



LIC

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

AN ISO 9001 CERTIFIED ORGANISATION



FINANCIAL STATEMENT

FOR F.Y.

2022-23 (2079/80)

P. L. Shrestha & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Life Insurance Corporation (Nepal) Limited (hereafter referred to as "LICN" or "the Company") which comprise Statement of Financial Position as at Ashad 31, 2080 (July 16, 2023), and statement of profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a Summary of Significant Accounting Policies and other explanatory notes (hereafter referred to as "the financial Statements").

In our opinion, the financial statement presents fairly, in all material respects, the financial position of Life Insurance Corporation (Nepal) Limited, as at Ashad 31, 2080 (July 16, 2023), and its financial performance, cash flows, changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards.

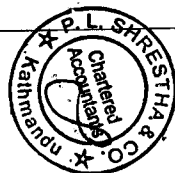
Basis for Opinion

We conducted our audit of the financial statements 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 Handbook of The Code of Ethics for Professional Accountants issued by The Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our other ethical responsibilities in accordance with 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 judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summaries below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Key audit matter	Key Audit Procedure
<p>Investments</p> <p>The investment portfolio of company includes investment in bond of public companies, fixed deposits of commercial banks, development banks and investment in shares.</p> <p>Total Financial Investments: NPR 86,515.39 Million as on 16th July 2023 (NPR 76,364.95 Million as on 16th July 2022)</p> <p>Total Financial Investment represents 75.60% of total assets of the company.</p> <p>Investments are made as per Company's Investment Policy strictly adhering to investment directive issued by Nepal Insurance Authority.</p>	<ul style="list-style-type: none">We have checked the compliance of the Financial Investment made by the Company with the Investment Directive issued by Nepal Insurance Authority and company's internal policy as well as tested the effectiveness of internal control with regards to decisions and procedures related to financial investment.We have assessed the appropriateness of the valuation made of financial investments and checked whether required impairment loss has been booked or not.We have verified the adequacy of disclosure made in the financial statement regarding the financial investments. <p>Our results: We considered the valuation and disclosure of Financial Investment to be acceptable.</p>



P. L. Shrestha & Co.

Chartered Accountants

Valuation of Insurance Contract Liabilities

The Valuation of the liabilities for insurance contracts involves complex and subjective judgements about future events, both internal and external to the business for which small changes can result in a material impact to the valuation of these liabilities.

Economic assumptions such as investment return and associated discount rates and operating assumption such as expenses, mortality and lapse rates are the key inputs.

- Our audit procedures consisted of focus on appropriateness of actuarial assumptions, models and methodology.

Our results: The valuation of the liabilities of insurance contract and presentation are fairly made.

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 Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibilities 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 misstatement, 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 NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



P. L. Shrestha & Co.

Chartered Accountants

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

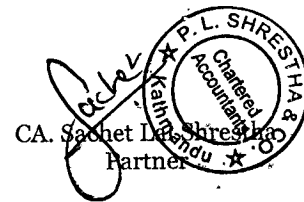
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to further report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose of our audit.
- ii. The financial statements are in agreement with the books of account maintained by the Company.
- iii. In our opinion, proper books of accounts as required by the law have been kept by the Company.
- iv. During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the company has acted contrary to the provisions of law or caused loss or damage to the company.
- v. The details of the branches are adequate for the purpose of our audit, and
- vi. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book.

Place: Kathmandu
Date: 2024/05/05
UDIN: 240512CA00856KTSZG



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

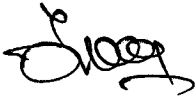
A Information related to Life Insurer

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 2079-80.
3. Solvency ratio is maintained as prescribed by Nepal Insurance Authority i.e., 2.51 for FY 2079-80.
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. Investment made by company that are in line with prevailing laws.
6. Number of claims settled within the year are 24,345 and outstanding claim number are 6,515 and all the outstanding claim shall be settled in FY 2080-81.
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. 51,588,733 & 1,852,602 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 2079.80.



Pranay Kumar
CEO/Director



Komal Agrawal
Director



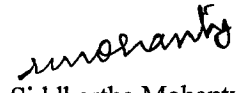
Ashok K. Agrawal
Director



Praveen K. Molri
Director



Tablesch Nandey
Director



Siddhartha Mohanty
Chairman

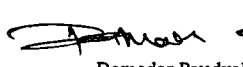


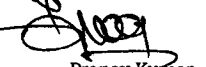
LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Statement of Financial Position
As At 16th July, 2023 (Ashad End 2080)


Fig in NPR


Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	138,192	194,692
Property and Equipment	5	461,401,762	261,415,256
Investment Properties	6		-
Deferred Tax Assets	7	120,544,690	26,575,709
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	86,515,391,113	76,364,953,328
Loans	11	21,882,162,802	18,283,372,029
Reinsurance Assets	12	-	-
Current Tax Assets	21	-	144,263,455
Insurance Receivables	13	22,350,904	29,809,914
Other Assets	14	11,350,971	30,319,163
Other Financial Assets	15	2,968,074,917	2,342,313,636
Cash and Cash Equivalent	16	2,449,593,817	1,978,526,514
Total Assets		114,431,009,169	99,461,743,696
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)	561,598,449	494,767,497
Retained Earnings	17 (e)	2,344,327,517	1,738,884,433
Other Equity	17 (f)	356,060,631	301,373,490
Total Equity		5,976,338,398	5,249,377,221
Liabilities			
Provisions	18	34,732,802	28,037,791
Gross Insurance Contract Liabilities	19	106,340,298,211	92,522,109,894
Deferred Tax Liabilities	7		-
Insurance Payable	20	29,463,461	7,878,888
Current Tax Liabilities	21	112,573,584	-
Borrowings	22	-	-
Other Liabilities	23	596,263,951	392,565,725
Other Financial Liabilities	24	1,341,338,768	1,261,774,178
Total Liabilities		108,454,670,771	94,212,366,475
Total Equity and Liabilities		114,431,009,169	99,461,743,696

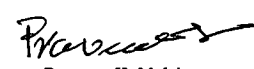
The accompanying notes form an Integral Part of Financial Statements.


 **Damodar Paudyal**
HOD(Accounts)

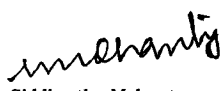
 **Pranay Kumar**
CEO/Director

 **Komal Agrawal**
Director

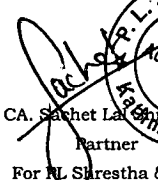
 **Ashok K. Agrawal**
Director

 **Praveen K. Molri**
Director


 **Tableshe Pandey**
Director

 **Siddhartha Mohanty**
Chairman

As per our report of even date



CA. Sachet Lal Shrestha
Partner
For M. Shrestha & Co.
Chartered Accountants



Date : 05.05.2024



LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Statement of Profit or Loss


For Period 17th July, 2022 - 16th July, 2023


(For the Year Ended Ashad, 2080)


Fig. in NPR


Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	17,470,067,481	18,235,745,643
Premiums Ceded	26	80,964,779	90,025,629
Net Earned Premiums		17,389,102,702	18,145,720,014
Commission Income	27	15,133,162.00	11,826,532
Other Direct Income	28	270,526,368.00	268,684,152
Interest Income on Loan to Policyholders	11	2,364,864,977.00	1,678,811,873
Income from Investments and Loans	29	8,264,441,870.00	6,951,383,023
Net Gain/(Loss) on Fair Value Changes	30	-	-
Net Realised Gains/(Losses)	31	-	-
Other Income	32	154,355.00	14,819,116
Total Income		28,304,223,434	27,071,244,710
Expenses:			
Gross Benefits and Claims Paid	33	8,985,500,274	9,123,465,054
Claims Ceded	33	26,376,545	59,862,690
Gross Change in Contract Liabilities	34	13,820,241,131	12,594,375,883
Change in Contract Liabilities Ceded to Reinsurers	34	-	-
Net Benefits and Claims Paid		22,779,364,860	21,657,978,247
Commission Expenses	35	1,435,375,609	1,692,662,030
Service Fees	36	143,598,863	181,398,656
Other Direct expenses	37	-	-
Employee Benefits Expenses	38	382,627,689	363,918,953
Depreciation and Amortization Expenses	39	55,192,790	13,840,721
Impairment Losses	40	12,080,571	13,609,315
Other Operating Expenses	41	733,552,269	647,838,294
Finance Cost	42	23,918,512	-
Total Expenses		25,565,711,162	24,571,246,216
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		2,738,512,272	2,499,998,494
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		2,738,512,272	2,499,998,494
Income Tax Expense	43	1,985,063,106	1,489,865,674
Net Profit/(Loss) For The Year		753,449,166	1,010,132,820
Earning Per Share			
Basic EPS	51	28.40	38.07
Diluted EPS		28.40	38.07

The accompanying notes form an Integral Part of Financial Statements.

 Damodar Paudyal
 HOD(Accounts)

 Pranay Kumar
 CEO/Director

 Komal Agrawal
 Director

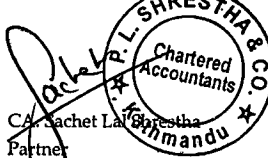
 Ashok K. Agrawal
 Director

As per our report of date

 Praveen K. Molri
 Director

 Tablesh Pandey
 Director

 Siddhartha Mohanty
 Chairman



CA. Sachet Lal Shrestha
 Partner
 For PL Shrestha & Co.
 Chartered Accountants

Date : 05.05.2024

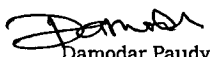


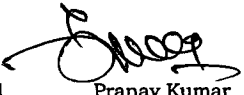
LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Statement of Other Comprehensive Income
For Period 17th July, 2022 - 16th July, 2023
(For the Year Ended Ashad, 2080)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		753,449,166	1,010,132,820
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		35,317,320	1,326,424,751
Revaluation of Property and Equipment/ Goodwill & Intangible Assets			
Remeasurement of Post-Employment Benefit Obligations		-	14,099,633
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items		8,829,330	335,131,096
Total Other Comprehensive Income For the Year, Net of Tax		26,487,990	1,005,393,288
Total Comprehensive Income For the Year, Net of Tax		726,961,176	4,739,531

The accompanying notes form an Integral Part of Financial Statements.

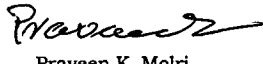

 Damodar Paudyal
 HOD(Accounts)


 Pranay Kumar
 CEO/Director


 Komal Agrawal
 Director



 Ashok K Agrawal
 Director

As per our report of even date


 Praveen K. Molri
 Director


 Tablesh Pandey
 Director


 Siddhartha Mohanty
 Chairman


 CA. Sachet L. Shrestha
 Partner
 For PL Shrestha & Co.
 Chartered Accountants

Date : 05.05.2024


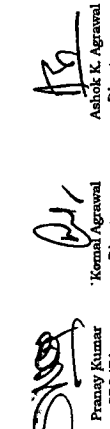
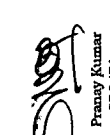
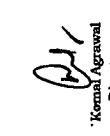




LIFE INSURANCE CORPORATION (NEPAL) LIMITED
 Statement of Changes in Equity
 For Period 17th July, 2022 - 16th July, 2023
 (For the Year Ended Ashad, 2080)

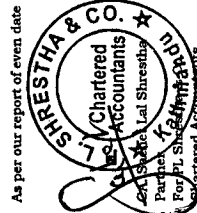
Fig. in NPR

	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Regulatory Reserves	Total
Restated Balance as at Shrawan 1, 2079	2,653,200,000	-	-	61,151,801.00	1,798,894,833	-	-	891,977,897.46	-	-	4,687,798.52	11,976,123.38	26,575,709	331,031,640.95	5,248,377,221
Profit/(Loss) For the Year	-	-	-	-	753,497,166	-	-	-	-	-	-	-	-	-	753,497,166
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	-	-	-	-	-	-	-	-	-	-	26,407,990	-	-	-	26,407,990
(v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve/Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Regulatory Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Deposit of Equity Instruments to Measure at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to the Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Distribution by Dividends to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Bonus Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Other (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashad end, 2080	2,653,200,000	-	-	61,151,801.00	2,944,377,517	-	-	961,598,448.92	14,446,500.16	-	71,165,726.28	11,976,123.38	93,304,339.62	331,031,640.95	5,976,336,968

The accompanying notes form an Integral Part of Financial Statements.

