

LIFE INSURANCE CORPORATION (NEPAL) LIMITED
(Star Mall 4th Floor, Putalisadak, Tel:-014012613, www.licnepal.com.np)
Quarterly Financial Results for Second Quarter, F.Y. 2080/81 B.S

Unaudited

Unaudited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Fig in NPR.

| Particulars | At the end of this Quarter | At the end of Immediate Previous Year |
|---|----------------------------|---------------------------------------|
| Assets: | | |
| Goodwill & Intangible Assets | 112,354 | 137,029 |
| Property and Equipment | 243,790,196 | 256,059,018 |
| Investment Properties | | |
| Deferred Tax Assets | 37,349,724 | 44,645,333 |
| Investment in Subsidiaries | | |
| Investment in Associates | | |
| Investments | 94,981,741,672 | 82,285,479,306 |
| Loans | 21,927,181,683 | 20,998,770,571 |
| Reinsurance Assets | | |
| Current Tax Assets | | |
| Insurance Receivables | 22,979,504 | 31,279,546 |
| Other Assets | 190,776,158 | 100,453,734 |
| Other Financial Assets | 3,065,944,469 | 2,789,203,979 |
| Cash and Cash Equivalent | 303,409,843 | 768,075,106 |
| Total Assets | 120,773,285,603 | 107,184,812,956 |
| Equity: | | |
| Share Capital | 2,653,200,000 | 2,653,200,000 |
| Share Application Money Pending Allotment | | |
| Share Premium | 61,151,801 | 61,151,801 |
| Catastrophe Reserves | 524,637,000 | 361,582,382 |
| Retained Earnings | 2,075,216,401 | 631,974,001 |
| Other Equity | 638,788,973 | 580,862,691 |
| Total Equity | 5,952,994,175 | 4,288,770,875 |
| Liabilities: | | |
| Provisions | 272,139,084 | 217,896,112 |
| Gross Insurance Contract Liabilities | 113,800,855,027 | 101,638,202,330 |
| Deferred Tax Liabilities | 124,382,932 | 124,382,932 |
| Insurance Payable | 60,215,480 | 38,194,682 |
| Current Tax Liabilities | 3,296,363 | 190,219,856 |
| Borrowings | | |
| Other Liabilities | 28,648,149 | 117,089,999 |
| Other Financial Liabilities | 530,754,392 | 570,056,170 |
| Total Liabilities | 114,820,291,427 | 102,896,042,081 |
| Total Equity and Liabilities | 120,773,285,603 | 107,184,812,956 |

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR Q2 END FY 2080/81

Fig in NPR.

