

27th 2022-23 ANNUAL REPORT



सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लिमिटेड
SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

BOARD OF DIRECTORS



Mr. Manohar Das Mool
Chairman



Mr. Ajith R. Gunawardena
Director



Mr. Arun Raj Shrestha
Director



Mr. Siddhartha Mani Rajbhandari
Director

BOARD OF DIRECTORS



Mr. Gajendra Lal Shrestha
Public Director



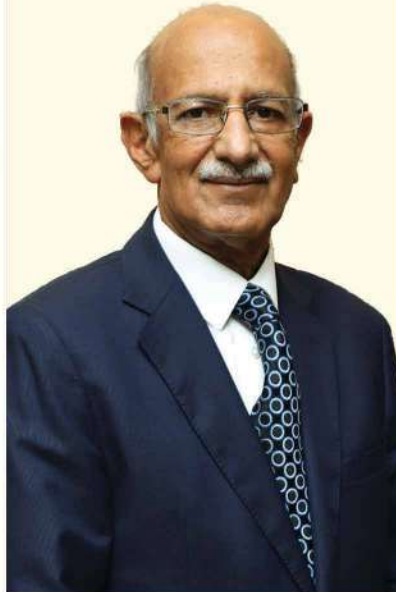
Mr. Kamal Bhattarai
Public Director



Ms. Nirmala Devi Manandhar
Independent Director



Mr. Padma Jyoti
Alternate Director Representing
Ceylinco Insurance PLC



Mr. Lokmanya Golchha
Advisor to the Board



Mr. Bijan Bhattarai
Advisor to the Board

SALICO



AROGYA
POLICY

आरोग्य स्वास्थ्य बीमा

सलिको आरोग्य स्वास्थ्य बीमाको वार्षिक रक्षावरणको सीमा



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बीमा



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१ लाख

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२ लाख

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५ लाख

१० लाख

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श्री सञ्चालक समिति

सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लिमिटेड
नक्साल, काठमाडौं ।

बिषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

.....जिल्लान.पा./गा.पा., वडा नं. बस्ने म/हामी
.....ले त्यस कम्पनीको शेयरधनीको हैसियतले आगामी २०८० साल चैत्र २७ गते हुने २७औं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा सञ्चालकहरूको निर्वाचन वा अन्य प्रस्तावहरूमाथि मतदान गर्नु पर्ने भएमा सो समेतका लागि जिल्ला
..... न.पा./गा.पा., वडा नं. बस्ने त्यस कम्पनीका शेयरधनी श्री
..... लाई मेरो/हाम्रो प्रतिनिधि नियुक्त गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको:

निवेदक (शेयरधनी):

दस्तखत:

दस्तखत:

नाम:

नाम:

ठेगाना:

ठेगाना:

शेयरधनी परिचय नं.:

शेयरधनी परिचय नं.:

डिम्याट खाता नं.:

डिम्याट खाता नं.:

शेयर संख्या:

शेयरको किसिम: संस्थापक सर्वसाधारण

मिति:

(यो निवेदन मिति: २०८०/१२/२३ गतेसम्म कार्यालय समयभित्र कम्पनीको रजिस्टर्ड कार्यालयमा दर्ता गर्नुपर्नेछ ।)

प्रवेश-पत्र

सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लि. को मिति: २०८० साल चैत्र २७ गते हुने २७औं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको ।

शेयरधनीको नाम: शेयर प्र.प.नं./ शेयरधनी नं./हितग्राही नं. :

शेयरधनीको दस्तखत..... शेयर संख्या:


(कम्पनी सचिव)

आदरणीय शेयरधनी महानुभावहरु,

२०८०/११/२९ मा बसेको सञ्चालक समितिको बैठकको निर्णयानुसार यस कम्पनीको २७औं वार्षिक साधारण सभा निम्न उल्लेखित मिति, स्थान र समयमा निम्न उल्लेखित बिषयहरूमाथि छलफल तथा निर्णय गर्न बस्ने भएको हुँदा कम्पनी ऐन, २०६३ बमोजिम सो सभासंग सम्बन्धित कागजातहरू समाहित गरी यो प्रतिवेदन प्रस्तुत गरिएको छ ।

साधारणसभा बस्ने मिति, स्थान र समय

मिति: २०८० साल चैत्र २७ गते मङ्गलबार (अप्रिल ०९, २०२४) ।
 स्थान: अमृतभोग क्याटरिङ्ग, कालिकास्थान, डिल्लीबजार, काठमाडौं ।
 समय: बिहान १० बजे ।

छलफलका बिषय सूचिहरु:

- क) सञ्चालक समितिको २७औं वार्षिक प्रतिवेदन २०७९/०८० पारित गर्ने ।
- ख) लेखापरीक्षकको प्रतिवेदन सहित साबिक सगरमाथा इन्स्योरेन्स कम्पनी लि. तथा कम्पनी गाभिएपछि कायम हुन आएको सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लि. को २०८० साल आषाढ मसान्तको वासलात, आ.ब. २०७९/०८० को नाफा-नोक्सान हिसाव तथा नगद प्रवाह विवरण र अनुसूचिहरू पारित गर्ने ।
- ग) लेखापरीक्षकको प्रतिवेदन सहित साबिकको लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. को कम्पनी गाभिनुभन्दा अघिल्लो दिन मिति २०७९/११/२८ गतेसम्मको वासलात, आ.ब. २०७९/०८० को नाफा-नोक्सान हिसाव तथा नगद प्रवाह विवरण र अनुसूचिहरू पारित गर्ने ।
- घ) सञ्चालक समितिले सिफारिस गरे बमोजिम आ.ब. २०७९/०८० को मुनाफा मध्येबाट शेयरधनीहरूलाई चुक्ता पूँजीको ५ प्रतिशतले हुन आउने रु. १३,११,३१,९१०/- नगद लाभांश वितरण गर्ने ।
- ङ) लेखापरीक्षण समितिको सिफारिस बमोजिम आ.ब. २०८०/०८१ को लेखापरीक्षण गर्नको लागि लेखापरीक्षकको नियुक्ति र निजको पारिश्रमिक तोक्ने ।
- च) स्वतन्त्र सञ्चालकमा सुश्री निर्मला देवी मानन्धरलाई गरिएको नियुक्ति अनुमोदन गर्ने ।
- छ) सञ्चालकहरूको बैठक भत्ता बृद्धि गर्ने तथा सो बमोजिम कम्पनीको नियमावलीको नियम ३२ को उपनियम (१) को खण्ड (क) र (घ) संशोधन गर्ने ।
- ज) नियमावलीको प्रस्तावित संशोधनमा सम्बन्धित निकायको निर्देशन अनुसार आवश्यक समायोजन गर्न सञ्चालक समितिलाई अख्तियारी दिने ।
- झ) सञ्चालक समितिमा संस्थापक शेयरधनीहरूको समूहबाट प्रतिनिधित्व हुने ४ जना सञ्चालकमध्ये कम्पनीको नियमावली अनुसार बैदेशिक लगानीकर्ता सेलिन्को इन्स्योरेन्स पि.एल.सी.बाट स्वतः मनोनित हुने १ जना सञ्चालकको जानकारी गराई बाँकी ३ जना सञ्चालक तथा सर्वसाधारण शेयर धनीहरूको समूहबाट २ जना सञ्चालकहरूको निर्वाचन गर्ने ।
- ञ) बिबिध ।

सञ्चालक समितिको आज्ञाले
 कम्पनी सचिव

साधारणसभा सम्बन्धी अन्य जानकारी

1. प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहनुहुने शेयरधनीहरूले कम्पनीको आफ्नो समूहको कुनै एक शेयरधनीलाई प्रतिनिधि मुकरर गरी २ कार्यदिन अर्थात मिति: २०८०/१२/२३ गते वा सोभन्दा अगावै प्रमाणित गराई कार्यालय समयभित्र दर्ता गर्नु पर्नेछ ।
2. प्रोक्सी दोहोरो पर्न गएमा पहिले दर्ता गरिएको प्रोक्सीले मान्यता पाउनेछ । प्रोक्सी मुकरर गर्ने शेयरधनी स्वयं सभामा उपस्थित भई दस्तखत गर्नुभएमा प्रोक्सी स्वतः बदर हुनेछ ।
3. नावालक वा विक्षिप्त शेयरधनीको तर्फबाट कम्पनीको शेयर लगत कितावमा संरक्षकको रूपमा दर्ता भएका व्यक्तिले सभामा भाग लिनु, मतदान गर्न वा प्रतिनिधि तोक्न पाउनेछन् ।
4. सभामा भाग लिने सर्वसाधारण शेयरधनीहरूले सभा हुने दिन शेयरको प्रमाणसहितको परिचयपत्र साथमा लिई आउनुहुन अनुरोध छ । शेयर अभौतिकिकरण गराइसक्नुभएका शेयरधनी महानुभावहरूको हकमा डिम्याट खाता नम्बर र परिचय खुल्ने सक्कल परिचयपत्र प्रस्तुत गर्नुपर्नेछ ।
5. छलफलको बिषयमध्ये विविध शिर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीले सभा हुनुभन्दा ७ दिन अगावै छलफलको बिषय कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई लिखित रूपमा दिनुपर्नेछ ।
6. सञ्चालक समितिको निर्वाचन कार्यतालिका निर्वाचन अधिकृतबाट कम्पनीको प्रधान कार्यालय-२, ज्ञानेश्वर, काठमाडौंमा प्रकाशित गरिनेछ ।
7. उपस्थिति पुस्तिका बिहान ९:३० बजेदेखि खुल्ला रहनेछ ।

२७औं वार्षिक साधारण सभाका लागि सञ्चालक समितिको प्रतिवेदन

शेयरधनी महानुभावहरु,

सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लिमिटेडको यस २७औं वार्षिक साधारण सभामा यहाँहरुलाई सञ्चालक समितिको तर्फबाट हार्दिक स्वागत गर्दछौं । कम्पनी ऐन, २०६३ अनुरूप तयार गरिएको यो प्रतिवेदन प्रस्तुत गर्न यहाँहरु समक्ष अनुमति माग्दै यस साधारण सभामा कम्पनीको काम कारवाहीको प्रतिवेदन, सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लि. र साबिक लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. का लेखापरीक्षकहरुको प्रतिवेदन सहित आर्थिक वर्ष २०७९/०८० को वासलात, नाफा-नोक्सान हिसाव, नगद प्रवाह र आवश्यक अन्य विवरणहरु अनुमोदनको लागि अनुरोध गर्दछौं ।

१. बिगत बर्षहरुको कारोवारको सिंहावलोकन

कम्पनीले आफ्नो व्यवसायिक उद्देश्य प्राप्त गर्नको लागि प्रधान कार्यालय लगायत मुलुकभरका १११ वटा क्षेत्रीय/प्रादेशिक कार्यालय, शाखा कार्यालय र उपशाखा कार्यालयहरुबाट सेवा प्रदान गर्दै आएको छ । दुबै कम्पनीहरु मर्ज हुनुभन्दा अघिल्लो बर्षको विवरण र समीक्षा बर्षको विवरण जोडी एकमुष्ट गणना गर्दा बिगत वर्षमा आर्जन भएको बीमाशुल्क आम्दानीको क्षेत्रगत तालिका, दावी, र नाफा-नोक्सान हिसावको संक्षिप्त विवरण निम्न अनुसार रहेको छ ।

क) बीमाशुल्क आर्जन (रु. लाखमा)

(रकम रु. लाखमा)

विवरण	०७८/०७९			०७९/०८०			फरक प्रतिशत
	सगरमाथा	लुम्बिनी	कूल	सगरमाथा	लुम्बिनी	कूल	
सम्पत्ति बीमा	६,७१८	२,७८४	९,५०२	७,९६५	२,२४०	१०,२०५	७.४०
मोटर बीमा	१५,६७९	७,६४४	२३,३२३	१५,१६९	५,३१९	२०,४८७	-१२.१०
सामुद्रिक बीमा	१,९९२	४३३	२,४२६	१,७९३	२६८	२,०६१	-१५.०४
इन्जिनियरीङ्ग	२,३३८	२,२०६	४,५४४	३,७०५	१,४४६	५,१५०	१३.३५
लघु बीमा	०१००३	५	५	१०९	५०	१५९	२९.१७
हवाई बीमा	१,४५४	४३७	१,८९२	१,७४६	१,३४९	३,०९४	६३.५९
कृषि बीमा	१,१२४	१,०४९	२,१७३	१,१०६	५१९	१,६२४	-२५.२४
विविध बीमा	१,५६४	१,२८३	२,८४७	२,५०६	९५१	३,४५७	२१.४२
जम्मा	३१,०६९	१५,८४२	४६,९११	३४,०९८	१२,१४२	४६,२४०	-१.४३
खुद बीमाशुल्क	१३,२५७	५,५८९	१८,८४६	१५,५३५	४,७९७	२०,३३२	७.८८

ख) कूल दावी भुक्तानी (रु. लाखमा):

विवरण	०७८/०७९			०७९/०८०			फरक प्रतिशत
	सगरमाथा	लुम्बिनी	कूल	सगरमाथा	लुम्बिनी	कूल	
सम्पत्ति बीमा	३,४१७	१,६५६	५,०७४	४,४०८	१,३८०	५,७८८	१४
मोटर बीमा	११,३६३	५,४१५	१६,७७८	१२,६१०	३,८२६	१६,४३६	(२)
सामुद्रिक बीमा	७५७	१२५	८८३	१,२७१	१३२	१,४०३	५९
इन्जिनियरीङ्ग	१,५०९	२,४६७	३,९७५	१,४२८	९६५	२,३९३	-४०
लघु बीमा	०१०९	—	०१०९	१,४१२	३१७	१,७२९	—
हवाई बीमा	—	—	—	४६१	—	४६१	—
कृषि बीमा	६९७	१,१७५	१,८७२	१,०७७	४४१	१,५१९	-१९
विविध बीमा	८१७	६४०	१,४५८	१,२००	४४८	१,६४८	१३
जम्मा	१८,५६१	११,४७८	३०,०३९	२३,८६८	७,५०८	३१,३७६	४.४५

ग) अन्य (रु. लाखमा):

(रकम रु. लाखमा)

विवरण	०७८/०७९			०७९/०८०			फरक प्रतिशत
	सगरमाथा	लुम्बिनी	कूल	सगरमाथा	लुम्बिनी	कूल	
खुद दावी व्यवस्था	५,३६०	१,६२४	६,९८४	६,६११	२,७९१	६,६११	२६।१७
पुनर्विमा शुल्क	१७,६१३	१०,२५३	२७,०६६	१६,५६३	७,३४५	२५,९०८	-७।६९
व्यवस्थापन खर्च	४,०७५	२,७२५	६,८००	५,११२	२,११२	७,२२४	६।२४
खुद मुनाफा	५,३७३	१,३१३	६,६८६	५,६६६	२०२	६,०९०	-६।९१

घ) कम्पनी गाभिएपछिको कम्पनीको अवस्था:

साबिकका सगरमाथा इन्स्योरेन्स कम्पनी लि. र लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. को मिति: २०७९ फाल्गुण ११ गते सम्पन्न साधारण सभाहरूबाट पारित विशेष प्रस्ताव बमोजिम दुबै कम्पनीहरू एकापसमा गाभिई मिति: २०७९ साल फाल्गुण २९ गतेबाट एकिकृत कारोवार भएको हामी सबैलाई अवगत नै छ । कम्पनीहरू गाभिए पश्चात कम्पनीको चुक्ता पूंजी, जगोडा कोष, सम्पत्ति लगायतका सूचकांकहरू एवं कम्पनीको सेवा क्षेत्र समेत बिस्तार भएको छ । कम्पनी गाभिने क्रममा कर्मचारी समायोजन प्रकृया निकै जटिल बिषय भएपनि यस कम्पनीले दुबै कम्पनीमा कार्यरत कर्मचारीहरूलाई साबिककै पदमा पदस्थापन गरिएको, दुबै कम्पनीका कर्मचारीहरूको योग्यता, क्षमता र अनुभव समेतलाई आधार मानी जिम्मेवारीहरू सुम्पिएको र कम्पनीको जनशक्ति एवं मानव संसाधनको अवस्था निकै सौहार्दपूर्ण, उत्साहजनक र उदाहरणीय रहेको यथार्थ यहाँहरूलाई सहर्ष जानकारी गराउँछु ।

बिभिन्न प्रतिकूल अवस्थाका बावजुद समीक्षा आ.ब. मा पर्यटन, यातायात लगायत केहि क्षेत्रहरूमा उत्साहजनक अवस्था रहेको, हाल र जनतामा बीमा आवश्यकता जनचेतनामा केहि बृद्धि भएको छ । यसको साथै बाली तथा पशुपञ्जी बीमाबाट अपेक्षित मुनाफा आर्जन गर्न सकिने अवस्था नभएपनि किसानहरूप्रति कम्पनीको सामाजिक उत्तरदायित्वको मर्मलाई मनन गरी यसतर्फ कम्पनीले व्यवसाय बिस्तार गरिरहेको छ ।

ङ) तालिम:

कम्पनीले प्रधान कार्यालय तथा शाखा कार्यालयका कर्मचारीहरूलाई पुनर्ताजगी तालिमहरू प्रदान गरिरहेको छ । यस्तो तालिमहरू नेपालभित्र र नेपाल बाहिर भर्चुवल माध्यमबाट पनि प्रदान गरिएको छ । साथै, कम्पनीको आवश्यकता बमोजिम इन्स्योरेन्स इन्स्टिच्यूट अफ नेपाल, कले ज अफ इन्स्योरेन्स, मुम्बईमा पनि कर्मचारीहरूलाई तालिमको लागि पठाउने गरिएको छ ।

२. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिको प्रभाव:

समीक्षा अवधीको अवस्था हेर्दा बिगतमा सिथिल बनेका आर्थिक गतिविधिहरूमा पूर्ण रूपमा सुधार हुन नसकेको, वित्तीय क्षेत्रमा स्थिरता आउन नसकेको, व्यापार व्यवसाय लगायतका आर्थिक गतिविधिहरूले गति लिन नसकेको, राष्ट्रिय अर्थतन्त्रको अवस्था सुदृढ हुन नसकेको, जनताको क्रयशक्ति बढ्न नसकेको कारण अन्य क्षेत्र जस्तै बीमा क्षेत्रमा समेत यसको प्रभाव देखिएको छ । विश्वका दुई ठूला अर्थतन्त्र भएका यहाँ छिमेकी मुलुकहरूको तुलनामा नेपालको आर्थिक अवस्था कमजोर हुनु, आर्थिक गतिविधि, नयां उद्योग, कलकारखानाको विकास नहुनु, पूर्वाधार विकासको काम ओभरलमा पर्नु, सामान्य जनतामा बीमा गर्ने बस्तु तथा आयश्रोतको विकास हुन नसक्नु पनि अर्को समस्या रहेको छ ।

त्यसैगरी, रूस-युक्रेन युद्ध, मध्यपूर्वमा देखिएको अस्थिरता र विश्वव्यापी आर्थिक मन्दीको प्रभाव नेपालमा समेत पर्न गएको र विश्वव्यापी रूपमा आपूर्ति सन्तुलन खलबलिन गएको छ । हाल तीनवटै तहको निर्वाचन भई सकेको, मुलुकमा स्थिरता आउने, सामर्थ्य र अधिकार स्थानीय तहमा बिकेन्द्रित भएकोले बीमा व्यवसाय बिस्तारै आम जनताको पहुँचमा पुग्ने सम्भावना रहेको छ ।

३. प्रतिवेदनको मितिसम्म चालु वर्षको उपलब्धी र भविष्यको सम्बन्धमा सञ्चालक समितिको धारणा:

क) बीमाशुल्क:

समीक्षा वर्षको तुलनामा आ.ब. २०८०/०८१ को पौष मसान्तसम्ममा कम्पनीले क्षेत्रगत रूपमा निम्न अनुसार बीमाशुल्क आम्दानी गरेको छ, जसको लेखापरीक्षण हुन बाँकी रहेको छ:

(रकम रु. लाखमा)

विवरण	०७८/०७९			०आ.ब. ०८०/०८१	फरक प्रतिशत
	सगरमाथा	लुम्बिनी	कूल	सगरमाथा लुम्बिनी	
सम्पत्ति बीमा	३,६३१	१,६९२	५,३२३	५,९९०	६।४६
मोटर बीमा	६,७४०	४,३१०	११,०५०	९,६१७	-१२।९७
सामुद्रिक बीमा	९३७	२१६	१,१५३	१,२१०	४।९४
विविध बीमा	९७६	७५०	१,७२६	१,७०६	-१।१६
इन्जिनियरीङ्ग	१,१९६	१,०९०	२,२८६	२,४९७	९।२०
हवाई बीमा	७६९	१,१६४	१,९३३	१,६५१	-५।१६
कृषि बीमा	४७९	४३७	९१६	६०६	(३३।६७)
लघु बीमा	५२	४०	९२	४	-९५।५०
जम्मा	१४,९६०	९,७१९	२४,६९९	२३,४६३	-४।९२

ख) भविष्यको योजना:

नेपालको निर्जिवन बीमा क्षेत्रको अग्रणी कम्पनीको रूपमा रहेको यस कम्पनीको शाखलाई कायमै राख्दै भविष्यमा यस कम्पनीले आन्तरिक सुशासन, व्यवसाय, बीमितप्रतिको दायित्व र बीमा सेवाको हिसावले अझ सुदृढ बनाउंदै लैजाने विश्वास शेरधनी महानुभावहरूलाई दिलाउन चाहन्छौं ।

ग) पुनर्बीमा व्यवस्था:

कम्पनीले गर्ने बीमा व्यवसायको जोखिम हस्तान्तरण प्रकृयालाई सुरक्षित र भरपर्दो हुने गरी कम्पनीले पुनर्बीमा व्यवस्था गरेको छ । बिदेशी पुनर्बीमा कम्पनीहरूसंगको आवश्यक सुदृढ रहेको र त्यस्ता कम्पनी एवं पुनर्बीमा ब्रोकरहरूबाट यस कम्पनीले सहयोग प्राप्त गरी रहेको छ ।

साथै देशभित्र रहेका बिभिन्न बीमा कम्पनीहरूसंग कायम रहेको सुमधुर सम्बन्धको कारण आन्तरिक ऐच्छिक पुनर्बीमा आदान-प्रदान गर्ने गरिएको छ । यसबाट कम्पनीले सन्तोषजनक प्रतिफल प्राप्त गर्न सफल भएको छ । यस कम्पनीमा हाल GIC Re, India को नेतृत्वमा मुख्यतः निम्न पुनर्बीमा कम्पनीहरू समेत रहेका छन्:

S. No.	Name of Re-Insurance Company	Origin / Country
1	GIC Re	India
2	SAVA Re	Slovenia
3	Swiss Re	Switzerland
4	Asian Re	Thailand
5	Kenya Re	Nairobi, Kenya
6	Ocean International Re	Belize, Central America
7	Hannover Re	Hannover, Germany
8	QBE	Sydney NSW 2000
9	WAICA RE	Sierra Leone
10	Sirius International	New York and London
11	Kuwait Re	Kuwait
12	PVI Insurance	Vietnam
13	Nepal Re	Nepal
14	Himalayan Re	Nepal
15	CICA RE	Lome – Nyeko, Togo

४. कम्पनीको औद्योगिक तथा व्यवसायिक सम्बन्ध:

बिभिन्न औद्योगिक तथा व्यवसायिक प्रतिष्ठान, संघ/संस्थाहरूसंगको सम्बन्ध अझ बढि सुदृढ बनाई बढि बीमाशुल्क संकलनको साथै व्यवसायको जोखिमको विश्लेषण गरी व्यवसाय बृद्धि गर्ने लक्ष्यमा बढि केन्द्रित रहने नीति लिएको छ । साथै व्यवसायको प्रमुख श्रोतको रूपमा रहेका बैंक तथा वित्तीय संस्थाहरूसंग यस कम्पनीको सम्बन्ध अत्यन्तै सौहार्दपूर्ण, समन्वयात्मक रहेको छ । भविष्यमा यसलाई कायमै राख्दै अझ सुदृढ गर्दै लगिनेछ ।

यस कम्पनीले आफ्नो कामको सिलसिलामा नेपाल बीमा प्राधिकरण, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्चेञ्ज लि., सिडिएस एण्ड किलयरिङ्ग लि., नेपाल बीमक संघ, बीमा अभिकर्ता, सर्भेयरहरू, शेयर रजिष्ट्रारबाट यस कम्पनीलाई आवश्यक सहयोग प्राप्त भै रहेको छ ।

५. सञ्चालक समितिमा हेरफेर:

क) साबिकको सगरमाथा इन्स्योरेन्स कम्पनी लि. र लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. बीच कम्पनी गाभ्ने गाभिने सम्बन्धी अन्तीम सम्झौतामा उल्लेख भए बमोजिम दुबै कम्पनीहरूको तर्फबाट सञ्चालक समितिमा रहेका ३/३ जना सञ्चालकहरू रहने गरी गाभिएपछि कायम हुन आएको यस सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लि. को निम्न बमोजिमको सञ्चालक समिति गठन गरिएको छ:

- श्री मनोहर दास मुल, अध्यक्ष (संस्थापक समूह-साबिक लुम्बिनी)
- श्री अजिथ आर. गुणवर्द्धना -प्रतिनिधि-सेलिन्को इन्स्योरेन्स पिएलसी, कोलम्बो, श्रीलङ्का, सञ्चालक (संस्थापक समूह-साबिक सगरमाथा)
- श्री अरुण राज श्रेष्ठ, सञ्चालक (संस्थापक समूह-साबिक लुम्बिनी)
- श्री सिद्धार्थ मणि राजभण्डारी, सञ्चालक (संस्थापक समूह-साबिक सगरमाथा)
- श्री कमल भट्टराई, सञ्चालक (सर्वसाधारण समूह-साबिक लुम्बिनी)
- श्री गजेन्द्र लाल श्रेष्ठ, सञ्चालक (सर्वसाधारण समूह-साबिक सगरमाथा)

माथि उल्लेखित सेलिन्को इन्स्योरेन्स पिएलसीका तर्फबाट श्री पद्म ज्योति कम्पनीको बैकल्पिक सञ्चालकमा रहनुभएको छ । साथै कम्पनी गाभिएपश्चात सञ्चालक समितिले कम्पनीको स्वतन्त्र सञ्चालकमा मिति: २०७९/११/२९ गतेदेखि सुश्री निर्मला देवी मानन्धरलाई नियुक्त गरेको र सोको अनुमोदनको लागि यस सभामा प्रस्ताव प्रस्तुत गरिएको छ ।

यसैगरी, नेपाल बीमा प्राधिकरणबाट जारी गरिएको बीमक गाभ्ने, गाभिने तथा प्राप्ति गर्ने आवश्यकता निर्देशिका, २०७६ को दफा १०(६) बमोजिम नेपाल बीमा प्राधिकरणको स्वीकृति लिई साधारणसभा नभएसम्मका लागि श्री लोकमान्य गोल्छा र डा. बिजन भट्टराईलाई सञ्चालक समितिको सल्लाहाकारमा नियुक्त गरिएको छ ।

ख) यस कम्पनीको नियमावलीमा भएको व्यवस्था बमोजिम सञ्चालक समितिमा प्रतिनिधित्व गर्न संस्थापक शेयरधनीहरूबाट चारजना र सर्वसाधारण शेयरधनीहरूबाट दुईजना सञ्चालक रहने व्यवस्था रहेको र नियमावलीको व्यवस्था बमोजिम बैदेशिक लगानीकर्ता संस्थापक सेलिन्को इन्स्योरेन्स पिएलसी, श्रीलङ्काबाट एकजना सञ्चालक स्वतः मनोनित भई आउने व्यवस्था बमोजिम यस साधारण सभाबाट संस्थापक शेयरधनीहरूको तर्फबाट ३ (तीन) जना र सर्वसाधारण शेयरधनीहरूको तर्फबाट २ (दुई) जना सञ्चालकहरूको निर्वाचन गर्ने कार्यक्रम रहेको छ ।

६. कारोवारलाई असर पार्ने मुख्य कुराहरू:

बीमा बजारमा तिब्र प्रतिस्पर्धा, पर्याप्त दक्ष जनशक्तिको अभाव, आर्थिक गतिविधिहरूमा अपेक्षाकृत सुधार हुन नसक्नु, जलवायु परिवर्तनबाट सृजित जोखिमको कारणबाट बेमौसमी बाढी पहिरो लगायतका प्राकृतिक बिपत्तीहरू, सवारी साधन दुर्घटना, कृषि बीमा अन्तर्गत पशुपञ्जीहरूको दावी बढ्नु आदिको कारणबाट कम्पनीको कारोवार असर पर्ने देखिन्छ । आर्थिक मन्दी, उद्योग तथा विकास निर्माणका गतिविधिमा सुस्तता, निर्यातमा गिरावट, उत्पादत्वमा कमी, अस्थिर राजनीतिक तथा वित्तीय अवस्था आदिको कारणबाट बीमा क्षेत्रलाई राष्ट्रिय र अन्तर्राष्ट्रिय रूपमा गम्भीर असर पर्ने सम्भावना देखिएको छ । साथै रूस-युक्रेन युद्ध लगायत अन्तर्राष्ट्रिय द्वन्द्व एवं प्रतिवन्धको कारण अन्तर्राष्ट्रिय व्यवसायहरूमा प्रतिकूल असर पर्ने, इन्धन, खाद्यान्न लगायतमा महंगी बढ्नु जाने, जनताको क्रयशक्ति घट्ने, आर्थिक गतिविधि र सामुद्रिक बीमा व्यवसायमा समेत त्यसको असर पर्ने देखिन्छ ।

७. लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख गरिएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया:

लेखापरीक्षण प्रतिवेदनमा कुनै उल्लेखनीय कैफियत नभएको जानकारी गराउँछौं ।

८. मुनाफा बाँडफाँड सम्बन्धमा:

समीक्षा आ.ब. २०७९/०८० को मुनाफा मध्येबाट कम्पनीको चुक्ता पूंजी रु.२,६२,२६,३८,२००/- को ५ (पाँच) प्रतिशतले हुन आउने रकम बराबर नगद लाभांश वितरण गर्ने प्रस्ताव गरिएको छ ।

साथै साबिकको सगरमाथा इन्स्योरेन्स कम्पनी लि. ले आ.ब. २०७४/०७५ को २२औं वार्षिक साधारण सभाबाट जारी गरेको ८६% बोनस शेयर बापतको कर रकम कुनै शेयरधनीले भुक्तानी नगरेको कारणले उक्त बोनस शेयर सम्बन्धित शेयरधनीको खातामा जान नसकेको भए त्यस्ता शेयरधनीहरूको हकमा माथि उल्लेख भए बमोजिमको नगद लाभांशबाट उक्त कर कटौती गरी शेयर खातामा पठाउने व्यवस्था गरिनेछ ।

९. शेयर जफत भएको भए जफत भएको शेयरको संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण:

कम्पनीले कुनै शेयर जफत गरेको छैन ।

१०. बिगत आर्थिक वर्षमा कम्पनी र यसका सहायक कम्पनीको कारोवारको प्रकृति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन: यस कम्पनीको कुनै सहायक कम्पनी नभएको जानकारी गराउँछौं ।

११. कम्पनी र त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोवारहरु र सो अवधिमा कम्पनीको कारोवारमा आएको कुनै महत्वपूर्ण परिवर्तन:

यस कम्पनीको कारोवार निर्जिवन बीमा व्यवसाय मात्र रहेको र सोमा परिवर्तन नभएको जानकारी गराउँछौं ।

१२. बिगत आर्थिक वर्षमा कम्पनीका आधारभूत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी:

समीक्षा अवधिमा आधारभूत शेयरधनीहरुबाट कम्पनीलाई कुनै जानकारी प्राप्त नभएको जानकारी गराउँछौं ।

१३. बिगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोवारमा निजहरु संलग्न रहेको भए सो आवश्यकमा निजहरुबाट कम्पनीले प्राप्त गरेको जानकारी:

समीक्षा अवधिमा यस कम्पनीका सञ्चालकहरुको व्यक्तिगत/संस्थागत शेयर स्वामित्वमा देहाय बमोजिम रहेको छ:

क्र.सं.	सञ्चालकहरुको नाम	शेयर संख्या
१.	श्री मनोहर दास मुल	१,०६४,७४६
२.	श्री सेलिन्को इन्स्योरेन्स पिएलसी	२,९९७,४५६
३.	श्री अरुण राज श्रेष्ठ	२६६,०७६
४.	श्री सिद्धार्थ मणि राजभण्डारी	३५,०७१
५.	श्री कमल भट्टराई	१,४३९
६.	श्री गजेन्द्र लाल श्रेष्ठ	३१,५२५
७.	सुश्री निर्मला देवी मानन्धर (स्वतन्त्र सञ्चालक)	-

यस कम्पनीका सञ्चालक तथा पदाधिकारीहरु कम्पनीको शेयर कारोवारमा संलग्न रहेका छैनन् ।

१४. बिगत आर्थिक वर्षमा कम्पनीसंग सम्बन्धित सम्झौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थबारे उपलब्ध गराइएको जानकारीको व्यहोरा:

कम्पनीसंग सम्बन्धित सम्झौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थ नभएको जानकारी गराउँछौं ।

१५. कम्पनीले आफ्नो शेयर आफैं खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या, अंकित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम:

कम्पनीले आफ्नो शेयर आफैं खरिद नगरेको जानकारी गराउँछौं ।

१६. आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण:

कम्पनीको आन्तरिक नियन्त्रण प्रणाली सक्षम छ । आन्तरिक नियन्त्रणलाई नियमित र व्यवस्थित गर्नको लागि नेपाल बीमा प्राधिकरणको निर्देशन बमोजिम कम्पनीको काम कारवाहीमा सुधार गर्दै लगेको छ । आन्तरिक लेखापरीक्षक र बाह्य लेखापरीक्षकबाट प्राप्त सुभाव अनुसार सुधार गर्ने, लेखापरीक्षण समितिबाट समग्र वित्तीय अवस्थाको समीक्षा गर्ने र सोको प्रगतिको अनुगमन गर्दै जाने नीति लिइएको छ । कम्पनीका शाखा कार्यालयहरु र प्रधान कार्यालयको व्यवसाय र अन्य कारोवारहरुलाई अनलाइन प्रणालीबाट सञ्चालन गरिएको छ । विभागहरुको कार्यसञ्चालनको लागि बिभिन्न विनियम, निर्देशिका र दिग्दर्शनहरु तयार गर्ने, समयानुकूल परिमार्जन गर्ने गरिएको छ ।

नेपाल बीमा प्राधिकरणबाट जारी निर्देशिकाको व्यवस्था अनुसार लेखापरीक्षण समिति, मानव संशाधन समिति, लगानी, जोखिम व्यवस्थापन तथा वित्तीय स्वस्थता (सोल्भेन्सी) समिति, दावी भुक्तानी तथा पुनर्बिमा समिति, सम्पत्ति शुद्धिकरण निवारण समिति गठन गरिएको छ ।

संस्थागत सुशासन: कम्पनीले धितोपत्र सम्बन्धी ऐन, धितोपत्र दर्ता तथा निष्काशन आवश्यकी निर्देशिका, सम्पत्ति शुद्धिकरण निवारण सम्बन्धी कानून, सूचनाको हक सम्बन्धी कानून, नेपाल बीमा प्राधिकरणको निर्देशिका लगायत प्रचलित कानून बमोजिम पेश गर्नुपर्ने तथा प्रकाशन गर्नुपर्ने विवरणहरू तोकिएको समयमा पेश गर्ने तथा प्रकाशित गर्ने गरेको छ ।

१७. समीक्षा वर्षको कूल व्यवस्थापन खर्चको विवरण:

समीक्षा आ.ब. २०७९/०८० मा साबिकको सगरमाथा इन्स्योरेन्स कम्पनी लि. र हाल कम्पनी गाभिए पश्चात कायम हुन आएको सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लि. को कूल व्यवस्थापन खर्च रु. ५१,१२,०९,६६६/- रहेको छ । साथै साबिकको लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. को कम्पनी गाभिनुभन्दा अघिल्लो दिन मिति: २०७९/११/२८ सम्मको कूल व्यवस्थापन खर्च रु. १९,६९,०९,५०४/- रहेको छ ।

१८. लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुबिधा, समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण:

कम्पनी ऐन, २०६३ तथा बीमकको संस्थागत सुशासन सम्बन्धी निर्देशिकाको व्यवस्था बमोजिम सर्वसाधारण शेयरधनीको अध्यक्षतामा निम्न सञ्चालकहरू रहने गरी लेखापरीक्षण समिति गठन गरिएको छ:

लेखापरीक्षण समिति अध्यक्ष/सदस्यहरू:

श्री कमल भट्टराई,	अध्यक्ष
श्री पद्म ज्योति	सदस्य
सुश्री निर्मला देवी मानन्धर	सदस्य

लेखापरीक्षण समितिका पदाधिकारीहरूलाई साधारण सभाको निर्णयानुसार प्रति बैठक रु.१०,०००/- को दरले बैठक भत्ता प्रदान गर्ने गरिएको छ । सो बाहेक अन्य नियमित पारिश्रमिक सुबिधा प्रदान गरिएको छैन ।

श्री नेपाल बीमा प्राधिकरणको निर्देशानुसार प्रत्येक त्रैमासिकको आन्तरिक लेखापरीक्षण गराई सो लेखापरीक्षण प्रतिवेदनको आधारमा कैफियतहरू सुधार गर्न, आन्तरिक लेखापरीक्षक तथा बाह्य लेखापरीक्षकका सुझावहरूलाई तदारुकताका साथ कार्यान्वयन गर्न लेखापरीक्षण समितिले समय समयमा व्यवस्थापनलाई निर्देशन दिई सोको कार्यान्वयन भए नभएकोबारे अनुगमन समेत गर्दै आएको छ । वित्तीय विवरणहरूको वास्तविक र अद्यावधिक अभिलेखको लागि आवश्यक प्रकृयाहरूको अवलम्बन गर्न, शाखा कार्यालयहरूको व्यवसाय र कामकारवाहीहरूको प्रभावकारी अनुगमन र नियन्त्रण गर्न व्यवस्थापनलाई निर्देशन दिइएको छ । साथै यस कम्पनीले लगानीकर्ता तथा सरोकारवालाहरूको जानकारीको लागि प्रत्येक त्रैमासिक विवरणहरू सार्वजनिक रूपमा प्रकाशित गर्दै आएको छ ।

१९. सञ्चालक, प्रबन्ध सञ्चालक/कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकको नातेदार वा निज संलग्न रहेको फर्म, संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी रहेको भए सो कुरा:

कम्पनीलाई कुनै रकम बुझाउन बाँकी रहेको छैन ।

२०. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुबिधाको रकम:

समीक्षा आ.ब. २०७९/०८० मा साबिकको सगरमाथा इन्स्योरेन्स कम्पनी लि. र हाल कम्पनी गाभिए पश्चात कायम हुन आएको सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लि. का सञ्चालकहरूलाई बैठक भत्ता बापत रु. ३०,३४,०००/- र मासिक भत्ता बापत रु.८,२८,०००/- खर्च भएको छ । साथै साबिकको लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. को कम्पनी गाभिनुभन्दा अघिल्लो दिन मिति: २०७९/११/२८ सम्मका सञ्चालकहरूलाई बैठक भत्ता बापत रु. १५,८६,०००/- र मासिक भत्ता बापत रु. २,७०,०००/- खर्च भएको छ ।

माथि उल्लेखित मासिक भत्ताको सम्बन्धमा साधारण सभाको निर्णय अनुसार अध्यक्ष तथा सञ्चालकहरूलाई पत्रपत्रिका, सञ्चार, सवारी सुबिधा बापत अध्यक्षको लागि मासिक रु. १२,०००/- (साबिकको लुम्बिनी जनरल इन्स्योरेन्स कं.लि. मा रु. १०,०००/-) र सञ्चालकहरूलाई रु. १०,०००/- मासिक भत्ता उपलब्ध गराइएको हो ।

यस समीक्षा वर्षमा साबिकको सगरमाथा इन्स्योरेन्स कम्पनी लि. र हाल कम्पनी गाभिए पश्चात कायम हुन आएको सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लि. का प्रमुख कार्यकारी अधिकृतलाई पारिश्रमिक, भत्ता, दशैं खर्च, सञ्चित बिदा, बोनस समेत गरी रु.१,०६,६०,५४३/- तथा नायब प्रमुख कार्यकारी अधिकृतकदेखि प्रबन्धक तहसम्मका ३५ जना पदाधिकारीहरूलाई पारिश्रमिक, भत्ता, दशैं खर्च, सवारी साधन भत्ता, सञ्चित बिदा, बोनस समेत गरी हुन आउने रु. ५,३२,७०,७६२/- प्रदान गरिएको छ ।

त्यसैगरी, साबिकको लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. को कम्पनी गाभिनुभन्दा अघिल्लो दिन मिति: २०७९/११/२८ सम्मका प्रमुख कार्यकारी अधिकृतलाई पारिश्रमिक, भत्ता, दशैं खर्च, सञ्चित बिदा, बोनस समेत गरी रु. ३९,९५,०८८/- तथा नायब प्रमुख कार्यकारी अधिकृतकदेखि प्रबन्धक तहसम्मका २३ जना पदाधिकारीहरूलाई पारिश्रमिक, भत्ता, दशैं खर्च, सवारी साधन भत्ता, फिल्ड भत्ता (बजार विभाग अन्तर्गत), सञ्चित बिदा, बोनस समेत गरी हुन आउने रु. २,७५,९४,२९६/- प्रदान गरिएको छ ।

२१. शेयरधनीहरूले बुझिलिन बाँकी नगद लाभांश रकम:

साबिक लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. ले आ.ब. २०७६/०७७ मा वितरण गरेको ५% नगद लाभांश बापत भुक्तानी बुझिलिन बाँकी रकम रु. २९,३५,५०४/- रहेको छ ।

२२. दफा १४१ बमोजिम सम्पत्ती खरिद वा बिक्री गरेको कुराको विवरण:

दफा १४१ बमोजिम सम्पत्ति वा आम्दानीको १५% बढि हुने गरी सम्पत्ति खरिद वा बिक्री नगरिएको जानकारी गराउँछौं ।

२३. दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोवारको विवरण:

नभएको जानकारी गराउँछौं ।

धन्यवाद ज्ञापन:

कम्पनीले पाएको सहयोगको लागि शेयरधनी महानुभावहरू, ग्राहकवर्ग, श्री नेपाल बीमा प्राधिकरण, श्री कम्पनी रजिष्ट्रारको कार्यालय, श्री धितोपत्र बोर्ड, श्री नेपाल धितोपत्र बजार विनियम लि., श्री सिडिएस एण्ड क्लियरिङ्ग लि., शेयर रजिष्ट्रार, लेखापरीक्षक, बीमा तथा पुनर्बीमा कम्पनीहरू एवं ब्रोकरहरूप्रति हार्दिक आभार प्रकट गर्दछु । कम्पनीको व्यवस्थापनमा संलग्न पदाधिकारीहरू तथा सम्पूर्ण कर्मचारीहरूलाई कम्पनीको उत्तरोत्तर उन्नति र प्रगतिमा पुऱ्याउनुभएको क्रियाशिल योगदानका लागि वहाँहरूलाई विशेष रूपले धन्यवाद दिन चाहन्छु । साथै हाम्रो क्रियाकलापहरूलाई सकारात्मक रूपमा लिई जनसमक्ष पुऱ्याइदिने सञ्चार जगतका मित्रहरू र सम्पूर्ण शुभेच्छुकहरूप्रति पनि म हार्दिक आभार व्यक्त गर्दछु ।

धन्यवाद ।

गजेन्द्र लाल श्रेष्ठ
सञ्चालक

मनोहर दास मुल
अध्यक्ष

दिनाङ्क: चैत्र २७, २०८० ।

अध्यक्षज्यूको मन्तव्यः

आदरणीय शेयरधनी महानुभावहरू,

साबिकका सगरमाथा इन्स्योरेन्स कम्पनी लि. र लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. को २०७९ साल फाल्गुण ११ गते सम्पन्न साधारण सभाहरूको निर्णय अनुसार दुबै कम्पनीहरू एकापसमा गाभिएर सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लिमिटेड कायम हुन आएको यहाँहरूलाई अवगत नै छ । कम्पनीहरू गाभिए पश्चात बनेको एकिकृत कम्पनीको पहिलो र नियमित रूपमा भएको यस २७औं वार्षिक साधारण सभामा यहाँहरूलाई हार्दिक स्वागत गर्दै यहाँहरूको गरीमामय उपस्थितिको लागि धन्यवाद ज्ञापन गर्न चाहन्छु ।

