



लाइफ इन्स्योरेंस कॉर्पोरेशन (नेपाल) लिमिटेड
Life Insurance Corporation (Nepal) Ltd.
(A Joint Venture of Life Insurance Corporation of India)

AN ISO 9001 CERTIFIED ORGANISATION



Certificate No. 42693

FINANCIAL STATEMENT

FOR F.Y.

2023-24 (2080/81)

LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Minimum Disclosure in Directors' Report

A Information related to Life Insurance

Under this title following matters shall be disclosed


1. Date of establishment: - 26.12.2000
2. Insurer license date: -07.08.2001
3. Insurance business type, nature: -The company issues life insurance contracts.
4. Date of commencement of business: - 01.09.2001
5. Company has listed in Nepal Stock Exchange on 21.03.2003.

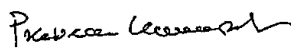
B Insurer's Board of Directors shall approve following matters

1. Tax, service charges, fine and penalties has been paid & there is no any dues thereof.
2. There is no any change in share structure in financial year 2080-81.
3. Solvency ratio is maintained as prescribed by Nepal Insurance Authority i.e., 1.45 for FY 2080-81.
4. a) Statement regarding assets that financial amount contained in SOFP are in its fair value or cost, thus they are not over stated.
b) Measurement basis of the assets recognized in financial statements: - The financial statement has been prepared on historical cost or fair value regarding the assets.
5. Number of claims settled within the year are 30,830 and outstanding claim number are 5,864 and all the outstanding claim shall be settled in FY 2081-82.
6. Investment made by company that are in line with prevailing laws.
7. Company has fully complied, the provision of Insurance Act 2079, Insurance Regulation, Company Act 2063, NFRSs and other prevailing laws & regulation.
8. Company has adopted appropriate accounting policy as guided by NFRS.
9. Company's Financial Position and Financial Performance reported in Financial Statements are presented true & fairly.
10. We have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities. For the Agents loan & receivable on reinsurance we have made the adequate provision amounting to Rs. 50,435,683 & 2,682,085 respectively.
11. Management do not intend nor have any necessity to liquidate the company or cease company's operation for foreseeable future, so the financial statement have been prepared based on going concern basis.
12. Internal control system of company is perfect with the size, nature & volume of the business.
13. Declaration that companies 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.
14. There are no any penalties, levied by Nepal Insurance Authority for the financial year 2080-81



Pranay Kumar
CEO/ Director


Komal Agrawal
Director


Ashok K. Agrawal
Director


Praveen K. Molri
Director


Tablesh Pandey
Director


Siddhartha Mohanty
Chairman



INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Life Insurance Corporation (Nepal) Limited (hereafter referred to as "LICN" or "the Company") which comprise of Statement of Financial Position as on Ashadh 31, 2081 (July 15, 2024), the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended Ashadh 31, 2081 (July 15, 2024) and Notes to the financial statement, including a summary of significant accounting policies and other explanatory notes (hereafter referred to as "the financial statements").

In our opinion, the accompanying financial statements with the notes attached present fairly, in all material respect, the financial position of the company as at Ashad 31, 2081 (July 15, 2024) and its financial performance, the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow statement for the year then ended in accordance with the Nepal Financial Reporting Standards (NFRS)

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial Statements* section of our report. We are independent of the Company in accordance with the ICAN's Handbook of The Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of the Code of Ethics for professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

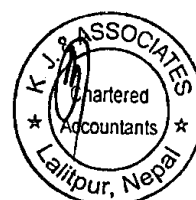
Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as whole, and in forming our opinion thereon, and we do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



S.N.	Key Audit Matters	Auditor's Response
1.	<p>Investment</p> <p>The Investment of the company comprises of investment in quoted equity instruments, debentures, mutual funds, fixed deposits of financial institutions. The valuation of the aforesaid securities has been done in compliance with NAS 39 read with NFRS 9. The investment in the government and NRB bonds and T-Bills should be recognized on reporting date on Amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other Comprehensive Income.</p> <p>Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved i.e. 100,302,577,745 in such investments, same has been considered as Key Audit Matter in our audit.</p>	<p>Our audit approach regarding verification of process of investment:</p> <ol style="list-style-type: none"> Review of the investment of company and its valuation having reference to NFRS issued by the Accounting Standard Board of Nepal. We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidence/circumstances and ensured that classification of investment is commensurate with nature of cash flow and management intention of holding the investment. For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis. For the investment valued through OCI for quoted investment, we ensured that fair value has been done at the closing transaction rate in NEPSE as on 15.07.2024.
2.	<p>Valuation of Gross Insurance Contract Liabilities</p> <p>The valuation of the liabilities for insurance contract involves complex and subjective judgements about future events, both external and internal to the business for which small changes can result in a material impact on valuation of those liabilities.</p> <p>Economic assumptions such as investment return and associated discount rates and operating assumptions such as expenses, mortality and lapse rates are the key inputs.</p>	<p>Our audit approach regarding verification of Valuation of Gross Insurance Contract Liabilities included:</p> <ol style="list-style-type: none"> We assessed the appropriateness of actuarial assumptions, models, and methodologies applied by the Company in calculating policyholder liabilities, reserves, and other actuarial balances. We reviewed key assumptions including mortality rates, lapse rates, interest rates, and expense assumptions to ensure they were based on reasonable and supportable data. We evaluated whether the models and methodologies used by the Company were consistent with industry standards and regulatory requirements. We verified the presentation of insurance contract liabilities in the



		financial statements to ensure compliance with applicable regulatory frameworks.
3.	<p>Revenue Recognition</p> <p>The company recognizes insurance premium income as soon as the amount of premium is received, and policy paper is issued. First premium is recognized from the inception date and renewal premium is recognized once renewal premium is received.</p> <p>Net earned premium is derived after deducting ceded reinsurance premium from gross earned premium.</p> <p>The management considers revenue as a key measure of evaluation of performance and there is the risk of revenue being recorded before the receipt of premium amount and issue of policy.</p> <p>It was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the financial statements as the amount of Net premium income is significant i.e. 18,107,497,178.</p>	<p>Our audit approach regarding Revenue Recognition included:</p> <ul style="list-style-type: none"> a) Tested the design and implementation and operating effectiveness of key control over revenue recognition. b) Verified the premium with the underwriting guidelines of the company and performed the tests through the sample policy files. c) Tested on sample basis premium received with the date stamp to confirm the recognition of revenue in correct accounting period.
4.	<p>Claims</p> <p>Insurance claim is the major area of expense for the amount. Total claims incurred include paid claims and outstanding claims for Death, Maturity or other benefits.</p> <p>The provision and payment of claims was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the financial statements as the amount of claim expense is significant i.e. 10,891,832,451.</p>	<p>Our audit approach regarding Claim Expenses included:</p> <ul style="list-style-type: none"> a) Verified operational guidelines of the company in relation to the processing and payment of claims with respect to claim payment directive of regulator. b) Performed the test of controls, test of details through the sample review of claim files. c) Verified the claim paid on sample basis with the proof of payments.
5.	Information Technology General Controls	Our audit approach regarding Information Technology of company is based upon the



	<p>IT Controls with respect to recording of transactions, generating various reports in compliance with Nepal Insurance Authority guidelines and other compliances to regulators is an important part of the process. Such reporting is highly dependent on the effective working of Software and other allied systems.</p> <p>We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management shareholders, and regulators.</p>	<p>Guidelines issued by Nepal Insurance Authority and it included:</p> <ol style="list-style-type: none"> Understanding the coding system adopted by the company for various categories of the products. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the company. Checking of the user requirements for any changes in the regulations/policy of the company. Reviewed the reports generated by the system on sample basis. We verified the premium income/expense and claim payment in regard to policies issued and claim intimated on test basis.
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Emphasis of Matter Paragraph

We draw attention to Note 2(b) of the financial statements, which explains that the financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS), as modified by the directives issued by the Nepal Insurance Authority. This framework departs from the presentation and measurement requirements of NFRS such that 90% of the fair value changes, which would ordinarily be recognized through fair value reserves, have been allocated to the Policyholders' Fund. Our opinion is not modified in respect of this matter.

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

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

The Annual Report is expected to be made available to us for our review after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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



Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards (NFRS), and for such internal controls as management determines is necessary to enable the preparation of financial statement that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intendeds to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risk of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the Company's internal controls.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we concluded that a material uncertainty exists, we were required to draw attention in our auditor's report to the related disclosures were inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimates and related disclosures made by management.



- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities to express an opinion on the financial statement. We remain solely responsible for our audit opinion.
- We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant deficiencies in internal control that we identify during our audit.
- We also provided those charged with the governance with a statement that we have complied with relevant ethical requirements regarding independent, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related standards.

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

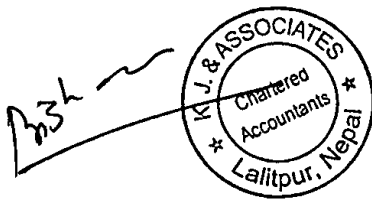
Report on other legal and regulatory requirement

On examination of the financial statement as aforesaid, we report that:

- a) We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- b) Proper books of account as required by Companies Act, 2063 have been kept by the Company.
- c) To the best of our information and explanations given to us and from our examination of the books of accounts of the company, we have not come across the causes where the board of directors or any members thereof or any employee of the company has acted contrary to the provisions of the law relating to accounts or caused loss or damage to the company deliberately.
- d) We did not come across any fraudulent causes causing fundamental effect relating to the company.
- e) Company's life assurance fund and other special reserves are as per prescribed provisions.
- f) To the best of our information, Company is able to meet its long-term liabilities from its assets.
- g) We have not come across any cases where the company is involved in any business other than those licensed by Nepal Insurance Authority or has issued any policies other than those approved by Nepal Insurance Authority.



- h) Reportable findings noted during the audit have been incorporated in our Preliminary Audit Report issued to Audit Committee of the company and responses have been obtained from Board of Directors accordingly.
- i) We have not come across any cases where the company has acted against the interest of the Assured.



Bishesh Chaudhary, FCA
(Partner)
K.J. & Associates
Chartered Accountants

Place: Lalitpur, Nepal
Date: 20th May 2025
UDIN: 250525CA01442amYqp

LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Statement of Financial Position

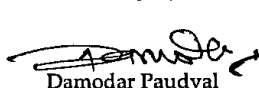
As At 15th July, 2024 (Ashad End 2081)


Fig in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	97,200	138,192
Property and Equipment	5	424,229,329	461,401,762
Investment Properties	6	-	-
Deferred Tax Assets	7	-	120,544,690
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	100,302,577,745	86,515,391,113
Loans	11	22,213,684,173	21,882,162,802
Reinsurance Assets	12	-	-
Current Tax Assets	21	276,532,369	-
Insurance Receivables	13	28,942,871	22,350,904
Other Assets	14	8,236,838	11,350,971
Other Financial Assets	15	3,269,414,425	2,968,074,917
Cash and Cash Equivalent	16	1,857,624,512	2,449,593,817
Total Assets		128,381,339,463	114,431,009,169
Equity & Liabilities			
Equity			
Share Capital	17 (a)	2,653,200,000	2,653,200,000
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17 (c)	61,151,801	61,151,801
Catastrophe Reserves	17 (d)	654,081,882	561,598,449
Retained Earnings	17 (e)	3,163,905,167	2,344,327,517
Other Equity	17 (f)	333,618,407	356,060,631
Non Controlling Interest	17(g)	-	-
Total Equity		6,865,957,257	5,976,338,398
Liabilities			
Provisions	18	98,835,270	34,732,803
Gross Insurance Contract Liabilities	19	119,633,798,005	106,340,298,210
Deferred Tax Liabilities	7	18,450,239	-
Insurance Payable	20	85,613,711	29,463,461
Current Tax Liabilities	21	-	112,573,584
Borrowings	22	-	-
Other Liabilities	23	593,165,793	596,263,951
Other Financial Liabilities	24	1,085,519,188	1,341,338,768
Total Liabilities		121,515,382,207	108,454,670,772
Total Equity and Liabilities		128,381,339,463	114,431,009,169

The accompanying notes form an Integral Part of Financial Statements.

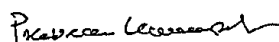
As per our report of even date


Damodar Paudyal
HOD(Accounts)

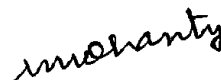

Pranay Kumar
CEO/Director

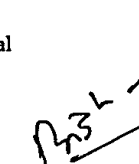

Komal Agrawal
Director

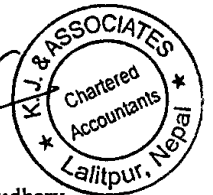

Ashok K. Agrawal
Director


Praveen K. Molri
Director


Tablesen Pandey
Director


Siddhartha Mohanty
Chairman


CA. Bishesh Chaudhary
Partner
For K.J. & Associates
Chartered Accountants



Date : 20.05.2025



LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Statement of Profit or Loss

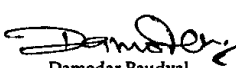
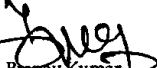


For Period 17th July, 2023 - 15th July, 2024

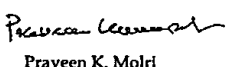


(For the Year Ended Ashad, 2081)

Fig. in NPR

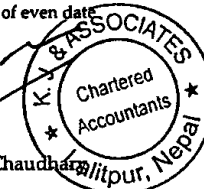
Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	18,107,497,178	17,470,067,480
Premiums Ceded	26	112,085,568	80,964,779
Net Earned Premiums		17,995,411,610	17,389,102,701
Commission Income	27	14,912,567	15,133,162
Other Direct Income	28	240,125,879	270,526,368
Interest Income on Loan to Policyholders	11	2,371,230,553	2,364,864,977
Income from Investments and Loans	29	9,349,529,759	8,264,441,870
Net Gain/(Loss) on Fair Value Changes	30	-	-
Net Realised Gains/(Losses)	31	-	-
Other Income	32	150,882	154,355
Total Income		29,971,361,250	28,304,223,433
Expenses:			
Gross Benefits and Claims Paid	33	10,891,832,451	8,985,500,274
Claims Ceded	33	34,884,996	26,376,545
Gross Change in Contract Liabilities	34	13,222,208,131	13,820,241,131
Change in Contract Liabilities Ceded to Reinsurers	34	-	-
Net Benefits and Claims Paid		24,079,155,586	22,779,364,860
Commission Expenses	35	1,394,226,097	1,435,375,609
Service Fees	36	134,965,587	143,598,863
Other Direct expenses	37	-	-
Employee Benefits Expenses	38	472,423,651	382,627,689
Depreciation and Amortization Expenses	39	54,296,035	55,192,790
Impairment Losses	40	-	12,080,571
Other Operating Expenses	41	558,358,222	733,552,269
Finance Cost	42	20,546,728	23,918,512
Total Expenses		26,713,971,906	25,565,711,162
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		3,257,389,344	2,738,512,271
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		3,257,389,344	2,738,512,271
Income Tax Expense	43	2,427,782,159	1,985,063,106
Net Profit/(Loss) For The Year		829,607,185	753,449,165
Earning Per Share	51		
Basic EPS		31.27	28.40
Diluted EPS		31.27	28.40

The accompanying notes form an Integral Part of Financial Statements.

 **Damodar Paudyal**
HOD(Accounts)
  **Pranay Kumar**
CEO/Director
  **Komal Agrawal**
Director
  **Ashok K. Agrawal**
Director

 **Praveen K. Molri**
Director
  **Tablesh Pandey**
Director
  **Siddhartha Mohanty**
Chairman

As per our report of even date


CA. Bishesh Chaudhary
Partner
For K.J. & Associates
Chartered Accountants

Date : 20.05.2025





LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Statement of Other Comprehensive Income
For Period 17th July, 2023 - 15th July, 2024
(For the Year Ended Ashad, 2081)

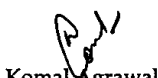
Fig. in NPR


Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		829,607,185	753,449,165
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		200,478,249	(35,317,320)
Revaluation of Property and Equipment/ Goodwill & Intangible Assets			
Remeasurement of Post-Employment Benefit Obligations		(25,407,131)	-
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items		(43,767,779)	8,829,330
Total Other Comprehensive Income For the Year, Net of Tax		131,303,338	(26,487,990)
Total Comprehensive Income For the Year, Net of Tax		960,910,523	726,961,175

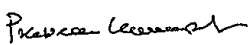
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 Damodar Paudyal
HOD(Accounts)

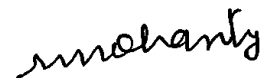
 Pranay Kumar
CEO/Director

 Komal Agrawal
Director


 Ashok K. Agrawal
Director

 Praveen K. Molri
Director

 Tablesch Pandey
Director

 Siddhartha Mohanty
Chairman

As per our report of even date

 CA. Bishesh Chaudhary
Partner
For K.J. & Associates
Chartered Accountants

Date : 20.05.2025

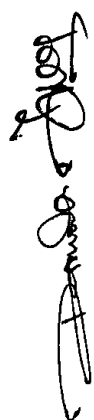



LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Statement of Changes in Equity
For Period 17th July, 2023 - 15th July, 2024
(For the Year Ended Ashad, 2081)


Fig. in NPR


	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserve	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Regulatory Reserves	Total
Balance as at Shrawan 1, 2079	2,653,200,000	-	-	61,151,801	1,298,864,433	-	-	494,267,497	-	-	(44,657,797)	(11,576,123)	24,575,798.00	331,031,641	5,249,277,221
Profit/(Loss) For the Year					753,449,166										753,449,166
Other Comprehensive Income for the Year, Net of Tax															
i) Changes in Fair Value of FVOCI Debt Instruments															
ii) Gains/(Losses) on Cash Flow Hedges															
iii) Exchange differences on translation of Foreign Operation															
iv) Changes in fair value of FVOCI Equity Instruments											(26,487,990)				
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets															(26,487,990)
vi) Remeasurement of Post-Employment Benefit Obligations															
Transfer to Reserves/ Funds															
Transfer to Deferred Tax Reserves					(81,277,252)			66,830,351	14,446,300						
Transfer from Regulatory Reserve					(66,778,831)								66,778,831		
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 Insurance 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 at Ashad, 2080	2,653,200,000	-	-	61,151,801	2,344,377,517	-	-	561,598,449	14,446,300	-	(71,165,726)	(11,576,123)	93,304,540	331,031,641	5,976,338,398
Prior period adjustment															
Revised Balance as at Shrawan 1, 2080	2,653,200,000	-	-	61,151,801	2,344,377,517	-	-	561,598,449	14,446,300	-	(71,165,726)	(11,576,123)	93,304,540	331,031,641	5,976,338,398

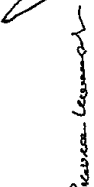
The accompanying notes form an Integral Part of Financial Statements.