| Particulars | Current Year | | Corresponding Previous Year | |
|---|----------------------|-------------------------|-----------------------------|-------------------------|
| | This Quarter | Upto this Quarter (YTD) | This Quarter | Upto this Quarter (YTD) |
| Income: | | | | |
| Gross Earned Premiums | 4,152,547,735 | 8,663,145,362 | 4,211,094,757 | 8,729,517,667 |
| Premiums Ceded | - 18,961,928 | - 38,544,130 | - 24,755,959 | - 47,562,248 |
| Net Earned Premiums | 4,133,585,807 | 8,624,601,232 | 4,186,338,798 | 8,681,955,419 |
| Commission Income | 222,227 | 1,409,700 | 3,286,424 | 5,816,994 |
| Other Direct Income | 48,374,443 | 115,743,025 | 62,618,498 | 131,036,364 |
| Interest Income on Loan to Policyholders | 582,147,343 | 1,113,987,577 | 638,119,198 | 1,121,007,889 |
| Income from Investments and Loans | 2,273,206,827 | 4,562,697,266 | 2,031,951,933 | 3,959,870,968 |
| Net Gain/(Loss) on Fair Value Changes | - | - | - | - |
| Net Realised Gains/(Losses) | - | - | - | - |
| Other Income | - | - | - | - |
| Total Income | 7,037,536,647 | 14,418,438,800 | 6,922,314,851 | 13,899,687,634 |
| Expenses: | | | | |
| Gross Benefits and Claims Paid | 2,554,007,638 | 5,256,979,667 | 2,022,508,285 | 3,981,419,298 |
| Claims Ceded | - 2,366,666 | - 6,538,399 | - 5,646,667 | - 6,296,667 |
| Gross Change in Contract Liabilities | 3,280,266,088 | 6,797,922,305 | 3,755,903,742 | 7,663,401,467 |
| Change in Contract Liabilities Ceded to Reinsurers | - | - | - | - |
| Net Benefits and Claims Paid | 5,831,907,060 | 12,048,363,573 | 5,772,765,360 | 11,638,524,098 |
| Commission Expenses | 354,642,756 | 660,938,232 | 355,209,372 | 711,879,220 |
| Service Fees | 31,004,923 | 64,684,509 | 33,361,457 | 78,310,654 |
| Other Direct expenses | 1,369,396 | 2,900,004 | 1,540,812 | 3,302,500 |
| Employee Benefits Expenses | 75,207,728 | 169,266,575 | 101,684,445 | 212,886,107 |
| Depreciation and Amortization Expenses | 3,097,893 | 6,272,833 | 3,703,369 | 7,514,117 |
| Impairment Losses | - | - | - | - |
| Other Operating Expenses | 86,532,477 | 143,116,055 | 85,359,154 | 152,964,290 |
| Finance Cost | - | - | - | - |
| Total Expenses | 551,855,173 | 1,047,178,208 | 580,858,609 | 1,166,856,888 |
| Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax | 653,774,414 | 1,322,897,019 | 568,690,882 | 1,094,306,648 |
| Share of Net Profit of Associates accounted using Equity Method | | | | |
| Profit Before Tax | 653,774,414 | 1,322,897,019 | 568,690,882 | 1,094,306,648 |
| Income Tax Expenses | 576,878,708 | 1,186,271,117 | 514,866,483 | 1,008,801,572 |
| Net Profit/(Loss) For The Year | 76,895,706 | 136,625,902 | 53,824,399 | 85,505,076 |
| Earning Per Share | | | | |
| Basic EPS | | 10.31 | | 6.45 |
| Diluted EPS | | 10.31 | | 6.45 |

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Fig in NPR.

| Particulars | Current Year | | Corresponding Previous Year | |
|-----------------------------------|--------------------|-------------------------|-----------------------------|-------------------------|
| | This Quarter | Upto this Quarter (YTD) | This Quarter | Upto this Quarter (YTD) |
| Net Profit/(Loss) For The Year | 76,895,706 | 136,625,902 | 53,824,399 | 85,505,076 |
| Other Comprehensive Income | 25,565,038 | - 6,757,008 | 8,815,483 | 381,964,279 |
| Total Comprehensive Income | 102,460,744 | 129,868,894 | 62,639,883 | 467,469,355 |

OTHER DETAILS

| Particulars | Current Year | Previous Year |
|---|-------------------------|-------------------------|
| | Upto this Quarter (YTD) | |
| 1. Total inforce Policy count | 693,377 | 689,740 |
| 2. First Year Premium | 998,141,132 | 1,081,365,890 |
| 3. Single Premium | 52,202,767 | 45,253,963 |
| 4. Renewal Premium | 7,612,801,463 | 7,602,897,814 |
| 5. Total Benefits and Claims Paid in Count | 13,399 | 10,058 |
| 6. Outstanding Benefits and Claims in Count | 5,944 | 6,708 |
| 7. Declared Bonus rate (as on 16.07.2022) | Rs.41-64 (Per Thousand) | Rs.41-64 (Per Thousand) |
| 8. Interim bonus rate | Rs.41-64 (Per Thousand) | Rs.41-64 (Per Thousand) |
| 9. Long Term Investments (Amount) | 86,355,660,299 | 75,984,658,467 |
| 10. Short Term Investments (Amount) | 8,626,081,373 | 6,300,820,839 |

Detailed interim report has been published in our website.

