Estimated amount of contracts remaining to be executed in capital accounts and not provided for (net of advances):

Particulars	Current Year	Previous Year
Guarantee against Commission acknowledged as debts		
(i) Income Tax		
(ii) Dividend Levy		
(iii) Others (to be specified)		
Total		

10 Events occurring after Balance Sheet

11 Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are:

Particulars	Current Year	Previous Year
Investments Receivable		
Investments receivable		
Goodwill		
Property and equipment		
Others (to be specified)		
Total		

12 Corporate Social Responsibility

13 Miscellaneous

(i) All amounts are in Nepalese Rupees unless otherwise stated.
(ii) All figures are in the Nearest Rupee & Rounded off.

14 Others (to be specified)

ABC NON-LIFE INSURANCE COMPANY LIMITED
Major Financial Indicators

S.N	Particular	Indicators	Fiscal Year				
			2079/80	2078/79	2077/78	2076/77	2075/76
	Equity:						
1	Net worth	NPR					
2	Number of Shares	No.s					
3	Book value per shares	NPR					
4	Net Profit	NPR					
5	Earning per Shares (EPS)	NPR					
6	Dividend per Shares (DPS)	NPR					
7	Market Price per Shares (MPPS)	NPR					
8	Price Earning Ratio (PE Ratio)	Ratio					
9	Change in Equity	%					
10	Return on Equity	%					
11	Capital to Total Net Assets Ratio	%					
12	Capital to Technical Reserve Ratio	%					
13	Affiliate Ratio	%					
	Business:						
14	Total Premium Growth Rate						
	<i>Property</i>	%					
	<i>Motor</i>	%					
	<i>Marine</i>	%					
	<i>Engineering</i>	%					
	<i>Micro</i>	%					
	<i>Aviation</i>	%					
	<i>Cattle and Crop</i>	%					
	<i>Miscellaneous</i>	%					
15	Net Premium Growth Rate	%					
	<i>Property</i>	%					
	<i>Motor</i>	%					
	<i>Marine</i>	%					
	<i>Engineering</i>	%					
	<i>Micro</i>	%					
	<i>Aviation</i>	%					
	<i>Cattle and Crop</i>	%					
	<i>Miscellaneous</i>	%					
16	Net Insurance Premium/ Gross Insurance Premium						
	<i>Property</i>	%					
	<i>Motor</i>	%					
	<i>Marine</i>	%					
	<i>Engineering</i>	%					
	<i>Micro</i>	%					
	<i>Aviation</i>	%					
	<i>Cattle and Crop</i>	%					
	<i>Miscellaneous</i>	%					
17	Reinsurance Commission Income/ Gross Reinsurance Premium	%					
18	Gross Premium Revenue/ Equity	%					
19	Net Premium Revenue/ Equity	%					
20	Gross Insurance Premium/Total Assets	%					
21	Return on Investments & Loan	%					
22	Net Profit/ Gross Insurance Premium	%					
	Expenses:						
23	Reinsurance Ratio	%					
24	Management expenses/ Gross Insurance Premium	%					
25	Agent Related Expenses/ Gross Insurance Premium	%					
26	Agent Related Expenses/Management Expenses	%					
27	Employee Expenses/ Management Expenses	%					
28	Employee Expenses/ Number of Employees	Amt.					
29	Expense Ratio (Underwriting Expense/Net Written Premium)	%					
30	Commission Ratio (Commission Expense/Net Written Premium)	%					
31	Loss Ratio [(Claim Paid + change in reserve)/ (Net Written Premium)]	%					
32	Combined Ratio (Loss Ratio + Expense Ratio)	%					
	Assets:						
33	Increment in Investment Held	%					
34	Return on Assets	%					
35	Long term Investments/Total Investments	%					
36	Short term Investments/Total Investments	%					
37	Total Investment & Loan/Gross Insurance Contract Liabilities	%					
38	Investment in Unlisted Shares and Debtors/ Total Net Assets	%					
39	Investment in Shares/ Total Net Assets	%					
40	Liquidity Ratio	%					
	Liabilities:						
41	Solvency Margin	%					
42	Increment in Gross Insurance Contract Liabilities	%					
43	Net Technical Reserve/ Average of Net Claim Paid for Last 3 Years	%					
44	Actuarial Provision	Amt.					
45	Technical Provisions/ Total Equity	%					
46	Insurance Debt/ Total Equity	%					
47	Outstanding Claim/ Claim Intimated	%					
48	No. of Outstanding Claim/ No. of Intimated Claim	%					
49	Total Number of Inforce Policies	No.s					
50	Number of Renewed Policy/ Last Year's Total Number of In Force Policies	%					
51	Number of Intimated Claim/ Total Number of In Force Policy	%					
	Others:						
52	Number of Offices	No.s					
53	Number of Agents	No.s					
54	Number of Surveyor	No.s					
55	Number of Employees	No.s					

ABC Reinsurance Limited

Notes to the Financial Statements

for the year ended Ashadh 32, 2080(July 16th, 2023)

Insurers may prepare their own accounting policies in compliance of Insurance Act, 2079, Financial directive issued by Nepal Insurance Authority, Nepal Financial Reporting Standards and Nepal Accounting Standards. However, the accounting policies of the insurer should include all the headings as prescribed in this recommendatory note to financial statements.

1. Reporting Entity

ABC Reinsurance Limited (herein after referred to as the 'Company') is a public limited company, incorporated on..... and operated as a reinsurance Company after obtaining license on under the Insurance Act 2049. TheCompany is a subsidiary/Associates the Company.

The registered office of the Company is located atThe Company's share are listed on

The principal activities of the Company are to provide various reinsurance services to Life and Non-life Re/Insurance Companies located inside and outside Nepal.

2. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 20XX to 32nd Ashadh20XX with the corresponding previous year from 1st Shrawan 20XX to 32nd Ashadh 20XX . These financial statements have been approved by the Board of Directors of(.....)

(b) Statement of Compliance

The Financial Statements of the Company comprises of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown as two separate statements, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements which have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB) and in compliance with the requirements of the Companies Act , 2063, directives issued by Nepal Insurance Authority and required disclosures as per Securities Board of Nepal. The format used in the preparation and presentation of the Financial Statements and disclosures made therein also complies with the specified formats prescribed in the directives of Nepal Insurance Authority.

The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

The financial statements are approved for issue by the Company's Board of Directors on

(c) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for following Assets & Liabilities which have been measured at Fair Value amount:

- i. Certain Financial Assets and Liabilities which are required to be measured at fair value

- ii. Defined Employee Benefits
- iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).

Historical cost is generally Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2 or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurements in its entirety, which are described as follows:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2- Inputs are inputs ,other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3- Inputs are unobservable inputs for the Asset or Liability.

(d) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the reported balance of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the year presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the Financial Statements.

(e) Functional and Presentation Currency

These Financial Statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

(f) Going Concern

The financial statements are prepared on going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operation of it.

(g) Change in Accounting Policies

Accounting Policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flow.

(h) Recent Accounting Pronouncements

Accounting standards issued and effective

Accounting standards issued and non-effective

(i) Carve-outs

The Company has not applied any carve outs provided by the ASB.

(j) Presentation of financial statements

The assets and liabilities of the Company presented in the Statement of Financial Position are grouped by the nature and listed in an order that reflects their relative liquidity and maturity pattern.