नेपालको बीमा क्षेत्रको इतिहासमा २९ बर्ष पूरा गरेको सगरमाथा इन्स्योरेन्स कम्पनी र १९ बर्ष पूरा गरेको लुम्बिनी जनरल इन्स्योरेन्स कम्पनीहरू गाभिएर एकिकृत कम्पनी निर्माण भएपछि कम्पनीको व्यवसाय, पूंजी, क्षमता, सेवा प्रवाह, आम समुदायमा पहुँच आदिको हिसाबले अत्यन्तै उत्साहप्रद हुँदै गइरहेको छ । सेवाग्राहीप्रतिको दायित्व तथा कम्पनीको आन्तरिक सबलीकरणमा जोड दिँदै "विश्वासको सम्बन्ध, एकताको प्रतीक" भन्ने मूल उद्देश्य राखि कम्पनी मर्ज भएपश्चात आन्तरिक रूपमा कम्पनीको सुशासन, कर्मचारीहरूको सेवाको सुरक्षालाई प्राथमिकतामा राखि उनीहरूको क्षमतालाई कम्पनीको हितमा उपयोग गर्ने नीतिका कारण दुबै कम्पनीका कर्मचारीहरूको समायोजन अत्यन्तै सहज, सौहार्दपूर्ण मात्र नभई यस क्षेत्रको लागि उदाहरणीय रूपमा सम्पन्न गर्ने सफल भयो । साथै, नविनतम् प्रविधिको प्रयोग गरी, बीमितहरूलाई दिनुपर्ने सेवालाई उच्च प्राथमिकतामा राखि कम्पनीको व्यवसाय तथा सेवाको बिस्तार, छिटो-छरितो दावी भुक्तानी प्रकृत्यालाई अझ बढि प्रभावकारी बनाउन सफल भएका छौं । यस कार्यमा हामीलाई सहयोग गर्ने नियामक निकायहरू, ग्राहकवर्ग, शेयरधनी महानुभावहरू, कम्पनीको व्यवस्थापन पक्ष, कर्मचारीहरू र शुभेच्छुक सबैप्रति हार्दिक कृतज्ञता ज्ञापन गर्दछु ।

बीमालाई सबै जनताहरूको जीवनको अभिन्न अङ्गको रूपमा विकास गर्दै आफ्नो सेवालाई शहरदेखि ग्रामिण क्षेत्रसम्म बिस्तार गर्दै लगेका छौं । प्रधान कार्यालय लगायत मुलुकभरका ७ वटा प्रदेश कार्यालय सहित १०६ वटा शाखा कार्यालय र ५ वटा एक्सटेन्सन काउन्टरबाट शहरदेखि गाउँसम्म सेवा प्रदान गर्न हामी सक्षम भएका छौं । दुबै कम्पनीहरू एकापसमा मर्ज भएपछि बजारको विश्वासमा अझ बृद्धि हुने, दक्ष जनशक्ति एकिकृत भई व्यवस्थापन पक्ष सशक्त हुने, कम्पनीको व्यवसाय उल्लेखनीय रूपमा बढ्ने आत्माविश्वास हामीले बिगतको साधारण सभामा पनि यहाँहरू समक्ष प्रकट गरेका थियौं, जुन अहिले यथार्थमा देखिदै गएको छ । साबिकका दुबै कम्पनीहरूको आ-आफ्नै भवनहरू रहेको यहाँहरूलाई बिदितै छ । यसको अतिरिक्त भविष्यमा नक्सालस्थित प्रधान कार्यालयसंगै रहेको पुरानो भवन रहेको स्थानमा नयाँ सुबिधासम्पन्न व्यवसायिक भवन बनाउने योजना रहेको समेत जानकारी गराउन चाहन्छु ।

बीमा कम्पनीको मुख्य सेवा भनेको दावी परेपछि यथाशिघ्र बीमितलाई दावी भुक्तानी गर्नु नै रहेको कुरामा हामी सचेत

छौं । दावी भुक्तानी समयमा गर्न सक्नु नै बीमितहरूको विश्वास जित्नसक्ने र व्यवसायको आर्जनको प्रमुख माध्यम हुने भएकोले यसलाई कार्यान्वयन गर्न हामी गम्भीरतापूर्वक लागिपरेका छौं ।

३ बर्षअघि विश्वव्यापी रूपमा फैलिएको कोभिड-१९ र नेपाल सरकारले समय समयमा जारी गरेको लकडाउन, निषेधाज्ञाको कारण नेपालको उद्योग, व्यापार लगायतका आर्थिक गतिविधीहरूमा अवरोध रहँदा त्यसको असर अहिलेसम्म पनि परेको छ । आन्तरिक रूपमा आर्थिक गतिविधीहरू पूर्ण क्षमतामा चलायमान हुन नसकेको, राजनीतिक स्थिरतामा केहि आशाप्रद भएपनि आर्थिक क्षेत्र अत्यन्तै तरल अवस्थामा रहेको छ । त्यसैगरी, बाह्य रूपमा रुस-युक्रेन युद्ध, मध्यपूर्वमा देखिएको संकट, विश्वव्यापी आर्थिक मन्दीका कारण अन्तर्राष्ट्रिय आर्थिक गतिविधीमा परेको असरको बाछिटा नेपालमा पनि देखिएको हामी जानकार नै छौं ।

तीनै तहका निकायहरूको चुनाव भई देशमा राजनीतिक लयमा अगाडि बढिरहेको, बीमाको बजार उत्साहजनक रूपमा बढ्दै गएको, नयाँ बीमा ऐन, २०७९ कार्यान्वयनमा आएको, नेपाल बीमा प्राधिकरण स्वयं बीमा क्षेत्रको विकास, बिस्तार एवं नियमनको लागि सक्रियतापूर्वक लागिपरेको हुँदा यसको उपयोग गरी बीमा व्यवसायलाई ग्रामिण तहसम्म लैजान र व्यवसाय विस्तार गर्न सहज हुनेछ । यसलाई सफल बनाउन सञ्चालक समितिले कम्पनीका नीतिगत बिषयहरूमा आवश्यक व्यवस्था गर्ने र कम्पनीका सबै कामकारवाहीहरूमा व्यवस्थापनलाई अधिकतम् अधिकार दिने तथा जिम्मेवार बनाउने नीति लिएका छौं ।

कम्पनीको वित्तीय अवस्था र अन्य गतिविधीहरूको बारेमा यहाँहरूलाई हाम्रो वार्षिक प्रतिवेदन र वित्तीय विवरणहरूबाट अवगत हुने नै छ । छलफलको क्रममा यहाँहरूबाट प्राप्त हुने अमूल्य सुभावाहरूलाई हामीले मार्गदर्शनको रूपमा अवलम्बन गर्दै जानेछौं ।

अन्तमा, कम्पनीले पाएको सहयोगको लागि शेयरधनी महानुभावहरू, ग्राहकवर्ग, श्री नेपाल बीमा प्राधिकरण, श्री कम्पनी रजिष्ट्रार को कार्यालय, श्री धितोपत्र बोर्ड, श्री नेपाल धितोपत्र बजार विनियम लि., श्री सिडिएस एण्ड विलयिङ्ग लि., शेयर रजिष्ट्रार, लेखापरीक्षक, बीमा तथा पुनर्बीमा कम्पनीहरू एवं ब्रोकरहरूप्रति हार्दिक आभार प्रकट गर्दछु । कम्पनीको व्यवस्थापनमा संलग्न पदाधिकारीहरू तथा सम्पूर्ण कर्मचारीहरूलाई कम्पनीको उत्तरोत्तर उन्नति र प्रगतिमा पुऱ्याउनुभएको क्रियाशिल योगदानका लागि वहाँहरूलाई विशेष रूपले धन्यवाद दिन चाहन्छु । साथै हाम्रो क्रियाकलापहरूलाई सकारात्मक रूपमा लिई जनसमक्ष पुऱ्याइदिने सञ्चार जगतका मित्रहरू र सम्पूर्ण शुभेच्छुकहरूप्रति पनि म हार्दिक आभार व्यक्त गर्दछु ।

धन्यवाद ।

मनोहर दास मुल
अध्यक्ष



मनोहर दास मुल
अध्यक्ष

प्रमुख कार्यकारी अधिकृतको प्रतिवद्धता

साबिकका सगरमाथा इन्स्योरेन्स कम्पनी लि. र लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. एकापसमा गाभिए पश्चात कायम हुन आएको सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लि. को गाभिए पश्चातको पहिलो र नियमित रूपमा भईरहेको २७औं वार्षिक साधारण सभामा उपस्थित कम्पनीका अध्यक्षज्यू, सञ्चालकज्यूहरू, सल्लाहकार ज्यूहरू, शेरधनी महानुभावहरू, नियमनकारी निकायबाट पाल्नुभएका अतिथीज्यूहरू, सञ्चारकर्मी मित्रहरू, सहकर्मी साथीहरू र आमन्त्रित सबैमा हार्दिक स्वागत गर्दै यहाँहरूको गरीमामय उपस्थितिको लागि धन्यवाद ज्ञापन गर्न चाहन्छु ।

नेपालको निर्जीवन बीमा क्षेत्रको इतिहासमा पहिलोपटक बैदेशिक लगानीकर्ता भित्राउन सफल भई बिगत २९ वर्षदेखि ग्राहकहरूको माझ चौरपरिचित सगरमाथा इन्स्योरेन्स कम्पनी र बीमा क्षेत्रमा १९ वर्षसम्म छुट्टै पहिचान बनाउन सफल रहेको लुम्बिनी जनरल इन्स्योरेन्स कम्पनी गाभिएर २०७९ साल फाल्गुण २९ गतेबाट एकिकृत संयुक्त कारोवार हुँदै आएको यहाँहरूलाई अवगत नै छ । कम्पनी गाभिने क्रममा देखिने स्वभाविक चुनौतिहरूलाई व्यवस्थापनले अवसरको रूपमा लिई दुबै कम्पनीका कर्मचारीहरूको सेवाको सुरक्षालाई प्राथमिकतामा राख्दै समान रूपमा, क्षमता अनुसारको जिम्मेवारी बाँडफाँड गरी कर्मचारीहरूका बीचमा सौहार्दपूर्ण रूपमा समायोजन गर्न सफल भएको र सबै कर्मचारीहरूमा नयाँ खालको उत्साह र उर्जा पैदा गर्न सफल भएको यहाँहरूलाई जानकारी गराउँछु ।

कम्पनी व्यवस्थापनले आफ्ना ग्राहकप्रतिको सेवालालाई पहिलो प्राथमिकतामा राखि काम गर्दै आएको छ । यस क्रममा बीमालेख हस्तान्तरण तथा दावी भुक्तानी प्रकृत्यालाई छिटो छरितो रूपमा सम्पन्न गर्दै विद्युतीय (Digital) माध्यमबाट समेत कम्पनीको सेवा लिन सकिने व्यवस्था गरिएको छ । साथै दावी भुक्तानीमा यस कम्पनीले लागु गरेको **VIP on the Spot** कार्यक्रमले खासगरी निजी सवारी साधनका ग्राहकहरूलाई छिटो छरितो दावी भुक्तानी गर्ने र उनीहरूको माध्यमबाट कम्पनीले थप व्यवसाय प्राप्त गर्दै आइरहेको छ । देशको आर्थिक गतिविधिहरू सन्तोषजनक नभएपनि भएका अवसरहरूको समुचित उपयोग गर्दै कम्पनीलाई देशको अग्रणी निर्जीवन कम्पनीको रूपमा स्थापित गर्न व्यवस्थापन दत्तचित्त भई लागेको छ । यसको लागि कम्पनीमा रहेको पूंजीको उपयोग गर्दै लगानीको विविधिकरण गर्ने उद्देश्यले निकट भविष्यमा सहायक कम्पनीको रूपमा लगानी कम्पनी दर्ता गर्ने प्रकृत्याको थालनी गरेका छौं ।

कम्पनीले आफ्ना कर्मचारीहरूको लागि समयानुकूल तालिमहरू प्रदान गर्नुपर्ने यथार्थलाई मध्यनजर गरी इन्स्योरेन्स इन्टिच्युट लगायत देशभित्र र भारतमा समेत आयोजना हुने तालिमहरूमा सहभागी गराउँदै आएको छ । यसको क्रममा कम्पनीका उच्च पदस्थ कर्मचारी एवं बाह्य विशेषज्ञहरूबाट समेत उपत्यकाभित्र र बाहिरका प्रदेश एवं शाखा कार्यालयहरूमा तालिमहरू समेत प्रदान गर्ने गरिएको छ । साथै कम्पनीबाट सम्पन्न गर्नुपर्ने नियमित तालिमहरू र आवधिक तालिमहरू प्रदान गरी कर्मचारीहरूलाई व्यवसाय प्रबर्द्धनको सिलसिलामा जानकारी राख्नुपर्ने प्रचलित कानून, नियम तथा नेपाल बीमा प्राधिकरणबाट जारी निर्देशिकाहरूको बारेमा अद्यावधिक गराउने काम भईरहेको छ ।

बीमालाई सबै जनताहरूको पहुँच पुऱ्याउने सरकारको नीति अनुसार बीमा सेवालालाई शहरदेखि ग्रामिण क्षेत्रसम्म बिस्तार गर्ने क्रममा प्रधान कार्यालय लगायत मुलुकभरका प्रादेशिक कार्यालय सहितका १११ वटा कार्यालयहरूबाट सेवा प्रदान गर्दै आएका छौं । दुबै कम्पनीहरू एकापसमा मर्ज भएपछि दूरीको हिसावले नजिक रहेका अधिकांश शाखा कार्यालयहरू एउटै शाखाको रूपमा गाभिएको र व्यवसायको अवस्था हेरी अन्य केहि स्थानहरूमा शाखा कार्यालय थप गरिएको छ । यसको साथै कृषि बीमाको लागि कम्पनीलाई तोकिएका जिल्लाहरू र अन्य स्थानमा समेत स्थानिय कृषक तथा व्यवसायीहरूलाई बाली तथा पशुपञ्छी बीमाको सेवा उपलब्ध गराउनुको साथै नष्ट भएका बाली तथा मृत्यु भएका पशुपञ्छीहरूको यथाशक्य चाँडो दावी भुक्तानी गरी राहत प्रदान गर्ने गरिएको छ ।

कम्पनीले गर्ने व्यवसायको जोखिम हस्तान्तरणको लागि पर्याप्त मात्रामा पुनर्बिमाको व्यवस्था गरिएको छ । स्वदेशी तथा बिदेशी पुनर्बिमा कम्पनीहरूसंगको व्यवसायिक सम्बन्ध र सहकार्यको परिणाम स्वरूप ग्राहकहरूले समयमै दावी भुक्तानी प्राप्त गर्ने र यसबाट कम्पनीको विश्वसनीयता र दावी भुक्तानी प्रकृत्यामा समेत निकै ठुलो मद्दत पुग्न गएको छ ।

कम्पनीको वित्तीय अवस्था र अन्य गतिविधिहरूको बारेमा यहाँहरूलाई हाम्रो अध्यक्षज्यूको सम्बोधन, वार्षिक प्रतिवेदन र वित्तीय विवरणहरूबाट अवगत हुने नै छ । छलफलको क्रममा यहाँहरूबाट प्राप्त जिज्ञासाहरूलाई सम्बोधन गर्ने र सो क्रममा प्राप्त हुने अमूल्य सुभावाहरूलाई हामीले मार्गदर्शनको रूपमा अवलम्बन गर्दै जानेछौं ।

कम्पनीलाई यस अवस्थामा ल्याइपुऱ्याउनुको लागि हामीलाई निरन्तर मार्गदर्शन गरिरहने, आवश्यक नीति तथा कार्यक्रमहरू बनाई कम्पनीको उत्तरोत्तर प्रगतिको लागि एकजुट भई व्यवस्थापनलाई हौसला प्रदान गर्ने कम्पनीका अध्यक्षज्यू, सञ्चालकज्यूहरू, सल्लाहाकारज्यूहरू सबैप्रति हार्दिक आभार प्रकट गर्दछु ।

अन्तमा, कम्पनीले पाएको सहयोगको लागि शेरधनी महानुभावहरू, ग्राहकवर्ग, श्री नेपाल बीमा प्राधिकरण लगायतका नियमनकारी निकायहरू लेखापरीक्षक, बीमा तथा पुनर्बिमा कम्पनीहरू एवं ब्रोकरहरूप्रति हार्दिक आभार प्रकट गर्दछु । कम्पनीको व्यवस्थापनमा संलग्न मेरा सहकर्मी साथीहरूलाई कम्पनीको उत्तरोत्तर उन्नति र प्रगतिमा पुऱ्याउनुभएको क्रियाशिल योगदानका लागि वहाँहरूलाई विशेष रूपले धन्यवाद दिन चाहन्छु । साथै हामीले गर्ने कामकारवाहीहरूलाई सकारात्मक रूपमा लिई जनसमक्ष पुऱ्याइदिने सञ्चार जगतका मित्रहरू र सम्पूर्ण शुभेच्छुकहरूप्रति पनि म हार्दिक आभार व्यक्त गर्दछु ।

धन्यवाद ।

चंकी क्षेत्री

प्रमुख कार्यकारी अधिकृत



चंकी क्षेत्री
प्रमुख कार्यकारी अधिकृत

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Sagarmatha Lumbini Insurance Company Limited (hereafter referred as "SALICO" or "Company"), which comprise of the Statement of Financial Position as at 31st Ashad 2080 (16th July 2023) and the Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the SALICO as at 31st Ashad 2080 (16th July 2023), its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for Opinion

We conducted our audit in accordance with Nepal Standard 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 audit report. We are independent in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of 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 opinion.

Emphasis of Matter

We draw attention to Note 1 of the Financial Statements which describes the merger of the Company with the Lumbini General Insurance Company Limited and the merged entity commenced joint operation in the name of Sagarmatha Lumbini General Insurance Company Limited from Falgun 29 2079. Our opinion isn't modified in respect of this matter. The financial performance shown in Statement of Profit or Loss from 1st Shrawan 2079 to 28th Falgun 2079 represents solely of former Sagarmatha Insurance Company Limited's and from 29th Falgun 2079 to 31st Ashad 2080 represents the financial performance of Sagarmatha Lumbini General Insurance Company Limited.

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. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S.N.	Description of Key Audit Matters	How the matter was addressed in our audit
1.	<p>Revenue Recognition (Premium Income): (Refer Note 3 (m) "Revenue Recognition" and Note 25 of Financial Statements) Premium income comprises major part of Revenue which is recorded on issue of the policy as prescribed by the directives of Insurance Board. Unearned premium Income as estimated by actuarial valuation report has been accounted in books of account.</p>	<p>Our audit approach included:</p> <ol style="list-style-type: none"> Obtaining clear understanding of the process of issuing the policies as directives issued by the Insurance Board and understanding the process of recording such income. Understood and tested the design, implementation and operating effectiveness of key controls over premium collection and its recognition. Verified unearned premium income as provided by actuarial valuation report. Verification of the documentation requirement on sample basis as per the directives issued by Insurance board related to AMI/CFT, individual policy directives. Tested on a sample basis unallocated premium to ensure that there were no policies where risk assumed were prior to recognition of revenue and corresponding to collections of premiums <p>Our Results: We considered the premium income recognition to be acceptable.</p>

2. Claim Payment and Provisioning:
(Refer Note 46(e) "Claims Handling"; Note 19 "Gross Insurance Contract Liabilities of the Financial Statements")
 Insurance claim is the major area of expense for the insurance companies.
 Claim provision maintained / Gross contract liability Include Claims Incurred but Not Reported IBNR, Unearned Premium, Premium Deficiency and outstanding claim as required by NFRS 4 Insurance Contract.
 The provision and payment of claims was considered to be one of the areas which required significant auditor attention and one of the matters of most significance in financial statement.

Our audit approach included:

1. Obtaining clear understanding of the process / guidelines as per directives issued by the Insurance Board for processing claim as well internal guidelines for claim processing.
2. Verifying the claim paid and provision on sample basis with proof for payment, documentation as well surveyor report and understanding the process of accounting.
3. Verifying the claim provisioning maintained including IBNR, unearned premium, premium deficiency as provided by actuarial report.

Our Results: We considered the claim payment made and provisioning to be acceptable.

3. Valuation of Investments at amortized cost and measured at fair value
(Refer Note 3(e) "Investments" Note 10 of the Financial Statements)
 Investment of the SALICO comprises of investment in government bonds, investment in quoted/unquoted equity instruments and fixed deposits. Investment Directive, 2075 issued by Insurance Board prescribes the limit for investment by non-life companies.
 Valuation of the aforesaid securities has been done in accordance with NAS 39. The investment in the government bonds, fixed deposit is recognized at Amortized cost whereas investments in equity instruments quoted and unquoted, other than those held for trading, is valued at Fair Value through Other Comprehensive Income on the reporting date.
 The classification of the investments is based on business model adopted by the management, nature of cash flows, complexity of calculations and significance of amount involved in such investments. Thus, we have considered it as a Key Audit Matter in our audit.

Our audit approach included:

1. Review of investments of SALICO and its valuation in accordance with related NFRS.
2. Verification of investment requirement to be maintained by insurance company as per Investment Directive, 2075.
3. Assessment of the business model adopted by the management and the nature of expected cash flow of the investments on the basis of available evidences/ circumstances and ensured that classification of investment commensurate with nature of cash flows and management intention of holding the investments.
4. For the valuation of investments at amortized cost, we reviewed the Accrued Interest yet to be collected.
5. For investments valued through OCI, we reviewed the fair value considering the closing price in Nepal Stock Exchange as on the reporting date.

Our Results: We considered the valuation of investments at amortized cost and measured at fair value to be acceptable.

4. Property, Plant and Equipments (PPE)
(Refer Note 3(a) "Property, Plant and Equipment" and Note 5 & 6 of the Financial Statements)
 PPE involved significant attention and effort due to materiality to the financial statements and the inherent complexity involved in their valuation and presentation.

Our audit approach included:

1. Valuation of PPE involves significant judgement and estimation. We performed detailed testing to evaluate the accuracy and completeness, including physical inspection, evaluation of supporting documents and Management's assumptions.
2. Ensuring PPE are appropriately capitalized and depreciated in accordance with relevant accounting standards.
3. Reviewing the adequate disclosures and presentations.
4. Reviewing the design and operating effectiveness of internal controls over PPE.

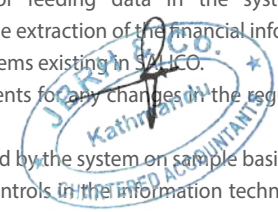
Our Results: We considered the valuation and existence of PPE acceptable.

5. Information Technology (IT) Controls
 IT controls include recording of transactions, generating reports as required for reporting requirement by Insurance Board. Hence, the SALICO's financial and reporting processes are highly dependent on the effective working of Core Business Software.
 We have considered this as a key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in incorrect reporting to the management, shareholders, regulators and stakeholders.

Our audit approach included:

1. Understanding the Core Insurance Software and other allied systems used by SALICO for accounting and reporting purposes.
2. Understanding the process of feeding data in the system and conducting a walkthrough of the extraction of the financial information and statements from the IT systems existing in SALICO.
3. Checking of the user requirements for any changes in the regulations/ policy of SALICO.
4. Reviewing the reports generated by the system on sample basis.

Our Results: We considered the controls in the information technology to be acceptable.



Information other than the Financial Statements and Auditor's Report Thereon

SALICO's management is responsible for the presentation of the other information. The other information comprises the information included in the SALICO's Annual Report, including Report of Board of Directors/ Chairman's Statement but does not include the financial statements and our auditor's report thereon. We have not received the Annual Report prior to the date of this Auditor's Report but is expected to be received for review after the date of this Auditor's Report.

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.

When we read the Annual Report and if we conclude that there is a material misstatement therein, we are required to communicate the matter with those charged with governance.

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

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Nepal Financial Reporting Standard (NFRS), and for such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the insurance ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

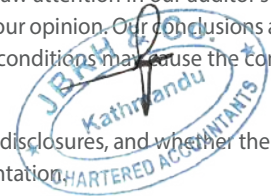
Those charged with governance are responsible for overseeing the SALICO's financial reporting process.

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 it 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 judgement and maintain professional skepticism throughout the audit. We also:

- a) 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 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 the internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SALICO's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 SALICO's ability to continue as a going concern. If we conclude that 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within SALICO to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.





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 the relevant ethical requirement regarding independence, and to communicate with them all relationship 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

To the best of our knowledge and according to explanations given to us and from our examination of the books of account of SALICO, necessary for the purpose of our audit to the extent for the scope of our audit:

- a. We have obtained all the information and explanations along with replies to our queries, which to the best of our knowledge and understanding, were necessary for the purpose of the audit.
- b. In our opinion, the financial statements comprising of Statements of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash flows, prepared in accordance with the requirements of Company Act, 2063 and format prescribed by Insurance board are in agreements with the books of Accounts.
- c. In our opinion, books of accounts, records, books and ledgers have been maintained accurately in accordance with prevailing laws.
- d. To the best of our information and according to the explanations provided to us and as so far appeared from the examination of the books of accounts, we have not come across cases where board of directors or any official has committed any act contrary to the prevailing laws or committed any irregularity or caused any loss or damage to the company and/or violated directives of Insurance Board or acted in a manner to jeopardize the interest and security of the company, its clients and investors.
- e. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the books of accounts.
- f. To the best of our knowledge, Company has maintained Insurance Fund, and other required reserves in line with directives issued by Insurance Board.
- g. We did not obtain any information indicating engagement of the company in activities other than insurance business as approved/ licensed by the Insurance Board.
- h. We did not obtain any Information indicating company's activities which is prejudicial to the interest of the insured.
- i. The company has acted as per directives of Insurance Board.
- j. We did not obtain any information indicating issuance of insurance policy other than as approved by Insurance Board.
- k. It appears that all the financial and other information/subject matters which is required to be informed to the shareholders as per prevalent laws has been provided to the shareholders.
- l. To the best of our knowledge, the company is eligible and capable to bear its long-term liabilities from the assets of the company.
- m. The internal control system implemented by the company is found to be effective.



Raju Kumar Sibakoti, FCA

Partner

JBRH & Co.,

Chartered Accountants

UDIN: 240227CA00112qC8Pw

Date: 27th February 2024

Place: Kathmandu

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Minimum Disclosure in Directors' Report

A. Information related to Non-Life Insurer

Following matters are disclosed under this title

1. Date of establishment: 2051/10/17
2. Insurer licence date: 2053/03/12
3. Insurance business type, nature: Non Life Insurance
4. Date of commencement of business: 2053/04/02
5. Other matters: Sagarmatha Lumbini Insurance Company Ltd. with Brand Name "SALICO" has been in operation after the merger of Sagarmatha Insurance Company Ltd. and Lumbini Genreal Insurance Company Ltd. merged on 13 March 2023. SALICO is one of Nepal's leading non-life insurers with more than 115 branches all over Nepal.

B. Insurer's Board of Directors shall approve following matters

1. **Tax, service charges, fine and penalties to be paid under laws & regulation whether paid or not**
Tax, service charges are paid to the concerned authority.
2. **Share structure of the insurer, changes if any in line with prevailing laws & regulation**
The share structure of company is change to promotor holding 51% and public holding 49% .
3. **Whether solvency ratio as prescribed by Nepal Insurance Authority is maintained or not**
Solvency ratio as prescribed by Nepal Beema Pradhikaran is maintained.
4. **a) Statement regarding assets that financial amount contained in SOFP are not overstated than it's fair value.**
The assets of the company that financial amount contained in SOFP are not overstated.
b) Measurement basis of the assets recognized in financial statements.
The measurement basis of the assets recognized in financial statements are mentioned in the Notes to the Financial Statements.
5. **Declaration on investment made by insurer that are in line with prevailing laws. If not reason to be disclosed.**
Investment made by insurance in line with prevailing laws except government bonds. In case government bonds, it is less than prescribed limit due to non availability of government bonds in the market.
6. **Number of claim settled within the year and outstanding claim number and time frame to settle the outstanding claim.**
14,309 number of claim file are settled and 14,013 number of claim file are still outstanding within the year and the claim outstanding file shall be settled within 35 days upon receiving survey report.
7. **Declaration on compliance with the provision of Insurance Act 2079, Insurance Regulation, Company Act 2063, NFRSs and other prevailing laws & regulation to which insurer shall adhere to and any non compliance with reasons thereof.**
The company has made compliance with such legal and regulatory provision.
8. **Declaration that the appropriate accounting policy has been consistently adopted.**
The appropriate accounting policy has been consistently adopted based on Nepal Financial Reporting

Standards (NFRS).

9. Declaration on Financial Statements as at Reporting Date that the insurer's Financial Position and Financial Performance are presented true & fairly.

The company's Financial Position and Financial Performance as on date are presented true & fair.

10. Declaration that Board of Directors have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.

The company has implemented adequate and appropriate provision like physical verification of assets on regular interval to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.

11. Declaration that Financial Statements have been prepared based on going concern basis.

The company has prepared Financial Statement based on going concern basis.

12. Declaration that the internal control system is commensurate with the size, nature & volume of the insurer's business.

The internal control system of the company is effective & adequate based on volume of the business.

13. Declaration that the insurer has not conducted any transactions contrary to Insurance Act, 2079, Insurance Regulation, Companies Act, 2063, related regulations and directions with any person, firm, company and insurer's director or with any entity in which insurer's director has interest.

The company has not conducted any such transactions.

14. Disclosure on any penalties, levied by Nepal Insurance Authority for the particular financial year.

There is no any such penalties.

15. Other disclosure which is deemed appropriate by Board of Directors/management

The company has maintained all reserve & fund as per the provision of Insurance Act and Rules.

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Financial Highlights of 2079/80

Financial Position

Figures in Crore

S.no.	Particulars	Indicators	Amounts
1	Paid-up Capital	NRs.	262.26
2	Total Asstes	NRs.	1473.39
3	Total Liabilities	NRs.	880.16
4	Total Equity	NRs.	593.23

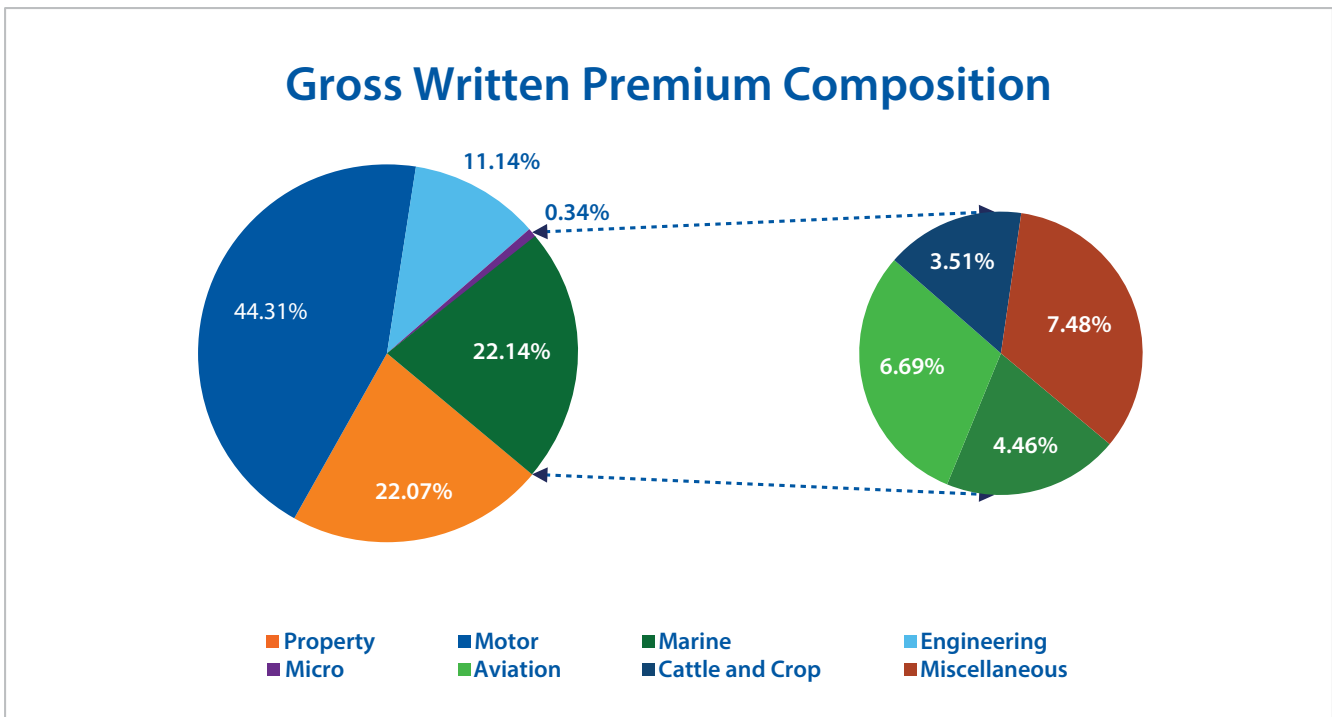
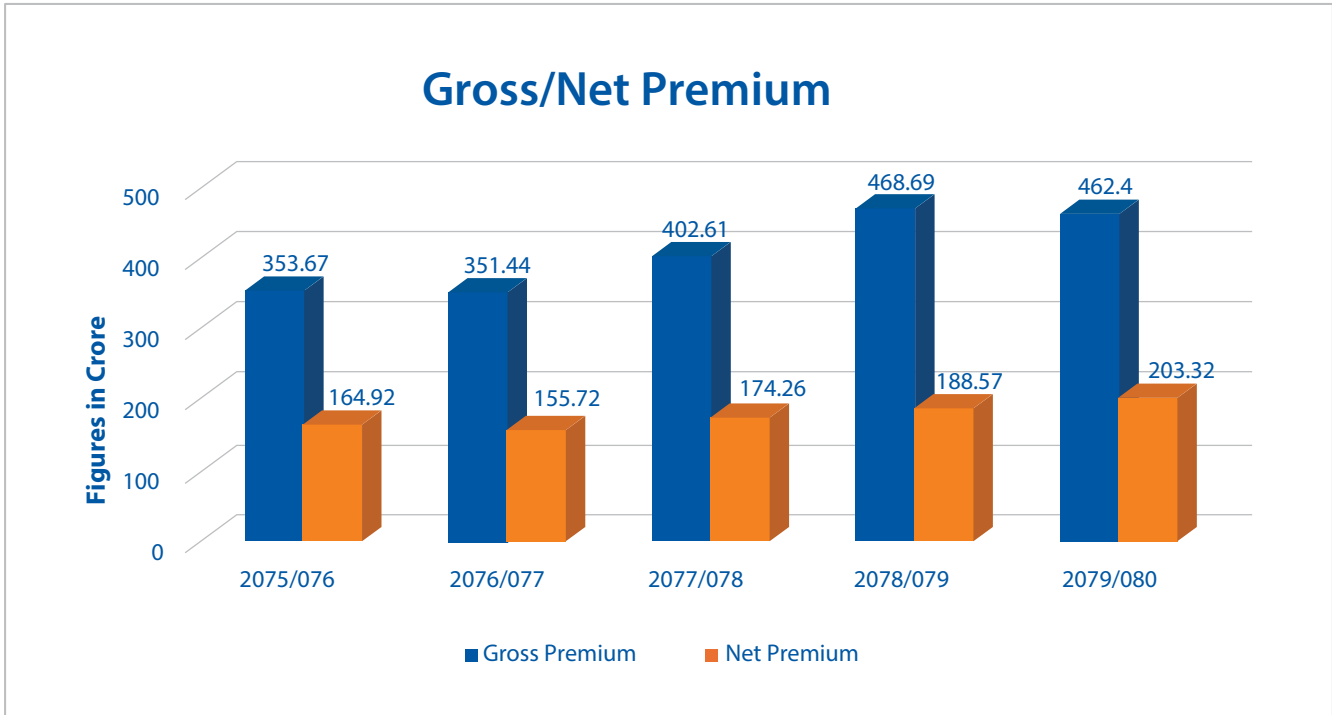
Revenue and Profitability

S.no.	Particulars	Indicators	Amounts
1	Net Earned Premium	NRs.	160.41
2	Reinsurance Commission Income	NRs.	47.28
3	Investment and Other Income	NRs.	39.19
4	Net Claim Incurred	NRs.	118.2
5	Profit Before Tax (PBT)	NRs.	58.88
6	Profit After TAX (PAT)	NRs.	33.1

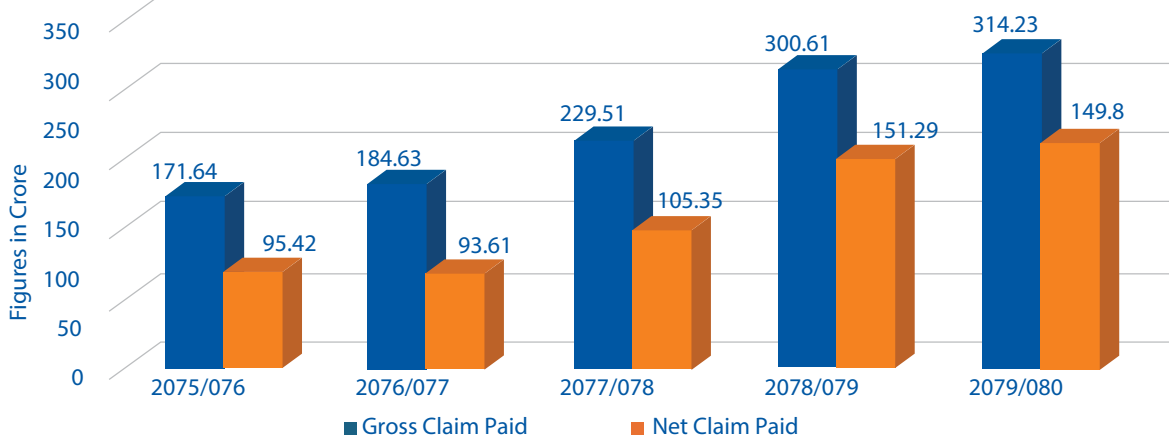
Share Performance

S.no.	Particulars	Indicators	Amounts
1	Net Worth	NRs.	593.23
2	Earning Per Share (EPS)	NRs.	17.51
3	Book Value Per Share	NRs.	226.2
4	Return on Equity (ROE)	%	5.58

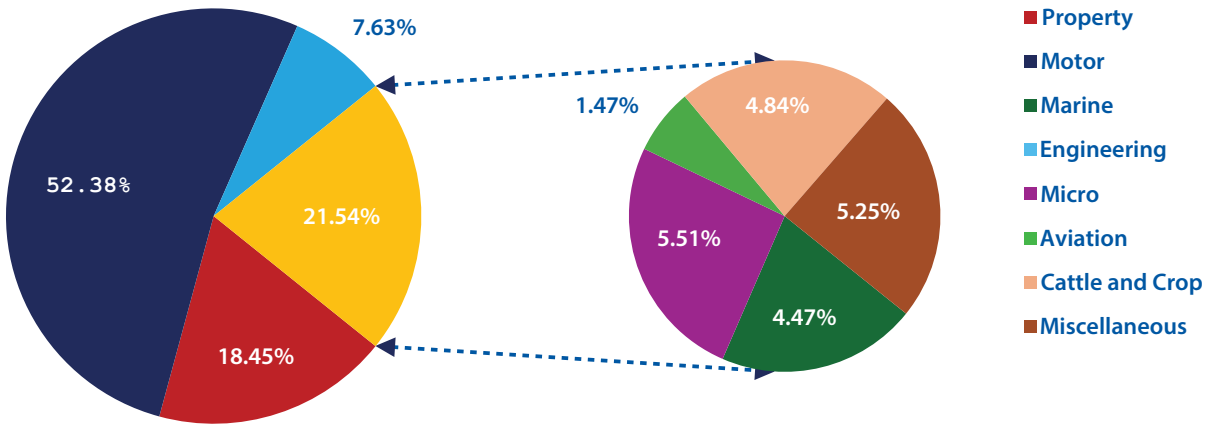
Key Indicators



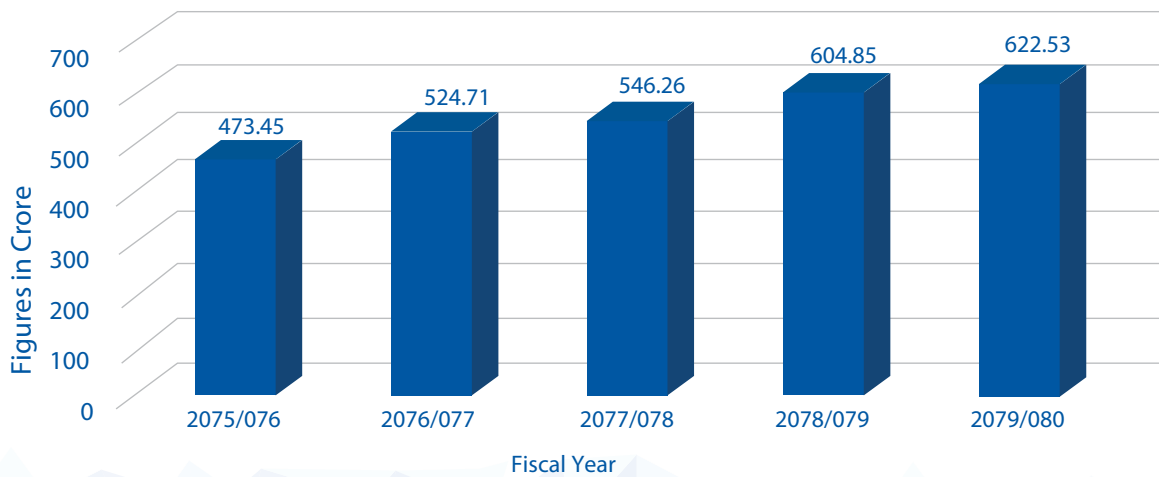
Gross/Net Claim Paid



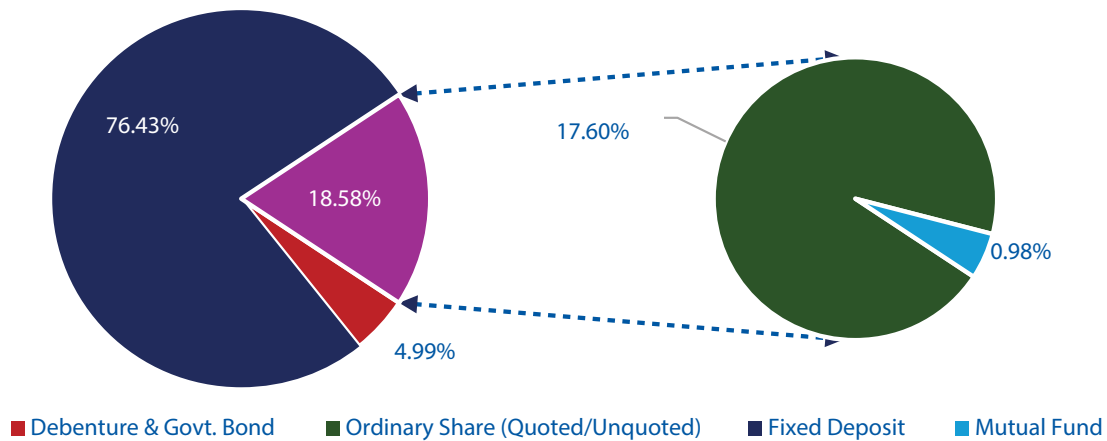
Gross Claim Paid Composition



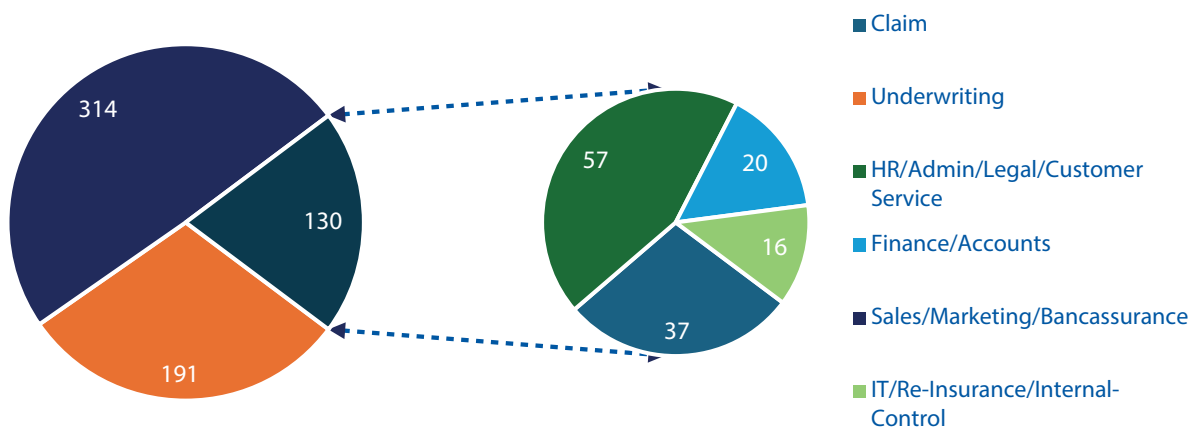
Total Investment



Investment Portfolio



Department-wise Human Capital



SAGARMATHA LUMBINI INSURANCE COMPANY 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	157,766,615	-
Property and Equipment	5	264,134,949	183,789,768
Investment Properties	6	113,238,278	113,934,747
Deferred Tax Assets	7	3,237,463	99,415,696
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	6,225,267,243	3,664,117,706
Loans	11	11,121,779	-
Reinsurance Assets	12	5,501,072,122	1,965,084,539
Current Tax Assets	21	169,761,537	57,275,848
Insurance Receivables	13	1,045,001,459	517,386,525
Other Assets	14	735,413,839	180,213,402
Other Financial Assets	15	264,304,698	134,538,032
Cash and Cash Equivalent	16	243,548,479	166,011,300
Total Assets	-	14,733,868,461	7,081,767,563
Equity & Liabilities	-	-	-
Share Capital	17 (a)	2,622,638,200	1,333,629,000
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17 (c)	-	-
Special Reserves	17 (d)	2,550,477,445	1,201,098,164
Catastrophe Reserves	17 (e)	167,747,461	118,630,802
Retained Earnings	17 (f)	135,314,068	175,089,548
Other Equity	17 (g)	456,120,490	193,145,830
Total Equity	-	5,932,297,664	3,021,593,344
Liabilities	-	-	-
Provisions	18	81,460,391	131,833,123
Gross Insurance Contract Liabilities	19	7,399,201,598	3,292,647,971
Deferred Tax Liabilities	7	-	-
Insurance Payable	20	743,547,768	131,165,217
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	360,311,133	361,421,962
Other Financial Liabilities	24	217,049,907	143,105,946
Total Liabilities	-	8,801,570,797	4,060,174,219
Total Equity and Liabilities	-	14,733,868,461	7,081,767,563

The accompanying notes form an Integral Part of Financial Statements.