 **Damodar Paudyal**
HOD(Accounts)


 **Pranay Kumar**
CEO/Director

 **Komar Agrawal**
Director

 **Ashok K. Agrawal**
Director


 **Praveen K. Moli**
Director

 **Tabish Pandey**
Director

 **Siddhartha Mohanty**
Chairman

Date : 20.05.2025

As per our report of even date

 **CA. Bishesh Chaudhary**
Partner
For K.J. & Associates
Chartered Accountants



LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Statement of Changes in Equity

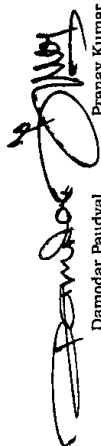

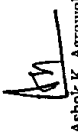
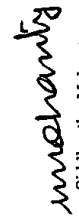
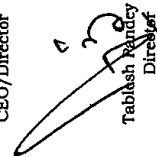
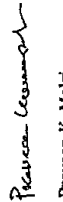
For Period 17th July, 2023 - 15th July, 2024

(For the Year Ended Ashad, 2081)


Fig. in NPR

Particulars	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	Regulatory Reserves	Total
Retained Balance as at Shrawan 1, 2080	2,653,290,000	-	-	61,151,801	2,343,227,517	-	-	561,598,449	14,446,500	-	71,145,776	(11,576,123)	93,304,540	331,031,441	5,976,338,398
Profit/(Loss) For the Year					829,607,185										829,607,185
Other Comprehensive Income for the Year, Net of Tax															
i) Changes in Fair Value of FVOCI Debt Instruments															
ii) Gain/(Loss) 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 From Regulatory Reserve															
Transfer of Depreciation/ 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 Insurance 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 Ashad end, 2081	2,653,290,000	-	-	61,151,801	3,163,205,166	-	-	654,061,882	23,694,644	-	7,921,296	28,631,472	1,602,298	331,031,441	6,855,997,257

The accompanying notes form an Integral Part of Financial Statements.

 Damodar Paudyal
HOD(Accounts)
 Pranay Kumar
CEO/Director
 Ashok K. Agrawal
Director
 Siddhartha Mohanty
Chairman
 Tabish Pandey
Director
 Praveen K. Mohri
Director

As per our report of even date


 CA. Bishesh Chaudhary
Partner
For K.J. & Associates
Chartered Accountants

Date : 20.05.2025



LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Statement of Cash Flows

For Period 17th July, 2023 - 15th July, 2024

(For the Year Ended Ashad, 2081)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	18,107,497,178	17,468,014,667
Commission Received	14,912,567	15,133,162
Claim Recovery Received from Reinsurers	34,884,996	26,376,545
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income	240,125,879	270,526,368
Others (to be specified)		
Cash Paid		
Gross Benefits and Claims Paid	(10,891,832,451)	(8,985,500,274)
Reinsurance Premium Paid	(112,085,568)	(80,964,779)
Commission Paid	(1,355,647,641)	(1,477,542,312)
Service Fees Paid	(143,349,526)	(181,447,444)
Employee Benefits Expenses Paid	(528,550,577)	(467,291,950)
Other Expenses Paid	(558,358,222)	(530,077,910)
Others (to be specified)		
Income Tax Paid	(2,721,660,962)	(1,813,365,719)
Net Cash Flow From Operating Activities [1]	2,085,935,673	4,243,860,354
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	(4,234,026)	(12,750,537)
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, bonds, securities	(13,681,569,352)	(12,132,217,271)
Maturity of Deposits		
Loans Paid	(331,521,371)	(3,608,067,353)
Interest income from policy loan	2,094,046,048	1,866,068,885
Rental Income Received		
Proceeds from Finance Lease		
Interest Income Received	9,265,270,840	8,033,433,845
Dividend Received	58,863,843	85,566,417
Others (to be specified)	(78,760,957)	(498,376,137)
Total Cash Flow From Investing Activities [2]	(2,677,904,974)	(6,266,342,151)

Damodar Paudyal
HOD(Accounts)

Pranay Kumar
CEO/Director

Komal Agrawal
Director

Ashok K. Agrawal
Director

Praveen K. Molri
Director

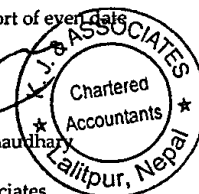
Date : 20.05.2025

Tablesh Pandey
Director


Siddhartha Mohanty
Chairman


As per our report of even date

CA. Bishesh Chaudhary
Partner
For K.J. & Associates
Chartered Accountants



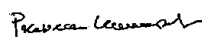
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		
Dividend Distribution Tax Paid		-
Others (to be specified)		
Total Cash Flow From Financing Activities [3]	-	-
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	(591,969,305)	471,067,303
Cash & Cash Equivalents At Beginning of The Year/Period	2,449,593,817	1,978,526,514
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	1,857,624,512	2,449,593,817
Components of Cash & Cash Equivalents		
Cash In Hand	75,588,433	72,198,624
Cheque in Hand	8,558,502	8,203,029
Term Deposit with Banks (with initial maturity upto 3 months)	929,824,293	1,407,630,123
Balance With Banks	843,653,284	961,562,041



Damodar Paudyal
HOD(Accounts)


Pranay Kumar
CEO/Director


Komal Agrawal
Director


Ashok K. Agrawal
Director


Praveen K. Molri
Director

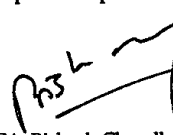

Tablesh Pandey
Director

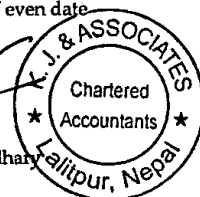

Siddhartha Mohanty
Chairman

Date : 20.05.2025



As per our report of even date

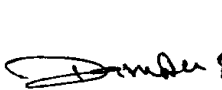




CA. Bishesh Chaudhary
Partner
For K.J. & Associates
Chartered Accountants

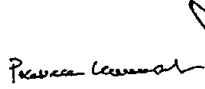

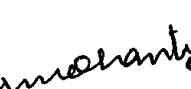


LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Statement of Distributable Profit or Loss
For Period 17th July, 2023 - 15th July, 2024
(Year Ended Upto Ashad 31, 2081)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	2,205,664,332	1,738,884,433
Transfer from OCI reserves to retained earning in current year		
Net profit or (loss) as per statement of profit or loss	829,607,185	753,449,166
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Catastrophe Reserve	(92,483,434)	(66,830,951)
iii) Transfer to Capital Reserve		
iv) Transfer to CSR reserve	(9,248,343)	(14,446,300)
v) Transfer to/from Regulatory Reserve		
vi) Transfer to Fair Value Reserve		
vii) Transfer of Deferred Tax Reserve	91,702,242	(66,728,831)
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	(7,280,000)	(2,500,000)
xii) Delisted share investment or mutual fund investment		
xiii) Bonus share/dividend paid		
xiv) Deduction as per Sec 17 of Financial directive	(50,435,683)	(53,441,335)
xiv) Deduction as per Sec 18 of Financial directive	(2,682,085)	
xv) Transfer from Regulatory Reserve		
Adjusted Retained Earning	2,964,844,214	2,288,386,182
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)	22,710,176	82,721,850
Total Distributable Profit/(loss)	2,942,134,038	2,205,664,332

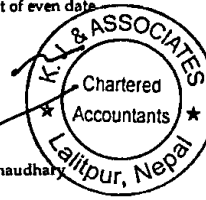
   
 Damodar Paudyal Pranay Kumar Komal Agrawal Ashok K. Agrawal
 HOD(Accounts) CEO/Director Director Director

  
 Praveen K. Molri Tablesch Pandey Siddhartha Mohanty
 Director Director Chairman

Date : 20.05.2025



As per our report of even date


 CA. Bishesh Chaudhary
 Partner
 For K.J. & Associates
 Chartered Accountants

LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Notes to the Financial Statements

4 Goodwill & Intangible Assets

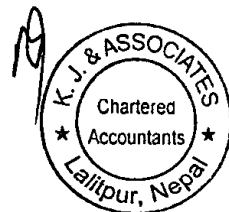
Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be specified)	Total
Gross carrying amount				-
As at Shrawan 1, 2079	1,043,450			1,043,450
Additions during the year				-
Acquisition				-
Internal Development				-
Business Combination(to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment				-
Balance as at Ashadh 31, 2080	1,043,450	-	-	1,043,450
Additions during the year				
Acquisition				
Internal Development				
Business Combination(to be Specified)				
Disposals during the year				
Revaluation/Adjustment				
Balance as at Ashadh 31, 2081	1,043,450	-	-	1,043,450
Accumulated amortization and impairment				
As at Shrawan 1, 2079	848,758			848,758
Additions during the year	56,500			56,500
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh 31, 2080	905,258	-	-	905,258
Additions during the year	40,992			40,992
Disposals during the year				
Impairment during the year				
Balance as at Ashadh 31, 2081	946,250	-	-	946,250
Capital Work-In-Progress				
As on Shrawan 1, 2079				
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 31, 2080	-	-	-	-
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 31, 2081	-	-	-	-
Net Carrying Amount				
As on Ashadh 32, 2080	138,192	-	-	138,192
As on Ashadh 31, 2081	97,200	-	-	97,200

Praveen Kumar



[Handwritten signatures and initials]



Property and Equipment

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Gross carrying amount									
As on Shrawan 1, 2079	183,692,395	1,136,600	22,842,111	34,238,338	42,638,790	17,098,018	47,286,096	5,786,393	354,718,761
Additions during the year									
Acquisition			687,891	1,154,788	725,220	2,009,090	1,559,500	116,788	6,253,277
Capitalization									
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2080	183,692,395.00	1,136,600.00	23,530,002.00	35,393,145.70	43,332,370.00	18,952,108.66	46,151,874.00	5,903,181.00	358,091,676.36
Additions during the year									
Acquisition			1,013,083.00	720,614.00	1,151,753.00	1,721,298.00		58,220.00	4,674,968.00
Capitalization									
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2081	183,692,395.00	1,136,600.00	24,543,085.00	36,113,759.70	44,484,123.00	20,555,906.66	45,742,847.00	5,961,401.00	362,240,117.36
Accumulated depreciation and impairment									
As on Shrawan 1, 2079	-	765,126	11,815,465	16,819,145	32,137,741	10,228,348	21,701,659	4,070,047	97,537,531
Addition during the year		92,868	1,716,566	1,549,422	3,473,206	2,209,929	4,190,375	564,684	13,797,050
Disposals during the year									
Write-offs during the year									
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2080	-	857,994	13,532,031	18,368,568	35,590,929	12,339,255	23,620,336	4,634,731	108,943,844
Addition during the year		32,427	1,687,230	2,382,437	3,125,719	1,781,027	3,353,580	388,117	12,750,537
Disposals during the year									
Write-offs during the year									
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2081	-	890,421.00	15,219,260.32	20,751,004.75	38,716,648.12	14,012,538.59	26,973,915.84	5,022,848.30	121,586,637.51
Capital Work-In-Progress									
As on Shrawan 1, 2079									
Additions during the year								4,234,026	4,234,026
Capitalisation during the year									
Disposals during the year									
Impairment during the year									
Balance as on Ashadh 31, 2080	-	-	-	-	-	-	-	4,234,026	4,234,026
Additions during the year									
Capitalisation during the year									
Disposals during the year									
Impairment during the year									
Balance as on Ashadh 31, 2081	-	-	-	-	-	-	-	4,234,026	4,234,026

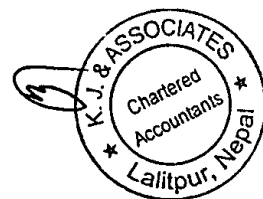


Pravara Kumar

 Under



Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Net Carrying Amount									
As on Ashadh 31, 2080	183,692,395	278,606	9,997,971	17,024,578	7,741,441	6,612,854	22,531,538	5,502,476	253,381,859
As on Ashadh 31, 2081	183,692,395	246,179	9,323,824	15,372,755	5,767,475	6,543,368	18,768,931	5,172,579	244,887,506
Right-of-Use Assets (After Implementation of NFRS 16)									
Gross carrying amount									
As on Shrawan 1, 2079									
Additions during the year			249,359,143						249,359,143
Disposals during the year									-
Write-offs during the year									-
Revaluation during the year									
Transfer/Adjustment									
Balance as on Ashadh 31, 2080	-	-	249,359,142.97	-	-	-	-	-	249,359,142.97
Additions during the year			19,661,953.00						249,359,142.97
Disposals during the year									(7,000,794)
Write-offs during the year									
Revaluation during the year									
Transfer/Adjustment									
Balance as on Ashadh 31, 2081			262,020,301.97						262,020,302
Accumulated depreciation									
As on Shrawan 1, 2079									-
Depreciation			41,339,239						41,339,239
Disposals during the year									-
Write-offs during the year									-
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2080	-	-	41,339,239	-	-	-	-	-	41,339,239
Depreciation			41,504,506						41,504,506
Disposals during the year									-
Write-offs during the year									
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2081		-	(165,267)						(165,267)
Net Carrying Amount			82,678,478						82,678,478
As on Ashadh 31, 2080	-	-	208,019,903	-	-	-	-	-	208,019,903
As on Ashadh 31, 2081	-	-	179,341,823	-	-	-	-	-	179,341,823
Grand Total									
As on Ashadh 31, 2080	183,692,395	278,606	218,017,875	17,024,578	7,741,441	6,612,854	22,531,538	5,502,476	461,401,762
As on Ashadh 31, 2081	183,692,395	246,179	188,665,648	15,372,755	5,767,475	6,543,368	18,768,931	5,172,579	424,229,329



Praveen Kumar
Praveen Kumar
Praveen Kumar



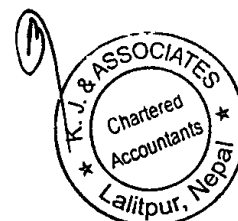
LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

6 Investment Properties

Fig. in NPR

Investment Properties at Cost

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 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	-	-	-
Additions during the year			
Acquisition			
Subsequent Expenditure			
Assets classified as held for sales			
Disposals during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2081	-	-	-
Accumulated depreciation and impairment			
As at Shrawan 1, 2079			-
Addition during the year			-
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2080	-	-	-
Addition during the year			-
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 31, 2081	-	-	-
Capital Work-In-Progress			
As at Shrawan 1, 2079			
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as at Ashadh 31, 2080	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as at Ashadh 31, 2081	-	-	-
Net Carrying Amount			
Net Balance As At Ashad 31, 2080	-	-	-
Net Balance As At Ashad 31, 2081	-	-	-



LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

6 Investment Properties

Fig. in NPR

(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 :

Company has no Investment Properties as on 2081/03/31 and also as its comparative date on 2080/03/31

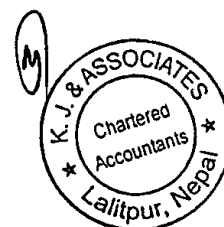
(iii) Disclosure on restriction on the realisability of investment properties:

(iv) Contractual obligations:

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LIFE INSURANCE CORPORATION (NEPAL) 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
Deferred Tax on Temporary Difference						
Goodwill & Intangible Assets			-			-
Property and Equipment	(49,126,930)		(49,126,930)	(4,657,322)		(4,657,322)
Financial Assets at FVPTL			-			-
Financial Assets at FVTOCI		(26,404,320)	(26,404,320)		23,715,242	23,715,242
Provision for Leave	12,930,571		12,930,571	6,205,965		6,205,965
Provision for Gratuity	(17,082,612)	6,351,783	(10,730,830)		3,524,908	3,524,908
Actuarial Gain/ Loss			-			-
Impairment Loss on Financial Assets	4,363,255		4,363,255	91,755,897		91,755,897
Impairment Loss on Other Assets			-			-
Carry forward of unused tax losses			-			-
Changes in tax rate			-			-
Others (lease Liability - NFRS 16)	50,518,014		50,518,014			-
Total	1,602,298	(20,052,537)	(18,450,239)	93,304,540	27,240,150	120,544,690
Deferred Tax Assets						
Deferred Tax Liabilities			18,450,239			120,544,690

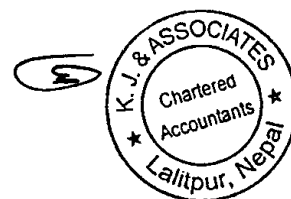
Movements in deferred tax assets/ (liabilities)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
As at Shrawan 1, 2080	93,304,540	27,240,150	120,544,689.93	8,164,888	18,410,820	26,575,709
Charged/(Credited) to Statement of Profit or Loss	(91,702,242)		(91,702,242)	85,139,651		85,139,651
Charged/(Credited) to Other Comprehensive Income		(47,292,688)	(47,292,687.68)		8,829,330	8,829,330
As at Ashadh 31, 2081	1,602,298	(20,052,537)	(18,450,239.50)	93,304,540	27,240,150	120,544,690

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LIFE INSURANCE CORPORATION (NEPAL) 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.		