(k) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by Nepalese Financial Reporting Standards or Interpretation (issued by the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC) and as specifically disclosed in the Significant Accounting Policies of the Company.

(l) Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard-NAS 1 on 'Presentation of Financial Statements'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

3. Significant Accounting Policies

(a) Property and Equipment

i) Recognition

Freehold land is carried at historical cost and other items of Property and Equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

ii) Revaluation

After recognition as an assets, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers.

An increase in the carrying amount as a result of revaluation, is recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss. A decrease in the carrying amount as a result of revaluation, is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Difference between depreciation on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

iii) Depreciation

Depreciation of Property and Equipment other than the Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Straight Line Method (SLM)/ Diminishing Balance Method ((DBM)" based on Useful Life estimated by technical expert of the management.

The Assets Useful Life/ Rate of Depreciation and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Useful Life of Property and Equipment based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM/Rate for WDV
Land	
Buildings	
Leasehold Improvement	
Furniture & Fixture	
Computers and IT Equipment	
Officer Equipment	
Vehicles	
Other Assets	

iv) Derecognition

An item of Property and Equipment is derecognized up to disposal or when no Future Economic Benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

v) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

vi) Capital Work-In-Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development which are to be capitalized. Capital Work in Progress would be transferred to the relevant asset when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.

(b) Goodwill & Intangible Assets

i) Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Goodwill on business combination is recognized on the acquisition date at the excess of (a) over (b) below:

- (a) The aggregate of:

1. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value.
2. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and
3. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

ii)Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the entity.

Amortization is recognized in statement of profit of loss on Straight Line Method (SLM) over the estimated useful life of the intangible assets/ Diminishing Balance Method (DBM), from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates, The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Useful Life of Intangible Assets based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Soft wares	
Licenses	
Others(to be specified)	

iii)Derecognition

An Intangible Asset is derecognized when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

iv)Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Intangible Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognized in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(c) Investment Properties

Cost Model

Property that is held for rental income or for capital appreciation or both, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost, however, buildings are depreciated over their estimated useful lives as mentioned above.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

OR

Fair Value Model

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise, including the corresponding tax effect.

The fair value of investment property is determined by an external, independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category by property being valued.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer is made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

(d) Cash & Cash Equivalent

Cash & Cash Equivalent includes Cash in Hand, Cheque in Hand, Bank Balances and short term deposits with a maturity of three months or less.

(e) Financial Assets

i)Initial Recognition & Measurement

Financial Assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Assets at initial recognition.

When Financial Assets are recognized initially, they are measured at Fair Value, plus, in the case of Financial Assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried at Fair Value through Profit or Loss are expensed in the Statement of Profit or Loss.

ii)Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is achieved is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income in these financial assets is measured using an effective interest rate method.

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to the statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial Assets which is not classified in any of the above categories are measured at FVTPL.

iii)De-Recognition

A Financial Asset is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Assets. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv)Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, there is objective evidence of impairment because of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a financial asset or a group of financial assets is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(f) Financial Liabilities

i)Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition. All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii)Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair Value due to short maturity of these instruments.

iii)De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(h) Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurer. These assets are created for the reinsurer's share of insurance contract liabilities.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the reinsurer. If a reinsurance asset is impaired, the company reduces the carrying amount accordingly and is recognized in statement of profit or loss.

(i) Equity

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(j) Reserves and Funds

i) Share Application Money Pending Allotment

ii) Share Premium:

ii) Catastrophe Reserve:

iii) Fair Value Reserve:

iv) Regulatory Reserves:

v) Actuarial Reserves:

vi) Revaluation Reserves:

vii) Special Reserve:

viii) Other Reserves:

(k) Insurance Contract Liabilities

i) Provision for unearned premiums

Unearned premiums reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage.

Change in reserve for unearned insurance premium represents the net portion of the gross written premium transferred to the unearned premium reserve during the year to cover the unexpired period of the policies.

ii) Outstanding claims provisions

Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the statement of financial position date, whether reported or not, together with related claims handling costs.

iii) Provision for claim incurred but not reported (IBNR)

Significant delays are experienced in the notification and settlement of certain types of claims, the ultimate cost of which cannot be known with certainty at the statement of financial position date.

The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation.

Liability adequacy

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The

calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability.

(l) Employee Benefits

i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the Statement of Financial Position.

ii) Post-Employment Benefits

-Defined Contribution Plan

The Company pays Provident Fund contributions to publicly administered Provident Funds/Social Security Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expenses when they are due.

-Defined Benefit Plan

For Defined Benefit Plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight-Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

iii) Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the year using the Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognizes termination benefits at the earlier of the following dates:

- a) When the Company can no longer withdraw the offer of those benefits; and
- b) When the entity recognizes costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits. The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(m) Revenue Recognition

i) Gross Premium

Premium is accounted based on accounts rendered by ceding companies upon receipt of accounts. At the end period, estimates are made for the accounts not received within months of the end of the financial year, based on available information and current trends.

Premium on non-proportional contracts are recognized when due.

In case of pool business, where. Reinsurance Limited is a member, only the Company's share is recorded in the books of accounts.

Premiums earned are generally recognized in income over the contract period in proportion to the amount of reinsurance provided.

ii) Unearned Premium Reserves Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a pro rate basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

iii) Premiums on Reinsurance Accepted

Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and claims, respectively, because this is consistent with how the business is managed.

iv) Reinsurance Premium

Direct Reinsurance premiums comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks- attaching contracts and over the term of the reinsurance contract for losses occurring contracts.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

v) Commission Income

Commission Income is recognized on accrual basis. If the income is for future periods, then they are deferred and recognized over those future periods.

vi) Investment Income

Interest income is recognized in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commission that are an integral part of the effective yield of the financial asset are recognized as an adjustment to the EIR of the instrument.

vii) Net realized gains and losses

Net realized gains and losses recorded in the statement of profit or loss include gains and losses on financial assets and properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

(n) Claims and Expenses

i) Gross Claims

Claims include the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlement of claims. Claims that are incurred during the financial year are recognized when a claimable event occurs and/or the insurer is notified.

Note: Please provide the basis of calculating reserves for Incurred but Not Reported Claims (IBNR)

ii) Reinsurance Claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the term of the relevant contracts.

(o) Product Classification

The Company has following portfolios under which it operates its business:

- i) Property Portfolio – Property insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the property/fire insurance business.
- ii) Motor Portfolio - Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.
- iii) Marine Portfolio - Marine insurance business means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.
- iv) Engineering Portfolio - Engineering insurance business means the insurance that provides economic safeguard to the risks faced by the ongoing construction project, installation project, and machines and equipment in project operation.
- v) Micro Portfolio - Micro Insurance protects against loss of or damage to crops or livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.
- vi) Aviation Portfolio – Aviation Insurance provides coverage for hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents.
- vii) Cattle and Crop Portfolio - Cattle and Crop Insurance provides insurance against loss of or damage to Cattle and crops.
- viii) Miscellaneous Portfolio – All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.
- ix) Life Portfolio: The term nature of the life insurance business falls under this category of business.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(q) Cash Flow Statement

Cash Flows are reported using the direct method, whereby major classes of cash receipts and cash payments are disclosed as cash flows.

(r) Leases

The lease liability has been accounted for under NFRS 16 “Leases”. For all the significant lease, the Right-of-Use assets has been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date. The lease payment has been discounted at the incremental borrowing rate in lease which is%.