Manohar Das Mool
Chairman

Ajith R. Gunawardena
Director

Arun Raj Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

As per our report of even date,
Raju Kumar Sibakoti, FCA
Partner
For JBRH & Co.
Chartered Accountants

Chunky Chhetry
Chief Executive Officer

Ganesh Dhakal
Chief Finance Officer

February 26, 2024
Kathmandu, Nepal

SAGARMATHA LUMBINI INSURANCE COMPANY 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	3,248,479,863	2,980,472,470
Premiums Ceded	26	1,644,343,788	1,751,735,265
Net Earned Premiums	-	1,604,136,075	1,228,737,205
Commission Income	27	472,845,114	437,365,348
Other Direct Income	28	24,614,527	21,554,050
Income from Investments & Loans	29	391,880,292	267,314,525
Net Gain/ (Loss) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	3,432,444	55,456,435
Other Income	32	1,143,642	4,091,259
Total Income	-	2,498,052,094	2,014,518,822
Expenses:	-	-	-
Gross Claims Paid	33	2,386,751,213	1,856,067,277
Claims Ceded	33	(1,213,885,278)	(873,198,546)
Gross Change in Contract Liabilities	34	2,030,981,628	33,238,382
Change in Contract Liabilities Ceded to Reinsurers	34	(2,021,811,426)	(86,714,952)
Net Claims Incurred	-	1,182,036,138	929,392,162
Commission Expenses	35	46,825,765	46,837,428
Service Fees	36	12,346,527	13,256,762
Other Direct Expenses	37	6,597,725	8,138,739
Employee Benefits Expenses	38	397,761,780	342,480,363
Depreciation and Amortization Expenses	39	34,610,295	36,540,496
Impairment Losses	40	76,332,755	(10,618,471)
Other Operating Expenses	41	144,249,583	102,745,766
Finance Cost	42	8,517,715	8,445,511
Total Expenses	-	1,909,278,282	1,477,218,756
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	-	588,773,812	537,300,066
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax	-	588,773,812	537,300,066
Income Tax Expense	43	257,750,796	166,419,385
Net Profit/(Loss) For The Year	-	331,023,016	370,880,681
Earning Per Share	51	-	-
Basic EPS	-	17.51	27.81
Diluted EPS	-	17.51	24.74

The accompanying notes form an Integral Part of Financial Statements.

Manohar Das Mool
Chairman

Ajith R. Gunawardena
Director

Arun Raj Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

As per our report of even date,
Raju Kumar Sibakoti, FCA
Partner
For JBRH & Co.
Chartered Accountants

Chunky Chhetry
Chief Executive Officer

Ganesh Dhakal
Chief Finance Officer

February 26, 2024
Kathmandu, Nepal

SAGARMATHA LUMBINI INSURANCE COMPANY 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	-	331,023,016	370,880,681
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	-	70,544,059	31,077,313
Revaluation of Property and Equipment/ Goodwill & Intangible Assets	-	-	-
Remeasurement of Post-Employment Benefit Obligations	-	-	44,980,478
Share of other comprehensive income of associates accounted for using the equity method	-	-	-
Income Tax Relating to Above Items	-	(21,163,218)	(22,817,337)
Total Other Comprehensive Income For the Year, Net of Tax	-	49,380,841	53,240,454
Total Comprehensive Income For the Year, Net of Tax	-	380,403,858	424,121,135

The accompanying notes form an Integral Part of Financial Statements.

Manohar Das Mool
Chairman

Ajith R. Gunawardena
Director

Arun Raj Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

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Independent Director

As per our report of even date,
Raju Kumar Sibakoti, FCA
 Partner
 For JBRH & Co.
 Chartered Accountants

Chunky Chhetry
Chief Executive Officer

Ganesh Dhakal
Chief Finance Officer

February 26, 2024
 Kathmandu, Nepal

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Statement of Changes In Equity For Period 17th July, 2022 - 16th July, 2023 (For the Year Ended Ashad 2080)

Particulars	Previous Year											Total					
	Ordinary Share Capital	Share Preference Share	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserve (CSR)	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve		Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Regulatory Reserves	Other Reserves
Balance as on Shrawan 1, 2078	1,111,357,500	-	-	-	240,942,415	-	-	-	99,252,228	-	1,088,415,160	21,055,762	(36,204,087)	-	7,239,416	92,084,163	2,624,142,557
Adjustment for Actuarial Reserve	-	-	-	-	(4,717,752)	-	-	-	-	-	-	-	4,717,752	-	-	-	-
Prior period adjustment	-	-	-	-	(18,512,627)	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at Shrawan 1, 2078	1,111,357,500	-	-	-	217,712,036	-	-	-	99,252,228	-	1,088,415,160	21,055,762	(31,486,335)	-	7,239,416	92,084,163	2,605,629,930
Profit/(Loss) for the Year	-	-	-	-	370,880,681	-	-	-	-	-	-	-	-	-	-	-	370,880,681
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	-	-	-	-	-	-	-	-	-	-	-	21,754,119	-	-	-	-	21,754,119
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	19,376,574	-	162,183,479	-	31,486,335	-	-	(2,756,449)	31,486,335
Transfer to Reserves/ Funds	-	-	-	-	(180,256,111)	-	-	-	-	-	-	-	-	-	-	-	(180,256,111)
Transfer to Deferred Tax Reserves	-	-	-	-	(10,087,982)	-	-	-	-	-	-	-	-	-	623,573	10,087,982	(826,935)
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVOCI	-	-	-	-	14,559,043	-	-	-	-	-	-	(10,191,330)	-	-	-	-	4,367,713
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	222,271,500	-	-	-	(222,271,500)	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(11,698,500)	-	-	-	-	-	-	-	-	-	-	-	(11,698,500)
iv) Dividend Distribution Tax	-	-	-	-	(3,746,119)	-	-	-	-	-	-	-	-	-	-	3,746,119	-
v) Others (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashad end, 2079	1,333,629,000	-	-	-	175,089,548	-	-	-	118,630,802	-	1,250,598,639	32,618,551	-	7,862,989	103,163,815	3,021,593,344	

The accompanying notes form an Integral Part of Financial Statements.

Manohar Das Mool
Chairman

Ajith R. Gunawardena
Director

Arun Raj Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

Chunky Chhetry
Chief Executive Officer

Ganesh Dhakal
Chief Finance Officer

As per our report of even date,
Raju Kumar Sibakoti, FCA
Partner
For JBRH & Co.
Chartered Accountants

February 26, 2024
Kathmandu, Nepal

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

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

Particulars	Current Year										Total						
	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves		Insurance Fund including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Regulatory Reserves	Other Reserves
Balance as on Shrawan 1, 2079	1,333,629,000	-	-	-	175,089,548	-	-	-	118,630,002	3,748,119	1,250,598,638	32,618,551	-	99,415,696	7,862,989	-	3,021,593,243
Prior period adjustment	-	-	-	-	(2,408,510)	-	-	-	-	-	-	-	-	-	-	-	(2,408,510)
Restated Balance as at Shrawan 1, 2079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) For the Year	-	-	-	-	331,023,016	-	-	-	-	-	-	-	-	-	-	-	331,023,016
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) Reassessment of Post Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(156,720,212)	-	-	202,453,963	10,122,698	4,049,079	-	-	-	(59,905,528.40)	-	-	0
Transfer to Regulatory Reserve	-	-	-	-	3,656,290	-	-	3,931,494	196,575	78,630	-	-	-	(7,862,989)	-	-	-
Transfer to Deferred Tax Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	(1,281,170)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVOCI	-	-	-	-	-	-	-	-	-	-	-	896,819	-	-	-	-	(896,819)
Transfer of Insurance Reserve to Special Reserve	-	-	-	-	(38,031,805)	-	-	1,250,598,638	-	-	(1,250,598,638)	-	-	50,620,259	-	156,141,249	2,545,821,010
Transfer on business combination	1,123,692,200	-	-	-	(1,939,405)	-	-	1,093,493,350	38,797,886	1,307,333	-	119,854,038	-	-	-	-	(1,939,405)
Share Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	165,370,000	-	-	-	(165,370,000)	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(8,703,684)	-	-	-	-	-	-	-	-	-	-	-	(8,703,684)
iv) Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v) Others (To be specified)	-	-	-	-	-	-	-	-	-	(2,084,597)	-	-	-	-	-	-	(2,084,597)
Balance as on Ashad end, 2080	2,622,638,200	-	-	-	135,314,068	-	2,550,477,445	167,747,461	7,098,564	202,750,249	90,139,427	156,141,249	5,932,297,664	-	-	-	

The accompanying notes form an Integral Part of Financial Statements.

Manohar Das Mool
Chairman

Ajith R. Gunawardena
Director

Arun Raj Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

Chunky Chhetry
Chief Executive Officer

Ganesh Dhakal
Chief Finance Officer

As per our report of even date,
Raju Kumar Sibakoti, FCA
Partner
For JBRH & Co.
Chartered Accountants

February 26, 2024
Kathmandu, Nepal

SAGARMATHA LUMBINI INSURANCE COMPANY 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	3,248,479,863	3,106,939,667
Reinsurance Commission Received	472,845,114	446,172,592
Claim Recovery Received from Reinsurers	1,003,411,033	873,198,546
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	-	(464,320)
Other Direct Income Received	24,614,527	-
Others (Other Income received)	1,143,642	-
Others (Others to be specified)	-	-
Cash Paid	-	-
Gross Benefits and Claims Paid	(2,386,751,213)	(1,856,067,277)
Reinsurance Premium Paid	(1,118,416,855)	(1,781,263,353)
Commission Paid	(46,825,765)	(40,823,143)
Service Fees Paid	(43,415,913)	(8,348,802)
Employee Benefits Expenses Paid	(444,121,566)	(303,507,107)
Other Expenses Paid	(144,249,583)	(110,420,185)
Other Direct Expenses Paid	(6,597,725)	-
Others (Changes in Working Capital)	(566,154,199)	(211,867,807)
Income Tax Paid	(265,539,716)	(11,237,819)
Net Cash Flow From Operating Activities [1]	(271,578,358)	102,310,991
Cash Flow From Investing Activities	-	-
Acquisitions of Intangible Assets	-	-
Proceeds From Sale of Intangible Assets	-	-
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Acquisitions of Property & Equipment	-	(16,669,880)
Proceeds From Sale of Property & Equipment	18,143,825	17,359,616
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	(163,459,495)	(258,836,811)
Proceeds from Sale of Equity Instruments	54,292,632	172,155,919
Purchase of Mutual Funds	(29,220,209)	(14,044,188)
Proceeds from Sale of Mutual Funds	-	18,890,000
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	(62,842,000)	(13,104,000)
Proceeds from Sale of Debentures	-	-
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	-	-
Investments in Deposits	-	(567,050,000)
Maturity of Deposits	113,000,000	-
Loans Paid	-	-

SAGARMATHA LUMBINI INSURANCE COMPANY 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
Proceeds from Loans	(562,828)	-
Rental Income Received	13,710,254	12,660,198
Proceeds from Finance Lease	-	-
Interest Income Received	373,684,879	241,322,362
Dividend Received	4,485,158	13,331,965
Others (to be specified)	-	-
Total Cash Flow From Investing Activities [2]	321,232,218	(393,984,820)
Cash Flow From Financing Activities	-	-
Interest Paid	-	-
Proceeds From Borrowings	-	-
Repayment of Borrowings	-	-
Payment of Finance Lease	(28,120,233)	(20,673,341)
Proceeds From Issue of Share Capital	-	-
Share Issuance Cost Paid	-	-
Dividend Paid	(8,703,684)	(11,698,500)
Dividend Distribution Tax Paid	-	-
Others (to be specified)	-	-
	(36,823,917)	(32,371,841)
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	12,829,943	(324,045,670)
Cash & Cash Equivalents At Beginning of The Year/Period	166,011,300	490,056,970
Cash & Cash Equivalents transferred from LGIC	64,707,236	-
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	-
Cash & Cash Equivalents At End of The Year/Period	243,548,479	166,011,300
Components of Cash & Cash Equivalents	-	-
Cash In Hand	-	-
Cheque in Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Balance With Banks	243,548,479	166,011,300

Notes: Statement of Cashflow has been prepared using direct method

The accompanying notes form an Integral Part of Financial Statements.

Manohar Das Mool
Chairman

Ajith R. Gunawardena
Director

Arun Raj Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

As per our report of even date,
Raju Kumar Sibakoti, FCA
Partner
For JBRH & Co.
Chartered Accountants

Chunky Chhetry
Chief Executive Officer

Ganesh Dhakal
Chief Finance Officer

February 26, 2024
Kathmandu, Nepal

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED
Consolidated Statement of Distributable Profit or Loss
For Period 17th July, 2022 - 16th July, 2023
(For the Year Ended Ashad 2080)

Fig in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	175,089,548	240,942,415
Transfer from OCI reserves to retained earning in current year	-	-
Net profit or (loss) as per statement of profit or loss	331,023,016	370,880,681
Appropriations:	-	-
i) Transfer to Insurance Fund	-	(162,183,479)
ii) Transfer to Special Reserve	(202,453,963)	-
iii) Transfer to Catastrophe Reserve	(10,122,698)	(19,378,574)
iv) Transfer to Capital Reserve	-	-
v) Transfer to CSR reserve	(4,049,079)	-
vi) Transfer to/from Regulatory Reserve	3,656,290	(623,573)
vii) Transfer to Fair Value Reserve	(1,281,170)	14,559,043
viii) Transfer of Deferred Tax Reserve	59,905,528	(10,087,982)
ix) Transfer to OCI reserves due to change in classification	-	-
x) Transfer on business combination (LGIC Retained Earning)	(38,031,805)	-
Deductions:	-	-
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL	-	-
a) Equity Instruments	-	-
b) Mutual Fund	-	-
c) Others (if any)	-	-
ii) Accumulated Fair Value gain on Investment Properties	-	-
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges	-	-
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges	-	-
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges	-	-
vi) Goodwill Recognised	-	-
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency	-	-
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account	-	-
ix) Overdue loans	-	-
x) Fair value gain recognised in Statement of Profit or Loss	-	-
xi) Investment in unlisted shares	-	-
xii) Delisted share Investment or mutual fund investment	-	-
xiii) Bonus share/ dividend paid	(174,073,684)	(233,970,000)
xiv) Deduction as per Sec 17 of Financial directive	-	-
xiv) Deduction as per Sec 18 of Financial directive	-	-
xv) Share issuance cost	(1,939,405)	-
xvi) Others (Prior Period Adjustment)	(2,408,510)	(18,512,627)
xvii) Lease Equalization Fund	-	1,929,514
xviii) Actuarial Reserve	-	(4,717,752)
Adjusted Retained Earning	135,314,068	178,837,667
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	-	-
Total Distributable Profit/(loss)	135,314,068	178,837,667

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

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

1. Reporting Entity

Sagarmatha Lumbini Insurance Company Limited (herein after referred to as the 'Company') was incorporated on 17/10/2051 and operated as general insurance company after obtaining license from Insurance Board of Nepal on 3/12/2053 under the Insurance Act 2079. The registered office of the Company is located at Bhagwati Marg, Naxal, Kathmandu, Nepal. The Company's shares are listed and trading on Nepal Stock Exchange.

On March 13, 2023, Sagarmatha Insurance Company Limited and Lumbini General Insurance Company Limited underwent a merger at a swap ratio of 100:80 and commenced the operation under the unified banner of Sagarmatha Lumbini Insurance Company Limited (SALICO).

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

2. Basis of Preparation

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

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 2079 to 31st Ashadh 2080 with the corresponding previous year from 1st Shrawan 2078 to 32nd Ashadh 2079. These financial statements have been approved by the Board of Directors on 11/01/2024

(b) Statement of Compliance

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

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

The financial statements are approved for issue by the Company's Board of Directors on 11/01/2024

(c) Basis of Measurement

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

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

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

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

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

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

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

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

(d) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the reported balances of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the 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 a going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it.

(g) Changes in Accounting Policies

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

(h) Recent Accounting Pronouncements

Accounting standards issued and effective

All the accounting standard made effective by the ASB are applied while preparing the financial statement of the Company & IFRS 16 "Leases"

Accounting standards issued and non-effective

IFRS 17 "Insurance Contracts"

(i) Carve-outs

The company has not applied any carve outs provided by 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

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

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

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

(a) Property, Plant and Equipment (PPE)

i) Recognition

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

Subsequent costs are included in the asset's carrying amount or 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 asset, 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 recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss. A decrease in the carrying amount as a result of revaluation, is recognised in profit or loss. However, the decrease is recognised 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.

The Company has not used revaluation model for subsequent measurement of its PPE.

iii) Depreciation

Depreciation on Property, Plant and Equipment other than Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Straight Line Method (SLM)/ 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 DBM is categorised as stated below:

List of Asset Categories (In %) for DBM	Rate of Depreciation (In Years)	Estimated Useful Life
Buildings	5%	20
Furniture & Fixtures	25%	4
Computers and IT Equipments	25%	4
Office Equipment	25%	4
Vehicles	20%	5
Other Assets	25%	4

iv) Derecognition

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

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED
Notes to the Financial Statements
For the year ended Ashadh 31, 2080 (July 16, 2023)

v) Impairment of Assets

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

vi) Capital Work-In-Progress

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

(b) Goodwill & Intangible Assets

i) Recognition

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

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

ii) Amortization

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

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

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

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

iii) Derecognition

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

iv) Impairment of Assets

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

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

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

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

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

(d) **Cash & Cash Equivalent**

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

(e) **Financial Assets**

i) Initial Recognition & Measurement

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

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

ii) Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is 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 Asset is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Asset. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

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

iv) Impairment of Financial Assets

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

(f) Financial Liabilities

i) Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition. All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

ii) Subsequent Measurement

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

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

iii) De-Recognition

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

(g) Offsetting financial instruments

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

(h) Reinsurance Assets

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

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

(i) Equity

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

(j) Reserves and Funds

i) Share Application Money Pending allotment: Share Application Money Pending Allotment means the amount received on the application on which allotment is not yet made (pending allotment).

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.

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

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

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

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

v) Regulatory Reserves: Reserve created out of net profit in line with different circulars issued by regulatory authority. It has been transferred to Special Reserve.

vi) Actuarial Reserves: Reserve against actuarial gain or loss on present value of defined benefit obligation resulting from, experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and the effects of changes in actuarial assumptions.

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

viii) Special Reserves: Reserve created as per the provision of Sec. 39 of Insurance Act, 2079.

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

(k) Insurance Contract Liabilities

i) Provision for unearned premiums

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

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

ii) Outstanding claims provisions

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

iii) Provision for claim incurred but not reported (IBNR)

Significant delays are experienced in the notification and settlement of certain types of claims, the ultimate cost of which cannot be known with certainty at the statement of financial position date.

The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation."

Liability adequacy

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

(l) Employee Benefits

i) Short Term Obligations

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

ii) Post - Employment Benefits - Defined Contribution Plan

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

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Notes to the Financial Statements

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

- Defined Benefit Plan

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

iii) Long Term Employee Benefits

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

iv) Termination

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

- a) when the Company can no longer withdraw the offer of those benefits; and
- b) when the entity recognises costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits.

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

(m) Revenue Recognition

i) Gross Premiums

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

ii) Unearned Premium Reserves

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

iii) Premium on Reinsurance Accepted

Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

iv) Reinsurance Premium

Direct Reinsurance premiums comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks- attaching contracts and over the term of the reinsurance contract for losses occurring contracts. Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

v) Commission Income

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

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Notes to the Financial Statements

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

vi) Investment income

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

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

vii) Net realised gains and losses

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

(n) Claims and Expenses

i) Gross Claims

Claims includes the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlement of claims. Claims that are incurred during the financial year are recognized when a claimable event occurs and/or the insurer is notified.

Reserve for Incurred but not Reported Claims (IBNR) has been created as per actuarial Valuation.

ii) Reinsurance Classification

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

(o) Product Classification

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

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

i) Property Portfolio - Property/Fire insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the property/fire insurance business.

ii) Motor Portfolio - Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third party risks but exclusive of transit risks.

iii) Marine Portfolio - Marine insurance business means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.

iv) Engineering Portfolio - Engineering insurance business means the insurance that provides economic safeguard to the risks faced by the ongoing construction project, installation project, and machines and equipment in project operation.

v) Micro Portfolio - Micro Insurance protects against loss of or damage to crops or livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.

vi) Aviation Portfolio - Aviation Insurance provides coverage for hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents.

vii) Cattle and Crop Portfolio - Cattle and Crop Insurance provides insurance against loss of or damage to Cattle and crops.

viii) Miscellaneous Portfolio - All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.

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

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

(q) Cash Flow Statement

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

(r) Leases

The lease liability has been accounted for under NFRS 16 "Leases". For all the significant lease, the Right-of-Use assets has been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date. The lease payment has been discounted at the incremental borrowing rate in lease which is 10%.

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

(s) Income Taxes

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

i) Current Tax

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

ii) Deferred Tax

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

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

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

(t) Provisions, Contingent Liabilities & Contingent Assets

(i) Provisions

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

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

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

(ii) Contingent Liabilities

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or

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Notes to the Financial Statements

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

non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

(iii) Contingent Assets

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

(u) Functional Currency & Foreign Currency Transactions

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

(v) Earnings Per Share

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

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

(w) Operating Segment

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

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

(x) Business Combination

Business combinations are accounted for using the acquisition method as at the acquisition date i.e. when control is transferred to the Insurance Company. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

The Insurance Company measures goodwill at the acquisition date as:

- The fair value of the consideration transferred, plus
- The recognized amount of any non-controlling interests in the acquire, plus
- If the business combination is achieved in stages, the fair value of the preexisting equity interest in the acquire, less
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.
- When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.
- The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.
- Transaction costs, other than those associated with the issue of debt or equity securities, that the company incurs in connection with a business combination are expensed as incurred.
- Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss except for measurement period adjustment.

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

4. Goodwill & Intangible Assets

Fig in NPR

Particulars	Softwares	Goodwill	Others(to be Specify)	Total
Gross carrying amount	-	-	-	-
As at Shrawan 1, 2078	-	-	-	-
Additions during the year	-	-	-	-
Acquisition	-	-	-	-
Internal Development	-	-	-	-
Business Combination(to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
Balance as at Ashadh 32, 2079	-	-	-	-
Additions during the year	-	-	-	-
Acquisition	-	-	-	-
Internal Development	-	-	-	-
Business Combination(to be Specified)	1,765,761	156,141,249	-	157,907,010
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
Balance as at Ashadh 31, 2080	1,765,761	156,141,249	-	157,907,010
Accumulated amortization and impairment	-	-	-	-
As at Shrawan 1, 2078	-	-	-	-
Additions during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as at Ashadh 32, 2079	-	-	-	-
Additions during the year	140,396	-	-	140,396
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as at Ashadh 31, 2080	140,396	-	-	140,396
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	1,765,761	-	-	1,765,761
As on Ashadh 31, 2080	1,625,365	156,141,249	-	157,766,615

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Notes to the Financial Statements

5. Property and Equipment

Fig in NPR

Particulars	Freehold land	Building	Leasehold Improvement	Furniture and Fixture	Computer and IT equipments	Office equipments	Vehicles	Other Assets	Total
Gross carrying amount	-	-	-	-	-	-	-	-	-
As on Shrawan 1, 2078	8,669,548	21,965,838	-	40,257,081	26,431,420	35,612,221	58,636,029	2,685,352	194,257,489
Additions during the year	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-	-	-	-
Capitalization	-	-	-	8,530,922	3,794,542	4,344,416	-	-	16,669,880
Disposals during the year	-	-	-	-	-	-	(7,952,998)	-	(7,952,998)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2079	8,669,548	21,965,838	-	48,788,003	30,225,962	39,956,637	50,683,031	2,685,352	202,974,371
Additions during the year	-	-	-	-	-	-	-	-	-
Acquisition	38,679,414	36,519,981	334,602	3,376,650	4,216,087	3,750,266	11,696,566	-	98,573,567
Capitalization	-	-	-	1,368,785	1,967,016	1,450,661	21,150,742	-	25,937,204
Disposals during the year	-	-	-	-	-	-	(8,058,358)	-	(8,058,358)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2080	47,348,962	58,485,819	334,602	53,533,439	36,409,065	45,157,564	75,471,981	2,685,352	319,426,783
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-
As on Shrawan 1, 2078	-	9,140,104	-	27,685,762	17,123,056	27,784,586	40,963,780	2,096,420	124,793,708
Additions during the year	-	641,286	-	4,295,459	3,101,943	2,618,829	3,271,280	88,340	14,017,137
Disposals during the year	-	-	-	-	-	-	(6,637,149)	-	(6,637,149)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2079	-	9,781,390	-	31,981,221	20,224,999	30,403,415	37,597,911	2,184,760	132,173,696

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SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Fig in NPR

Particulars	Freehold land	Building	Leasehold Improvement	Furniture and Fixture	Computer and IT equipments	Office equipments	Vehicles	Other Assets	Total
Additions during the year	-	1,241,299	26,650	4,684,577	3,305,546	2,907,168	5,429,362	75,089	17,669,692
Disposals during the year	-	-	-	-	-	-	(4,564,829)	-	(4,564,829)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2080	-	11,022,689	26,650	36,665,798	23,530,545	33,310,583	38,462,444	2,259,849	145,278,559
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	8,669,548	12,184,448	-	16,806,782	10,000,963	9,553,222	13,085,120	500,592	70,800,674
As on Ashadh 31, 2080	47,348,962	47,463,129	307,952	16,867,640	12,878,520	11,846,982	37,009,537	425,503	174,148,225

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Right-of-Use Assets (after Implementation of NFRS 16)

Fig in NPR

Particulars	Freehold land	Building	Leasehold Improvement	Furniture and Fixture	Computer and IT equipments	Office equipments	Vehicles	Other Assets	Total
Gross carrying amount	-	-	-	-	-	-	-	-	-
As on Shrawan 1, 2078	-	-	-	-	-	-	-	-	-
Additions during the year	-	134,779,326	-	-	-	-	-	-	134,779,326
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2079	-	134,779,326	-	-	-	-	-	-	134,779,326
Additions during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	(58,055,395)	-	-	-	-	-	-	(58,055,395)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	44,898,497	-	-	-	-	-	-	44,898,497
Balance as on Ashadh 31, 2080	-	121,622,429	-	-	-	-	-	-	121,622,429
Accumulated depreciation	-	-	-	-	-	-	-	-	-
As on Shrawan 1, 2078	-	-	-	-	-	-	-	-	-
Additions during the year	-	21,790,233	-	-	-	-	-	-	21,790,233
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2079	-	21,790,233	-	-	-	-	-	-	21,790,233
Additions during the year	-	16,103,738	-	-	-	-	-	-	16,103,738
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	(6,258,266)	-	-	-	-	-	-	(6,258,266)
Balance as on Ashadh 31, 2080	-	31,635,705	-	-	-	-	-	-	31,635,705
Net Carrying Amount	-	-	-	-	-	-	-	-	-
As on Ashadh 32, 2079	-	112,989,094	-	-	-	-	-	-	112,989,094
As on Ashadh 31, 2080	-	89,986,724	-	-	-	-	-	-	89,986,724
Grand Total	-	-	-	-	-	-	-	-	-
As on Ashadh 32, 2079	8,669,548	125,173,542	-	16,806,782	10,000,963	9,553,222	13,085,120	500,592	183,789,768
As on Ashadh 31, 2080	47,348,962	137,449,853	307,952	16,867,640	12,878,520	11,846,982	37,009,537	425,503	264,134,949

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

6. Investment Properties Investment Properties at Cost

Fig in NPR

Particulars	Land	Building	Total
Gross carrying amount	-	-	-
As at Shrawan 1, 2078	100,005,359	26,015,510	126,020,869
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluation/Adjustment	-	-	-
Balance as at Ashadh 32, 2079	100,005,359	26,015,510	126,020,869
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluation/Adjustment	-	-	-
Balance as at Ashadh 31, 2080	100,005,359	26,015,510	126,020,869
Accumulated depreciation and impairment	-	-	-
As at Shrawan 1, 2078	-	11,352,996	11,352,996
Additions during the year	-	733,126	733,126
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
Balance as at Ashadh 32, 2079	-	12,086,122	12,086,122
Additions during the year	-	696,469	696,469
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
Balance as at Ashadh 31, 2080	-	12,782,591	12,782,591
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	100,005,359	13,929,388	113,934,747
Net Balance As At Ashad 31, 2080	100,005,359	13,232,919	113,238,278

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

(i) Amounts recog nised in statement of profit or loss

Fig in NPR

Particulars	Current Year	Previous Year
Rental income	13,710,254	12,660,198
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	13,710,254	12,660,198
Depreciation charge	696,469	733,126
Profit from investment properties	13,013,785	11,927,072

(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 deteremined by Er.Reinforcement Consultant Pvt Ltd. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transcatons and industry data.

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

(iv) Contractual obligations:

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Investment Properties at Fair Value

Fig in NPR

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

Notes on Fair Value :

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

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

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

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

7. Deferred Tax Assets/(Liabilities)

Fig in NPR

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Goodwill & Intangible Assets	-	-	-	-	-	-
Property and Equipment	(25,896,107)	-	(25,896,107)	(1,218,395)	-	(1,218,395)
Financial Assets at FVPTL	-	-	-	-	-	-
Financial Assets at FVTOCI	-	(86,892,964)	(86,892,964)	-	(13,979,379)	(13,979,379)
Provision for Leave	16,850,812	-	16,850,812	12,104,121	-	12,104,121
Provision for Gratuity	1,230,309	-	1,230,309	24,257,186	-	24,257,186
Impairment Loss on Financial Assets	39,912,018	-	39,912,018	729,321	-	729,321
Impairment Loss on Other Assets	-	-	-	-	-	-
Unearned Premium Reserve	-	-	-	12,523,876	-	12,523,876
Premium Deficiency Reserve	124,351	-	124,351	-	-	-
IBNR and IBNER Claims	12,028,739	-	12,028,739	17,038,922	-	17,038,922
Margin For Adverse Deviation	-	-	-	-	-	-
Carry forward of unused tax losses	-	-	-	-	-	-
Changes in tax rate	-	-	-	-	-	-
Others (Provisions as prescribed by Beema Pradhikaran)	1,725,000	-	1,725,000	1,725,000	-	1,725,000
i) Deferred commission income	45,028,910	-	45,028,910	47,937,161	-	47,937,161
ii) Deferred commission expense	(4,762,280)	-	(4,762,280)	(4,570,838)	-	(4,570,838)
iii) ROU Assets and Lease Liability	3,888,677	-	3,888,677	2,868,721	-	2,868,721
Total	90,130,427	(86,892,964)	3,237,463	113,395,075	(13,979,379)	99,415,696
Deferred Tax Asstes	-	-	-	113,395,075	(13,979,379)	99,415,696
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	13,395,075	(13,979,379)	99,415,696	-	-	91,644,776
Added through merger	50,620,261	(51,366,016)	(745,755)	-	-	-
Charged/(Credited) to Statement of Profit or Loss	(73,884,909)	-	(73,884,909)	27,047,479	-	27,047,479
Charged/(Credited) to Other Comprehensive Income	-	(21,163,218)	(21,163,218)	-	(22,817,337)	(22,817,337)
Charged/(Credited) Directly to Equity	-	(384,351)	(384,351)	-	3,540,778	3,540,778
As at Ashadh 31, 2080	90,130,427	(86,892,964)	3,237,463	27,047,479	(19,276,559)	99,415,696

8. Investment in Subsidiaries

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

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Investment in Quoted Subsidiaries

Fig in NPR

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.	-	-	-	-	-	-
Total	-	-	-	-	-	-

Investment in Unquoted Subsidiaries

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.	-	-	-	-	-	-
Total	-	-	-	-	-	-

Information Relating to Subsidiaries

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

9. Investment in Associates

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

Investment in Quoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) 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	-	-	-	-	-	-

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Information Relating to Associates

Fig in NPR

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

10. Investments

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	5,068,807,127	3,088,212,000
i) Investment in Preference Shares of Bank and Financial Institutions	-	-
ii) Investment in Debentures	304,051,000	199,562,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	6,500,000	-
iv) Fixed Deposits in "A" Class Financial Institutions	4,036,000,000	2,423,650,000
v) Fixed Deposits in Infrastructure Banks	-	-
vi) Fixed Deposits in "B" Class Financial Institutions	594,000,000	394,000,000
vii) Fixed Deposits in "C" Class Financial Institutions	128,500,000	71,000,000
viii) Others (to be Specified)	-	-
Less: Impairment Losses	(243,873)	-
Investments at FVTOCI	1,156,460,116	575,905,706
i) Investment in Equity Instruments (Quoted)	336,900,125	209,842,697
ii) Investment in Equity Instruments (Unquoted)	758,606,874	310,555,742
iii) Investment in Mutual Funds	60,953,118	55,507,266
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	6,225,267,243	3,664,117,706

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

a) Details of Impairment Losses

Fig in NPR

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	243,873	-
Fixed Deposit with "C" Class Financial Institutions	-	-
Others (to be Specified)	-	-
Total	243,873	-

b) Investments having expected maturities less than 12 months:

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)	-	-
Investment in Equity Instruments (Unquoted)	-	-
Investment in Mutual Funds	-	-
Investment in Preference Shares of Bank and Financial Institutions	-	-
Investment in Debentures	-	-
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	-	-
Fixed Deposit with "A" Class Financial Institutions	3,154,050,000	2,423,650,000
Fixed Deposit with Infrastructure Banks	-	-
Fixed Deposit with "B" Class Financial Institutions	320,000,000	394,000,000
Fixed Deposit with "C" Class Financial Institutions	70,000,000	71,000,000
Others (to be Specified)	-	-
Total	3,544,050,000	2,888,650,000

c) Information relating to investment in equity instruments

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)	-	-	-	-
Api Power Company Limited-19350-Equity Share Of Rs 100 Each	5,551,866	3,811,950	-	-
Arun Kabeli Hydro Power -363-Equity Share Of Rs 100 Each	29,500	85,124	-	-
Asian Life Insurance Company Limited-5122-Equity Share Of Rs 100 Each	3,918,537	3,816,402	-	-
Barun Hydropower Company Limited-35584-Equity Share Of Rs 100 Each	14,276,256	8,860,416	12,497,056	7,828,480
Butwal Power Company Fpo -30746-Equity Share Of Rs 100 Each	10,020,000	10,161,553	-	-
Cedb Hydropower Development Company Limited -1321-Equity Share Of Rs 100 Each	1,191,360	1,194,184	-	-
Central Finance-2154-Equity Share Of Rs 100 Each	1,073,824	846,522	1,073,824	650,508
Chhimek Laghubitta Bittiya Sanstha Limited-23770-Equity Share Of Rs 100 Each	29,365,165	23,770,000	29,365,165	21,432,400
Chilime Hydro Power Company Limited-17208-Equity Share Of Rs 100 Each	10,019,046	9,235,534	13,688,724	8,284,440
Citizen Investment Trust-7523.75-Equity Share Of Rs 100 Each	19,440,112	12,573,691	19,440,112	11,644,450
Dordi Khola Hydropower Company Limited-8497-Equity Share Of Rs 100 Each	2,616,740	2,081,765	-	-
Forward Community Microfinance-1-Equity Share Of Rs 100 Each	1,033	1,321	24,788	45,315
Global Ime Bank Limited-20781-Equity Share Of Rs 100 Each	6,193,056	3,865,266	6,193,056	4,414,598
Global Ime Bank Limited-3462-Equity Share Of Rs 100 Each	848,242	643,932	40,339	42,989
Green Development Bank -544-Equity Share Of Rs 100 Each	52,500	166,464	-	-
Himalayan Bank Limited-24084-Equity Share Of Rs 100 Each	7,021,300	5,125,075	-	-
Himalayan Distillery Limited-3615-Equity Share Of Rs 100 Each	9,306,259	8,126,520	24,816,691	20,545,250

Continue

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Hydroelectricity Investment And Development Company Limited-22433-Equity Share Of Rs 100 Each	3,088,452	4,127,672	1,871,852	1,520,000
Hydroelectricity Investment And Development Company Limited (P)-102500-Promoter Share Of Rs 100 Each	10,040,000	10,537,000	-	-
Lumbini Bikas Bank Limited-1-Equity Share Of Rs 100 Each	-	413	-	-
Manjushree Finance Limited-3660-Equity Share Of Rs 100 Each	2,082,620	2,013,000	-	-
Mero Micro Finance -271-Equity Share Of Rs 100 Each	10,900	179,131	-	-
Multipurpose Finance Company Limited-32337-Equity Share Of Rs 100 Each	11,732,373	12,323,631	-	-
National Hydro Power Company Limited-45591-Equity Share Of Rs 100 Each	18,516,521	8,110,639	18,516,521	10,941,840
National Life Insurance Company Ltd-7224.12-Equity Share Of Rs 100 Each	6,411,349	4,314,405	6,411,349	3,355,832
National Micro Finance -98-Equity Share Of Rs 100 Each	1,900	133,868	-	-
Nepal Bank Limited-11003-Equity Share Of Rs 100 Each	2,952,685	2,739,747	-	-
Nepal Bank Limited,FPO-22464-Equity Share Of Rs 100 Each	4,200,000	5,593,536	-	-
Nepal Finance Ltd P-12909-Promoter Share Of Rs 100 Each	1,211,900	3,601,611	1,211,900	3,601,611
Nepal Hydro Developer Ltd -24831-Equity Share Of Rs 100 Each	9,008,342	9,361,287	-	-
Nepal Infrastructure Bank Ltd-19774-Equity Share Of Rs 100 Each	10,986,901	4,429,376	10,986,901	4,745,760
Nepal Investment Bank Ltd (P)-23660-Promoter Share Of Rs 100 Each	3,611,127	3,861,659	3,611,127	5,737,550
Nepal Investment Mega Bank Limited-1663-Equity Share Of Rs 100 Each	623,126	289,029	623,126	401,602
Nepal Life Insurance -5768-Equity Share Of Rs 100 Each	2,480,925	4,291,392	-	-
Nepal Investment Mega Bank Limited-20285-Equity Share Of Rs 100 Each	5,118,717	3,525,533	-	-
Nic Asia Bank Ltd-30000-Equity Share Of Rs 100 Each	23,751,138	23,814,000	-	-
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd-34286-Equity Share Of Rs 100 Each	39,703,532	26,228,790	39,703,532	31,664,388
People'S Power Limited-5000-Equity Share Of Rs 100 Each	1,448,724	1,245,000	-	-
Prabhu Bank-35532-Equity Share Of Rs 100 Each	9,748,891	5,794,902	9,748,890	6,315,117
Reliance Finance Limited-10648-Equity Share Of Rs 100 Each	6,154,302	4,109,063	6,154,302	3,300,880
Reliance Finance Ltd (P)-92092-Promoter Share Of Rs 100 Each	6,500,000	19,799,780	6,500,000	16,300,284
Ridi Hydro-696-Equity Share Of Rs 100 Each	275,432	169,128	-	-
River Falls Power Limited -2000-Equity Share Of Rs 100 Each	550,987	500,000	-	-
RsdC Laghu Bittiya Sanstha -124-Equity Share Of Rs 100 Each	7,400	76,024	-	-
Samata Gharelu Laghubitta Bittiya Sanstha Limited-207-Equity Share Of Rs 100 Each	254,377	145,459	254,377	143,820
Sanima Bank Ltd-30073-Equity Share Of Rs 100 Each	7,977,901	7,834,017	-	-
Sanima Middle Tamor Hydropower Limited-2980-Equity Share Of Rs 100 Each	957,395	849,300	-	-
Saptakoshi Development Bank-3000-Equity Share Of Rs 100 Each	780,293	774,000	-	-
Shine Development Bank Limited-149314-Equity Share Of Rs 100 Each	72,551,208	57,336,576	72,252,453	38,863,691
Singati Hydro Energy Limited -3410-Equity Share Of Rs 100 Each	1,076,820	954,800	-	-
Standard Chartered Bank -3837-Equity Share Of Rs 100 Each	2,102,700	2,033,994	-	-
Surya Life Insurance Co Ltd.-4683-Equity Share Of Rs 100 Each	4,130,850	2,856,630	-	-
Suryadaya Laghu Bittiya Sanstha -53-Equity Share Of Rs 100 Each	1,700	38,849	-	-
Swarojgar Laghubitta Bittiya Sanstha Limited-9317-Equity Share Of Rs 100 Each	11,494,182	6,568,485	11,494,182	6,218,257
Synergy Power Limited -709-Equity Share Of Rs 100 Each	61,600	177,321	-	-
Union Hydropower Limited-9160-Equity Share Of Rs 100 Each	2,227,252	1,795,360	-	-
Prime Commercial Bank Limited-19-Equity Share Of Rs 100 Each	-	-	5,541	5,035
Vijaya Laghubitta Bittiya Sanstha Limited-14-Equity Share Of Rs 100 Each	-	-	13,321	13,160
Surya Life Insurance Company Limited-4683-Equity Share Of Rs 100 Each	-	-	4,130,850	1,812,321
Kumari Bank Limited-11-Equity Share Of Rs 100 Each	-	-	2,045	2,101

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Siddhartha Bank Limited-17-Equity Share Of Rs 100 Each	-	-	3,178	5,151
Ridi Hydropower Development Company Limited-7-Equity Share Of Rs 100 Each	-	-	563	5,866
Investment in Equity Instruments (Unquoted)	-	-	-	-
Nepal Reinsurance Promoter Share	323,633,600	691,373,215	161,816,800	303,610,742
Insurance Inst. Of Nepal (P)	9,403,220	9,403,220	1,195,000	1,195,000
Nepal Insurance Association-Promoter's Share	2,080,439	2,080,439	-	-
Bandipur Cable Car And Tourism(P)	52,500,000	50,000,000	-	-
Machhapuchhre Capital Ltd (P)	5,750,000	5,750,000	5,750,000	5,750,000
Investment In Mutual Funds (Quoted)	-	-	-	-
Citizen Mutual Fund	10,474,759	9,933,664	-	-
Global IME Balance Fund-I	2,500,000	2,335,000	-	-
Laxmi Equity Mutual Fund	9,678,971	5,322,450	9,678,971	5,494,500
Laxmi Unnat Kosh	6,552,824	5,839,312	5,000,000	4,780,000
Mega Mutual Fund - 1	745,745	807,621	-	-
Nabil Balanced Fund II	5,000,000	4,400,000	5,000,000	5,390,000
Nabil Equity Fund	315,480	340,403	563,230	563,230
NIBL Pragati Fund	7,690,044	4,636,253	1,712,470	1,715,895
NIC Asia Select-30	829,706	899,000	-	-
NMB 50	5,000,000	5,250,000	5,000,000	6,450,000
NMB Hybrid Fund L-1	563,230	541,264	315,480	353,338
NMB Sulav Investment Fund-2 (IPO)	2,500,000	2,497,500	-	-
Sanima Equity Fund	10,100,000	11,918,000	10,100,000	12,877,500
Siddhartha Equity Fund	2,550,000	2,404,650	2,550,000	2,519,400
Sanima Large Cap Fund	2,500,000	2,230,000	2,500,000	2,330,000
Mega Mutual Fund	2,000,000	1,598,000	-	-
Citizen Mutual Fund I	-	-	10,000,000	8,800,000
Laxmi Unnati Kosh	-	-	1,552,824	1,165,029
Nibl Pragati Fund	-	-	5,977,574	3,068,375
Total	867,127,332	1,156,460,116	529,348,114	575,905,706

d) The company has earmarked investments amounting to NPR. 270 Crore to Nepal Insurance Authority.