 Praveen K. Moiri, Director
 Prasad Paudyal, HOD(Accounts)
 Pransay Kumar, CEO/Director
 Ashok K. Agrawal, Director
 Siddhartha Mohanty, Chairman
 Tabish Bhandari, Director

As per our report of even date



Shrestha & Co. Chartered Accountants
 201, Shree Lal Shrestha
 Panchkhal, Kathmandu
 For: P. J. Shrestha
 Chartered Accountants

Date : 05.05.2024



LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Statement of Changes in Equity
For Period 17th July, 2022 - 16th July, 2023
(For the Year Ended Ashad, 2080)

Fig. in NPR

	Ordinary Share Capital	Preference Shares	Share Applications 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 Reserves	Regulatory Reserves	Total
Balance as on Shrawan 1, 2078	2,211,000,000			61,151,801	1,523,245,573			417,135,447			55,016,082	(100,139)		97,219,524	4,413,667,889
Prior period adjustment															
Restated Balance as at Shrawan 1, 2079															
Profit/(Loss) For the Year					1,010,132,820										1,010,132,820
Other Comprehensive Income for the Year, Net of Tax															
i) Changes in Fair Value of FVOCI Debt Instruments															
ii) Gains/(Losses) on Cash Flow Hedge															
iii) Exchange Differences on translation of Foreign Operation															
iv) Changes in fair value of FVOCI Equity Instruments															
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets															
vi) Remeasurement of Post-Employment Benefit Obligations															
Transfer to Reserves/ Funds															
Transfer to Deferred Tax Reserves					311,444,567.05			77,832,050.10					26,575,709.00	233,812,165.95	
Transfer of Depreciation on Revaluation of Property and Equipment					26,575,709.00										
Transfer on Disposal of Revalued Property and Equipment															
Transfer on Disposal of Equity Instruments Measured at FVOCI															
Transfer to Insurance Contract Liabilities															
Share Issuance Costs															
Contribution by/ Distribution to the owners of the Company															
i) Bonus Share Issued	442,200,000.00				442,200,000.00										
ii) Share Issue															
iii) Cash Dividend					23,273,684.21										
iv) Dividend Distributable Tax															
v) Others (To be specified)															
vi) Others (To be specified)															
Balance as on Ashad end, 2079	2,653,200,000			61,151,801	1,738,884,433			494,167,497.46			44,657,736.52	11,576,123.38	26,575,709.00	331,031,640.95	5,219,377,221
Prior period adjustment															
Restated Balance as at Shrawan 1, 2079	2,653,200,000			61,151,801	1,738,884,433			494,167,497			44,657,737	11,576,123	26,575,709	331,031,641	5,249,377,221

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

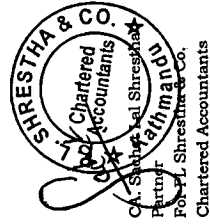
Komal Agrawal
Director

Ashok K. Agrawal
Director

Praveen K. Moiri
Director

Tablesh Paudyal
Director

Siddhartha Mohanty
Chairman




Date : 05.05.2024

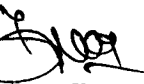


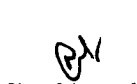
LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Statement of Cash Flows
For Period 17th July, 2022 - 16th July, 2023
(For the Year Ended Ashad, 2080)


Fig. in NPR

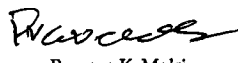
Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	17,468,014,667	18,228,116,209
Commission Received	15,133,162	11,826,532
Claim Recovery Received from Reinsurers	26,376,545	59,862,690
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income		
Others (to be specified)		
Cash Paid		
Gross Benefits and Claims Paid	(8,985,500,274)	(9,123,465,054)
Reinsurance Premium Paid	(80,964,779)	(50,958,599)
Commission Paid	(1,435,375,609)	(1,692,662,030)
Service Fees Paid	(144,263,114)	(182,298,912)
Employee Benefits Expenses Paid	(382,848,178)	(363,918,953)
Other Expenses Paid		244,127,200
Others (to be specified)		
Income Tax Paid	256,837,039	(333,666,482)
Net Cash Flow From Operating Activities [1]	6,737,409,458	6,796,962,601
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	(255,122,796)	(11,019,352)
Proceeds From Sale of Property and Equipment		1,218,105
Investment in Subsidiaries		
Receipts from Sale of Investments in Subsidiaries		
Investment in Associates		
Receipts from Sale of Investments in Associates		
Purchase of Equity Instruments		(1,161,307,678)
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		(839,805,000)
Proceeds from Sale of Debentures		
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits	(10,150,437,785)	(10,200,996,356)
Maturity of Deposits		
Loans Paid	(3,598,790,773)	(3,704,845,141)
Proceeds from Loans		
Rental Income Received		
Proceeds from Finance Lease		
Interest Income Received	8,150,818,924	7,510,999,911
Dividend Received	85,566,417	35,150,831
Others (to be specified)	(498,376,137)	283,503,268
Total Cash Flow From Investing Activities [2]	(6,266,342,151)	(8,087,101,412)


 Damodar Paudyal
 HOD(Accounts)


 Pranay Kumar
 CEO/Director


 Komal Agrawal
 Director

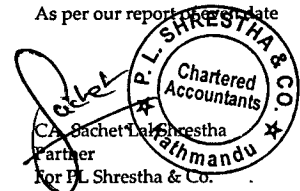

 Ashok K. Agrawal
 Director


 Praveen K. Molri
 Director
 Date : 05.05.2024


 Tablesch Rande
 Director


 Siddhartha Mohanty
 Chairman

As per our report dated

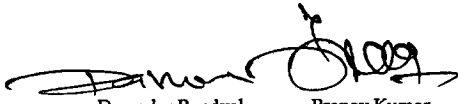

 P.L. SHRESTHA & CO.
 Chartered Accountants
 C.A. Sachet Lal Shrestha
 Partner
 For P.L. Shrestha & Co.

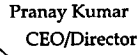


LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Statement of Cash Flows
For Period 17th July, 2022 - 16th July, 2023
(For the Year Ended Ashad, 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		
Dividend Distribution Tax Paid		(23,273,684)
Others (to be specified)		
Total Cash Flow From Financing Activities [3]	-	(23,273,684)
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	471,067,304	(1,313,412,495)
Cash & Cash Equivalents At Beginning of The Year/Period	1,978,526,514	3,291,939,009
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	2,449,593,817	1,978,526,514
Components of Cash & Cash Equivalents		
Cash In Hand	72,198,624	36,905,657
Cheque in Hand	8,203,029	-
Term Deposit with Banks (with initial maturity upto 3 months)	1,407,630,123	877,187,749
Balance With Banks	961,562,041	1,064,433,108


 Damodar Paudyal
 HOD(Accounts)

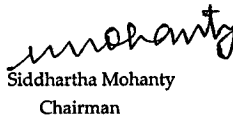

 Pranay Kumar
 CEO/Director


 Komal Agrawal
 Director


 Ashok K. Agrawal
 Director

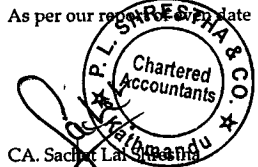

 Praveen K. Molri
 Director


 Tablesish Pandey
 Director


 Siddhartha Mohanty
 Chairman

Date : 05.05.2024

As per our report dated



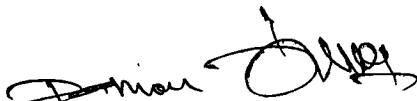
CA. Sachin Lakshminarayana
 Partner
 For PL Shrestha & Co.
 Chartered Accountants

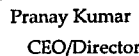


LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Statement of Distributable Profit or Loss
For Period 17th July, 2022 - 16th July, 2023
(Year Ended Upto Ashad 31, 2080)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	1,738,884,432.86	1,532,245,373.36
Transfer from OCI reserves to retained earning in current year		
Net profit or (loss) as per statement of profit or loss	753,449,165.89	1,010,132,819.76
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Catastrophe Reserve	(66,830,951.46)	(77,632,050.10)
iii) Transfer to Capital Reserve		
iv) Transfer to CSR reserve	(14,446,300.16)	
v) Transfer to/from Regulatory Reserve		(233,812,316.95)
vi) Transfer to Fair Value Reserve		
vii) Transfer of Deferred Tax Reserve	(66,728,830.62)	(26,575,709.00)
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	(2,500,000)	
xii) Delisted share investment or mutual fund investment		
xiii) Bonus share/ dividend paid		(465,473,684)
xiv) Deduction as per Sec 17 of Financial directive	(53,441,335)	
xiv) Deduction as per Sec 18 of Financial directive		
xv) Transfer from Regulatory Reserve		
Adjusted Retained Earning	2,288,386,182	1,738,884,433
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)	82,721,850	
Total Distributable Profit/(loss)	2,205,664,331.95	1,738,884,432.86


 Damodar Paudyal
 HOD(Accounts)



 Pranay Kumar
 CEO/Director

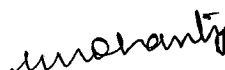

 Komal Agrawal
 Director


 Ashok K. Agrawal
 Director

As per our report of even date


 Praveen K. Molri
 Director


 Tablesh Pandey
 Director


 Siddhartha Mohanty
 Chairman


 CA. Sanku Lal Shrestha
 Partner
 For PL Shrestha & Co.
 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, 2078	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 32, 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
Accumulated amortization and impairment				
As at Shrawan 1, 2078	792,258			792,258
Additions during the year	56,500			56,500
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh 32, 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
Capital Work-In-Progress				
As on Shrawan 1, 2078				
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 32, 2079	-	-	-	-
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 31, 2080	-	-	-	-
Net Carrying Amount				
As on Ashadh 32, 2079	194,692	-	-	194,692
As on Ashadh 31, 2080	138,192	-	-	138,192



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Property and Equipment

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Gross carrying amount									
As on Shrawan 1, 2078	183,692,395	1,136,600	22,030,033	32,091,084	37,161,144	16,392,582	49,121,196	5,701,053	347,336,087
Additions during the year			812,078	2,147,274	5,604,324	705,436	1,664,900	85,340	11,019,352
Capitalization					(126,678)		(3,500,000)		(3,626,678)
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/adjustments									
Balance as on Ashadh 32, 2079	183,692,395.00	1,136,600.00	22,842,111.00	34,238,357.70	42,538,790.00	17,098,018.38	47,286,096.00	5,786,393.00	354,718,761.08
Additions during the year			687,891.00	1,154,788.00	725,220.00	2,009,090.28	1,559,500.00	116,788.00	6,253,277.28
Capitalization					31,640.00	155,000.00	2,693,722.00		2,880,362.00
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	368,091,676.36
Accumulated depreciation and impairment									
As on Shrawan 1, 2078		672,258	10,152,579	15,368,181	28,328,255	8,191,405	19,950,299	3,489,906	86,161,883
Addition during the year		92,868	1,662,885	1,450,964	3,897,809	2,036,944	4,071,610	571,141	13,794,221
Disposals during the year					(88,323)		(2,320,250)		(2,408,573)
Write-offs during the year									
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 32, 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	4,190,275	564,684	13,797,050
Disposals during the year									
Write-offs during the year					20,017	99,023	2,271,698		2,390,738
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2080		857,994.00	13,532,030.92	18,368,567.75	35,590,929.12	12,339,254.99	23,620,335.84	4,634,731.30	106,943,843.51
Capital Work-In-Progress									
As on Shrawan 1, 2078								4,204,026	4,204,026
Additions during the year								30,000	30,000
Capitalisation during the year									
Disposals during the year									
Impairment during the year									
Balance as on Ashadh 32, 2079								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, 2080								4,234,026	4,234,026
Net Carrying Amount									
As on Ashadh 32, 2079	183,692,395	371,474	11,026,646	17,419,212	10,501,049	6,869,670	25,584,437	5,950,373	261,415,256
As on Ashadh 31, 2080	183,692,395	278,606	9,997,971	17,024,578	7,741,441	6,612,854	22,551,538	5,502,476	255,361,659










Fig. in NPR

Property and Equipment

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Right-of-Use Assets (After Implementation of NERS 16)									
Gross carrying amount									
As on Shrawan 1, 2078									
Additions during the year									
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/Adjustment									
Balance as on Ashadh 32, 2079			249,359,142.97						
Additions during the year									
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/Adjustment			249,359,142.97						
Balance as on Ashadh 31, 2080									
Accumulated depreciation									
As on Shrawan 1, 2078									
Depreciation									
Disposals during the year									
Write-offs during the year									
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 32, 2079			41,339,239						41,339,239
Depreciation									
Disposals during the year									
Write-offs during the year									
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2080			41,339,239						
Net Carrying Amount									
As on Ashadh 32, 2079			208,019,903						208,019,903
As on Ashadh 31, 2080									
Grand Total									
As on Ashadh 32, 2079	183,692,395	371,474	11,026,646	17,419,212	10,301,049	6,869,670	25,584,437	5,950,372	261,415,256
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



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

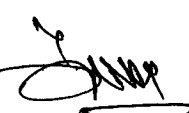



6 Investment Properties

Fig. in NPR

Investment Properties at Cost

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



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 :

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

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

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

(iv) Contractual obligations:



