



NATIONAL LIFE INSURANCE COMPANY LIMITED
Lazimpat Kathmandu, Nepal, Phone No.:4514799, Fax: 977-01-4535633, Website: nationallife.com.np
Quarterly Financial Results for Third Quarter, F.Y. 2080/81 B.S

Unaudited	Unaudited	Unaudited	Unaudited
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

Particulars	Group		Insurance	
	At the end of this Quarter	At the end of Immediate Previous Year	At the end of this Quarter	At the end of Immediate Previous Year
Assets:				
Goodwill & Intangible Assets	984,678		984,678	1,280,631
Property and Equipment	769,147,725		766,534,212	615,028,747
Investment Properties	1,466,554,527		1,466,554,527	1,150,628,527
Deferred Tax Assets			-	-
Investment in Subsidiaries			102,000,000	-
Investment in Associates	943,060,893		943,060,893	943,060,893
Investments	66,345,906,570		66,278,547,359	58,731,143,070
Loans	11,556,582,741		11,556,582,741	10,575,873,896
Reinsurance Assets	19,276,292		19,276,292	23,261,055
Current Tax Assets			-	228,129,805
Insurance Receivables			-	-
Other Assets	134,073,223		134,073,223	51,693,427
Other Financial Assets	1,406,738,130		1,404,476,268	1,217,336,706
Cash and Cash Equivalent	1,922,470,510		1,835,438,112	1,463,158,567
Total Assets	84,564,795,288		84,507,528,305	75,000,595,324
Equity:				
Share Capital	5,011,666,425		5,011,666,425	5,011,666,425
Share Application Money Pending Allotment			-	-
Share Premium	27,848,718		27,848,718	27,848,718
Catastrophe Reserves	509,788,031		509,788,031	470,882,363
Retained Earnings	720,184,012		721,050,589	375,510,527
Other Equity	590,476,550		533,031,708	497,264,871
Total Equity	6,859,963,736		6,803,385,470	6,383,172,905
Liabilities:				
Provisions	93,166,765		93,166,765	93,166,765
Gross Insurance Contract Liabilities	74,578,114,027		74,578,114,027	65,784,043,162
Deferred Tax Liabilities	1,307,042,914		1,307,418,440	1,199,932,029
Insurance Payable	454,383,184		454,383,184	279,290,367
Current Tax Liabilities	112,841,219		113,506,415	-
Borrowings			-	-
Other Liabilities	363,169,010		363,169,010	493,026,364
Other Financial Liabilities	796,114,434		794,384,995	767,963,732
Total Liabilities	77,704,831,553		77,704,142,835	68,617,422,419
Total Equity and Liabilities	84,564,795,288		84,507,528,305	75,000,595,324



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Fig in NPR.