11. Loans

Particulars	Current Year	Previous Year
Loans measured at Amortised Cost	-	-
Loan to Employees	11,121,779	-
Others (to be Specified)	-	-
Less: Impairment Losses	-	-
Total	11,121,779	-

a) Expected repayment of loan within 12 months:

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

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

12. Reinsurance Assets

Fig in NPR

Particulars	Current Year	Previous Year
Reinsurance Assets on:	-	-
Unearned Premium Reserve	884,388,365	544,081,108
Premium Deficiency Reserve	376,904,592	-
Outstanding Claims	3,641,794,803	1,156,655,240
IBNR and IBNER Claim	597,984,363	243,750,456
Margin For Adverse Deviation	-	20,597,734
Less: Impairment Losses	-	-
Total	5,501,072,122	1,965,084,539

13. Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurer	518,883,904	169,303,097
Receivable from Other Insurance Companies	659,157,614	350,514,499
Others(to be Specified)	-	-
Less: Impairment Losses	(133,040,059)	(2,431,071)
Total	1,045,001,459	517,386,525

a) Expected receivable within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurer	518,883,904	169,303,097
Receivable from Other Insurance Companies	659,157,614	350,514,499
Others(to be Specified)	-	-
Total	1,178,041,518	519,817,596

14. Other Assets

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	1,620,032	542,574
Claim Advances	575,319,960	50,102,308
Advance To Suppliers	-	-
VAT Receivable	915,156	-
Staff Advances	7,693,876	5,339,182
Printing and Stationary Stocks	-	-
Stamp Stocks	71,119	95,164
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	-	6,370
Deferred Agent Commission Expenses	15,874,266	15,229,755
Lease Receivables	-	-
Others	43,766,556	76,577,463
Others(Sundry Advances)	90,152,875	32,320,586
Less: Impairment Losses	-	-
Total	735,413,839	180,213,402

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

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

Fig in NPR

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	1,620,032	542,574
Claim Advances	575,319,960	50,102,308
Advance To Suppliers	-	-
Staff Advances	915,156	-
VAT Receivable	7,693,876	5,339,182
Printing and Stationary Stocks	-	-
Stamp Stocks	71,119	95,164
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	-	6,370
Deferred Agent Commission Expenses	15,874,266	15,229,755
Lease Receivables	-	-
Others	-	-
Others(Sundry Advances)	90,152,875	32,320,586
Total	691,647,283	103,635,939

15. Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits	23,794,606	13,595,001
Accured Interest	34,370,915	23,413,199
Other Receivables	-	8,508,074
Other Deposits	4,956,507	-
Sundry Debtors	201,182,670	89,021,758
Other (to be Specified)	-	-
Less: Impairment Losses	-	-
Total	264,304,698	134,538,032

a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits	-	-
Accured Interest	34,370,915	23,413,199
Other Receivables	-	8,508,074
Other Deposits	4,956,507	-
Sundry Debtors	201,182,670	89,021,758
Other (to be Specified)	-	-
Total	240,510,092	120,943,031

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

16. Cash and Cash Equivalent

Fig in NPR

Particulars	Current Year	Previous Year
Cash in Hand	-	-
Cheque in Hand	-	-
Bank Balances	-	-
i) Balance With "A" Class Financial Institutions	197,656,383	121,223,184
ii) Balance With Infrastructure Banks	-	-
iii) Balance With "B" Class Financial Institutions	33,955,650	33,586,296
iv) Balance With "C" Class Financial Institutions	11,936,446	11,201,820
Less: Impairment Losses	-	-
Deposit with initial maturity upto 3 months	-	-
Others (to be Specified)	-	-
Less: Impairment Losses	-	-
Total	243,548,479	166,011,300

17 (a) Share Capital

Particulars	Current Year	Previous Year
Ordinary Shares	-	-
As at Shrawan 1, 2079	1,333,629,000	1,111,357,500
Additions during the year	-	-
i) Bonus Share Issue	165,370,000	222,271,500
ii) Share Issue	-	-
iii) Share Issue due to merger	1,123,639,200	-
As at Ashadh 31, 2080	2,622,638,200	1,333,629,000
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	2,622,638,200	1,333,629,000

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:	-	-
50,000,000 Ordinary Shares of Rs. 100 Each	5,000,000,000	2,000,000,000
Issued Capital:	-	-
26,226,382 Ordinary Shares of Rs. 100 Each.	2,622,638,200	1,500,000,000
Subscribed and Paid Up Capital:	-	-
26,226,382 Ordinary Shares of Rs. 100 Each.	2,622,638,200	1,333,629,000
Total	2,622,638,200	1,333,629,000

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

(ii) Preference Share Capital

Fig in NPR

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	3,031,770	2,591,014	11.56%	19.43%
Nepali Citizens	7,346,227	4,209,256	28.01%	31.57%
Foreigners	-	-	-	-
Others (Ceylinco Insurance PLC, Srilanka)	2,997,458	2,666,778	11.43%	20.00%
Total (A)	13,375,455	9,467,047	51.00%	71.00%
Other than Promoters	-	-	-	-
General Public	12,850,927	3,869,243	49.00%	29.00%
Others (to be Specified)	-	-	-	-
Total (B)	12,850,927	3,869,243	49.00%	29.00%
Total(A+B)	26,226,382	13,336,290	100.00%	100.00%

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
Lumbini Bikas Bank Ltd.	1,107,975	-	4.22	-
Manohar Das Mool	1,084,748	-	4.14	-
Salt Trading Corporation Limited	910,989	810,489	3.47	6.08
Sunrise Bank	864,296	666,684	3.30	5.00
Dibya Mani Rajbhandari	790,314	703,127	3.01	5.27
Overseas Trading Company Private Limited	407,936	362,547	1.56	2.72
Suraj Vaidya	400,776	-	1.53	-
Shanker Ghimire	381,606	-	1.46	-
Narendra Kumar Agrawal	374,726	333,386	1.43	2.50
Ashok Kumar Todi	374,671	333,338	1.43	2.50
Chintamani Bhattarai	350,199	-	1.34	-
Himal And Company Pvt. Ltd	293,864	261,445	1.12	1.96
Bhajuratna And Company Pvt. Ltd	293,863	261,445	1.12	1.96
Jyoti And Company Pvt Ltd	293,863	261,445	1.12	1.96
Ram Krishna Manandhar	293,862	261,445	1.12	1.96
Arun Raj Shrestha	266,076	-	1.01	-
Ceylinco Insurance PLC, Srilanka	2,997,458	2,666,778	11.43	20.00

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

17 (b) Share Application Money Pending Allotment

Fig in NPR

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

17 (c) Share Premium

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

17 (d) Special Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079	1,201,098,164	1,038,914,685
Additions	1,349,379,281	162,183,479
Utilizations	-	-
As on Ashadh 31, 2080	2,550,477,445	1,201,098,164

17 (e) Catastrophe Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079	118,630,802	99,252,228
Additions	49,116,659	19,378,574
Utilizations	-	-
As on Ashadh 31, 2080	167,747,461	118,630,802

17 (f) Retained Earnings

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079	175,089,548	240,942,415
Net Profit or Loss	331,023,016	370,880,681
Items of OCI recognised directly in retained earnings	-	-
Remeasurement of Post-Employment Benefit Obligations	-	-
Transfer to reserves	-	-
Revaluation Reserves	-	-
Special Reserves	(202,453,963)	(162,183,479)
Capital Reserves	-	-
Catastrophe Reserves	(10,122,698)	(19,378,574)
Corporate Social Responsibility (CSR) Reserves	(4,049,079)	-
Insurance Fund including Insurance Reserves	-	-
Fair Value Reserves	(1,281,170)	14,559,043
Actuarial Reserves	-	(4,717,752)
Deferred Tax Reserves	59,905,528	(13,836,101)
Regulatory Reserves	3,656,290	(623,573)
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	-	-

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Fig in NPR

Particulars	Current Year	Previous Year
Transfer on business combination (LGIC Retained Earnings)	(38,031,805)	-
Issue of Bonus Shares	(174,073,684)	(222,271,500)
Transaction costs on issue of Shares	(1,939,405)	-
Dividend Paid	-	(11,698,500)
Dividend Distribution Tax	-	-
Others (Lease Equalization Fund)	-	1,929,514
Adjustment of prior period	(2,408,510)	(18,512,627)
As on Ashadh 31, 2080	135,314,068	175,089,548

17 (g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves	-	-
Capital Reserves	-	-
Corporate Social Responsibility (CSR) Reserves	7,098,564	3,748,119
Insurance Fund including Insurance Reserves	-	49,500,475
Fair Value Reserves	202,750,249	32,618,551
Actuarial Reserves	-	-
Deferred Tax Reserve	90,130,427	99,415,696
Regulatory Reserve	-	7,862,989
Other Reserve(to be specified)	156,141,250	-
Total	456,120,490	193,145,830

18. Provisions

Particulars	Current Year	Previous Year
Provision for employee benefits	-	-
i) Provision for Leave	56,169,372	40,347,068
ii) Provision for Gratuity	4,101,031	80,857,285
iii) Termination Benefits	-	-
iv) Other Employee Benefit obligations(to be Specified)	14,574,163	-
Provision for tax related legal cases	-	-
Provision for non-tax legal cases	579,047	-
Others(to be Specified)	286,778	4,878,770
Others (As prescribed by Beema Pradhikaran)	5,750,000	5,750,000
Total	81,460,391	131,833,123

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

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

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

(b) Provision with expected payouts within 12 months

Fig in NPR

Particulars	Current Year	Previous Year
Provision for emoloyee benefits	-	-
i) Provision for Leave	-	-
ii) Provision for Gratuity	4,101,031	-
iii)Termination Benefits	-	-
iv)Other Employee Benefit obligations(to be Specified)	14,574,163	-
Provision for tax related legal cases	-	-
Provision for non-tax related legal cases	579,047	-
Others (to be Specified)	-	-
Others (to be Specified)	-	-

19. Gross Insurance Contract Liabilities

Particulars	Current Year	Previous Year
Unearned Premium Reserve	1,900,978,472	1,278,827,598
Premium Deficiency Reserve	377,319,094	-
Outstanding Claims	4,375,599,559	1,622,760,054
IBNR and IBNER Claim	745,304,473	362,939,169
Margin for Adverse Deviation	-	28,121,150
Others	-	-
Total	7,399,201,598	3,292,647,971

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

19.1 Gross Insurance Contract Liabilities

a) Gross Insurance Contract Liability

Fig in NPR

Particulars	Line of Business							Total		
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop		Miscellaneous	
As at Shrawan 1, 2079										
Unearned Premium Reserve	302,069,337	632,192,705	108,627,622	89,387,457	1,565	31,528,642	50,850,787	64,169,483	1,278,827,598	
Premium Deficiency Reserve	-	-	-	-	-	-	-	-	-	
Outstanding Claims	409,336,048	459,263,347	64,341,500	102,612,390	550,143,327	401,550	14,774,022	21,887,871	1,622,760,055	
IBNR and IBNER Claims	81,234,962	132,481,726	17,353,506	30,453,579	82,521,499	60,232	8,026,060	10,807,605	362,939,169	
Margin For Adverse Deviation	8,123,496	6,624,086	1,735,351	1,522,679	8,252,150	-	802,606	1,060,782	28,121,150	
Others	-	-	-	-	-	-	-	-	-	
Total Balance As at Shrawan 1, 2079	800,763,843	1,230,561,864	192,057,979	223,976,105	640,918,540	31,990,424	74,453,475	97,925,741	3,292,647,972	
Adjustment due to merger (LGIC)										
Unearned Premium Reserve	166,968,965	364,213,646	25,570,160	105,976,442	3,271,125	70,701,581	40,910,876	60,537,279	838,150,073	
Premium Deficiency Reserve	-	-	-	-	-	-	-	-	-	
Outstanding Claims	194,107,925	275,369,853	14,810,268	135,620,422	291,845,000	-	23,392,412	97,202,361	1,032,348,240	
IBNR and IBNER Claims	3,856,356	32,727,442	157,253	743,631	713,682	-	701,772	4,853,654	43,753,790	
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	
Total adjustment due to merger	364,933,246	672,310,941	40,537,681	242,340,495	295,829,807	70,701,581	65,005,060	162,593,293	1,914,252,103	
Changes during the year										
Unearned Premium Reserve	914,087	(117,767,806)	(51,455,538)	17,115,801	3,926,636	(61,694,261)	(17,274,791)	10,236,674	(215,999,198)	
Premium Deficiency Reserve	240,183,272	-	-	-	-	137,135,822	-	-	377,319,094	
Outstanding Claims	737,572,425	97,727,405	(28,072,013)	128,565,684	(149,516,336)	982,422,500	(2,097,953)	(46,110,448)	1,720,491,265	
IBNR and IBNER Claims	116,061,142	3,777,108	(3,312,792)	23,822,564	20,635,618	147,363,376	9,388,335	20,876,163	338,611,514	
Margin For Adverse Deviation	(8,123,496)	(6,624,086)	(1,735,351)	(1,522,679)	(8,252,150)	-	(802,606)	(1,060,782)	(28,121,150)	
Others	-	-	-	-	-	-	-	-	-	
Total changes during the year	1,086,607,429	(22,887,380)	(84,575,694)	167,981,371	(133,206,232)	1,205,227,437	(10,787,015)	(16,058,393)	2,192,301,524	
As at Ashadh 31, 2080										
Unearned Premium Reserve	469,952,389	878,636,545	82,742,444	212,479,700	7,199,325	40,535,962	74,486,871	134,943,435	1,900,978,472	
Premium Deficiency Reserve	240,183,272	-	-	-	-	137,135,822	-	-	377,319,094	
Outstanding Claims	1,341,016,398	832,360,604	51,079,755	366,798,496	692,471,991	982,824,050	36,068,481	72,979,84	4,375,599,560	
IBNR and IBNER Claims	201,152,460	168,986,277	14,197,967	55,019,774	103,870,799	147,423,608	18,116,168	36,537,422	745,304,473	
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	
Total Balance As at Ashadh 31, 2080	2,252,304,518	1,879,985,425	148,019,966	634,297,971	803,542,115	1,307,919,442	128,671,520	244,460,642	7,399,201,598	

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

b) Reinsurance Assets

Fig in NPR

Particulars	Line of Business							Total	
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop		Miscellaneous
As at Shrawan 1, 2079									
Unearned Premium Reserve	155,866,105	115,239,922	63,503,606	84,289,398	-	31,328,569	39,279,237	54,574,271	544,081,108
Premium Deficiency Reserve	-	-	-	-	-	-	-	-	-
Outstanding Claims	297,479,525	124,721,105	54,068,353	97,012,093	550,143,327	400,546	11,819,218	21,011,074	1,156,655,240
IBNR and IBNER Claims	55,693,012	49,048,096	13,653,873	25,984,570	82,521,499	60,081	6,629,942	10,159,383	243,750,456
Margin For Adverse Deviation	5,569,301	2,452,405	1,365,387	1,299,729	8,252,150	-	662,994	996,268	20,597,734
Others	-	-	-	-	-	-	-	-	-
Total Balance As at Shrawan 1, 2079	514,607,943	291,461,527	132,591,219	208,585,289	640,916,976	31,789,196	58,391,391	86,740,997	1,965,084,538
Adjustment due to merger (LGIC)									
Unearned Premium Reserve	116,682,705	131,499,890	15,783,537	100,204,379	-	70,059,135	33,379,728	37,669,976	505,279,351
Premium Deficiency Reserve	-	-	-	-	-	-	-	-	-
Outstanding Claims	168,398,885	84,946,123	13,761,916	130,662,883	287,087,120	-	18,713,930	93,393,452	796,964,308
IBNR and IBNER Claims	-	-	-	-	-	-	-	-	-
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total adjustment due to merger	285,081,590	216,446,013	29,545,453	230,867,261	287,087,120	70,059,135	52,093,658	131,063,428	1,302,243,659
Changes during the year									
Unearned Premium Reserve	10,963,668	(92,042,772)	(19,342,119)	1,838,431	68,481	(61,853,538)	(12,791,788)	8,187,543	(164,972,093)
Premium Deficiency Reserve	240,183,272	-	-	-	-	136,721,320	-	-	376,904,592
Outstanding Claims	764,809,673	44,149,883	(23,382,113)	126,722,562	(144,758,456)	979,966,444	(1,192,222)	(58,140,517)	1,688,175,254
IBNR and IBNER Claims	128,910,201	4,306,391	(921,107)	27,175,061	21,349,300	146,994,967	9,637,753	16,781,341	354,233,906
Margin For Adverse Deviation	(5,569,301)	(2,452,405)	(1,365,387)	(1,299,229)	(8,252,150)	-	(662,994)	(996,268)	(20,597,734)
Others	-	-	-	-	-	-	-	-	-
Total changes during the year	1,139,297,513	(46,038,903)	(45,010,725)	154,436,825	(131,592,825)	1,201,829,193	(5,009,252)	(34,167,901)	2,233,745,924
As at Ashadh 31, 2080									
Unearned Premium Reserve	283,512,479	154,697,040	59,945,024	186,332,207	68,481	39,534,167	59,867,178	100,431,790	884,388,365
Premium Deficiency Reserve	240,183,272	-	-	-	-	136,721,320	-	-	376,904,592
Outstanding Claims	1,230,688,083	253,817,111	44,448,157	354,397,537	692,471,991	980,366,990	29,340,925	56,264,009	3,641,794,803
IBNR and IBNER Claims	184,603,212	53,354,487	12,732,766	53,159,631	103,870,799	147,055,048	16,267,695	26,940,724	597,984,363
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total Balance As at Ashadh 31, 2080	1,938,987,046	461,868,637	117,125,947	593,889,375	796,411,271	1,303,677,525	105,475,797	183,636,523	5,501,072,122

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

19.2 Disclosure of Outstanding claim

Fig in NPR

S.no.	Type of insurance	Outstanding claim for claims intimated during the year (A)	Unclaimed Fund			Total Unclaimed Fund (B)	Gross outstanding claim (A+B)	Reinsurance share (C)	Net Outstanding Claim (A+B-C)
			Outstanding claim for claims intimated during the previous 1 year	Outstanding claim for claims intimated during the previous 2 year	Outstanding claim for claims intimated during the previous 3 year				
1	Property	1,213,009,082	94,161,964	28,185,324	5,660,027.00	128,007,315.47	1,341,016,398	1,230,688,083	110,328,315
2	Motor	645,392,309	131,434,146	29,221,299	7,337,847.98	167,993,293.04	813,385,602	253,817,111	559,568,491
3	Marine	44,419,897	5,289,000	844,364	526,494.00	6,659,857.90	51,079,755	44,448,157	6,631,599
4	Engineering	311,356,530	32,575,528	17,233,800	5,632,637.52	55,441,965.93	366,798,496	354,397,537	12,400,959
5	Micro	1,372,400	-	690,399,591	700,000.00	691,099,591.00	692,471,991	692,471,991	-
6	Aviation	982,524,050	300,000	-	-	300,000.00	982,824,050	980,366,990	2,457,060
7	Cattle and Crop	35,310,241	460,000	100,000	198,240.00	758,240.00	36,068,481	29,340,925	6,727,557
8	Miscellaneous	68,526,727	2,703,296	1,106,000.00	643,762.00	4,453,057.80	72,979,784	56,264,009	16,715,776
	Total	3,301,911,237	266,923,935	767,090,378	20,699,009	1,054,713,321	4,356,624,558	3,641,794,803	714,829,755

20. Insurance Payable

Particulars	Current Year	Previous Year
Payable to Reinsurer	679,659,058	126,635,040
Payable to Other Insurance Companies	63,888,711	4,530,177
Portfolio Withdrawal Premium	-	-
Withdrawal Claims	-	-
Others (to be Specified)	-	-
Total	743,547,768	131,165,217

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer	679,659,058	126,635,040
Payable to Other Insurance Companies	63,888,711	4,530,177
Portfolio Withdrawal Premium	-	-
Withdrawal Claims	-	-
Others (to be Specified)	-	-
Total	743,547,768	131,165,217

21. Current Tax Assets/(Liabilities) (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities	(1,127,087,856)	938,629,977
Income Tax Assets	1,296,849,393	(995,905,825)
Total	169,761,537	(57,275,848)

22. Borrowings

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

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Payable within 12 months:

Fig in NPR

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

23. Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable	4,649,089	4,828,314
VAT Payable	44,901,270	28,049,155
Unidentified deposits	16,950,507	15,133,073
Advance Premiums	30,358,706	-
Insurance Service Fee Payable	10,406,216	31,069,386
Lease Liability	102,948,979	122,551,497
Deferred Reinsurance Commission Income	150,096,366	159,790,537
Deferred Income	-	-
Others(to be specified)	-	-
Total	360,311,133	361,421,962

Payable within 12 months

Particulars	Current Year	Previous Year
TDS Payable	4,649,089	4,828,314
VAT Payable	44,901,270	28,049,155
Unidentified Deposits	16,950,507	15,133,073
Advance Premiums	30,358,706	-
Insurance Service Fee Payable	10,406,216	31,069,386
Lease Liability	102,948,979	122,551,497
Deferred Reinsurance Commission Income	150,096,366	159,790,537
Deferred Income	-	-
Others(to be specified)	-	-
Total	360,311,133	361,421,962

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	-	-
Payable to Agents	8,798,304	4,991,817
Payable to Surveyor	-	-
Sundry Creditors	138,866,293	78,483,407
Retention and deposits	-	-
Short-term employee benefits payable	-	-
i) Salary Payables	-	-
ii) Bonus Payables	68,681,958	59,630,722
iii) Other employee benefit payable (to be Specified)	-	-
Audit Fees Payable	-	-
Actuarial Fees Payable	-	-
Dividend Payable	70,277	-
Others (to be specified)	633,074	-
Total	217,049,907	143,105,946

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

Payable within 12 months

Fig in NPR

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	-	-
Payable to Agents	8,798,304	4,991,817
Payable to Surveyor	-	-
Sundry Creditors	138,866,293	78,483,407
Retention and deposits	-	-
Short-term employee benefits payable	-	-
i) Salary Payables	-	-
ii) Bonus Payables	68,681,958	59,630,722
iii) Other employee benefit payable (to be Specified)	-	-
Audit Fees Payable	-	-
Actuarial Fees Payable	-	-
Dividend Payable	70,277	-
Others (to be specified)	633,074	-
Total	217,049,907	143,105,946

25 Gross Earned Premiums

Particulars	Direct Premiums		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	796,535,200	671,807,720	-	-	(914,087)	(30,790,827)	795,621,113	641,016,893
Motor	1,329,607,533	1,416,832,785	187,260,580	171,050,327	117,767,806	(82,351,183)	1,634,635,919	1,505,531,929
Marine	179,265,804	199,233,800	-	-	51,455,538	(27,312,849)	230,721,343	171,920,951
Engineering	370,463,449	233,812,879	-	-	(17,115,801)	(11,434,341)	353,347,647	222,378,538
Micro	10,912,330	3,129	-	-	(3,926,636)	28,006,495	6,985,693	28,009,624
Aviation	174,578,421	145,428,534	-	-	(315,624,833)	14,654,206	(141,046,411)	160,082,740
Cattle and Crop	110,585,669	112,369,457	-	-	17,274,791	(8,855,883)	127,860,460	103,513,574
Miscellaneous	250,590,772	156,393,370	-	7,666	(10,236,674)	(8,382,814)	240,354,099	148,018,222
Total	3,222,539,178	2,935,881,674	187,260,580	171,057,993	(161,319,895)	(126,467,197)	3,248,479,863	2,980,472,470

25.1 Direct Premiums

Particulars	New Business Premium		Renewal Premium		Co-Insurance Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	303,033,218	178,983,625	430,178,058	431,434,284	63,323,924	61,389,812	796,535,200	671,807,720
Motor	710,605,311	795,162,003	618,151,990	620,877,296	850,232	793,485	1,329,607,533	1,416,832,785
Marine	152,364,740	180,270,127	-	-	26,901,064	18,963,673	179,265,804	199,233,800
Engineering	310,467,487	177,358,412	45,219,740	47,761,232	14,776,221	8,693,235	370,463,449	233,812,879
Micro	10,912,330	1,540	-	-	-	1,589	10,912,330	3,129
Aviation	174,552,298	145,428,534	26,123	-	-	-	174,578,421	145,428,534
Cattle and Crop	110,572,865	112,369,457	12,804	-	-	-	110,585,669	112,369,457
Miscellaneous	201,703,251	105,957,385	45,382,265	48,325,527	3,505,257	2,110,459	250,590,772	156,393,370
Total	1,974,211,499	1,695,531,082	1,138,970,981	1,148,398,339	109,356,698	91,952,253	3,222,539,178	2,935,881,674

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

26 Premiums Ceded

Fig in NPR

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premiums		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	492,113,537	456,361,586	(10,963,668)	(23,682,778)	481,149,869	432,678,808
Motor	412,946,702	553,977,546	92,042,772	13,410,672	504,989,474	567,388,218
Marine	138,654,557	169,309,923	19,342,119	(27,602,199)	157,996,675	141,707,724
Engineering	327,123,539	225,146,487	(1,838,431)	(11,601,148)	325,285,109	213,545,339
Micro	1,682,405	-	(68,481)	15,927,408	1,613,924	15,927,408
Aviation	173,654,537	145,028,388	(315,051,054)	14,708,556	(141,396,517)	159,736,944
Cattle and Crop	90,680,250	91,095,566	12,791,788	(5,748,604)	103,472,038	85,346,962
Miscellaneous	219,420,760	140,343,857	(8,187,543)	(4,939,994)	211,233,217	135,403,863
Total	1,856,276,286	1,781,263,353	(211,932,498)	(29,528,088)	1,644,343,788	1,751,735,265

26.1 Portfolio-wise detail of Net Earned Premiums

Particulars	Gross Earned Premiums		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	795,621,113	641,016,893	481,149,869	432,678,808	314,471,244	208,338,085
Motor	1,634,635,919	1,505,531,929	504,989,474	567,388,218	1,129,646,445	938,143,711
Marine	230,721,343	171,920,951	157,996,675	141,707,724	72,724,667	30,213,227
Engineering	353,347,647	222,378,538	325,285,109	213,545,339	28,062,539	8,833,199
Micro	6,985,693	28,009,624	1,613,924	15,927,408	5,371,770	12,082,216
Aviation	(141,046,411)	160,082,740	(141,396,517)	159,736,944	350,106	345,796
Cattle and Crop	127,860,460	103,513,574	103,472,038	85,346,962	24,388,422	18,166,612
Miscellaneous	240,354,099	148,018,222	211,233,217	135,403,863	29,120,882	12,614,359
Total	3,248,479,863	2,980,472,470	1,644,343,788	1,751,735,265	1,604,136,075	1,228,737,205

27 Commission Income

Particulars	Reinsurance Commission Income		Deferred Commission Income		Profit Commission		Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	101,813,802	95,109,643	20,504,903	4,666,272	-	21,885,223	122,318,705	121,661,138
Motor	49,915,324	117,088,984	38,282,410	(6,867,867)	3,820,810	8,378,900	92,018,545	118,600,017
Marine	43,636,771	56,838,198	11,142,223	(1,813,573)	4,059,605	12,015,906	58,838,600	67,040,531
Engineering	66,892,718	47,269,774	8,478,466	(3,179,182)	10,888,996	6,109,609	86,260,180	50,200,201
Micro	-	26	-	4,835	-	-	-	4,861
Aviation	1,635,219	1,666,039	780,500	464,357	-	-	2,415,719	2,130,396
Cattle and Crop	16,254,580	14,478,246	2,383,892	(948,757)	6,583,443	4,014,778	25,221,915	17,544,267
Miscellaneous	72,085,371	50,929,067	4,261,922	(1,133,330)	9,424,157	10,388,199	85,771,451	60,183,936
Total	352,233,785	383,379,977	85,834,317	(8,807,244)	34,777,012	62,792,615	472,845,114	437,365,348

28 Other Direct Income

Particulars	Direct Income		Other(to be Specified)		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	219,433	-	-	-	219,433
Motor	23,243,158	20,782,172	-	-	23,243,158	20,782,172
Marine	69,386	24,915	-	-	69,386	24,915
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	1,301,982	527,530	-	-	1,301,982	527,530
Total	24,614,527	21,554,050	-	-	24,614,527	21,554,050

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

29 Income from Investments & Loans

Fig in NPR

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs	-	-
i) Fixed Deposit with "A" Class Financial Institutions	283,603,875	184,290,791
ii) Fixed Deposit with Infrastructure Bank	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	46,081,078	29,786,065
iv) Fixed Deposit with "C" Class Financial Institutions	9,149,882	5,439,907
v) Debentures	26,203,924	18,847,351
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
vii) Bank Deposits other than Fixed Deposit	8,646,121	2,958,248
xiii) Employee Loans	-	-
ix) Other Interest Income (to be Specified)	-	-
Financial Assets Measured at FVTOCI	-	-
i) Interest Income on Debentures	-	-
ii) Dividend Income	4,485,158	13,331,965
iii) Other Interest Income (to be specified)	-	-
Financial Assets Measured at FVTPL	-	-
i) Interest Income on Debentures	-	-
ii) Dividend Income	-	-
iii) Other Interest Income (to be specified)	-	-
Rental Income	13,710,254	12,660,198
Others(to be Specified)	-	-
Total	391,880,292	267,314,525

30 Net Gain/ (Loss) on Fair Value Changes

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL	-	-
i) Equity Instruments	-	-
ii) Mutual Fund	-	-
iii) Others (to be specified)	-	-
Changes in Fair Value on Investment Properties	-	-
Changes in Fair Value on Hedged Items in Fair Value Hedges	-	-
Changes in Fair Value on Hedging Instruments in Fair Value Hedges	-	-
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	-	0.035 in
i) Equity Instruments	-	-
ii) Mutual Fund	-	-
iii) Others (to be specified)	-	-
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs	-	-
i) Debentures	-	-
ii) Bonds	-	-
iii) Others (to be specified)	-	-
Realised Gain/(Losses) on Derecognition of Financial Assets at FVTOCI	-	-
i) Equity Instruments	3,432,444	55,456,435
ii) Mutual Fund	-	-
iii) Others (to be specified)	-	-
Total	3,432,444	55,456,435

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

32 Other Income

Fig in NPR

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	773,118	2,769,469
Amortization of Deferred Income	-	-
Stamp Income	-	-
Others (Miscellaneous income)	370,523	1,321,790
Total	1,143,642	4,091,259

33 Gross Claims Paid and Claims Ceded

Particulars	Gross Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	440,806,101	341,740,764	298,216,198	233,387,685	142,589,904	108,353,079
Motor	1,260,994,638	1,136,269,924	304,003,128	301,808,530	956,991,510	834,461,394
Marine	127,108,074	75,727,103	106,760,201	61,543,220	20,347,873	14,183,883
Engineering	142,800,256	150,879,717	135,609,780	143,826,258	7,190,476	7,053,459
Micro	141,212,089	9,681	140,203,736	-	1,008,353	9,681
Aviation	46,088,000	-	45,972,780	-	115,220	-
Cattle and Crop	107,717,667	69,727,443	84,968,307	55,781,954	22,749,361	13,945,489
Miscellaneous	120,024,388	81,712,645	98,151,148	76,850,899	21,873,239	4,861,746
Total	2,386,751,213	1,856,067,277	1,213,885,278	873,198,546	1,172,865,935	982,868,731

33.1 Details of Gross Claim Paid

Particulars	Claim Paid		Survey Fees		Total Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	425,938,773	328,228,120	14,867,328	13,512,644	440,806,101	341,740,764
Motor	1,226,657,656	1,103,981,123	34,336,982	32,288,801	1,260,994,638	1,136,269,924
Marine	120,954,220	70,972,134	6,153,854	4,754,969	127,108,074	75,727,103
Engineering	132,644,186	137,523,511	10,156,070	13,356,206	142,800,256	150,879,717
Micro	141,014,673	9,681	197,416	-	141,212,089	9,681
Aviation	46,088,000	-	-	-	46,088,000	-
Cattle and Crop	107,380,312	69,075,081	337,355	652,362	107,717,667	69,727,443
Miscellaneous	119,729,149	81,380,747	295,239	331,898	120,024,388	81,712,645
Total	2,320,406,969	1,791,170,397	66,344,244	64,896,880	2,386,751,213	1,856,067,277

34 Change in Insurance Contract Liabilities

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
Property	845,510,071	6,912,409	888,150,573	40,475,028	(42,640,502)	47,387,437
Motor	94,880,426	(86,371,914)	46,003,869	(18,796,166)	48,876,557	(105,168,080)
Marine	(33,120,156)	8,606,290	(25,668,607)	(11,761,954)	(7,451,549)	(3,155,664)
Engineering	150,865,570	(81,197,141)	152,598,394	83,811,197	(1,732,825)	2,614,056
Micro	(137,132,868)	179,817,694	(131,661,306)	(180,289,826)	(5,471,562)	(472,132)
Aviation	1,129,785,876	(6,582,325)	1,126,961,411	6,554,335	2,824,465	(27,990)
Cattle and Crop	6,487,777	(2,442,033)	7,782,536	1,106,108	(1,294,760)	(1,335,925)
Miscellaneous	(26,295,067)	(13,625,747)	(42,355,444)	12,784,061	16,060,378	(841,686)
Total	2,030,981,628	5,117,233	2,021,811,426	(66,117,217)	9,170,202	(60,999,984)

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

35 Commission Expenses

Fig in NPR

Particulars	Commission Expenses on Direct Premiums		Commission Expenses on Premium on Reinsurance Accepted		Deferred Commission Expenses		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	9,953,601	10,331,041	-	-	2,229,838	338,758	12,183,440	10,669,799
Motor	13,938,405	18,880,590	-	13,808	(3,248,219)	7,602,072	10,690,186	26,496,470
Marine	1,439,664	1,579,230	-	-	1,409,243	(573,867)	2,848,907	1,005,363
Engineering	4,265,063	3,831,744	-	-	8,075,721	(5,071,208)	12,340,784	(1,239,464)
Micro	994,652	-	-	-	(449,121)	-	545,531	-
Aviation	-	-	-	-	919,896	(917,956)	919,896	(917,956)
Cattle and Crop	764,073	2,003,367	-	-	1,795,732	2,869,637	2,559,805	4,873,004
Miscellaneous	5,217,710	4,181,346	-	2,017	(480,494)	1,766,849	4,737,216	5,950,212
Total	36,573,168	40,807,318	-	15,825	10,252,597	6,014,285	46,825,765	46,837,428

36 Service Fees

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	6,609,270	6,718,077	4,273,598	4,563,616	2,335,672	2,154,461
Motor	12,511,831	15,878,831	3,496,615	5,539,775	9,015,216	10,339,056
Marine	1,516,671	1,992,338	1,246,061	1,693,099	270,610	299,239
Engineering	2,970,673	2,338,129	2,708,472	2,251,465	262,201	86,664
Micro	90,193	31	12,618	-	77,575	31
Aviation	1,403,858	1,454,285	1,399,048	1,450,284	4,810	4,001
Cattle and Crop	904,648	1,123,695	733,365	910,956	171,283	212,739
Miscellaneous	2,058,964	1,564,010	1,849,804	1,403,439	209,160	160,571
Total	28,066,108	31,069,396	15,719,581	17,812,634	12,346,527	13,256,762

Note: Service fee shall be calculated on the basis of gross written premium.

37 Other Direct Expenses

Particulars	Direct Expenses		Other(to be Specified)		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-	-	-	-	-
Motor	1,201,440	3,014,509	-	-	1,201,440	3,014,509
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	455	-	-	-	455
Aviation	-	-	-	-	-	-
Cattle and Crop	5,396,285	5,123,775	-	-	5,396,285	5,123,775
Miscellaneous	-	-	-	-	-	-
Total	6,597,725	8,138,739	-	-	6,597,725	8,138,739

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

38 Employee Benefits Expenses

Fig in NPR

Particulars	Current Year	Previous Year
Salaries	151,000,011	117,578,034
Allowances	94,723,734	76,428,263
Festival Allowances	10,104,608	9,627,621
Defined Benefit Plans	-	-
i) Gratuity	3,613,841	24,121,817
ii) Others (to be Specified)	-	-
Defined Contribution Plans	-	-
i) Provident Fund/ Social Security Fund	27,981,780	22,020,073
ii) Others (to be specified)	-	-
Leave Encashments	24,161,054	14,851,439
Termination Benefits	-	-
Training Expenses	4,196,850	525,922
Uniform Expenses	3,509,650	3,900,180
Medical Expenses	9,886,836	9,934,285
Insurance Expenses	594,054	994,684
Staff Welfare Expenses	-	-
Others(Wages to Temporary Staffs and Sweeper)	2,570,048	2,867,323
Sub Total	332,342,467	282,849,641
Employees Bonus	65,419,312	59,630,722
Total	397,761,780	342,480,363

39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of goodwill & Intangible Assets (Refer Note. 4)	140,396	-
Depreciation on Property and Equipment(Refer Note.5)	33,773,430	35,807,370
Depreciation on Investment Properties (Refer Note. 6)	696,469	733,126
Total	34,610,295	36,540,496

40 Impairment Losses

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties and Goodwill & Intangible Assets	-	-
i) Property and Equipment	-	-
ii) Investment properties	-	-
iii) Goodwill & Intangible Assets	-	-
Impairment Losses on Financial Assets	-	-
i) Investments	-	5,750,000
ii) Loans	-	-
iii) Other Financial Assets	(2,431,071)	(16,368,471)
iv)Cash and Cash Equivalents	-	-
v)Others (to be Specified)	-	-
Impairment Losses on Other Assets	-	-
i) Reinsurance Assets	-	-
ii) Insurance Receivables	78,763,826	-
iii) Lease Receivables	-	-
iv)Others (to be Specified)	-	-
Total	76,332,755	(10,618,471)

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

41 Other Operating Expenses

Fig in NPR

Particulars	Current Year	Previous Year
Rent Expenses	-	-
Electricity and Water	5,173,190	4,073,798
Repair & Maintenance	-	-
i) Building	-	-
ii) Vehicle	1,616,903	1,692,202
iii) Office Equipments	4,527,183	1,712,360
iv) Others(to be Specified)	-	-
Telephone & Communication	9,268,111	7,921,034
Printing & Stationary	11,155,522	10,825,625
Office Consumable Expenses	10,114,315	9,418,230
Travelling Expenses	-	-
i) Domestic	23,703,469	16,179,927
ii) Foreign	1,409,024	547,150
Transpotation & Fuel Expenses	-	-
Agent Training	138,743	267,030
Other Agent Expenses	-	-
Insurance Premium	996,375	990,143
Security & Outsourcing Expenes	1,026,000	792,000
Legal and Consulting Expenses	5,036,029	2,122,807
Newspapers, Books and Periodicals	148,573	191,505
Advertisement & Promotion Expenses	15,852,424	8,147,890
Business Promotion	3,362,437	2,619,080
Guest Entertainment	12,791,704	8,881,653
Gift and Donations	86,000	631,501
Board Meeting Fees and Expenses	-	-
i) Meeting Allowances	1,356,000	882,000
ii) Other Allowances	-	-
Other Committee/ Sub-committee Expenses	-	-
i) Meeting Allowances	512,000	584,000
ii) Other Allowances	-	-
General Meeting Expenses	395,015	395,305
Actuarial Service Fee	-	-
Other Actuarial Expenses	-	-
Audit Related Expenses	-	-
i) Statutory Audit	375,000	330,000
ii) Tax Audit	-	-
iii) Long Form Audit Report	-	-
iv) Other Fees	85,000	44,000
v) Internal Audit	400,000	400,000
vi) Others(Audit expense)	567,874	538,658
Bank Charges	1,381,860	1,772,554
Fee and Charges	3,697,907	2,049,222
Postage Charges	1,581,233	1,585,807
Foreign Exchange Losses	2,472,382	464,320
Fines and Penalties	231,157	32,701
Others (to be Specified)	-	-
i) Other direct expense related with insurance business	-	-
ii) Revenue Stamp	2,302,680	2,519,297
iii) Office expense	2,778,805	4,376,531
iv) Computer expense	4,400,115	4,636,179
v) VAT expense	2,299,251	1,475,676
vi) Penalty	-	-
vii) Seminar expense	573,121	835,272
viii) Subscription and membership fees	424,220	927,149
ix) Miscellaneous expense	11,352,287	1,090,961
x) SMS credit expense	364,647	414,173
xi) Low Cost Durable Item	222,426	378,026
xii) Generator expense	70,600	-
Total	144,249,583	102,745,766

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements

42 Finance Cost

Fig in NPR

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	8,517,715	8,445,511
Interest Expenses - Overdraft Loans	-	-
Others (to be Specified)	-	-
Total	8,517,715	8,445,511

43 Income Tax Expense

(a) Income Tax Expense

Particulars	Current Year	Previous Year
Current Tax	-	-
i) Income Tax Expenses for the Year	183,865,887	193,466,864
ii) Income Tax Relating to Prior Periods	-	-
Deferred Tax For The Year	-	-
i) Originating and reversal of temporary differences	73,884,909	(27,047,479)
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	257,750,796	166,419,385

(b) Reconciliation of Taxable Profit & the Accounting Profit

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	588,773,812	537,300,066
Income Tax Expense	30%	30%
Average Effective Tax Rate	176,632,144	161,190,020
Less: Tax effect of expenses that are not deductible for tax purpose	8,343,817	34,332,364
Add: Tax effect on exempt income and additional deduction	(1,110,073)	(370,714)
Add: Adjustments to Current Tax for Prior Periods	-	-
Add/ (Less): Others(to be Specified)	-	-
i) NFRS Profit & NAS Profit Difference	-	(1,684,805)
ii) Originating and reversal of temporary differences	73,884,909	(27,047,479)
Income Tax Expenses	257,750,796	166,419,385
Effective Tax Rate	43.78%	30.97%

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

44 Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashad 31,2080 (Jul16, 2023) the company has recognised an amount of NPR. 27,981,779.86 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. The company has run Leave Encashment Plan only as defined benefit plan during the reporting period. Scheme for gratuity has been changed to defined contribution and necessary adjustment has been made accordingly.

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

Fig in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost	2,332,678	6,806,537	-	-
Past service cost	-	-	-	-
Net interest cost (a-b)	4,352,966	-	-	-
a. Interest expense on defined benefit obligation (DBO)	5,166,758	2,967,666	-	-
b. Interest (income) on plan assets	(813,792)	-	-	-
C Net actuarial loss/(gain)	17,170,298	(509,874)	-	-
Defined benefit cost included in Statement of Profit or Loss	23,855,942	9,264,329	-	-

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

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

e) Total cost recognised in Comprehensive Income

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

f) Change in Defined Benefit Obligation

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year	40,347,068	34,865,384	-	-
Business Combination (Transfer From LGIC)	25,714,593	-	-	-
Service cost	2,332,678	6,806,537	-	-
Interest cost	5,166,758	2,967,666	-	-
Benefit payments from plan assets	(6,572,588)	(3,782,645)	-	-
Transfer of scheme	-	-	-	-
Actuarial (gain)/ loss - financial assumptions	12,908,226	(509,874)	-	-
Actuarial (gain)/ Loss - experience	5,841,692	-	-	-
Defined Benefit Obligation as at Year End	85,738,427	40,347,068	-	-

Note : Additional Liability booked over the liability calculated at the date of change of scheme has been charged to actuarial reserve and profit and loss proportionately.

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED
Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

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	-	71,468,424	-	-
Interest Income	-	-	-	-
Expected return on plan assets	813,792	-	-	-
Employer contributions	-	-	-	-
Participant contributions	-	-	-	-
Benefit payments from plan assets	(1,546,430)	-	-	-
Transfer in/ transfer out	28,722,073	(71,468,424)	-	-
Actuarial gain/ (loss) on plan assets	1,579,620	-	-	-
Fair value of Plan Assets as at Year End	29,569,055	-	-	-

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	85,738,427	40,347,068	-	-
Fair Value of Plan Assets	(29,569,055)	-	-	-
Liability/ (Asset) Recognised in Statement of Financial Position	56,169,372	40,347,068	-	-

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	40,347,068	34,865,384	-	-
Defined benefit cost included in Statement of Profit or Loss	23,855,942	9,264,329	-	-
Total remeasurements included in OCI	-	-	-	-
Transfer in/ transfer out	(3,007,480)	-	-	-
Acquisition/ divestment	-	-	-	-
Employer contributions	(5,026,158)	(3,782,645)	-	-
Net defined benefit liability/ (asset)	56,169,372	40,347,068	-	-

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	-	44,980,478	-	-
Cumulative OCI - (Income)/Loss	-	44,980,478	-	-

l) Current/Non - Current Liability

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	10,643,993	6,865,859.00	-	-
Non - Current Liability(Net) of Plan Assets	75,094,435	33,481,209	-	-
Total	85,738,428	40,347,068	-	-

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED
Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

m) Expected Future Benefit Payments

Fig in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	11,548,732	6,865,859	-	-
Between 1-2 years	11,735,229	7,399,857	-	-
Between 2-5 years	29,436,045	17,053,026	-	-
From 6 to 10	40,970,889	19,989,872	-	-
Total	93,690,895	51,308,614	-	-

n) Plan assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
	(% Invested)	(% Invested)	(% Invested)	(% Invested)
Government Securities (Central and State)	-	-	-	-
Corporate Bonds (including Public Sector bonds)	-	-	-	-
Mutual Funds	-	-	-	-
Deposits	-	-	-	-
Cash and bank balances	-	-	-	-
Retirement Fund	-	-	-	-
Others (to be Specified)	100%	-	-	-
Total	100%	-	-	-

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 0.5% Increase in Discount Rate	8,00,95,218	3,94,02,551	-	-
Effect in Defined Benefit Obligation Due to 0.5% Decrease in Discount Rate	9,21,63,974	4,13,41,064	-	-
Effect in Defined Benefit Obligation Due to 0.5% Increase in Salary Escalation Rate	9,11,80,667	4,13,45,680	-	-
Effect in Defined Benefit Obligation Due to 0.5% Decrease in Salary Escalation Rate	8,08,54,560	3,93,89,939	-	-
Effect in Defined Benefit Obligation Due to 0.5% Increase in withdrawal Rate	8,52,02,622	NA	-	-
Effect in Defined Benefit Obligation Due to 0.5% Decrease in Attrition Rate	8,63,43,660	NA	-	-

p) Assumptions

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate	8.5%	-
Escalation Rate (Rate of Increase in Compensation Levels)	10%	-
Attrition Rate (Employee Turnover)	8.5%	-
Mortality Rate During Employment	Nepali Assured Lives Mortality (2009)	-

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

45 Fair Value Measurements

Fig in NPR

(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.

To provide an indication about the reliability of the inputs used in determining Fair Value, the Company has classified its financial instruments into Three Levels prescribed as per applicable NFRS.

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Investments	-	-	-	-	-	-	-
i) Investment in Equity Instruments	1/3	-	1,095,506,999	-	520,398,439	-	-
ii) Investment in Mutual Funds	1	-	60,953,118	-	55,507,266	-	-
iii) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-	-	-	-
iv) Investment in Debentures	-	-	-	304,051,000	-	199,562,000	-
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	6,500,000	-	-	-
vi) Fixed Deposits	-	-	-	4,758,500,000	-	2,888,650,000	-
vii) Others (to be specified)	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other Financial Assets	-	-	-	264,304,698	-	134,538,032	-
Cash and Cash Equivalents	-	-	-	243,548,479	-	166,011,300	-
Total Financial Assets	-	-	1,156,460,116	5,576,904,177	575,905,706	3,388,761,332	-
Borrowings	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	-	960,597,675	274,271,163	-	-
Total Financial Liabilities	-	-	-	960,597,675	274,271,163	-	-

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

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

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

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

(ii) Valuation Technique Used to Determine Fair Value

- Use of quoted market prices or dealer quotes for similar instruments.
- Fair Value of remaining financial instruments is determined using either discounted cash flow analysis or Net-worth basis. (where direct data from market is unavailable)

(iii) Valuation Process

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Valuation processes and results are reviewed 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.