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

Fig. in NPR

7 Deferred Tax Assets/(Liabilities)

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	4,657,322.49		4,657,322.49	1,922,202.83		1,922,202.83
Financial Assets at FVPTL						
Financial Assets at FVTOCI		23,715,242.06	23,715,242.06		14,885,912.17	14,885,912.17
Provision for Leave	6,205,965.00		6,205,965.00	4,889,994.75		4,889,994.75
Provision for Gratuity		3,524,908.25	3,524,908.25		3,524,908.25	3,524,908.25
Actuarial Gain/ Loss						
Impairment Loss on Financial Assets	91,755,897.12		91,755,897.12	1,352,690.75		1,352,690.75
Impairment Loss on Other Assets						
Carry forward of unused tax losses						
Changes in tax rate						
Others (specify if any)						
Total	93,304,540	27,240,150.31	120,544,689.93	8,164,888.33	18,410,820.42	26,575,708.75
Deferred Tax Assets			120,544,689.93			26,575,708.75
Deferred Tax Liabilities			-			-

Movements in deferred tax assets/ (liabilities)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
	As at Shrawan 1, 2079	8,164,888	18,410,820	26,575,708.75	2,757,501	(316,720,276)
Charged/(Credited) to Statement of Profit or Loss	85,139,651		85,139,651	5,407,387		5,407,387
Charged/(Credited) to Other Comprehensive Income		8,829,330	8,829,329.89		335,131,096	335,131,096
As at Ashadh 31, 2080	93,304,540	27,240,150	120,544,689.93	8,164,888	18,410,820	26,575,709



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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	83,808,526,061.00	73,623,804,110
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures	11,655,430,000	9,590,682,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	1,373,779,900	100,000,000
iv) Fixed Deposits in "A" Class Financial Institutions	67,559,016,161	61,672,822,110
v) Fixed Deposits in Infrastructure Banks		
vi) Fixed Deposits in "B" Class Financial Institutions	2,880,300,000	2,005,300,000
vii) Fixed Deposits in "C" Class Financial Institutions	340,000,000	255,000,000
viii) Others (to be Specified)		
Less: Impairment Losses	-	-
Investments at FVTOCI	2,706,865,052	2,741,149,218
i) Investment in Equity Instruments (Quoted)	2,606,621,869	1,823,347,218
ii) Investment in Equity Instruments (Unquoted)	7,280,000	843,500,000
iii) Investment in Mutual Funds	92,963,183	74,302,000
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	86,515,391,113.30	76,364,953,328

a) Details of Impairment Losses

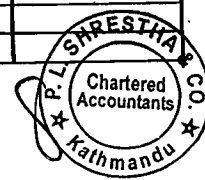
Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
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	280,000,000.00
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	908,154,900	
Fixed Deposit with "A" Class Financial Institutions	4,388,000,000	9,590,000,000.00
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions	80,000,000	360,000,000.00
Fixed Deposit with "C" Class Financial Institutions	90,000,000	105,000,000.00
Others (to be Specified)		
Total	5,703,843,900.00	10,335,000,000.00

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	12,193,210.12	11,928,900.00		
Api Power Company Ltd.	1,786,208.69	4,059,382.00		
Chilime Hydropower Company Limited	66,299,921.74	82,443,560.40		
Citizen Bank International Limited	152,397,269.31	101,938,936.20		
Garima Bikas Bank Ltd.	46,124,036.65	50,452,065.00		
Global IME Bank Limited	101,052,898.65	64,001,856.00		
Himalayan Bank Limited	36,678,554.09	27,405,873.60		
Kumari Bank Limited	41,491,276.55	26,810,355.00		



Laxmi Bank Limited	72,547,184.92	45,369,423.00	
Lumbini Bikas Bank Ltd.	42,267,952.55	42,536,522.00	
Mahalaxmi Bikas Bank Ltd.	93,239,438.05	69,198,370.50	
Nepal Investment Mega Bank Limited	24,632,808.31	14,315,558.40	
Nabil Bank Limited	19,001,882.23	37,642,343.20	
Nepal Bank Limited	17,532,909.14	38,844,996.00	
Nepal Insurance Company Ltd (NICL)	-	22,140.00	
NEPAL SBI BANK LTD. (SBI)	856,342.37	1,132,802.00	
NMB Bank Limited	109,491,577.46	72,348,250.00	
Prabhu Bank Limited	126,908,739.99	80,953,659.56	
Prime Commercial Bank Ltd.	137,405,726.12	70,200,195.00	
Sanima Bank Limited	66,100,665.37	65,047,371.00	
Sanima Mai Hydropower Ltd.	13,032,422.82	17,750,000.00	
Shree Investment Finance Co. Ltd.	24,938,401.29	19,200,000.00	
Siddhartha Bank Limited	89,369,605.58	83,326,056.00	
Sunrise Bank Limited	16,046,769.63	13,417,673.40	
Nepal Share Market	3,077,900.00	-	
Yeti Development Bank Ltd.	2,070.00	-	
Uddham Bikash Bank Ltd.	220.00	-	
Rara Development Bank Ltd.	2,336.00	-	
Nepal Lube Oil Ltd.	64,500.00	121,976.00	
Nepal Film Development Bank Ltd.	1,540.00	5,236.00	
Kumari Bank Ltd. Promoter	21,132,300.00	53,800,452.30	
Nepal Investment Mega Bank Ltd. Promoter	184,888,927.76	187,736,915.70	
NLG Insurance Company Ltd. Promoter	31,612.48	78,900.00	
Nepal Reinsurance Company Ltd. Promoter	71,895,167.00	87,945,567.00	
Prime Commercial Bank Ltd. Promoter	32,056,704.00	97,084,468.32	
Prabhu Bank Ltd. Promoter	20,093,516.54	15,648,127.00	
Citizen Investment Trust	214,823,667.00	214,823,666.85	
Sunrise Bank Ltd. Promoter	464,328.28	1,830,272.00	
Nepal Infrastructure Bank Ltd. Promoter	840,000,000.00	907,200,000.00	
Investment in Mutual Funds			
Laxmi Equity Fund	29,247,920.00	28,048,755.28	
NIC Asia Balanced Fund	20,000,000.00	18,660,000.00	
NIC Asia Dynamic Debt Fund- NADDF	6,648,300.00	6,648,300.00	
NMB Hybrid Fund L-1	12,619,210.00	13,616,127.59	
NMB Sulav Investment Fund 2 (NMBSF2)	10,000,000.00	9,990,000.00	
Citizen Investment Trust (Unit Scheme)	16,000,000.00	16,000,000.00	
Investment in Equity Instruments (Unquoted)			
Care Ratings Nepal Ltd. Promoter	2,500,000.00	2,500,000.00	
Insurance Institute of Nepal Ltd. Promoter	4,780,000.00	4,780,000.00	
	2,801,726,020.70	2,706,865,052.30	

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



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

11 Loans

Fig. in NPR

Particulars	Current Year		Previous Year	
	Current Year	Previous Year	Current Year	Previous Year
Loans measured at Amortised Cost				
Loan to Employees	111,336,140	68,909,904		
Loan to Agents	69,386,573	108,623,607		
Loan to Policyholders	21,718,893,110	18,111,249,281		
Others (to be Specified)	(17,453,021)	(5,410,763)		
Less: Impairment Losses				
Total	21,882,162,802.00	18,283,372,028.59		

a) Loans to Policyholders

Particulars	Loan amount		Interest Income	
	Current Year	Previous Year	Current Year	Previous Year
	Current Year	Previous Year	Current Year	Previous Year
Endowment	7,630,083,817	6,402,997,830.00	811,713,972.00	583,399,137.00
Anticipated Endowment	1,308,409,991	1,158,377,031.00	146,310,312.00	125,305,895.00
Modified Endowment	9,915,431,653	8,313,668,101.00	1,104,217,816.00	769,441,136.00
Whole Life Policy	2,809,109,915	2,188,373,024.00	296,491,561.00	195,983,915.00
Term Insurance Policy	-	-	-	-
Special Term Policy	-	-	-	-
Endowment Single Premium	55,857,734.00	47,833,295.00	6,131,316.00	4,681,790.00
Single Premium O/E	-	-	-	-
Micro Term Insurance	-	-	-	-
Total	21,718,893,110.00	18,111,249,281.00	2,364,864,977.00	1,678,811,873.00

b) Expected repayment of loan within 12 months:

Particulars	Current Year		Previous Year	
	Current Year	Previous Year	Current Year	Previous Year
Loan to Employees				
Loan to Agents	69,386,573	108,623,607		
Loan to Policyholders				
Others (to be Specified)				
Total	69,386,573.00	108,623,607.00		

12. Reinsurance Assets

Description	Policy liabilities and provisions		Claim Payment Reserve		Impairment Losses		Net Reinsurance Assets	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Endowment								
Anticipated Endowment								
Endowment cum Whole Life								
Whole Life								
Foreign Employment Term								
Micro Term								
Special Term								



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



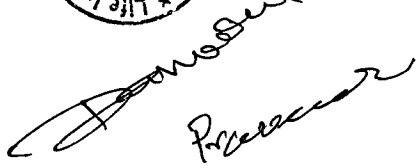




Fig. in NPR

14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses	8,724,562.00	10,458,027
Claim Advances		
Advance To Suppliers		
Staff Advances	419,053.00	308,008
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	1,250,000.00	1,369,000
iii) Other advances	957,356.00	891,769
iv) Prepaid Employee Benefit		17,292,359
Less: Impairment Losses		
Total	11,350,971	30,319,163

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

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses	8,724,562	10,458,027
Claim Advances		
Advance To Suppliers		
Staff Advances	419,053	308,008
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	1,369,000
iii) Other advances	957,356	891,769
iv) Prepaid Employee Benefit		
Total	11,350,971	13,026,804

15 Other Financial Assets

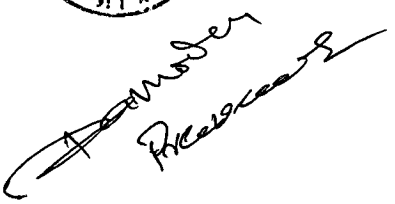
Particulars	Current Year	Previous Year
Security Deposits	281,000	281,000
Accured Interest	487,517,479	361,574,430
Interest Receivable from Loan to Policyholders	2,470,422,387	1,971,626,295
Other Receivables		
Other Deposits		
Sundry Debtors	10,315,888	8,831,911
Others (to be Specified)		
Less: Impairment Losses	(461,837)	
Total	2,968,074,917	2,342,313,636

a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest	487,517,479.00	361,574,430.00
Interest Receivable from Loan to Policyholders	2,470,422,387.00	1,971,626,295.00
Other Receivables		
Other Deposits		
Sundry Debtors	10,315,888.00	8,831,911.00
Other (to be Specified)		
Total	2,968,255,754	2,342,032,636

16 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand	72,198,624.00	36,905,657
Cheque in Hand		
Bank Balances		
i) Balance With "A" Class Financial Institutions	908,810,640	1,008,470,257
ii) Balance With Infrastructure Banks		
iii) Balance With "B" Class Financial Institutions	51,325,352	51,900,269
iv) Balance With "C" Class Financial Institutions	1,426,049	4,062,582
Less: Impairment Losses		
Deposit with initial maturity upto 3 months	1,407,630,123	829,205,952
Others (Cheque deposited but credit not received)	8,203,029	47,981,797
Less: Impairment Losses		
Total	2,449,593,817	1,978,526,514





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, 2079	2,653,200,000	2,211,000,000
Additions during the year		
i) Bonus Share Issue		442,200,000
ii) Share Issue		
As at Ashadh 31, 2080		
Convertible Preference Shares (Equity Component only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Irredeemable Preference Shares (Equity Component only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Total	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

(ii) Preference Share Capital

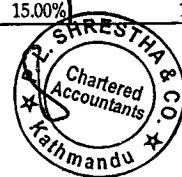
Particulars	Current Year	Previous Year
Authorised Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Issued Capital:		
..... Convertible Preference Shares of Rs. XXX Each		
.....Irredeemable Preference Shares of Rs. XXX Each		
Subscribed 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, 2079	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, 2080	61,151,801	61,151,801

17 (d) Catastrophe Reserves

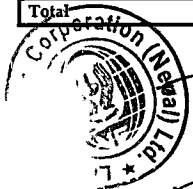
Particulars	Current Year	Previous Year
As on Shrawan 1, 2079	494,767,497	417,135,447
Additions		77,632,050
Utilizations	66,830,951	
As on Ashadh 31, 2080	561,598,449	494,767,497

17 (e) Retained Earnings

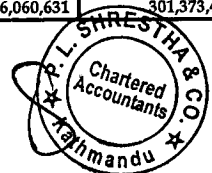
Particulars	Current Year	Previous Year
As on Shrawan 1, 2079	1,738,884,433	1,532,245,373
Net Profit or Loss	753,449,166	1,010,132,820
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves		
Capital Reserves		
Catastrophe Reserves	(66,830,951)	(77,632,050)
Corporate Social Responsibility (CSR) Reserves	(14,446,300)	
Insurance Fund		
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserve	(66,728,831)	(26,575,709)
Regulatory Reserve		(233,812,317)
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		(442,200,000)
Transaction costs on issue of Shares		
Dividend Paid		
Dividend Distribution Tax		(23,273,684)
Transfer to Insurance Contract Liability		
Transfer From Regulatory Reserve		
As on Ashadh 31, 2080	2,344,327,516.62	1,738,884,433