After the commencement date, the right of use asset has been measured using cost model. The lease liability has been increased to reflect interest on the lease liability & has been reduced by the lease payment. The lease assets having the lease liability of equal to or less thanlacs present value at inception has been considered as low value and for those lease the expenses has been recognized under straight line basis.

(s) Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

i) Current Tax

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii) Deferred Tax

Deferred Tax is recognized on temporary difference between the carrying amounts of Assets and Liabilities in the Statement of Financial Position and their Tax Base. Deferred Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profit nor Loss at the time of the transaction.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred Tax Liabilities are generally recognized for all taxable Temporary Difference.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

(t) Provisions, Contingent Liabilities & Contingent Assets

i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Provisions for Contingent Liability are recognized in the books a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

ii) Contingent Liabilities

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities are not recognized but disclosed in the Financial Statements.

iii) Contingent Assets

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

(u) Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which is the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions. The rates of exchange have been taken from

Monetary items such as receivables and payables in foreign currencies are converted using the closing rates of exchange at the balance sheet. Exchange gain/loss out of such conversion is recognized in Profit & Loss Account.

(v) Earnings Per Share

Basic Earnings per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assumed conversion of all dilutive potential ordinary shares.

(w) Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".

Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

NFRSs based Financial Statements

..... Re- Insurance Limited
 Consolidated Statement of Financial Position
 As At Ashadh, 20X2 (... th July, 20X2)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	-	-
Property and Equipment	5	-	-
Investment Properties	6	-	-
Deferred Tax Assets	7	-	-
Investment in Associates	9	-	-
Investments	10	-	-
Loans	11	-	-
Reinsurance Assets	12	-	-
Current Tax Assets (Net)	21	-	-
Insurance Receivables	13	-	-
Other Assets	14	-	-
Other Financial Assets	15	-	-
Cash and Cash Equivalents	16	-	-
Total Assets		-	-
Equity & Liabilities			
Equity			
Share Capital	17 (a)	-	-
Share Application Money Pending Allotment	17(b)	-	-
Share Premium	17 (c)	-	-
Special Reserves	17 (d)	-	-
Catastrophe Reserves	17 (e)	-	-
Retained Earnings	17 (f)	-	-
Other Equity	17 (g)	-	-
Non-Controlling Interest	17 (h)		
Total Equity		-	-
Liabilities			
Provisions	18	-	-
Gross Insurance Contract Liabilities	19	-	-
Deferred Tax Liabilities	7	-	-
Insurance Payables	20	-	-
Current Tax Liabilities (Net)	21	-	-
Borrowings	22	-	-
Other Liabilities	23	-	-
Other Financial Liabilities	24	-	-
Total Liabilities		-	-
Total Equity and Liabilities		-	-

The accompanying notes form an integral part of these Financial Statements.

Consolidated Statement of Profit or Loss
For The Year Ended Ashadh, 20X2
(For The Year Ended July, 20X2)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<u>Income:</u>			
Gross Earned Premiums	25	-	-
Premiums Ceded	26	-	-
Net Earned Premiums		-	-
Commission Income	27	-	-
Other Direct Income	28	-	-
Income from Investment & Loans	29	-	-
Net Gains/ (Losses) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	-	-
Other Income	32	-	-
Total Income		-	-
<u>Expenses:</u>			
Gross Claims Paid	33	-	-
Claims Ceded	33	-	-
Gross Change in Contract Liabilities	34	-	-
Change in Contract Liabilities Ceded to Reinsurers	34	-	-
Net Claims Incurred		-	-
Commission & Brokerage Expenses	35	-	-
Service Fees	36	-	-
Other Direct Expenses	37	-	-
Employee Benefits Expenses	38	-	-
Depreciation and Amortization Expenses	39	-	-
Impairment Losses	40	-	-
Other Operating Expenses	41	-	-
Finance Cost	42	-	-
Total Expenses		-	-
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		-	-
Share of Net Profit of Associates accounted using Equity Method	9		
Profit Before Tax			
Income Tax Expense	43	-	-
Net Profit/ (Loss) For The Year		-	-
Profit Attributable to:			
i) Equity Holders			
ii) Non-Controlling Interest			
Earning Per Share	51		
Basic EPS			
Diluted EPS			

The accompanying notes form an integral part of these Financial Statements.

Consolidated Statement of Comprehensive Income
For The Year Ended Ashadh, 20X2
(For The Year Ended July, 20X2)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/ (Loss) For The Year		-	-
Other Comprehensive Income			
<u>a) Items that are or may be Reclassified to Profit or Loss</u>			
Changes in Fair Value of FVOCI Debt Instruments			
Cash Flow Hedge - Effective Portion of Changes in Fair Value			
Exchange differences on translation of Foreign Operation			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Reclassified to Profit or Loss			
<u>b) Items that will not be Reclassified to Profit or Loss</u>			
Changes in fair value of FVOCI Equity Instruments			
Revaluation of Property and Equipment/Goodwill & Intangible Assets			
Remeasurement of Post-Employment Benefit Obligations			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Total Other Comprehensive Income For the Year, Net of Tax		-	-
Total Comprehensive Income For the Year, Net of Tax		-	-
Total Comprehensive Income Attributable to:			
i) Equity holders			
ii) Non-controlling interest			

The accompanying notes form an integral part of these Financial Statements.

Consolidated Statement of Cash Flows
For The Year Ended Ashadh, 20X2
(For The Year Ended July, 20X2)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received		
Commission Received		
Claim Recovery Received from Reinsurers		
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income Received		
Others (to be specified)		
Cash Paid		
Gross Claims Paid		
Reinsurance Premium Paid		
Commission Paid		
Brokerage Paid		
Service Fees Paid		
Employee Benefits Expenses Paid		
Other Expenses Paid		
Other Direct Expenses Paid		
Others (to be specified)		
Income Tax Paid		
Net Cash Flow From Operating Activities [1]	-	-
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets		
Proceeds From Sale of Intangible Assets		
Acquisitions of Investment Properties		
Proceeds From Sale of Investment Properties		
Acquisitions of Property & Equipment		
Proceeds From Sale of Property & Equipment		
Investment in Subsidiaries		
Proceeds from Sale of Investments in Subsidiaries		
Investment in Associates		
Proceeds from Sale of Investments in Associates		
Purchase of Equity Instruments		
Proceeds from Sale of Equity Instruments		
Purchase of Mutual Funds		
Proceeds from Sale of Mutual Funds		
Purchase of Preference Shares		
Proceeds from Sale of Preference Shares		
Purchase of Debentures		
Proceeds from Sale of Debentures		
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits		
Maturity of Deposits		
Loans and Receivables Paid		
Proceeds from Loans and Receivables		
Rental Income Received		
Proceeds from Finance Lease		
Interest Income Received		
Dividend Received		
Others (to be specified)		
Total Cash Flow From Investing Activities [2]	-	-
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		
Dividend Distribution Tax Paid		
Others (to be specified)		
Total Cash Flow From Financing Activities [3]	-	-
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	-	-
Cash & Cash Equivalents At Beginning of The Year/Period	-	-
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	-	-
Components of Cash & Cash Equivalents		
Cash In Hand	-	-
Cheques In Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Balance With Banks	-	-

Notes:

Insurers shall prepare Statement of Cash Flows using Direct Method. Insurers may voluntarily prepare Cash Flow Statement using Indirect Method as well.