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

Fig in NPR

Particulars	Current Year	Previous Year	
	Carrying Amount	Carrying Amount	Fair Value
Investments	-	-	-
i) Investment in Preference Shares of Bank and Financial Institutions	-	-	-
ii) Investment in Debentures	304,051,000	199,562,000	199,562,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-
iv) Fixed Deposit	4,758,500,000	2,888,650,000	2,888,650,000
v) Others (to be Specified)	-	-	-
Loans	-	-	-
i) Loan to Associates	-	-	-
ii) Loan to Employees	-	-	-
iv) Loan to Agents	-	-	-
v) Others (to be Specified)	-	-	-
Other Financial Assets including Cash	507,853,177	300,549,332	300,549,332
Total Financial Assets at Amortised Cost	5,570,404,177	3,388,761,332	3,388,761,332
Borrowings	-	-	-
i) Bonds	-	-	-
ii) Debentures	-	-	-
iii) Term Loans - Bank and Financial Institution	-	-	-
iv) Bank Overdrafts	-	-	-
v) Others (to be Specified)	-	-	-
Other Financial Liabilities	960,597,675	274,271,163	274,271,163
Total Financial Liabilities at Amortised Cost	960,597,675	274,271,163	274,271,163

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.

46 Insurance Risk

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

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

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

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

a) Product development:

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

- Property
- Motor
- Marine
- Engineering
- Micro
- Aviation
- Cattle and Crop
- Miscellaneous

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The significant risks arising under the Non-Life Insurance portfolio emanates from changes in the climate leading to natural disasters, behavioral trends of people due to changing life styles, the steady escalation of costs in respect of spares in the auto industry's.

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

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

b) Pricing:

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

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

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

c) Underwriting:

The Company's underwriting process is governed by the 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) 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.

e) Claims handling:

Some of the actions undertaken to mitigate claims risks is detailed below:

- i) Claims are assessed immediately,
- ii) Assessments are carried out by in-house as well as independent assessors / loss adjustors working throughout,
- iii) The service of a qualified independent actuary is obtained annually to assess the adequacy of reserves,
- iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed,
- v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers.

Sensitivities

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

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

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Particulars	Land	Current Year				Previous Year			
		Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax
Average Claim Cost	+ 10%	-	-	-	-	-	-	-	-
Average Number of Claims	+ 10%	-	-	-	-	-	-	-	-
Average Claim Cost	- 10%	-	-	-	-	-	-	-	-
Average Number of Claims	- 10%	-	-	-	-	-	-	-	-

Claim development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive incident year at each reporting date, together with cumulative payments to date.

Gross outstanding claim provision

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	4,547,404,483	4,547,404,483
One year later	-	-	-	-	1,115,053,613	-	1,115,053,613
Two year later	-	-	-	1,030,950,948	-	-	1,030,950,948
Three year later	-	-	34,373,139	-	-	-	34,373,139
Four year later	-	9,124,758	-	-	-	-	9,124,758
More than Four years	6,468,831	-	-	-	-	-	6,468,831
Current estimate of cumulative claims	6,468,831	9,124,758	34,373,139	1,030,950,948	1,115,053,613	4,547,404,483	6,743,375,771
At end of incident year	-	-	-	-	-	1,245,493,246	1,245,493,246
One year later	-	-	-	-	848,129,678	-	848,129,678
Two year later	-	-	-	263,860,570	-	-	263,860,570
Three year later	-	-	21,135,637	-	-	-	21,135,637
Four year later	-	6,763,586	-	-	-	-	6,763,586
More than Four years	1,368,496	-	-	-	-	-	1,368,496
Cumulative payments to date	1,368,496	6,763,586	21,135,637	263,860,570	848,129,678	1,245,493,246	2,386,751,213
Gross outstanding claim provision	5,100,335	2,361,172	13,237,502	767,090,378	266,923,935	3,301,911,237	4,356,624,558

Net outstanding claim provision

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	1,306,463,915	1,306,463,915
One year later	-	-	-	-	484,262,775	-	484,262,775
Two year later	-	-	-	74,426,986	-	-	74,426,986
Three year later	-	-	16,447,540	-	-	-	16,447,540
Four year later	-	4,588,566	-	-	-	-	4,588,566
More than Four years	1,505,908	-	-	-	-	-	1,505,908
Current estimate of cumulative claims	1,505,908	4,588,566	16,447,540	74,426,986	484,262,775	1,306,463,915	1,887,695,691
At end of incident year	-	-	-	-	-	739,166,542	739,166,542
One year later	-	-	-	-	371,340,262	-	371,340,262
Two year later	-	-	-	47,176,497	-	-	47,176,497
Three year later	-	-	11,207,661	-	-	-	11,207,661
Four year later	-	3,394,206	-	-	-	-	3,394,206
More than Four years	580,767	-	-	-	-	-	580,767
Cumulative payments to date	580,767	3,394,206	11,207,661	47,176,497	371,340,262	739,166,542	1,172,865,936
Net outstanding claim provision	925,141	1,194,360	5,239,879	27,250,489	112,922,513	567,297,373	714,829,755

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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:

Fig in NPR

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Fire	2,252,304,518	1,938,987,046	313,317,473	792,640,347	514,607,943	278,032,404
Motor	1,879,985,425	461,868,637	1,418,116,788	1,223,937,778	291,461,527	932,476,251
Marine	148,019,966	117,125,947	30,894,018	190,322,628	132,591,219	57,731,409
Engineering	634,297,971	593,889,375	40,408,596	222,453,426	208,585,289	13,868,137
Micro	803,542,115	796,411,271	7,130,845	632,666,391	640,916,976	(8,250,586)
Aviation	1,307,919,442	1,303,677,525	4,241,917	31,990,424	31,789,196	201,228
Cattle and Crop	128,671,520	105,475,797	23,195,723	73,650,869	58,391,391	15,259,478
Miscellaneous	244,460,642	183,636,523	60,824,118	96,864,959	86,740,997	10,123,962
Total	7,399,201,599	5,501,072,122	1,898,129,477	3,264,526,822	1,965,084,538	1,299,442,283

47 Financial Risk Management

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

i) Credit Risk

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

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

a) Company has credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures/ 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 Ashad 31, 2080

Particulars	Asset Group	Gross Carrying Amount	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Fixed Deposit	4,758,500,000	-	4,758,500,000
	Debenture	304,051,000	-	304,051,000
	Other Financial assets	264,304,698	-	264,304,698
Credit Risk has significantly increased and not credit impaired	-	-	-	-
Credit Risk has significantly increased and credit impaired	-	-	-	-

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Expected Credit Losses for Financial Assets at Amortised Costs as at Ashad 32, 2079

Fig in NPR

Particulars		Asset Group	Gross Carrying Amount	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	Fixed Deposit	2,888,650,000	-	2,888,650,000
		Debenture	199,562,000	-	199,562,000
		Other Financial assets	134,538,032	-	134,538,032
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 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 Ashad 32, 2079	-	-
Changes in loss allowances	-	-
Write-offs	-	-
Recoveries	-	-
Loss Allowance on Ashad 31, 2080	-	-

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/Maturity of Financial Assets

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

Particulars	Current Year			Previous Year	
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	1 Year to 5 Year	More than 5 Year
Borrowings	-	-	-	-	-
Other Financial Liabilities	960,597,675.40	-	-	-	-
Total Financial Liabilities	1,309,306,156.99	-	-	-	-

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.

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.

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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/ fair value through profit or loss.

c2) Sensitivity

The table below summarises the impact of increase/decrease of the index in the Company's equity and impact on OCI/ profit or loss 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
Equity Index - Increase By 1%	-	-
Equity Index - Decrease By 1%	-	-

48 Operational Risk

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

49 Climate Related Risk

Climate Risk Policy has been developed by SALICO.

Assessing the climate change risk of a general insurance company requires a slightly different set of metrics and indicators than for other types of companies. Here are some key metrics and indicators to consider:

1. Catastrophe risk exposure: This measures the extent to which the insurance company's underwriting portfolio is exposed to catastrophic events such as floods, hurricanes, wildfires, and droughts. These events are likely to become more frequent and severe due to climate change, and can lead to significant losses for insurance companies.
2. Geographic concentration: This measures the extent to which the insurance company's underwriting portfolio is concentrated in regions that are particularly vulnerable to climate change, such as coastal areas, regions prone to wildfires, and areas with high exposure to flooding.
3. Climate change scenario analysis: This involves modeling the potential impacts of different climate change scenarios on the insurance company's underwriting portfolio, including the frequency and severity of claims related to climate events.
4. Risk management policies: This measures the insurance company's policies and procedures for managing climate-related risks, including the use of risk transfer mechanisms such as reinsurance, and the development of products and services that help customers manage their own climate-related risks.
5. Disclosures and reporting: This measures the extent to which the insurance company discloses its exposure to climate-related risks and its plans for managing those risks, as well as its progress in reducing its own carbon footprint.
6. Investment portfolio: This measures the extent to which the insurance company's investment portfolio is aligned with a low-carbon future, and whether the company is investing in companies and sectors that are particularly vulnerable to climate change.
7. Regulatory risks: This measures the potential impact of current and future regulations related to climate change on the insurance company's operations and financial performance, including the impact of carbon pricing mechanisms. Overall, assessing the climate change risk of a general insurance company involves a thorough analysis of its underwriting portfolio, risk management policies, investment portfolio, and disclosures and reporting, as well as an understanding of the regulatory landscape related to climate change.

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50 Capital Management

The Company's objectives when managing Capital are to:

- Safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Regulatory minimum paid up capital

Non-Life insurance companies were required by the Directive issued by Nepal Beema Pradhikaran to attain a stipulated minimum paid up capital of NPR 2.5 billion . As on the reporting date, the company's paid up capital is NPR 2,622,638,200.

Dividend

Particulars	Current Year	Previous Year
(i) Dividends recognised	-	-
The Company has recognized the 12.4% Stock Dividend and 0.6526% cash dividend declared and approved by the Annual General Meeting held on 11th Falgun 2079 during the fiscal year	174,073,680	233,970,000
	174,073,680	233,970,000
(ii) Dividends not recognised at the end of the reporting period	-	-
In addition to the above dividends, since the year ended the directors have recommended the payment of a final Cash dividend of NPR 5/- per fully paid equity share (Ashadh 31, 2080 - NPR 131,131,910 /-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	131,131,910	174,073,680
	131,131,910	174,073,680

51 Earnings Per Share (EPS)

a) Basic Earnings Per Share

Particulars	Current Year	Previous Year
Profit For the Year	331,023,016	370,880,681
Less: Dividend on Preference Shares	-	-
Profit For the Year used for Calculating Basic Earning per Share	331,023,016	370,880,681
Add: Interest saving on Convertible Bonds	-	-
Profit For the Year used for Calculating Diluted Earning per Share	331,023,016	370,880,681
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	18,899,639	13,336,290
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	18,899,639	13,336,290
Nominal Value of Equity Shares	-	-
Basic Earnings Per Share	17.51	27.81
Diluted Earning Per Share	17.51	27.81
Proposed Bonus Share	-	1,653,700
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share	18,899,639	14,989,990
Restated Basic Earning Per Share	17.51	27.81
Restated Diluted Earning Per Share	17.51	24.74

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Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

52 Operating Segment

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

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

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

Business Segments of the Company's are:

- i) Property
- ii) Motor
- iii) Marine
- iv) Engineering
- v) Micro
- vi) Aviation
- vii) Cattle and Crop
- viii) Miscellaneous

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a) Segmental Information For the year ended Ashad 31, 2080 (July 16, 2023)

Fig in NPR

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	795,621,113	1,634,635,919	230,721,343	353,347,647	6,985,693	(141,046,411)	127,860,460	240,354,099	-	3,248,479,863
Premiums Ceded	(481,149,869)	(504,989,474)	(157,996,675)	(325,285,109)	(1,613,924)	141,396,517	(103,472,038)	(211,233,217)	-	(1,644,343,788)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	314,471,244	1,129,646,445	77,724,667	28,062,539	5,371,770	350,106	24,388,422	29,120,882	-	1,604,136,075
Commission Income	122,318,705	92,018,545	58,838,600	86,260,180	-	2,415,719	25,221,915	85,771,451	-	472,845,114
Other Direct Income	-	23,243,158	69,386	-	-	-	-	1,301,982	-	24,614,527
Income from Investments and Loans	33,611,784	20,448,488	1,049,323	10,038,241	960,617	(114,559)	2,651,291	7,509,470	-	87,154,656
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	294,403	179,106	105,539	87,924	8,414	(1,003)	23,222	65,775	-	763,380
Other Income	98,091	59,676	35,164	29,295	2,803	(334)	7,737	21,915	-	254,347
Total Segmental Income	470,794,227	1,265,595,419	143,822,679	124,478,180	6,343,604	2,649,928	52,292,587	123,791,475	-	2,189,768,099
Expenses:										
Gross Claims Paid	440,806,101	1,260,994,638	127,108,074	142,800,256	141,212,089	46,088,000	107,171,667	120,024,388	-	2,386,751,213
Claims Ceded	(298,216,198)	(304,003,128)	(106,760,201)	(135,609,780)	(140,203,736)	(45,972,780)	(84,968,307)	(98,151,148)	-	(1,213,885,278)
Gross Change in Contract Liabilities	845,510,071	94,880,426	(33,120,156)	150,865,570	(137,132,868)	1,129,785,876	6,487,777	(26,295,067)	-	2,030,981,628
Change in Reinsurance Assets	(888,150,573)	(46,003,869)	25,668,607	(152,598,394)	131,661,306	(1,126,961,411)	(7,782,536)	42,355,444	-	(2,021,811,426)
Net Claims Paid	99,949,402	1,005,868,067	12,896,324	5,457,652	(4,463,209)	2,939,685	21,454,601	37,933,617	-	1,182,036,138
Commission Expenses	12,183,440	10,690,186	2,848,907	12,340,784	545,531	919,896	2,559,805	4,737,216	-	46,825,765
Service Fees	2,335,672	9,015,216	270,610	262,201	77,575	4,810	171,283	209,160	-	1,234,652
Other Direct Expenses	-	1,201,440	-	-	-	-	5,396,285	-	-	6,597,725
Employee Benefits Expenses	88,382,891	147,832,903	19,981,129	41,147,253	1,114,383	19,616,205	12,339,915	27,570,923	-	357,985,602
Depreciation and Amortization Expenses	7,690,427	12,863,328	1,738,610	3,580,330	96,965	1,706,857	1,073,728	2,399,018	-	31,149,265
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	32,052,338	53,612,076	7,246,220	14,922,183	404,135	7,113,879	4,475,110	9,998,683	-	129,824,624
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenses	242,594,170	1,241,083,216	44,981,800	77,710,403	(2,224,620)	32,301,332	47,470,726	82,848,618	-	1,766,765,647
Total Segmental Results	228,200,057	24,512,202	98,840,879	46,767,776	8,568,224	(29,651,404)	4,821,861	40,942,857	-	423,002,452
Segment Assets	1,938,987,046	461,868,637	117,125,947	593,889,375	796,411,271	1,303,677,525	105,475,797	183,636,523	1,045,001,459	6,546,073,581
Segment Liabilities	2,252,304,518	1,879,985,425	148,019,966	634,297,971	803,542,115	1,307,919,442	128,671,520	244,460,642	743,547,768	8,142,749,367

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED
Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

b) Segmental Information for the year ended Ashadh 32, 2079 (July 16, 2022)

Fig in NPR

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	641,016,893	1,505,531,929	171,920,951	222,378,538	28,009,624	160,082,740	103,513,574	148,018,222	-	2,980,472,470
Premiums Ceded	432,678,808	567,388,218	141,707,724	213,545,339	15,927,408	159,736,944	85,346,962	135,403,863	-	1,751,735,265
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	208,338,085	938,143,711	30,213,227	8,833,199	12,082,216	345,796	18,166,612	12,614,359	-	1,228,737,205
Commission Income	121,661,138	118,600,017	67,040,531	50,200,201	4,861	2,130,396	17,544,267	60,183,936	-	437,365,348
Other Direct Income	-	-	-	-	-	-	-	-	-	-
Income from Investments and Loans	29,458,932	93,256,270	8,235,427	4,764,476	935,004	164,973	2,717,564	5,631,634	-	145,164,280
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	359,458,155	1,149,999,999	105,489,185	63,797,877	13,022,081	2,641,165	38,428,444	78,429,929	-	1,811,266,833
Expenses:										
Gross Claims Paid	341,740,764	1,136,269,924	75,727,103	150,879,717	9,681	-	69,727,443	81,712,645	-	1,856,067,277
Claims Ceded	(233,387,685)	(301,808,530)	(61,543,220)	(143,826,258)	-	-	(55,781,954)	(76,850,899)	-	(873,198,546)
Gross Change in Contract Liabilities	15,035,905	(79,747,828)	10,341,641	(79,674,462)	188,069,844	(6,582,325)	(1,639,427)	(12,564,965)	-	33,238,382
Change in Reinsurance Assets	34,905,727	(21,248,571)	(13,127,342)	82,511,969	(188,541,975)	6,554,335	443,114	11,787,792	-	(86,714,951)
Net Claims Paid	158,294,711	733,464,995	11,398,182	9,890,966	(462,450)	(27,990)	12,749,176	4,084,573	-	929,392,162
Commission Expenses	10,669,799	26,496,470	1,005,363	(1,239,464)	-	(917,956)	4,873,004	5,950,212	-	46,837,428
Service Fees	2,154,461	10,339,056	299,239	86,664	31	4,001	212,739	160,571	-	13,256,762
Other Direct Expenses	-	-	-	-	-	-	-	-	-	-
Employee Benefits Expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenses	171,118,971	770,300,521	12,702,784	8,738,166	(462,419)	(941,945)	17,834,919	10,195,356	-	989,486,352
Total Segmental Results	188,339,184	379,699,478	92,786,401	55,059,710	13,484,500	3,583,110	20,593,525	68,234,573	-	821,780,482
Segment Assets	514,607,943	291,461,527	132,591,219	208,585,289	640,916,976	31,789,196	58,391,391	86,740,997	-	1,965,084,538
Segment Liabilities	800,763,843	1,230,561,864	192,057,979	223,976,105	640,918,540	31,990,424	74,453,475	97,925,741	-	3,292,647,971

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED
Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

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

Fig in NPR

Particulars	Current Year	Previous Year
Segmental Profit	423,002,452	821,780,482
Less: Employee Benefit Expenses	(39,776,178)	(342,480,363)
Less: Depreciation and Amortization	(3,461,029.48)	(36,540,496)
Less: Other Operating Expenses	(14,424,958)	(29,782,761)
Less: Impairment Losses	(76,332,755)	10,618,471
Less: Finance Cost	(8,517,715)	(8,445,511)
Add: Unallocable Other Income	308,283,995	122,150,245
Profit Before Tax	588,773,812	537,300,066

d) Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets	6,546,073,581	1,965,084,538
Goodwill and Intangible Assets	157,766,615	-
Property, Plant and Equipment	264,134,949	183,789,768
Investment Properties	113,238,278	113,934,747
Deferred Tax Assets	3,237,463	99,415,696
Investments in Subsidiaries	-	-
Investments in Associates	-	-
Investments	6,225,267,243	3,664,117,706
Loans	11,121,779	-
Current Tax Assets (Net)	169,761,537	57,275,848
Other Assets	735,413,839	998,149,259
Other Financial Assets	264,304,698	-
Cash and Cash Equivalents	243,548,479	-
Total Assets	14,733,868,461	7,081,767,563

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	8,142,749,367	3,292,647,971
Provisions	81,460,391	131,833,123
Deferred Tax Liabilities	-	-
Current Tax Liabilities (Net)	-	-
Other Financial Liabilities	217,049,907	143,105,946
Other Liabilities	360,311,133	492,587,179
Total Liabilities	8,801,570,798	4,060,174,219

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

53 Related Party Disclosure

(a) Identify Related Parties

Holding Company:

The company does not have any holding company.

Subsidiaries:

The company does not have any Subsidiaries.

Associates:

The company does not have any Associates.

Fellow Subsidiaries:

The company does not have any Fellow Subsidiaries.

Key Management Personnel:

KMPs of the Sagarmatha Lumbini Insurance Company Ltd. includes members of Board of directors, Chief Executive Officer, Deputy CEO and Assistant General Manager namely:

Name of Key Management Personnel	Designation
Manohar Das Mool	Chairman
Ajit R. Gunawardena	Director
Arun Raj Shrestha	Director
Siddhartha Mani Rajdhandari	Director
Gajendra Lal Shrestha	Public Director
Kamal Bhattarai	Public Director
Nirmala Devi Manandhar	Independent Director
Padma Jyoti	Alternate Director
Lokmanya Golchha	Advisor to The Board
Bijan Bhattarai	Advisor to The Board
Chunky Chhetri	Chief Executive Officer
Barishma Saud Acharya	Deputy Chief Executive Officer
Kabiraj Poudel	AGM
Subhash Dixit	AGM
Karuna Devi Manandhar	AGM

(b) Key Management Personnel Compensation:

Particulars	Current Year	Previous Year
Short-term employee benefits	24,382,134	18,926,072
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total	24,382,134	18,926,072

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

Payment to Chief Executive Officer (CEO)

Fig in NPR

Particulars	Current Year	Previous Year
Annual salary and allowances	8,701,025	7,399,154
Performance based allowances	-	-
i) Employee Bonus	-	-
ii) Benefits as per prevailing provisions	1,959,518	2,458,490
iii) Incentives	-	-
Insurance related benefits	-	-
i) Life Insurance	-	-
ii) Accident Insurance	-	-
iii) Health Insurance (including family members)	-	-
Total	10,660,543	9,857,644

(c) Related Party Transactions:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Premium Earned	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
Commission Income	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
Sale of Property, Plant & Equipment	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
Purchase of Property, Plant & Equipment	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
Premium Paid	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
Commission Expenses	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
Meeting Fees	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	2,764,000	2,764,000
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	1,456,000	1,456,000
Allowances to Directors	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	828,000.00	828,000
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	648,000.00	648,000
Others (to be specified)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2080 (July 16, 2023)	-	-	-	-	-	-
For The Year Ended Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

(d) Related Party Balances:

Fig in NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables	-	-	-	-	-	-
As at Ashadh 32,2079 (July 16, 2022)	-	-	-	-	-	-
As at Ashadh 31,2078 (July 16, 2021)	-	-	-	-	-	-
Other Receivables (to be Specified)	-	-	-	-	-	-
As at Ashadh 32,2079 (July 16, 2022)	-	-	-	-	-	-
As at Ashadh 31,2078 (July 16, 2021)	-	-	-	-	-	-
Payables including Reinsurance Payables	-	-	-	-	-	-
As at Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
As at Ashadh 31, 2078 (July 16, 2021)	-	-	-	-	-	-
Other Payables (to be Specified)	-	-	-	-	-	-
As at Ashadh 32, 2079 (July 16, 2022)	-	-	-	-	-	-
As at Ashadh 31, 2078 (July 16, 2021)	-	-	-	-	-	-

54 Leases

(a) Leases as Lessee

(i) Operating Leases:

The Company has not entered into any lease agreement i.e. rental agreements to be classified as operating leases

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

There is no non- cancellable lease as such . All the lease (rental agreements) can be cancelled by serving the notice period as per the agreement.

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 has classified lease rental agreement entered for branches and head office under finance leases.

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	30,733,923	22,363,762
ii) Later than 1 year and not later than 5 years	92,686,540	107,819,530
iii) Later than 5 years	10,451,373	26,220,378
Total Future Minimum Lease Payments	133,871,836	156,403,670
Less: Effect of Discounting	30,922,857	(33,852,175)
Finance lease liability recognised	102,948,979	122,551,495

(b) Leases as Lessor

(i) Operating Lease:

The Company has leased out certain office spaces that are renewable on a periodic basis. Rental income received during the year in respect of operating lease is NPR 15,081,280 Details of assets given on operating lease as at year end are as below.

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

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	15,081,279.93	13,710,254.48
ii) Later than 1 year and not later than 5 years	-	-
iii) Later than 5 years	-	-

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

(ii) Finance Lease:

Fig in NPR

The Company has not leased out any of its assets on lease.

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 and not provided for: No capital Commitments has been made

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

56 Contingent Liabilities

In the opinion of the Directors and the Company's lawyers, pending litigation against the Company will not have a material impact on the reported financial results or future operations of the Company. All pending litigation for claims have been evaluated and adequate provisions have been made in the financial statements.

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as debts	-	-
a) Income Tax	25,444,909	25,444,909
b) Indirect Taxes	1,299,840	1,299,840
c) Other (to be Specified)	-	-
Total	26,744,749	26,744,749

57 Events occurring after Balance Sheet

There are no such material non-adjusting events after Balance Sheet date to be disclosed.

58 Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are: Assets has not been pledged as security

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

59 Corporate Social Responsibility

Directive 57B of Corporate Governance Directive, 2075 issued by Nepal Insurance Authority requires Insurers to create Corporate Social Responsibility Fund and annually appropriate an amount equivalent to 1% of net profit into this fund. The fund is created towards covering the Insurance's expense in CSR activities in the subsequent year. The Insurance appropriates required amount to this fund for every reporting period. Salico has appropriated 1% of profit into the fund as on Ashad end, 2080.

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

Notes to the Financial Statements for the year ended Ashad 31, 2080 (July 16, 2023)

60 Others (Merger and Goodwill)

After merger of Lumbini General Insurance Company Limited (LGIC) with Sagarmatha Insurance Company Limited (SIC) to form Sagarmatha Lumbini Insurance Company Limited (SALICO). All the assets and liabilities of LGIC has been transferred to SALICO at the fair value as on 13/03/2023 as per NFRS 3 business Combination. Purchase consideration for the acquisition of assets and liabilities of LGIC has been derived from net worth per share of SIC as on 16/07/2022 (latest available information as per audited financial statements) i.e. NRs. 226.57. Goodwill of NRs. 156,141,249/- has been arised as a result of merger as per NFRS 3 business combination as mentioned in below table;

Particulars	Amount (NRs.)
A. Net Assets Acquired	-
Assets	-
Goodwill & Intangible Assets	1,765,761
Property and Equipment	131,706,362
Investments	2,414,109,666
Loans	10,558,951
Reinsurance Assets	1,302,243,659
Current Tax Assets (Net)	104,696,769
Insurance Receivables	317,140,689
Other Assets	106,167,546
Other Financial Assets	160,641,580
Cash and Cash Equivalents	64,707,236
Total Assets	4,613,738,218
Liabilities	-
Provisions	15,486,212
Gross Insurance Contract Liabilities	1,914,252,103
Deferred Tax Liabilities	745,757
Insurance Payables	86,455,619
Other Liabilities	165,587,886
Other Financial Liabilities	41,530,881
Total Liabilities	2,224,058,458
Net Assets Acquired	2,389,679,760
B. Purchase Consideration	-
Number of shares of SALICO given to Shareholders of LGIC	11,236,392
Per Share Networth of SIC as on 16/07/2022	227
B. Purchase Consideration	2,545,821,010
Purchase Goodwill arised	156,141,249

Goodwill arised of NPR.156,141,249 has been shown under other equity component.

61 Impairment of Insurance Recievable

Impairment on Insurance Recievable as per Section 18 of Financial Directive stands to NRS. 133,040,058 routed through Profit & loss Account. Total of NRS 94,016,859 of Erstwhile Sagarmatha Insurance Company Limited Accounts and NRS. 39,023,198 of Erstwhile Lumbini General Insurance company Account. Impairment on Insurance Recievable on Merger Date on Erstwhile Lumbini stand NRS. 54,276,233 , out of which NRS. 15,253,034 has been recovered .

62 Miscellaneous

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

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED

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

Annexure III

Major Financial Indicator

S.N.	Particular	Indicators	Fiscal Year				
			2079/80	2078/79	2077/78	2076/77	2075/76
	Equity:						
1	Net worth	NRs.	5,932,297,664	3,021,593,344	2,624,142,558	2,177,841,761	1,733,101,941
2	Number of Shares	Number	26,226,382.00	13,336,290	11,113,575	10,012,229	10,012,229
3	Book value per shares	NRs.	226.20	226.57	236.12	217.52	173.10
4	Net Profit	NRs.	331,023,016	370,880,681	447,425,708	384,065,959	195,231,092
5	Earning per Shares (EPS)	NRs.	17.51	27.81	33.55	34.56	19.50
6	Dividend per Shares (DPS)	NRs.	-	13.16	21.05	11.58	-
7	Market Price per Shares (MPPS)	NRs.	748.00	870.00	1,344.00	700.00	566.00
8	Price Earning Ratio	Ratio	42.71	31.28	40.06	20.26	29.03
9	Change in Equity	%	96.65	20.00	11.00	-	86.00
10	Return on Equity	%	5.58	12.27	17.05	17.64	11.58
11	Capital to Total Net Assets Ratio	-	44.21	44.14	42.35	45.97	57.77
12	Capital to Technical Reserve Ratio	-	1.38	1.03	0.90	0.94	-
13	Affiliate Ratio	-	-	-	-	-	-
	Business	-	-	-	-	-	-
14	Total Premium Growth Rate						
	Property	%	24.12	11.95	13.58	(1.08)	14.22
	Motor	%	8.58	20.21	13.35	9.37	29.81
	Marine	%	34.20	19.49	23.67	(23.17)	19.55
	Engineering	%	58.89	20.49	(2.21)	(2.23)	(14.21)
	Micro	%	(75.06)	(99.99)	48.98	10,281.79	72,335.60
	Aviation	%	(188.11)	106.45	421,702.82	-	-
	Cattle and Crop	%	23.52	34.95	73.48	18.97	49.59
	Miscellaneous	%	62.38	25.49	(12.13)	(10.17)	13.46
15	Net Premium Growth Rate						
	Property	%	41.30	18.11	25.03	(72.68)	(5.41)
	Motor	%	6.77	22.74	9.20	(27.60)	17.55
	Marine	%	35.72	(17.07)	48.86	(86.19)	38.09
	Engineering	%	400.09	(17.70)	27.05	(95.92)	153.26
	Micro	%	294,880.03	(99.99)	32.32	4,941.72	72,335.60
	Aviation	%	130.89	37.30	1,645.19	-	-
	Cattle and Crop	%	(6.43)	27.74	73.48	(76.21)	54.25
	Miscellaneous	%	94.12	59.47	6.66	(94.02)	75.49
16	Net Insurance Premium/Gross Insurance Premium						
	Property	%	38.22	32.07	30.40	27.61	32.58
	Motor	%	72.78	65.11	63.77	66.20	70.94
	Marine	%	22.65	15.02	21.64	17.98	17.38
	Engineering	%	11.70	3.71	5.43	4.18	3.32
	Micro	%	84.58	100.00	43.13	48.56	100.00
	Aviation	%	0.53	0.28	0.41	100.00	-
	Cattle and Crop	%	18.00	18.93	20.00	20.00	20.62
	Miscellaneous	%	12.44	10.27	8.08	6.66	8.48
17	Reinsurance commission Income/ Gross Reinsurance Premium	%	23	25.05	25.44	28.78	30.42
18	Gross Premium Revenue/ Equity	%	54.76	98.64	94.73	104.54	118.53
19	Net Premium Revenue/ Equity	%	27.04	40.67	38.29	45.05	52.30

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED
For the year ended Ashadh 31, 2080 (July 16, 2023)
Annexure III
Major Financial Indicator

S.N.	Particular	Indicators	Fiscal Year				
			2079/80	2078/79	2077/78	2076/77	2075/76
20	Gross Insurance Premium/Total Assets	%	22.05	53.06	48.61	47.66	52.66
21	Return on Investments & Loan	%	5.31	5.24	6.94	7.59	5.59
22	Net Profit/ Gross Insurance Premium	%	10.19	12.06	16.84	16.89	13.18
	Expenses:						
23	Reinsurance Ratio	%	50.62	57.53	57.09	45.15	50.95
24	Management expenses/ Gross Insurance Premium	%	17.98	13.12	12.26	13.04	14.45
25	Agent Related Expenses/ Gross Insurance Premium	%	1.07	1.31	1.84	1.90	2.10
26	Agent Related Expenses/Management Expenses	%	5.95	9.98	14.99	14.55	14.51
27	Employee Expenses/ Management Expenses	%	68.98	66.47	64.72	64.59	63.52
28	Employee Expenses/ Number of Employees	-	795,523.56	619,864.00	524,015.37	529,085.50	599,919.00
29	Expense Ratio (Underwriting Expense/Net Written Premium)	%	8.00	6.16	3.52	1.77	5.68
30	Commission Ratio (Commission Expense/Net Written Premium)	%	2.92	3.81	4.80	4.86	4.68
31	Loss Ratio {(Claim Paid + change in reserve)/ (Net Written Premium)}	%	73.69	72.66	77.33	62.26	71.81
32	Combined Ratio (Loss Ratio + Expense Ratio)	%	81.69	78.81	80.85	64.03	77.49
	Assets:						
33	Increment in Investment Held	%	69.90	23.30	14.77	11.80	54.00
34	Return on Assets	%	2.25	5.24	6.94	7.59	4.38
35	Long term Investments/Total Investments	%	43.07	21.16	-	-	-
36	Short term Investments/Total Investments	%	56.93	78.84	-	-	-
37	Total Investment & Loan/Gross Insurance Contract Liabilities	%	84.28	111.28	94.83	130.50	121.70
38	Investment in Unlisted Shares and Debtors/ Total Net Assets	%	1.18	0.23	-	-	-
39	Investment in Shares/ Total Net Assets	%	18.47	17.22	19.83	7.06	7.18
40	Liquidity Ratio	%	17.37	45.93	218.40	271.35	115.86
	Liabilities:						
41	Solvency Margin	%	4.07	4.97	4.79	4.44	1.87
42	Increment in Gross Insurance Contract Liabilities	%	124.72	5.10	57.94	4.30	-
43	Net Technical Reserve/ Average of Net Claim Paid for Last 3 Years	-	143.00	163.24	198.45	220.77	-
44	Actuarial Provision	-	1,898,129,677	1,300,249,000	1,231,830,000	1,070,166,000	-
45	Technical Provisions/ Total Equity	%	32.00	43.94	48.93	49.96	53.85
46	Insurance Debt/ Total Equity	%	8.75	5.60	9.36	15.52	21.29
47	Outstanding Claim/ Claim Intimated	%	109.73	31.21	77.74	71.18	57.41
48	No. of Outstanding Claim/ No. of Intimated Claim	%	83.56	73.16	54.74	45.14	35.96
49	Total Number of Inforce Policies	-	241,106.00	246,981.00	237,342.00	194,174.00	190,136.00
50	Number of Renewed Policy/ Last Year's Total Number of In Force Policies	-	35.29	36.83	32.79	25.69	21.27
51	Number of Intimated Claim/ Total Number of In Force Policy	%	11.69	11.69	7.41	3.88	4.06
	Others:						
52	Number of Offices	-	115	87	76	76	74
53	Number of Agents	-	283	185	190	190	245
54	Number of Surveyors	-	192	135	80	76	62
55	Number of Employees	-	635	437	396	359	333

SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED
Annexure IV
Statement of Sum Assured

S. N.	Insurance Type	Existing Insurance Policies Numbers		Insured Amount against Existing Insurance Policies		Insured Risk Ceded to Re-Insurer		Net Insured Risk Retained by Insurer	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Property	49,012	46,481	433,838,567,111	368,047,922,080	156,976,586,346	133,171,439,332	276,861,980,765	234,876,482,748
2	Motor	146,660	167,044	102,378,925,511	120,536,770,109	20,418,499,986	24,039,908,863	81,960,425,525	96,496,861,246
3	Marine	16,033	15,693	110,698,456,207	129,816,881,845	75,261,386,696	88,259,573,611	35,437,069,511	41,557,308,234
4	Engineering	3,768	2,610	59,856,867,016	32,152,144,682	34,109,238,626	18,321,793,805	25,747,628,390	13,830,350,877
5	Micro	4,741	3	5,511,233,015	400,490	4,408,986,412	320,392	1,102,246,603	80,098
6	Aviation	14	8	12,658,464,309	2,928,277,850	-	-	12,658,464,309	2,928,277,850
7	Cattle and Crop	7,619	5,889	2,525,563,892	2,603,396,814	2,019,941,035	2,082,191,653	505,622,857	521,205,161
8	Miscellaneous	13,259	9,253	98,489,162,237	69,118,860,832	87,511,651,696	61,414,936,805	10,977,510,541	7,703,924,027
	Total	241,106	246,981	825,957,239,298	725,204,654,702	380,706,290,797	327,290,164,461	445,250,948,501	397,914,490,241

वि. वि. शा. : २४९ (२०८०/०८१) च.नं. ५७५२

श्री सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लिमिटेड,
नक्साल, काठमाण्डौं।



विषय: आ.व. २०७९।८० को वित्तीय विवरणको स-शर्त स्वीकृति बारे।


तहाँको मिति २०८०।१।१७ (च.नं.१५१२) को पत्र साथ प्राधिकरणमा पेश भएको आ.व. २०७९।८० को वित्तीय विवरण सम्बन्धमा लेखिदैछ।

उपरोक्त सम्बन्धमा बीमक श्री सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लिमिटेडबाट पेश भएको आ.व. २०७९।८० को वित्तीय विवरण तथा अन्य कागजातहरु अध्ययन गर्दा बीमा ऐन, २०७९ को दफा ३८, ३९, ४० र ४१ तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ११ बमोजिम बीमा कोष, अनिवार्य जगेडा कोष, महाविपत्ति कोष र दाबी भुक्तानी कोष तथा जगेडा कोष कायम गरेको देखिएकोले तहाँको आ.व.२०७९।८० को वार्षिक वित्तीय विवरणलाई बीमा ऐन, २०७९ को दफा ८७ को उपदफा (८) तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ७, ८ र ९ बमोजिम वार्षिक प्रतिवेदनमा समावेश गर्न, साधारण सभामा पेश गर्न तथा प्रकाशित गर्न देहायको निर्देशन, शर्त तथा आदेश सहित स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउदछौं।

शर्तहरु:

१. बीमकले NIRS-17 Insurance Contracts लागु गर्नको लागि आवश्यक तयारी गर्ने।
२. बीमकले अन्य बीमक तथा पुनर्बीमकसँगको लेनादेना हिसाब रोजाफ गर्ने।
३. बीमकको संस्थागत सुशासन सम्बन्धी निर्देशिकाको दफा ५७ "क" र ५७ "ख" को व्यवस्था पुर्ण रूपमा पालना गर्ने।
४. बीमकले जोखिम व्यवस्थापन समितिलाई प्रभावकारी बनाउन प्राधिकरणबाट जारी भएको जोखिम व्यवस्थापन सम्बन्धी मार्गदर्शन बमोजिम जोखिम व्यवस्थापन सम्बन्धी कार्य गर्ने।
५. बीमकले लेखा परीक्षण समितिलाई प्रभावकारी बनाई आन्तरिक-नियन्त्रण प्रणालि सुदृढ बनाउने।
६. बीमकको जोखिमाङ्कन तथा दाबी भुक्तानी प्रक्रिया प्रभावकारी गराउने।
७. प्राधिकरणको स्थलगत निरीक्षण क्रममा देखियका कैफियत तथा लेखापरीक्षकले औल्याएका कैफियतहरु सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिन आवश्यक तयारी गराउने।
८. बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६०(साठी) दिन भित्र साधारण सभा गर्ने।

सगरमाथा लुम्बिनी इन्स्योरेन्स कं. लि.
दर्ता नं. १३९२
मिति: २०८०-११-२६ तारिख
समय:


सुशील देव सुवेदी
निर्देशक

बीमा समितिद्वारा आ.व.२०७९/०८० को वित्तीय विवरण सशर्त स्वीकृत दिइएको हुदा त्यसमा उल्लेखित शर्तहरू सम्बन्धी व्यवस्थापनको निम्न बमोजिमको प्रत्युत्तर रहेको छ ।

१. NFRS-17 Insurance Contracts लागु गर्नका लागि आवश्यक तयारी गरिनेछ ।
२. अन्य वीमक तथा पूनर्वीमकसंगको लेना-देना हिसाव यथासक्य छिटो राफसाफ गरिनेछ ।
३. वीमकको संस्थागत सूशासन सम्बन्धि निर्देशिका, २०७५ को दफा ५७ "क" को ब्यबस्था पूर्ण रूपमा पालना गर्न प्रतिबद्ध रहेको व्यहोरा अवगत गराउँदै दफा ५७ "ख" अन्तर्गत प्रत्येक वर्षको खूद नाफाको एक प्रतिशत बराबर रकमको छुट्टै संस्थागत सामाजिक उत्तरदायीत्व कोष खडा गरी जम्मा गरिएको व्यहोरा जानकारी गराउँदछौं ।
४. निर्देशन बमोजिम "जोखिम व्यवस्थापन समिति" को स्थापना गरिएको र जोखिम व्यवस्थापन सम्बन्धि मार्गदर्शन बमोजिम जोखिम व्यवस्थापन सम्बन्धि कार्य गर्ने प्रतिबद्ध रहेको छ ।
५. लेखापरिक्षण समिति प्रभावकारी रहेको र कम्पनीको आन्तरिक नियन्त्रण प्रणालीलाई अभि सुदृढ बनाउन छुट्टै आन्तरिक नियन्त्रण विभाग खडा गरिएको जानकारी गराउँदछौं ।
६. जोखिमांकन तथा दावी भुक्तानी प्रकृत्यालाई प्रभावकारी बनाइएको र यसलाई अभि समयसापेक्ष थप सवल बनाईने व्यहोरा जानकारी गराउदछौं ।
७. प्राधिकरणको स्थलगत निरीक्षणको क्रममा देखिएका तथा लेखापरीक्षकले औल्याईएको कैफियतहरू सुधार गरिनेछ र आगामी दिनहरूमा त्यस प्रकारका कैफियतहरू दोहरीन नदिनका लागि आवश्यक कार्यार्थ सम्बन्धित विभागीय प्रमुखलाई निर्देशन दिईएको व्यहोरा अनुरोध गर्दछौं ।
८. प्राधिकरणबाट वित्तीय विवरण स्वीकृति पाएको ६० दिन भित्रै कम्पनीको साधारण सभा गरिने छ ।

MERGER GLIMPSES



Merger Agreement Between the Chairman of Former Sagarmatha Insurance Mr. R.K. Manandhar and Chairman of Former Lumbini General Insurance Mr. Manohar Das Mool



Certificate handover by the Chairman of Nepal Insurance Authority Mr. Surya Prasad Silwal to SALICO's Chairman Mr. Manohar Das Mool



SALICO Family



**ERSTWHILE LUMBINI GENERAL
INSURANCE COMPANY LIMITED**
Financial Statements

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SAGARMATHA LUMBINI INSURANCE COMPANY LIMITED
Report on the Audit of the Financial Statements (Amended) of erstwhile Lumbini General Insurance Company Limited**

Opinion

We have audited the amended financial statements of the erstwhile Lumbini General Insurance Company Limited (the "Company"), which comprise the amended statement of financial position as at Falgun 28, 2079 (March 12, 2023), and the amended statement of profit or loss, amended statement of comprehensive income, amended statement of changes in equity and amended statement of cash flows for the period from Shrawan 01, 2079 (July 17, 2022) to Falgun 28, 2079 (March 12, 2023), and notes to the amended financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying amended financial statements presents fairly, in all material respects, the amended financial position of the Company as at Falgun 28, 2079 (March 12, 2023), and of its financial performance and its cash flows for the period from Shrawan 01, 2079 (July 17, 2022) to Falgun 28, 2079 (March 12, 2023) in accordance with Nepal Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our Report. We are independent of the Company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of 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 opinion.

Emphasis of Matter: Going Concern and Basis of Amendment

Without qualifying our opinion, we draw attention to the fact that the company has been merged with Sagarmatha Insurance Company Limited with effect from Falgun 29, 2079 (March 13, 2023) and started joint operation in the name of Sagarmatha Lumbini Insurance Company Limited. Accordingly, the company's going concern has ceased with effect from Falgun 29, 2079 (March 13, 2023). Though the company has been merged with Sagarmatha Insurance Company Limited with effect from Falgun 29, 2079 (March 13, 2023), going concern basis of accounting has been followed in preparation of financial statements as its business and operation will be continued in the name of merged entity from the date of joint operation.

After issuance of our independent auditor's report dated September 04, 2023 on the financial statements prepared by the management as per the Of General Insurer's Financial Statements Directive 2065, the Nepal Insurance Authority directed the management to prepare the financial statements based on Insurer's Financial Statement Directive, 2080. Accordingly, the management has prepared the attached amended financial statements. We would like to draw your attention to changes (increase) in total assets/liabilities by NPR 65,739,177, decrease in net profit for the period is NPR 121,587,267.70 and decrease in retained earnings is NPR 99,190,511 as compared with financial statements prepared based on previous Insurer's Financial Statement Directive. Our procedure for audit of this amended financial statements is limited to review of financial information as amended as per the direction of Nepal Insurance Authority.