17 (f) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves		
Capital Reserves		
Corporate Social Responsibility (CSR) Reserves	14,446,300	
Insurance Fund		
Fair Value Reserves	(71,145,726)	(44,657,737)
Actuarial Reserves	(11,576,123)	(11,576,123)
Deferred Tax Reserve	93,304,540	26,575,709
Regulatory Reserve	331,031,641	331,031,641
Total	356,060,631	301,373,490



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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	34,732,802	28,037,791
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other Employee Benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		
Total	34,732,802.00	28,037,791.00

(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	28,037,791.00	6,695,011.00				34,732,802.00
ii) Provision for Gratuity						
iii) Termination Benefits						
iv) Other Employee Benefit obligations (to be Specified)						
Provision for tax related legal cases						
Provision for non-tax related legal cases						
Others (to be Specified)						

(b) Provision with expected payouts within 12 months

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	954,639	980,910
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other employee benefit obligations (to be Specified)		
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		



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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)	105,957,963,505	92,186,707,212
Claim Payment Reserve including IBNR (19.2)	382,334,706	335,402,682
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	106,340,298,211	92,522,109,894



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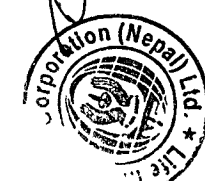


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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

Annexure 19.1: Life Insurance Fund

Particulars	Endowment	Anticipated Endowment	Modified Endowment	Whole Life Policy	Term Insurance Policy	Special Term Policy	Endowment Single Premium	Single Premium O.E.	Micro Term Insurance	Total
Opening Life Insurance Fund	38,064,370,071	8,598,177,995	38,149,726,932	6,830,684,580	3,685,434	13,692,290	518,418,193	3,542,931	4,408,786	92,186,707,212
Surplus transfer to Life Insurance fund as per Sec 21 of the directive	6,421,738,341	798,906,061	6,411,385,298	777,191,292	6,614,600	3,589,552	37,003,328	-	2,725,937	14,456,541,882
Gross Life Insurance Fund for valuation (A)	44,486,108,412	9,397,084,056	44,561,112,230	7,607,875,872	10,300,034	17,281,842	555,421,521	930,403	7,134,724	106,643,249,094
Net policyholder's liability										
Surplus/(Deficit) before shareholder transfer	44,486,108,412	9,397,084,056	44,561,112,230	7,607,875,872	10,300,034	17,281,842	555,421,521	930,403	7,134,724	106,643,249,094
Transfer to shareholder fund (B)	226,203,826	173,419,706	228,814,132	36,923,011	5,494,792	1,924,396	10,560,803	125,000	2,041,223	685,506,889
Transfer from shareholder fund to cover deficit as per actuary report (C)				221,300						221,300
Closing life insurance Fund as per actuarial valuation (D=A-B+C)	44,259,904,586	9,223,664,350	44,332,298,098	7,571,174,161	4,805,242	15,357,446	544,860,718	805,403	5,093,501	105,957,963,505
i) Life fund to cover Net Policyholder's liability	42,201,267,637	7,152,797,817	42,269,761,386	7,030,068,576	4,519,116	15,321,058	533,733,149	805,403	5,093,501	99,213,367,643
ii) Life fund to cover Cost of bonus	2,035,834,438	1,489,299,251	2,059,327,190	332,307,102	-	-	7,364,199	-	-	5,924,132,180
iii) Any other liabilities (Please specify, if any)										
iv) Unallocated surplus	22,802,511	581,567,282	3,209,572	208,798,483	286,126	36,388	3,763,370	-	-	820,463,683











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

19.2 Gross claim payment Reserve including IBNR/IBNER

Fig. in NPR

Description	Outstanding "Death Claim"		Outstanding "Maturity Claim"		Outstanding "Partial Maturity Claim"		Outstanding "Surrender Claim"		Outstanding "Other Claim"		IBNR/IBNER Claim		Gross outstanding claim reserve	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Endowment	11,184,083	57,412,532	128,334,119	106,304,513	3,981,217	3,103,958	44,996,872	13,265,306	28,312,986	13,265,306	217,066,229	217,066,229	72,113,615	106,304,513
Anticipated Endowment	1,485,775	120,752,072	54,000,862	149,895,410	1,266,843	8,324,220	6,040,965	6,324,220	9,406,124	19,581,375	72,113,615	149,895,410	149,895,410	149,895,410
Modified Endowment	9,544,832	57,583,633	60,486,725	75,631,936	3,559,607	4,620,651	3,265,746	9,885,035	11,572,685	9,885,035	88,340,596	88,340,596	75,631,936	75,631,936
Whole Life Policy	1,592,661	2,038,246	1,712,829	2,606,491	228,288	-	-	-	530,034	393,977	4,063,592	4,063,592	2,606,491	2,606,491
Term Insurance Policy	-	451,035	383,709	441,265	-	-	-	-	57,556	-	441,265	441,265	-	-
Special Term Policy	-	387,495	-	518,713	-	-	-	-	-	67,658	-	67,658	-	518,713
Endowment Single Premium	-	189,051	-	445,619	-	-	-	-	-	58,124	-	58,124	-	445,619
Single Premium O/E	80,000	-	189,051	-	-	-	-	-	-	28,338	-	28,338	-	217,408
Micro Term Insurance	23,857,350	-	245,207,094	-	9,035,935	9,038,915	54,264,583	43,983,529	49,869,744.25	43,748,175	382,334,706	382,334,706	335,402,682.00	335,402,682.00
Total														

Description	Gross outstanding claim reserve		Claim outstanding upto one year		Unclaimed fund as per sec 123(2) of Insurance Act		Transfer to Policyholder's protection fund		Gross claim payment reserve	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Endowment	217,066,229	106,304,513	217,066,229	106,304,513	-	-	-	-	217,066,229	106,304,513
Anticipated Endowment	72,113,615	149,895,410	72,113,615	149,895,410	-	-	-	-	72,113,615	149,895,410
Modified Endowment	88,340,596	75,631,936	88,340,596	75,631,936	-	-	-	-	88,340,596	75,631,936
Whole Life Policy	4,063,592	2,606,491	4,063,592	2,606,491	-	-	-	-	4,063,592	2,606,491
Term Insurance Policy	441,265	-	441,265	-	-	-	-	-	441,265	-
Special Term Policy	-	518,713	-	518,713	-	-	-	-	-	518,713
Endowment Single Premium	-	445,619	-	445,619	-	-	-	-	-	445,619
Single Premium O/E	217,408	-	217,408	-	-	-	-	-	217,408	-
Micro Term Insurance	92,000	-	92,000	-	-	-	-	-	92,000	-
Total	382,334,705.93	335,402,682.00	382,334,705.93	335,402,682.00	-	-	-	-	382,334,705.93	335,402,682.00

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



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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	29,463,461	7,878,888
Payable to other Insurance Companies		
Others (to be Specified)		
Total	29,463,461	7,878,888

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer	29,463,461	7,878,888
Payable to other Insurance Companies		
Others (to be Specified)		
Total	29,463,461	7,878,888

21 Current Tax Assets/(Liabilities) (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities	(7,696,749,887)	(5,626,547,129.00)
Income Tax Assets	7,584,176,303	5,770,810,584.00
Total	(112,573,584)	144,263,455.00

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	-	-





LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Notes to the Financial Statements

23 Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable	96,339,305	89,565,273
Unidentified deposits	88,934,021	57,025,952
Advance Premiums	57,210,286	63,777,484
Insurance Service Fee Payable	144,348,435	182,197,016
Lease Liability	209,431,903.85	
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	596,263,950.85	392,565,725.00

Payable within 12 months

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable	96,339,305	89,565,273
Unidentified deposits	88,934,021	57,025,952
Advance Premiums	57,210,286	63,777,484
Insurance Service Fee Payable	144,348,435	182,197,016
Lease Liability		
Deferred Reinsurance Commission Income		
Deferred Income		
Others(to be specified)		
Total	386,832,047.00	392,565,725.00

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Agents	228,781,741.00	270,948,444.00
Sundry Creditors	392,369,716.49	247,966,301.00
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables	10,995,284.00	9,982,483.00
ii) Bonus Payables	184,649,016.82	182,646,358.00
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable	2,417,818.51	2,227,200.00
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
i) Cheque issued But Not Encashed	522,125,191	547,956,892
ii) Medical Fee Payable		46,500
Total	1,341,338,767.82	1,261,774,178.00

Payable within 12 months

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Agents	228,781,741.00	270,948,444.00
Sundry Creditors	392,369,716.49	247,966,301.00
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables	10,995,284.00	9,982,483.00
ii) Bonus Payables	184,649,016.82	182,646,358.00
iii) Other employee benefit payable (to be Specified)		
Audit Fees Payable	2,417,818.51	2,227,200.00
Actuarial Fees Payable		
Dividend Payable		
Others (to be specified)		
i) Cheque issued But Not Encashed	522,125,191.00	547,956,892.00
ii) Medical Fee Payable		46,500.00
Total	1,341,338,767.82	1,261,774,178.00

P. L. SHRESTHA
Chartered Accountants
Kathmandu

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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	7,841,526,192.00	7,942,832,021.00	-	-	-	-	7,841,526,192.00	7,942,832,021.00
Anticipated Endowment	2,369,753,130.00	2,305,889,116.00	-	-	-	-	2,369,753,130.00	2,305,889,116.00
Modified Endowment	5,762,543,529.00	5,881,623,781.00	-	-	-	-	5,762,543,529.00	5,881,623,781.00
Whole Life Policy	1,384,171,370.00	1,932,116,727.00	-	-	-	-	1,384,171,370.00	1,932,116,727.00
Term Insurance Policy	8,005,188.00	7,437,246.00	-	-	-	-	8,005,188.00	7,437,246.00
Special Term Policy	2,811,864.00	2,902,261.00	-	-	-	-	2,811,864.00	2,902,261.00
Endowment Single Premium	94,413,714.00	143,289,747.00	-	-	-	-	94,413,714.00	143,289,747.00
Single Premium O.E	-	-	-	-	2,052,812.70	2,834.31	2,052,812.70	2,834.31
Micro Term insurance	4,789,680.00	12,025,310.00	-	-	1.30	7,626,599.30	4,789,681.30	19,651,909.30
Total	17,468,014,667.00	18,228,116,209.00	-	-	2,052,814.00	7,629,433.61	17,470,067,481.00	18,235,745,642.61

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	1,207,381,306.00	1,402,820,039.00	6,634,144,886.00	6,540,011,982.00	-	-	7,841,526,192.00	7,942,832,021.00
Anticipated Endowment	410,418,975.00	606,346,592.00	1,959,334,155.00	1,699,542,524.00	-	-	2,369,753,130.00	2,305,889,116.00
Modified Endowment	644,716,576.00	904,746,851.00	5,117,826,953.00	4,976,876,930.00	-	-	5,762,543,529.00	5,881,623,781.00
Whole Life Policy	21,530,029.00	47,608,174.00	1,362,641,341.00	1,884,508,553.00	-	-	1,384,171,370.00	1,932,116,727.00
Term Insurance Policy	2,509,799.00	2,030,819.00	5,495,389.00	5,406,427.00	-	-	8,005,188.00	7,437,246.00
Special Term Policy	313,487.00	302,307.00	2,498,377.00	2,599,954.00	-	-	2,811,864.00	2,902,261.00
Endowment Single Premium	-	-	-	-	94,413,714.00	143,289,747.00	94,413,714.00	143,289,747.00
Single Premium O.E	-	-	-	-	-	-	-	-
Micro Term insurance	-	-	15,081,941,101.00	15,108,946,370.00	4,789,680.00	12,025,310.00	4,789,680.00	12,025,310.00
Total	2,286,870,172.00	2,963,854,782.00	15,081,941,101.00	15,108,946,370.00	99,203,394.00	155,315,057.00	17,468,014,667.00	18,228,116,209.00



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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	21,653,888.00	22,085,250.00			21,653,888.00	22,085,250.00
Anticipated Endowment	13,459,861.00	14,771,974.00			13,459,861.00	14,771,974.00
Modified Endowment	32,237,410.00	34,236,707.00			32,237,410.00	34,236,707.00
Whole Life Policy	12,685,749.00	17,716,655.00			12,685,749.00	17,716,655.00
Term Insurance Policy	491,548.00	349,382.00			491,548.00	349,382.00
Special Term Policy	23,923.00	20,058.00			23,923.00	20,058.00
Endowment Single Premium	144,451.00	147,301.00			144,451.00	147,301.00
Single Premium O.E						
Micro Term insurance	267,949.00	698,302.00			267,949.00	698,302.00
Total	80,964,779.00	90,025,629.00			80,964,779.00	90,025,629.00