The accompanying notes form an integral part of these Financial Statements.

Consolidated Statement of Distributable Profit or Loss
For The Year Ended Ashadh, 20X2
(For The Year Ended July, 20X2)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings		
Transfer from OCI reserves to retained earning in current year		
Net profit or (loss) as per statement of profit or loss		
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Special Reserve		
iii) Transfer to Catastrophe Reserve		
iv) Transfer to Capital Reserve		
v) Transfer to CSR reserve		
vi) Transfer to/from Regulatory Reserve		
vii) Transfer to Fair Value Reserve		
viii) Transfer of Deferred Tax Reserve		
ix) Transfer to OCI reserves due to change in classification		
x) Others (to be Specified)		
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments		
b) Mutual Fund		
c) Others (if any)		
ii) Accumulated Fair Value gain on Investment Properties		
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges		
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges		
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges		
vi) Goodwill Recognised		
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency		
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account		
ix) Overdue loans		
x) Fair value gain recognised in Statement of Profit or Loss		
xi) Investment in unlisted shares		
xii) Delisted share Investment or mutual fund investment		
xiii) Bonus share/ dividend paid		
xiv) Deduction as per Sec. 17 of Financial Directive		
xv) Deduction as per Sec. 18 of Financial Directive		
xvi) Others (to be specified)		
Adjusted Retained Earning	-	-
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 15(1) Of Financial directive		
Add/(Less): Others (to be specified)		
Total Distributable Profit/(loss)	-	-

Notes to the Financial Statements
For The Year Ended Ashadh, 20X2
(For The Year Ended July, 20X2)

Fig. in NPR

4 Goodwill & Intangible Assets

Particulars	Software	License	Others (to be Specified)	Total
Gross carrying amount				
As at Shrawan 1, 20X1				
Additions during the year				-
Acquisition during the year				-
Internal Development during year				-
Business Combination (to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment during the year				-
Balance as at Ashadh .., 20X2	-	-	-	-
Additions during the year				-
Acquisition during the year				-
Internal Development during year				-
Business Combination (to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment during the year				-
Balance as at Ashadh .., 20X3	-	-	-	-
Accumulated amortization and impairment				
As at Shrawan 1, 20X1	-	-	-	-
Additions during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh .., 20X2	-	-	-	-
Additions during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh .., 20X3	-	-	-	-
Capital Work In Progress				
As at Shrawan 1, 20X1				
Additions during the year				-
Capitalization during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh .., 20X2	-	-	-	-
Additions during the year				-
Capitalization during the year				-
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh .., 20X3	-	-	-	-
Net Carrying Amount				
As at Ashadh ..., 20X2	-	-	-	-
As at Ashadh ..., 20X3	-	-	-	-

6 Investment Properties

Investment Properties at Cost

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 20X1			-
Additions during the year			-
Acquisition			-
Subsequent Expenditure			-
Assets Classified as Held for Sales			-
Disposals during the year			-
Transfer/ adjustments			-
Balance as at Ashadh .., 20X2	-	-	-
Additions during the year			-
Acquisition			-
Subsequent Expenditure			-
Assets Classified as Held for Sales			-
Disposals during the year			-
Transfer/ adjustments			-
Balance as at Ashadh .., 20X3	-	-	-
Accumulated Depreciation and impairment			
As at Shrawan 1, 20X1			-
Addition during the year			-
Disposals during the year			-
Impairment losses during the year			-
Transfer/ adjustments			-
Balance as at Ashadh .., 20X2	-	-	-
Addition during the year			-
Disposals during the year			-
Impairment losses during the year			-
Transfer/ adjustments			-
Balance as at Ashadh .., 20X3	-	-	-
Capital Work-In-Progress			
As at Shrawan 1, 20X1			-
Additions during the year			-
Capitalization during the year			-
Disposals during the year			-
Impairment losses during the year			-
Balance as at Ashadh .., 20X2	-	-	-
Additions during the year			-
Capitalization during the year			-
Disposals during the year			-
Impairment losses during the year			-
Balance as at Ashadh .., 20X3	-	-	-
Net Carrying Amount			
As at Ashadh .., 20X2	-	-	-
As at Ashadh .., 20X3	-	-	-

(i) Amounts recognised in profit or loss

Particulars	Current Year	Previous Year
Rental income		
Direct operating expenses from property that generated rental income		
Direct operating expenses from property that didn't generate rental income		
Profit from investment properties before depreciation	-	-
Depreciation		
Profit from investment properties	-	-

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land		
Buildings		
Total	-	-

Notes: Fair Value

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

- i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
- ii) discounted cash flow projections based on reliable estimates of future cash flows,
- iii) capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

OR Investment Properties at Fair Value

Particulars	Land	Building	Total
Investment Properties at Fair Value			
Gross carrying amount			
As at Shrawan 1, 20X1			-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Transfer/Adjustment			-
Balance as at Ashadh 32, 20X2	-	-	-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Transfer/Adjustment			-
Balance as at Ashadh 31, 20X3	-	-	-
Capital Work-in-Progress			
As at Shrawan 1, 20X1			-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Revaluation/Adjustment			-
Balance as at Ashadh 32, 20X2	-	-	-
Additions during the year			-
Disposals during the year			-
Net changes in Fair Value			-
Revaluation/Adjustment			-
Balance as at Ashadh 31, 20X3	-	-	-
Net Carrying Amount			
Net Balance As At Ashad 31, 20X2	-	-	-
Net Balance As At Ashad 31, 20X3	-	-	-

Notes on Fair Value :

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :

- i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
 - ii) discounted cash flow projections based on reliable estimates of future cash flows,
 - iii) capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.
- The fair values of investment properties have been determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

Notes to the Financial Statements (Continued...)

7 Deferred Tax Assets/ (Liabilities)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
Deferred Tax on Temporary Differences						
Goodwill & Intangible Assets			-			-
Property and Equipment			-			-
Financial Assets at FVTPL			-			-
Financial Assets at FVTOCI			-			-
Provision for Leave Encashment			-			-
Defined Benefits Plan (Gratuity or Others)			-			-
Impairment Loss on Financial Assets			-			-
Impairment Loss on Other Assets			-			-
Unearned Premiums Reserve						
Premium Deficiency Reserve						
IBNR and IBNER Claims						
Margin For Adverse Deviations			-			-
Right of Use (ROU) Assets			-			-
Carry forward of unused tax losses						
Changes in tax rate						
Other (to be Specified)			-			-
Total	-	-	-	-	-	-
Deferred Tax Asstes						
Deferred Tax Liabilities						

Movements in deferred tax assets/ (liabilities)

Particulars	Current Year	Previous Year
As at Shrawan 1, 20X1		
Charged/(Credited) to Profit or Loss		
Charged/(Credited) to Other Comprehensive Income		
As at Ashadh ..., 20X2	-	-

9 Investments in Associates

Particulars	Current Year	Previous Year
Investment in Quoted Associates		
Investment in Unquoted Associates		
Less: Impairment Losses		
Total	-	-

Investment in Quoted Associates						
Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equity Method	Cost	Fair Value	(or) Equity Method
..... Shares of Rs..... each of Ltd.						
..... Shares of Rs..... each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year						
Total	-	-	-	-	-	-

Investment in Unquoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equity Method	Cost	Fair Value	(or) Equity Method
..... Shares of Rs..... each of Ltd.						
..... Shares of Rs..... each of Ltd.						
Add: Share of Profit or Loss for Earlier Years						
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-