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LIFE INSURANCE CORPORATION (NEPAL) 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		

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Notes to the Financial Statements

10 Investments

Fig. in NPR

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	96,800,469,171	83,808,526,061
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures	12,355,374,117	11,655,430,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	465,625,000	1,373,779,900
iv) Fixed Deposits in "A" Class Financial Institutions	79,439,170,054	67,559,016,161
v) Fixed Deposits in Infrastructure Banks		
vi) Fixed Deposits in "B" Class Financial Institutions	3,840,300,000	2,880,300,000
vii) Fixed Deposits in "C" Class Financial Institutions	700,000,000	340,000,000
viii) Others (to be Specified)		
Less: Impairment Losses	-	-
Investments at FVTOCI	3,502,108,574	2,706,865,052
i) Investment in Equity Instruments (Quoted)	3,313,397,788	2,606,621,869
ii) Investment in Equity Instruments (Unquoted)	7,280,000	7,280,000
iii) Investment in Mutual Funds	181,430,786	92,963,183
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	100,302,577,745	86,515,391,113

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	-	237,689,000
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	50,000,000	908,154,900
Fixed Deposit with "A" Class Financial Institutions	12,330,000,000	4,388,000,000
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions	110,000,000	80,000,000
Fixed Deposit with "C" Class Financial Institutions	30,000,000	90,000,000
Others (to be Specified)		
Total	12,520,000,000	5,703,843,900

c) Information relating to investment in equity instruments

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
Agriculture Development Bank Limited	12,193,210	15,030,456	12,193,210	11,928,900



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Api Power Company Ltd.	2,610,509	5,510,159	1,786,209	4,059,382
Chilime Hydropower Company Limited	66,299,922	78,572,910	66,299,922	82,443,560
Citizen Bank International Limited	152,397,269	113,952,537	152,397,269	101,938,936
Citizen Investment Trust	214,823,667	214,823,667	214,823,667	214,823,667
Everest Bank Ltd.	106,530,239	112,000,000	-	-
Garima Bikas Bank Ltd.	60,116,414	67,392,500	46,124,037	50,452,065
Global IME Bank Limited	113,224,966	79,143,880	101,052,899	64,001,856
Himalayan Bank Limited	36,678,554	26,298,305	36,678,554	27,405,874
Kumari Bank Limited	44,852,837	28,048,252	41,491,277	26,810,355
Kumari Bank Ltd. Promoter	21,132,300	49,210,616	21,132,300	53,800,452
Laxmi Bank Limited	88,593,955	63,621,075	72,547,185	45,369,423
Lumbini Bikas Bank Ltd.	78,777,305	83,320,000	42,267,953	42,536,522
Mahalaxmi Bikas Bank Ltd.	93,239,438	74,832,032	93,239,438	69,198,371
Nabil Bank Limited	90,028,120	136,240,000	19,001,882	37,642,343
Nepal Bank Limited	17,532,909	35,802,918	17,532,909	38,844,996
Nepal Film Development Bank Ltd.	1,540	1,540	1,540	5,236
Nepal Infrastructure Bank Ltd. Promoter	840,000,000	1,006,992,000	840,000,000	907,200,000
Nepal Insurance Company Ltd (NICL)	-	151,360	-	22,140
Nepal Investment Mega Bank Limited	33,740,135	23,177,637	24,632,808	14,315,558
Nepal Investment Mega Bank Ltd. Promoter	184,888,928	169,438,971	184,888,928	187,736,916
Nepal Lube Oil Ltd.	64,500	179,661	64,500	121,976
Nepal Reinsurance Company Ltd. Promoter	71,895,167	92,123,100	71,895,167	87,945,567
NEPAL SBI BANK LTD. (SBI)	856,342	1,130,288	856,342	1,132,802
Nepal Share Market	3,077,900	-	3,077,900	-
NLG Insurance Company Ltd. Promoter	31,612	83,200	31,612	78,900
NMB Bank Limited	123,302,033	85,047,250	109,491,577	72,348,250
Prabhu Bank Limited	126,908,740	91,081,207	126,908,740	80,953,660
Prabhu Bank Ltd. Promoter	20,093,517	13,847,900	20,093,517	15,648,127
Prime Commercial Bank Ltd.	137,405,726	85,590,180	137,405,726	70,200,195
Prime Commercial Bank Ltd. Promoter	32,056,704	87,331,000	32,056,704	97,084,468
Rara Development Bank Ltd.	2,336	-	2,336	-
Sanima Bank Limited	117,582,939	132,525,000	66,100,665	65,047,371
Sanima Mai Hydropower Ltd.	13,032,423	18,672,500	13,032,423	17,750,000
Shine Resunga Development Bank Ltd. (SHINE)	38,725,040	40,510,000		
Shree Investment Finance Co. Ltd.	24,938,401	25,088,000	24,938,401	19,200,000
Siddhartha Bank Limited	125,866,115	134,425,000	89,369,606	83,326,056
Soaltee Hotel Ltd	-	160,888		
Standard Chartered Bank Ltd	112,553,926	120,400,000		
Sunrise Bank Limited	-	-	16,046,770	13,417,673
Sunrise Bank Ltd. Promoter	464,328	1,641,800	464,328	1,830,272
Udhyam Bikash Bank Ltd.	220	-	220	-
Yeti Development Bank Ltd.	2,070	-	2,070	-
Investment in Mutual Funds				
Nabil Balanced Fund-3	3,487,352	3,586,736	-	-
NIBL Growth Fund	2,390,002	3,189,297	-	-
NIBL Samridhi Fund -2	11,922,287	12,817,547	-	-
NIBL Stable Fund	40,000,000	40,000,000	-	-
Sunrise Bluechip Fund	4,218,373	4,336,002	-	-
Sunrise Focused Equity Fund	5,211,107	5,360,120	-	-
Citizen Investment Trust (Unit Scheme)	16,000,000	16,000,000	16,000,000	16,000,000
Laxmi Equity Fund	29,247,920	27,697,780	29,247,920	28,048,755
NIC Asia Balanced Fund	20,000,000	19,200,000	20,000,000	18,660,000
NIC Asia Dynamic Debt Fund- NADDF	6,648,300	6,648,300	6,648,300	6,648,300
NIC Asia Growth Fund 2	20,000,000	16,400,000	-	-
NMB Hybrid Fund L-1	-	-	12,619,210	13,616,128
NMB Sulav Investment Fund 2 (NMBSF2)	10,000,000	10,060,000	10,000,000	9,990,000
Sanima Large Cap Fund (SLCF)	3,533,153	4,160,759	-	-
SIDDHARTHA INVESTMENT GROWTH SCHEME-2 (SIGS2)	10,030,545	11,974,245	-	-



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Investment in Equity Instruments (Unquoted)				
Care Ratings Nepal Ltd. Promoter	2,500,000	2,500,000	2,500,000	2,500,000
Insurance Institute of Nepal Ltd. Promoter	4,780,000	4,780,000	4,780,000	4,780,000
Total	3,396,491,294	3,502,108,574	2,801,726,021	2,706,865,052

d) The company has earmarked investments amounting to NPR 86,825,600,000 To Nepal Insurance Authority.











LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

11 Loans

Fig. in NPR

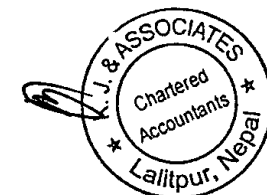
Particulars	Current Year	Previous Year
Loans measured at Amortised Cost		
Loan to Employees	99,393,204	111,336,140
Loan to Agents	50,606,909	69,386,573
Loan to Policyholders	22,081,137,081	21,718,893,110
Others (to be Specified)		
Less: Impairment Losses	(17,453,021)	(17,453,021)
Total	22,213,684,173	21,882,162,802

a) Loans to Policyholders

Particulars	Loan amount		Interest Income	
	Current Year	Previous Year	Current Year	Previous Year
Endowment	7,737,364,910	7,630,083,817	824,300,534	811,713,972
Endowment (Non Par)	-	-	-	-
Anticipated Endowment	1,291,529,796	1,308,409,991	143,855,650	146,310,312
Anticipated Endowment (Non Par)	-	-	-	-
Modified Endowment	10,121,379,770	9,915,431,653	1,090,419,476	1,104,217,816
Whole Life Policy	2,888,862,549	2,809,109,915	307,570,958	296,491,561
Term Insurance Policy	-	-	-	-
Special Term Policy	-	-	-	-
Endowment Single Premium	39,343,304	55,857,734	4,566,436	6,131,316
Endowment Single Premium (Non Par)	2,656,752	-	517,499	-
Micro Term Insurance	-	-	-	-
Total	22,081,137,081	21,718,893,110	2,371,230,553	2,364,864,977

b) Expected repayment of loan within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees	32,595,903	
Loan to Agents	14,201,440	69,386,573
Loan to Policyholders	139,259,485	
Others (to be Specified)		
Total	186,056,828	69,386,573



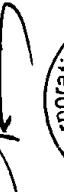




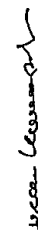


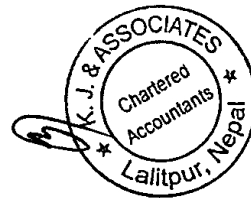
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Description	Policy liabilities and provisions		Claim Payment Reserve		Impairment Losses		Net Reinsurance Assets	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Endowment							-	-
Anticipated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

Particulars	Current Year	Previous Year
Receivable from Reinsurer	28,942,871	22,350,904
Receivable from other Insurance Companies		
Others (to be Specified)		
Less: Impairment Losses		
Total	28,942,871	22,350,904

Particulars	Current Year	Previous Year
Receivable from Reinsurer	28,942,871	22,350,904
Receivable from Other Insurance Companies		
Others (to be Specified)		
Total	28,942,871	22,350,904



LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Notes to the Financial Statements

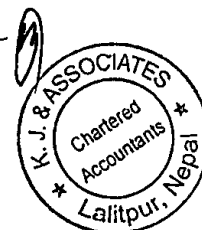
Fig. in NPR

14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses	6,844,916.00	8,724,562
Claim Advances		
Advance To Suppliers		
Staff Advances	646,153.00	419,053
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses		
Deferred Agent Commission Expenses		
Lease Receivables		
Others (to be specified)		
i) Miscellaneous Debtors		
ii) Share Application Money	-	1,250,000
iii) Other advances	745,769.00	957,356
iv) Prepaid Employee Benefit		
Less: Impairment Losses		
Total	8,236,838	11,350,971

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

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses	6,844,916	8,724,562
Claim Advances		
Advance To Suppliers		
Staff Advances	646,153	419,053
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses		
Deferred Agent Commission Expenses		
Lease Receivables		
Others (to be specified)		
i) Miscellaneous Debtors		
ii) Share Application Money	-	1,250,000
iii) Other advances	745,769	957,356
iv) Prepaid Employee Benefit		
Total	8,236,838	11,350,971



15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits	281,000	281,000
Accured Interest	512,912,555	487,517,479
Interest Receivable from Loan to Policyholders	2,747,606,892	2,470,422,387
Other Receivables		
Other Deposits		
Sundry Debtors	9,075,815	10,315,888
Others (to be Specified)		
Less: Impairment Losses	(461,837)	(461,837)
Total	3,269,414,425	2,968,074,917

Note :

Impairment loss disclosure has been presented on section 3 (e) of notes to account

a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest	512,912,555.00	487,517,479.00
Interest Receivable from Loan to Policyholders	2,747,606,892.00	2,470,422,387.00
Other Receivables		
Other Deposits		
Sundry Debtors	9,075,815.00	10,315,888.00
Other (to be Specified)		
Total	3,269,595,262	2,968,255,754

16 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand	75,588,433.00	72,198,624
Cheque in Hand		
Bank Balances		
i) Balance With "A" Class Financial Institutions	797,397,708	908,810,640
ii) Balance With Infrastructure Banks		
iii) Balance With "B" Class Financial Institutions	44,814,526	51,325,352
iv) Balance With "C" Class Financial Institutions	1,441,050	1,426,049
Less: Impairment Losses		
Deposit with initial maturity upto 3 months	929,824,293	1,407,630,123
Others (Cheque deposited but credit not received)	8,558,502	8,203,029
Less: Impairment Losses		
Total	1,857,624,512	2,449,593,817

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

17 (a) Share Capital

Fig. in NPR

Particulars	Current Year	Previous Year
Ordinary Shares		
As at Shrawan 1, 2080	2,653,200,000	2,653,200,000
Additions during the year		
i) Bonus Share Issue		-
ii) Share Issue		
As at Ashadh 31, 2081		
Convertible Preference Shares (Equity Component only)		
As at Shrawan 1, 2080		
Additions during the year		
As at Ashadh 31, 2081		
Irredeemable Preference Shares (Equity Component only)		
As at Shrawan 1, 2080		
Additions during the year		
As at Ashadh 31, 2081		
Total	2,653,200,000	2,653,200,000

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:		
26,532,000 Ordinary Shares of Rs. 100/- each	2,653,200,000	2,653,200,000
Issued Capital:		
26,532,000 Ordinary Shares of Rs. 100/- each	2,653,200,000	2,653,200,000
Subscribed and Paid Up Capital:		
26,532,000 Ordinary Shares of Rs. 100/- each	2,653,200,000	2,653,200,000
Total	2,653,200,000	2,653,200,000.00

(ii) Preference Share Capital

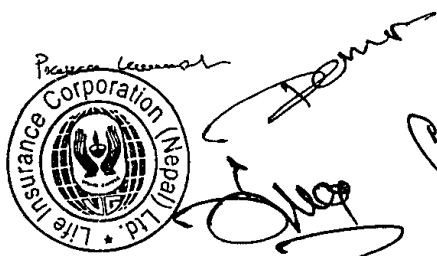
Particulars	Current Year	Previous Year
Authorised Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
..... Irredeemable Preference Shares of Rs. XXX Each		
Issued Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
..... Irredeemable Preference Shares of Rs. XXX Each		
Subscribed 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	3,979,800.00	3,979,800.00	15%	15.00%
Nepali Citizens				
Foreigners	14,592,600.00	14,592,600.00	55%	55.00%
Others (to be Specified)				
Total (A)	18,572,400.00	18,572,400.00	70%	70%
Other than Promoters				
General Public	7,959,600.00	7,959,600.00	30%	30%
Others (to be Specified)				
Total (B)	7,959,600.00	7,959,600.00	30%	30%
Total (A+B)	26,532,000.00	26,532,000.00	100%	100%

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
Life Insurance Corporation Of India	14,592,600.00	14,592,600	55.00%	55.00%
Vishal Group (Nepal)	3,979,800.00	3,979,800	15.00%	15.00%



LIFE INSURANCE CORPORATION (NEPAL) 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, 2080	61,151,801	61,151,801
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, 2081	61,151,801	61,151,801

17 (d) Catastrophe Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2080	561,598,449	494,767,497
Additions	92,483,434	66,830,951
Utilizations		
As on Ashadh 31, 2081	654,081,882	561,598,449

17 (e) Retained Earnings

Particulars	Current Year	Previous Year
As on Shrawan 1, 2080	2,344,327,517	1,738,884,433
Prior Period Adjustment	-	
Net Profit or Loss	829,607,185	753,449,166
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves		
Capital Reserves		
Catastrophe Reserves	(92,483,434)	(66,830,951)
Corporate Social Responsibility (CSR) Reserves	(9,248,343)	(14,446,300)
Insurance Fund		
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserve	91,702,242	(66,728,831)
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		
Transfer From Regulatory Reserve		
As on Ashadh 31, 2081	3,163,905,167	2,344,327,517

17 (f) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves		
Capital Reserves		
Corporate Social Responsibility (CSR) Reserves	23,694,644	14,446,300
Insurance Fund		
Fair Value Reserves	7,921,296	(71,145,726)
Actuarial Reserves	(30,631,472)	(11,576,123)
Deferred Tax Reserve	1,602,298	93,304,540
Regulatory Reserve	331,031,641	331,031,641
Total	333,618,407	356,060,631

