



3RD | QUARTERLY REPORT

(FY 2082/83)



सानिमा जिआईसी इन्स्योरेंस लि.
Sanima GIC Insurance Ltd.



CONDENSED STATEMENT OF FINANCIAL POSITION

Particulars	Amount In NPR	
	Unaudited Current Year	Unaudited Previous Year
Assets:		
Goodwill & Intangible Assets	41,822,342	42,437,389
Property and Equipment	104,741,215	119,957,184
Investment Properties	-	-
Deferred Tax Assets	157,049,739	148,736,987
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	3,358,217,019	3,405,531,873
Loans	21,960,193	21,035,658
Reinsurance Assets	3,470,820,021	3,272,976,065
Current Tax Assets	56,780,957	35,430,844
Insurance Receivables	675,007,360	295,219,483
Other Assets	415,700,242	400,229,324
Other Financial Assets	83,476,617	138,595,703
Cash and Cash Equivalent	500,497,588	301,126,235
Total Assets	8,886,073,293	8,181,276,745
Equity:		
Share Capital	2,150,000,000	2,150,000,000
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Catastrophe Reserves	48,509,998	45,941,796
Special Reserve	775,256,170	749,574,148
Retained Earnings	192,757,998	172,729,113
Other Equity	123,823,580	142,706,360
Total Equity	3,290,347,746	3,260,951,417
Liabilities:		
Provisions	103,936,329	95,368,025
Gross Insurance Contract Liabilities	4,478,857,264	4,104,734,468
Deferred Tax Liabilities	-	-
Insurance Payable	611,669,291	325,451,476
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	349,068,275	346,793,425
Other Financial Liabilities	52,194,388	47,977,934
Total Liabilities	5,595,725,547	4,920,325,328
Total Equity and Liabilities	8,886,073,293	8,181,276,745



CONDENSED STATEMENT OF PROFIT OR LOSS

Amount In NPR

Particulars	Current Year		Corresponding Previous Year	
	Unaudited	Unaudited	Unaudited	Unaudited
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Income:				
Gross Earned Premiums	893,226,464	1,972,323,141	743,995,391	1,685,610,449
Premiums Ceded	(636,117,450)	(1,437,995,447)	(531,868,367)	(1,190,314,419)
Net Earned Premiums	257,109,014	534,327,694	212,127,024	495,296,030
Commission Income	113,733,220	277,461,890	120,099,649	270,245,826
Other Direct Income	4,007,061	11,590,667	4,732,756	12,592,423
Income from Investments & Loans	23,764,477	79,275,913	38,639,727	135,695,550
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-
Net Realised Gains/ (Losses)	6,513,327	(3,515,440)	37,028,796	110,655,659
Other Income	656,565	1,866,649	575,735	1,980,984
Total Income	405,783,664	901,007,373	413,203,687	1,026,466,472
Expenses:				
Gross Claims Paid	485,405,640	1,252,920,097	250,501,086	642,107,542
Claims Ceded	(345,424,620)	(910,277,381)	(161,132,557)	(393,682,692)
Gross Change in Contract Liabilities	(545,982,629)	264,460,848	(412,662,269)	1,265,096,194
Change in Contract Liabilities Ceded to Reinsurers	499,690,937	(178,649,824)	434,216,304	(1,236,085,770)
Net Claims Paid	93,689,328	428,453,740	110,922,564	277,435,274
Commission Expenses	18,331,440	43,566,864	12,648,164	26,785,483
Service Fees	1,208,142	3,661,406	991,670	3,037,422
Other Direct Expenses	4,084,302	11,406,497	5,634,150	13,994,854
Employee Benefits Expenses	73,633,107	227,541,025	83,877,337	261,343,227
Depreciation and Amortization Expenses	15,132,791	23,414,873	8,781,659	26,646,889
Impairment Losses	-	-	-	-
Other Operating Expenses	28,907,799	87,314,409	29,708,661	81,049,012
Finance Cost	1,514,235	2,271,353	840,158	2,520,473
Total Expenses	236,501,144	827,630,167	253,404,363	692,812,634
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	169,282,520	73,377,206	159,799,324	333,653,838
Share of Net Profit of Associates accounted using Equity Method				
Profit Before Tax	169,282,520	73,377,206	159,799,324	333,653,838
Income Tax Expense	22,013,162	22,013,162	47,939,797	100,096,151
Net Profit/ (Loss) For The Year	147,269,358	51,364,044	111,859,527	233,557,687
Earning Per Share				
Basic EPS		3.19		15.57
Diluted EPS		3.19		15.57



CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME

Particulars	Amount In NPR			
	Unaudited	Unaudited	Unaudited	Unaudited
	Current Year		Corresponding Previous Year	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss)	147,269,358	51,364,044	111,859,527	233,557,687
Other Comprehensive Income	22,044,049	(19,396,421)	(944,081)	(35,771,560)
Total Comprehensive Income	169,313,407	31,967,623	110,915,446	197,786,127

OTHER DETAILS

Particulars	Current Year	Previous Year
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total Issued Policy Count	105,288	113,148
2. Total Renewed Policy Count	46,072	45,167
3. Total Claims Paid Count	4,404	5,626
4. Outstanding Claims Count	5,728	5,979
5. Gross Outstanding Claims Including IBNR & IBNER	2,747,676,949	3,267,801,335
6. Net Outstanding Claims Including IBNR & IBNER	492,656,932	432,152,983
7. Margin Over Best Estimate (MOBE)	10,861,928	11,905,905
8. Unearned Premium Reserve (Amount)	1,698,433,591	1,522,709,341
9. Unexpired Risk Reserve (Amount)	10,714,149	-
10. Earthquake Premium Reserve (Amount)	11,170,647	6,100,592
11. Long Term Investments (Amount)	765,748,892	371,000,858
12. Short Term Investments (Amount)	2,592,468,127	3,092,500,001
13. Direct Premium (Amount)	2,081,431,076	1,921,372,821
14. Investment in Cost (Amount)	3,441,775,362	3,523,694,999
15. Solvency Margin Ratio*	5.85	5.85



CONDENSED STATEMENT OF STATEMENT OF CHANGES IN EQUITY

Amount in NPR

Particulars	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 Reserves (CSR)	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2081	2,000,000,000	-	-	-	181,603,722	-	584,622,107	-	37,694,194	6,313,213	-	(6,364,339)	-	125,103,005	40,100,000	2,969,071,902
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss)	-	-	-	-	336,783,313	-	-	-	-	-	-	-	-	-	-	336,783,313
Transfer to Reserves/ Funds	-	-	-	-	(176,498,684)	-	164,952,041	-	8,247,602	3,299,041	-	-	-	-	-	-
Transfer from Reserves/ Funds	-	-	-	-	2,072,156	-	-	-	-	(2,072,156)	-	-	-	-	-	-
Transfer of Deferred Tax Reserves	-	-	-	-	(6,879,235)	-	-	-	-	-	-	-	-	6,879,235	-	-
Previous Year Tax Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVOCI	-	-	-	-	(3,059,789)	-	-	-	-	-	-	2,141,852	-	-	-	(917,937)
Transferred from OCI Reserves	-	-	-	-	-	-	-	-	-	-	-	(34,871,932)	-	-	-	(34,871,932)
Transfer to Other Reserve for Employee Training Expenses	-	-	-	-	(2,178,441)	-	-	-	-	-	-	-	-	-	2,178,441	-
Share Issuance Costs	-	-	-	-	(1,219,192)	-	-	-	-	-	-	-	-	-	-	(1,219,192)
Contribution by Distribution to the owners of the Company	-	-	-	-	(150,000,000)	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share issued	-	-	-	-	(150,000,000)	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Dividend Distribution Tax	-	-	-	-	(7,894,737)	-	-	-	-	-	-	-	-	-	-	(7,894,737)
Balance as on Asadh end, 2082	2,150,000,000	-	-	-	172,729,113	-	749,574,148	-	45,941,796	7,540,098	-	(39,094,419)	-	131,982,240	42,278,441	3,260,951,417
Balance as on Shrawan 1, 2082	2,150,000,000	-	-	-	172,729,113	-	749,574,148	-	45,941,796	7,540,098	-	(39,094,419)	-	131,982,240	42,278,441	3,260,951,417
Profit/(Loss)	-	-	-	-	51,364,044	-	25,682,022	-	2,568,202	513,640	-	-	-	-	-	51,364,044
Transfer to Reserves/ Funds	-	-	-	-	(28,763,864)	-	-	-	-	-	-	-	-	-	-	-
Previous Year Tax Expenses	-	-	-	-	(2,044,660)	-	-	-	-	-	-	-	-	-	-	(2,044,660)
Transferred from OCI	-	-	-	-	-	-	-	-	-	-	-	(19,396,420)	-	-	-	(19,396,420)
Share Related Costs	-	-	-	-	(526,635)	-	-	-	-	-	-	-	-	-	-	(526,635)
Contribution by Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Chaitra end, 2082	2,150,000,000	-	-	-	192,757,998	-	775,256,170	-	48,509,998	8,063,738	-	(58,490,839)	-	131,982,240	42,278,441	3,290,347,746