Information Relating to Associates

Particulars	Current Year	Previous Year
Name		
Place of Business		
Accounting Method		
% of Ownership		
Current Assets		
Non-Current Assets		
Current Liabilities		
Non-Current Liabilities		
Income		
Net Profit or Loss		
Other Comprehensive Income		
Total Comprehensive Income		
Company's share of profits		
Net Profit or Loss		
Other Comprehensive Income		

10 Investments

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost		
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures		
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
iv) Fixed Deposits in "A" Class Financial Institutions		
v) Fixed Deposits in Infrastructure Banks		
vi) Fixed Deposits in "B" Class Financial Institutions		
vii) Fixed Deposits in "C" Class Financial Institutions		
viii) Others (to be Specified)		
Less: Impairment Losses		
Investments measured at FVTOCI		
i) Investment in Equity Instruments		
ii) Investment in Equity Instruments (Quoted)		
iii) Investment in Equity Instruments (Unquoted)		
iv) Investment in Mutual Funds		
v) Investment in Debentures		
vi) Others (to be Specified)		
Investments measured at FVTPL		
i) Investment in Equity Instruments		
ii) Investment in Equity Instruments (Quoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
iv) Others (to be Specified)		
Total	-	-

a) Details of Impairment Losses

Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposits with "B" Class Financial Institutions		
Fixed Deposits with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

b) Investments having expected maturities less than 12 months:

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)		
Investment in Equity Instruments (Unquoted)		
Investment in Mutual Funds		
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposits with "B" Class Financial Institutions		
Fixed Deposits with "C" Class Financial Institutions		
Others (to be Specified)		
Total	-	-

c) Information relating to investment in equity instruments

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
Investment in Equity Instruments (Unquoted)				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				
.....Ltd....shares of Rs....Each				

d) The Company has earmarked investments amounting to NPR.... To Nepal Insurance Authority.

11 Loans

Particulars	Current Year	Previous Year
Loans measured at Amortized Cost		
Loan to Employees		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected recovery period within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees		
Others (to be Specified)		
Total	-	-

12 Reinsurance Assets

Particulars	Current Year	Previous Year
Reinsurance Assets on:		
Unearned Premiums Reserve	-	-
Premium Deficiency Reserve	-	-
Outstanding Claims	-	-
IBNR and IBNER Claims	-	-
Margin For Adverse Deviations	-	-
Less: Impairment Losses		
Total	-	-

13 Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurers		
Receivable from Other Insurance Companies		
Deposit Retained by Cedants		
Other Reinsurance Receivables (to be specified)		
Less: Impairment Losses		
Total	-	-

a) Expected recovery period within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurers		
Receivable from Other Insurance Companies		
Deposit Retained by Cedants		
Other Reinsurance Receivables (to be specified)		
Total	-	-

14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advances to Suppliers		
Staff Advances		
Printing and Stationery Stock		
Deferred Expenses		
Deferred Re-Insurance Commission Expenses	-	-
Deferred Brokerage Expenses	-	-
Lease Receivables		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected to be recovered/ settled within 12 months:

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses		
Claim Advances		
Advances to Suppliers		
Staff Advances		
Printing and Stationery Stock		
Deferred Expenses		
Deferred Re-Insurance Commission Expenses		
Deferred Brokerage Expenses		
Lease Receivables		
Others (to be Specified)		
Total	-	-

15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits		
Accrued Interest		
Other Receivables		
Other Deposits		
Sundry Debtors		
Premium Reserve		
Loss Reserve		
Other (to be Specified)		
Less: Impairment Losses		
Total	-	-

a) Expected to be realized within 12 months:

Particulars	Current Year	Previous Year
Security Deposits		
Accrued Income		
Other Receivables		
Other Deposits		
Sundry Debtors		
Premium Reserve		
Loss Reserve		
Other (to be Specified)		
Total	-	-

16 Cash and Cash Equivalents

Particulars	Current Year	Previous Year
Cash in Hand		
Cheques in Hand		
Bank Balances		
i) Balance with "A" Class Financial Institutions		
ii) Balance with Infrastructure Banks		
iii) Balance with "B" Class Financial Institutions		
iv) Balance with "C" Class Financial Institutions		
Less: Impairment Losses		
Deposits with initial maturity upto 3 months		
Others (to be Specified)		
Less: Impairment Losses		
Total	-	-

17(a) Share Capital

Particulars	Current Year	Previous Year
Ordinary Shares		
As at Shrawan 1, 20X1		
Additions during the year		
i) Bonus Share Issue		
ii) Share Issue		
As at Ashadh ..., 20X2		
Convertible Preference Shares (Equity Component Only)		
As at Shrawan 1, 20X1		
Additions during the year		
As at Ashadh ..., 20X2		
Irredeemable Preference Shares (Equity Component Only)		
As at Shrawan 1, 20X1		
Additions during the year		
As at Ashadh ..., 20X2		
Total	-	-

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Ordinary Shares of Rs.each		
Issued Capital:		
..... Ordinary Shares of Rs.each		
Subscribed and Paid Up Capital:		
..... Ordinary Shares of Rs.each		
Total	-	-

(ii) Preference Share Capital

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Convertible Preference Shares of Rs. ... each		
.....Irredeemable Preference Shares of Rs. ... each		
Issued Capital:		
..... Convertible Preference Shares of Rs. ... each		
.....Irredeemable Preference Shares of Rs. ... each		
Subscribed and Paid Up Capital:		
..... Convertible Preference Shares of Rs. ... each		
.....Irredeemable Preference Shares of Rs. ... each		
Total	-	-

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions				
Nepali Citizens				
Foreigners				
Others (to be Specified)				
Total (A)	-	-	-	-
Other than Promoters				
General Public				
Others (to be Specified)				
Total (B)	-	-	-	-

Details of shareholders holding 1% or more than 1% of the aggregate shares in the Company:

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year

17(b) Share Application Money Pending Allotment

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment		
Total	-	-

17(c) Share Premium

Particulars	Current Year	Previous Year
As at Shrawan 1, 20X1		
Increase due to issue of shares at premium		
Decrease due to issue of bonus shares		
Transaction costs on issue of shares		
Others (to be Specified)		
As at Ashadh ..., 20X2	-	-

17(d) Special Reserves

Particulars	Current Year	Previous Year
As at Shrawan 1, 20X1		
Additions		
Utilizations		
As at Ashadh ..., 20X2	-	-

17(e) Catastrophe Reserves

Particulars	Current Year	Previous Year
As at Shrawan 1, 20X1		
Additions		
Utilizations		
As at Ashadh ..., 20X2	-	-

17(f) Retained Earning

Particulars	Current Year	Previous Year
As at Shrawan 1 20X1		
Net Profit or Loss		
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserve		
Revaluation Reserve		
Special Reserve		
Capital Reserve		
Catastrophe Reserve		
Corporate Social Responsibility (CSR) Reserve		
Insurance Fund Including Insurance Reserve		
Fair Value Reserve		
Actuarial Reserve		
Deferred Tax Reserve		
Regulatory Reserve		
Other Reserves (to be specified)		
Transfer of Depreciation on Revaluation of Property and Equipment		
Transfer on Disposal of Revalued Property and Equipment		
Transfer on Disposal of Equity Instruments Measured at FVTOCI		
Issuance of Bonus Shares		
Transaction Costs on Issue of Shares		
Dividend Paid		
Dividend Distribution Tax		
Others (to be specified)		
As at Ashadh ..., 20X2	-	-