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

18 Provisions

Fig. in NPR

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	51,722,284	34,732,802
ii) Provision for Gratuity	42,923,318	
iii) Termination Benefits		
iv) Other Employee Benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Provision for employee training	4,189,668	-
Total	98,835,270.00	34,732,802.00

(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	34,732,802.00	27,500,846.00	10,511,364.00			51,722,284.00
ii) Provision for Gratuity	-	42,273,608.00	7,791,468.00			34,482,140.00
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	10,511,364	954,639
ii) Provision for Gratuity	7,791,468	
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)		









LIFE INSURANCE CORPORATION (NEPAL) 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)	119,227,067,313	105,957,963,504
Claim Payment Reserve including IBNR (19.2)	406,730,691	382,334,706
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	119,633,798,005	106,340,298,210

The valuation of the technical provision of Insurance Company is carried out as at July 15, 2024 in accordance with the Risk Based Capital and Solvency Directive, 2022 (2078) ("RBC Directive") and circular: Regarding Risk Based Capital and solvency Direction, 2022 (2078) ("RBC Circular") issued by Nepal Insurance Authority ("NIA")





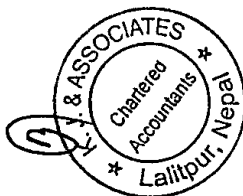





LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

Annexure 19.1: Life Insurance Fund

Particulars	Endowment	Endowment (Non Par)	Anticipated Endowment	Anticipated Endowment (Non Par)	Modified Endowment	Whole Life Policy	Term Insurance Policy	Special Term Policy	Endowment Single Premium	Endowment Single Premium (non par)	Single Premium O.E.	Micro Term Insurance	Total
Opening Life Insurance Fund	44,259,904,586	-	9,125,292,540	98,371,810	44,332,298,098	7,571,174,161	4,805,242	13,357,446	355,285,458	189,575,259	-	5,898,904	105,557,963,594
Surplus transfer to Life Insurance fund as per Sec 21 of the directive	6,154,080,152	-	970,935,120	(19,319,659)	5,617,883,001	964,968,650	8,398,805	865,418	33,206,823	157,877,879	-	(3,940,034)	14,007,407,604
Gross Life Insurance Fund for valuation (A)	50,413,984,738	122,501,448	10,096,227,660	79,052,151	49,950,181,100	8,536,142,811	13,204,047	16,222,864	368,492,281	347,403,138	-	1,958,869	119,965,371,108
Net policyholder's liability	48,986,182,817	35,209,626	8,808,914,703	64,856,041	47,193,430,048	7,377,496,070	5,091,491	20,714,171	394,773,025	369,116,417	-	673,571	113,347,158,582
Surplus/(Deficit) before shareholder transfer	1,427,801,921	87,291,822	1,186,312,955	14,496,110	2,756,751,052	1,158,646,740	8,112,556	(4,491,307)	3,719,256	(21,713,629)	-	1,285,298	6,618,212,516
Transfer to shareholder fund (B)	142,780,192	87,291,822	118,631,296	14,496,110	2,756,751,052	1,158,646,740	8,112,556	(4,491,307)	3,719,256	(21,713,629)	-	1,285,298	6,618,212,516
Transfer from shareholder fund to cover deficit as per actuary report (C)	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Life Insurance Fund as per actuarial valuation (D=A-B+C)	50,271,204,546	35,209,626	9,977,596,364	64,556,041	49,674,505,995	8,420,278,137	5,091,491	20,714,171	388,120,355	368,116,816	-	96,371	119,227,067,313
i) Best Estimate Liabilities Excluding FDB	37,608,973,744	34,566,335	6,317,595,206	63,377,905	38,115,162,857	4,713,918,669	4,988,155	20,338,328	322,255,013	362,022,624	-	673,571	87,577,810,109
ii) Future Discretionary Benefits (FDB)	10,473,309,638	-	2,438,194,821	-	8,180,987,884	2,511,921,574	-	-	55,490,381	-	-	-	23,659,903,498
iii) Margin Over Best Estimate	903,949,435	643,291	152,174,678	1,178,136	897,280,108	139,655,828	103,536	375,843	7,027,631	7,894,193	-	12,297	2,109,444,975
iv) Cost of bonus	1,285,021,779	-	1,067,681,660	-	2,481,075,946	1,042,782,066	-	-	3,347,331	-	-	-	5,879,908,732
v) Other Liability (If Any)	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Unallocated surplus	-	-	-	-	-	-	-	-	-	-	-	-	-



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13.2 Gross claim payment Reserve including IBNR/IBNER

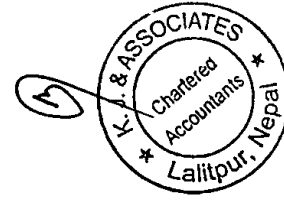
Fig. in NPR

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	17,479,990	11,181,083	105,202,618	126,534,119	-	-	4,038,170	4,038,170	44,996,872	44,996,872	20,185,077	20,185,077	217,066,229	217,066,229
Anticipated Endowment	14,691,625	9,457,775	44,994,433	54,000,882	-	-	3,529,280	3,529,280	6,241,032	6,241,032	77,013,481	77,013,481	77,013,481	77,013,481
Modified Endowment	44,951,398	5,944,021	49,021,256	60,923,775	-	-	3,559,607	3,559,607	3,457,934	3,457,934	13,588,235	13,588,235	13,588,235	13,588,235
Whole Life Policy	4,313,217	1,592,661	2,886,634	2,096,238	-	-	228,268	228,268	-	-	1,133,131	1,133,131	6,682,659	4,504,857
Term Insurance Policy	50,000	-	-	-	-	-	-	-	-	-	7,500	7,500	57,500	-
Special Term Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Endowment Single Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Endowment Single Premium (Non Pay)	175,000	30,000	-	-	-	-	-	-	-	-	-	-	-	-
Micro Term Insurance	85,863,239	23,657,330.00	398,624,948	246,307,894	-	-	9,836,493	9,836,493	56,154,621	56,154,621	53,051,829.32	53,051,829.32	466,739,691	382,334,796
Total														

Description	Gross outstanding claim reserve		Claim outstanding upto one year		Undeclared fund as per sec 11(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	201,185,077	217,066,229	201,185,077	217,066,229	-	-	-	-	201,185,077	217,066,229
Anticipated Endowment	77,013,481	72,113,613	77,013,481	72,113,613	-	-	-	-	77,013,481	72,113,613
Modified Endowment	119,588,725	86,558,004	119,588,725	86,558,004	-	-	-	-	119,588,725	86,558,004
Whole Life Policy	8,682,659	4,504,857	8,682,659	4,504,857	-	-	-	-	8,682,659	4,504,857
Term Insurance Policy	57,500	-	57,500	-	-	-	-	-	57,500	-
Special Term Policy	-	-	-	-	-	-	-	-	-	-
Endowment Single Premium	-	-	-	-	-	-	-	-	-	-
Endowment Single Premium (Non Pay)	-	-	-	-	-	-	-	-	-	-
Micro Term Insurance	201,250	92,000	201,250	92,000	-	-	-	-	201,250	92,000
Total	466,739,691	382,334,796	466,739,691	382,334,796	-	-	-	-	466,739,691	382,334,796

Note: Undeclared fund includes all outstanding claim which have not been settled for more than one year from the date of Intimation/Inactivity.

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Notes to the Financial Statements

20 Insurance Payable

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer	85,613,711	29,463,461
Payable to other Insurance Companies		
Others (to be Specified)		
Total	85,613,711	29,463,461

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer	85,613,711	29,463,461
Payable to other Insurance Companies		
Others (to be Specified)		
Total	85,613,711	29,463,461

21 Current Tax Assets/(Liabilities) (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities	-	(112,573,584)
Income Tax Assets	276,532,369	-
Total	276,532,369	(112,573,584)

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:

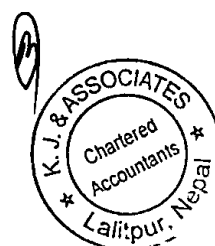
Particulars	Current Year	Previous Year
Bonds		
Debentures		
Term Loans-Bank and Financial Institution		
Bank Overdrafts		
Others (to be Specified)		
Total	-	-

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

23 Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable	107,851,611	96,339,305
Unidentified deposits	121,419,560	88,934,021
Advance Premiums	25,858,070	57,210,286
Insurance Service Fee Payable	135,964,496	144,348,435
Lease Liability	202,072,056	209,431,904
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)	-	
Total	593,165,793	596,263,951

Payable within 12 months

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable	107,851,611.00	96,339,305.00
Unidentified deposits	121,419,560.00	88,934,021.00
Advance Premiums	25,858,070.00	57,210,286.00
Insurance Service Fee Payable	135,964,496.00	144,348,435.00
Lease Liability	7,359,847.85	-
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	398,453,585	386,832,047

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Agents	267,360,197	228,781,741
Sundry Creditors	233,209,811	392,369,716
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables	11,471,063	10,995,284
ii) Bonus Payables	128,522,091	184,649,017
iii) Other employee benefit payable (Gratuity)		
Audit Fees Payable	1,358,767	2,417,819
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
i) Cheque issued But Not Encashed	443,597,259	522,125,191
ii) Medical Fee Payable		
Total	1,085,519,188	1,341,338,768

Payable within 12 months

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Agents	267,360,197	228,781,741
Sundry Creditors	233,209,811	392,369,716
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables	11,471,063	10,995,284
ii) Bonus Payables	128,522,091	184,649,017
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable	1,358,767	2,417,819
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
i) Cheque issued But Not Encashed	443,597,259	522,125,191
ii) Medical Fee Payable		
Total	1,085,519,188	1,341,338,768

Prakash Kumar



LIFE INSURANCE CORPORATION (NEPAL) 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	7,879,838,190	7,841,526,192	-	-	-	-	7,879,838,190	7,841,526,192
Endowment (Non Par)	180,307,492	-	-	-	-	-	180,307,492	-
Anticipated Endowment	2,670,813,156	2,369,753,130	-	-	-	-	2,670,813,156	2,369,753,130
Anticipated Endowment (Non Par)	-	-	-	-	-	-	-	-
Modified Endowment	5,916,584,525	5,762,543,529	-	-	-	-	5,916,584,525	5,762,543,529
Whole Life Policy	1,194,659,872	1,384,171,370	-	-	-	-	1,194,659,872	1,384,171,370
Term Insurance Policy	9,032,621	8,005,188	-	-	-	-	9,032,621	8,005,188
Special Term Policy	2,272,310	2,811,864	-	-	-	-	2,272,310	2,811,864
Endowment Single Premium	41,422,148	94,413,714	-	-	-	-	41,422,148	94,413,714
Endowment Single Premium (Non Par)	211,459,836	-	-	-	-	-	211,459,836	-
Micro Term Insurance	1,107,028	6,842,493	-	-	-	-	1,107,028	6,842,493
Total	18,107,497,178	17,470,067,480	-	-	-	-	18,107,497,178	17,470,067,480

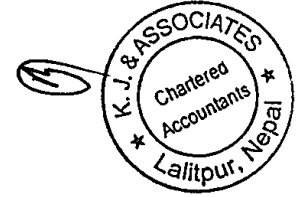
25.1 Gross Written Premiums

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	933,386,788	1,207,381,206	6,694,144,886	-	-	-	7,879,838,190	7,841,526,192
Endowment (Non Par)	180,307,492	-	-	-	-	-	180,307,492	-
Anticipated Endowment	555,615,977	410,418,975	2,115,197,179	1,959,334,155	-	-	2,670,813,156	2,369,753,130
Anticipated Endowment (Non Par)	-	-	-	-	-	-	-	-
Modified Endowment	667,441,630	644,716,576	5,249,142,895	5,117,834,953	-	-	5,916,584,525	5,762,543,529
Whole Life Policy	11,866,168	21,530,029	1,182,793,704	1,362,641,341	-	-	1,194,659,872	1,384,171,370
Term Insurance Policy	2,013,055	2,509,799	7,019,566	5,495,389	-	-	9,032,621	8,005,188
Special Term Policy	94,329	313,487	2,177,981	2,498,377	-	-	2,272,310	2,811,864
Endowment Single Premium	-	-	-	-	41,422,148	94,413,714	41,422,148	94,413,714
Endowment Single Premium (Non Par)	-	-	-	-	211,459,836	-	211,459,836	-
Micro Term Insurance	-	-	3,750	-	1,103,278	6,842,493	1,107,028	6,842,493
Total	2,350,725,439	2,284,870,172	15,902,786,477	15,081,941,101	253,985,262	101,256,207	18,107,497,178	17,470,067,480

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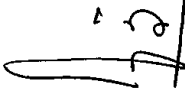
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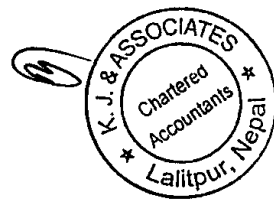


Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premium		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	33,630,125	21,653,888			33,630,125	21,653,888
Endowment (Non Par)	234,792				234,792	
Anticipated Endowment	21,893,532	13,459,861			21,893,532	
Anticipated Endowment (Non Par)	1,129				1,129	
Modified Endowment	42,805,394	32,237,410			42,805,394	32,237,410
Whole Life Policy	12,362,074	12,685,749			12,362,074	12,685,749
Term Insurance Policy	849,905	491,548			849,905	491,548
Special Term Policy	28,943	23,923			28,943	23,923
Endowment Single Premium	79,597	144,451			79,597	144,451
Endowment Single Premium (Non Par)	130,464				130,464	
Micro Term Insurance	69,613	267,949			69,613	267,949
Total	112,085,568	80,964,779	-	-	112,085,568	80,964,779

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	7,879,838,190	7,841,526,192	33,630,125	21,653,888	7,846,208,065	7,819,872,304
Endowment (Non Par)	180,307,492	-	234,792	-	180,072,700	-
Anticipated Endowment	2,670,813,156	2,369,753,130	21,893,532	13,459,861	2,648,919,624	2,356,293,269
Anticipated Endowment (Non Par)	-	-	1,129	-	-	-
Modified Endowment	5,916,584,575	5,762,543,529	42,805,394	-	5,873,779,131	5,762,543,529
Whole Life Policy	1,194,659,872	1,384,171,370	12,362,074	12,685,749	1,182,297,798	1,371,485,621
Term Insurance Policy	9,032,621	8,005,188	849,905	491,548	8,182,716	7,513,640
Special Term Policy	2,272,310	2,811,864	28,943	23,923	2,243,367	2,787,941
Endowment Single Premium	41,422,148	94,413,714	79,597	144,451	41,342,551	94,269,263
Endowment Single Premium (Non Par)	211,459,836	-	130,464	-	211,329,372	-
Micro Term Insurance	1,107,028	6,842,493	69,613	-	1,037,415	6,842,493
Total	18,107,497,178	17,470,067,480	112,065,568	48,459,420	17,995,411,610	17,421,608,060



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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

27 Commission Income

Figin NPR

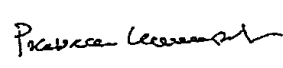
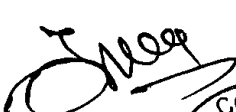

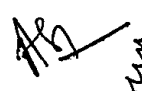


Particulars	Reinsurance Commission		Profit Commission		Total Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	3,100,211	4,148,359			3,100,211	4,148,359
Endowment (Non Par)	109,007				109,007	-
Anticipated Endowment	2,844,629	2,028,654			2,844,629	2,028,654
Anticipated Endowment (Non Par)	-				-	
Modified Endowment	7,254,610	6,659,093			7,254,610	6,659,093
Whole Life Policy	1,422,886	2,165,144			1,422,886	2,165,144
Term Insurance Policy	147,213	111,618			147,213	111,618
Special Term Policy	2,652	4,449			2,652	4,449
Endowment Single Premium	1,909	8,610			1,909	8,610
Endowment Single Premium (Non Par)	25,249	-			25,249	-
Micro Term Insurance	4,201	7,235			4,201	7,235
Total	14,912,567	15,133,162	-	-	14,912,567	15,133,162



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	100,008,545	115,130,073			100,008,545	115,130,073
Endowment (Non Par)	527				527	
Anticipated Endowment	35,856,149	34,130,266			35,856,149	34,130,266
Anticipated Endowment (Non Par)	-				-	
Modified Endowment	80,343,507	88,697,293			80,343,507	88,697,293
Whole Life Policy	23,879,494	32,509,430			23,879,494	32,509,430
Term Insurance Policy	11,556	17,789			11,556	17,789
Special Term Policy	26,101	41,517			26,101	41,517
Endowment Single Premium	-	-			-	-
Endowment Single Premium (Non Par)	-	-			-	-
Micro Term Insurance	-	-			-	-
Total	240,125,879	270,526,368	-	-	240,125,879	270,526,368

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	7,573,062,190	6,689,596,267
ii) Fixed Deposit with Infrastructure Bank		
iii) Fixed Deposit with "B" Class Financial Institutions	350,115,493	279,321,283
iv) Fixed Deposit with "C" Class Financial Institutions	53,707,054	37,172,381
v) Debentures	1,165,005,170	1,022,363,654
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	101,094,672	71,256,726
vii) Bank Deposits other than Fixed Deposit	21,233,409	35,428,843
viii) Agent Loans		
ix) Employee Loans		
x) Other Interest Income (to be Specified)	14,947,312	15,679,770
Financial Assets Measured at FVTOCI		
i) Interest Income on Debentures		
ii) Dividend Income	58,863,843	104,105,901
iii) Other Interest Income (to be specified)		
iv) Realised Gains/ (Losses) on Derecognition of Financial Assets Measured at FVTOCI		
Financial Assets Measured at FVTPL		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Rental Income		
Others	11,500,616	9,517,045
Total	9,349,529,759	8,264,441,870

LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

30 Net Gain/(Loss) on Fair Value Changes

Fig.in NPR

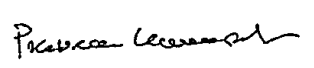
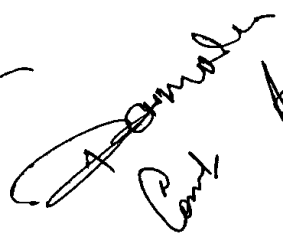
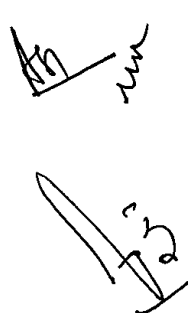
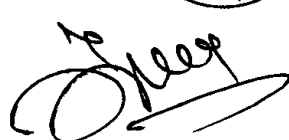

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments	-	-
ii) Mutual Fund	-	-
iii) Others (to be specified)	-	-
Changes in Fair Value on Investment Properties	-	-
Changes in Fair Value on Hedged Items in Fair Value Hedges	-	-
Changes 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	150,882	154,355
Amortization of Deferred Income	-	-
Stamp Income	-	-
Provision For Loss on Loan Written Back	-	-
Others	-	-
Total	150,882	154,355



LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

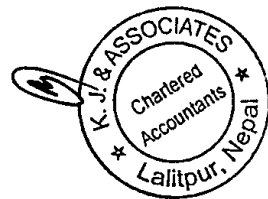
33 Gross Benefits, Claims Paid and Claims Ceded

	Gross Benefits and Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	4,522,428,955	3,627,577,851	20,260,028	11,488,667	4,502,168,927	3,616,089,184
Endowment (Non Par)	1,212,227	-	-	-	1,212,227	-
Anticipated Endowment	2,088,175,600	2,044,735,967	5,221,868	6,504,545	2,082,953,732	2,038,231,422
Anticipated Endowment (Non Par)	24,415,650	-	-	-	24,415,650	-
Modified Endowment	3,349,184,569	2,105,443,928	5,067,423	3,653,333	3,344,117,146	2,101,790,595
Whole Life Policy	825,201,367	1,117,012,596	4,238,668	2,000,000	820,962,699	1,115,012,596
Term Insurance Policy	-	758,735	-	-	-	758,735
Special Term Policy	2,320,550	776,472	-	-	2,320,550	776,472
Endowment Single Premium	29,436,058	82,462,526	1,264	-	29,434,794	82,462,526
Endowment Single Premium (Non Par)	44,698,713	5,200,000	95,745	2,730,000	44,602,968	2,470,000
Micro Term Insurance	4,758,762	1,582,200	-	-	4,758,762	1,582,200
Total	10,891,832,451	8,985,500,274	34,884,996	26,376,545	10,856,947,455	8,959,123,729

Fig in NPR

33.1 Details of Gross Benefits and Claims Paid

Particulars	Death Claims		Maturity Benefits		Partial Maturity Benefits		Surrender Claim		Other Claims and Benefits		Total Gross Benefits and Claims	
	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	145,162,880	159,645,720	2,376,927,440	2,002,642,113	-	-	1,992,376,049	1,459,418,913	7,962,786	5,871,105	4,522,428,955	3,627,577,851
Endowment (Non Par)	549,694	-	-	-	-	-	-	-	662,533	-	1,212,227	-
Anticipated Endowment	23,102,626	31,889,366	612,303,749	567,711,202	1,224,641,523	1,277,232,000	228,617,455	166,413,825	(489,753,15)	1,489,574	2,088,175,600	2,044,735,967
Anticipated Endowment (Non Par)	-	-	17,643,312	-	6,625,000	-	147,338	-	-	-	24,415,650	-
Modified Endowment	133,668,967	125,370,097	1,862,947,993	1,175,871,606	-	-	1,352,903,085	803,459,624	(335,476,20)	742,601	3,349,184,569	2,105,443,928
Whole Life Policy	31,589,071	28,025,391	83,072,117	19,684,716	7,198,500	2,989,000	702,302,295	1,066,313,489	1,039,384	-	825,201,367	1,117,012,596
Term Insurance Policy	-	1,200,000	-	(441,265)	-	-	-	-	-	-	-	758,735
Special Term Policy	-	180,000	2,320,550	546,472	-	-	-	-	-	-	2,320,550	776,472
Endowment Single Premium	790,070	1,069,850	-	63,744,746	-	-	28,645,988	17,647,930	-	-	29,436,058	82,462,526
Endowment Single Premium (Non Par)	1,185,803	5,200,000	43,396,512	-	-	-	116,398	-	-	-	44,698,713	5,200,000
Micro Term Insurance	4,758,762	1,582,200	-	-	-	-	-	-	-	-	4,758,762	1,582,200
Total	340,807,673	354,162,624	4,998,611,673	3,829,759,590	1,238,465,023	1,280,221,000	4,305,108,608	3,513,253,781	8,839,473	8,103,280	10,891,832,451	8,985,500,274



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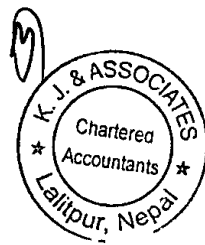
LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

34 Change in Insurance Contract Liabilities

Fig.in NPR

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	5,999,341,686	6,306,296,231	-	-	5,999,341,686	6,306,296,231
Anticipated Endowment	816,872,280	547,704,561	-	-	816,872,280	547,704,561
Modified Endowment	5,344,123,151	6,195,279,826	-	-	5,344,123,151	6,195,279,826
Whole Life Policy	849,167,507	741,946,682	-	-	849,167,507	741,946,682
Term Insurance Policy	343,949	1,561,073	-	-	343,949	1,561,073
Special Term Policy	5,356,725	1,146,443	-	-	5,356,725	1,146,443
Endowment Single Premium	32,577,358	25,996,906	-	-	32,577,358	25,996,906
Endowment Single Premium (Non Par)	179,541,557	217,408	-	-	179,541,557	217,408
Micro Term insurance	(5,116,082)	92,000	-	-	(5,116,082)	92,000
Total	13,222,208,131	13,820,241,131	-	-	13,222,208,131	13,820,241,131

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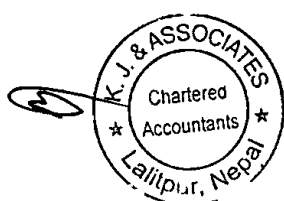
LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

Particulars	Commission Expenses on First Year			Commission Expenses on Renewal			Commission Expenses on Single Premium			Total Commission Expenses	
	Current Year	Previous Year	Premium	Current Year	Previous Year	Premium	Current Year	Previous Year	Premium	Current Year	Previous Year
Endowment	213,744,558	271,714,270	-	413,678,758	423,019,074	-	-	-	-	627,423,316	694,733,344
Endowment (Non Par)	36,651,002	-	-	-	-	-	-	-	-	36,651,002	-
Anticipated Endowment	94,716,130	72,354,688	-	130,773,303	132,855,545	-	-	-	-	225,489,433	205,210,233
Anticipated Endowment (Non Par)	-	-	-	-	-	-	-	-	-	-	-
Modified Endowment	156,898,255	153,130,963	-	282,301,349	297,337,036	-	-	-	-	439,199,604	450,467,999
Whole Life Policy	2,294,014	4,624,427	-	57,673,625	77,634,456	-	-	-	-	59,967,639	82,258,883
Term Insurance Policy	143,348	142,774	-	125,740	105,871	-	-	-	-	269,088	248,645
Special Term Policy	9,433	31,348	-	49,931	53,738	-	-	-	-	59,364	85,086
Endowment Single Premium	-	-	-	-	-	-	828,443	1,888,807	-	828,443	1,888,807
Endowment Single Premium (Non Par)	-	-	-	-	-	-	4,221,420	-	-	4,221,420	-
Micro Term Insurance	-	-	-	-	-	-	116,788	482,612	-	116,788	482,612
Total	504,456,740	501,998,470	-	884,602,706	931,005,720	-	5,166,651	2,371,419	-	1,394,226,097	1,435,375,609

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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	59,098,786	64,525,499	252,226	176,507	58,846,560	64,348,993
Anticipated Endowment	1,352,306		1,761		1,350,545	
Anticipated Endowment	20,031,099	19,434,516	164,210	109,699	19,866,889	19,324,817
Modified Endowment	-		-		-	
Modified Endowment	44,374,384	47,598,040	321,040	263,081	44,053,343	47,334,959
Whole Life Policy	8,959,949	11,818,456	92,716	107,657	8,867,233	11,710,799
Term Insurance Policy	67,745	62,939	6,374	3,897	61,370	59,042
Special Term Policy	17,042	23,479	217	192	16,825	23,287
Endowment Single Premium	310,666	760,181	597	1,166	310,069	759,015
Endowment Single Premium (Non Par)	1,585,949	-	978	-	1,584,970	-
Micro Term Insurance	8,303	40,004	522	2,052	7,781	37,951
Total	135,806,229	144,263,114	840,642	664,252	134,965,587	143,598,863

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					-	-
Modified Endowment						
Whole Life Policy					-	-
Term Insurance Policy					-	-
Special Term Policy					-	-
Endowment Single Premium					-	-
Endowment Single Premium (Non Par)					-	-
Micro Term Insurance					-	-
Total	-	-	-	-	-	-

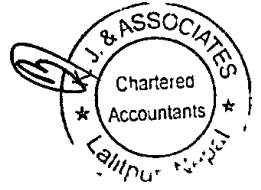
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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

38 Employee Benefits Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Salaries	132,489,971	117,501,458
Allowances	115,142,966	98,364,654
Festival Allowances	13,797,708	13,378,568
Defined Benefit Plans		
i) Gratuity	19,545,436	12,035,739
ii) Others (to be Specified)	-	-
Defined Contribution Plans		
i) Provident Fund/ Social Security Fund	14,007,475	12,142,739
ii) Others (to be specified)	-	-
Leave Encashments	27,500,846	16,603,961
Termination Benefits	-	-
Training Expenses	5,923,625	1,403,738
Uniform Expenses	-	-
Medical Expenses	4,735,523	4,521,914
Insurance Expenses	2,087,676	1,766,582
Recruitment Expenses	3,000	8,500
Wages	21,036,036	18,453,405
Sub-Total	356,270,262	296,181,258
Employees Bonus	116,153,389	86,446,431
Total	472,423,651	382,627,689

39 Depreciation and Amortization Expenses

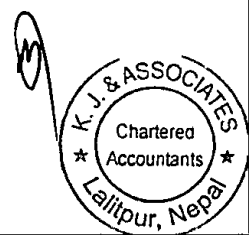
Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)	40,992	56,500
Depreciation on Property and Equipment (Refer Note.5)	54,255,043	55,136,290
Depreciation on Investment Properties (Refer Note. 6)	-	-
Total	54,296,035	55,192,790

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	-	12,080,571
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	-	12,080,571



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LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Notes to the Financial Statements

41 Other Operating Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Rent Expenses	27,225	-
Electricity and Water	4,878,150	4,494,754
Repair & Maintenance		
i) Building	25,524	59,112
ii) Vehicle	1,106,116	1,626,369
iii) Office Equipments	1,802,859	2,068,834
iv) Others(to be Specified)	89,917	164,113
Telephone & Communication	5,313,853	5,927,429
Printing & Stationary	15,766,608	21,237,707
Office Consumable Expenses	210,494	264,523
Travelling Expenses		
i) Domestic	1,584,236	3,533,312
ii) Foreign	764,574	1,018,486
Transportation Expenses	8,526,190	8,675,324
Agents Training	6,829,814	7,477,254
Agents Others	407,462,216	371,694,043
Insurance Premium	1,990,603	3,329,772
Security and Outsourcing Expenses	1,248,995	1,388,060
Legal and Consulting Expenses	375,000	691,250
Newspapers, Books and Periodicals	199,431	222,118
Advertisement & Promotion Expenses	13,055,593	17,865,099
Business Promotion	8,639,709	20,789,758
Guest Entertainment	103,510	456,136
Gift and Donations	473,778	575,703
Board Meeting Fees and Expenses		
i) Meeting Allowances	714,000	691,000
ii) Other Allowances	499,255	783,418
Other Committee/ Sub-committee Expenses		
i) Meeting Allowances	270,000	265,000
ii) Other Allowances	-	-
General Meeting Expenses	1,062,028	210,801
Actuarial Service Fee	4,496,150	8,734,894
Other Actuarial Expenses	-	-
Audit Related Expenses	-	-
i) Statutory Audit	1,570,700	1,740,200
ii) Tax Audit	-	-
iii) Long Form Audit Report	-	-
iv) Other Fees	-	-
v) Internal Audit	988,185	988,185
vi) Others (to be Specified)	622,478	469,996

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Particulars	Current Year	Previous Year
Bank Charges	494,542	375,553
Fee and Charges	12,471,765	12,698,356
Postage Charges	1,079,177	1,195,720
Foreign Exchange Losses		
Others		
i) Written Off Expenses (Fixed Assets)	-	-
ii) Documents Digitalisation Expenses	14,989,976	4,218,411
iii) Actuarial Service Fee	-	-
iv) Staff refreshment Expenses	5,188,947	5,511,565
v) Office Upkeep and Cleaning Expenses	5,113,794	5,172,418
vi) Conference Expenses (Admin)	1,637,069	-
vii) Conference Expenses (Marketing)	-	-
viii) Other Miscellaneous Expenses	4,584,553	6,363,051
ix) Battery Expenses For Inverter	-	154,840
x) Information Publication Expenses	509,875	217,423
xi) Office Shifting Expenses	-	80,230
xii) Rates & Taxes (Vehicles)	1,070,540	1,090,675
xiii) License Renewal Fee (Beema Samiti)	-	50,000
xiv) Building Committee Meeting Fee	45,000	30,000
xv) Municipality Tax	1,058,220	3,420,470
xvi) Loan Written Off	28,782	423,524
xvii) Share Related Expenses	1,366,429	1,633,024
xviii) Fine & Penalties	-	-
xx) Medical Expenses	-	-
Others (to be Specified)	-	-
Sub-Total	540,335,860	530,077,910
Medical examination fee	5,978,906	6,686,190
Fines, interest, Late Fees and Penalties	12,043,456	196,788,169
Total	558,358,222	733,552,269

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	20,546,728	23,918,512
Interest Expenses - Overdraft Loans	-	-
Others (to be Specified)	-	-
Total	20,546,728	23,918,512

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

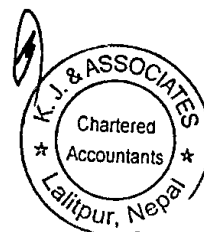
43 Income Tax Expense

Fig.in NPR

(a) Income Tax Expense

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year	2,332,555,009	2,070,202,757
ii) Income Tax Relating to Prior Periods		
Deferred Tax For The Year		
i) Originating and reversal of temporary differences	95,227,150	(85,139,651)
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	2,427,782,159	1,985,063,106

Prabhu Lal



LIFE INSURANCE CORPORATION (NEPAL) 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 31, 2081 (July 15, 2024) the company has recognised an amount of NPR 14,007,475 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	11,099,307	8,256,631		
Past service cost	-	-		
Net interest cost (a-b)	8,446,129	6,928,917		
a. Interest expense on defined benefit obligation (DBO)	8,446,129	6,928,917		
b. Interest (income) on plan assets	-	-		
Defined benefit cost included in Statement of Profit or Loss	19,545,436	15,185,548	-	-

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	19,545,436	15,185,548		
Remeasurements effects recognised in OCI	-	-		
Total cost recognised in Comprehensive Income	19,545,436	15,185,548	-	-

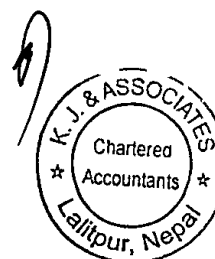
f) Change in Defined Benefit Obligation

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	88,357,026	77,654,640.00		
Service cost	8,256,631	8,256,631.00		
Interest cost	6,928,917	6,928,917.00		
Benefit payments from plan assets	(1,333,353)	1,333,353.00		
Actuarial (gain)/ loss - financial assumptions	-	-		
Actuarial (gain)/ Loss - experience	(3,149,809)	3,149,809.00		
Defined Benefit Obligation as at Year End	99,059,412	88,357,026	-	-

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	81,815,183.00	55,220,350.00		
Interest Income	5,522,035.00	5,522,035.00		
Expected return on plan assets	-	-		
Employer contributions	22,434,290.00	22,434,290.00		
Participant contributions	-	-		
Benefit payments from plan assets	(1,333,353.00)	1,333,353.00		
Transfer in/ transfer out	-	-		
Actuarial gain/ (loss) on plan assets	(28,139.00)	28,139.00		
Fair value of Plan Assets as at Year End	108,410,016	81,815,183	-	-