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

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S.N.	Key Audit Matters	Auditor's Response
1.	<p>Going Concern (Nepal Standards on Auditing 570: Going Concern, requires auditor to obtain sufficient appropriate audit evidence regarding, and conclude on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements, and to conclude, based on the audit evidence obtained, whether a material uncertainty exists about the entity's ability to continue as a going concern. Thus, we have considered it as key audit matter.</p>	<p>Our audit approach regarding verification of process of going concern included:</p> <ol style="list-style-type: none"> Assessing the basis of management's use of going concern basis of accounting and test the same based on available information. Assess, based on discussion with the management and available information during the course of audit, whether there is any material uncertainty; legal, financial and other; about entity's ability to continue as going concern.
2.	<p>Revenue Recognition (Net Earned Premium) Company recognizes gross earned premiums after deducting unearned premium reserves from Direct Premium. Net Earned Premium is derived after deducting ceded reinsurance premium from gross earned premium. Direct premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered during the reporting period. They are recognized on the date on which the policy commences. 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 daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.</p>	<p>Our audit approach regarding verification of process of premium included:</p> <ol style="list-style-type: none"> Understood and tested the design, implementation and operating effectiveness of key controls over premium collection and its recognition. Tested on a sample basis unallocated premium to ensure that there were no policies where risk commenced prior to balance sheet but revenue was not recognized. Tested on a sample basis cash receipt with the time stamp to confirm the recognition of the revenue in correct accounting period
3.	<p>Investment Valuation, Identification, and Impairment NFRS - Investment of the company comprises of investment in in quoted equity instruments, debentures, mutual funds, fixed deposits of financial institutions. The valuation of the aforesaid securities has been done in compliance with NFRS 9. The investment in the government and NRB bonds and T-bills should be recognized on reporting date on Amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other Comprehensive Income. Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter in our audit.</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <ol style="list-style-type: none"> Review of the investment of company and its valuation having reference to NFRS issued by the Accounting Standard Board of Nepal. We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidence/circumstances and ensured that classification of investment is commensurate with nature of cash flow and management intention of holding the investment. For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis. For the investment valued through OCI for quoted investment, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as at Falgun 28, 2079 (March 12, 2023)



4. Provision for Outstanding Claim

Company makes the provisions of an amount of 100% of the remaining amounts of the payment against the claim made by company before the expiry of financial year and Claims Incurred but Not Reported (IBNR) is recognized as higher of 15% of outstanding claim or that determined by actuarial methods.

Given that the provision is required to be made in respect of outstanding claim and complexity of calculations, same has been considered as Key Audit Matter in our audit.

Our audit approach regarding provision for outstanding claim of company is based upon the requirement of NFRS.

- a. Verified operational guidelines of the company relating to claim processing, have performed test of controls, test of details and analytical procedures on the outstanding claims
- b. For the claim cases which have been incurred but not reported and cases in which claim has been reported but not enough reported these cases has been captured by the actuary appointed by company. The actuarial valuation of liability in respect of Claims Incurred but Not Reported (IBNR) and those Incurred but Not Enough Reported (IBNER) as at Falgun 28, 2079 (March 12, 2023) is as certified by the company's Appointed Actuary and we had verified the amounts and the related liability based on such report.

5. Information Technology General Controls

IT controls with respect to recording of transactions, generating various reports in compliance with guidelines issued by Nepal Insurance Authority and other compliances to regulators is an important part of the process. Such reporting is highly dependent on the effective working of Software and other allied systems.

We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management, shareholders and regulators

Our audit approach regarding Information technology of company is based upon the Information Technology Guidelines 2076 issued by Nepal Insurance Authority and it included:

- a. Understanding the coding system adopted by company for various categories of products
- b. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in company
- c. Checking of the user requirements for any changes in the regulations/ policy of the company
- d. Reviewed the reports generated by the system on sample basis. We verified the premium income/expense and claim payment in regard to policies issued and claim intimated on test basis

Information Other than Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the amended 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. Misstatement can arise from fraud or error and are considered material if, individually or in 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 risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management,
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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

Report on the requirements of Companies Act 2063, Insurance Act 2079 and Directives of Nepal Insurance Authority

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the branch offices of the company, though the statements are independently not audited, were adequate for the purpose of the audit; the financial statements have been prepared in accordance with the provisions of the Companies Act 2063, and they are in agreement with the books of accounts of the company; and the accounts and records of the company are properly maintained in accordance with the prevailing laws.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed that adequate amount have been set aside for insurance fund and other statutory reserves as per Directives issued by Nepal Insurance Authority; the business of the company was conducted satisfactorily in line with the Directives issued by Nepal Insurance Authority, the company has not conducted any business other than insurance business and has not issued any unauthorized policies and its transactions were found to be within the scope of its authority. We did not come across cases where the company has acted against the interest of insured and investors. Further, company's internal control system is reasonably adequate, and we did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Company has acted contrary to the provisions of law, caused loss or damage to the company, or committed any misappropriation of the funds of company. Also, the company has provided the required financial and other information to its shareholders and company appears to be able to serve its long-term liabilities out of its assets.



Isha Shrestha
Partner

Date: December 24, 2023
Place: Kathmandu

UDIN: 231228CA00726SXK8K

Erstwhile Lumbini General Insurance Company Limited Minimum Disclosure in Directors' Report

A. Information related to Non-Life Insurer Following matters are disclosed under this title

1. Date of establishment: 2061/09/09
2. Insurer licence date: 2062/03/31
3. Insurance business type, nature: Non Life Insurance
4. Date of commencement of business: 2062/04/02
5. Other matters which insurer wish to include: None

B. Insurer's Board of Directors shall approve following matters

1. All tax, service charges, fine and penalties to be paid under laws & regulation have been cleared.
2. Share structure of the insurer, changes if any are in line with prevailing laws & regulation.
3. Whether solvency ratio as prescribed by Nepal Insurance Authority has been maintained which is 3.38.
4. a) The financial amount of the assets contained in SOFP are not overstated than it's fair value.
b) The basis of the measurements of the assets recognized in financial statements are disclosed in the Notes to Accounts.
5. The investments made by insurer that are in line with prevailing laws and are within the limit as prescribed by the investment directive as issued by Nepal Insurance Authority.
6. Number of claim settled within the year till Falgun 29, 2079 was 4,606 and outstanding claim number as at 2079 Falgun 28 was 5,673 and outstanding claims are expected to be settled by next fiscal year..
7. The company has ensured compliance with the provision of Insurance Act 2079, Insurance Regulation, Company Act 2063, NFRSs and other prevailing laws & regulation to which insurer should adhere.
8. The accounting policy of the company has been consistently adopted over the years.
9. The Financial Statements as at Falgun 28, 2079, Financial Position and Financial Performance are presented true & fairly.
10. The Board of Directors of the company have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.
11. The Financial Statements of the company have been prepared on going concern basis.
12. The internal control system is commensurate with the size, nature & volume of the insurer's business.
13. The company 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 company's director or with any entity in which company's director has interest.
14. The penalties has not been levied by Nepal Insurance Authority for the financial year ended Falgun 28,2079.
15. Other disclosure which is deemed appropriate by Board of Directors/management: None.

Erstwhile Lumbini General Insurance Company Limited
Statement of Financial Position
As at Falgun 28, 2079 (12th March, 2023)

Fig in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	1,765,761	1,936,468
Property and Equipment	5	131,706,362	142,160,611
Investment Properties	6	-	-
Deferred Tax Assets	7	-	11,027,818
Investment in Subsidiary	8	-	-
Investment in Associates	9	-	-
Investments	10	2,414,109,666	2,323,756,051
Loans	11	10,558,951	10,613,918
Reinsurance Assets	12	1,302,243,659	1,126,216,613
Current Tax Assets (Net)	21	104,696,769	118,915,265
Insurance Receivables	13	317,140,689	275,982,133
Other Assets	14	106,167,546	138,680,511
Other Financial Assets	15	160,641,580	167,328,514
Cash and Cash Equivalents	16	64,707,236	154,230,337
Total Assets	-	4,613,738,218	4,470,848,239
Equity			
Share Capital	17 (a)	1,404,549,000	1,312,784,550
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17(c)	-	-
Special Reserve	17(d)	812,583,550	793,463,971
Catastrophe Reserve	17(e)	38,797,386	37,053,877
Retained Earnings	17(f)	(38,031,806)	96,715,451
Other Equity	17(g)	171,781,630	111,629,121
Non-Controlling Interest	17 (h)	-	-
Total Ordinary Shareholders' Equity	-	2,389,679,760	2,351,646,969
Liabilities			
Provisions	18	15,486,212	124,987,845
Gross Insurance Contract Liabilities	19	1,914,252,103	1,627,949,569
Deferred Tax Liabilities	7	745,757	-
Insurance Payables	20	86,455,619	97,069,854
Current Tax Liabilities (Net)	21	-	-
Borrowings	22	-	-
Other Liabilities	23	165,587,886	202,846,165
Other Financial Liabilities	24	41,530,881	66,347,837
Total Liabilities	-	2,224,058,458	2,119,201,270
Total Ordinary Shareholders' Equity and Liabilities	-	4,613,738,218	4,470,848,239

The accompanying notes form an Integral Part of Financial Statements.

Chunky Chhetry
Chief Executive Officer

Arun Raj Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Ajith R. Gunawardena
Director

Manohar Das Mool
Chairman

Ganesh Dhakal
Chief Finance Officer

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

CA. Isha Shrestha
Partner
S.A.R. Associates
Chartered Accountants

Date: 2080/09/08
Place: Kathmandu, Nepal

Erstwhile Lumbini General Insurance Company Limited
Statement of Profit or Loss
As at Falgun 28, 2079 (12th March, 2023)

Fig in NPR

Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	1,174,037,583	1,426,746,937
Premiums Ceded	26	(739,532,020)	(825,570,483)
Net Earned Premiums	26.1	434,505,562	601,176,454
Commission Income	27	129,922,123	175,974,467
Other Direct Income	28	6,283,196	9,311,054
Income from Investment and Loans	29	139,598,034	193,292,825
Net Gains/ (Losses) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	119,649	-
Other Income	32	6,797,036	28,998,866
Total Income	-	717,225,600	999,442,612
Expenses:			
Gross Claims Paid	33	750,768,493	1,147,843,033
Claims Ceded	33	(425,698,616)	(619,379,537)
Gross Change in Contract Liabilities	34(a)	246,170,819	(130,251,939)
Change in Contract Liabilities Ceded to Reinsurers	34(b)	(181,046,511)	90,217,167
Net Claims Paid	-	390,194,185	488,428,723
Commission Expenses	35	20,566,511	29,643,821
Service Fees	36	4,401,201	6,508,137
Other Direct Expenses	37	-	-
Employee Benefits Expenses	38	143,648,858	176,652,181
Depreciation and Amortization Expenses	39	17,572,303	21,333,422
Impairment Losses	40	53,728,233	3,495,999
Other Operating Expenses	41	53,260,646	76,696,474
Finance Cost	42	4,489,850	4,936,172
Total Expenses	-	687,861,788	807,694,929
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	-	29,363,812	191,747,683
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit before tax	-	29,363,812	191,747,683
Income Tax Expenses	43	9,140,339	60,485,295
Net Profit/ (Loss) For The Year	-	20,223,473	131,262,388
Earnings per share			
Basic EPS	-	1.44	10.00
Diluted EPS	-	-	-

The accompanying notes form an Integral Part of Financial Statements.

Chunky Chhetry
Chief Executive Officer

Arun Raj Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Ajith R. Gunawardena
Director

Manohar Das Mool
Chairman

Ganesh Dhakal
Chief Finance Officer

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

CA. Isha Shrestha
Partner
S.A.R. Associates
Chartered Accountants

Date: 2080/09/08
Place: Kathmandu, Nepal

Erstwhile Lumbini General Insurance Company Limited
Statement of Other Comprehensive Income
As at Falgun 28, 2079 (12th March, 2023)

Fig in NPR

Particulars	Current Year	Previous Year
Net Profit/ (Loss) For The Year	20,223,473	131,262,388
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	-	-
Income Tax Relating to Above Items	-	-
Reclassified to Profit or Loss	-	-
b) Items that are not or may not be Reclassified to Profit or Loss	-	-
Changes in fair value of FVOCI Equity Instruments	68,052,302	81,946,678
Revaluation of Property, Plant and Equipment/ Intangible Assets	-	-
Remeasurement of Post-Employment Benefit Obligations	-	(6,893,325)
Share of other comprehensive income of associates accounted for using the equity method	-	-
Income Tax Relating to Above Items	(20,415,691)	(22,516,006)
Total Other Comprehensive Income For the Year, Net of Tax	47,636,612	52,537,347
Total Comprehensive Income For the Year, Net of Tax	67,860,084	183,799,735

The accompanying notes form an Integral Part of Financial Statements.

Chunky Chhetry
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Director

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Director

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Director

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Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

CA. Isha Shrestha
Partner
S.A.R. Associates
Chartered Accountants

Date: 2080/09/08
Place: Kathmandu, Nepal

Erstwhile Lumbini General Insurance Company Limited

Statement of Changes in Equity As at Ashadh End 2079 (16th July, 2022)

Particulars	Previous Year											Fig in NPR				
	Ordinary Share Capital	Preference Shares	Share Application Money/Pending Allotment	Share premiums	Retained earnings	Revaluation Reserves	Special Reserve	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserve	Insurance Fund including Insurance Reserve	Fair Value Reserve	Actuarial Reserve	Deferred Tax Reserves	Regulatory Reserve	Total Equity
At 1 st Strawan 2077	1,198,800,000	-	-	-	127,358,811	-	728,548,580	-	30,575,654	-	1,684,479	21,221,074	9,005,589	35,249,433	21,857,238	2,174,67,838
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at Strawan 1, 2077	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) For the Year	-	-	-	-	131,262,388	-	-	-	-	-	-	-	-	-	-	131,262,388
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	-	-	-	-	57,362,675	-	-	-	-	-	-	-	-	-	-	57,362,675
v) Revaluation of Property, Plant and Equipment/ Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	(4,852,328)	-	-	-	-	-	-	-	-	-	-	(4,852,328)
Transfer to Reserves/ Funds	-	-	-	-	(116,028,247)	-	64,915,390	-	6,478,222	-	-	50,946,353	(6,893,323)	-	143,607	(0)
Transfer of Deferred Tax Reserves	-	-	-	-	24,221,615	-	-	-	-	-	-	-	-	(24,221,615)	-	-
Transfer of Depreciation on Revaluation of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issuance Costs	-	-	-	-	(792,890)	-	-	-	-	-	-	-	-	-	-	(792,890)
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	113,894,550	-	-	-	(113,894,550)	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(285,450)	-	-	-	-	-	-	-	-	-	-	(285,450)
iv) Dividend Distribution Tax	-	-	-	-	(5,709,000)	-	-	-	-	-	-	-	-	-	-	(5,709,000)
v) Others (to be Specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Prior Period Expense	-	-	-	-	(133,174)	-	-	-	-	-	-	-	-	-	-	(133,174)
b. CSR Fund	-	-	-	-	(1,298,308)	-	-	-	-	1,298,308	-	-	-	-	-	-
At Ashadh End 2078	1,312,784,550	-	-	-	96,715,452	-	793,463,970	-	37,053,876	1,398,308	1,684,479	72,217,427	2,112,244	11,027,818	23,288,845	2,351,646,970

The accompanying notes form an Integral Part of Financial Statements.

Chunky Chhetry
Chief Executive Officer

Arun Raj Shrestha
Director

Siddhartha Mami Rajbhandari
Director

Ajith R. Gunawardena
Director

Manohar Das Mool
Chairman

Ganesh Dhakal
Chief Finance Officer

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

CA. Isha Shrestha
Partner
S.A.R. Associates
Chartered Accountants

Date: 2080/09/08
Place: Kathmandu, Nepal

Erstwhile Lumbini General Insurance Company Limited

Statement of Changes in Equity

As at Falgun 28, 2079 (12th March, 2023)

Particulars	Current Year											Total Equity				
	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share premiums	Retained earnings	Revaluation Reserves	Special Reserve	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserve	Insurance Fund including Insurance Reserve		Fair Value Reserve	Actual Reserve	Deferred Tax Reserves	Regulatory Reserve
At 1 Shrawan 2078	1,312,784,550	-	-	-	96,715,452	-	-	-	37,053,876	1,298,308	795,148,449	72,217,427	2,112,244	11,027,818	23,288,845	2,351,646,970
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at Shrawan 1, 2079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) For the Year	-	-	-	-	20,223,473	-	-	-	-	-	-	-	-	-	-	20,223,473
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	-	-	-	-	47,636,612	-	-	-	-	-	-	-	-	-	-	47,636,612
iv) Changes in fair value of FVOCI Equity Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v) Revaluation of Property, Plant and Equipment/ Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of regulatory reserve	-	-	-	-	10,247,092	-	11,644,422	-	-	232,888	-	-	-	-	(23,288,845)	-
Transfer of insurance fund including insurance reserve	-	-	-	-	-	-	795,148,449	-	-	-	(795,148,449)	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(54,122,171)	-	5,790,677.76	-	579,068	115,814	-	47,636,612	-	-	-	-
Transfer of Deferred Tax Reserves	-	-	-	-	(39,592,441)	-	-	-	-	-	-	-	39,592,441	-	-	-
Transfer of Depreciation on Revaluation of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal due to changes in gratuity measurement	-	-	-	-	-	-	-	-	-	-	-	-	(2,112,244)	-	(2,112,244)	-
Share Issuance Costs	-	-	-	-	(1,675,720)	-	-	-	-	-	-	-	-	-	(1,675,720)	-
Contribution by Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	-	-	-	-	91,764,450	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	(91,764,450)	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(4,588,222)	-	-	-	-	-	-	-	-	-	-	(4,588,222)
iv) Dividend Distribution Tax	-	-	-	-	(241,486)	-	-	-	-	-	-	-	-	-	-	(241,486)
v) Others (to be Specified)	-	-	-	-	-	-	-	-	-	(339,677)	-	-	-	-	-	(339,677)
a. Prior Period Expense	-	-	-	-	(20,869,944)	-	-	-	-	-	-	-	-	-	-	(20,869,944)
b. CSR Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At Falgun 28 2079	1,404,549,000	-	-	-	(38,031,805)	-	812,583,550	-	38,797,386	1,307,333	-	119,854,038	-	50,620,259	-	2,389,679,761

The accompanying notes form an Integral Part of Financial Statements.

Chunky Chhetry
Chief Executive Officer

Ganesh Dhakal
Chief Finance Officer

Arun Raj Shrestha
Director

Gajendra Lal Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Kamal Bhattarai
Director

Ajith R. Gunawardena
Director

Nirmala Devi Manandhar
Independent Director

Manohar Das Mool
Chairman

CA. Isha Shrestha
Partner
S.A.R. Associates
Chartered Accountants

Date: 2080/09/08

Place: Kathmandu, Nepal

Erstwhile Lumbini General Insurance Company Limited
Statement of Cash Flow
For The Year Ended Falgun 28, 2079 (12th March, 2023)

Fig in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:	-	-
Cash Received	-	-
Gross Premium Received	1,214,169,298	1,584,173,382
Reinsurance Commission Received	109,108,881	202,912,186
Claim Recovery Received from Reinsurers	301,978,072	619,379,537
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	-	-
Other Direct Income Received	-	-
Others (to be Specified)	-	9,311,054
Cash Paid	-	-
Gross Benefits and Claims Paid	(750,768,493)	(1,147,843,033)
Reinsurance Premium Paid	(734,512,555)	(1,025,267,361)
Commission Paid	(16,568,139)	(29,398,149)
Service Fees Paid	(9,836,718)	(4,808,933)
Employee Benefits Expenses Paid	(173,048,252)	(227,195,453)
Other Expenses Paid	(72,629,143)	(20,546,983)
Others (to be Specified)	-	-
Income Tax Paid	(50,022,219)	(71,318,396)
Net Cash Flow From Operating Activities [1]	(182,129,267)	(110,602,149)
Cash Flow From Investing Activities	-	-
Acquisitions of Intangible Assets	(91,000)	(154,000)
Proceeds From Sale of Intangible Assets	-	-
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Acquisitions of Property & Equipment	(1,342,798)	(6,864,051)
Proceeds From Sale of Property & Equipment	3,221,512	217,283
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	(11,249,313)	(11,284,571)
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	(21,152,000)	-
Proceeds from Sale of Debentures	-	-
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	-	-
Investments in Deposits	10,100,000	(128,950,000)
Maturity of Deposits	-	-
Loans Paid	-	-
Proceeds from Loan	54,967	3,167,422
Rental Income Received	-	-
Proceeds from Finance Lease	-	-
Intrest Income Received	123,602,309	187,628,562
Dividend Received	216,369	3,193,534
Others Loan to Employees	-	-
Total Cash Flow From Investing Activities [2]	103,360,046	46,954,179

Continue...

Erstwhile Lumbini General Insurance Company Limited
Statement of Cash Flow
For The Year Ended Falgun 28, 2079 (12th March, 2023)

Fig in NPR

Particulars	Current Year	Previous Year
Cash Flow From Financing Activities	-	-
Interest Paid	-	-
Proceeds for Borrowing	-	-
Repayment of Borrowing	-	-
Payment of Finance Lease	-	-
Proceeds From Issue of Share Capital	-	-
Share Issuance Cost Paid	-	-
Dividend Paid	-	-
Dividend Distribution Tax Paid	(10,753,880)	-
Others (to be Specified)	-	-
Total Cash Flow From Financing Activities [3]	(10,753,880)	-
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	(89,523,101)	(63,647,969)
Cash & Cash Equivalents At Beginning of The Year/Period	154,230,337	217,878,306
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	-
Cash & Cash Equivalents At End of The Year/Period	64,707,236	154,230,337
Components of Cash & Cash Equivalents	-	-
Cash In Hand	227,706	412,952
Cheques In Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Balance With Banks	64,479,530	153,817,385

The accompanying notes form an Integral Part of Financial Statements.

Chunky Chhetry
Chief Executive Officer

Arun Raj Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Ajith R. Gunawardena
Director

Manohar Das Mool
Chairman

Ganesh Dhakal
Chief Finance Officer

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

CA. Isha Shrestha
Partner
S.A.R. Associates
Chartered Accountants

Date: 2080/09/08
Place: Kathmandu, Nepal

Erstwhile Lumbini General Insurance Company Limited
Statement of Distributable Profit or Loss
For Period 16th July, 2022 - 12th March, 2023
(For the Year Ended Falgun 28, 2079)

Fig in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	96,715,451.44	127,735,810.25
Transfer from OCI reserves to retained earning in current year	-	-
Net profit or (loss) as per statement of profit or loss	20,223,472.58	131,262,387.79
Appropriations:	-	-
i) Transfer to Insurance Fund	-	-
ii) Transfer to Special Reserve	(5,790,677.76)	(64,915,390.34)
iii) Transfer to Catastrophe Reserve	(579,067.78)	(6,478,221.63)
iv) Transfer to Capital Reserve	-	-
v) Transfer to CSR reserve	(115,813.56)	(1,298,307.81)
vi) Transfer to/from Regulatory Reserve	10,247,091.77	(1,431,607.11)
vii) Transfer to Fair Value Reserve	-	1,540,994.70
viii) Transfer of Deferred Tax Reserve	(39,592,440.86)	24,221,614.58
ix) Transfer to OCI reserves due to change in classification	-	-
x) Others (to be Specified) Insurance Reserve	-	6,893,325.00
Deductions:	-	-
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL	-	-
a) Equity Instruments	-	-
b) Mutual Fund	-	-
c) Others (if any)	-	-
ii) Accumulated Fair Value gain on Investment Properties	-	-
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges	-	-
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges	-	-
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges	-	-
vi) Goodwill Recognised	-	-
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency	-	-
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account	-	-
ix) Overdue loans	-	-
x) Fair value gain recognised in Statement of Profit or Loss	-	-
xi) Investment in unlisted shares	-	-
xii) Delisted share Investment or mutual fund investment	-	-
xiii) Bonus share/ dividend paid	(96,594,158)	(119,889,000)
xiv) Deduction as per Sec 17 of Financial directive	-	-
xiv) Deduction as per Sec 18 of Financial directive	-	-
xv) Others (to be specified)	(22,545,664)	(926,154)
Adjusted Retained Earning	(38,031,806)	96,715,451
Add: Transfer from Share Premium Account	-	-
Less: Amount apportioned for Assigned capital	-	-
Less: Deduction as per sec 15(1) Of Financial directive	-	-
Add/Less: Others (to be specified)	-	-
Total Distributable Profit/(loss)	(38,031,805.88)	96,715,451.44

Chunky Chhetry
Chief Executive Officer

Arun Raj Shrestha
Director

Siddhartha Mani Rajbhandari
Director

Ajith R. Gunawardena
Director

Manohar Das Mool
Chairman

Ganesh Dhakal
Chief Finance Officer

Gajendra Lal Shrestha
Director

Kamal Bhattarai
Director

Nirmala Devi Manandhar
Independent Director

CA. Isha Shrestha
Partner
S.A.R. Associates
Chartered Accountants

Date: 2080/09/08
Place: Kathmandu, Nepal

Erstwhile Lumbini General Insurance Company Limited

Notes to the Financial Statements

For the year ended Falgun 28, 2079 (12th March, 2023)

1. Reporting Entity

Lumbini General Insurance Company Limited (herein after referred to as the 'Company') is public Limited Company incorporated on 2061/6/6 and operated as general insurance company after obtaining license on 908/061/62 under the Insurance Act 2049. The registered office of the Company is located at Gyaneshwor, Kathmandu, Nepal. The Company's shares are listed on 2063/01/27.

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

The financial statements are approved for issue by the Company's Board of Directors on 2080/09/08 (December 24, 2023). The company had gone into preliminary merger agreement with Sagarmatha Insurance Company Limited as on 2079.03.30 (2022.07.14) and penned the final merger agreement on 2079.10.17 (2023.01.31) and started joint operation with effect from 2079.11.28 (2023.03.13) as merged entity Sagarmatha Lumbini Insurance Company Limited (SALICO).

2. Basis of Preparation

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 2079 to 28th Falgun 2079 with the corresponding previous year from 1st Shrawan 2078 to 32nd Ashadh 2079. These financial statements have been approved by the Board of Directors of 2080.09.08 (December 24, 2023)

(b) Statement of Compliance

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

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

The financial statements are approved for issue by the Company's Board of Directors on 2080.09.08 (December 24, 2023)

(c) Basis of Measurement

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

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

Historical cost is generally Fair Value of the consideration given in exchange for goods & services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

(d) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the reported balances of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the years

Erstwhile Lumbini General Insurance Company Limited

Notes to the Financial Statements

For the year ended Falgun 28, 2079 (12th March, 2023)

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

(g) **Changes in Accounting Policies**

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

(h) **Recent Accounting Pronouncements:** NA

(i) **Carve-outs:** The Company has not applied any carve outs provided by the ASB.

(j) **Presentation of financial statements**

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

(k) **Offsetting**

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

(l) **Materiality and aggregation**

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

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

3. **Significant Accounting Policies**

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

(a) **Property, Plant and Equipment (PPE)**

i) **Recognition**

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

Subsequent costs are included in the asset's carrying amount or 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.

Erstwhile Lumbini General Insurance Company Limited

Notes to the Financial Statements

For the year ended Falgun 28, 2079 (12th March, 2023)

ii) Revaluation

After recognition as an asset, 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 on Property, Plant and Equipment other than Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "Straight Line Method (SLM)/ 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 DBM is categorised as stated below:

List of Asset Categories	Rate of Depreciation (In %) for DBM
Land	Not Applicable
Buildings	5%
Leasehold Improvement	Lease Period
Furniture & Fixtures	25%
Computers and IT Equipments	25%
Office Equipment	25%
Vehicles	20%
Other Assets	25%

iv) Derecognition

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

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.]

Erstwhile Lumbini General Insurance Company Limited

Notes to the Financial Statements

For the year ended Falgun 28, 2079 (12th March, 2023)

vi) Capital Work-In-Progress

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

(b) Goodwill & Intangible Assets

i) Recognition

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

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

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

(a) The aggregate of:

1. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value
2. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and
3. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

ii) Amortization

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

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

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

List of Asset Categories	Useful Life (In Years) for SLM
Software	5
Licenses	License Period
Others (to be specified)	

iii) Derecognition

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

iv) Impairment of Assets

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

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For the year ended Falgun 28, 2079 (12th March, 2023)

(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.

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

OR

Fair Value Model:

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

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

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

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

(d) **Cash & Cash Equivalent**

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

(e) **Financial Assets**

i) Initial Recognition & Measurement

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

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

ii) Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is 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.

Erstwhile Lumbini General Insurance Company Limited

Notes to the Financial Statements

For the year ended Falgun 28, 2079 (12th March, 2023)

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

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

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

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. These financial assets are measured at fair value and changes are taken to statement of profit or loss.

iii) De-Recognition

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

iv) Impairment of Financial Assets

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

Expected Credit Loss for Impairment of Financial Assets is applicable after implementation of NFRS 9

In accordance with NFRS 9 "Financial Instrument", the Company uses 'Expected Credit Loss' (ECL) Model, for evaluating impairment of Financial Assets other than those measured at Fair Value through Profit or Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to: The 12-months Expected Credit Losses (Expected Credit Losses that result from those default events on the Financial Instrument that are possible within 12 months after the reporting date); or Full Lifetime Expected Credit Losses (Expected Credit Losses that result from all possible default events over the life of the Financial Instrument) For other assets, the Company uses 12 months Expected Credit Losses to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk Full Lifetime ECL is used.

(f) Financial Liabilities

i) Initial Recognition & Measurement

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

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

ii) Subsequent Measurement

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

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

iii) De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an

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Notes to the Financial Statements

For the year ended Falgun 28, 2079 (12th March, 2023)

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

(g) Offsetting financial instruments

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

(h) Reinsurance Assets

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

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

(i) Equity

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

(j) Reserves and Funds

i) Share Application Money Pending allotment: If the company collects share application money and share allotment is on pending. The collected money should be shown under reserves under this heading.

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

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

v) Regulatory Reserves: Reserve created out of net profit in line with different circulars issued by regulatory authority.

vi) Actuarial Reserves: Reserve against actuarial gain or loss on present value of defined benefit obligation resulting from, experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and the effects of changes in actuarial assumptions.

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

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

ix) Special Reserves: The Company has allocated insurance fund for the amount which is 50% of the net profit every year as per Regulator's Directive.

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

Erstwhile Lumbini General Insurance Company Limited

Notes to the Financial Statements

For the year ended Falgun 28, 2079 (12th March, 2023)

(k) Insurance Contract Liabilities

i) Provision for unearned premiums

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

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

ii) Outstanding claims provisions

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

iii) Provision for claim incurred but not reported (IBNR)

Significant delays are experienced in the notification and settlement of certain types of claims, the ultimate cost of which cannot be known with certainty at the statement of financial position date.

The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation.

iv) Liability adequacy

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

(l) Employee Benefits

i) Short Term Obligations

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

ii) Post - Employment Benefits

- Defined Contribution Plan

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

- Defined Benefit Plan

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

iii) Long Term Employee Benefits

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

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Notes to the Financial Statements

For the year ended Falgun 28, 2079 (12th March, 2023)

iv) Termination

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

- a) when the Company can no longer withdraw the offer of those benefits; and
- b) when the entity recognises costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits.

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

(m) Revenue Recognition

i) Gross Premiums

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

ii) Unearned Premium Reserves

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

iii) Premium on Reinsurance Accepted

Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

iv) Reinsurance Premium

Direct Reinsurance premiums comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks- attaching contracts and over the term of the reinsurance contract for losses occurring contracts. Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

v) Commission Income

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

vi) Investment income

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

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

vii) Net realised gains and losses

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

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Notes to the Financial Statements
For the year ended Falgun 28, 2079 (12th March, 2023)

(n) **Claims and Expenses**

i) Gross Claims

Claims includes the cost of all claims arising during the year, including external claims handling costs that are directly related to processing and settlement of claims. Claims that are incurred during the financial year are recognized when a claimable event occurs and/or the insurer is notified.

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

ii) Reinsurance Classification

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

(o) **Product Classification**

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

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

i) Property Portfolio - Fire insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the fire insurance business.

ii) Motor Portfolio - Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third party risks but exclusive of transit risks.

iii) Marine Portfolio - Marine insurance business means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.

iv) Engineering Portfolio - Engineering insurance business means the insurance that provides economic safeguard to the risks faced by the ongoing construction project, installation project, and machines and equipment in project operation.

v) Micro Portfolio - Micro Insurance protects against loss of or damage to crops or livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.

vi) Aviation Portfolio - Aviation Insurance provides coverage for hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents.

vii) Cattle and Crop Portfolio - Cattle and Crop Insurance provides insurance against loss of or damage to Cattle and crops.

viii) Miscellaneous Portfolio - All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.

(p) **Borrowing Costs**

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

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

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

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For the year ended Falgun 28, 2079 (12th March, 2023)

(q) Cash Flow Statement

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

(r) Leases

The lease liability has been accounted for under NFRS 16 "Leases". For all the significant lease, the Right-of-Use assets has been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date. The lease payment has been discounted at the incremental borrowing rate in lease which is 10 %.

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

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

(s) Income Taxes

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

i) Current Tax

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

ii) Deferred Tax

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

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

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

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

(t) Provisions, Contingent Liabilities & Contingent Assets

(i) Provisions

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

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

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

(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.

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For the year ended Falgun 28, 2079 (12th March, 2023)

(iii) Contingent Assets

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

(u) Foreign Currency & Foreign Currency Transactions

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

(v) Earnings Per Share

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

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

(w) Operating Segment

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

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

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Notes to the Financial Statements
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4. Goodwill & Intangible Assets

Fig in NPR

Particulars	Software	Goodwill	Others (to be Specified)	Total
Gross carrying amount	-	-	-	-
As at Shrawan 1, 2079	3,279,000.00	-	-	3,279,000
Additions	91,000	-	-	91,000
Acquisition	-	-	-	-
Internal Development	-	-	-	-
Business Combination (to be Specified)	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
Balance as at Falgun 28, 2079	3,370,000	-	-	3,370,000
Accumulated amortization and impairment	-	-	-	-
As at Shrawan 1, 2079	1,342,532	-	-	1,342,532
Additions	261,707	-	-	261,707
Disposals	-	-	-	-
Impairment losses	-	-	-	-
Impairment reversal	-	-	-	-
Balance as at Falgun 28, 2079	1,604,239	-	-	1,604,239
Net Carrying Amount	-	-	-	-
As at Ashadh 32, 2079	1,936,468	-	-	1,936,468
As at Falgun 28, 2079	1,765,761	-	-	1,765,761

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Notes to the Financial Statements

For The Year Ended Falgun 28, 2079 (March 12, 2023)

5. Property and Equipment

Particulars	Fig in NPR							Total	
	Freehold land	Building	Leasehold Improvement	Furniture and Fixture	Computer and IT equipments	Office equipments	Vehicles		Other Assets
Gross carrying amount	-	-	-	-	-	-	-	-	-
At Shrawan 1, 2079	38,679,414	62,435,295	971,625	22,316,928	16,717,353	23,656,029	54,820,133	-	219,596,777
Additions during the year	-	-	-	-	-	-	-	-	-
Acquisition during the year	-	-	-	60,500	616,873	174,425	400,000	-	1,251,798
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	(12,242,894)	-	(12,242,894)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments during the year	-	-	-	-	-	-	-	-	-
Balance as at Falgun 28, 2079	38,679,414	62,435,295	971,625	22,377,428	17,334,226	23,830,454	42,977,239	-	208,605,681
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-
As at Shrawan 1, 2079	-	24,681,041	586,684	18,346,628	12,347,486	19,358,210	38,384,926	-	113,704,974
Additions during the year	-	1,234,274	50,338	654,152	770,654	721,978	2,113,501	-	5,544,896
Disposals during the year	-	-	-	-	-	-	(9,217,755)	-	(9,217,755)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment losses during the year	-	-	-	-	-	-	-	-	-
Impairment reversal during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments during the year	-	-	-	-	-	-	-	-	-
At Falgun 28, 2079	-	25,915,314	637,023	19,000,778	13,118,139	20,080,188	31,280,672	-	110,032,116
Capital Work-In-Progress	-	-	-	-	-	-	-	-	-
As at Shrawan 1, 2079	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-	-
Impairment reversal	-	-	-	-	-	-	-	-	-
Balance as at Falgun 28, 2079	-	-	-	-	-	-	-	-	-
Net Carrying Amount	-	-	-	-	-	-	-	-	-
As at 32nd Asar, 2079	38,679,414	37,754,254	384,941	3,970,300	4,369,867	4,297,819	16,435,207	-	105,891,802
As at Falgun 28, 2079	38,679,414	36,519,981	334,602	3,376,650	4,216,087	3,750,266	11,696,566	-	98,573,565

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Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

Particulars	Freehold land	Building	Leasehold Improvement	Furniture and Fixture	Computer and IT equipments	Office equipments	Vehicles	Other Assets	Total
Right of Use Assets	-	-	-	-	-	-	-	-	-
Gross Carrying Amount	-	-	-	-	-	-	-	-	-
As at 1st Shrawan 2079	-	47,769,062	-	-	-	-	-	-	47,769,062
Additions	-	44,898,497	-	-	-	-	-	-	44,898,497
Acquisition	-	-	-	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Write-offs	-	(47,769,062)	-	-	-	-	-	-	(47,769,062)
Revaluation	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as at Falgun 28, 2079	-	44,898,497	-	-	-	-	-	-	44,898,497
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-
As at Shrawan 1, 2079	-	11,500,254	-	-	-	-	-	-	11,500,254
Depreciation	-	11,765,700	-	-	-	-	-	-	11,765,700
Disposals	-	-	-	-	-	-	-	-	-
Write-offs	-	(11,500,254)	-	-	-	-	-	-	(11,500,254)
Impairment losses	-	-	-	-	-	-	-	-	-
Impairment reversal	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
At Falgun 28, 2079	-	11,765,700	-	-	-	-	-	-	11,765,700
As at Asar 32, 2079	-	36,268,808	-	-	-	-	-	-	36,268,808
As at Falgun 28, 2079	-	33,132,798	-	-	-	-	-	-	33,132,798

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Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

6. Investment Properties
Investment Properties at Cost

Fig in NPR

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	-	-	-
Revaluation/Adjustment	-	-	-
As at Ashadh 32, 2079	-	-	-
Additions during the year	-	-	-
Acquisitions	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluations/ adjustments	-	-	-
Balance as at Falgun 28, 2079	-	-	-
Accumulated Depreciation and impairment	-	-	-
As at Shrawan 1, 2078	-	-	-
Depreciation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
As at Ashadh 32, 2079	-	-	-
Depreciation during the year	-	-	-
Disposals during the year	-	-	-
Impairment losses during the year	-	-	-
Impairment reversal	-	-	-
Transfer/ adjustments	-	-	-
Balance as at Falgun 28, 2079	-	-	-
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	-	-	-
As at Ashadh 32, 2079	-	-	-
Additions during the year	-	-	-
Capitalization during the year	-	-	-
Disposals during the year	-	-	-
Impairment losses during the year	-	-	-
Balance as at Falgun 28, 2079	-	-	-
Net Carrying Amount	-	-	-
As at Ashadh 32, 2079	-	-	-
As at Falgun 28, 2079	-	-	-

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

(i) Amounts recognised in statement of profit or loss

Fig in NPR

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

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land	-	-
Building	-	-
Total	-	-

The Company has policy to value its investment property at fair value.

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

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

(iii) Disclosure on restriction on the realisability of investment properties: There are no restrictions on the realisability of investment properties or proceeds of disposal / or mention about restriction if any .

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

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

(iv) Contractual obligations:

OR

Fig in NPR

Investment Properties at Fair Value

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	-	-	-
Revaluation/Adjustment	-	-	-
As at Ashadh 32, 2079	-	-	-
Additions during the year	-	-	-
Acquisitions	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluations/ adjustments	-	-	-
Balance as at Falgun 28, 2079	-	-	-
Accumulated Depreciation and impairment	-	-	-
As at Shrawan 1, 2078	-	-	-
Depreciation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
As at Ashadh 32, 2079	-	-	-
Depreciation during the year	-	-	-
Disposals during the year	-	-	-
Impairment losses during the year	-	-	-
Impairment reversal	-	-	-
Transfer/ adjustments	-	-	-
Balance as at Falgun 28, 2079	-	-	-
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	-	-	-
As at Ashadh 32, 2079	-	-	-
Additions during the year	-	-	-
Capitalization during the year	-	-	-
Disposals during the year	-	-	-
Impairment losses during the year	-	-	-
Balance as at Falgun 28, 2079	-	-	-
Net Carrying Amount	-	-	-
As at Ashadh 32, 2079	-	-	-
As at Falgun 28, 2079	-	-	-

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

Notes on Fair Value :

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

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

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

7. Deferred Tax Assets/(Liabilities)

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Intangible Assets	-	-	-	-	-	-
Property, Plant and Equipment	3,422,817	-	3,422,817	(998,858)	-	(998,858)
Financial Assets at FVTPL	73,162	-	73,162	-	-	-
Financial Assets at FVTOCI	-	(51,366,016)	(51,366,016)	-	(30,950,326)	(30,950,326)
Provision for Leave Encashment	(2,393,212)	-	(2,393,212)	9,298,320	-	9,298,320
Provision for Gratuity (Defined Benefits Plan - Gratuity)	99,901	-	99,901	(6,345,528)	-	(6,345,528)
Impairment Loss on Financial Assets	-	-	-	-	-	-
Impairment Loss on Other Assets (Provision for bad and doubtful debt)	16,282,870	-	16,282,870	-	-	-
v. Unexpired Risk Reserve	25,724,197	-	25,724,197	499,572	-	499,572
vi. Provision for Outstanding Claims	2,533,860	-	2,533,860	12,969,738	-	12,969,738
Margin For Adverse Deviation	-	-	-	-	-	-
Carry forward of unused tax losses	-	-	-	-	-	-
Changes in tax rate	-	-	-	-	-	-
Premium Deficiency Reserve	-	-	-	-	-	-
Others	-	-	-	-	-	-
i. Agent Commission Expense - Deferred	-	-	-	(5,265,747)	-	(5,265,747)
ii. RI commission Expense - Deferred	-	-	-	(29,154)	-	(29,154)
iii. RI Commission Income - Deferred	-	-	-	29,086,017	-	29,086,017
iv. Lease Liability (NFRS)	4,876,665	-	4,876,665	695,787	-	695,787
vii. Actuarial Gains - Gratuity	-	-	-	2,067,998	-	2,067,998
Total	50,620,259	(51,366,016)	(745,757)	41,978,144	(30,950,326)	11,027,818
Deferred Tax Asstes	53,013,471	-	53,013,471	54,617,431	-	54,617,431
Deferred Tax Liabilities	(2,393,212)	(51,366,016)	(53,759,229)	(12,639,287)	(30,950,326)	(43,589,613)

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

Movements in deferred tax Assets/ (Liabilities)

Fig in NPR

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
As at Shrawan 1, 2079	41,978,144	(30,950,326)	11,027,818	43,683,753	(8,434,320)	35,249,433
Charged/(Credited) to Profit or Loss	8,642,117	-	8,642,117	(1,705,609)	-	(1,705,609)
Charged/(Credited) to Other Comprehensive Income	-	(20,415,691)	(20,415,691)	-	(22,516,006)	(22,516,006)
As at Falgun 28, 2079	50,620,261	(51,366,016)	(745,755)	41,978,144	(30,950,326)	11,027,818

8. Investment in Subsidiaries

Particulars	Current Year	Previous Year
..... Shares of Rs..... each of Ltd.	-	-
..... Shares of Rs..... each of Ltd.	-	-
Total	-	-

Investment in Quoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost		Cost	Fair Value
..... 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 Subsidiaries

Particulars	Current Year		Previous Year	
	Cost		Cost	Fair Value
..... 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 Subsidiaries

Particulars	Percentage of Ownership	
	Current Year	Previous Year
..... Shares of Rs..... each of Ltd.	-	-
..... Shares of Rs..... each of Ltd.	-	-
..... Shares of Rs..... each of Ltd.	-	-
..... Shares of Rs..... each of Ltd.	-	-

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

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

Investment in Unquoted Associates

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

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

10. Investments

Fig in NPR

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	-	-
i) Investment in Preference Shares of Bank and Financial Institutions	-	-
ii) Investment in Debentures	41,647,000	20,495,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	6,500,000	6,500,000
iv) Fixed Deposit of "A" Class Financial Institutions	1,696,350,000	1,714,750,000
v) Fixed Deposit of Infrastructure Banks	0	0
vi) Fixed Deposits in "B" Class Financial Institutions	225,000,000	224,700,000
vii) Fixed Deposits in "C" Class Financial Institutions	61,500,000	53,500,000
viii) Others (to be Specified)	-	-
Less: Impairment Losses	(243,873)	(243,873)
Financial Investments at FVTOCI	-	-
i) Investment in Equity Instruments (Quoted)	51,012,665	40,330,309
ii) Investment in Equity Instruments (Unquoted) Nepal Reinsurance-Promoter's Share valued as per net worth of second quarter published report of Nepal Reinsurance Co. Ltd of FY 2079.80	329,225,215	260,605,956
iii) Investment in Mutual Funds	-	-
iv) Investment in Debentures	-	-
v) Others	-	-
Nepal Insurance Association-Promoter's Share	2,080,439	2,080,439
Insurance Institute Nepal Limited	1,038,220	1,038,220
Investments measured at FVTPL	-	-
i) Investment in Equity Instruments	-	-
ii) Investment in Equity Instruments (Quoted)	-	-
iii) Investment in Mutual Funds	-	-
iv) Others (to be Specified)	-	-
Total	2,414,109,666	2,323,756,051

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 Bank	-	-
Fixed Deposits with "B" Class Financial Institutions	(243,873)	(243,873)
Fixed Deposits with "C" Class Financial Institutions	-	-
Others (to be Specified) Provision for loss on investment	-	-
Total	(243,873)	(243,873)

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

b) Investments having expected maturities less than 12 months:

Fig in NPR

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)	-	-
Investment in Equity Instruments (Unquoted)	-	-
Investment in Mutual Funds	-	-
Investment in Preference Shares of Bank and Financial Institutions	-	-
Investment in Debentures	-	-
Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
Fixed Deposit with "A" Class Financial Institutions	1,696,350,000	1,714,750,000
Fixed Deposit with Infrastructure Bank	-	-
Fixed Deposits with "B" Class Financial Institutions	225,000,000	224,700,000
Fixed Deposits with "C" Class Financial Institutions	61,500,000	53,500,000
Others (to be Specified)	-	-
Total	1,982,850,000	1,992,950,000

c) Information relating to investment in equity instruments

Particulars	Current Year	
	Cost	Fair Value
Investment in Equity Instruments (Quoted) Per share Par value is NPR 100	-	-
Nepal Investment Bank Limited	5,118,717.00	4,020,487.00
Jalabidyut Lagani tatha Bikas Co. Ltd. (HIDCL)	1,216,600.00	2,711,508.00
Mero Micro Finance Bittiya Sanstha Limited	10,900.00	162,329.00
National Micro Finance Bittiya Sanstha	1,900.00	153,170.00
Green Development Bank	52,500.00	141,440.00
Suryadaya Laghu Bittiya Sanstha	1,700.00	37,895.00
RSDC Laghu Bittiya Sanstha	7,400.00	59,280.00
Arun Kabeli Power Company	29,500.00	148,467.00
Synergy Power Development Company	61,600.00	218,726.50
Nepal Life Insurance Company	2,480,925.00	3,891,092.80
Standard Chartered Bank	2,102,700.00	1,981,810.50
Butwal Power Company Ltd.	10,020,000.00	9,995,524.60
Nepal Bank Ltd	4,200,000.00	5,858,384.00
Bank Of Kathmandu Ltd	496,423.27	424,943.40
Global IME bank Ltd	351,818.75	235,952.40
HIDCL	5,030,000.00	5,105,000.00
HIDCL	5,010,000.00	5,105,000.00
Mega Mutual FUnD	2,000,000.00	1,482,000.00
Nepal Hydro Developers	9,008,341.93	9,279,655.00
Investment in Equity Instruments (Unquoted) Per share Par value is NPR 100	-	-
Nepal Reinsurnace Co Ltd. Promoter Shares	161,816,799.57	329,225,214.85
Nepal Insurance Association-Promoter's Share	2,080,439.00	2,080,439.00
Insurance Institute Nepal Limited	1,038,220.00	1,038,220.00

d) The Company has earmarked investments amounting to NPR 1,50,09,00,000 to Insurance Board.