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	7,841,526,192.00	7,942,832,021.00	21,653,888.00	22,085,250.00	7,819,872,304.00	7,920,746,771.00
Anticipated Endowment	2,369,753,130.00	2,305,889,116.00	13,459,861.00	14,771,974.00	2,356,293,269.00	2,291,117,142.00
Modified Endowment	5,762,543,529.00	5,881,623,781.00		34,236,707.00	5,847,387,074.00	5,847,387,074.00
Whole Life Policy	1,384,171,370.00	1,932,116,727.00	12,685,749.00	17,716,655.00	1,371,485,621.00	1,914,400,072.00
Term Insurance Policy	8,005,188.00	7,437,246.00	491,548.00	349,382.00	7,513,640.00	7,087,864.00
Special Term Policy	2,811,864.00	2,902,261.00	23,923.00	20,058.00	2,787,941.00	2,882,203.00
Endowment Single Premium	94,413,714.00	143,289,747.00	144,451.00	147,301.00	94,269,263.00	143,142,446.00
Single Premium O.E	2,052,812.70	2,894.31			2,052,812.70	2,894.31
Micro Term insurance	4,789,681.30	19,651,909.30	267,949.00	698,302.00	4,521,732.30	18,953,607.30
Total	17,470,067,481.00	18,235,745,642.61	48,727,369.00	90,025,629.00	17,421,340,112.00	18,145,720,013.61



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

27 Commission Income

Fig.in NPR

Particulars	Reinsurance Commission		Profit Commission		Total Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	4,148,359.00	3,350,035.00			4,148,359.00	3,350,035.00
Anticipated Endowment	2,028,654.00	3,110,038.00			2,028,654.00	3,110,038.00
Modified Endowment	6,659,093.00	4,162,243.00			6,659,093.00	4,162,243.00
Whole Life Policy	2,165,144.00	1,093,204.00			2,165,144.00	1,093,204.00
Term Insurance Policy	111,618.00	77,418.00			111,618.00	77,418.00
Special Term Policy	4,449.00	4,041.00			4,449.00	4,041.00
Endowment Single Premium	8,610.00	29,553.00			8,610.00	29,553.00
Single Premium O.E	-	-			-	-
Micro Term insurance	7,235.00	-			7,235.00	-
Total	15,133,162.00	11,826,532.00			15,133,162.00	11,826,532.00

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	115,130,073.00	105,065,881.00			115,130,073.00	105,065,881.00
Anticipated Endowment	34,130,266.00	27,072,053.00			34,130,266.00	27,072,053.00
Modified Endowment	88,697,293.00	86,541,068.00			88,697,293.00	86,541,068.00
Whole Life Policy	32,509,430.00	49,936,718.00			32,509,430.00	49,936,718.00
Term Insurance Policy	17,789.00	14,976.00			17,789.00	14,976.00
Special Term Policy	41,517.00	53,456.00			41,517.00	53,456.00
Endowment Single Premium	-	-			-	-
Single Premium O.E	-	-			-	-
Micro Term insurance	-	-			-	-
Total	270,526,368.00	268,684,152.00			270,526,368.00	268,684,152.00

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	6,689,596,267.00	5,589,443,685.67
ii) Fixed Deposit with Infrastructure Bank		
iii) Fixed Deposit with "B" Class Financial Institutions	279,321,283.00	153,670,926.35
iv) Fixed Deposit with "C" Class Financial Institutions	37,172,381.00	22,826,236.45
v) Debentures	1,022,363,654.00	840,322,311.22
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	71,256,726.00	765,780.83
vii) Bank Deposits other than Fixed Deposit	35,428,843.00	37,067,985.00
viii) Agent Loans		
ix) Employee Loans		
x) Other Interest Income (to be Specified)	15,679,770.00	29,179,205.00
Financial Assets Measured at FVTOCI		
i) Interest Income on Debentures		
ii) Dividend Income	85,566,417.00	35,150,831.00
iii) Other Interest Income (to be specified)		
iv) Realised Gains/ (Losses) on Derecognition of Financial Assets Measured at FVTOCI	18,539,484.00	233,541,653.00
Financial Assets Measured at FVTPL		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Rental Income		
Others	9,517,045.00	9,414,408.48
Total	8,264,441,870.00	6,951,383,023.00



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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	154,355.00	
Amortization of Deferred Income		
Stamp Income		
Provision For Loss on Loan Written Back		14,819,116.00
Total	154,355.00	14,819,116.00





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Fig. NFR

Particulars	Gross Benefits and Claims Paid			Claims Ceded			Net Claims Paid		
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
	Endowment	3,627,577,850.98	2,906,668,993.00	11,488,667.00	7,503,590.00	3,616,089,183.98	2,899,164,803.00		
Anticipated Endowment	2,044,795,966.70	1,596,760,461.00	6,594,345.00	8,100,000.00	2,038,231,421.70	1,590,660,461.00			
Modified Endowment	2,106,443,927.68	2,076,164,694.00	3,653,333.00	15,684,100.00	2,101,790,594.68	2,060,480,594.00			
Whole Life Policy	1,117,012,596.04	2,407,799,001.00	2,000,000.00	24,920,000.00	1,115,012,596.04	2,382,879,001.00			
Term Insurance Policy	758,735.00	5,500,000.00	-	-	758,735.00	5,500,000.00			
Special Term Policy	776,472.00	1,037,859.00	-	-	776,472.00	1,037,859.00			
Endowment Single Premium	82,462,526.00	116,999,646.00	-	-	82,462,526.00	116,999,646.00			
Single Premium O.E	5,200,000.00	8,370,000.00	2,730,000.00	3,653,000.00	2,470,000.00	4,715,000.00			
Micro Term Insurance	1,582,200.00	2,165,000.00	-	-	1,582,200.00	2,165,000.00			
Total	8,965,590,274.40	9,123,465,054.00	26,376,546.00	59,862,690.00	8,939,213,728.40	9,063,602,364.00			

33.1 Details of Gross Benefits and Claim 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	159,645,720.13	186,451,970.00	2,007,642,113.00	2,031,482,603.00	-	-	1,459,418,913.00	685,031,320.00	5,871,104.85	3,702,500.00	3,627,577,850.98
Anticipated Endowment	31,889,365.75	34,656,146.00	567,711,202.00	378,820,388.00	1,777,232,000.00	1,106,558,723.00	166,413,825.00	76,117,643.00	1,489,573.95	1,597,561.00	2,044,735,966.70	1,598,760,461.00
Modified Endowment	125,370,096.58	204,719,465.00	1,175,871,606.00	1,364,276,421.00	-	-	803,459,624.00	502,433,205.00	742,601.10	735,603.00	2,106,443,927.68	2,076,164,694.00
Whole Life Policy	28,025,391.04	88,205,334.00	19,684,716.00	9,592,883.00	2,989,000.00	2,403,000.00	1,066,313,489.00	2,307,597,784.00	-	-	1,117,012,596.04	2,407,799,001.00
Term Insurance Policy	1,200,000.00	5,500,000.00	(441,265.00)	-	-	-	-	-	-	-	758,735.00	5,500,000.00
Special Term Policy	180,000.00	1,000,000.00	546,472.00	37,859.00	-	-	17,647,930.00	7,927,991.00	-	-	776,472.00	1,037,859.00
Endowment Single Premium	1,069,850.00	1,706,300.00	63,744,746.00	107,363,355.00	-	-	-	-	-	-	82,462,526.00	116,999,646.00
Single Premium O.E	5,200,000.00	7,370,000.00	-	-	-	-	-	-	-	-	5,200,000.00	8,370,000.00
Micro Term Insurance	1,582,200.00	2,165,000.00	-	-	-	-	-	-	-	-	1,582,200.00	2,165,000.00
Total	354,142,423.50	535,784,213.00	3,829,759,590.00	3,893,575,509.00	1,280,221,000.00	1,107,961,723.00	3,513,253,781.00	3,581,107,943.00	8,103,279.90	7,035,664.00	8,935,500,274.40	9,123,465,054.00



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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	6,306,296,231	6,453,731,883	-	-	6,306,296,231	6,453,731,883
Anticipated Endowment	547,704,561	943,152,380	-	-	547,704,561	943,152,380
Modified Endowment	6,195,279,826	5,372,779,786	-	-	6,195,279,826	5,372,779,786
Whole Life Policy	741,946,682	(228,242,433)	-	-	741,946,682	(228,242,433)
Term Insurance Policy	1,561,073	1,296,892	-	-	1,561,073	1,296,892
Special Term Policy	1,146,443	2,174,120	-	-	1,146,443	2,174,120
Endowment Single Premium	25,996,906	49,483,255	-	-	25,996,906	49,483,255
Single Premium O.E	217,408	-	-	-	217,408	-
Micro Term insurance	92,000	-	-	-	92,000	-
Total	13,820,241,131	12,594,375,883	-	-	13,820,241,131	12,594,375,883



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LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Notes to the Financial Statements

35 Commission Expenses

Fig.in NPR

Particulars	Commission Expenses on First Year Premium		Commission Expenses on Renewal Premium		Commission Expenses on Single Premium		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Endowment	271,714,270.00	318,627,971.00	423,019,074.00	437,107,289.00	-	-	694,733,344.00	755,735,260.00
Anticipated Endowment	72,354,688.00	109,191,454.00	132,855,545.00	117,803,911.00	-	-	205,210,233.00	226,995,365.00
Modified Endowment	153,130,963.00	217,516,939.00	297,337,036.00	289,334,506.00	-	-	450,467,993.00	506,851,445.00
Whole Life Policy	4,624,427.00	10,534,578.00	77,684,456.00	188,084,374.00	-	-	82,258,983.00	198,618,952.00
Term Insurance Policy	142,774.00	91,934.00	105,871.00	100,233.00	-	-	248,645.00	192,166.00
Special Term Policy	31,348.00	26,872.00	53,738.00	70,261.00	-	-	85,086.00	97,133.00
Endowment Single Premium	-	-	-	-	-	-	-	-
Single Premium O/E	-	-	-	-	-	-	-	-
Micro Term Insurance	-	-	-	-	-	-	-	-
Total	501,998,470.00	655,989,748.00	931,005,720.00	1,032,500,373.00	1,888,807.00	2,883,347.00	1,435,375,609.00	1,692,662,030.00

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	64,525,499.41	79,446,070.21	176,506.52	220,852.50	64,348,992.89	79,225,217.71
Anticipated Endowment	19,434,516.32	23,056,891.16	109,699.06	147,719.74	19,324,817.26	22,911,171.42
Modified Endowment	47,598,040.38	58,816,237.81	263,081.49	342,367.07	47,334,958.89	58,473,870.74
Whole Life Policy	11,818,456.11	19,321,167.27	107,657.08	177,166.55	11,710,799.03	19,144,000.72
Term Insurance Policy	62,938.68	74,372.46	3,897.15	3,493.82	59,041.53	70,878.64
Special Term Policy	23,478.50	29,022.61	191.93	200.58	23,286.57	28,822.03
Endowment Single Premium	760,181.34	1,432,897.47	1,166.15	1,473.01	759,015.19	1,431,424.46
Single Premium O/E	-	-	-	-	-	-
Micro Term Insurance	40,003.63	120,253.10	2,052.17	6,983.02	37,951.46	113,270.08
Total	144,263,114.38	182,296,912.09	664,251.56	900,256.29	143,598,862.81	181,398,655.80

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	-	-	-	-	-	-
Single Premium O/E	-	-	-	-	-	-
Micro Term Insurance	-	-	-	-	-	-
Total	-	-	-	-	-	-











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

38 Employee Benefits Expenses

Fig.in NPR

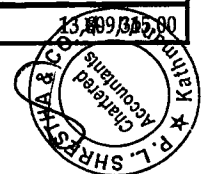
Particulars	Current Year	Previous Year
Salaries	117,501,458.00	107,636,301.00
Allowances	98,364,654.00	89,416,998.00
Festival Allowances	13,378,568.00	11,558,602.00
Defined Benefit Plans		
i) Gratuity	12,035,739.00	12,373,655.00
ii) Others (to be Specified)		
Defined Contribution Plans		
i) Provident Fund/ Social Security Fund	12,142,739.00	11,111,853.00
ii) Others (to be specified)		
Leave Encashments	16,603,961.00	16,853,631.00
Termination Benefits		
Training Expenses	1,403,738.00	1,865,978.00
Uniform Expenses		
Medical Expenses	4,521,914.00	4,443,476.00
Insurance Expenses	1,766,582.00	1,959,979.00
Recruitment Expenses	8,500.00	848,000.00
Wages	18,453,405.00	19,183,560.00
Sub-Total	296,181,258.00	277,252,033.00
Employees Bonus	86,446,430.82	86,666,920.00
Total	382,627,688.82	363,918,953.00