Praveen Kumar



LIFE INSURANCE CORPORATION (NEPAL) 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	122,839,166	99,059,412	-	-
Fair Value of Plan Assets	(79,915,848)	108,410,016	-	-
Liability/ (Asset) Recognised in Statement of Financial Position	42,923,318	207,469,428	-	-

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	185,811,674	172,235,175		
Defined benefit cost included in Statement of Profit or Loss	(19,545,436)	(8,857,791)		
Total remeasurements included in OCI	-	-		
Acquisition/ divestment	-	-		
Employer contributions	22,434,290.00	22,434,290.00		
Net defined benefit liability/(asset)	188,700,528	185,811,674	-	-

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	4,955,200	7,350,474.00		
Non - Current Liability	117,883,966	81,006,552		
Total	122,839,166	88,357,026	-	-

m) Expected Future Benefit Payments

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	5,173,381	7,709,242		
Between 1-2 years	12,357,616	3,366,775		
Between 2-5 years	14,911,065	14,064,335		
From 6 to 10	356,410,488	310,541,003		
Total	388,852,550	335,681,355	-	-

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)	0%	0%		
Corporate Bonds (including Public Sector bonds)	0%	0%		
Mutual Funds	0%	0%		
Deposits	0%	0%		
Cash and bank balances	0%	0%		
Others (to be Specified)	100%	100%		
Total	100%	100%	-	-

Praveen Kumar



LIFE INSURANCE CORPORATION (NEPAL) 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	111,357,386	80,057,746.00		
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	136,211,521	98,053,485.00		
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	136,502,050	98,362,758.00		
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	110,938,768	79,682,999.00		
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate	122,530,423	88,821,130.00		
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate	123,026,251.00	87,700,393.00		

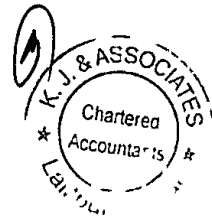
p) Assumptions

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate	9%	
Escalation Rate (Rate of Increase in Compensation Levels)	6%	
Attrition Rate (Employee Turnover)	4.50%	
Mortality Rate During Employment	NALM-2009	

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LIFE INSURANCE CORPORATION (NEPAL) 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	-	2,622,621,869			2,622,621,869	
Investment in Equity (Unquoted)	3	-	7,280,000			7,280,000	
ii) Investment in Mutual Funds	1	-	76,963,183			76,963,183	
iii) Investment in Preference Shares of Bank and Financial Institutions		-	-	-		-	-
iv) Investment in Debentures	3	-	-	11,655,430,000	-	-	11,655,430,000
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3	-	-	1,373,779,900	-	-	1,373,779,900
vi) Fixed Deposits	3	-	-	70,779,316,161	-	-	70,779,316,161
vii) Others (to be specified)		-	-	-	-	-	-
Loans							
Other Financial Assets	3	-	-	21,882,162,802	-	-	21,882,162,802
Cash and Cash Equivalents	3	-	-	2,449,593,817	-	-	2,449,593,817
Total Financial Assets		-	2,706,865,052	111,108,357,597	-	2,706,865,052	111,108,357,597
Borrowings							
Other Financial Liabilities	3	-	-	1,341,338,768	-	-	1,341,338,768
Total Financial Liabilities		-	-	1,341,338,768	-	-	1,341,338,768

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

- 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	11,655,430,000	11,655,430,000	-	9,590,682,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	1,373,779,900	1,373,779,900	-	100,000,000
iv) Fixed Deposit	70,779,316,161	70,779,316,161	-	63,933,122,110
v) Others (to be Specified)				
Loans				
i) Loan to Associates	-	-	-	-
ii) Loan to Employees	111,336,140	111,336,140	-	68,909,904
iii) Loan to Agent	69,386,573	69,386,573	-	108,623,607
iv) Loan to Policyholders	21,718,893,110	21,718,893,110	-	18,111,249,281
v) Others (to be Specified)				
Other Financial Assets		2,968,074,917		2,342,313,636
Total Financial Assets at Amortised Cost	105,708,141,884	108,676,216,801	-	94,254,900,538
Borrowings				
i) Bonds	-	-	-	-
ii) Debentures	-	-	-	-
iii) Term Loans - Bank and Financial Institution	-	-	-	-
iv) Bank Overdrafts	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Other Financial Liabilities	-	1,341,338,768	-	1,261,774,178
Total Financial Liabilities at Amortised Cost	-	1,341,338,768	-	1,261,774,178

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.

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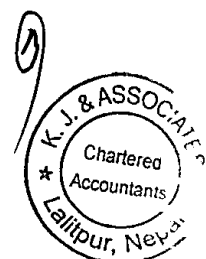
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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Recommendatory Notes to the Financial Statements

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.

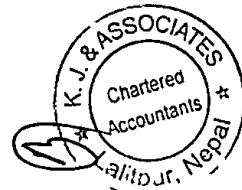
The Company collects adequate data to validate the reasonableness of the underlying assumptions used for pricing. The base rate represents the amount required to meet the value of anticipated benefits, expenses, and margins for risks and profit. Data primarily relates to the company's own historical 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.




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 Purna Kumar

LIFE INSURANCE CORPORATION (NEPAL) 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	Investment Return	Lapse and Surrender Rate	Discount Rate
Life Insurance	90.00%	7.92%	3.16%	7.74%	3.16%	6.00%

Sensitivities

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

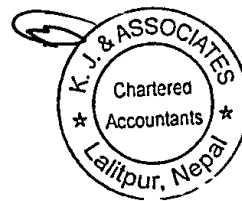
The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and profit after tax. The correlation of assumptions will have a significant effect in determining the 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%	-	-	-	3,855,202,235
Longevity	+ 10%	-	-	-	(9,702,490,443)
Discount Rate	+ 1%	-	-	-	(5,060,572,981)
Mortality Rate	- 50%	-	-	-	6,815,553,103
Longevity	- 10%	-	-	-	
Discount Rate	- 1%	-	-	-	

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LIFE INSURANCE CORPORATION (NEPAL) 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

Particulars	Life stressed Scenario based on ABC directive 2073	
	Changes in Best Estimate Assumptions	Current Year Increase/(Decrease) on Gross Liabilities
Mortality Rate	+40%	-
Longevity	+45%	-
Morbidity	+25%	-
Lapse	+50%	-
Expense	+20%	-
Cat risk	+0.15%	-

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.

f) Reserving

Insurance Contract Liabilities are created to cover this risk based on the actuarial valuation report.

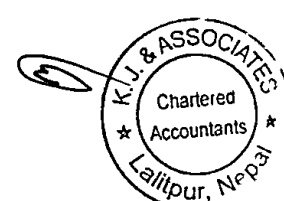
The table below sets out the concentration of risk associated with above mentioned products. Risk as at year end has been measured as insurance contract liabilities and disclosed as below:

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Endowment	48,643,794,567	596,640,222	48,047,154,345	42,248,754,037	47,486,400	42,201,267,638
Anticipated Endowment	8,243,743,677	12,822,771	8,230,920,906	7,176,310,781	23,512,963	7,152,797,818
Endowment Cum Whole Life	48,250,564,042	2,002,229,213	46,248,334,829	42,319,210,269	49,448,882	42,269,761,387
Whole Life	7,509,887,286	487,870,276	7,022,017,010	7,054,509,847	24,441,270	7,030,068,576
Foreign Employment Term	-	-	-	-	-	-
Other Term	6,228,838	581,567	5,647,271	5,605,343	1,086,227	4,519,116
Special Term	20,210,672	-	20,330,495	15,377,533	56,475	15,321,058
Others (Single)	759,390,500	23,221,992	736,168,508	534,005,590	272,439	533,733,150
Total	113,433,819,582	3,123,246,218	110,310,573,364	99,353,773,400	146,304,657	99,207,468,743

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
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 31, 2080

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					
Credit Risk has significantly increased and not credit impaired					
Credit Risk has significantly increased and credit impaired					

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh 31, 2081

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					
Credit Risk has significantly increased and not credit impaired					
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 31, 2080		
Changes in loss allowances		
Write-offs		
Recoveries		
Loss Allowance on Ashadh 31, 2081		

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						

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

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

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.

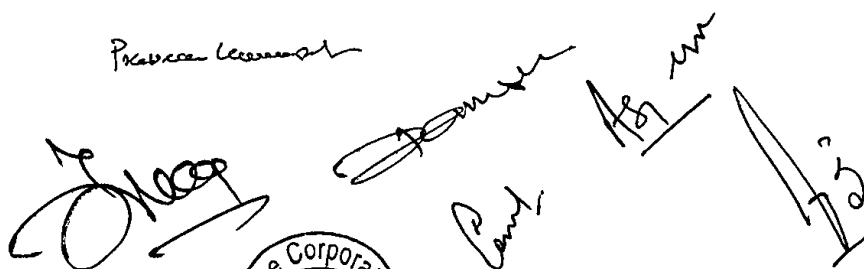


Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*		
Interest Rate - Decrease By 1%*		

* 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.

LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Notes to the Financial Statements

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

Climate risk refers to the potential adverse impacts and consequences of climate change on various aspects of human society, ecosystems, and economic activities.

Climate change is one of the most significant challenges of present time. The world's key environment and social challenge such as population growth, energy security, loss of biodiversity, global warming, effect in health, occurrence of catastrophic events and access to drinking water and food are closely intertwined with the climate change.

The commitment to sustainability to avoid the negative impacts of climate change, loss of biodiversity, social and environmental impacts will mainly attract principle related to managing climate risk related financial risk and taking action of the company on Net-Zero future. To underpinning these two main areas there are five strategic pillars which are described as follows;

1. Governance: The company has a strong system of governance, with effective and robust controls. The risk officer should report the activities carried out by the company to investment, risk management, and solvency committee about the climate related risks and opportunities that are identified, measured, monitored, and managed based on the risk management framework and in line with the risk appetite.

2. Protecting our policyholder: Climate change is a global challenge posing material risk to society and the economy. The natural catastrophes shows that currently around quarter of total economic losses are caused by the extreme weather and climate related events, leading to sustainable insurance. The insurability and pricing of climate related risk become increasingly critical concerns for the company. The company assumes the expected growth in physical risk exposures and insurance claims due to climate change will increase risk based premium levels over time, potentially impairing mid to long term affordability and availability of insurance products with coverage against climate related hazards.

3. Protecting our own assets: The company aims to invest in the environment friendly projects such as climate resilient infrastructures, renewable energy, clean transportation, water cleaning, and pollution control. The investment may be made on the Green Bonds that have a goal to achieve the sustainable development goals and are pivotal in supporting global net zero target.

4. Allocation of catastrophe reserves: The company transfers 10% of net profit amount to catastrophe reserve for meeting losses arising from an unexpected catastrophic event. Further, the company has policy for ceding catastrophic risk which will be covered in reinsurance treaty of the company. In addition, company aims to allocate reserve on climate related risk based on the actuarial calculation and reserve required to address.

5. Reducing direct climate impacts: The company has ecofriendly social initiatives through its corporate social responsibility program and is also focusing on using ecofriendly materials

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

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

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	-	-

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
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	829,607,185	753,449,165
Less: Dividend on Preference Share		
Add: Interest saving on Convertible Bonds		
Profit For the Year used for Calculating Diluted Earning per Share	829,607,185	753,449,165
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	26,532,000	26,532,000
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	26,532,000	26,532,000
Nominal Value of Equity Shares		
Basic Earnings Per Share	31.27	28.40
Diluted Earnings Per Share	31.27	28.40
Proposed Bonus Share		
Weighted Average Number of Equity Shares Outstanding During the Year for Restated Earning Per Share	26,532,000	26,532,000
Restated Basic Earning Per Share	31.27	28.40
Restated Diluted Earning Per Share	31.27	28.40

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Operating Segment

Segment information is presented in respect of the Company's business segments. Management of the Company has identified portfolio as business segment and the Company's internal reporting structure is also based on portfolio. Performance is measured based on segment profit as management believes that it is most relevant in evaluating the results of segment relative to other entities that operate within these industries.

Segment asset is disclosed below based on total of all asset for each business segment.

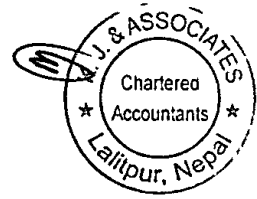
The Company operates predominantly in Nepal and accordingly, the Management of the Company is of the view that the financial information by geographical segments of the Company's operation is not necessary to be presented.

Business Segments of the Company's are:

- Endowment
 - Special Term Policy
 - Anticipated Endowment
 - Whole Life Policy
 - Single Premium O.E
- Term Insurance Policy
 - Micro Term Insurance

a) Segmental Information for the year ended Anshu 31, 2080 (July 31, 2023)

Particulars	Endowment	Anticipated Endowment	Modified Endowment	Whole Life Policy	Term Insurance Policy	Special Term Policy	Endowment Single Premium O.E	Single Premium O.E	Micro Term Insurance	Total
Income										
Gross Earned Premiums	7,841,526,192.00	2,589,753,300.00	5,762,543,529.00	13,847,170.00	8,005,188.00	231,184.00	94,413,714.00	2,052,812.20	4,789,481.30	17,470,867,483.00
Premiums Ceded	21,653,848.00	13,459,861.00	32,237,410.00	12,485,749.00	491,544.00	23,912.00	144,451.00	-	257,949.00	80,964,779.00
Investment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	7,819,872,344.00	2,556,293,439.00	5,730,306,119.00	13,771,485,621.00	7,513,644.00	2,07,272.00	94,269,263.00	2,052,812.20	4,531,532.30	17,389,892,702.00
Commission Income	4,148,359.00	2,026,654.00	6,659,093.00	21,651.44	11,618.00	449.00	6,610.00	-	7,235.00	15,133,162.00
Other Direct Income	115,190,072.00	34,130,266.00	86,097,292.00	32,539,430.00	17,789.00	41,517.00	6,331,316.00	-	-	270,526,368.00
Interest Income on Loan to Policyholders	811,713,972.00	144,310,312.00	1,104,217,816.00	296,491,561.00	0	0	6,331,316.00	-	-	2,864,864,972.00
Income from Investments and Loans	3,365,329,092.00	747,590,955.00	3,164,949,224.00	436,642,135.00	99,281.00	157,911.00	46,513,279.00	104,178.00	647,302.00	7,784,160,996.00
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realized Gains/(Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	12,136,193,860.00	3,286,153,656.00	10,694,829,545.00	21,39,235,911.00	8,035,857.00	4,105,818.00	146,922,444.00	2,154,990.70	5,196,269.30	27,822,786,119.00
Expenses										
Gross Benefits and Claims Paid	3,627,577,850.96	2,044,793,946.26	2,105,433,927.48	3,117,812,596.04	758,765.00	776,472.00	82,462,516.00	5,200,000.00	1,582,206.00	8,595,503,274.40
Claims Ceded	11,468,467.00	6,594,545.00	3,653,331.00	200,000.00	0	0	-	-	-	26,376,545.00
Gross Change in Contract Liabilities	6,596,286,231.42	947,704,560.67	6,195,279,829.32	741,946,681.51	1,541,077.35	1,444,443.25	25,996,966.00	217,408.00	92,000.00	13,820,241,130.59
Change in Contract Liabilities Ceded to Reinsurers	-	-	-	-	-	-	-	-	-	-
Net Benefits and Claims Paid	9,222,863,415.39	2,585,935,982.37	6,297,070,427.00	1,856,959,277.55	2,319,868.35	1,872,915.25	108,459,432.00	2,687,408.00	1,674,206.00	22,779,364,859.99
Commission Expenses	694,733,344.00	205,310,333.00	450,467,990.00	825,884.00	24,864.00	83,096.00	1,888,807.00	-	682,612.00	1,435,375,699.00
Service Fees	64,548,992.89	19,574,817.26	47,334,658.89	1,171,079.03	590,415,254.55	232,863,733.00	759,015.19	-	37,951.46	143,598,462.81
Other Direct Expenses	-	-	-	-	-	-	-	-	-	-
Employee Benefits Expenses	126,120,028.79	46,417,274.50	61,212,565.57	131,344,917.73	771,653,337.40	252,077,070.00	5,542,441.82	-	39,916.47	266,563,132.20
Depreciation and Amortization Expenses	23,507,212.18	7,531,678.93	15,133,800.49	244,256,479.00	13,961,525.25	670,490,919.00	1,032,823.00	-	7,438.35	49,672,510.90
Impairment Losses	5,144,153.86	1,648,530.22	3,312,478.89	53,726,557.00	290,675,593.00	102,988,236.00	226,063.80	-	1,628.10	10,472,513.90
Other Operating Expenses	312,361,538.04	100,101,483.85	201,139,201.54	335,307,022.00	17,625,387.00	6,531,668.83	13,726,948.41	-	96,061.14	660,197,842.10
Finance Cost	10,184,990.86	3,343,950.82	6,558,428.87	106,093,349.00	574,052,903.00	203,813,346.00	447,587.27	-	3,273.51	21,526,660.69
Total Segmental Expenses	11,587,786,651.02	2,863,433,580.95	9,102,228,844.35	2,000,637,659.89	2,896,826.75	2,076,411.11	132,083,138.33	2,687,408.00	2,345,831.84	25,867,172,191.60
Total Segmental Results	977,415,118.98	322,719,505.05	992,599,690.75	138,656,251.11	5,719,030.25	2,328,976.89	14,839,379.47	(530,417.30)	2,850,438.26	2,456,615,923.40
Segment Assets	67,274,066,456.70	10,458,925,247.94	61,290,829,369.35	6,310,333,057.84	13,805,598.42	21,997,188.40	650,907,857.26	1,457,658.04	9,330,167.25	108,530,883,601.89
Segment Liabilities	67,114,206,858.44	10,401,568,650.47	61,047,145,677.52	6,076,824,877.06	13,817,107.77	21,878,594.13	647,333,315.24	1,449,683.17	9,284,956.87	108,333,500,063.46