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

11. Loans

Fig in NPR

Particulars	Current Year	Previous Year
Loan to Associates	-	-
Loan to Employees	10,558,951	10,613,918
Loan to Agents	-	-
Others (to be Specified)	-	-
Less: Impairment Losses	-	-
Total	10,558,951	10,613,918

a) Expected recovery period within 12 months:

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

12. Reinsurance Assets

Particulars	Current Year	Previous Year
Reinsurance Assets on:	-	-
Unearned Premiums	505,279,351	513,388,948
Premium Deficiency	-	(3,090,132.02)
Outstanding Claims	796,964,308	615,917,797
IBNR and IBNER Claims	-	-
Margin For Adverse Deviation	-	-
Less: Impairment Losses	-	-
Total	1,302,243,659	1,126,216,613

13. Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurers	249,714,952	125,994,408
Receivable from Other Insurance Companies	121,701,970	149,987,726
Others (to be Specified)	-	-
Less: Impairment Losses	(54,276,233)	(4,043,999)
Total	317,140,689	271,938,135

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

14. Other Assets

Fig in NPR

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	2,059,965	393,663
Claim Advances	64,046,585	89,399,285
Advances to Suppliers	-	-
VAT Receivable	915,156	1,564,788
Staff Advances	3,358,050	5,720,138
Printing and Stationery Stock	-	-
Stamp Stock	-	-
Deferred Expenses	-	-
Deferred Re-Insurance Commission Expenses	29,730	97,180
Deferred Agent Commission Expenses	10,861,007	17,552,489
Lease Receivables	-	-
Others (to be Specified)	24,897,052	23,952,968
Less: Impairment loss	-	-
Total	106,167,546	138,680,511

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

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	2,059,965	393,663
Claim Advances	64,046,585	89,399,285
Advances to Suppliers	-	-
Staff Advances	3,358,050	5,720,138
VAT Receivable	915,156	1,564,788
Printing and Stationery Stock	-	-
Stamp Stock	-	-
Deferred Expenses	-	-
Deferred Re-Insurance Commission Expenses	29,730	97,180
Deferred Agent Commission Expenses	10,861,007	17,552,489
Lease Receivable	-	-
Others (to be Specified)	24,897,052	23,952,968
Less: Allowance for impairment loss	-	-
Total	106,167,546	138,680,511

15. Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits	-	-
Accrued Interest	19,902,637	4,123,281
Other Receivables	-	-
Other Deposits	1,949,026	1,949,026
Sundry Debtors	135,782,436	110,473,484
Other (Deposit in Citizen Investment Trust) Plant Assets	3,007,480	54,826,721
Less: Impairment Losses	-	-
Total	160,641,580	167,328,514

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

a) Expected maturities within 12 months:

Fig in NPR

Particulars	Current Year	Previous Year
Security Deposits	-	-
Accrued Interest	19,902,637	4,123,281
Other Receivables	-	-
Other Deposits	1,949,026	1,949,026
Sundry Debtors	135,782,436	110,473,484
Other (to be Specified)	-	-
Less: Impairment Losses	-	-
Total	157,634,099	116,545,792

16. Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand	227,706	412,952
Cheque in Hand	-	-
Bank Balances	-	-
i. Balance with "A" class Financial Insutitutions	51,352,957	128,562,605
ii. Balance with "B" class Financial Insutitutions	10,236,432	21,898,596
iii. Balance with "C" class Financial Insutitutions	2,890,141	3,356,183
Less: Impairment Losses	-	-
Deposits with initial maturity upto 3 months	-	-
Others (to be Specified)	-	-
Less: Impairment Losses	-	-
Total	64,707,236	154,230,337

17 (a) Share Capital

Particulars	Current Year	Previous Year
Ordinary Shares	-	-
As at Shrawan 1, 2079	1,312,784,550	1198890000
Additions during the year	-	-
i) Bonus Share Issue	91,764,450	113,894,550
ii) Share Issue (Right Share Issue)	-	-
As at Falgun 28, 2079	1,404,549,000	1,312,784,550
Convertible Preference Shares (Equity Component Only)	-	-
As at Shrawan 1, 2079	-	-
Additions during the year	-	-
As at Falgun 28, 2079	-	-
Irredeemable Preference Shares (Equity Component Only)	-	-
As at Shrawan 1, 2079	-	-
Additions during the year	-	-
As at Falgun 28, 2079	-	-
Total	1,404,549,000	1,312,784,550

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

(i) Ordinary Shares

Fig in NPR

Particulars	Current Year	Previous Year
Authorised Capital:	3,000,000,000	3,000,000,000
(30,000,000 no. Ordinary of shares @ NRs.100 per share)	-	-
Issued Capital:	-	-
14,045,490 no. of shares @ NRs.100 per share)	1,404,549,000	1,312,784,550
Subscribed and Paid Up Capital:	-	-
14,045,490 no. of shares @ NRs.100 per share)	1,404,549,000	1,312,784,550
Total	1,404,549,000	1,312,784,550

(ii) Preference Share Capital

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

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters	-	-	-	-
Government of Nepal	-	-	-	0
Nepali Organized Institutions	2,528,188	2,363,012	18	18
Nepali Citizens	4,635,012	4,332,189	33	33
Foreigner	-	-	-	-
Others (to be Specified)	-	-	-	-
Total (A)	7,163,200	6,695,201	51	51
Other than Promoters	-	-	-	-
General Public	6,882,290	6,432,644	49	49
Others (to be Specified)	-	-	-	-
Total (B)	6,882,290	6,432,644	49	49
Total (A+B)	14,045,490	13,127,846	100	100

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

Details of shares held by shareholders holding more than 1% of the aggregate shares in the Company: Fig in NPR

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Lumbini Bikas Bank Ltd.	1,291,474	1,179,429	9.84%	9.84%
Mr. Manohar Das Mool	1,267,346	1,157,394	9.65%	9.65%
Mr. Shankar Ghimire	468,178	427,561	3.57%	3.57%
Mr. Suraj Vaidya	476,418	435,085	3.63%	3.63%
Mr. Chintamani Bhattarai	409,149	373,651	3.12%	3.12%
Mr. Arun Raj Shrestha	310,865	283,896	2.37%	2.37%
Mr. Birendra Bajracharya	305,075	278,607	2.32%	2.32%
Mrs. Rina Sigh Rana	203,768	186,090	1.55%	1.55%
Mrs. Shanti Shrestha	204,055	186,352	1.55%	1.55%
Central Finance Co. Ltd.	167,382	152,861	1.28%	1.28%
Mr. Umang Aggrawal	167,376	152,855	1.27%	1.27%
Mr. Ramkaji Gurung Koney	159,004	145,210	1.21%	1.21%
Mr. Gopal Hamal	139,152	127,080	1.06%	1.06%
Mr. Bishwo Raj Regmi	142,769	130,383	1.09%	1.09%
Kumari Bank Ltd.	133,905	122,288	1.02%	1.02%
Sunrise Bank Ltd.	134,292	122,641	1.02%	1.02%
Mr. Bhavadhauj Dhunagana	132,934	121,402	1.01%	1.01%

(b) Share Application Money Pending Allotment

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

(c) Share Premium

Particulars	Current Year	Previous Year
As at Shrawan 1, 2079	-	-
Increase due to issue of shares at premium	-	-
Decrease due to issue of bonus shares	-	-
Transaction costs on issue of share	-	-
Others (to be Specified)	-	-
As at Falgun 28, 2079	-	-

(d) Special Reserves

Particulars	Current Year	Previous Year
As at Shrawan 1, 2079	-	728,548,580
Additions	812,583,550	64,915,390
Utilizations	-	-
As at Falgun 28, 2079	812,583,550	793,463,971

(e) Catastrophe Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079	37,053,876	30,575,655
Additions	1,743,510	6,478,222
Utilizations	-	-
As at Falgun 28, 2079	38,797,386	37,053,877

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

(f) Retained Earnings

Fig in NPR

Particulars	Current Year	Previous Year
As at Shrawan 1, 2079	96,715,451	127,735,810
Net Profit or Loss	20,223,473	131,262,388
Items of OCI recognised directly in retained earnings	-	-
Remeasurement of Post-Employment Benefit Obligations	-	52,537,347
Transfer to reserves	-	-
Revaluation Reserves	-	-
Special Reserve	(5,790,678)	(64,915,390)
Capital Reserves	-	-
Catastrophe Reserves	(579,068)	(6,478,222)
Corporate Social Responsibility (CSR) Reserves	(115,814)	(1,298,308)
Insurance Fund including Insurance Reserves	-	-
Fair Value Reserves	-	(50,996,353)
Actuarial Reserves	-	6,893,325
Deferred Tax Reserves	(39,592,441)	24,221,615
Regulatory Reserves	-	(1,431,607)
Other Reserve(to be specified)	-	-
Transfer of Depreciation on Revaluation of PPE	-	-
Transfer on Disposal of Revalued Property, Plant and Equipment	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-
Reversal due to changes in gratuity measurement	-	-
Issuance of Bonus Shares	(91,764,450)	(113,894,550)
Transaction costs on issuance of share	(1,675,720)	(792,980)
Dividend Paid	(4,588,222)	(285,450)
Dividend Distribution Tax	(241,486)	(5,709,000)
Others (to be specified) Regulatory reserve	10,247,092	-
Others (to be specified) insurance reserve	-	-
a. Prior Period Expenses	(20,869,944)	(133,174)
As at Falgun 28, 2079	(38,031,806)	96,715,451

(g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves	-	-
Capital Reserves	-	-
Corporate Social Responsibility (CSR) Reserves	1,307,333	1,298,308
Insurance Fund including Insurance Reserves	-	1,684,479
Regulatory Reserves	-	23,288,845
Fair Value Reserves	119,854,038	72,217,427
Actuarial Reserves	-	2,112,244
Deferred Tax Reserve	50,620,259	11,027,818
Other Reserves to be specified	-	-
Total	171,781,630	111,629,121

(h) Non-Controlling Interest

Particulars	Current Year	Previous Year
Equity Interest Held by Non-Controlling Interest (NCI) (%)	-	-
Accumulated Balance of NCI As on Shrawan 1, 2079	-	-
Total Comprehensive Income Allocated to NCI for the Year	-	-
Dividend Paid to NCI	-	-
Accumulated Balance of NCI As on Ashadh 31, 2080	-	-

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

18. Provisions

Fig in NPR

Particulars	Current Year	Previous Year
Provisions for employee benefits	-	-
i) Provision for Leave Encashment (Shown net of plan assets)	-	24,611,722
ii) Provision for gratuity (Defined Benefits Plan (Specify the name))	333,002	46,950,962
iii) Termination Benefits	-	-
iv) Other employee benefit obligations (to be Specified)	14,574,163	31,880,555
a) Staff Bonus	-	-
Provision for tax related legal cases	-	-
Provision for non-tax legal cases	579,047	579,047
Others (to be Specified)	-	-
Total	15,486,212	104,022,287

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

Description	Opening Balance	Additions During the Year	Utilised During the Year	Reversed During the Year	Unwinding of Discount	Closing Balance
Provision for employee benefits	-	-	-	-	-	-
i) Provision for Leave	-	-	-	-	-	-
ii) Provision for Gratuity	-	-	-	-	-	-
iii) Termination Benefits	-	-	-	-	-	-
iv) Other Employee Benefit obligations (to be Specified)	-	-	-	-	-	-
Provision for tax related legal cases	-	-	-	-	-	-
Provision for non-tax legal cases	579,047.13	-	-	-	-	579,047
Others (to be Specified)	-	-	-	-	-	-

(b) Provision with expected payouts within 12 months:

Particulars	Current Year	Previous Year
Provisions for employee benefits	-	-
i) Provision for Leave Encashment	-	24,611,722
ii) Defined Benefits Plan (Specify the name)	333,002	46,950,962
iii) Termination Benefits	-	-
iv) Other employee benefit obligations (to be Specified)	14,574,163	31,880,555
Provision for tax related legal cases	-	-
Provision for non-tax related legal cases	-	-
Others (to be Specified)	579,047	579,047
Total	15,486,212	104,022,287

19. Gross Insurance Contract Liabilities

Particulars	Current Year	Previous Year
Unearned Premiums Reserves	838,150,073	798,018,358
Premium Deficiency Reserves	-	8,429,979
Outstanding Claims Provision	1,032,348,240	757,092,557
Incurred But Not Reported (IBNR) and IBNER Claims	43,753,790	64,408,675
Margin For Adverse Deviation	-	-
Others	-	-
Total	1,914,252,103	1,627,949,569

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

19.1 Gross Insurance Contract Liabilities
a) Gross Insurance Contract Liability

Fig in NPR

Particulars	Line of Business							Total	
	Fire / Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop		Miscellaneous
As at Shrawan 1, 2079									
Unearned Premiums Reserve	137,773,521	375,203,802	26,308,227	102,940,534	525,236	36,641,200	58,665,212	59,960,626	798,018,358
Premium Deficiency Reserve		8,429,979	-	-	-	-	-	-	8,429,979
Outstanding Claims	246,264,383	180,120,650	18,457,357	221,884,619	-	-	4,784,020	85,581,528	757,092,557
IBNR and IBNER Claims	4,118,385	52,727,691	124,788	512,161	262,618	-	904,112	5,758,920	64,408,675
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-	-
Total Balance As at Shrawan 1, 2079	388,156,289	616,482,122	44,890,372	325,337,315	787,853	36,641,200	64,353,344	151,301,075	1,627,949,569
Changes during the year									
Unearned Premiums Reserve	29,195,445	(10,990,157)	(738,067)	3,035,908	2,745,889	34,060,381	(17,754,337)	576,653	40,131,715
Premium Deficiency Reserve	-	(8,429,979)	-	-	-	-	-	-	(8,429,979)
Outstanding Claims	(52,156,459)	95,249,203	(3,647,089)	(86,264,197)	291,845,000	-	18,608,392	11,620,833	275,255,683
IBNR and IBNER Claims	(262,029)	(20,000,249)	32,465	231,469	451,064	-	(202,339)	(905,267)	(20,654,885)
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-	-
Total changes during the year	(23,223,043)	55,828,819	(4,352,691)	(82,996,820)	295,041,954	34,060,381	651,716	11,292,218	286,302,535
As at Falgun 28, 2079									
Unearned Premiums Reserve	166,968,965	364,213,646	25,570,160	105,976,442	3,271,125	70,701,581	40,910,876	60,537,279	838,150,073
Premium Deficiency Reserve	-	-	-	-	-	-	-	-	-
Outstanding Claims	194,107,925	275,369,853	14,810,268	135,620,422	291,845,000	-	23,392,412	97,202,361	1,032,348,240
IBNR and IBNER Claims	3,856,356	32,727,442	157,253	743,631	713,682	-	701,772	4,853,654	43,753,790
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-	-
Total Balance As at Falgun 28, 2079	364,933,246	672,310,941	40,537,681	242,340,495	295,829,807	70,701,581	65,005,060	162,593,293	1,914,252,103

Erstwhile Lumбини General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

19.1 (b) Reinsurance Assets

Fig in NPR

Particulars	Line of Business							Total	
	Fire / Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop		Miscellaneous
As at Shrawan 1, 2079									
Unearned Premiums Reserve	90,633,589	186,898,596	16,084,972	96,680,385	262,618	36,504,786	46,928,285	36,305,585	510,298,816
Premium Deficiency Reserve	-	-	-	-	-	-	-	-	-
Outstanding Claims	218,808,485	73,059,423	17,625,436	218,470,209	-	-	4,164,640	83,789,604	615,917,797
IBNR and IBNER Claims	-	-	-	-	-	-	-	-	-
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-	-
Total Balance As at Shrawan 1, 2079	309,442,074	259,958,019	33,710,408	315,150,594	262,618	36,504,786	51,092,925	120,095,189	1,126,216,613
Changes during the year									
Unearned Premiums Reserve	26,049,116	(55,398,706)	(301,434)	3,523,994	(262,618)	33,554,349	(13,548,557)	1,364,391	(5,019,466)
Premium Deficiency Reserve	-	-	-	-	-	-	-	-	-
Outstanding Claims	(50,409,600)	11,886,699	(3,863,520)	(87,807,327)	287,087,120	-	14,549,290	9,603,848	181,046,511
IBNR and IBNER Claims	-	-	-	-	-	-	-	-	-
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-	-
Total changes during the year	(24,360,484)	(43,512,007)	(4,164,954)	(84,283,333)	286,824,502	33,554,349	1,000,732	10,968,239	176,027,045
As at Falgun 28, 2079									
Unearned Premiums	116,682,705	131,499,890	15,783,537	100,204,379	-	70,059,135	33,379,728	37,669,976	505,279,351
Premium Deficiency	-	-	-	-	-	-	-	-	-
Outstanding Claims	168,398,885	84,946,123	13,761,916	130,662,883	287,087,120	-	18,713,930	93,393,452	796,964,308
IBNR and IBNER Claims	-	-	-	-	-	-	-	-	-
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-
Others (to be Specified)	-	-	-	-	-	-	-	-	-
Total Balance As at Falgun 28, 2079	285,081,590	216,446,013	29,545,453	230,867,261	287,087,120	70,059,135	52,093,658	131,063,428	1,302,243,659

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

19.2 Disclosure of Outstanding claim

Fig in NPR

S.no.	Particulars	Outstanding claim for claims intimated during the year (A)	Unclaimed Fund			Total Unclaimed Fund (B)	Gross outstanding claim (A+B)	Reinsurance share (C)	Net Outstanding Claim (A+B-C)
			Outstanding claim for claims intimated during the previous 1 year	Outstanding claim for claims intimated during the previous 2 year	Outstanding claim for claims intimated during the previous 3 year				
1	Property	1,213,009,082	94,161,964	28,185,324	5,660,027.00	128,007,315.47	1,341,016,398	1,230,688,083	110,328,315
2	Motor	645,392,309	131,434,146	29,221,299	7,337,847.98	167,993,293.04	813,385,602	253,817,111	559,568,491
3	Marine	44,419,897	5,289,000	844,364	526,494.00	6,659,857.90	51,079,755	44,448,157	6,631,599
4	Engineering	311,356,530	32,575,528	17,233,800	5,632,637.52	55,441,965.93	366,798,496	354,397,537	12,400,959
5	Micro	1,372,400		690,399,591	700,000.00	691,099,591.00	692,471,991	692,471,991	-
6	Aviation	982,524,050	300,000			300,000.00	982,824,050	980,366,990	2,457,060
7	Cattle and Crop	35,310,241	460,000	100,000	198,240.00	758,240.00	36,068,481	29,340,925	6,727,557
8	Miscellaneous	68,526,727	2,703,296	1,106,000.00	643,762.00	4,453,057.80	72,979,784	56,264,009	16,715,776
	Total	3,301,911,237	266,923,935	767,090,378	20,699,009	1,054,713,321	4,356,624,558	3,641,794,803	714,829,755

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

20. Insurance Payable

Fig in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurers	85,845,683	89,761,098
Payable to Other Insurance Companies	609,936	7,308,756
Portfolio Withdrawal Premium	-	-
Outstanding Withdrawal Claim	-	-
Others (to be Specified)	-	-
Total	86,455,619	97,069,854

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer	85,845,683	89,761,098
Payable to other Insurance Companies	609,936	7,308,756
Portfolio Withdrawal Premium	-	-
Outstanding Withdrawal Claims	-	-
Others (to be Specified)	-	-
Total	86,455,619	97,069,854

21. Current Tax (Assets)/ Liabilities (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities	(38,589,777)	(58,779,686)
Income Tax Assets	143,286,546	177,694,951
Total	104,696,769	118,915,265

22. Borrowings

Particulars	Current Year	Previous Year
Bond	-	-
Debenture	-	-
Term Loan - Bank and Financial Institution	-	-
Bank Overdraft	-	-
Others (to be Specified)	-	-
Total	-	-

Payable within 12 months:

Particulars	Current Year	Previous Year
Bond	-	-
Debenture	-	-
Term Loan - Bank and Financial Institution	-	-
Bank Overdraft	-	-
Others (to be Specified)	-	-
Total	-	-

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

23. Other Liabilities

Fig in NPR

Particulars	Current Year	Previous Year
TDS Payable	2,426,793	7,789,812
VAT Payable	12,449,619	23,033,784
Unidentified Deposits	-	-
Deposit Premium (Advance Premium)	24,743,704	20,226,041
Insurance Service Fee Payable	10,406,216	15,841,733
Lease Liability	39,421,408	39,001,406
Deferred Resinsurance Commission Income	76,140,147	96,953,389
Deferred Income	-	-
Others (to be Specified)	-	-
Total	165,587,886	202,846,165

Payable within 12 months

Particulars	Current Year	Previous Year
TDS Payable	2,426,793	7,789,812
VAT Payable	12,449,619	23,033,784
Unidentified Deposits	-	-
Deposit Premium (Advance Premium)	24,743,704	20,226,041
Insurance Service Fee Payable	10,406,216	15,841,733
Lease Liability	39,421,408	39,001,406
Deferred Commission Income	76,140,147	96,953,389
Deferred Income	-	-
Others (to be Specified)	-	-
Total	165,587,886	202,846,165

24. Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	4,860,021	15,707,835
Payable to Agents	4,858,356	10,384,186
Payable to Surveyors	8,315,674	9,552,696
Sundry Creditors	20,163,906	30,703,121
Retention and deposits	-	-
Short-term employee benefits payable	-	-
i) Salary Payable	-	-
ii) Bonus Payable	3,262,646	20,965,558
iii) Other employee benefit payable (to be Specified)	-	-
Audit Fee Payable	-	-
Actuarial Fees Payable	-	-
Dividend Payable	70,277	-
Others (to be Specified)	-	-
Total	41,530,881	87,313,396

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

Payable within 12 months

Fig in NPR

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	4,860,021	15,707,835
Payable to Agents	4,858,356	10,384,186
Payable to Surveyors	8,315,674	9,552,696
Sundry Creditors	20,163,906	30,703,121
Retention and deposits	-	-
Short-term employee benefits payable	-	-
i) Salary Payable	-	-
ii) Bonus Payable	3,262,646	-
iii) Other employee benefit payable (to be Specified)	-	-
Audit Fee Payable	-	-
Actuarial Fees Payable	-	-
Dividend Payable	70,277	-
Others (to be Specified)	-	-
Total	41,530,881	66,347,837

25 Gross Earned Premiums

Particulars	Direct Premiums		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	223,867,631	277,666,554	134,900	703,096	(29,195,445)	(28,982,869)	194,807,086	249,386,780
Motor	484,105,765	668,853,635	47,765,722	95,531,445	738,067	(645,966)	532,609,554	763,739,114
Marine	26,834,690	43,347,074	-	-	(34,060,381)	(36,522,858)	(7,225,691)	6,824,216
Engineering	144,476,751	220,321,734	93,262	234,404	10,990,157	(49,796,715)	155,560,169	170,759,423
Micro	5,031,764	525,235	-	-	(3,035,908)	(54,400,796)	1,995,856	(53,875,561)
Aviation	134,869,733	43,735,669	-	-	17,754,337	9,006,359	152,624,070	52,742,028
Cattle and Crop	51,854,754	104,925,340	-	-	(2,745,889)	20,149,047	49,108,865	125,074,387
Miscellaneous	95,125,394	128,322,060	8,931	7,138	(576,653)	(16,232,648)	94,557,673	112,096,549
Total	1,166,166,483	1,487,697,300	48,002,815	96,476,082	(40,131,715)	(157,426,445)	1,174,037,583	1,426,746,937

25.1 Direct Premiums

Particulars	New Business Premium		Renewal Premium		Co-Insurance Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	223,867,631	277,666,554	-	-	134,900	703,096	224,002,531	278,369,650
Motor	484,105,765	668,853,635	-	-	47,765,722	95,531,445	531,871,488	764,385,080
Marine	26,834,690	43,347,074	-	-	-	-	26,834,690	43,347,074
Engineering	144,476,751	220,321,734	-	-	93,262	234,404	144,570,013	220,556,138
Micro	5,031,764	525,235	-	-	-	-	5,031,764	525,235
Aviation	134,869,733	43,735,669	-	-	-	-	134,869,733	43,735,669
Cattle and Crop	51,854,754	104,925,340	-	-	-	-	51,854,754	104,925,340
Miscellaneous	95,125,394	128,322,060	-	-	8,931	7,138	95,134,326	128,329,197
Total	1,166,166,483	1,487,697,300	-	-	48,002,815	96,476,082	1,214,169,298	1,584,173,382

Erstwhile Lumbini General Insurance Company Limited
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Premium ceded to Reinsurers

Fig in NPR

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premiums		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	(155,544,371)	(184,089,787)	26,049,116	37,726,122	(129,495,256)	(146,363,665)
Motor	(187,909,889)	(387,774,667)	(55,398,706)	856,376	(243,308,595)	(386,918,291)
Marine	(21,851,498)	(36,103,144)	(301,434)	36,504,786	(22,152,933)	401,642
Engineering	(135,614,936)	(208,035,840)	3,523,994	66,103,607	(132,090,942)	(141,932,232)
Micro	-	-	(262,618)	52,231,021	(262,618)	52,231,021
Aviation	(133,790,026)	(43,577,971)	33,554,349	(7,208,972)	(100,235,676)	(50,786,943)
Cattle and Crop	(42,520,786)	(83,940,272)	(13,548,557)	228,459	(56,069,343)	(83,711,813)
Miscellaneous	(57,281,049)	(81,745,681)	1,364,391	13,255,479	(55,916,658)	(68,490,202)
Total	(734,512,555)	(1,025,267,361)	(5,019,466)	199,696,878	(739,532,020)	(825,570,483)

26 Portfolio-wise detail of Net Earned Premiums

Particulars	Gross Earned Premiums		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	194,807,086	249,386,780	(129,495,256)	(146,363,665)	65,311,830	103,023,115
Motor	532,609,554	763,739,114	(243,308,595)	(386,918,291)	289,300,959	376,820,823
Marine	(7,225,691)	6,824,216	(22,152,933)	401,642	(29,378,624)	7,225,858
Engineering	155,560,169	170,759,423	(132,090,942)	(141,932,232)	23,469,227	28,827,191
Micro	1,995,856	(53,875,561)	(262,618)	52,231,021	1,733,238	(1,644,540)
Aviation	152,624,070	52,742,028	(100,235,676)	(50,786,943)	52,388,394	1,955,085
Cattle and Crop	49,108,865	125,074,387	(56,069,343)	(83,711,813)	(6,960,477)	41,362,574
Miscellaneous	94,557,673	112,096,549	(55,916,658)	(68,490,202)	38,641,016	43,606,348
Total	1,174,037,583	1,426,746,937	(739,532,020)	(825,570,483)	434,505,562	601,176,454

27 Commission Income
Portfolio-wise detail of Commission Income

Particulars	Reinsurance Commission Income		Deferred Commission Income		Profit Commission		Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	52,410,306	62,031,546	(24,590,564)	(21,372,842)	1,743,090	(5,659,502)	29,562,833	34,999,202
Motor	46,551,396	73,913,102	(13,302,592)	(30,359,470)	2,817,130	13,508,682	36,065,933	57,062,314
Marine	13,323,730	18,058,082	(5,802,354)	(5,637,230)	346,561	168,531	7,867,937	12,589,384
Engineering	41,809,479	49,157,728	(17,640,189)	(19,907,289)	1,971,748	3,251,508	26,141,038	32,501,947
Micro	-	-	-	-	-	-	-	-
Aviation	1,199,611	411,504	(628,176)	-	-	-	571,435	411,504
Cattle and Crop	15,465,588	23,478,115	(3,177,418)	(7,977,809)	-	-	12,288,170	15,500,306
Miscellaneous	27,563,005	34,168,879	(10,998,854)	(11,698,750)	860,627	439,681	17,424,778	22,909,810
Total	198,323,114	261,218,956	(76,140,147)	(96,953,389)	7,739,156	11,708,900	129,922,123	175,974,467

28 Other Direct Income

Particulars	Direct Income		Other (to be Specified)		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-	-	-	-	-
Motor	6,283,195.73	9,311,053.56	-	-	6,283,195.73	9,311,053.56
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total	6,283,195.73	9,311,053.56	-	-	6,283,195.73	9,311,053.56

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

29 Investment Income

Fig in NPR

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Measured at Amortised Costs	-	-
i) Fixed Deposit with "A" Class Financial Institutions	110,997,151	141,795,059
ii) Fixed Deposit with Infrastructure Bank	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	16,622,371	16,723,436
iv) Fixed Deposit with "C" Class Financial Institutions	4,103,348	4,216,233
v) Debentures	1,760,902	1,984,400
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	144,480	220,650
vii) Bank Deposits other than Fixed Deposit	1,774,209	2,499,432
viii) Employee Loans	-	-
ix) Other Interest Income (to be Specified)	-	-
Financial Assets Measured at FVTOCI	-	-
i) Interest Income on Debentures	-	-
ii) Dividend Income	216,369	3,193,534
iii) Other Interest Income (to be Specified)	-	-
Financial Assets Measured at FVTPL	-	-
i) Dividend Income	0	0
ii) Other Interest Income (to be Specified)	0	0
Rental Income	-	-
Others (to be Specified) Income from CIT and lease reversal	3,419,645	7,114,912
Miscellaneous Income	559,560	15,545,170
Income Related to Previous Years	-	-
Total	139,598,034	193,292,825

30 Net Gain/ (Loss) on Fair Value Changes

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

31 Net Realised Gains/ (Losses)

Particulars	Current Year	Previous Year
Realised Gains/(Losses) on Derecognition of Financial Assets Measured at FVTPL	-	-
i) Equity Instruments	119,648.72	-
ii) Mutual Fund	-	-
iii) Others (to be Specified)	-	-
Realised Gains/(Losses) on Derecognition of Financial Assets at Amortised Costs	-	-
i) Debentures	-	-
ii) Bonds	-	-
iii) Others (to be Specified)	-	-
Total	119,648.72	-

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

32 Other Income

Fig in NPR

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	79,525	-
Interest Income from Finance Lease	-	-
Profit from disposal of Property, Plant and Equipment	3,221,512	217,283
Amortization of Deferred Income	-	-
Other Direct Income	-	-
Stamp Income	-	-
Others (to be Specified)	-	-
i. Written Back of Provision for Loss in Investments	-	-
ii. Written Back of Provision for Doubtful Debt	3,495,999	19,470,529
Total net realised gains and losses	6,797,036	19,687,812

33 Gross Claims Paid

Portfolio-wise detail of Gross Claims Paid and Claims Ceded

Particulars	Gross Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	137,975,308	165,625,755	98,736,388	118,516,174	39,238,919	47,109,582
Motor	382,566,341	541,500,959	132,555,302	124,711,079	250,011,039	416,789,880
Marine	13,166,749	12,545,323	10,407,098	10,485,327	2,759,650	2,059,996
Engineering	96,471,309	246,668,321	93,728,913	238,598,651	2,742,395	8,069,671
Micro	31,700,000	-	31,700,000	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	44,136,774	117,463,184	35,309,419	93,970,547	8,827,355	23,492,637
Miscellaneous	44,752,014	64,039,490	23,261,495	33,097,760	21,490,519	30,941,730
Total	750,768,493	1,147,843,033	425,698,616	619,379,537	325,069,877	528,463,495

33.1 Details of Gross Claim Paid

Particulars	Claim Paid		Survey Fees		Total Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	137,975,308	165,625,755	-	-	137,975,308	165,625,755
Motor	382,566,341	541,500,959	-	-	382,566,341	541,500,959
Marine	13,166,749	12,545,323	-	-	13,166,749	12,545,323
Engineering	96,471,309	246,668,321	-	-	96,471,309	246,668,321
Micro	31,700,000	-	-	-	31,700,000	-
Aviation	-	-	-	-	-	-
Cattle and Crop	44,136,774	117,463,184	-	-	44,136,774	117,463,184
Miscellaneous	44,752,014	64,039,490	-	-	44,752,014	64,039,490
Total	750,768,493	1,147,843,033	-	-	750,768,493	1,147,843,033

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
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34 Net Change in Insurance Contract Liabilities
Portfolio-wise detail of Net Change in 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
Property	(52,418,487)	143,190,936	50,409,600	(148,779,178)	(2,008,888)	(5,588,242)
Motor	66,818,976	(10,630,874)	(11,886,699)	(9,557,996)	54,932,276	(20,188,870)
Marine	(3,614,624)	9,643,110	3,863,520	(10,648,725)	248,895	(1,005,615)
Engineering	(86,032,728)	(120,803,396)	87,807,327	116,316,580	1,774,599	(4,486,817)
Micro	292,296,064	(168,328,585)	(287,087,120)	164,660,000	5,208,944	(3,668,585)
Aviation	-	-	-	-	-	-
Cattle and Crop	18,406,053	(11,010,379)	(14,549,290)	8,700,477	3,856,763	(2,309,902)
Miscellaneous	10,715,566	27,687,249	(9,603,848)	(30,473,991)	1,111,717	(2,786,742)
Total	246,170,819	(130,251,939)	(181,046,511)	90,217,167	65,124,308	(40,034,773)

35 Commission Expenses
Portfolio-wise detail of Commission Expenses

Particulars	Commission Expenses on Direct Premiums		Commission Expenses on Premium on Reinsurance Accepted		Deferred Commission Expenses		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire / Property	2,861,085	4,560,352	24,282	165,384	162,161	(722,575)	3,047,527	4,003,161
Motor	4,071,555	6,071,700	-	-	77,135	(325,887)	4,148,691	5,745,813
Marine	596,544	1,016,699	-	-	22,079	(10,431)	618,623	1,006,268
Engineering	3,331,546	5,225,973	13,835	32,501	(28,097)	(642,083)	3,317,284	4,616,391
Micro	-	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	3,345,494	9,888,457	-	-	4,108,665	2,066,225	7,454,159	11,954,682
Miscellaneous	2,361,915	2,634,967	1,965	1,468	(383,652)	(318,929)	1,980,227	2,317,506
Total	16,568,139	29,398,149	40,082	199,352	3,958,291	46,319	20,566,511	29,643,821

36 Service Fees
Portfolio-wise detail of Service Fees

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	1,874,553	2,783,696	1,338,449	1,833,869	536,104	949,827
Motor	4,441,482	7,643,851	1,222,217	2,857,884	3,219,265	4,785,967
Marine	227,513	433,471	190,975	361,031	36,538	72,440
Engineering	1,200,323	2,205,561	1,161,361	2,188,242	38,962	17,319
Micro	43,067	5,252	-	-	43,067	5,252
Aviation	1,348,697	437,357	1,203,746	435,780	144,951	1,577
Cattle and Crop	444,292	1,049,253	377,721	839,403	66,571	209,850
Miscellaneous	826,289	1,283,292	510,545	817,387	315,744	465,905
Total	10,406,216	15,841,733	6,005,015	9,333,596	4,401,201	6,508,137

37 Other Direct Expenses

Particulars	Direct Expenses		Other(to be Specified)		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-	-	-	-	-
Motor	-	-	-	-	-	-
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total	-	-	-	-	-	-

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
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38 Employee Benefits Expenses

Fig in NPR

Particulars	Current Year	Previous Year
Salaries	60,092,571	85,485,956
Allowances	32,896,479	44,945,772
Festival Allowances	10,115,210	9,402,335
Defined Benefit Plans	-	-
i) Gratuity	26,684,408	4,819,293
ii) Others (to be Specified)	-	-
Defined Contribution Plans	-	-
i) Provident Fund/ Social Security Fund	686,616	7,254,398
ii) Others (to be Specified)	-	-
Leave Encashment	4,143,664	3,038,385
Termination Benefits	-	-
Training Expenses	1,685,687	429,736
Uniform Expenses	-	-
Medical Expenses	-	-
Staff Insurance Expenses	1,450,213	310,749
Staff Welfare	2,631,365	5,585,020
Others (to be Specified)	-	-
Sub Total	140,386,213	161,271,642
Employee Bonus	3,262,646	20,965,558
Total	143,648,858	182,237,201

39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of Goodwill and Intangible Assets (Refer Note 4)	261,707	360,032
Depreciation on Property, Plant and Equipment (Refer Note 5)	17,310,596	20,973,390
Depreciation on Investment Properties (Refer Note 6)	-	-
Total	17,572,303	21,333,422

40 Impairment Losses

Particulars	Current Year	Previous Year
Impairment Losses on PPE, Investment Properties and Intangible Assets	-	-
i) Property, Plant and Equipment	-	-
ii) Investment Properties	-	-
iii) Intangible Assets	-	-
Impairment Losses on Financial Assets	-	-
i) Investment	-	-
ii) Loans	-	-
iii) Other Financial Assets	-	-
iv) Cash and Cash Equivalent	-	-
v) Others (to be Specified)	-	-
Impairment Losses on Other Assets	53,728,233	3,495,999
i) Reinsurance Assets	-	-
ii) Insurance Receivables	-	-
iii) Lease Receivables	-	-
iv) Others (to be Specified)	-	-
Total	53,728,233	3,495,999

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
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41 Other Operating Expenses

Fig in NPR

Particulars	Current Year	Previous Year
Rent Expenses	-	-
Electricity and Water	1,806,922	2,700,725
Repair and Maintenance	-	-
i) Building	29,631	622,482
ii) Vehicle	149,036	278,353
iii) Office Equipment and Accessories	522,853	765,978
iv) Others (to be specified)	89,360	50,585
Telephone & Communication	5,438,778	8,244,048
Printing and Stationary	3,426,663	7,011,787
Office Consumable Expenses	-	-
Travelling Expenses	-	-
i) Domestic	399,483	1,240,584
ii) Foreign	-	89,143
Transportation and Fuel Expenses	8,735,472	9,912,493
Agent Training	-	-
Other Agent Expenses	-	-
Insurance Premium	834,270	1,368,407
Security & Outsourcing Expenses	777,500	1,127,500
Legal and Consulting Expenses	1,070,000	1,788,700
Newspapers, Books and Periodicals	86,884	145,211
Advertisement & Promotion Expenses	2,652,772	3,182,925
Business Promotion	2,044,279	1,987,437
Guest Entertainment	2,584,708	3,719,551
Gift and Donations	48,100	28,601
Board Meeting Fees and Expenses	-	-
Board Meeting Fee Allowance	1,062,000	1,730,000
Board Meeting Expenses and allowances	53,963	122,629
Other Committee/ Subcommittee Meeting Fees and Expenses	-	-
Committee Meeting Fees and Allowances	564,000	1,296,411
Committee Meeting Expenses and allowances	378,015	663,330
Annual General Meeting Expenses	2,368,507	1,609,289
Audit Related Fees	-	-
i) Statutory Audit	140,000	140,000
ii) Tax Audit	140,000	140,000
iii) Long Form Audit Report	20,000	20,000
iv) Other Fees	-	-
v) Internal Audit	225,000	300,000
vi) Others (to be specified)	410,188	152,120
Bank Charge	528,787	519,259
Fee and Charges	1,228,862	1,508,682
Postage Charges	-	-
Foreign Exchange Losses	-	-
Other	8,795,091	-
Fines and Penalty	15,349	-
Others to be specified	-	-
i) Miscellaneous Expenses	6,634,172	18,645,225
ii) Other Direct Expenses	-	-
Total	53,260,646	71,111,455

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
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42 Finance Cost

Fig in NPR

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	4,489,850	4,936,172
Interest expenses - Overdraft Loans	-	-
Others (to be Specified)	-	-
Total	4,489,850	4,936,172

43 (a) Income Tax Expense

Particulars	Current Year	Previous Year
Current Tax	-	-
i) Income Tax Expenses for the Year	17,782,456	58,779,686
ii) Income Tax Relating to Prior Periods	-	-
Deferred Tax For The Year	-	-
i) Originating and reversal of temporary differences	(8,642,117)	1,705,609
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	9,140,339	60,485,295

(b) Reconciliation of Taxable Profit & Accounting Profit

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	29,363,812	191,747,683
Applicable Tax Rate	30%	30%
i) Disallowed Depreciation expenses	3,422,817	743,913
ii) Disallowed Repair and Maintainance Expenses	-	-
iii) Gross Change in Insurance Contract liabilities and UPR	(1,077,480)	(47,794)
iv) Provision for doubtful debt and investment	(1,048,800)	1,650,651
iv) Share related expenses	502,716	237,894
v) Insurance Expenses under OYVS	50,751	87,284
vi) Vehicle tax expenses for OYVS	80,565	108,014
Vii) Repair of OYVS	20,984	-
Viii) Finance Cost	1,346,955	-
ix) Bouns Expenses	-	95,806
x) Disallowed on Leave encashment and Grauti	(14,288,200)	4,057,107
xi) Fines	4,605	2,049,278
xii) Donation	14,430	8,580
Less: Tax effect on exempt income and additional deduction	-	-
i) Deferred agency commission expenses	-	11,302
ii) Deferred Reinsurance Commission Expenses	-	2,594
iii) Deferred Reinsurance commission Income	-	3,678,192

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
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Fig in NPR

Particulars	Current Year	Previous Year
iv) Actuarial Gain/loss on URR	-	8,629,097
v) Actuarial Gain/loss on Claim Outstanding Provision	-	(2,524,803)
vi) Actuarial Gain/loss on Grauity and leave echashment	-	(4,791,763)
vii) Provision write back as per NFRS	-	18,834
viii) Rent adjustment	(2,990,082)	(4,235,141)
ix) Provision write back	-	(5,859,993)
x) Gain on sale of assets	(966,454)	-
xi) Dividend Income	(64,911)	(958,060)
xii) OCI	(8,642,117)	-
Less: Adjustment to Current Tax for prior periods	-	-
(i) Regulatory Reserve Added	6,986,653	-
ii) Impairment losses	16,118,470	-
Add/ (Less): Others to be specified (Interest as per section 117 of Income Tax Act)	860,293	-
Income Tax Expense	9,140,339	60,485,295
Effective Tax Rate	31%	32%

or

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

44 Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Falgun, 2079 the company has recognised an amount of NPR. as an expenses under the defined contribution plans in the Statement of Profit or Loss.

b) Post Employment Benefit - Defined Benefit Plans

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

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

Particulars	Gratuity Liability		Accumulating Paid Absences	
	28/11/2079	32/03/2079	28/11/2079	32/03/2079
Expenses Recognized In Statement of Profit or loss (SoPL)	-	-	-	-
Current service cost	26,684,408	1,674,672	2,525,277	1,022,592
Past Service Cost	-	-	-	-
Net Interest cost	-	3,144,621	218,519	2,048,894
a. Interest expense on defined benefit obligation (DBO)	-	3,144,621	1,394,664	2,048,894
b. Interest (income) on plan assets	-	-	(1,176,145)	-
c. Total net interest cost	-	-	-	-
Defined benefit cost included in Statement of Profit or Loss	26,684,408	4,819,293	2,743,796	3,071,486

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
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d) Remeasurement effects recognised in Statement of Other Comprehensive Income (OCI)

Fig in NPR

Particulars	Gratuity Liability		Accumulating Paid Absences	
	28/11/2079	32/03/2079	28/11/2079	32/03/2079
a. Actuarial (gain)/ loss due to financial assumption changes in DBO	-	(1,365,300)	-	(739,811)
b. Actuarial (gain)/ loss due to experience on DBO	-	8,258,625	1,724,051	706,710
c. Return on plan assets (greater)/ less than discount rate	-	-	(324,183)	-
Total actuarial (gain)/ loss included in OCI	-	6,893,325	1,399,868	(33,101)

e) Total cost recognised in Comprehensive Income

Particulars	Gratuity Liability		Accumulating Paid Absences	
	28/11/2079	32/03/2079	28/11/2079	32/03/2079
Cost recognised in Statement of Profit or Loss	14,538,215	4,819,293	2,743,796	3,071,486
Remeasurements effects recognised in OCI	-	6,893,325	1,399,868	(33,101)
Total cost recognised in Comprehensive Income	14,538,215	11,712,618	4,143,664	3,038,385

f) Change in Defined Benefit Obligation

Particulars	Gratuity Liability		Accumulating Paid Absences	
	28/11/2079	32/03/2079	28/11/2079	32/03/2079
Defined benefit obligation as at the beginning of the year	46,950,962	39,307,767	24,611,722	25,611,172
Service cost	14,538,215	1,674,672	814,668	1,022,592
Interest cost	-	3,144,621	1,394,664	2,048,894
Expenses recognised in SoPL	14,538,215	4,819,293	2,209,332	3,071,486
Expenses recognised in OCI	-	6,893,325	1,724,051	(33,101)
Benefit payments from plan assets	(61,156,175)	(4,069,423)	(2,830,512)	(4,037,835)
Actuarial (Gain)/ Loss	-	-	-	-
Defined Benefit Obligation As At Year End	333,002	46,950,962	25,714,593	24,611,722

g) Change in Fair Value Of Plan Assets

Particulars	Gratuity Liability		Accumulating Paid Absences	
	28/11/2079	32/03/2079	28/11/2079	32/03/2079
Fair value of plan assets at end of prior year	34,071,215	25,498,807	20,755,506	17,711,746
Remeasurement from opening	-	-	-	-
Interest Income	2,721,581	2,039,905	1,176,145	1,416,940
Expected return on plan assets	-	-	-	-
Employer contributions	-	10,856,914	9,296,752	5,890,698
Participant contributions	-	-	-	-
Benefit payments from plan assets	(36,792,796)	(4,069,423)	(2,830,512)	(4,037,835)
Transfer in/ transfer out	-	-	-	-
Actuarial (Gain)/ Loss on Plan Assets	-	(254,988)	324,183	(226,043)
Fair Value of Plan Asset at End of the Year	-	34,071,215	28,722,074	20,755,506

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h) Net Defined Benefit Asset/(Liability)

Fig in NPR

Particulars	Gratuity Liability		Accumulating Paid Absences	
	28/11/2079	32/03/2079	28/11/2079	32/03/2079
Defined Benefit Obligation	-	12,879,747	25,714,593	3,856,215
Fair Value of Plan Assets	-	34,071,215	28,722,074	20,755,506
(Surplus)/Deficit Recognised in Statement of Financial Position	-	21,191,468	(3,007,481)	16,899,291

i) Expected Company Contributions for the Next Year

Particulars	Gratuity Liability		Accumulating Paid Absences	
	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	Gratuity Liability		Accumulating Paid Absences	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end	12,879,747	-	3,856,215	-
Defined benefit cost included in Statement of Profit or Loss	-	-	2,433,055	-
Total remeasurements included in OCI	-	-	-	-
Acquisition/ divestment	(12,879,747)	-	-	-
Employer contributions	-	-	(9,296,752)	-
Net defined benefit liability/(asset)	-	-	(3,007,482)	-

k) Reconciliation of Statement of Other Comprehensive Income

Particulars	Gratuity Liability		Accumulating Paid Absences	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period	-	-	-	-
Total remeasurements included in OCI	-	-	1,399,868	-
Cumulative OCI - (Income)/Loss	-	-	1,399,868	-

l) Current/Non - Current Liability

Particulars	Gratuity Liability		Accumulating Paid Absences	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	-	-	3,556,610	-
Non - Current Liability	-	-	22,157,983	-
Total	-	-	25,714,593	-

m) Expected Future Benefit Payments

Particulars	Gratuity Liability		Accumulating Paid Absences	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	-	-	3,858,922	-
Between 1-2 years	-	-	3,602,576	-
Between 2-5 years	-	-	9,745,809	-
From 6 to 10	-	-	13,493,932	-
Total	-	-	30,701,239	-

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m) Expected Future Benefit Payments

Fig in NPR

Particulars	Gratuity Liability		Accumulating Paid Absences	
	Current Year	Previous Year	Current Year	Previous Year
Government Securities (Central and State)	-	-	-	-
Corporate Bonds (including Public Sector bonds)	-	-	-	-
Mutual Funds	-	-	-	-
Deposits	-	-	-	-
Cash and bank balances	-	-	-	-
Others (to be Specified)	100%	-	100%	-
Total	100%	-	100%	-

n) Plan assets

Particulars	Gratuity Liability		Accumulating Paid Absences	
	Current Year	Previous Year	Current Year	Previous Year
Government Securities (Central and State)	-	-	-	-
Corporate Bonds (including Public Sector bonds)	-	-	-	-
Mutual Funds	-	-	-	-
Deposits	-	-	-	-
Cash and bank balances	-	-	-	-
Others (to be Specified)	100%	-	100%	-
Total	100%	-	100%	-

o) Sensitivity Analysis

Particulars	Gratuity Liability		Accumulating Paid Absences	
	Current Year	Previous Year	Current Year	Previous Year
Effect in Defined Benefit Obligation Due to 1% Increase in Discount Rate	-	-	24,221,025	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	-	-	27,389,692	-
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	-	-	27,172,853	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	-	-	24,392,277	-
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate	-	-	26,051,959	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate	-	-	25,339,740	-
Total	100%	-	100%	-

p) Assumptions

Particulars	Accumulating Paid Absences	Any Other Funded Liability
Discount Rate	8.50%	-
Escalation Rate (Rate of Increase in Compensation Levels)	5.00%	-
Attrition Rate (Employee Turnover)	11.00%	-
Mortality Rate During Employment	NAL 2009	-

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45 Fair Value Measurements

Fig in NPR

(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. To provide an indication about the reliability of the inputs used in determining Fair Value, the Company has classified its financial instruments into Three Levels prescribed as per applicable NFRS.