39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)	56,500	56,500
Depreciation on Property and Equipment (Refer Note.5)	55,136,290	13,784,221
Depreciation on Investment Properties (Refer Note. 6)		
Total	55,192,790	13,840,721

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	12,080,571.00	13,609,315.00
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)		
	12,080,571.00	13,609,315.00

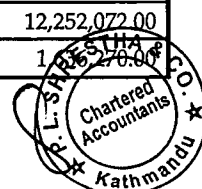


LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Notes to the Financial Statements

41 Other Operating Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Rent Expenses	-	47,779,666.00
Electricity and Water	4,494,754.00	4,624,646.00
Repair & Maintenance		
i) Building	59,112.00	82,884.00
ii) Vehicle	1,626,369.00	1,091,421.00
iii) Office Equipments	2,068,834.00	1,868,657.00
iv) Others(to be Specified)	164,113.00	108,330.00
Telephone & Communication	5,927,429.00	6,025,401.00
Printing & Stationary	21,237,707.00	22,007,675.00
Office Consumable Expenses	264,523.00	354,326.00
Travelling Expenses		
i) Domestic	3,533,312.00	3,115,121.00
ii) Foreign	1,018,486.00	544,236.00
Transportation Expenses	8,675,324.00	6,846,817.00
Agents Training	7,477,254.00	7,070,066.00
Agents Others	371,694,043.00	448,038,646.00
Insurance Premium	3,329,772.00	1,537,915.00
Security and Outsourcing Expenses	1,388,060.00	1,712,230.00
Legal and Consulting Expenses	691,250.00	1,006,250.00
Newspapers, Books and Periodicals	222,118.00	210,919.00
Advertisement & Promotion Expenses	17,865,099.00	20,703,679.00
Business Promotion	20,789,758.00	17,314,694.00
Guest Entertainment	456,136.00	578,486.00
Gift and Donations	575,703.00	355,270.00
Board Meeting Fees and Expenses		
i) Meeting Allowances	691,000.00	606,000.00
ii) Other Allowances	783,418.00	339,967.00
Other Committee/ Sub-committee Expenses		
i) Meeting Allowances	265,000.00	305,000.00
ii) Other Allowances		
General Meeting Expenses	210,801.00	169,370.00
Actuarial Service Fee	8,734,894.00	
Other Actuarial Expenses		
Audit Related Expenses		
i) Statutory Audit	1,740,200.00	757,100.00
ii) Tax Audit		77,970.00
iii) Long Form Audit Report		77,970.00
iv) Other Fees		
v) Internal Audit	988,185.00	898,350.00
vi) Others (to be Specified)	469,996.00	645,288.00
Bank Charges	375,553.00	191,170.00
Post and Charges	12,698,356.00	12,252,072.00
Postage Charges	1,195,720.00	1,195,720.00



Foreign Exchange Losses		
Others		
i) Written Off Expenses (Fixed Assets)		-
ii) Documents Digitalisation Expenses	4,218,411.00	
iii) Actuarial Service Fee		3,862,405.00
iv) Staff refreshment Expenses	5,511,565.00	5,332,092.00
v) Office Upkeep and Cleaning Expenses	5,172,418.00	4,902,919.00
vi) Conference Expenses (Admin)	-	2,517,974.00
vii) Conference Expenses (Marketing)		
viii) Other Miscellaneous Expenses	6,363,051.00	7,708,210.00
ix) Battery Expenses For Inverter	154,840.00	256,840.00
x) Information Publication Expenses	217,423.00	113,302.00
xi) Office Shifting Expenses	80,230.00	276,471.00
xii) Rates & Taxes (Vehicles)	1,090,675.00	936,435.00
xiii) License Renewal Fee (Beema Samiti)	50,000.00	50,000.00
xiv) Building Committee Meeting Fee	30,000.00	-
xv) Municipality Tax	3,420,470.00	261,845.00
xvi) Loan Written Off	423,524.00	
xvii) Share Related Expenses	1,633,024.00	2,122,177.00
xviii) Fine & Penalties		
xx) Medical Fees		
Others (to be Specified)		
Sub-Total	530,077,910.00	639,274,532.00
Medical examination fee	6,686,190.00	8,563,762.00
Fines, interest, Late Fees and Penalties	196,788,169.00	-
Total	733,552,269.00	647,838,294.00

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	23,918,511.88	
Interest Expenses - Overdraft Loans		
Others (to be Specified)		
Total	23,918,511.88	-



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LIFE INSURANCE CORPORATION (NEPAL) LIMITED

Notes to the Financial Statements

43 Income Tax Expense

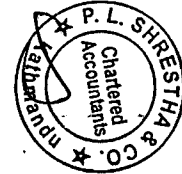
Fig.in NPR

(a) Income Tax Expense

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year	2,070,202,757	1,495,273,061
ii) Income Tax Relating to Prior Periods		
Deferred Tax For The Year		
i) Originating and reversal of temporary differences	(85,139,651)	(5,407,387)
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	1,985,063,106	1,489,865,674



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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, 2080 (July 16, 2023) the company has recognised an amount of NPR 12,142,739 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	8,256,631	7,467,796		
Past service cost	-	-		
Net interest cost (a-b)	601,160	5,503,119		
a. Interest expense on defined benefit obligation (DBO)	6,928,917	5,503,119		
b. Interest (income) on plan assets	6,327,757	-		
Defined benefit cost included in Statement of Profit or Loss	8,857,791	12,970,915	-	-
	12,035,739			

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

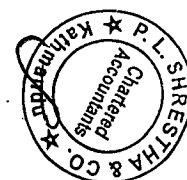
Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss	8,857,791	12,970,915		
Remeasurements effects recognised in OCI	-	-		
Total cost recognised in Comprehensive Income	8,857,791	12,970,915	-	-

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	77,654,640	62,421,928.00		
Service cost	8,256,631	7,467,796.00		
Interest cost	6,928,917	5,503,119.00		
Benefit payments from plan assets	(1,333,353)	11,240,576.00		
Actuarial (gain)/ loss - financial assumptions	-	-		
Actuarial (gain)/ Loss - experience	(3,149,809)	13,502,373.00		
Defined Benefit Obligation as at Year End	88,357,026	77,654,640	-	-

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	55,220,350.00	51,513,979.00		
Interest Income	5,522,035.00			
Expected return on plan assets	-	4,636,258.00		
Employer contributions	22,434,290.00	10,907,949.00		
Participant contributions	-	-		
Benefit payments from plan assets	(1,333,353.00)	11,240,576.00		
Transfer in/ transfer out				
Actuarial gain/ (loss) on plan assets	(28,139.00)	597,260.00		
Fair value of Plan Assets as at Year End	81,815,183	55,220,350	-	-



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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	88,357,026	77,654,640	-	-
Fair Value of Plan Assets	81,815,183	55,220,350	-	-
Liability/ (Asset) Recognised in Statement of Financial Position	170,172,209	132,874,990	-	-

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	156,595,710	158,658,676		
Defined benefit cost included in Statement of Profit or Loss	(8,857,791)	(12,970,915)		
Total remeasurements included in OCI	-	-		
Acquisition/ divestment	-	-		
Employer contributions	22,434,290.00	10,907,949.00		
Net defined benefit liability/(asset)	170,172,209	156,595,710	-	-

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	7,350,474	-		
Non - Current Liability	81,006,552	22,434,290		
Total	88,357,026	22,434,290	-	-

m) Expected Future Benefit Payments

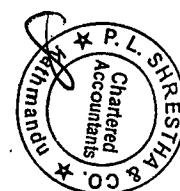
Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	7,709,242	3,442,825		
Between 1-2 years	3,366,775	6,593,452		
Between 2-5 years	14,064,335	7,859,103		
From 6 to 10	310,541,003	40,603,719		
Total	335,681,355	58,499,099	-	-

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%	-	-



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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	80,057,746	69,378,582.00		
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	98,053,485	87,475,103.00		
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	98,362,758	87,778,830.00		
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	79,682,999	69,014,465.00		
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate	88,821,130	-		
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate	87,700,393	-		

p) Assumptions

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate	10%	
Escalation Rate (Rate of Increase in Compensation Levels)	6%	
Attrition Rate (Employee Turnover)	3.50%	
Mortality Rate During Employment	NALM-2009	

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	-	-	1,823,347,218	-
Investment in Equity (Unquoted)	3	-	7,280,000	-	-	843,500,000	-
ii) Investment in Mutual Funds	1	-	76,963,183	-	-	74,302,000	-
iii) Investment in Preference Shares of Bank and Financial Institutions							
iv) Investment in Debentures	3	-	-	11,655,430,000	-	-	9,590,682,000
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3	-	-	1,373,779,900	-	-	100,000,000
vi) Fixed Deposits	3	-	-	70,779,316,161	-	-	63,933,122,110
vii) Others (to be specified)							
Loans	3	-	-	21,882,162,802	-	-	18,283,372,029
Other Financial Assets	3	-	-	2,968,074,917	-	-	2,342,313,636
Cash and Cash Equivalents	3	-	-	2,449,593,817	-	-	1,978,526,514
Total Financial Assets		-	2,706,865,052	111,108,357,597	-	2,741,149,218	96,228,016,289
Borrowings							
Other Financial Liabilities	3	-	-	1,341,338,768	-	-	1,261,774,178
Total Financial Liabilities		-	-	1,341,338,768	-	-	1,261,774,178

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

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

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:

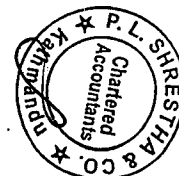
- Discount rate is arrived at considering the internal and external factors.
- Discounting has been applied where assets and liabilities are non-current, and the impact of the discounting is material

(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.



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.

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:

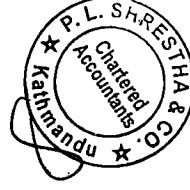
The pricing of an insurance product involves the estimation of claims, operational and financing costs and the income arising from investing the premium received. The pricing process typically comprises collecting data on the underlying risks to be covered, determining the pricing assumptions and the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

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	Mortality Rates	Investment Return	Lapse and Surrender Rate
Life Insurance	100.00%	7.74%	3.16%	100.00%	7.04%	3.80%
						Discount Rate
						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%		3855202235.37		2546601334
Longevity	+ 10%				
Discount Rate	+ 1%		-9702490443.10		-6844570666
Mortality Rate	-50%				
Longevity	-10%		-5060572980.60		-2305672666
Discount Rate	-1%		6815553102.67		4241528334



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LIFE INSURANCE CORPORATION (NEPAL) LIMITED
 Recommended 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.
 ## Insurance Risk

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

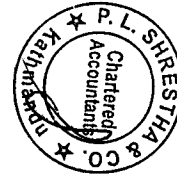
Insurance Contract Liabilities are created to cover this risk based on the actuarial valuation report.

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	42,248,754,037	47,486,400	42,201,267,638	35,983,363,165	38,213,798	35,945,149,368
Anticipated Endowment	7,176,310,781	23,512,963	7,152,797,818	7,664,471,581	16,424,481	7,648,047,100
Endowment Cum Whole Life	42,319,210,269	49,448,882	42,269,761,387	33,799,570,872	39,649,393	33,759,921,479
Whole Life	7,054,509,847	24,441,270	7,030,068,576	6,400,594,892	28,973,000	6,371,621,893
Foreign Employment Term	-	-	-	-	-	-
Other Term	5,605,343	1,086,227	4,519,116	4,189,661	501,773	3,687,887
Special Term	15,377,533	56,475	15,321,058	13,716,917	64,052	13,652,865
Others (Single)	534,005,590	272,439	533,733,150	498,796,708	1,553	498,795,155
Total	99,353,773,400	146,304,657	99,207,468,743	84,364,703,797	123,828,050	84,240,875,748



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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.

1) Credit Risk

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

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

a) Company has credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

b) Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by entering into agreement with more than one party. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

c) The company deals with only creditworthy counterparties and obtains sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

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

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

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

Reconciliation of Loss Allowance Provision

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



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

ii) Liquidity Risk

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

Maturity of Financial Liabilities:

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

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

iii) Market Risk

a1) Foreign Currency Risk Exposure

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

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

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

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

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

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

a2) Foreign Currency Risk - Sensitivity

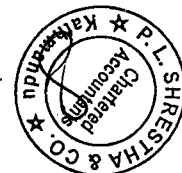
The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on the other components of equity arising from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges

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

* Holding all other variable constant



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

b1) Interest Rate Risk

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

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

b2) Interest Rate Sensitivity

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

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

* Holding all other Variable Constant

c1) Equity Price Risk

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

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

c2) Sensitivity

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

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

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

48 Operational Risk

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

49 Climate Risk

Company recognizes the urgent need to address climate change risk. We are committed to taking proactive measures to mitigate the impact of climate change and foster sustainability in all aspects of our operations. This policy will also ensure that proper risk management techniques are carried out by the organization to keep the organization safe and understanding relating to climate change is provided for all the stakeholders of the company, keeping in mind the adverse effects and minimization measures of climate change.

a) Commitment to reducing carbon emissions:

The organization will set attainable targets for reducing its carbon emissions. This can be achieved through measures such as improving energy efficiency, using renewable energy sources,

b) Integration of climate change into business strategy:

The organization will integrate climate change considerations into its overall business strategy. This primarily includes assessing, addressing and minimize the risks associated with climate change during the process of issuing a policy, which might help reduce the claim cost and other operational related matters.

c) Transparency:

The organization will be transparent about the impact of climate change on its business as per the reporting requirements of the regulator.

d) Awareness:

The organization will set goals to spread awareness related to climate change and necessary arrangements will be made to fulfill those goals.