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b) Segmental Information for the quarter ended Ashadh 31, 2081 (July 15, 2024)

Particulars	Endowment	Endowment (Non Par)	Anticipated Endowment	Anticipated Endowment (Non par)	Modified Endowment	Whole Life Policy	Term Insurance Policy	Special Term Policy	Endowment Single Premium	Endowment Single Premium (non Par)	Single Premium O.E	Micro Term Insurance	Total
Income													
Gross Earned Premiums	7,879,838,190	180,307,692	2,876,813,156	-	5,916,584,525	1,194,899,872	9,032,621	2,272,510	41,422,146	211,439,836	-	1,107,026	18,107,497,178
Premiums Ceded	33,630,125	234,792	21,693,532	1,129	42,805,394	12,362,074	849,805	28,943	79,597	130,464	-	69,613	112,085,568
Inter-Segment Revenue													
Net Earned Premiums	7,846,208,065	180,072,900	2,648,919,624	(1,129)	5,873,779,131	1,182,537,798	8,182,716	2,243,567	41,342,551	211,309,372	-	1,037,413	17,995,411,610
Commission Income	3,100,211	109,007	2,844,629	-	7,254,610	1,122,886	147,213	2,652	1,989	25,249	-	4,201	14,912,567
Interest Income on Loan to Policyholders	894,300,534	-	14,855,650	-	1,690,413,476	307,570,958	-	-	4,566,436	-	-	-	2,371,230,553
Other Direct Income	100,008,545	527	35,856,149	-	80,343,507	23,879,494	11,556	26,101	-	-	-	-	240,125,979
Income from Investments and Loans	3,844,033,800	13,450,050	860,787,431	7,657,403	3,577,360,111	505,098,214	1,223,970	1,452,563	31,642,492	33,394,708	-	205,817	8,816,006,599
Net Gain/(Loss) on Fair Value Changes	31,286,247	-	4,517,641	-	29,115,465	4,114,271	-	-	257,540	-	-	-	71,291,664
Net Realized Gains/(Losses)	12,646,937,903	195,632,084	3,658,781,124	7,056,274	10,658,172,301	2,024,783,621	9,565,405	3,724,683	77,810,928	245,266,478	-	1,247,433	29,508,978,783
Expenses													
Gross Benefits and Claims Paid	4,532,428,955	1,212,227	2,084,175,600	24,415,650	3,349,184,569	825,201,267	-	2,320,550	29,436,058	44,698,713	-	4,758,762	10,891,832,451
Claims Ceded	(20,560,029)	-	(5,221,869)	-	(5,987,423)	(4,238,668)	-	-	(1,264)	(95,745)	-	-	(24,864,996)
Gross Change in Contract Liabilities	5,699,217,736	122,501,448	970,933,120	(19,219,659)	5,617,883,001	964,968,650	8,394,805	865,418	33,306,823	157,827,879	-	(3,940,034)	13,542,545,188
Change in Contract Liabilities Ceded to Reinsurers	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Benefits and Claims Paid	18,191,886,664	122,713,675	3,053,888,852	5,095,991	8,962,008,147	1,785,831,349	8,398,805	3,185,948	62,641,677	202,430,848	-	818,777	24,999,492,643
Commission Expenses	627,423,316	36,651,002	225,489,433	-	439,199,604	59,887,639	269,088	59,364	828,443	4,221,420	-	116,786	1,394,224,097
Service Fees	58,846,560	1,550,545	19,866,889	-	44,053,343	8,867,253	61,370	16,825	310,069	1,584,970	-	7,781	134,965,587
Other Direct Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits Expenses	139,154,040	2,720,651	46,900,559	-	105,096,999	21,776,307	167,410	42,431	778,954	3,976,884	-	19,001	320,643,256
Depreciation and Amortization Expenses	21,207,259	416,135	7,147,704	-	16,016,915	3,318,736	25,514	6,467	118,714	606,082	-	2,696	48,866,432
Impairment Losses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	181,711,591	27,238,334	96,466,548	-	131,758,109	8,824,671	348,689	27,401	6,966,856	32,196,570	-	1,67,414	485,046,584
Finance Cost	8,025,256	157,481	2,704,837	-	6,061,127	1,235,878	9,655	2,447	44,924	225,354	-	1,096	18,492,055
Total Segmental Expenses	11,227,784,679	192,257,842	3,452,464,822	5,095,991	9,704,186,245	1,889,942,073	9,268,531	3,341,103	71,029,576	245,246,128	-	1,133,702	26,881,732,633
Total Segmental Results	3,421,183,224	1,374,442	186,916,302	1,960,283	953,986,056	134,841,608	284,874	883,579	6,781,351	20,700	-	113,730	2,707,246,149
Segment Assets	12,097,706	-	1,248,348	-	10,725,515	3,432,978	3,432,978	4,171	-	-	-	-	26,942,869
Segment Liabilities	50,271,204,546	35,209,626	9,977,596,364	64,556,041	69,874,956,995	8,420,273,137	5,097,691	20,714,171	388,120,355	369,116,516	-	673,571	119,227,867,313

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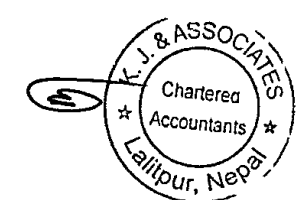
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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Recommendatory Notes to the Financial Statements

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

Particulars	Current Year	Previous Year
Segmental Profit	2,707,246,149	2,456,615,923
Less: Employee Benefits expenses	80,526,363	(116,064,557)
Less: Depreciation and Amortization	(5,429,604)	(5,519,279)
Less: Impairment losses		(1,208,057)
Less: Other operating expenses	(53,894,065)	(73,355,227)
Less: Finance Cost	(2,054,673)	(2,391,851)
Add: Unallocable Other Income	530,995,173	480,435,319
Profit Before Tax	3,257,389,344	2,738,512,272

d) Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets	28,942,869	22,350,904
Goodwill & Intangible Assets	97,200	138,192
Property and Equipment	424,229,329	461,401,762
Investment Properties	-	
Deferred Tax Assets		120,544,690
Investment in Subsidiaries		
Investment in Associates		
Investments	100,302,577,745	86,515,391,113
Loans	22,213,684,173	21,882,162,802
Current Tax Assets	276,532,369	-
Other Assets	8,236,838	11,350,971
Other Financial Assets	3,269,414,425	2,968,074,917
Cash and Cash Equivalents	1,857,624,512	2,449,593,817
Total Assets	128,381,339,460	114,431,009,169

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	119,719,411,716	106,369,761,671
Provisions	98,835,270	34,732,802
Deferred Tax Liabilities	18,450,239	-
Current Tax Liabilities	-	112,573,584
Other Financial Liabilities	1,085,519,188	1,341,338,768
Other Liabilities	593,165,793	596,263,951
Total Liabilities	121,515,382,207	108,454,670,776

Praveen Kumar



LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

53 Related Party Disclosure

(a) Identify Related Parties

Holding Company: Life Insurance Corporation of India

Subsidiaries: NA

Associates: NA

Fellow Subsidiaries: NA

Key Management Personnel:

Name	Position
Mr. Siddhartha Mohanty	Chairman
Mr. Tablesh Pandey	Director
Mr. Ashok Kumar Agrawal	Director
Mrs. Komal Agrawal	Public Director
Mr. Praveen Kumar Molri	Independent Director
Mr. Pranay Kumar	Director & CEO
Mr. Anirban Datta	DCEO
Mr. T. Burnawal	Ex-DCEO
Mr. Rohit Budiya	CTO
Mr. Sanjeev Aggarwal	Ex-CTO

(b) Key Management Personnel Compensation: Chief Technical officer & Deputy Chief Executive Officer

Particulars	Current Year	Previous Year
Short-term employee benefits	28,304,633	30,823,448
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Total	28,304,633	30,823,448

Payment to Chief Executive Officer (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances	11,944,316	11,422,210
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	11,944,316	11,422,210

(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						

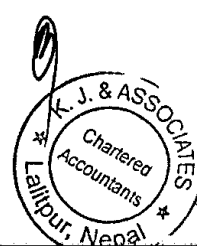
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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

53 Related Party Disclosure

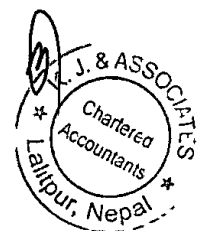
Premium Paid						
Current Year						
Previous Year						









LIFE INSURANCE CORPORATION (NEPAL) LIMITED
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					894,000.00	894,000
Previous Year					964,200.00	964,200
Allowances to Directors						
Current Year						-
Previous Year						-
Others (service fee)						
Current Year	4,258,106					4,258,106
Previous Year	4,258,106					4,258,106

(d) Related Party Balances:

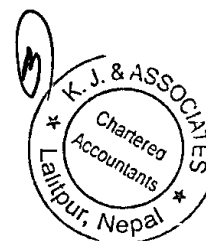
Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
Current Year						
Previous Year						
Other Receivables (to be Specified)						
Current Year						
Previous Year						
Payables including Reinsurance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

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

54 Leases

(a) The company has initially recognised the Right of Use assets at the amount of lease liability Plus any initial direct cost incurred by the group. Right of Use asset has been depreciated over the Period of Accumulated Lease term on straightline Basis. Right of Use Assets shall be measured at cost less any accumulated depreciation and any accumulated impairment and adjusted for any re-measurement of the lease liability. Right of Use assets has been presented on Property and Equipments on Note 5. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at incremental borrowing rate.

Depreciation on Right of Use Assets amounting to NPR. 41,504,506 and interest on lease liability amounting to NPR. 20,546,728 has been recognized on profit or loss account

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	51,488,492	47,883,834
ii) Later than 1 year and not later than 5 years	221,756,887	176,853,850
iii) Later than 5 years	22,111,127	3,543,859
Total Future Minimum Lease Payments	295,356,506	228,281,544
Less: Effect of Discounting	93,284,450	18,849,640
Finance lease liability recognised	202,072,056	209,431,904

(b) Leases as Lessor

Company has not leased any assets on this reporting fiscal year and in its comparative year.

55 Capital Commitments

Company has no capital commitments as on reporting date.

56 Contingent Liabilities

Company has no contingent liabilities balance as on reporting date.

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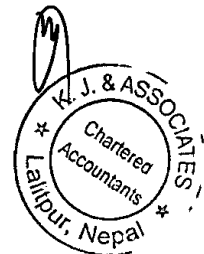
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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

57 Events occurring after Balance Sheet

The Board of Directors, in its meeting held May 14, 2025, proposed a dividend of 10.53%, for the financial year ended 2081.03.31 (July 15, 2024). The proposed dividend is subject to approval by the shareholders at the upcoming Annual General Meeting (AGM). In accordance with the provisions of NFRS 10 (NAS 10) – Events After the Reporting Period, Paragraphs 12 and 13, this dividend has not been recognized as a liability in the financial statements for the year ended 2081.03.31, since it was declared after the reporting period. However, it has been disclosed here as a significant non-adjusting event.

58 Assets Pledged as Security (only if pledged)

Company has no any balance of Assets Pledged as security.

59 Corporate Social Responsibility

The company has allocated fund for Corporate Social Responsibility as per Insurer's financial statement related directives, 2080.

Particulars	Current Year	Previous Year
Opening Provision	14,446,300	-
Addition : Transfer From Retained Earning	9,248,343	14,446,300
Less : Utilization of Reserve	-	-
Add/ Less : Others	-	-
Closing Balance of Reserve	23,694,644	14,446,300

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)

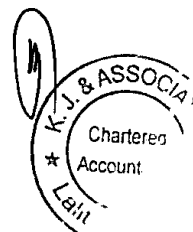
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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Statement of Sum Assured (As per Actuarial valuation report)

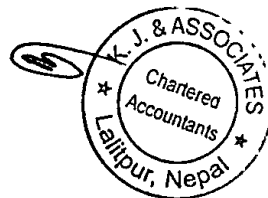
S.N.	Insurance Types	In Force Number of Policies		Sum Assured of In Force Policies		Sum at Risk		Sum at Risk Transferred to Reinsurer		Sum at risk retained by Insurer	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Endowment	429,027	411,206	126,938,785,706	121,038,345,394	106,494,955,771	97,586,337,844	15,974,243,366	14,637,950,677	90,520,712,405.07	82,948,387,167.12
2	Anticipated Endowment	57,712	60,269	22,983,285,716	22,282,765,469	50,672,123,773	41,943,095,090	7,600,818,566	6,291,464,264	43,071,305,207.33	35,651,630,826.78
3	Modified Endowment	166,552	161,714	76,642,691,297	74,222,325,341	104,340,554,847	101,252,408,170	15,651,083,227	15,187,861,226	88,689,471,619.67	86,064,546,944.50
4	Whole Life Policy	26,860	28,495	23,157,977,491	28,119,645,912	53,542,006,233	73,988,168,774	8,031,300,935	11,098,225,316	45,510,705,298.33	62,889,943,457.90
5	Term Insurance Policy	3,524	2,988	1,215,300,000	1,079,850,000	1,700,850,000	1,281,375,000	255,127,500	192,206,250	1,445,722,500.00	1,089,168,750.00
6	Special Term Policy	310	324	149,375,000	142,700,000	143,793,640	163,568,702	21,569,046	24,535,305	122,224,594.00	139,033,396.42
7	Endowment Single Premium	3,808	3,716	658,270,000	631,435,000	447,828,053	3,966,667	67,174,208	595,000	380,653,845.33	3,371,666.67
8	Single Premium OE	-	7	-	7,000,000	-	-	-	-	-	-
9	Micro Term Insurance	11,735	24,767	1,100,783,097	2,810,610,200	512,827,398	459,538,333	76,924,110	68,930,750	435,903,288.30	390,607,583.33
	Total	699,528	693,486	252,846,468,307	250,334,677,316	317,854,939,715	316,678,458,580	47,678,240,957	47,501,768,787	270,176,698,758	269,176,689,793

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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Major Financial Indicators