Particulars	Group				Insurance			
	Current Year		Corresponding Previous Year		Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:								
Gross Earned Premiums	4,334,924,224	12,902,823,866			4,334,924,224	12,902,823,866	3,686,541,589	11,373,733,628
Premiums Ceded	(92,797,010)	(273,327,450)			(92,797,010)	(273,327,450)	(89,691,123)	(242,161,633)
Net Earned Premiums	4,242,127,214	12,629,496,415			4,242,127,214	12,629,496,415	3,596,850,465	11,131,571,994
Commission Income	12,726,382	37,888,489			12,726,382	37,888,489	10,790,323	33,394,488
Other Direct Income	21,995,992	57,616,266			21,995,992	57,616,266	25,001,190	63,427,250
Interest Income on Loan to Policyholders	238,727,438	687,506,641			238,727,438	687,506,641	22,503,196	396,617,809
Income from Investments and Loans	1,397,546,260	4,090,274,954			1,397,546,260	4,090,274,954	1,198,333,560	3,555,873,120
Net Gain/(Loss) on Fair Value Changes	160,807	160,807			-	-	-	-
Net Realised Gains/(Losses)	28,047	28,047			-	-	-	-
Other Income	8,846	249,375			8,846	249,375	-	48,300
Total Income	5,913,320,986	17,503,220,996			5,913,132,132	17,503,032,141	4,853,478,735	15,180,932,962
Expenses:								
Gross Benefits and Claims Paid	2,056,404,768	5,781,205,263			2,056,404,768	5,781,205,263	1,891,634,762	5,655,872,212
Claims Ceded	(27,771,312)	(78,887,033)			(27,771,312)	(78,887,033)	(42,158,845)	(85,841,071)
Gross Change in Contract Liabilities	2,742,434,172	8,504,164,906			2,742,434,172	8,504,164,906	2,079,433,370	6,735,645,935
Change in Contract Liabilities Ceded to Reinsurers	(689,233)	3,984,763			(689,233)	3,984,763	(19,219,827)	8,217,994
Net Benefits and Claims Paid	4,770,378,395	14,210,467,898			4,770,378,395	14,210,467,898	3,909,689,460	12,313,895,070
Commission Expenses	394,075,822	1,161,511,594			394,075,822	1,161,511,594	349,308,402	1,088,685,248
Service Fees	31,815,954	94,721,223			31,815,954	94,721,223	35,968,505	111,315,720
Other Direct expenses	-	-			-	-	-	-
Employee Benefits Expenses	126,056,801	362,237,736			125,081,629	361,262,564	121,447,806	283,222,423
Depreciation and Amortization Expenses	8,158,227	24,226,237			8,158,227	24,226,237	8,917,883	24,532,805
Impairment Losses	-	-			-	-	-	-
Other Operating Expenses	237,990,929	622,359,401			237,539,280	621,907,752	218,189,759	578,458,997
Finance Cost	-	-			-	-	-	-
Total Expenses	5,568,476,128	16,475,524,088			5,567,049,307	16,474,097,267	4,643,521,815	14,400,110,263
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	344,844,859	1,027,696,907			346,082,825	1,028,934,874	209,956,919	780,822,699
Share of Net Profit of Associates accounted using Equity Method	-	-			-	-	-	-
Profit Before Tax	344,844,859	1,027,696,907			346,082,825	1,028,934,874	209,956,919	780,822,699
Income Tax Expenses	212,486,741	640,183,810			212,858,131	640,555,200	130,133,040	482,750,127
Net Profit/(Loss) For The Year	132,358,117	387,513,097			133,224,694	388,379,674	79,823,879	298,072,572



Earning Per Share								
Basic EPS		10.31			-	10.33	-	9.02
Diluted EPS		10.31			-	10.33	-	9.02

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Group				Insurance			
	Current Year		Corresponding Previous Year		Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Year	132,358,117	387,513,097			133,224,694	388,379,674	79,823,879	298,072,572
Other Comprehensive Income	436,450,137	321,791,542			437,117,827	322,459,232	(166,299,134)	22,548,121
Total Comprehensive Income	568,808,255	709,304,640			570,342,521	710,838,906	(86,475,255)	320,620,693

OTHER INDICATORS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total inforce Policy count	1,589,896	1,529,442
2. First Year Premium (Including Single Premium)	3,229,421,294	2,620,066,550
3. Single Premium	984,211,654	787,991,117
4. Renewal Premium	9,673,402,572	8,753,667,078
5. Total Benefits and Claims Paid in Count	41,218	36,571
6. Outstanding Benefits and Claims in Count	12,731	10,721
7. Declared Bonus rate (2078/79)	63-85	63-85
8. Interim bonus rate	63-85	63-85
9. Long Term Investments (Amount)	58,049,394,359	50,655,876,311
10. Short Term Investments (Amount)	8,229,153,000	8,075,266,759

Notes

- Figures presented above may change after the statutory audit is completed.
- The foreign employment polices issued formerly by the insurance pool in the previous years have not been included in the Total inforce policies count.
- The profit of the company shall change after their actuarial valuation as a result of the surplus obtained after the valuation.
- The figures of the the previous quarters have been restated as per requirement.
- The fair valuation of the investment properties is done by the company on a yearly basis and hence are not reflected in the interim financial statement for the quarter.
- The actuarial valuation of the employee benefits as per NAS 19 is done by the company on a yearly basis and hence are not reflected in the interim financial statement for the quarter.
- The accounting for Associates using the equity method as per NAS 28 is done yearly and hence has not been reflected in the interim financial statements.
- The detailed interim report has been published in the company's website www.nationallife.com.np