Disclosure as per Section 84(3) of Insurance Act, 2079

- Solvency Ratio related disclosure: the solvency ratio of the company is 4.58 as on the Ashad end 2079.
- Reinsurance related disclosure: the company have reinsurance arrangement with hannover RE (Malaysia), Nepal RE (Nepal), & Himalyan RE (Nepal)
- Corporate Governance: The company adheres to the corporate governance directive set forth by the Nepal insurance authority.
- Regulatory limit on expenses ratio: The current management expenses ratio stands at 3.44%, reflecting a decrease from the 4.1% recorded in the same quarter of the previous year
- The company has restated the financial statements for the same quarter of the previous year.

| Particulars | 14.01.2024 |
|----------------------------|------------|
| Market Price | 1,425.00 |
| Highest Price | 1,572.80 |
| Lowest Price | 1,290.00 |
| Closing Price | 1,425.00 |
| No. of Traded Days | 49.00 |
| No. of Transactions | 2,000.00 |
| No. of Traded Shares units | 160,356.00 |

Statement of Cash Flows
(For The Quarter Ended Poush, 2080)

Fig. in NPR

| Particulars | Current Year | Previous Year |
|---|------------------------|------------------------|
| Cash Flow From Operating Activities: | | |
| Cash Received | | |
| Gross Premium Received | 8,663,145,363 | 8,729,517,668 |
| Commission Received | 1,409,700 | 5,816,994 |
| Claim Recovery Received from Reinsurers | 4,310,847 | 4,866,667 |
| Realised Foreign Exchange Income other than on Cash and Cash Equivalents | | |
| Other Direct Income | 115,743,025 | 131,036,364 |
| Others (to be specified) | | |
| Cash Paid | | |
| Gross Benefits and Claims Paid | (5,256,979,667) | (3,981,419,298) |
| Reinsurance Premium Paid | (5,956,751) | (17,161,923) |
| Commission Paid | (708,916,739) | (819,701,976) |
| Service Fees Paid | (143,460,897) | (181,811,561) |
| Employee Benefits Expenses Paid | (148,239,625) | (197,577,213) |
| Other Expenses Paid | (233,038,801) | (100,274,092) |
| Others (to be specified) change in current assets and current liabilities | (674,310,802) | (566,626,913) |
| Income Tax Paid | (1,289,839,914) | (704,812,701) |
| Net Cash Flow From Operating Activities [1] | 323,865,739 | 2,301,852,016 |
| Cash Flow From Investing Activities | | |
| Acquisitions of Intangible Assets | | |
| Proceeds From Sale of Intangible Assets | | |
| Acquisitions of Investment Properties | | |
| Proceeds From Sale of Investment Properties | | |
| Rental Income Received | | |
| Acquisitions of Property and Equipment | (3,835,782) | (2,694,749) |
| Proceeds From Sale of Property and Equipment | | |
| Investment in Subsidiaries | | |
| Receipts from Sale of Investments in Subsidiaries | | |
| Investment in Associates | | |
| Receipts from Sale of Investments in Associates | | |
| Purchase of Equity Instruments | (20,659,279) | (84,615,615) |
| 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 | | (1,131,477,000) |
| Proceeds from Sale of Debentures | 975,582,000 | |
| Purchase of Bonds | | (652,467,700) |
| Proceeds from Sale of Bonds | 313,004,300 | |
| Investments in Deposits | (7,697,390,664) | (2,721,191,415) |
| Maturity of Deposits | | |
| Loans Paid | (188,742,233) | (2,693,114,174) |
| Proceeds from Loans | | |
| Rental Income Received | | |
| Proceeds from Finance Lease | | |
| Interest Income Received | 5,569,727,839 | 4,545,105,002 |
| Dividend Received | 4,418,698 | 74,138,508 |
| Others (to be specified) | 203,132 | 2,677,168 |
| Total Cash Flow From Investing Activities [2] | (1,047,691,989) | (2,663,639,975) |
| Cash Flow From Financing Activities | | |
| Interest Paid | | |
| Proceeds From Borrowings | | |
| Repayment of Borrowings | | |
| Payment of Finance Lease | | |
| Proceeds From Issue of Share Capital | | |
| Share Issuance Cost Paid | | |
| Dividend Paid | | |
| Dividend Distribution Tax Paid | | |
| Others (to be specified) | | |
| Total Cash Flow From Financing Activities [3] | - | - |
| Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3] | (723,826,250) | (361,787,959) |
| Cash & Cash Equivalents At Beginning of The Year/Period | 1,027,236,093 | 1,129,863,065 |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | | |
| Cash & Cash Equivalents At End of The Year/Period | 303,409,843 | 768,075,106 |
| Components of Cash & Cash Equivalents | | |
| Cash In Hand | 396,966 | 89,314 |
| Cheque in Hand | | |
| Term Deposit with Banks (with initial maturity upto 3 months) | | |
| Balance With Banks | 303,012,877 | 767,985,792 |