S.N	Particular	Indicators	Fiscal Year				
			2080/81	2079/80	2078/79	2077/78	2076/77
	Equity:						
1	Net worth	NPR	6,865,957,257	5,976,338,398	4,980,502,980	4,275,403,522	3,484,340,736
2	Number of Shares	No.s	26,532,000	26,532,000	26,532,000	22,110,000	20,100,000
3	Book value per shares	NPR	258.78	225.25	187.72	193.37	173.35
4	Net Profit	NPR	829,607,185	753,449,165	776,320,501	777,634,104	720,586,710
5	Earning per Shares (EPS)	NPR	31.27	28.40	29.26	35.17	35.85
6	Dividend per Shares (DPS)	NPR	10.53	-	-	-	23.16
7	Market Price per Shares (MPPS)	NPR	1,457	1,555	1,415	2,342	1,330
8	Price Earning Ratio (PE Ratio)	Ratio	46.60	54.76	48.36	66.59	37.10
9	Change in Equity	%	14.89%	13.76%	18.94%	21.72%	5.17%
10	Return on Equity	%	12.92%	12.61%	14.78%	17.62%	19.87%
11	Affiliate Ratio	%	-	-	-	-	-
12	Market Share	%	-	-	-	-	-
13	Net Earning Ratio	%	4.61%	4.32%	4.28%	4.56%	4.85%
14	Solvency Margin	%	145.60%	376.20%	450.82%	335.27%	349.63%
	Income:						
15	Gross Earned Premium Growth Rate						
	Endowment	%	0.49%	-1.28%	11.11%	20.33%	2.91%
	Anticipated Endowment	%	12.70%	2.77%	24.01%	43.23%	17.02%
	Modified Endowment	%	2.67%	-2.02%	11.52%	15.50%	-0.83%
	Whole Life Policy	%	-13.69%	-28.36%	-27.58%	-8.49%	61.51%
	Term Insurance Policy	%	12.83%	7.64%	8.00%	8.44%	3.75%
	Special Term Policy	%	-19.19%	-3.11%	6.69%	18.43%	-0.01%
	Endowment Single Premium	%	167.84%	-34.11%	-13.67%	-5.61%	94.24%
	Micro Term Insurance	%	-83.82%	-60.17%	-33.28%	-1.96%	-10.90%
16	First Year Premium Growth Rate						
	Endowment	%	-22.69%	-13.93%	-3.52%	27.26%	-29.99%
	Anticipated Endowment	%	35.38%	-32.31%	10.52%	4.81%	5.78%
	Whole Life Policy	%	-44.89%	-54.78%	-92.97%	-48.95%	30.74%
	Term Insurance Policy	%	-19.79%	23.59%	10.59%	34.63%	35.22%
	Special Term Policy	%	-69.91%	3.70%	-12.42%	126.52%	-28.21%
	Endowment Single Premium	%	-56.13%	-34.11%	-13.67%	-5.61%	94.24%
	Single Premium O.E	%	-	-	-	-	-
	Micro Term Insurance	%	-83.88%	-60.17%	-33.28%	-1.96%	-10.90%
17	Renewal Premium Growth Rate						
	Endowment	%	4.71%	1.44%	14.84%	18.68%	15.88%
	Anticipated Endowment	%	7.95%	15.29%	29.66%	69.20%	26.07%
	Whole Life Policy	%	-13.20%	-27.69%	-5.36%	25.23%	100.95%
	Term Insurance Policy	%	27.74%	1.65%	7.06%	1.27%	-2.46%
	Special Term Policy	%	-12.82%	-3.91%	9.47%	10.75%	2.86%
	Endowment Single Premium	%	-	-	-	-	-
	Single Premium O.E	%	-	-	-	-	-
	Micro Term Insurance	%	-	-	-	-	-
18	Single Premium Growth Rate						
	Endowment	%	43.87%	-34.11%	-13.67%	-5.61%	94.24%
19	Reinsurance Ratio	%	0.62%	0.28%	0.49%	0.53%	0.57%
20	Retention Ratio	%	99.38%	99.72%	99.51%	99.45%	99.43%
21	Net Reinsurance inflow / (Outflow)	%	(62,288,005)	(39,455,072)	(18,336,407)	56,924,779	(32,325,393)
22	RI Commission Income/ Premium Ceded	%	13.30%	18.69%	13.14%	14.86%	36.82%
23	Gross Premium Revenue/ Equity	%	263.73%	292.29%	347.24%	400.98%	428.31%
24	Net Premium Revenue/ Equity	%	262.10%	290.93%	345.53%	398.77%	425.86%
25	Gross Insurance Premium/Total Assets	%	14.10%	15.27%	18.33%	20.42%	21.21%
26	Return on Investments and Loan	%	10.16%	9.30%	9.44%	9.96%	9.30%
	Expenses:						
27	Regulatory Expenses	%	16.24%	16.75%	15.25%	14.20%	17.56%
28	Management expenses Ratio	%	6.11%	6.91%	5.66%	5.90%	6.79%
29	Commission Ratio	%	7.70%	8.22%	9.3%	9.8%	10.5%
30	Direct Business Acquisition Ratio	%	36.30%	38.62%	36.97%	33.98%	35.38%
31	Agents Related Expenses to other operating expenses	%	360.2%	307.4%	260.12%	309.35%	415.05%
32	Agents Related Expenses to gross earned premium	%	2.34%	2.29%	2.59%	2.92%	4.41%
33	Employee Expenses to total expenses excluding claims & benefits	%	17.93%	13.73%	15.96%	16.77%	18.25%
	Assets:						
34	Increment in Investment held	%	15.94%	13.29	16.10	20.73	20.27
35	Increment In loan	%	1.52%	19.63%	25.36%	7.93%	38.96%
36	Liquidity Ratio	%	179.80	184.8	258.05	318.11	218.26
37	Return on Assets	%	0.68%	0.66%	0.78%	0.93%	1.02%
38	Long term Investments/Total Investments	%	87.52%	93.41%	86.47%	82.89%	92.04%
39	Short term Investments/Total Investments	%	12.48%	6.59%	13.53%	17.11%	7.96%
40	Total Investment & Loan/Gross Insurance Contract Liabilities	%	102.76%	101.93%	102.30%	100.97%	101.65%
41	Investment in Unlisted Shares and Debtors/ Total Net Assets	%	0.006%	0.006%	0.0007%	0.44%	1.20%



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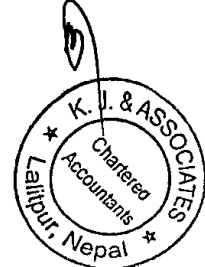
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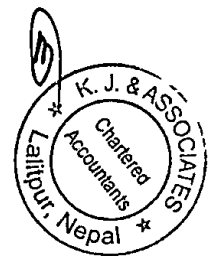


S.N	Particular	Indicators	Fiscal Year				
			2080/81	2079/80	2078/79	2077/78	2076/77
	Liabilities:						
42	Increment in Gross Insurance Contract Liabilities	%	12.50%	14.93%	15.75%	19.15%	24.10%
43	Increment in Life Insurance Funds	%	12.52%	14.95%	15.71%	19.17%	24.17%
44	Claim Payment Reserve Including IBNR	%	6.38%	13.99%	30.39%	26.81%	26.05%
45	Gross Technical Provisions/ Gross Earned Premium	%	638.10%	568.71%	507.37%	465.72%	451.22%
46	Gross Technical Provisions/ Total Equity	%	1682.84%	1662.45%	1762.53%	1810.81%	1860.46%
47	Insurance Debt/ Total Equity	%	-	-	-	-	-
48	Loss Ratio	%	1.88%	2.03%	2.94%	3.79%	1.22%
49	Persistency Ratio	%	92.49%	94.03%	94.86%	92.47%	92.21%
50	Lapse Ratio	%	6.85%	3.16%	3.80%	5.30%	5.73%
51	No. of Outstanding Claim/ No. of Intimated Claims	%	15.99%	21.11%	18.25%	19.00%	16.33%
52	Total Number of Inforce Policies	No.s	690,007	699,528	693,486	674,779	764,378
53	Number of Renewed Policy/ Last Year's Total Number of In Force Policies	%	62.72%	65.13%	66.94%	58.27%	56.56%
	Others:						
54	Declared Bonus Rate	Per'000	41-65	40-64	40-64	39-64	54-70
55	Interim Bonus Rate	Per'000	40-64	40-64	40-64	39-64	54-70
56	Number of Offices	No.s	81	81	81	76	78
57	Number of Agents (Active)	No.s	5,979	7,596	7,285	6,238	5,947
58	Number of Employees	No.s	242	244	236	242	246
59	Employees Expenses/Number of Employees	No.s	1,952,164	1,568,146	1,601,774	1,437,135	1,135,179









Life Insurance Corporation (Nepal) Limited

Notes to the Financial Statements

for the year ended Ashadh 31, 2081 (July 15th, 2024)

1. General Information

Life Insurance Corporation (Nepal) Limited (herein after referred to as the 'Company') is a public limited company, incorporated on December 26, 2000 and operated as Life Insurance Company after obtaining license on August 7, 2001 under the Insurance Act 2049. The Life Insurance Corporation (Nepal) Limited Company is a Joint Venture of Life Insurance Corporation of India.

The registered office of the Company is located at Star Mall, Putalisadak, Kathmandu, Nepal. The Company's shares are listed on Nepal Stock Exchange on 21st March, 2003

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 02.04.2025

(b) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 2080 to 31st Ashadh 2081 (17th July 2023 to 15th July 2024) with the corresponding previous year from 1st Shrawan 2079 to 31st Ashadh 2080 (17th July 2022 to 16th July 2023).

(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:

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

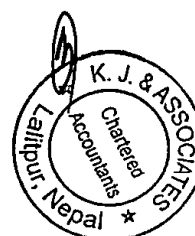
Historical cost is generally Fair Value of the consideration given in exchange for goods and services.



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Fair Value is the price that would be received to sell an asset 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, assumption, and judgement

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.

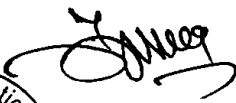

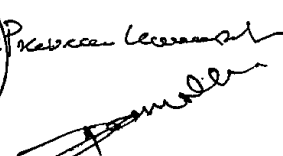



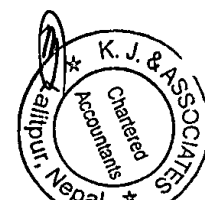
(h) Recent Accounting Pronouncements

Accounting standards issued and effective

All accounting standards issued by Institute of Chartered Accountants of Nepal (ICAN) except mentioned below are effective and has been applied in preparation of these Financial Statements.

Accounting standards issued and non-effective

Institute of Chartered Accountants of Nepal (ICAN) has issued NFRS 17 (Insurance Contracts) which is yet to be effective.

(i) Carve-outs

The Company has not applied any carve outs provided by the ASB except the accounting standard that are issued but not effective in our financial year.

(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.

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.

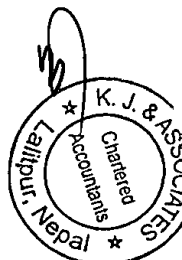
Amortization is recognized in statement of profit or loss on Balance Method (DBM), from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization period and the amortization method for an intangible asset



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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 DBM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Software	25%
Licenses	Not Applicable

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.

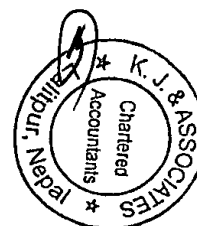


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However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Additionally, accumulated depreciation as at the revaluation date is eliminated against 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 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	Not Applicable
Buildings	Not Applicable
Leasehold Improvement	Lease Period
Furniture & Fixture	25%
Computers and IT Equipment	25%
Officer Equipment	25%
Vehicles	20%
Other Assets	25%

iv) Derecognition

An item of Property, Plant 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, 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

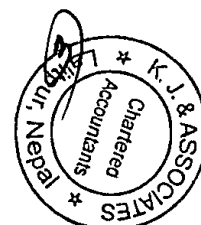
Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair 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.



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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 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.

Explanatory notes:

The company does not have any investment properties.

(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.

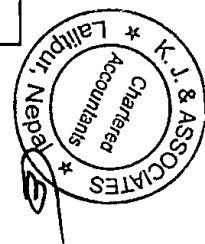
The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

Particulars	Previous Year	Movement	Current year
Property and Equipment	(4,657,322)	(44,461,501)	(49,118,824)
Financial Assets at FVTOCI	23,715,242	(50,119,562)	(26,404,320)
Provision for Leave	6,205,965	6,724,606	12,930,571
Provision for Gratuity	3,524,908	(14,255,738)	(10,730,830)
Impairment Loss on Financial Assets	91,755,897	(87,392,642)	4,363,255
Others (Lease Liability as per NFRS 16)	-	50,518,014	50,518,014
Deferred Tax Assets/ (Liabilities)	120,544,690	(138,986,823)	(18,442,133)



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(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. These financial assets are measured at fair value and changes are taken to statement of profit or loss.

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



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measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Explanatory notes:

The company has investments in term deposits of banks and government bonds. These financial assets are carried at Amortized Cost. Insurance receivables and other financial assets are recognized at realizable value. Detail of cumulative impairment loss on the financial assets has been presented below:

Financial Assets	Measured at	Gross Carrying Value	Cumulative Impairment	Net Balance	Impairment Disclosure
Loans to Agent	Amortized Cost	50,606,909	17,453,021	33,153,888	Incurred Basis.
Sundry Debtors	Amortized Cost	9,075,815	461,837	8,613,978	Incurred Basis.
TOTAL		59,682,724	17,914,858	41,767,866	

Out of cumulative Impairment of NPR. 1,7914,858 there is no impairment expense related to the financial year 2080.81.

(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.

Explanatory notes:

The company has not created reinsurance assets for Claim Payment however insurance receivable is booked.

(g) Current Tax Assets

Current Tax Assets are the assets which are created against the excess amount paid as advance tax than the actual income tax liability.

(h) 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.

(i) Financial Liabilities

i) Initial Recognition & Measurement

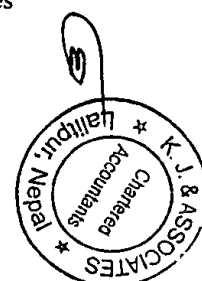
Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition.



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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.

Explanatory notes:

The company has not offset financial assets with liabilities in this reporting period.

(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:** Not Applicable
- ii) **Share Premium:** If the Company issues share capital at premium, it receives extra amount other than share capital such amount is transferred to share premium. The amount in share premium is allowed for distribution subject to provisions of company act & regulatory requirement
- iii) **Catastrophe Reserve:** 10% of net profit before adjustment of deferred tax income/expense is transferred to this reserve as required by Insurer's Financial Statement Related Directive, 2080.
- iv) **Fair Value Reserve:** The Company has policy of creating fair value reserve equal to the amount of fair value Gain recognized in statement of other comprehensive income.
- v) **Actuarial Reserves:** his reserve is created against actuarial gain or loss on present value of defined benefit obligation resulting from experience adjustments (the effects of differences between the previous actuarial assumptions and what has occurred) and the effects of changes in actuarial assumptions. The company performs revaluation of defined benefit obligation in annual basis at the end of fiscal year.
- 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.

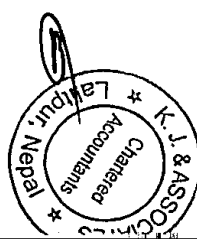


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Explanatory notes:

The company has not created revaluation reserve in this reporting period.

- vii) **Corporate Social Responsibility Reserves:** 1% of net profit before adjustment of deferred tax income/expense is transferred to this reserve as required by Insurer's Financial Statement Related Directive, 2080.
- viii) **Deferred Tax Reserves:** Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary difference arises from the item related to the statement of profit and loss are transferred to this reserve as per the financial directive issued by NIA.
- ix) **Other Reserves:** Regulatory reserve represents the amount transferred to Regulatory Reserve due to excess profit generated from NFRS based financial statement over GAAP based financial statement as per regulatory provision. The company has regulatory reserve of NRs 331,031,641 which has not been transferred to retained earnings.

(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 upto 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



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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 income is recognized on a cash basis as and when it is due (Premium received but not due is shown as advance premium under other liabilities) in accordance with Insurance Act. Cash received in advance is recognized as premium income during the period to which they relate. Premium ceded to the reinsurer during the year has been separately recognized under "Premium ceded to Reinsurer". Entire single premium income is recognized on a cash basis and related reserve is booked as per Actuarial valuation directive, 2077 issued by the Nepal Insurance Authority.

Explanatory notes:

The above policy for recognition of gross premium income has been continued as NFRS 17 is yet to be adopted.

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.

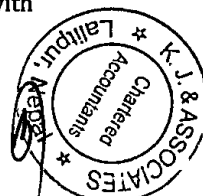
Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.



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Explanatory notes:

The company has not accepted any reinsurance business in this reporting period.

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 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.'

vii) Other Income

Other income includes profit on sale of property and equipment, finance income, and other miscellaneous income.

(p) Benefit, Claims and Expenses

i) Gross Benefits and Claims

Benefits and 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. 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.



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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) 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.

vi) Special Term

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

(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.

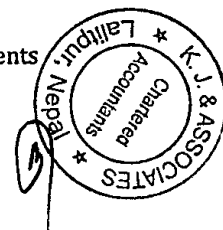
All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(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.



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(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 10%.

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.

Expenses recognized as per NFRS 16:

Particulars	Amount
Depreciation on Right of Use (ROU) Assets	41,504,506
Finance Cost	20,546,728

Assets and Liabilities recognized as per NFRS 16:

Particulars	Amount
Right of Use (ROU) Assets	179,341,824
Lease Liability	202,072,056

Short- Term Lease

Any lease agreement with non-cancellable period of up-to 12 months and lease agreement with value of underlying assets identified as of low value have been identified and accounted for as Rent Expense. Lease payments under such leases are booked as expense in straight basis or other basis, where appropriate, normally in case of short-term leases. During the year, company has accounted Rs. 27,225 as rent expenditure in Statement of Profit/(Loss).

(u) Income Taxes

Income Tax Expense represents the sum of the current tax & 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.

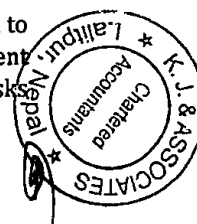
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of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



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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) Events After the Reporting Period

Proposed Dividend

The Board of Directors, in its meeting held May 14, 2025, proposed dividend of 10.53%, for the financial year ended 2081.03.31 (July 15, 2024).

The proposed dividend is subject to approval by the shareholders at the upcoming Annual General Meeting (AGM).

In accordance with the provisions of NFRS 10 (NAS 10) – Events After the Reporting Period, Paragraphs 12 and 13, this dividend has not been recognized as a liability in the financial statements for the year ended 2081.03.31, since it was declared after the reporting period. However, it has been disclosed here as a significant non-adjusting event.

(x) 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.

(y) 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 equities shares outstanding during the Financial Year.

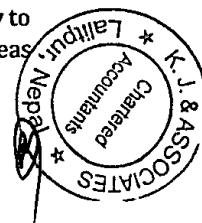
For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assumed conversion of all dilutive potential ordinary shares.

(z) 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.

The Company operates predominantly in Nepal and accordingly, the Management of the Company is of the view that the financial information by geographical segments of the Company's operation is not necessary to be however the company does financial planning for measuring business performance of geographical areas



within Nepal (as called "province offices"). The company has portfolios that are measured as business segment

Business Segments of the company are:

1. Endowment
2. Anticipated Endowment
3. Modified Endowment
4. Whole Life Policy
5. Term Insurance Policy
6. Special Term Policy
7. Endowment Single Premium
8. Single Premium O.E
9. Micro Term insurance

प्रबन्धक लेखाशास्त्र
प्रबन्धक
अध्यक्ष
P. K. J. & Associates
K. J. & Associates
K. J. & Associates