CONDENSED STATEMENT OF CASH FLOWS (FOR THE PERIOD ENDED CHAITRA 2082)

Amount In NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	2,017,738,529	2,778,939,726
Reinsurance Commission Received	298,119,972	425,002,298
Claim Recovery Received from Reinsurers	964,220,339	805,786,081
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	-	(2,602,789)
Other Direct Income Received	13,457,316	18,929,916
Others (to be specified)	-	-
Cash Paid		
Gross Benefits and Claims Paid	(1,479,736,937)	(1,418,396,471)
Reinsurance Premium Paid	(1,053,771,816)	(2,075,997,309)
Commission Paid	(45,342,142)	(55,087,651)
Service Fees Paid	(19,271,359)	(34,264,058)
Employee Benefits Expenses Paid	(177,762,422)	(296,826,611)
Other Expenses Paid	(73,444,529)	(92,438,071)
Other Direct Expenses Paid	(11,406,497)	(24,959,213)
Others (to be specified)	-	-
Income Tax Paid	(78,794,119)	(152,619,022)
Net Cash Flow From Operating Activities [1]	354,006,335	(124,533,174)
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	(127,541,041)	(12,481,978)
Proceeds From Sale of Property & Equipment	-	732,149
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	(315,124,041)	(274,107,874)
Proceeds from Sale of Equity Instruments	-	-
Purchase of Mutual Funds	-	-
Proceeds from Sale of Mutual Funds	-	-
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	-	-
Proceeds from Sale of Debentures	-	-
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	-	-
Investments in Deposits	216,800,000	140,800,000
Maturity of Deposits	-	-
Loans Paid	(11,246,244)	(7,008,072)
Proceeds from Loans	-	-
Rental Income Received	-	-
Proceeds from Finance Lease	-	-
Interest Income Received	82,902,981	169,667,031
Dividend Received	-	256,080
Others (to be specified)	-	-
Total Cash Flow From Investing Activities [2]	(154,208,345)	17,857,336
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	(426,637)	(1,219,192)
Dividend Paid	-	-
Dividend Distribution Tax Paid	-	-
Others (to be specified)	-	-
Total Cash Flow From Financing Activities [3]	(426,637)	(1,219,192)
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	199,371,353	(107,895,030)
Cash & Cash Equivalents At Beginning of The Year/Period	301,126,235	407,278,197
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	1,743,068
Cash & Cash Equivalents At End of The Year/Period	500,497,588	301,126,235
Components of Cash & Cash Equivalents		
Cash In Hand	-	-
Cheque In Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Balance With Banks	500,497,588	301,126,235



STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS

(FOR THE PERIOD ENDED CHAITRA 2082)

Amount In NPR

Particulars	At the End of 3rd Qtr Current Year	At the End of Previous Year
Opening Balance in Retained Earnings	172,729,113	181,603,722
Transfer from OCI reserves to retained earning in current year		
Net profit or (loss) as per statement of profit or loss	51,364,044	336,783,313
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Special Reserve	(25,682,022)	(164,952,041)
iii) Transfer to Catastrophe Reserve	(2,568,202)	(8,247,602)
iv) Transfer to Capital Reserve		
v) Transfer to CSR reserve	(513,640)	(3,299,041)
vi) Transfer to/from Regulatory Reserve		
vii) Transfer to Fair Value Reserve		(3,059,789)
viii) Transfer of Deferred Tax Reserve		(6,879,235)
ix) Transfer to OCI reserves due to change in classification		
x) Others (to be Specified)	(526,635)	(2,178,441)
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		(1,743,068)
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		(157,894,737)
xiv) Deduction as per Sec 17 of Financial directive		
xiv) Deduction as per Sec 18 of Financial directive		(15,120,791)
xv) Others (to be specified)		(1,219,192)
Adjusted Retained Earning	194,802,658	153,793,098
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 15(1) Of Financial directive	(58,490,839)	(39,094,419)
Add/Less: Others (to be specified)		
Total Distributable Profit/(loss)	136,311,819	114,698,679



**Notes to the Interim Financial Statements
for the second quarter ended Chaitra 30, 2082 (April 13th, 2026)**

1. Reporting Entity

Sanima GIC Insurance Limited (herein after referred to as the 'Company') is a public limited company, incorporated on 2064.03.07 and operated as Non-Life Insurance Company after obtaining license on 2074.10.25.