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Investments	-	-	-	-	-	-	-
i) Investment in Equity Instruments	-	-	-	-	-	-	-
Investment in Equity Instrument (Quoted)	1	-	51,012,665	-	-	300,936,265	-
Investment in Equity Instrument (Unquoted)	2	-	329,225,215	-	-	-	-
ii) Investment in Mutual Funds	1	-	-	-	-	-	-
iii) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-	-	-	-
iv) Investment in Debentures	3	-	-	-	-	-	-
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3	-	-	-	-	-	-
vi) Fixed Deposits	3	-	-	-	-	-	-
vii) Others (to be specified)	-	-	-	-	-	-	-
Loans	3	-	-	-	-	-	-
Other Financial Assets	3	-	-	-	-	-	-
Cash and Cash Equivalents	3	-	-	-	-	-	-
Total Financial Assets	-	-	380,237,880	-	-	300,936,265	-
Borrowings	-	-	-	-	-	-	-
Other Financial Liabilities	3	-	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-	-	-

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

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

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

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

(ii) Valuation Technique Used to Determine Fair Value

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

(iii) Valuation Process

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Discussion

on valuation processes and results are held at least once in a year.

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

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

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

Fig in NPR

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 Equity Instruments	235,717,526	380,237,880	197,768,512	300,936,265
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-
iv) Fixed Deposit	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Loans	-	-	-	-
i) Loan to Associates	-	-	-	-
ii) Loan to Employees	-	-	-	-
iv) Loan to Agents	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Other Financial Assets	-	-	-	-
Total Financial Liabilities at Amortised Cost	235,717,526	380,237,880	197,768,512	300,936,265
Borrowings	-	-	-	-
i) Bond	-	-	-	-
ii) Debenture	-	-	-	-
iii) Term Loan - Bank and Financial Institution	-	-	-	-
iv) Bank Overdraft	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Other Financial Liabilities	-	-	-	-
Total Financial Liabilities at Amortised Cost	-	-	-	-

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

46 Insurance Risk

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

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

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

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

a) Product development:

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

- Property
- Motor
- Marine
- Engineering
- Micro
- Aviation
- Cattle and Crop
- Miscellaneous

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

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

b) Pricing:

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

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

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

c) Underwriting:

The Company's underwriting process is governed by the 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) 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.

e) Claims handling:

Some of the actions undertaken to mitigate claims risks is detailed below:

- i) Claims are assessed immediately,
- ii) Assessments are carried out by in-house as well as independent assessors/loss adjustors working throughout,
- iii) The service of a qualified independent actuary is obtained annually to assess the adequacy of reserves,
- iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed,
- v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers.

Sensitivities

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

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

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Fig in NPR

Particulars	Changes in Assumptions	Current Year				Previous Year			
		Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax
Average Claim Cost	+ 10%	-	-	-	-	-	-	-	-
Average Number of Claims	+ 10%	-	-	-	-	-	-	-	-
Average Claim Cost	- 10%	-	-	-	-	-	-	-	-
Average Number of Claims	- 10%	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-

Claim development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive incident year at each reporting date, together with cumulative payments to date.

Gross outstanding claim provision

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	346,794,167	346,794,167
One year later	-	-	-	-	158,026,318	-	158,026,318
Two year later	-	-	-	412,289,437	-	-	412,289,437
Three year later	-	-	115,238,318	-	-	-	115,238,318
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
Current estimate of cumulative claims (A)	-	-	115,238,318	412,289,437	158,026,318	346,794,167	1,032,348,240
Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	162,142,268	162,142,268
One year later	-	-	-	-	474,847,096	-	474,847,096
Two year later	-	-	-	90,740,067	-	-	90,740,067
Three year later	-	-	10,983,257	-	-	-	10,983,257
Four year later	-	12,055,805	-	-	-	-	12,055,805
More than Four years	-	-	-	-	-	-	-
Cumulative payments to date (B)	-	12,055,804.64	10,983,257	90,740,067	474,847,096	162,142,268	750,768,493
Gross insurance contract outstanding claim provision (A-B)	-	(12,055,804.64)	104,255,061	321,549,371	(316,820,778)	184,651,899	281,579,747

Net outstanding claim provision

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	90,932,727	90,932,727
One year later	-	-	-	-	41,436,003	-	41,436,003
Two year later	-	-	-	108,106,209	-	-	108,106,209
Three year later	-	-	30,216,582	-	-	-	30,216,582
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
Current estimate of cumulative claims (A)	-	-	30,216,582	108,106,209	41,436,003	90,932,727	270,691,522
At end of incident year	-	-	-	-	-	70,204,821	70,204,821
One year later	-	-	-	-	205,600,646	-	205,600,646
Two year later	-	-	-	39,288,892	-	-	39,288,892
Three year later	-	-	4,755,562	-	-	-	4,755,562
Four year later	-	5,219,956.58	-	-	-	-	5,219,957
More than Four years	-	-	-	-	-	-	-
Cumulative payments to date (B)	-	5,219,956.58	4,755,562	39,288,892	205,600,646	70,204,821	325,069,877
Net insurance contract outstanding claim provision (A-B)	-	-5,219,956.58	25,461,020	68,817,317	(164,164,643)	20,727,907	(54,378,356)

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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:

Fig in NPR

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Property	388,156,289	309,442,074	78,714,214	388,156,289	309,442,074	78,714,214
Marine	44,890,372	33,710,408	11,179,964	44,890,372	33,710,408	11,179,964
Aviation	36,641,200	36,504,786	136,414	36,641,200	36,504,786	136,414
Motor	608,052,143	259,958,019	348,094,124	608,052,143	259,958,019	348,094,124
Engineering	325,337,315	315,150,594	10,186,720	325,337,315	315,150,594	10,186,720
Cattle and Crop	64,353,344	51,092,925	13,260,418	64,353,344	51,092,925	13,260,418
Micro	787,853	262,618	525,235	787,853	262,618	525,235
Miscellaneous	151,301,075	120,095,189	31,205,886	151,301,075	120,095,189	31,205,886
Total	1,619,519,590	1,126,216,613	493,302,976	1,619,519,590	1,126,216,613	493,302,976

47 Financial Risk Management

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

i) Credit Risk

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

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

- 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.
- 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.
- 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 Falgun 28, 2079

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		-	-	-	-

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Expected Credit Losses for Financial Assets at Amortised Costs as at Falgun 28, 2079

Fig in NPR

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	-	-	-

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.

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

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

a2) Foreign Currency Risk - Sensitivity

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

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

* Holding all other variable constant

b1) Interest Rate Risk

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

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

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b2) Interest Rate Sensitivity

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

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

* Holding all other Variable Constant

c1) Equity Price Risk

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

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

c2) Sensitivity

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

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

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

48 Operational Risk

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

49 Climate Related Risk

Climate Risk Policy has been developed by the merged company Sagarmatha Lumbini Insurance Company Ltd, which is the company formed after merger of Lumbini General Insurance Co. Ltd. And Sagarmatha Insurance Company Ltd.

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

Non-Life insurance companies were required by the Directive issued by Nepal Beema Pradikaran to attain a stipulated minimum paid up capital of NPR 2.5 billion by Chaitra end 2079. As on the reporting date, the company's paid up capital is NPR 1,40,45,49,000.00

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Dividend	Fig in NPR	
Particulars	Current Year	Previous Year
(i) Dividends recognised	-	-
Final dividend for the year ended Ashadh 31, 2078, of NPR 113,89,550/- (Ashadh 31, 2077 - NPR 114,180,000/-) per fully paid share	91,764,450	113,894,550
(ii) Dividends not recognised at the end of the reporting period	-	-
In addition to the above dividends, since the year ended the Board of Directors have recommended the payment of a final dividend 0% on paid up equity share (0). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	-	91,764,450
	-	91,764,450

51 Earnings Per Share

Particulars	Current Year	Previous Year
Profit For the Year	20,223,473	131,262,388
Less: Dividend on Preference Shares	-	-
Profit For the Year used for Calculating Basic Earning per Share	-	-
Add: Interest saving on Convertible Bonds	-	-
Profit For the Year used for Calculating Diluted Earning per Share	20,223,473	131,262,388
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	-	-
Adjustments for calculation of Diluted Earning per Share:	-	-
i) Dilutive Shares	-	-
ii) Options	-	-
iii) Convertible Bonds	-	-
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share	-	-
Nominal Value of Equity Shares	14,045,490	13,127,846
Basic Earnings Per Share	1.44	10.00
Diluted Earnings Per Share	-	-
Proposed Bonus Share	-	-
Weighted Average Number of Equity Shares Outstanding During the Year for Restated Earning Per Share	-	-
Restated Basic Earning Per Share	-	-
Restated Diluted Earning Per Share	-	-

52 Operating Segment

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

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

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

Business Segments of the Company's are:

- i) Property
- ii) Motor
- iii) Marine
- iv) Engineering
- v) Micro
- vi) Aviation
- vii) Cattle and Crop
- viii) Miscellaneous

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a) A Segment information for the year ended Falgun 28, 2079 (March 12, 2023)

Fig in NPR

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income										
Gross Earned Premiums	194,807,086	532,609,554	(7,225,691)	155,560,169	1,995,856	152,624,070	49,108,865	94,557,673	-	1,174,037,583
Premiums Ceded	(129,495,256)	(243,308,595)	(22,152,933)	(132,090,942)	(262,618)	(100,235,676)	(56,069,343)	(55,916,658)	-	(739,532,020)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	65,311,830	289,300,959	(29,378,624)	23,469,227	1,733,238	52,388,394	(6,960,477)	38,641,016	-	434,505,562
Commission Income	29,562,833	36,065,933	7,867,937	26,141,038	-	571,435	12,288,170	17,424,778	-	129,922,123
Other Direct Income	-	6,283,196	-	-	-	-	-	-	-	6,283,196
Income from Investment and Loans	25,987,107	86,162,389	3,929,313	6,962,637	1,047,753	455,478	3,376,739	11,676,618	-	139,598,034
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	120,861,770	417,812,477	(17,581,373)	56,572,902	2,780,991	53,415,306	8,704,432	67,742,411	-	710,308,915
Expenses:										
Gross Claims Paid	137,975,308	382,566,341	13,166,749	96,471,309	31,700,000	-	44,136,774	44,752,014	-	750,768,493
Claims Ceded	(98,736,388)	(132,555,302)	(10,407,098)	(93,728,913)	(31,700,000)	-	(35,309,419)	(23,261,495)	-	(425,698,616)
Gross Change in Contract Liabilities	(52,418,487)	66,818,976	(3,614,624)	(86,032,728)	292,296,064	-	18,406,053	10,715,566	-	246,170,819
Change in Contract Liabilities Ceded to Reinsurers	50,409,600	(1,886,699)	3,863,520	87,807,327	(287,087,120)	-	(14,549,290)	(9,603,848)	-	(181,046,511)
Net Claims Paid (Sum of Above)	-	-	-	-	-	-	-	-	-	-
Commission Expenses	3,047,527	4,148,691	618,623	3,317,284	-	-	7,454,159	1,980,227	-	20,566,511
Service Fees	536,104	3,219,265	36,538	38,962	43,067	144,951	66,571	315,744	-	4,401,201
Other Direct Expenses	-	-	-	-	-	-	-	-	-	-
Employee Benefits Expenses	27,616,026	59,983,008	3,278,606	17,636,897	628,748	16,852,741	6,061,508	11,591,325	-	143,648,858
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	10,239,186	22,239,883	1,215,608	6,539,227	233,121	-	2,247,424	4,297,712	-	53,260,646
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenses	78,668,875	394,534,161	8,157,920	32,049,364	6,113,880	23,246,178	28,513,780	40,787,245	-	612,071,402
Total Segmental Results	42,192,895	23,278,316	(25,739,293)	24,523,537	(3,332,889)	30,169,128	(19,809,348)	26,955,166	-	98,237,513
Segment Assets	-	-	-	-	-	-	-	-	-	1,844,733,164
Segment Liabilities	-	-	-	-	-	-	-	-	-	2,000,707,722

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b) A Segment information for the year ended Ashadh 31, 2079 (July 15, 2022)

Fig in NPR

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income										
Gross Earned Premiums	249,386,780	763,739,114	6,824,216	170,759,423	(53,875,561)	52,742,028	125,074,387	112,096,549	-	1,426,746,937
Premiums Ceded	(146,363,665)	(386,918,291)	401,642	(141,932,232)	52,231,021	(50,786,943)	(83,711,813)	(68,490,202)	-	(825,570,483)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	103,023,115	376,820,823	7,225,858	28,827,191	(1,644,540)	1,955,085	41,362,574	43,606,348	-	601,176,454
Commission Income	34,999,202	57,062,314	12,589,384	32,501,947	-	411,504	15,500,306	22,909,810	-	175,974,467
Other Direct Income	-	-	-	-	-	-	-	-	-	-
Income from Investments and Loans	44,124,556	101,063,375	7,205,913	12,439,665	6,189,855	169,577	4,745,760	17,354,125	-	193,292,825
Net Gains/(Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	9,311,054	-	-	-	-	-	-	-	9,311,054
Total Segmental Income	182,146,874	544,257,565	27,021,155	73,768,803	4,545,314	2,536,166	61,608,640	83,870,282	-	979,754,800
Expenses:										
Gross Claims Paid	165,625,755	541,500,959	12,545,323	246,668,321	-	-	117,463,184	64,039,490	-	1,147,843,033
Claims Ceded	(118,516,174)	(124,711,079)	(10,485,327)	(238,598,651)	-	-	(93,970,547)	(33,097,760)	-	(619,379,537)
Gross Change in Contract Liabilities	143,190,936	(10,630,874)	9,643,110	(120,803,396)	(168,328,585)	-	(11,010,379)	27,687,249	-	(130,251,939)
Change in Contract Liabilities Ceded to Reinsurers	(148,779,178)	(9,557,996)	(10,648,725)	116,316,580	164,660,000	-	8,700,477	(30,473,991)	-	90,217,167
Net Claims Paid	-	-	-	-	-	-	-	-	-	-
Commission Expenses	4,003,161	5,745,813	1,006,268	4,616,391	-	-	11,954,682	2,317,506	-	29,643,821
Service Fees	949,827	4,785,967	72,440	17,319	5,252	1,577	209,850	465,905	-	6,508,137
Other Direct Expenses	-	-	-	-	-	-	-	-	-	-
Employee Benefits Expenses	33,082,928	80,286,596	5,127,722	26,055,789	63,625	5,297,954	11,512,365	15,225,202	-	176,652,181
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	14,363,502	34,857,757	2,226,286	11,312,553	27,624	2,300,194	4,998,284	6,610,274	-	76,696,474
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenses	93,920,758	522,277,143	9,487,096	45,584,906	(3,572,084)	7,599,725	49,857,917	52,773,876	-	777,929,336
Total Segmental Results	88,226,116	21,980,422	17,534,059	28,183,897	8,117,398	(5,063,559)	11,750,723	31,096,406	-	201,825,463
Segment Assets	-	-	-	-	-	-	-	-	-	1,723,757,598
Segment Liabilities	-	-	-	-	-	-	-	-	-	1,725,019,423

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

Fig in NPR

Particulars	Current Year	Previous Year
Segmental Profit	98,237,513	201,825,463
Add: Net Gains/ (Losses) on Fair Value Changes	-	-
Add: Net Realised Gains/ (Losses)	-	-
Add: Unallocable Other Income	6,916,685	19,687,812
Less: Depreciation and Amortization	(17,572,303)	(21,333,422)
Less: Non-cash expenses other than Depreciation and Amortization	-	-
Less: Unallocable Corporate Expenditures Impairment Losses)	(53,728,233)	(3,495,999)
Less: Finance Cost	(4,489,850)	(4,936,172)
Profit Before Tax	29,363,811	191,747,683

d) Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets	1,844,733,164	1,723,757,598
Goodwill and Intangible Assets	1,765,761	1,936,468
Property, Plant and Equipment	131,706,362	142,160,611
Investment Properties	-	-
Deferred Tax Assets	-	11,027,818
Investment in Subsidiary	-	-
Investment in Associates	-	-
Investments	2,414,109,666	2,323,756,051
Loans	10,558,951	10,613,918
Current Tax Assets (Net)	104,696,769	118,915,265
Other Assets	106,167,546	138,680,511
Other Financial Assets	-	-
Cash and Cash Equivalents	-	-
Total Assets	4,613,738,218	4,470,848,239

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	2,000,707,722	1,725,019,423
Provisions	15,486,212	124,987,845
Deferred Tax Liabilities	-	-
Current Tax Liabilities (Net)	-	-
Other Financial Liabilities	41,530,881	66,347,837
Other Liabilities	165,587,886	202,846,165
Total Liabilities	2,223,312,701	2,119,201,270

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Fig in NPR

53. Related Party Disclosure

(a) Identify Related Parties

Holding Company:

Subsidiaries:

Associates:

Fellow Subsidiaries:

Key Management Personnel:

(b) Key Management Personnel Compensation:

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

Payment to Chief Executive Officer (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances	3,250,000	4,555,000
Performance based allowances	-	-
i) Employee Bonus	734,188	1,148,094
ii) Benefits as per prevailing provisions	-	-
iii) Incentives	-	-
Insurance related benefits	-	-
i) Life Insurance	-	-
ii) Accident Insurance	4,650	4,650
iii) Health Insurance (including family members)	6,250	6,250
Total	3,995,088	5,713,994

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(c) Related Party Transactions:

Fig in NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Premium Earned	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Commission Income	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Sale of Property, Plant & Equipment	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Purchase of Property, Plant & Equipment	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Premium Paid	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Commission Expenses	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Meeting Fees	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	1,626,000	1,626,000
For The Year Ended Ashadh32, 2079	-	-	-	-	693,462	693,462
Allowances to Directors	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	270,000.00	270,000.00
For The Year Ended Ashadh32, 2079	-	-	-	-	415,000.00	415,000.00
Others (to be specified)	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-

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(d) Related Party Balances:

Fig in NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Other Receivables (to be Specified)	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Payables including Reinsurance Payables	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-
Other Payables (to be Specified)	-	-	-	-	-	-
For The Year Ended Falgun 28, 2079	-	-	-	-	-	-
For The Year Ended Ashadh32, 2079	-	-	-	-	-	-

54 Leases

(a) Leases as Lessee

(i) Operating Leases:

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

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

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

(ii) Finance Lease:

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

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	-	-
Total Future Minimum Lease Payments	-	-
Less: Effect of Discounting	-	-
Finance lease liability recognised	-	-

(b) Leases as Lessor

(i) Operating Lease:

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

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

Fig in NPR

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 has given assets under finance leases. At the year end receivables under finance lease agreements fall due as follows:
The Company has various operating leases ranging from 2 years to 6 years. The leases are renewable by mutual consent and contain escalation clause. Rental expenses for operating leases recognised in the Statement of Profit and Loss for the year is NPR 0. (Ashadh 2078: 12,544,506 NPR). As per NFRS 16 Leases, the rent expenses has been disclosed in the form of Depreciation and Interest. The present value of lease liability has been shown as asset "Right of Use" under Property, Plant and Equipment. The present value of lease rentals have been discounted at the rate of 10% per annum. Right of use has been depreciated for the current year by NPR 11,500,254 and interest cost thereon for current year NPR 4,796,906 has been shown under finance cost.

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	14,408,388.36	-	14,408,388.36	14,362,252.36	-	14,362,252.36
ii) Later than 1 year and not later than 5 years	34,889,908.97	6,069,153.97	28,820,755.00	40,253,169.52	7,277,232.66	32,975,936.87
iii) Later than 5 years	4,844,657.50	3,175,303.46	1,669,354.04	4,806,237.33	4,375,364.30	430,873.03
Total	54,142,954.83	9,244,457.43	44,898,497.40	59,421,659.21	11,652,596.96	47,769,062.25

55 Capital Commitments

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

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

56 Contingent Liabilities

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

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

57 Events occurring after Balance Sheet

Erstwhile Lumbini General Insurance Company Limited
Notes to the Financial Statements
For The Year Ended Falgun 28, 2079 (March 12, 2023)

58 Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are:

Fig in NPR

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

59 Corporate Social Responsibility

60 Miscellaneous

(i) All amounts are in Nepalese Rupees unless otherwise stated.

(ii) All figures are in the Nearest Rupee & Rounded off.

61 Others (to be Specified)

Erstwhile Lumbini General Insurance Company Limited
Annexure III
Major Financial Indicators

Fig in NPR

S.N.	Particular	Indicators	Fiscal Year				
			2079/80	2078/79	2077/78	2076/77	2075/76
1	Net worth	NRs.	2,389,679,760	2,351,646,969	2,174,767,838	2,036,182,838	1,710,108,270
2	Number of Shares	Number	14,045,490	13,127,846	11,988,900	11,418,000	8,800,000
3	Book value per shares	NRs.	170	179	181	178	194
4	Net Profit	NRs.	67,860,084	183,799,735	196,451,600	199,940,282	206,712,332
5	Earning per Shares (EPS)	NRs.	4.83	14.00	16.39	17.51	23.20
6	Dividend per Shares (DPS)	NRs.	-	7.35	10.00	10.00	10.24
7	Market Price per Shares (MPPS)	NRs.	382	382	780	453	430
8	Price Earning Ratio (PE Ratio)	Ratio	79	27	48	26	19
9	Change in Equity	%	91,764,450	113,894,550	57,090,000	261,800,000	289,803,330
10	Return on Equity	%	1%	6%	8%	9%	12%
11	Capital to Total Net Assets Ratio	%	59%	56%	55%	56%	51%
12	Capital to Technical Reserve Ratio	%	73%	73%	75%	84%	65%
13	Affiliate Ratio	%	-	-	-	-	-
	Busniess:	-	-	-	-	-	-
14	Change in Gross Written Premium	%	(252,709,354)	(1,572,925)	103,809,393	15,981,195	64,378,180
15	Total Premium Growth Rate	-	(23%)	12%	12%	-7%	8%
	Property	%	(20%)	15%	8%	4%	10%
	Motor	%	(30%)	6%	6%	-8%	16%
	Marine	%	(38%)	12%	23%	-17%	13%
	Engineering	%	(34%)	83%	-1%	-15%	35%
	Micro	%	858%	-99%	173%	5433%	71%
	Aviation	%	208%	18378%	254%	0%	-4%
	Cattle and Crop	%	(51%)	-21%	77%	-3%	0%
	Miscellaneous	%	(26%)	22%	-5%	-26%	0%
16	Net Premium Growth Rate	%	(28%)	(9%)	9%	(4%)	(13%)
	Property	%	(27%)	15%	7%	15%	0%
	Motor	%	(9%)	-8%	-3%	-5%	54%
	Marine	%	(31%)	-1%	25%	-24%	49%
	Engineering	%	(28%)	53%	25%	3%	35%
	Micro	%	858%	-99%	31533%	1721%	202%
	Aviation	%	585%	-33%	254%	0%	-23%
	Cattle and Crop	%	(56%)	-21%	77%	62%	0%
	Miscellaneous	%	(19%)	13%	4%	-40%	0%
17	Net Insurance Premium/ Gross Insurance Premium	-	40%	35%	44%	50%	48%
	Property	%	31%	34%	34%	34%	31%
	Motor	%	65%	49%	57%	69%	6%
	Marine	%	19%	17%	19%	19%	20%
	Engineering	%	6%	6%	7%	8%	20%
	Micro	%	100%	100%	75%	33%	45%
	Aviation	%	1%	0%	100%	100%	67%
	Cattle and Crop	%	18%	20%	20%	33%	100%
	Miscellaneous	%	40%	36%	39%	36%	100%
18	Reinsurance commission/ Gross Reinsurance Premium	%	15%	20%	22%	26%	29%
19	Gross Premium Income/ Owners' Equity	%	51%	67%	65%	62%	80%
20	Net Premium Revenue/ Equity	%	80%	106%	90%	102%	154%
21	Gross Insurance Premium/ Total Assets	%	26%	35%	30%	36%	46%
22	Return on Investment and Loan	%	6%	8%	7%	9%	9%
23	Net Profit/ Gross Insurance Premium	%	6%	12%	14%	16%	15

Erstwhile Lumbini General Insurance Company Limited
Annexure III
Major Financial Indicators

Fig in NPR

S.N.	Particular	Indicators	Fiscal Year				
			2079/80	2078/79	2077/78	2076/77	2075/76
	Expenses:	-	-	-	-	-	-
24	Reinsurance Ratio	%	-	-	-	-	-
25	Management expenses/ Gross Insurance Premium	%	16%	17%	16%	15%	14%
26	Agent Related Expenses/ Gross Insurance Premium	%	1%	2%	2%	2%	3%
27	Agent Related Expenses/ Management Expenses	%	6%	9%	15%	16%	18%
28	Employee expenses/ Management expenses	%	67%	63%	65%	60%	54%
29	Employee expenses/ Employee numbers	%	465169	596039	577841	488432	458046
30	Expense Ratio (Underwriting Expense including Commission/Net Written Premium)	%	-69%	-53%	-54%	-46%	-43%
31	Commission Ratio (Commission Expenses/Net Written Premium)	%	-	-	2%	3%	2%
32	Loss Ratio {(Claim Paid + change in reserve)/ (Net Written Premium)}	%	-90%	-81%	-59%	-75%	-65%
33	Combined Ratio (Loss Ratio + Expense Ratio) ¹	%	-158%	-134%	-113%	-121%	-109%
	Assets:	-	-	-	-	-	-
34	Increment in Investment held	%	4%	11%	-1%	9%	9%
35	Net Insurance Premium/ Gross Insurance Premium	%	40	35	44	45	48
36	Return on Assets	%	0%	3%	5%	1%	6%
37	Long term Investments/Total Investments	%	18%	14%	12%	11%	10%
38	Short term Investments/Total Investments	%	82%	86%	88%	89%	90%
39	Total Investment & Loan/Gross Insurance Contract Liabilities	%	126%	143%	131%	157%	143%
40	(Investment in Unlisted Shares + Debtors)/ Net Total Assets	%	0.04	0.06	0.04	0.05	0.06
41	Investment in Shares/ Total Net Assets	%	18.06%	14.08%	11%	11%	12%
42	Liquidity Ratio	%	8.0	1.7	2.6	2.70	3.12
	Liabilities:	-	-	-	-	-	-
43	Solvency Margin	%	3.38	2.86	4.36	4.05	1.30
44	Increment in Gross Insurance Contract Liabilities	%	18%	20%	18%	0%	14%
45	Net Technical Reserve/ Average of Net Claim Paid for Last 3 Years	%	289%	128%	136%	179%	164%
46	Actuarial Provision	-	-	-	-	-	-
47	Technical Provisions/ Total Equity	%	80%	69%	96%	29%	38%
48	Insurable Debt/ Total Equity	%	0	0	0	0	0
49	Outstanding Claim/ Claim Intimated	%	163%	57%	64%	70%	53%
50	No of Outstanding Claim/ No of Claim Intimated	%	53%	22%	51%	44%	27%
51	Total Number of Inforce (Existing) Insurance Policies	Numbers	88,889	142,320	144,966	168,779	151,825
52	No of Renewed Insurance Policy/ Last Years' total number of inforce policies	%	11	11	11	11	12
53	Number of Intimated Claim / Total Number of policy inforce	%	5.76%	5.76%	5.76%	5.76%	5.76%
54	Outstanding Claim Expenses/ Claim Paid	%	138	66	92	72	71
55	Outstanding Claim Expenses/ Number of Claim Paid	%	60	28	73	49	47
	Others:	-	-	-	-	-	-
56	Number of Branch and Sub-Branch offices	Numbers	50	50	50	45	45
57	Number of Agents	Numbers	259	203	213	327	327
58	Number of Surveyors	Numbers	242	180	169	113	102
59	Number of Employees	Numbers	272	288	255	231	200
60	Cession Ratio	%	40	35	44	45	48

Erstwhile Lumbini General Insurance Company Limited
Annexure IV
Details of Insured Amount

Fig in NPR

S.N.	Insurance Types	Existing Insurance Policies Numbers		Insured Amount against Existing Insurance Policies		Insured Risk Ceded to Re-Insurer		Net Insured Risk Retained by Insurer	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Property	14,110	22,332	126,980,040,151	159,247,613,569	87,616,227,704	105,103,424,955	39,363,812,447	54,144,188,613
2	Marine	4,595	7,133	17,366,399,307	31,303,971,659	14,066,783,439	25,982,296,477	3,299,615,868	5,321,675,182
3	Motor	54,682	87,265	27,337,217,941	36,865,437,965	9,568,026,279	18,701,836,680	17,769,191,662	18,163,601,286
4	Aviation	5	4	208,237,350	9,491,169,459	206,154,977	9,456,052,132	2,082,374	35,117,327
5	Engineering	1,134	1,829	19,883,964,349	32,641,949,319	18,690,926,488	30,787,886,598	1,193,037,861	1,854,062,721
6	Cattle and Crop	6,674	14,237	1,027,851,327	2,090,709,113	842,838,088	1,672,567,290	185,013,239	418,141,823
7	Micro	1,786	199	2,054,428,025	215,388,480	-	-	2,054,428,025	215,388,480
8	Miscellaneous	5,903	9,321	52,247,435,524	83,180,247,821	31,348,461,314	52,985,817,862	20,898,974,210	30,194,429,959
Total		88,889	142,320	247,105,573,975	355,036,487,385	162,339,418,290	244,689,881,994	84,766,155,685	110,346,605,391

वि. वि. शा.: १२३ (२०८०/०८१) च.नं. ४३५२

श्री सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लिमिटेड,
नक्साल, काठमाण्डौं।




विषय: आ.व. २०७९।८० को वित्तीय विवरणको स-शर्त स्वीकृति बारे।

तहाँको मिति २०८०।०९।०८ (च.नं.९१२-२०८०।८१) को पत्र साथ प्राधिकरणमा पेश भएको आ.व. २०७९।८० को वित्तीय विवरण सम्बन्धमा लेखिदैंछ।

उपरोक्त सम्बन्धमा बीमक श्री सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लिमिटेड (साबिक लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लिमिटेड) बाट पेश भएको आ.व. २०७९।८० को वित्तीय विवरण तथा अन्य कागजातहरू अध्ययन गर्दा बीमा ऐन, २०७९ को दफा ३८, ३९, ४० र ४१ तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ११ बमोजिम बीमा कोष, अनिवार्य जगेडा कोष, महाविपत्ति कोष र दाबी भुक्तानी कोष तथा जगेडा कोष कायम गरेको देखिएकोले तहाँको आ.व. २०७९।८० को वार्षिक वित्तीय विवरणलाई बीमा ऐन, २०७९ को दफा ८७ को उपदफा (८) तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ७, ८ र ९ बमोजिम वार्षिक प्रतिवेदनमा समावेश गर्न, साधारण सभामा पेश गर्न तथा प्रकाशित गर्न देहायको निर्देशन, शर्त तथा आदेश सहित स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउदछौं।

शर्तहरू:

१. बीमकले जोखिम व्यवस्थापन समितिलाई प्रभावकारी बनाउन प्राधिकरणबाट जारी भएको जोखिम व्यवस्थापन सम्बन्धी मार्गदर्शन बमोजिम जोखिम व्यवस्थापन सम्बन्धी कार्य गर्ने।
२. बीमकले लेखा परीक्षण समितिलाई प्रभावकारी बनाई आन्तरिक नियन्त्रण प्रणालि सुदृढ बनाउने।
३. बीमकको जोखिमाइकन तथा दाबी भुक्तानी प्रक्रिया प्रभावकारी गराउने।
४. प्राधिकरणको स्थलगत निरीक्षण क्रममा देखियका कैफियत तथा लेखापरीक्षकले औल्याएका कैफियतहरू सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिन आवश्यक व्यवस्था गर्ने।
५. बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६०(साठी) दिन भित्र साधारण सभा गर्ने।


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(सुशील देव सुवेदी)
निर्देशक

नेपाल बीमा प्राधिकरणले साबिक लुम्बिनी जनरल इन्स्योरेन्स क. लि. को आ.ब. २०७९/८० को वित्तीय विवरण स-शर्त स्वीकृति दिँदा तोकिएको शर्तहरूको सन्दर्भमा सञ्चालक समितिको धारणा:

१. कम्पनीको जोखिम व्यवस्थापन समितिलाई प्रभावकारी बनाउन प्राधिकरणबाट जारी भएको जोखिम व्यवस्थापन आवश्यकी मार्गदर्शन बमोजिम जोखिम व्यवस्थापन आवश्यकी कार्य गर्न निर्देशन दिइएको ।
२. लेखापरीक्षण समिति प्रभावकारी बनाई आन्तरिक नियन्त्रण प्रणाली सुदृढ बनाइनेछ ।
३. कम्पनीको जोखिमाङ्कन तथा दाबी भुक्तानी प्रक्रिया अझ प्रभावकारी रूपमा कार्यान्वयन गर्न व्यवस्थापनलाई निर्देशन दिइएको ।
४. प्राधिकरणद्वारा स्थलगत निरीक्षणको क्रममा देखिएको कैफियत तथा लेखा परीक्षणका क्रममा लेखा परीक्षणका क्रममा औल्याएका कैफियतहरू पुनः दोहोरिन नदिन व्यवस्थापनलाई निर्देशन दिइएको ।
५. प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको ६० दिन भित्र साधारण सभा गर्न समय नपुग भएको हुँदा सगरमाथा लुम्बिनी इन्स्योरेन्स कम्पनी लिमिटेडको साधारण सभासंगै सभा सम्पन्न गर्न थप समय माग गरिएको ।

(संशोधनको लागि तयार गरिएको ३ महले विवरण)

कम्पनीको नियमावलीको नियम (३२) को उपनियम (१) को खण्ड (क) र (घ) मा निम्नानुसार संशोधन गर्ने:

हालको व्यवस्था	प्रस्तावित संशोधन	संशोधन गर्नुपर्ने कारण
(क) संचालक समितिको बैठक बस्दा अध्यक्षलाई रु.१२,०००/- र सदस्यहरूलाई रु. १०,०००/- बैठक भत्ता प्रदान गरिनेछ ।	(क) संचालक समितिको बैठक बस्दा अध्यक्षलाई रु. १८,०००/- र सदस्यहरूलाई रु. १५,०००/- बैठक भत्ता प्रदान गरिनेछ ।	अन्य विमा कम्पनीहरूको बैठक भत्ता समेत हेरी समयानुकुल संशोधन गर्नुपर्ने भएकोले
(घ) समिति वा उप-समितिका संयोजक तथा सदस्यहरूको बैठक बस्दा संचालकहरूले पाए सरह रु. १०,०००/- बैठक भत्ता प्रदान गरिनेछ ।	(घ) समिति वा उप-समितिका संयोजक तथा सदस्यहरूको बैठक बस्दा संचालकहरूले पाए सरह रु. १५,०००/- बैठक भत्ता प्रदान गरिनेछ ।	

धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को नियम २६(१) संग सम्बन्धित थप विवरणः

- क) कम्पनीको आ.ब. २०७९/०८० को वार्षिक प्रतिवेदन यसैमा समाविष्ट छ ।
- ख) कम्पनीको आ.ब. २०७९/०८० को लेखापरीक्षकको प्रतिवेदन यसैमा समाविष्ट छ ।
- ग) कम्पनीको आ.ब. २०७९/०८० को वित्तीय विवरण प्रतिवेदन यसैमा समाविष्ट छ ।
- घ) कानूनी कारवाही आवश्यकी विवरणः
- अ. समीक्षा अवधिमा केहि बीमा दावी भुक्तानी आवश्यकी बिचाराधिन मुद्दा बाहेक अन्य नरहेको ।
- आ. कम्पनीको संस्थापक वा सञ्चालकले संस्थापक वा सञ्चालकको बिरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको आवश्यकमा कुनै दायर गरेको वा भएकोबारे कुनै जानकारी प्राप्त नभएको ।
- इ. कुनै सञ्चालक वा संस्थापक बिरुद्ध आर्थिक अपराध गरेको आवश्यकमा कुनै मुद्दा दायर भएकोबारे कुनै जानकारी प्राप्त नभएको ।

ङ) कम्पनीको शेयर कारोवार तथा प्रगतिको विश्लेषणः

- अ. कम्पनीको शेयरको कारोवार बजारको सिद्धान्त अनुसार सञ्चालन हुने भएकोले यस आवश्यकमा व्यवस्थापनको कुनै छुट्टै धारणा रहेको छैन ।
- आ. गत वर्ष २०७९/०८० को प्रत्येक त्रैमासिक अवधिमा कम्पनीको शेयरको अधिकतम, न्यूनतम र अन्तीम मूल्यका साथै कूल कारोवार शेयर संख्याः

साबिकका सगरमाथा इन्स्योरेन्स कम्पनी लि. तथा लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि. बीच कम्पनी गाभने/गाभिने आवश्यकी सम्झौताका क्रममा शेयर कारोवार रोकका रहेको हुंदा पहिलो र दोश्रो त्रैमासिक अवधिमा शेयर कारोवार भएन । बांकी तेश्रो र चौथो त्रैमासिकको कारोवार देहाय बमोजिम रहेको छ । (श्रोतः नेपाल स्टक एक्चेञ्ज)

त्रैमासिक अवधि	अधिकतम मूल्य रु.	न्यूनतम मूल्य रु.	अन्तीम मूल्य रु.	कारोवार दिन	कारोवार संख्या	शेयर संख्या
प्रथम	मर्जरको सिलसिलामा शेयर रोकका रहेकोले कारोवार नभएको					
दोश्रो	मर्जरको सिलसिलामा शेयर रोकका रहेकोले कारोवार नभएको					
तेश्रो SIC	९१०	६६०	६६६	२७	१८२८	१३०६७६
तेश्रो LGIL	५६९	४२०।२०	५०९।९	२७	४३५६	८१९४६६
चौथो SALICO	७८७	५५८।८०	७४८	४२	८२९१	१४९८०२४

च) समस्या र चुनौतिका पक्षहरू यसैसाथ समाविष्ट भएको सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको छ ।

- छ) संस्थागत सुशासन आवश्यकी विषय यसैसाथ समाविष्ट भएको सञ्चालक समितिको प्रतिवेदनको नं. (१६) मा उल्लेख गरिएको छ ।

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Bottom: Mr. Devendra Koirala (Company Secretary), Mr. Ganesh Dhakal (Chief Finance Officer), Mr. Chunky Chhetry (Chief Executive Officer), Ms. Barishma Saud Acharya (Dy. Chief Executive Officer), Mr. Subhash Dixit (AGM – Claims)



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SALICO IN A YEAR



SALICO Team's participation at 6th Protection RE Seminar held at Sri Lanka



Accident Prevention and Insurance Awareness Program at Tulsipur



Agriculture Insurance Awareness Program at Khandbari



Salico extends a helping hand to Bindhyabasini Prakritik Chikitsalaya as a Corporate Social Responsibility

SALICO IN A YEAR



Scholarship awarded to 10 students of Bishwa Shanti
Bouddha Bihar



SALICO CRICKET TEAM WITH
CEO - Mr. Chunky Chhetry, DCEO - Ms. Barishma Saud Acharya,
Underwriting Head - Mr. Dibash Timalina,
Marketing Communication Officer - Ms. Susmriti Shrestha

CE Corporate T10 Cricket Tournament Winner



SALICO Golf Tournament 2023



SALICO Teej Celebration