iv) Dividend Distribution Tax																
v) Others																
Balance as on Ashadh end, 2080	5,011,666,425		-	27,848,718	375,510,527		-	470,882,363	11,301,298		352,171,270	373,099	-	133,419,205		6,38
Prior period adjustment																
Restated Balance as at Shrawan 1, 2080	5,011,666,425	-	-	27,848,718	375,510,527		-	470,882,363	11,301,298		352,171,270	373,099	-	133,419,205		6,38
Profit/(Loss) For the Year					388,379,674											38
Other Comprehensive Income for the Year, Net of Tax																
i) Changes in Fair Value of FVOCI Debt Instruments																
ii) Gains/ (Losses) on Cash Flow Hedge																
iii) Exchange differences on translation of Foreign Operation																
iv) Changes in fair value of FVOCI Equity Instruments											32,245,922					3
v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets																
vi) Remeasurement of Post- Employment Benefit Obligations																
Transfer to Reserves/ Funds					(42,721,764)			38,837,967	3,883,797		(369,654)					
Transfer to Deferred Tax Reserves																
Transfer of Depreciation on Revaluation of Property and Equipment																
Transfer on Disposal of Revalued Property and Equipment																
Transfer on Disposal of Equity Instruments					602,532			67,700	6,770							

NATIONAL LIFE INSURANCE COMPANY LIMITED

Statement of Cash Flows

For Period 17th July, 2023 - 12th April, 2024

(For the Quarter Ended Chaitra, 2080)

Fig. in NPR

Particulars	Group		Insurance	
	At the end of this Quarter	At the end of Immediate Previous Year	At the end of this Quarter	At the end of Immediate Previous Year
Cash Flow From Operating Activities:				
Cash Received				
Gross Premium Received	12,902,823,865.57		12,902,823,866	16,416,948,533
Commission Received	37,888,489.25		37,888,489	-
Claim Recovery Received from Reinsurers	78,887,033.23		78,887,033	-
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	-		-	
Other Direct Income	57,616,266.00		57,616,266	79,935,608
Others (to be specified)	249,375.40		249,375	
Cash Paid				
Gross Benefits and Claims Paid	(5,781,205,262.73)		(5,781,205,263)	(6,500,442,588)
Reinsurance Premium Paid	(98,234,633.69)		(98,234,634)	(82,806,981)
Commission Paid	(1,155,267,854.02)		(1,155,267,854)	(1,557,832,667)
Service Fees Paid	(137,982,090.00)		(137,982,090)	(144,076,636)
Employee Benefits Expenses Paid	(329,588,491.03)		(329,143,984)	(490,859,197)
Other Expenses Paid	(623,158,710.71)		(622,570,553)	(959,457,903)
Others (to be specified)	-		-	
Income Tax Paid	(298,918,979.90)		(298,918,980)	
Net Cash Flow From Operating Activities [1]	4,653,109,007		4,654,141,672	6,761,408,168
Cash Flow From Investing Activities				
Acquisitions of Intangible Assets	-		-	
Proceeds From Sale of Intangible Assets	-		-	
Acquisitions of Investment Properties	(315,926,000.00)		(315,926,000)	
Proceeds From Sale of Investment Properties	-		-	
Rental Income Received	29,453,185.48		29,453,185	
Acquisitions of Property and Equipment	(177,463,308.58)		(175,435,749)	(197,138,230)
Proceeds From Sale of Property and Equipment	-		-	
Investment in Subsidiaries	-		(102,000,000)	
Receipts from Sale of Investments in Subsidiaries	-		-	
Investment in Associates	-		-	
Receipts from Sale of Investments in Associates	-		-	
Purchase of Equity Instruments	(265,901,180.43)		(194,783,858)	-
Proceeds from Sale of Equity Instruments	55,520,596.35		55,110,652	
Purchase of Mutual Funds	(276,647,838.25)		(276,647,838)	(80,000,000)
Proceeds from Sale of Mutual Funds	9,037,398.20		9,037,398	
Purchase of Preference Shares	-		-	
Proceeds from Sale of Preference Shares	-		-	
Purchase of Debentures	(1,180,175,000.00)		(1,180,175,000)	(170,000,000)
Proceeds from Sale of Debentures	-		-	60,000,000
Purchase of Bonds	-		-	
Proceeds from Sale of Bonds	-		-	
Investments in Deposits	(10,852,308,114.52)		(10,852,308,115)	(20,147,400,000)
Maturity of Deposits	5,322,308,114.52		5,322,308,115	12,766,500,000
Loans Paid	-		-	(6,069,416,131)
Proceeds from Loans	-		-	2,125,800,709
Rental Income Received	-		-	
Proceeds from Finance Lease	-		-	
Interest Income Received	4,590,615,905.80		4,590,615,906	5,469,324,271
Dividend Received	14,276,482.53		14,276,483	30,915,999
Others (Advances)	(1,204,866,923.61)		(1,204,666,924)	(54,715,748)
Total Cash Flow From Investing Activities [2]	(4,252,076,683)		(4,281,141,745)	(6,266,129,131)
Cash Flow From Financing Activities				
Interest Paid	-		-	(18,585,167)
Proceeds From Borrowings	-		-	
Repayment of Borrowings	-		-	
Payment of Finance Lease	-		-	
Proceeds From Issue of Share Capital	-		-	
Share Issuance Cost Paid	(720,381.00)		(720,381)	(3,026,509)
Dividend Paid	-		-	(318,643,627)
Dividend Distribution Tax Paid	-		-	
Proceeds from Non-Controlling Interest	59,000,000.00			
Total Cash Flow From Financing Activities [3]	58,279,619		(720,381)	(340,255,304)
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	459,311,944		372,279,546	155,023,734
Cash & Cash Equivalents At Beginning of The Year/Period	1,463,158,567		1,463,158,567	1,308,134,833
Effect of Exchange Rate Changes on Cash and Cash Equivalents				
Cash & Cash Equivalents At End of The Year/Period	1,922,470,511		1,835,438,113	1,463,158,567