Statement of Distributable Profit or Loss
(For The Quarter Ended Poush, 2080)

Fig. in NPR

| Particulars | Current Year |
|--|----------------------|
| Opening Balance in Retained Earnings | 1,952,253,089.22 |
| Transfer from OCI reserves to retained earning in current year | (6,757,008.00) |
| Net profit or (loss) as per statement of profit or loss | 136,625,902.00 |
| | |
| Appropriations: | |
| i) Transfer to Insurance Fund | |
| ii) Transfer to Catastrophe Reserve | (13,662,590.20) |
| iii) Transfer to Capital Reserve | |
| iv) Transfer to CSR reserve | |
| v) Transfer to/from Regulatory Reserve | |
| vi) Transfer to Fair Value Reserve | 6,757,008.00 |
| vii) Transfer of Deferred Tax Reserve | |
| viii) Transfer to OCI reserves due to change in classification | |
| ix) Others (to be Specified) | |
| | |
| Deductions: | |
| i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL | |
| a) Equity Instruments | |
| b) Mutual Fund | |
| c) Others (if any) | |
| ii) Accumulated Fair Value gain on Investment Properties | |
| iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges | |
| iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges | |
| v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges | |
| vi) Goodwill Recognised | |
| vii) Unrealised Gain on fluctuation of Foreign Exchange Currency | |
| viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account | |
| ix) Overdue loans | |
| x) Fair value gain recognised in Statement of Profit or Loss | |
| xi) Investment in unlisted shares as per sec 16 of Financial Directive | |
| xii) Delisted share investment or mutual fund investment | |
| xiii) Bonus share/ dividend paid | |
| xiv) Deduction as per Sec 17 of Financial directive | |
| xiv) Deduction as per Sec 18 of Financial directive | |
| xv) Others (to be specified) | |
| Adjusted Retained Earning | 2,075,216,401 |
| 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) | 2,075,216,401 |

Statement of Changes In Equity
(For The Quarter Ended Poush, 2080)