50 Capital Management

The Company's objectives when managing Capital are to:

a) Safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

b) Maintain an optimal capital structure to reduce the cost of capital.

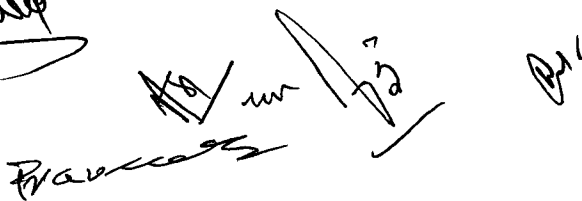
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Regulatory minimum paid up capital

Life insurance companies were required by the Directive of Nepal Insurance Authority to attain a stipulated minimum paid up capital of NPR 5 billion by Asadh End 2079. As on the reporting date, the company's paid up capital is NPR 2.653 Billion

Dividend

Particulars	Current Year	Previous Year
(i) Dividends recognised		
	-	-
(ii) Dividends not recognised at the end of the reporting period		
	-	-



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	753,449,166	1,010,132,820
Less: Dividend on Preference Share		
Add: Interest saving on Convertible Bonds		
Profit For the Year used for Calculating Diluted Earning per Share		
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	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	2,653,200,000	2,653,200,000
Basic Earnings Per Share		
Diluted Earnings Per Share	28.40	38.07
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	28.40	38.07
Restated Diluted Earning Per Share		



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

b) Segmental Information for the year ended Ashadh 31, 2080 (July 16, 2023)

Particulars	Endowment	Anticipated Endowment	Modified Endowment	Whole Life Policy	Term Insurance Policy	Special Term Policy	Endowment Single OE	Single Premium OE	Micro Term insurance	Total
Income:										
Gross Earned Premiums	7,841,526,192.00	2,369,755,130.00	5,762,543,529.00	13,841,717,370.00	8,005,188.00	281,186.40	94,413,714.00	2,052,812.70	4,789,681.30	17,470,087,481.00
Premiums Ceded	21,653,888.00	13,459,861.00	32,227,410.00	12,685,749.00	491,548.00	23,923.00	144,451.00	-	267,949.00	80,964,779.00
Inter-Segment Revenue										
Net Earned Premiums	7,819,872,304.00	2,356,295,269.00	5,730,316,119.00	13,714,931,621.00	7,513,640.00	2,787,941.00	94,269,263.00	2,052,812.70	4,521,732.30	17,389,102,702.00
Commission Income	4,148,359.00	2,028,654.00	6,659,093.00	21,651,144.00	11,161.80	4,449.00	8,610.00	-	7,235.00	15,133,162.00
Other Direct Income	115,130,073.00	34,130,266.00	88,697,293.00	32,509,430.00	17,789.00	41,517.00	-	-	-	270,526,368.00
Interest Income on Loan to Policyholders	811,713,972.00	146,310,312.00	1,104,217,816.00	29,649,156.00	-	0	6,131,316.00	-	-	2,364,864,972.00
Income from Investments and Loans	3,385,229,092.00	747,990,955.00	3,164,949,234.00	43,662,415.00	99,281.00	157,191.00	46,513,279.00	104,178.00	667,302.00	7,784,160,906.00
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	12,136,193,800.00	3,286,153,456.00	10,094,829,545.00	21,139,293,911.00	8,635,857.00	4,405,818.00	146,922,468.00	2,156,990.70	5,196,269.30	27,823,788,115.00
Expenses:										
Gross Benefits and Claims Paid	3,627,577,850.98	2,044,735,966.70	2,105,443,927.68	1,117,012,596.04	758,735.00	726,477.00	82,462,526.00	5,200,000.00	1,582,200.00	8,985,500,274.40
Claims Ceded	11,488,667.00	6,504,545.00	3,653,333.00	20,000.00	-	0	-	2,730,000.00	-	26,376,545.00
Gross Change in Contract Liabilities	6,306,296,231.42	547,704,560.67	6,195,279,826.32	741,946,681.51	1,561,073.35	1,146,443.25	25,996,906.00	217,408.08	92,000.00	13,820,241,130.59
Change in Contract Liabilities Ceded to Reinsurers	-	-	-	-	-	-	-	-	-	-
Net Benefits and Claims Paid	9,922,385,415.39	2,592,935,982.37	8,297,070,421.00	1,856,959,277.55	2,319,808.35	1,872,915.25	108,459,432.00	2,687,408.08	1,674,200.00	22,779,364,859.99
Commission Expenses	694,733,344.00	205,210,233.00	450,467,999.00	822,588.83	24,864.60	85,086.00	1,889,807.00	-	482,612.00	1,435,375,609.00
Service Fees	64,348,992.89	19,334,817.26	47,334,958.89	1,117,079.03	590,415,245.45	232,864,573.33	759,015.19	-	37,951.46	1,43,598,862.81
Other Direct Expenses	-	-	-	-	-	-	-	-	-	-
Employee Benefits Expenses	126,120,028.79	40,417,274.50	81,212,565.57	131,349,173.00	71,165,353.74	25,247,970.99	5,542,441.82	-	39,916.47	266,563,132.20
Depreciation and Amortization Expenses	23,502,217.18	7,531,678.93	15,133,800.49	244,586,479.00	13,261,525.25	47,044,909.199	1,032,823.04	-	7,438.35	49,673,510.90
Impairment Losses	5,144,153.86	1,648,530.22	3,312,478.89	53,976,537.77	2,902,675.93	1,029,808.236	226,063.80	-	1,628.10	10,672,513.90
Other Operating Expenses	312,361,538.04	100,101,483.85	201,139,201.54	3,250,202.22	17,625,267.00	62,331,660.83	13,726,968.41	-	98,861.14	660,197,042.10
Finance Cost	10,184,990.86	3,263,950.82	6,558,428.87	1,060,693.369	57,47,052,903.00	20,383,934,669.00	447,587.27	-	3,225.51	21,526,660.69
Total Segmental Expenses	11,158,780,681.02	2,963,433,950.95	9,102,229,854.25	2,000,637,659.89	2,896,826.75	2,076,841.11	132,083,138.53	2,687,408.08	2,345,831.04	25,367,172,191.60
Total Segmental Results	977,413,118.98	322,719,505.05	992,599,690.75	198,656,251.11	5,739,030.25	2,328,976.89	14,839,329.47	(530,417.38)	2,850,438.26	2,458,615,923.40
Segment Assets	47,374,006,436.70	10,458,925,247.94	44,290,029,369.35	6,110,335,057.54	13,893,298.42	21,997,188.40	650,902,857.26	1,457,858.04	9,338,167.25	108,930,883,480.89
Segment Liabilities	47,114,208,058.44	10,401,568,650.47	44,047,143,477.52	6,076,824,077.86	13,817,107.77	21,876,556.13	647,339,315.24	1,449,863.17	9,286,956.87	108,333,508,063.46



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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	2,456,615,923	2,106,252,843
Less: Employee Benefits expenses	(116,064,557)	(36,391,895)
Less: Depreciation and Amortization	(5,519,279)	(1,384,072)
Less: Impairment losses	(1,208,057)	(1,360,932)
Less: Other operating expenses	(73,355,227)	(64,783,829)
Less: Finance Cost	(2,391,851)	
Add: Unallocable Other Income	480,435,319	497,666,379
Profit Before Tax	2,738,512,272	2,499,998,494

d) Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets	108,930,883,481	81,769,536,235
Goodwill & Intangible Assets	8,031	42,308
Property and Equipment	26,813,968	56,806,892
Investment Properties	-	-
Deferred Tax Assets	120,544,690	26,575,709
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	5,027,767,888	16,594,500,688
Loans	9,488,278	37,403,166
Current Tax Assets	-	31,349,197
Other Assets	659,652	6,588,512
Other Financial Assets	172,487,133	508,996,910
Cash and Cash Equivalents	142,356,048	429,944,080
Total Assets	114,431,009,169	99,461,743,696

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	108,333,508,063	93,846,777,071
Provisions	2,018,467	6,092,757
Deferred Tax Liabilities	-	-
Current Tax Liabilities	6,542,117	-
Other Financial Liabilities	77,950,754	274,190,077
Other Liabilities	34,651,369	85,306,569
Total Liabilities	108,454,670,771	94,212,366,475



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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. Pranay Kumar	CEO
Mr. L.P.Das	Ex- CEO
Mr. Anirban Datta	DCEO
Mr. T. Burnawal	Ex-DCEO
Mr. Rohit Budiyal	CTO
Mr. Sanjeev Aggarwal	Ex-CTO

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

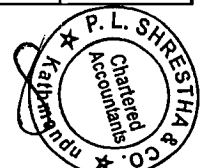
Particulars	Current Year	Previous Year
Short-term employee benefits	30,823,447.64	43,760,409.00
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Total	30,823,447.64	43,760,409.00

Payment to Chief Executive Officer (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances	11,422,210	15,931,399
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	11,422,210	15,931,399

(c) Related Party Transactions:

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



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

53 Related Party Disclosure

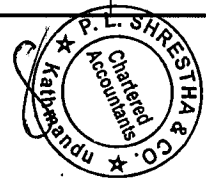
Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Commission Expenses						
Current Year						
Previous Year						
Dividend						
Current Year						
Previous Year						
Meeting Fees						
Current Year						
Previous Year						
Allowances to Directors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

(d) Related Party Balances:

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



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

54 Leases

(a) Leases as Lessee

(i) Operating Leases:

The company doesn't have any operating leases.

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

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

(ii) Finance Lease:

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

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	47,883,834.22	
ii) Later than 1 year and not later than 5 years	176,853,850.31	
iii) Later than 5 years	3,543,859	
Total Future Minimum Lease Payments	228,281,543.57	-
Less: Effect of Discounting	18,849,640	
Finance lease liability recognised	209,431,903.85	-

(b) Leases as Lessor

(i) Operating Lease:

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

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

(ii) Finance Lease:

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

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

55 Capital Commitments

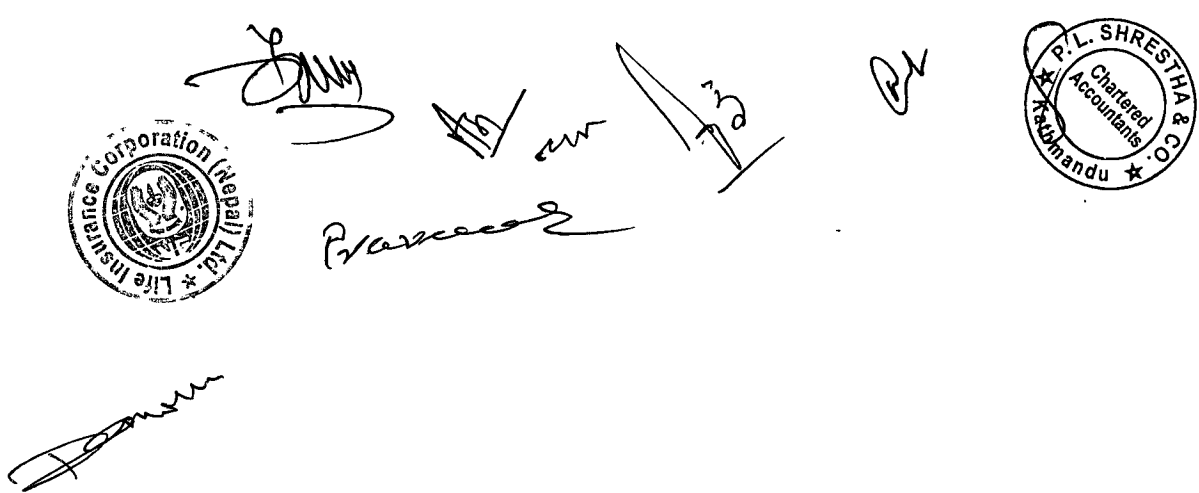
Estimated amount of contracts remaining to be executed in capital accounts and not provided for



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

56 Contingent Liabilities

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

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



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

57 Events occurring after Balance Sheet

58 Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are:

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

59 Corporate Social Responsibility

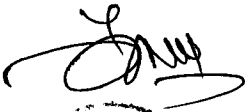


(Disclosure as per Good Governance Directive, 2075)



we are having the closing fund of CSR reserve is Rs. 14,446,300, we are planning to contribute in economic, social & environmental benefits of all stakeholder in coming financial years.