Components of Cash & Cash Equivalents				
Cash In Hand	19,244,698		19,244,698	16,542,045
Cheque in Hand	-		-	
Term Deposit with Banks (with initial maturity upto 3 months)	314,320,337		314,320,337	298,391,790
Balance With Banks	1,588,905,475		1,501,873,077	1,148,224,732

NATIONAL LIFE INSURANCE COMPANY LIMITED
Statement of Distributable Profit or Loss
For Period 17th July, 2023 - 12th April, 2024
(For the Quarter Ended Chaitra, 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	375,510,527	1,291,519,661
Transfer from OCI reserves to retained earning in current year	602,532	
Net profit or (loss) as per statement of profit or loss	388,379,674	390,840,673
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Catastrophe Reserve	(38,837,967)	(39,084,067)
iii) Transfer to Capital Reserve		
iv) Transfer to CSR reserve	(3,883,797)	(3,908,407)
v) Transfer to/from Regulatory Reserve		
vi) Transfer to Fair Value Reserve	-	(6,299,307)
vii) Transfer of Deferred Tax Reserve		
viii) Transfer to OCI reserves due to change in classification		
ix) Others (to be Specified)		
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments		
b) Mutual Fund		
c) Others (if any)		
ii) Accumulated Fair Value gain on Investment Properties	(77,155,745)	(77,155,745)
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	(64,126,895)	(64,126,895)
ix) Overdue loans		
x) Fair value gain recognised in Statement of Profit or Loss		
xi) Investment in unlisted shares	(4,580,000)	(4,580,000)
xii) Delisted share investment or mutual fund investment		
xiii) Bonus share/ dividend paid		(1,254,531,517)
xiv) Deduction as per Sec 17 of Financial directive		(34,470,204)
xv) Others (to be specified)		
Adjusted Retained Earning	575,908,330	198,204,192
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 14(1) Of Financial directive		
Add/Less: Others (to be specified)		
Total Distributable Profit/(loss)	575,908,330	198,204,192

Segmental Information for the quarter ended Chiatra 30, 2080 (April 12, 2024)