Fig. in NPR

| | Ordinary Share Capital | Preference Shares | Share Application Money Pending Allotment | Share Premium | Retained Earnings | Revaluation Reserves | Capital Reserves | Catastrophe Reserve | Corporate Social Responsibility (CSR) Reserves | Insurance Fund | Fair Value Reserves | Actuarial Reserves | Deferred Tax Reserve | Other Reserves | Total |
|---|------------------------|-------------------|---|-------------------|----------------------|----------------------|------------------|---------------------|--|----------------|---------------------|--------------------|----------------------|----------------|----------------|
| Restated Balance as at Shrawan 1, 2080 | 2,653,200,000 | - | - | 61,151,801 | 1,952,253,089 | - | - | 501,236,776 | - | - | #REF! | - | 37,349,724 | - | #REF! |
| Profit/(Loss) For the Year | | | | | 136,625,902.00 | | | | | | | | | | 136,625,902.00 |
| Other Comprehensive Income for the Year, Net of Tax | | | | | (6,757,008.00) | | | | | | | | | | (6,757,008.00) |
| 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 | | | | | 6,757,008.00 | | | | | | (6,757,008.00) | | | | - |
| v) Revaluation of Property and Equipments/ Goodwill & Intangible Assets | | | | | | | | | | | | | | | - |
| vi) Remeasurement of Post-Employment Benefit Obligations | | | | | | | | | | | | | | | - |
| Transfer to Reserves/ Funds | | | | | (13,662,590.20) | | | 13,662,590.20 | | | | | | | - |
| Transfer to Deferred Tax Reserves | | | | | | | | | | | | | | | - |
| Transfer of Depreciation on Revaluation of Property and Equipment | | | | | | | | | | | | | | | - |
| Transfer on Disposal of Revalued Property and Equipment | | | | | | | | | | | | | | | - |
| Transfer on Disposal of Equity Instruments Measured at FVTOCI | | | | | | | | | | | | | | | - |
| Transfer to Insurance Contract Liabilities | | | | | | | | | | | | | | | - |
| Share Issuance Costs | | | | | | | | | | | | | | | - |
| Contribution by/ Distribution to the owners of the Company | | | | | | | | | | | | | | | - |
| i) Bonus Share Issued | | | | | | | | | | | | | | | - |
| ii) Share Issue | | | | | | | | | | | | | | | - |
| iii) Cash Dividend | | | | | | | | | | | | | | | - |
| iv) Dividend Distribution Tax | | | | | | | | | | | | | | | - |
| v) Others (To be specified) | | | | | | | | | | | | | | | - |
| Balance as on Poush end, 2080 | 2,653,200,000 | - | - | 61,151,801 | 2,075,216,401 | - | - | 514,899,366 | - | - | #REF! | - | 37,349,724 | - | #REF! |

The accompanying notes form an Integral Part of Financial Statements.

Operating Segment

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

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

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

Business Segments of the Company's are:

| | |
|-----------------------|---------------------------|
| Endowment | Term |
| Anticipated Endowment | Micro Term |
| Modified Endowment | Special Term |
| Whole Life | Others (Endowment Single) |