60 Miscellaneous

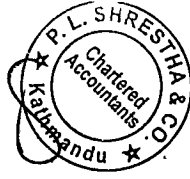
- (i) All amounts are in Nepalese Rupees unless otherwise stated.
- (ii) All figures are in the Nearest Rupee & Rounded off.

61 Others (to be Specified)





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 O/E	-	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










LIFE INSURANCE CORPORATION (NEPAL) LIMITED
Major Financial Indicators

S.N	Particular	Indicators	Fiscal Year				
			2079/80	2078/79	2077/78	2076/77	2075/76
Equity:							
1	Net worth	NPR	5,564,336,431	4,980,502,980	4,275,403,522	3,484,340,736	2,787,085,007
2	Number of Shares	No.s	26,532,000	26,532,000	22,110,000	20,100,000	14,948,388
3	Book value per shares	NPR	209.72	187.72	193.37	173.35	186.45
4	Net Profit	NPR	753,449,166	776,320,501	777,634,104	720,586,710	310,302,353
5	Earning per Shares (EPS)	NPR	28.40	29.26	35.17	35.85	20.76
6	Dividend per Shares (DPS)	NPR	-	-	-	23.16	14.15
7	Market Price per Shares (MPPS)	NPR	1,555	1,415	2,242	1,330	1,600
8	Price Earning Ratio (PE Ratio)	Ratio	54.76	48.36	66.59	37.10	77.08
9	Change In Equity	%	13.76	18.93	21.72	5.17	9.44
10	Return on Equity	%	12.61	14.79	17.62	19.87	9.00
11	Capital to Total Net Assets Ratio	%	4.86	4.60	4.47	4.16	4.69
12	Capital to Technical Reserve Ratio	%	5.71	4.5	4.4	4.4	5.6
13	Affiliate Ratio	%	55	55	55	55	55
Business:							
14	First Year Premium Growth Rate	%					
	Endowment	%	-13.93	-3.52	27.26	-29.99	15.09
	Anticipated Endowment	%	-32.31	10.52	4.81	5.78	564.13
	Whole Life Policy	%	-54.78	-92.97	-48.95	30.74	173.71
	Term Insurance Policy	%	23.59	10.59	34.63	35.22	-23.07
	Special Term Policy	%	3.70	-12.42	126.52	-28.21	51.91
	Endowment Single Premium	%	-34.11	-13.67	-5.61	94.24	-28.64
	Single Premium O.E	%	-	-	-	-	-
	Micro Term Insurance	%	-60.17	-33.28	-1.96	-10.90	90.81
15	Renewal Premium Growth Rate	%					
	Endowment	%	1.44	14.84	18.68	15.88	31.81
	Anticipated Endowment	%	15.29	29.66	69.20	26.07	2.77
	Whole Life Policy	%	-27.69	-5.36	25.23	100.95	37.33
	Term Insurance Policy	%	1.65	-7.06	1.27	-2.46	-1.88
	Special Term Policy	%	-3.91	9.47	10.75	2.86	11.44
	Endowment Single Premium	%	-	-	-	-	-
	Single Premium O.E	%	-	-	-	-	-
	Micro Term Insurance	%	-	-	-	-	-
16	Single Premium Growth Rate	%					
	Endowment	%	-	-	-	-	-
	Anticipated Endowment	%	-	-	-	-	-
	Whole Life Policy	%	-	-	-	-	-
	Term Insurance Policy	%	-	-	-	-	-
	Special Term Policy	%	-	-	-	-	-
	Endowment Single Premium	%	-	-	-	-	-
	Single Premium O.E	%	-	-	-	-	-
	Micro Term Insurance	%	-	-	-	-	-
17	Total Direct Premium Growth Rate	%	-4.17	6.33	14.87	11.28	20.09
18	Net Insurance Premium/ Gross Insurance Premium	%	99.54	99.51	99.45	99.43	99.51
19	Reinsurance Ratio	%	0.46	0.49	0.55	0.57	0.49
20	Reinsurance Commission Income/ Gross Reinsurance Premium	%	18.69	13.14	14.86	36.82	43.07
21	Gross Premium Revenue/ Equity	%	292.29	347.24	400.98	428.31	481.21
22	Net Premium Revenue/ Equity	%	290.93	345.53	398.77	425.86	478.89
23	Gross Insurance Premium/Total Assets	%	15.27	18.33	20.42	21.21	23.68
24	Return on Revenue	%	6.90	8.71	9.63	11.38	5.82
25	Net Profit/ Gross Insurance Premium	%	4.31	4.26	4.54	4.83	2.31
26	Return on Investments and Loan	%	10.33	9.44	9.96	9.3	10.88
Expenses:							
27	Management expenses/ Direct Insurance Premium	%	5.66	5.66	5.9	6.8	7.3
28	Agent Related Expenses/ Total Management expenses	%	40.43	45.77	49.56	60.06	63.33
29	Employee expenses/ Management expenses	%	38.62	36.63	34.41	25.47	20.78
30	Agent Related Expenses/ Direct Insurance Premium	%	2.29	2.59	2.92	4.41	4.90
31	Employee expenses/ Number of Employees	Amt.	1,565,868	1,621,288	1,437,135	1,135,180	1,077,821
32	Expense Ratio	%	67.24	65.71	61.21	45.52	46.83
33	Commission Ratio	%	8.22	9.29	9.83	10.45	11.32
34	Direct Business Acquisition Ratio	%	16.76	15.25	14.20	17.56	15.67
35	Operating Expense Ratio	%	15.84	15.96	16.77	18.25	19.69
Assets:							
36	Increment in Investment held	%	13.29	16.10	20.73	20.27	26.75
37	Return on Assets	%	0.66	0.78	0.93	1.02	0.55
38	Long term Investments/Total Investments	%	93.41	86.47	82.89	92.04	82.72
39	Short term Investments/Total Investments	%	6.59	13.53	17.11	7.96	17.28
40	Total Investment & Loan/Gross Insurance Contract Liabilities	%	101.93	102.30	100.97	101.65	102.18
41	Investment in Unlisted Shares and Debtors/ Total Net Assets	%	0.0006	0.0007	0.004	1.20	1.51
42	Investment in Shares/ Total Net Assets	%	2.37	2.88	3.27	3.43	3.65
43	Agent loan / Number of Agents	Per agent	1,281.54	2,120.89	7,933.02	9,181.12	7,844.09
44	Liquidity Ratio	%					
Liabilities:							
45	Solvency Margin	%	376.20	450.82	335.27	349.63	175.00
46	Increment in Gross Insurance Contract Liabilities	%	14.93	15.75	19.15	24.10	
47	Net Technical Reserve/ Average Net Premium of Previous 3 Years	%					
	Endowment	%	543.47	503.15	456.46	384.12	378.07
	Anticipated Endowment	%	324.29	413.42	453.83	410.46	464.85
	Whole Life Policy	%	123.09	119.69	118.79	41.38	66.49
	Modified Endowment	%	2,101.63	1,331.26	1,259.61	1,025.42	1,215.22
	Term Insurance Policy	%	62.67	54.86	33.86	475.30	5.96



	Special Term Policy	%	538.44	513.59	466.45	2,939.25	492.40
	Endowment Single Premium	%	389.70	303.06	311.37	298.12	449.89
	Single Premium O.E	%	-	-	-	-	-
	Micro Term Insurance	%	32.20	41.74	62.65	-	-
48	Actuarial Provision	Amt.	97,393,678,591	82,428,205,084	71,920,370,719	53,724,520,859	52,120,155,552
49	Technical Provisions/ Total Equity	%	1,750.32	1,570.25	1,682.19	1,541.88	1,870.06
50	Insurance Debt/ Total Equity	%	-	-	-	-	-
51	Outstanding Claim/ Claim Paid	%	4.27	3.70	3.51	5.42	4.79
52	No. of Outstanding Claim/ No. of Intimated Claims	%	21.11	18.25	4.451	3.423	2.463
53	Total Number of Inforce Policies	No.s	699,528	693,486	674,779	764,378	735,745
54	Lapse Ratio	%	3.16	3.80	5.30	5.73	2.66
55	Number of Renewed Policy/ Last Year's Total Number of In Force Policies	%	65.13	66.94	58.27	56.56	56.80
56	Number of Intimated Claim/ Total Number of In Force Policy	%	4.41	4.63	3.47	2.74	2.60
57	Declared Bonus Rate	Per'000					
58	Interim Bonus Rate	Per'000					
Others:							
59	Number of Offices	No.s	81	81	76	78	61
60	Number of Agents	No.s	54143	51216	48294	45479	42454
61	Number of Employees	No.s	244	236	242	246	200



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Life Insurance Corporation (Nepal) Limited

Notes to the Financial Statements

for the year ended Ashadh 31, 2080 (July 16th, 2023)

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 share 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 03.07.2024

(b) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 2079 to 31st Ashadh 2080 (17th July 2022 to 16th July 2023) with the corresponding previous year from 1st Shrawan 2078 to 32nd Ashadh 2079 (17th July 2021 to 16th July 2022).

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

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

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

(d) Use of Estimates

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

(e) Functional and Presentation Currency

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

(f) Going Concern

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

(g) Change in Accounting Policies

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

(h) Recent Accounting Pronouncements

Accounting standards issued and effective

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. NFRS 9 will also be applied at the time of application of NFRS 17 and thus yet to be effective.

(i)



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

(j) Presentation of financial statements

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

(k) Offsetting

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

(l) Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard-NAS 1 on 'Presentation of Financial Statements'.
Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

3. Significant Accounting Policies

(a) Goodwill and Intangible Assets

i) Recognition

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

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

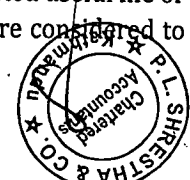
ii) Amortization

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

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



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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
Softwares	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. 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 SEM/Rate for WDV
Land	Not Applicable
Buildings	Not Applicable
Leasehold Improvement	25%
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 upto disposal or when no Future Economic Benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

v) Impairment of Assets

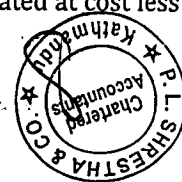
Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable: An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair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

vi) Capital Work-In-Progress

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



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(c) Investment Properties

Cost Model

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

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

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

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

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	Opening Balance	Movement	Closing Balance
Depreciation	1,922,202.83	(6,579,525.32)	(4,657,322.49)
Financial Assets at FVTOCI	14,885,912.17	8,829,329.89	23,715,242.06
Gratuity Provision	3,524,908.25	0	3,524,908.25
Leave Provision	4,889,994.75	1,315,970.25	6,205,965.00
Impairment Loss on Financial Assets	1,352,690.75	90,403,206.37	91,755,897.12
Total	26,575,708.75	100,548,506.51	120,544,689.94

(e) Financial Assets

i) Initial Recognition & Measurement



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

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

ii) Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

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

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

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

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

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

iii) De-Recognition

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

iv) Impairment of Financial Assets

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

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.

(f) Reinsurance Assets



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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.

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



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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.

Explanatory notes:

The company does not create this reserve as P&E are not revalued 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) **Other Reserves:** Other reserves include deferred tax reserve and contingency reserve.

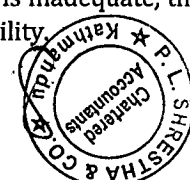
(m) Gross Insurance Contract Liabilities

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.



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(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 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



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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.

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

ii) Reinsurance Claims



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

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

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

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

(q) Product Classification

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

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

i) Endowment

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



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(r) Borrowing Costs

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

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

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

(s) Cash Flow Statement

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

(t) Leases

Finance Lease

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

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

Operating 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 operating lease. Lease payments under such leases are booked as expense in straight basis or other basis, where appropriate, normally in case of short-term leases. Company has not entered into such lease agreements during the reporting period.

(u) Income Taxes

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

i) Current Tax

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

ii) Deferred Tax

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

(v) Provisions, Contingent Liabilities & Contingent Assets

i) Provisions



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

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

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

ii) Contingent Liabilities

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

iii) Contingent Assets

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

(w) Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which in the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions however there is no any Foreign Currency Transactions.

(x) Earnings Per Share

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

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

(y) Operating Segment

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

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

(z) Leased Assets

The Company has made the use of leasing arrangements principally for the provision of the office spaces. The rental contracts for the offices are typically negotiated for terms of between 2 to 5 years and some of these have extension terms. The Company has not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis. The Company has assessed whether a contract is or contains a lease at inception of the company. The lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified assets for a period of time in exchange for consideration.

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



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to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

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

At the commencement date, the company has measured the lease liability at the present value of the lease payments unpaid at that date, discounted using the company's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the company would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value.



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