Particulars	Endowment	Anticipated Endowment	Endowment Cum Whole Life	Special Term	Foreign Employment Term	Inter Segment Elimination	Total
Income:							
Gross Earned Premiums	4,749,423,996	5,011,063,904	2,103,752,053	837,233,874	201,350,039		12,902,823,866
Premiums Ceded	(91,663,883)	(96,713,533)	(40,602,415)	(16,158,614)	(28,189,005)		(273,327,450)
Inter-Segment Revenue							-
Net Earned Premiums	4,657,760,113	4,914,350,371	2,063,149,638	821,075,260	173,161,034	-	12,629,496,415
Commission Income	13,973,280	14,743,051	6,189,449	2,463,226	519,483		37,888,489
Other Direct Income	23,808,210	21,643,249	12,164,797	10			57,616,266
Interest Income on Loan to Policyholders	290,290,048	219,113,839	178,102,754	-	-		687,506,641
Income from Investments and Loans	2,092,429,087	618,596,702	897,110,971	85,201,482	19,088,040		3,712,426,281
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-		-
Net Realised Gains/(Losses)							
Other Income	127,571	37,715	54,695	5,195	1,164		226,339
Total Segmental Income	7,078,388,310	5,788,484,926	3,156,772,303	908,745,172	192,769,720	-	17,125,160,432
Expenses:							
Gross Benefits and Claims Paid	1,728,350,252	2,882,124,986	693,461,661	404,847,666	72,420,698		5,781,205,263
Claims Ceded	(18,436,606)	(29,733,139)	(5,474,018)	(52,500)	(25,190,771)		(78,887,033)
Gross Change in Contract Liabilities	3,870,472,865	2,140,987,142	1,769,849,933	371,653,026	120,056,465		8,273,019,431
Change in Contract Liabilities Ceded to Reinsurers	(1,165,237)	12,360,670	(7,193,095)	5,150,000	(5,290,000)		3,862,338
Net Benefits and Claims Paid	5,579,221,275	5,005,739,659	2,450,644,480	781,598,192	161,996,392	-	13,979,199,998
Commission Expenses	420,463,233	346,902,891	310,625,576	83,519,893	-		1,161,511,594
Service Fees	34,933,201	36,857,628	15,473,622	6,158,064	1,298,708		94,721,223
Other Direct expenses							-
Employee Benefits Expenses	119,884,771	129,095,704	49,687,266	20,888,293	5,580,274		325,136,307
Depreciation and Amortization Expenses	8,039,463	8,657,147	3,332,024	1,400,767	374,213		21,803,613
Impairment Losses	-	-	-	-	-		-
Other Operating Expenses	180,010,162	198,474,814	50,616,979	128,492,408	2,122,614		559,716,976
Finance Cost	-	-	-	-	-		-
Total Segmental Expenses	6,342,552,105	5,725,727,843	2,880,379,947	1,022,057,618	171,372,200	-	16,142,089,712
Total Segmental Results	735,836,205	62,757,084	276,392,356	(113,312,446)	21,397,520	-	983,070,719

National Life Insurance Company Limited
Notes to the Financial Statements for the Quarter ended Chaitra 30, 2080 (April 12, 2024)

1 Basis of Preparation

(a) Statement of Compliance

The Financial Statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) 2013 issued by the Nepal Accounting Standards Board (ASB), as per the provisions of The Nepal Chartered Accountants Act, 1997. These confirm, in material respect, to NFRS as issued by the Nepal Accounting Standards Board. 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.

Nepal Insurance Authority issued circular for reporting format of Life Insurance Companies in line with NFRS in 2080/81 along with treatment of certain items in the specified reserves. The financial statements are prepared in line with the stated circular, accordingly, are in compliance with regulatory requirement of Nepal Insurance Authority. The financial statements also comply the requirements of Companies Act 2063 and policy, procedures and directives of Securities Board of Nepal.

(b) Basis of Measurement

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

- i. Certain Financial Assets & Liabilities which are required to be measured at fair value
 - ii. Defined Employee Benefits
 - iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).
- Historical cost is generally Fair Value of the consideration given in exchange for goods & services.

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 measurement 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.

(c) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the reported balances 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 years 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

(d) 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.

(e) Going Concern

The financial statements are prepared on a 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 operations of it.

Notes to the Financial Statements (Continued...)

(f) Changes 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 flows.

(g) Recent Accounting Pronouncements

The financial statements are prepared in line with NFRS 2013. ASB/N has issued NFRS 2018 which is not applicable to the reporting period. Therefore, NFRS 2018 has not been considered while preparing and accordingly, accounting standards issued by International Accounting Standard Boards and revision thereof after 2013 have not been considered.