17(g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserve		
Capital Reserve		
Corporate Social Responsibility (CSR) Reserve		
Insurance Fund Including Insurance Reserve		
Fair Value Reserve		
Actuarial Reserve		
Deferred Tax Reserve		
Other Reserve (to be specified)		
Total	-	-

17 (h) Non-Controlling Interest

Particulars	Current Year	Previous Year
Equity Interest Held by Non-Controlling Interest (NCI) (%)		
Accumulated Balance of NCI as on Shrawan 1, 20X1		
Total Comprehensive Income Allocated to NCI for the Year		
Dividend Paid to NCI		
Accumulated Balance of NCI as on Ashad ..., 20X2	-	-

18 Provisions

Particulars	Current Year	Previous Year
Provisions for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other employee benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		
Total	-	-

(a) Movement of Provisions, Contingent Liabilities and Contingent Assets

Description	Opening Balance	Additions During the Year	Utilised During the Year	Reversed During the Year	Unwinding of Discount	Closing Balance
Provision for Employee Benefits						
i) Provision for Leave						
ii) Provision for Gratuity						
iii) Termination Benefits						
iv) Other employee benefit obligations (to be Specified)						
Provision for tax related legal cases						
Provision for non-tax related legal cases						
Others (to be specified)						

Provision with expected payout within 12 months:

Particulars	Current Year	Previous Year
Provisions for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other employee benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		
Total	-	-

20 Insurance Payables

Particulars	Current Year	Previous Year
Payable to Reinsurers		
Payable to Other Insurance Companies		
Other Insurance Payable (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurers		
Payable to Other Insurance Companies		
Other Insurance Payable (to be Specified)		
Total	-	-

21 Current Tax (Assets)/Liabilities (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities		
Income Tax Assets		
Total	-	-

22 Borrowings

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans - Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans - Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

23 Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable		
VAT Payable (Reverse & Other)		
Deposit Premiums		
Insurance Service Fee Payable		
Lease Liability		
Deferred Commission Income		
Deferred Income		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
TDS Payable		
VAT Payable (Reverse & Other)		
Deposit Premiums		
Deferred Commission Income		
Insurance Service Fee Payable		
Lease Liability		
Deferred Income		
Others (to be Specified)		
Total	-	-

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Surveyor		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fee Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be Specified)		
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Surveyor		
Sundry Creditors		
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)		
Audit Fee Payable		
Actuarial Fees Payable		
Dividend Payable		
Others (to be Specified)		
Total	-	-

25 Gross Earned Premium

Particulars	Premium on Reinsurance Accepted		Gross Change in Unearned Premiums		Gross Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Non-life						
Property						
Motor						
Marine						
Engineering						
Micro						
Aviation						
Cattle and Crop						
Miscellaneous						
Excess of Loss (Whole Account)						
Others (to be specified)						
Life						
Term						
Others (to be specified)						
Total	-	-	-	-	-	-

26 Premium Ceded

Particulars	Premium Ceded to Reinsurers		Reinsurers' Share of Change in Unearned Premiums		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Non-life						
Property						
Motor						
Marine						
Engineering						
Micro						
Aviation						
Cattle and Crop						
Miscellaneous						
Excess of Loss (Whole Account)						
Others (to be specified)						
Life						
Term						
Others (to be specified)						
Total	-	-	-	-	-	-

26.1 Portfolio-wise details of Net Earned Premium

Particulars	Gross Earned Premium		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Non-life						
Property	-	-	-	-	-	-
Motor	-	-	-	-	-	-
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Excess of Loss (Whole Account)	-	-	-	-	-	-
Others (to be specified)	-	-	-	-	-	-
Life						
Term	-	-	-	-	-	-
Others (to be specified)	-	-	-	-	-	-
Total	-	-	-	-	-	-

29 Income from Investment & Loans

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Measured at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions		
ii) Fixed Deposit with Infrastructure Banks		
iii) Fixed Deposit with "B" Class Financial Institutions		
iv) Fixed Deposit with "C" Class Financial Institutions		
v) Debentures		
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		
vii) Bank Deposits other than Fixed Deposit		
viii) Employee Loan		
ix) Other Interest Income (to be specified)		
Financial Assets Measured at at FVTOCI		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Financial Assets Measured at at FVTPL		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Rental Income		
Others (to be specified)		
Total	-	-

30 Net Gains/ (Losses) on Fair Value Changes

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Others (to be specified)		
Changes in Fair Value on Investment Properties		
Changes in Fair Value on Hedged Items in Fair Value Hedges		
Changes in Fair Value on Hedging Instruments in Fair Value Hedges		
Others (to be specified)		
Total	-	-

31 Net Realised Gains/ (Losses)

Particulars	Current Year	Previous Year
Realised Gain on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments		
ii) Mutual Fund		
iii) Debentures		
iv) Others (to be specified)		
Realised Gain on Derecognition of Financial Assets at Amortised Costs		
i) Debentures		
ii) Bonds		
iii) Others (to be specified)		
Total	-	-

32 Other Income

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Costs		
i) Employee Loans		
ii) Bonds		
iii) Others (to be Specified)		
Foreign Exchange Income		
Interest Income from Finance Lease		
Profit from disposal of Property and Equipment		
Amortization of Deferred Income		
Others (to be specified)		
Total	-	-

33 Gross Claims Paid and Claims Ceded

Particulars	Gross Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Non-life						
Property					-	-
Motor					-	-
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Excess of Loss (Whole Account)					-	-
Others (to be specified)					-	-
Life						
Term					-	-
Others (to be specified)					-	-
Total	-	-	-	-	-	-

34 Change in Insurance Contract Liabilities

Particulars	Gross Change in Insurance Contract Liabilities		Change in Reinsurance Asssts		Net Change in Insurance Contract Liabilities	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Non-life						
Property	-				-	-
Motor	-				-	-
Marine	-				-	-
Engineering	-				-	-
Micro	-				-	-
Aviation	-				-	-
Cattle and Crop	-				-	-
Miscellaneous	-				-	-
Excess of Loss (Whole Account)					-	-
Others (to be specified)					-	-
Life						
Term	-				-	-
Others (to be specified)					-	-
Total	-	-	-	-	-	-

38 Employee Benefits Expenses

Particulars	Current Year	Previous Year
Salaries		
Allowances		
Festival Allowances		
Defined Benefit Plans		
i) Gratuity		
ii) Others (to be Specified)		
Defined Contribution Plans		
i) Provident Fund/Social Security Fund		
ii) Others (to be Specified)		
Leave Encashments		
Termination Benefits		
Training Expenses		
Uniform Expenses		
Medical Expenses		
Insurance Expenses		
Staff Welfare Expenses		
Others (to be specified)		
Sub Total	-	-
Employee Bonus		
Total	-	-

39 Depreciation & Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)	-	-
Depreciation on Property and Equipment (Refer Note. 5)	-	-
Depreciation on Investment Properties (Refer Note. 6)	-	-
Total	-	-