Segmental Information for the quarter ended Ashwin 2080

| Particulars | Endowment | Anticipated Endowment | Modified Endowment | Whole Life | Term | Special Term | Others (Endowment Single) | Micro | Inter Segment Elimination | Total |
|--|-------------------------|-------------------------|-------------------------|-----------------------|---------------------|---------------------|---------------------------|-------------------|---------------------------|-----------------------|
| Income: | | | | | | | | | | |
| Gross Earned Premiums | 3,833,570,662 | 1,252,306,745 | 2,860,230,320 | 660,531,665 | 3,139,693 | 1,159,760 | 51,484,877 | 721,640 | | 8,663,145,362 |
| Premiums Ceded | 23,884,104 | 3,941,258 | 7,780,486 | 2,742,892 | 138,124 | 4,568 | 36,712 | 15,986 | | 38,544,130 |
| Inter-Segment Revenue | | | | | | | | | | - |
| Net Earned Premiums | 3,809,686,558 | 1,248,365,487 | 2,852,449,834 | 657,788,773 | 3,001,569 | 1,155,192 | 51,448,165 | 705,654 | | 8,701,689,492 |
| Other Direct Income | 49,580,727 | 17,730,407 | 36,483,174 | 11,926,165 | 4,972 | 17,580 | - | | | 115,743,025 |
| Commission Income | 498,312 | 522,357 | 368,412 | 4,327 | 14,434 | 3 | 1,045 | 810 | | |
| Interest Income on Loan to Policyholders | 388,266,798 | 71,824,422 | 516,728,325 | 134,616,206 | - | - | 2,551,826 | - | | 8,817,432,517 |
| Income from Investments and Loans | 1,892,279,684 | 392,169,479 | 1,755,984,410 | 244,983,478 | 657,888 | 781,279 | 25,730,495 | 208,535 | | 4,312,805,587 |
| Net Gain/(Loss) on Fair Value Changes | | | | | | | | | | - |
| Net Realised Gains/(Losses) | | | | | | | | | | - |
| Other Income | | | | | | | | | | |
| Total Segmental Income | 6,140,312,079 | 1,730,612,152 | 5,162,014,155 | 1,049,318,949 | 3,678,863 | 1,954,054 | 79,731,531 | 914,999 | | - |
| Expenses: | | | | | | | | | | |
| Gross Benefits and Claims Paid | 2,223,169,485 | 1,079,212,464 | 1,527,799,977 | 379,566,983 | 27,854 | 1,736,960 | 42,121,344 | 744,600 | | 5,256,979,667 |
| Claims Ceded | 2,422,066 | 20,000 | 223,333 | 2,550,000 | - | - | - | - | | (6,538,399) |
| Gross Change in Contract Liabilities | 2,957,679,026 | 402,576,198 | 2,856,431,306 | 550,215,207 | 3,269,791 | (64,386) | 27,815,163 | 19,413.00 | | 6,796,672,181 |
| Change in Contract Liabilities Ceded to Reinsurers | | | | | | | | | | - |
| Net Benefits and Claims Paid | 5,183,270,577.00 | 1,481,808,662.00 | 4,384,454,616.00 | 932,332,190.00 | 3,297,645.00 | 1,672,574.00 | 69,936,507.00 | 764,013.00 | | - |
| Commission Expenses | 118,723,978 | 38,240,523 | 61,166,243 | 1,127,472 | 46,503 | 4,085 | - | - | | 219,308,804 |
| Service Fees | 28,751,780 | 9,392,301 | 21,451,727 | 4,953,987 | 23,548 | 8,698 | 386,137 | 5,412 | | 64,973,590 |
| Other Direct expenses | | | | | | | | | | - |
| Employee Benefits Expenses | 58,565,373 | 19,175,050 | 44,301,642 | 10,451,774 | 50,659 | 18,873 | 841,456 | 10,835 | | 133,415,663 |
| Depreciation and Amortization Expenses | | | | | | | | | | - |
| Impairment Losses | | | | | | | | | | - |
| Other Operating Expenses | 59,019,414 | 19,323,710 | 44,645,102 | 10,532,803 | 51,052 | 19,020 | 847,980 | 10,919 | | 134,450,000 |
| Finance Cost | | | | | | | | | | - |
| Total Segmental Expenses | 5,448,331,121.97 | 1,567,940,245.59 | 4,556,019,330.40 | 959,398,226.49 | 3,469,406.70 | 1,723,250.20 | 72,012,079.58 | 791,179.30 | | 552,148,056.22 |
| Total Segmental Results | 691,980,957.04 | 162,671,906.41 | 605,994,824.60 | 89,920,722.51 | 209,456.30 | 230,803.80 | 7,719,451.42 | 123,819.70 | | 552,148,056.22 |
| Segment Assets | | | | | | | | | - | 116,908,923,355 |
| Segment Liabilities | | | | | | | | | - | 113,800,855,027 |

Life Insurance Corporation (Nepal) Limited
Notes to the Financial Statements for the quarter ended Ashwin 30, 2080

1 General Information

Life Insurance corporation (nepal) Limited (herein after referred to as the 'Company') was incorporated on 11/09/2057 26th December 2000 and operated as life insurance company after obtaining license on 23/04/2058 under the Insurance Act 2049. The registered office of the Company is located at Kathmandu. The Company's shares are listed on Nepal Stock Exchange .

2 Basis of Preparation

(a) Statement of Compliance

The Financial Statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (ASB), as per the provisions of The Institute of Chartered Accountants of Nepal Act, 1997. These confirm, in material respect, to NFRS as issued by the Nepal Accounting Standards Board. The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

(b) Basis of Measurement

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

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:

(c) Use of Estimates

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

(d) Functional and Presentation Currency

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

(e) Going Concern

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

Related Party Disclosure

Identify Related Parties

Holding Company: Life Insurance Corporation of India

Subsidiaries: None

Associates: None

Fellow Subsidiaries: None

Key Management

Personnel:

| Name | Position |
|--------------------|----------|
| Mr. Pranay Kumar | CEO |
| Mr. Anirban Datta | DCEO |
| Mr. Rohit Budiyaal | CTO |