(h) Carve-outs

The company has not taken any carve outs provided by the ASB.

2 Significant Accounting Policies

This note provides a list of the significant policies adopted in the preparation of these Financial Statements.

(a) Property, Plant and Equipment (PPE)

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 recognised 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 derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

ii) Depreciation

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

The Assets Useful Life 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 is categorised as stated below:

List of Asset Categories	Useful Life (In Years) for SLM
Land	Not Applicable
Buildings	40
Leasehold Improvement	Lease Period
Furniture & Fixtures	10
Computers and IT Equipments	5
Office Equipment	5
Vehicles	10
Other Assets	10

iv) Derecognition

An item of Property, Plant and Equipment is derecognized upon 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.

Notes to the Financial Statements (Continued...)

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. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

vi) Capital Work-In-Progress

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

(b) Intangible Assets

i) Recognition

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

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

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 generate net cash inflow for the entity.

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

Useful Life of Intangible Assets based on SLM is categorised as stated below:

List of Asset Categories	Useful Life (In Years) for SLM
Softwares	5

iii) Derecognition

An Intangible Asset is derecognised 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 recognised in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(c) Investment Properties

Fair Value Model:

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

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

Notes to the Financial Statements (Continued...)

Investment properties are derecognised 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 recognised in the statement of profit or loss in the year of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to PPE, the deemed cost for subsequent accounting is the fair value at the date of change in use. If PPE becomes an investment property, the Company accounts for such property at fair value in accordance with the policy stated under PPE up to the date of change in use. The fair value gain or loss is recorded in the SOPL.

90% of the fair value changes in Investment properties have been transferred to Gross Insurance Contract Liabilities and 10% has been recorded in the SOPL.

(d) Cash & Cash Equivalent

Cash & Cash Equivalents includes Cash In Hand, Bank Balances and short term deposits with a original maturity of three months or less.

(e) Financial Assets

i) Initial Recognition & Measurement

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

(f) Financial Liabilities

i) Initial Recognition & Measurement

Notes to the Financial Statements (Continued...)

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

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

Notes to the Financial Statements (Continued...)

ii) Subsequent Measurement

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

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

iii) De-Recognition

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

(g) Offsetting financial instruments

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

(h) Reinsurance Assets

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

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

(i) Equity

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

(j) Reserves and Funds

i) Share 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.

ii) Catastrophe Reserves: The Company has allocated catastrophe reserve for the amount which is 10% of the distributable profit for the year as per Regulator's Directive.

iii) Fair Value Reserves: The Company has policy of creating fair value reserve equal to the amount of Fair Value Gain recognized in statement of other comprehensive income as per regulator's directive.

iv) Regulatory Reserves: Reserve created out of net profit in line with different circulars issued by Insurance Board.

v) Actuarial Reserves: Reseserve 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 actually occurred); and the effects of changes in actuarial assumptions.

vi) Cashflow Hedge Reserves:Is the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognized asset or liability or a highly probable forecast transaction, and could affect profit or loss. Reserve represent effective portion of the gain or loss on the hedging instrument recognized in other comprehensive income.

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

viii) Other Reserves: Reserve other than above reserves, for e.g. deferred tax reserve, others (to be specified)

(k) Insurance Contract Liabilities

i) Provision for unearned premiums

Unearned premiums reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage.

Change in reserve for unearned insurance premium represents the net portion of the gross written premium transferred to the unearned premium reserve during the year to cover the unexpired period of the policies.

ii) Outstanding claims provisions

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

Notes to the Financial Statements (Continued...)

iii) Unapportioned surplus

Unapportioned surplus where the amount are yet to be allocated or distributed to either policyholders or shareholders by the end of the financial period, and held within the 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 non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability.

(l) Employee Benefits

i) Short Term Obligations

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

- Defined Benefit Plan

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

iii) Long Term Employee Benefits

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

iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognises 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 recognises costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits.

The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(m) Revenue Recognition

i) Gross Premium

Gross recurring premiums on life insurance contracts are recognized as and when premium is received.

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 rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

iii) Reinsurance Premium

Reinsurance premium written comprise the total premiums payable for the whole cover provided by the contracts entered into the period and are recognised 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.