40 Impairment Losses

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties and Goodwill & Intangible Assets		
i) Property and Equipment		
ii) Investment Properties		
iii) Goodwill & Intangible Assets		
Impairment Losses on Financial Assets		
i) Investments		
ii) Loans		
iii) Other Financial Assets		
iv) Cash and Cash Equivalents		
v) Others (to be Specified)		
Impairment Losses on Other Assets		
i) Reinsurance Assets		
ii) Insurance Receivables		
iii) Lease Receivables		
iv) Others (to be Specified)		
Total	-	-

41 Other Operating Expenses

Particulars	Current Year	Previous Year
Rent Expenses		
Electricity and Water		
Repair & Maintenance		
i) Buildings		
ii) Vehicles		
iii) Office Equipments		
iv) Others (to be Specified)		
Telephone & Communication		
Printing & Stationary		
Office Consumable Expenses		
Travelling Expenses		
i) Domestic		
ii) Foreign		
Transportation & Fuel Expenses		
Insurance Premium		
Security & Outsourcing Expenses		
Legal and Consulting Expenses		
Newspapers, Books and Periodicals		
Advertisement & Promotion Expenses		
Business Promotion		
Guest Entertainment		
Gift and Donations		
Board Meeting Fees and Expenses		
i) Meeting Allowances		
ii) Other Allowances		
Other Committee/ Sub-committee Expenses		
i) Meeting Allowances		
ii) Other Allowances		
Annual General Meeting Expenses		
Audit Related Expenses		
i) Statutory Audit		
ii) Tax Audit		
iii) Long Form Audit Report		
iv) Other Fees		
v) Internal Audit		
vi) Others (to be Specified)		
Bank Charges		
Fee and Charges		
Postage Charges		
Foreign Exchange Losses		
Fines and Penalties		
Others (to be Specified)		
Total	-	-

42 Finance Cost

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions		
Unwinding of discount on Financial Liabilities at Amortised Costs		
Interest Expenses - Bonds		
Interest Expenses - Debentures		
Interest Expenses - Term Loans		
Interest Expenses - Leases		
Interest expenses - Overdraft Loans		
Others (to be Specified)		
Total	-	-

43 Income Tax Expense

(a) Income Tax Expense

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year		
ii) Income Tax Relating to Prior Periods		
Deferred Tax For The Year		
i) Originating and reversal of temporary differences		
ii) Changes in tax rate		
iii) Recognition of previously unrecognised tax losses		
iv) Write-down or reversal		
iv) Others (to be specified)		
Income Tax Expense	-	-

(b) Reconciliation of Taxable Profit & the Accounting Profit

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	-	-
Applicable Tax Rate		
Tax at the applicable rate on Accounting Profit	-	-
Add: Tax effect of expenses that are not deductible for tax purpose		
i)		
ii)		
Less: Tax effect on exempt income and additional deduction		
i)		
ii)		
Less: Adjustments to Current Tax for Prior Periods		
i)		
ii)		
Add/ (Less): Others (to be Specified)		
i)		
ii)		
Income Tax Expense	-	-
Effective Tax Rate	-	-

OR

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	-	-
Income Tax Expense	-	-
Average Effective Tax Rate	-	-
Less: Tax effect of expenses that are not deductible for tax purpose		
i)		
ii)		
Add: Tax effect on exempt income and additional deduction		
i)		
ii)		
Add: Adjustments to Current Tax for Prior Periods		
i)		
ii)		
Add/ (Less): Others (to be Specified)		
i)		
ii)		
Applicable Tax Rate	-	-

ABC Reinsurance Limited

Notes to the Financial Statements

for the year ended Ashadh 32, 2080(July 16th, 2023)

Insurers may prepare their own accounting policies in compliance of Insurance Act, 2079, Financial directive issued by Nepal Insurance Authority, Nepal Financial Reporting Standards and Nepal Accounting Standards. However, the accounting policies of the insurer should include all the headings as prescribed in this recommendatory note to financial statements.

1. Reporting Entity

ABC Reinsurance Limited (herein after referred to as the 'Company') is a public limited company, incorporated on..... and operated as a reinsurance Company after obtaining license on under the Insurance Act 2049. TheCompany is a subsidiary/Associates the Company.

The registered office of the Company is located atThe Company's share are listed on

The principal activities of the Company are to provide various reinsurance services to Life and Non-life Re/Insurance Companies located inside and outside Nepal.

2. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 20XX to 32nd Ashadh20XX with the corresponding previous year from 1st Shrawan 20XX to 32nd Ashadh 20XX . These financial statements have been approved by the Board of Directors of(.....)

(b) Statement of Compliance

The Financial Statements of the Company comprises of Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown as two separate statements, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements which have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB) and in compliance with the requirements of the Companies Act , 2063, directives issued by Nepal Insurance Authority and required disclosures as per Securities Board of Nepal. The format used in the preparation and presentation of the Financial Statements and disclosures made therein also complies with the specified formats prescribed in the directives of Nepal Insurance Authority.

The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

The financial statements are approved for issue by the Company's Board of Directors on

(c) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for following Assets & Liabilities which have been measured at Fair Value amount:

- i. Certain Financial Assets and Liabilities which are required to be measured at fair value

- ii. Defined Employee Benefits
- iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).

Historical cost is generally Fair Value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2 or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurements in its entirety, which are described as follows:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2- Inputs are inputs ,other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3- Inputs are unobservable inputs for the Asset or Liability.

(d) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the reported balance of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the year presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the Financial Statements.

(e) Functional and Presentation Currency

These Financial Statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

(f) Going Concern

The financial statements are prepared on going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operation of it.

(g) Change in Accounting Policies

Accounting Policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flow.

(h) Recent Accounting Pronouncements

(i) Recent Accounting Pronouncements

Accounting standards issued and effective

Accounting standards issued and non-effective

(j) Carve-outs

The Company has not applied any carve outs provided by the ASB.

(k) Presentation of financial statements

The assets and liabilities of the Company presented in the Statement of Financial Position are grouped by the nature and listed in an order that reflects their relative liquidity and maturity pattern.

(l) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by Nepalese Financial Reporting Standards or Interpretation (issued by the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC) and as specifically disclosed in the Significant Accounting Policies of the Company.

(m) Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard-NAS 1 on 'Presentation of Financial Statements'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

(n) Principles of Consolidation and Equity Accounting

i) Subsidiaries:

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line by adding together items like assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and statement of financial position respectively. Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

ii) Associates:

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

3. Significant Accounting Policies

(a) Property and Equipment

i) Recognition

Freehold land is carried at historical cost and other items of Property and Equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

ii) Revaluation

After recognition as an assets, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers.

An increase in the carrying amount as a result of revaluation, is recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss. A decrease in the carrying amount as a result of revaluation, is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Difference between depreciation on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

iii) Depreciation

Depreciation of Property and Equipment other than the Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Straight Line Method (SLM)/ Diminishing Balance Method ((DBM)" based on Useful Life estimated by technical expert of the management.

The Assets Useful Life/ Rate of Depreciation and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Useful Life of Property and Equipment based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM/Rate for WDV
Land	
Buildings	
Leasehold Improvement	
Furniture & Fixture	
Computers and IT Equipment	
Officer Equipment	
Vehicles	
Other Assets	

iv) Derecognition

An item of Property and Equipment is derecognized up to disposal or when no Future Economic Benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

v) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

vi) Capital Work-In-Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development which are to be capitalized. Capital Work in Progress would be transferred to the relevant asset when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.