Notes to the Financial Statements (Continued...)

iv) Fees & Commission Income

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

v) Investment income

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

Investment income also includes dividends when the right to receive payment is established.

vi) Net realised gains and losses

Net realised 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 amortised cost and are recorded on occurrence of the sale transaction.

(n) Benefit, Claims and Expenses

i) Gross Benefits and Claims

Benefits and claims includes the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlements of claims. Benefits and claims that are incurred during the financial year are recognised 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 recognised when the related gross insurance claim is recognised according to the terms of the relevant contracts.

(o) Product Classification

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

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

i) Endowment - This is a with profit plan that makes provisions for the family of the Life Assured in event of his early death and also assures a lump sum at a desired age on maturity. It costs moderate premiums, has high liquidity and is savings oriented. This plan is apt 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 of 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 provides 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.

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

iv) 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.

v) Special Term - Special Term insurance is a modified version of term insurance with added benefits.

Notes to the Financial Statements (Continued...)

(p) Borrowing Costs

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

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

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

(q) Cash Flow Statement

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

(r) Leases

Assets acquired under Leases are recorded as Right of Use Asset and Lease Liabilit whose value is equal to the present value of future lease payments discounted at incremental borrowing rate of the company. Lease Payments are apportioned between the Finance charge and the reduction of the outstanding liability. The Right of Use Asset is depreciated over the life of the Asset on a straight line basis. This method has been applied as per NFRS 16 prospectively from F.Y. 2078/79

The income from leased properties are recognised after equalizing the lease payments over the term of the lease. The difference between the payments realised and the lease income is recognised under Rent Equalization Reserve.

(s) Income Taxes

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

i) Current Tax

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

ii) Deferred Tax

Deferred Tax is recognized on temporary differences between the carrying amounts of Assets & 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 & Liabilities and their carrying amount in Financial Statements, except when the Deferred Income Tax arises from the initial recognition of goodwill, an Asset or Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profits or Loss at the time of the transaction.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary differences 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 differences.

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

(t) Provisions, Contingent Liabilities & Contingent Assets

(i) Provisions

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

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

Provisions for Contingent Liability are recognized in the books as 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.

Notes to the Financial Statements (Continued...)

(ii) Contingent Liabilities

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

(iii) Contingent Assets

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

(u) Functional Currency & Foreign Currency Transactions

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

(v) Earnings Per Share

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

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

(w) Operating Segment

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

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

52 Related Party Disclosure

(a) Identify Related Parties

Holding Company:

Subsidiaries:

Associates: NLG Insurance Company Ltd.

Fellow Subsidiaries:

Key Management Personnel:

Mrs. Prema Rajya Laxmi Singh	Chairperson
Mr. Devendra Raman Khanal	Director
Mr. Kushal Mally	Director
Lt. Gen. Pawan Bdr. Pande (Retd.)	Director
Mrs. Bhawani Rana	Director
Mr.Suman Sharma	Director
Er. Mr. Kuldeep Sharan Singh	Director
Mr. Suresh Prasad Khatri	CEO
Mr. Smriti Raj Kandel	DCEO

(b) Key Management Personnel Compensation:

Particulars	Current Year	Previous Year
Short-term employee benefits	17,983,464	28,495,247
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Total	17,983,464	28,495,247

Payment to Chief Executive Officer (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances	8,532,424	12,492,300
Performance based allowances		
i) Employee Bonus	2,304,000	10,293,283
ii) Benefits as per prevailing provisions		-
iii) Incentives		-
Insurance related benefits		
i) Life Insurance		-
ii) Accident Insurance		
iii) Health Insurance (including family members)		
Total	10,836,424	22,785,583

(c) Related Party Transactions:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Premium Earned						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Commission Income						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Rental Income						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Interest Income						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Sale of Property, Plant & Equipment						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Purchase of Property, Plant & Equipment						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Premium Paid						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Commission Expenses						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Dividend						

For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Meeting Fees						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Allowances to Directors						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	945,000	945,000
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	1,050,000	1,050,000
Others (to be specified)						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-

(d) Related Party Balances:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Other Receivables (to be Specified)						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Payables including Reinsurance Payables						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
Other Payables (to be Specified)						
For The Quarter Ended Chaitra 30, 2080 (April 12, 2024)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-