(b) Goodwill & Intangible Assets

i) Recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Goodwill on business combination is recognized on the acquisition date at the excess of (a) over (b) below:

(a) The aggregate of:

1. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value.
2. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and
3. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

ii) Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the entity.

Amortization is recognized in statement of profit or loss on Straight Line Method (SLM) over the estimated useful life of the intangible assets/ Diminishing Balance Method (DBM), from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Useful Life of Intangible Assets based on SLM/DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Soft wares	
Licenses	
Others(to be specified)	

iii)Derecognition

An Intangible Asset is derecognized when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

iv)Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Intangible Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognized in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(c) Investment Properties

Cost Model

Property that is held for rental income or for capital appreciation or both, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost, however, buildings are depreciated over their estimated useful lives as mentioned above.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer are made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

OR

Fair Value Model

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise, including the corresponding tax effect.

The fair value of investment property is determined by an external, independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category by property being valued.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfer is made to (or from) investment property only when there is a change in use. For a transfer from investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use.

(d) Cash & Cash Equivalent

Cash & Cash Equivalent includes Cash in Hand, Cheque in Hand, Bank Balances and short term deposits with a maturity of three months or less.

(e) Financial Assets

i)Initial Recognition & Measurement

Financial Assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Assets at initial recognition.

When Financial Assets are recognized initially, they are measured at Fair Value, plus, in the case of Financial Assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried at Fair Value through Profit or Loss are expensed in the Statement of Profit or Loss.

ii)Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is achieved is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income in these financial assets is measured using an effective interest rate method.

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to the statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial Assets which is not classified in any of the above categories are measured at FVTPL.

iii)De-Recognition

A Financial Asset is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Assets. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv)Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, there is objective evidence of impairment because of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a financial asset or a group of financial assets is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(f) Financial Liabilities

i) Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition. All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii) Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair Value due to short maturity of these instruments.

iii) De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(h) Reinsurance Assets

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurer. These assets are created for the reinsurer's share of insurance contract liabilities.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the reinsurer. If a reinsurance asset is impaired, the company reduces the carrying amount accordingly and is recognized in statement of profit or loss.

(i) Equity

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(j) Reserves and Funds

i) Share Application Money Pending Allotment

ii) Share Premium:

ii) Catastrophe Reserve:

iii) Fair Value Reserve:

iv) Regulatory Reserves:

v) Actuarial Reserves:

vi) Revaluation Reserves:

vii) Special Reserve:

viii) Other Reserves:

(k) Insurance Contract Liabilities

i) Provision for unearned premiums

Unearned premiums reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage.

Change in reserve for unearned insurance premium represents the net portion of the gross written premium transferred to the unearned premium reserve during the year to cover the unexpired period of the policies.

ii) Outstanding claims provisions

Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the statement of financial position date, whether reported or not, together with related claims handling costs.

iii) Provision for claim incurred but not reported (IBNR)

Significant delays are experienced in the notification and settlement of certain types of claims, the ultimate cost of which cannot be known with certainty at the statement of financial position date.

The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation.

Liability adequacy

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability.

(l) Employee Benefits

i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the Statement of Financial Position.

ii) Post-Employment Benefits

-Defined Contribution Plan

The Company pays Provident Fund contributions to publicly administered Provident Funds/Social Security Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expenses when they are due.

-Defined Benefit Plan

For Defined Benefit Plan, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight-Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

iii) Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the year using the Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognizes termination benefits at the earlier of the following dates:

- a) When the Company can no longer withdraw the offer of those benefits; and
- b) When the entity recognizes costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits. The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(m) Revenue Recognition

i) Gross Premium

Premium is accounted based on accounts rendered by ceding companies upon receipt of accounts. At the end period, estimates are made for the accounts not received within months of the end of the financial year, based on available information and current trends.

Premium on non-proportional contracts are recognized when due.

In case of pool business, where. Reinsurance Limited is a member, only the Company's share is recorded in the books of accounts.

Premiums earned are generally recognized in income over the contract period in proportion to the amount of reinsurance provided.

- ### **ii) Unearned Premium Reserves**
- Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a pro rate basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

iii) Premiums on Reinsurance Accepted

Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and claims, respectively, because this is consistent with how the business is managed.

iv) Reinsurance Premium

Direct Reinsurance premiums comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks- attaching contracts and over the term of the reinsurance contract for losses occurring contracts. Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

v) Commission Income

Commission Income is recognized on accrual basis. If the income is for future periods, then they are deferred and recognized over those future periods.

vi) Investment Income

Interest income is recognized in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commission that are an integral part of the effective yield of the financial asset are recognized as an adjustment to the EIR of the instrument.

vii) Net realized gains and losses

Net realized gains and losses recorded in the statement of profit or loss include gains and losses on financial assets and properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

(n) Claims and Expenses

i) Gross Claims

Claims include the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlement of claims. Claims that are incurred during the financial year are recognized when a claimable event occurs and/or the insurer is notified.

Note: Please provide the basis of calculating reserves for Incurred but Not Reported Claims (IBNR)

ii) Reinsurance Claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the term of the relevant contracts.

(o) Product Classification

The Company has following portfolios under which it operates its business:

i) Property Portfolio – Property insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the property/fire insurance business.

ii) Motor Portfolio - Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.

iii) Marine Portfolio - Marine insurance business means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.

iv) Engineering Portfolio - Engineering insurance business means the insurance that provides economic safeguard to the risks faced by the ongoing construction project, installation project, and machines and equipment in project operation.

- v) Micro Portfolio - Micro Insurance protects against loss of or damage to crops or livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.
- vi) Aviation Portfolio – Aviation Insurance provides coverage for hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents.
- vii) Cattle and Crop Portfolio - Cattle and Crop Insurance provides insurance against loss of or damage to Cattle and crops.
- viii) Miscellaneous Portfolio – All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.
- ix) Life Portfolio: The term nature of the life insurance business falls under this category of business.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(q) Cash Flow Statement

Cash Flows are reported using the direct method, whereby major classes of cash receipts and cash payments are disclosed as cash flows.

(r) Leases

The lease liability has been accounted for under NFRS 16 “Leases”. For all the significant lease, the Right-of-Use assets has been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date. The lease payment has been discounted at the incremental borrowing rate in lease which is%.

After the commencement date, the right of use asset has been measured using cost model. The lease liability has been increased to reflect interest on the lease liability & has been reduced by the lease payment.

The lease assets having the lease liability of equal to or less thanlacs present value at inception has been considered as low value and for those lease the expenses has been recognized under straight line basis.

(s) Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

i) Current Tax

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii) Deferred Tax

Deferred Tax is recognized on temporary difference between the carrying amounts of Assets and Liabilities in the Statement of Financial Position and their Tax Base. Deferred Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profit nor Loss at the time of the transaction.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred Tax Liabilities are generally recognized for all taxable Temporary Difference.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

(t) Provisions, Contingent Liabilities & Contingent Assets

i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Provisions for Contingent Liability are recognized in the books a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

ii) Contingent Liabilities

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities are not recognized but disclosed in the Financial Statements.

iii) Contingent Assets

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

(u) Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which is the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions. The rates of exchange have been taken from

Monetary items such as receivables and payables in foreign currencies are converted using the closing rates of exchange at the balance sheet. Exchange gain/loss out of such conversion is recognized in Profit & Loss Account.

(v) Earnings Per Share

Basic Earnings per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assumed conversion of all dilutive potential ordinary shares.

(w) Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".

Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.