The registered office of the Company is located at ward no 1, KMC. The Company's share is listed on Nepal Stock Exchange Limited. 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 interim condensed financial statements prepared for the second quarter of FY 2082-83 ending 13 April 2026 (Chaitra 30, 2082) are presented in accordance with Nepal Accounting Standard - NAS 34 on "Interim Financial Reporting" published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN). These interim condensed financial statements should be read in conjunction with the previous year audited financial statements.

(a) Statement of Compliance

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

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

(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:

- Certain Financial Assets and Liabilities which are required to be measured at fair value
- Defined Employee Benefits (For this quarter not valued by actuary)
- Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).

For the reporting period LAT is not carried out and amount provided is based on estimation.

Historical cost is generally Fair Value of the consideration given in exchange for goods and 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 measurements in its entirety, which are described as follows:

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

(c) Use of Estimates

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

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

(f) Change in Accounting Policies

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

(g) Carve-outs

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

(h) 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.

(i) 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.

(j) Materiality and Aggregation

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

3. Significant Accounting Policies**(a) Property and Equipment****i) Recognition**

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

ii) Revaluation

After recognition as an assets, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers.

An increase in the carrying amount as a result of revaluation, is recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss. A decrease in the carrying amount as a result of revaluation, is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Difference between depreciation on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

iii) Depreciation

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

The Assets Useful Life/ 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 and Equipment based on SLM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM/Rate for WDV
Land	NA
Buildings	20
Leasehold Improvement	Lease Period
Furniture & Fixture	5
Computers and IT Equipment	4
Officer Equipment	5
Vehicles	5-8
Other Assets	5
Others (to be specified)	

iv) Derecognition

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

v) Impairment of Assets

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

vi) Capital Work-In-Progress

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

(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 to generate net cash inflow for the entity.

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

List of Assets Categories	Useful Life (In Years) for SLM
Soft wares	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.

(c) Investment Properties

Fair Value Model

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market 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, 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, Cheque 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 achieved is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income in these financial assets is measured using effective interest rate method.

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

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

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

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

iii) De-Recognition

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

iv) Impairment of Financial Assets

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

(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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(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 reduce 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

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 of bonus shares.

iii) Catastrophe Reserve:

The Company has allocated catastrophe reserve with 5% of the distributable profit for the year as per Regulator's Directive.

iv) Fair Value Reserve:

The Company has policy of creating fair value reserve equal to the amount of Fair Value Gain recognized in statement of other comprehensive income.

v) Regulatory Reserves:

Reserve created out of net profit in line with different circulars issued by Nepal Insurance 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) 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.

viii) Special Reserve:

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

ix) Other Reserves:

Reserve other than above reserves, for e.g. deferred tax reserve, CSR, 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 quarter and previous 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 quarter 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 & IBNER)

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.

For the reporting period the actuarial valuation is not carried out, and amount is calculated based on estimation.

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.

For the reporting period the LAT adequacy test is not carried out.

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 obligation in the Statement of Financial Position.

ii) Post-Employment Benefits**- Defined Contribution Plan**

The Company pays Provident Fund contributions to publicly administered Provident Funds/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.

- 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.

ii) Unearned Premium Reserves

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

iii) Premiums on Reinsurance Accepted

Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net 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 recognized in the statement of profit or loss as it accrues and is calculated by using the EIR method. Fees and commission that are an integral part of the effective yield of the financial asset are recognized as an adjustment to the EIR of the instrument.

vii) Net realized gains and losses

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

(m) 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.

ii) Reinsurance Claims

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

(n) 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.

(o) 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.

(p) 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.

(q) 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.

Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases and low value leases are charged to the statement of profit and loss on a straight-line basis over the term of the relevant lease.

(r) 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.

(s) 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.

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.

(t) Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which is the Company's Functional Currency. In preparing the Financial Statements of the 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.

(u) 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 as on quarter end.

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

(v) 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.

4. Related Party Disclosure

The company does not have any holding, subsidiary or associates.

Key Management Personnel:

According to the NAS 24 - Related Party Disclosures, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity.

KMPs of the Sanima General Insurance Ltd. includes following persons:

Mr. Kunal Kayal	Chairman
Dr. Hemanta Kumar Dabadi	Director
Mr. Prakash Man Shrestha	Director
Mr. Dilip Shrestha	Director
Mrs. Mita Murarka Agrawal	Director
Mrs. Saraswoti Gautam Gyawali	Director
Dr. Anil Raj Bahattarai	Independent Director
Mr. Sudyumna Prasad Upadhyaya	Chief Executive Officer
Mr. Ram Chandra Shrestha	Dy. Chief Executive Officer
Mr. Subodh Lal Shrestha	Deputy General Manager
Mr. Rena Rijal	Deputy General Manager
Mr. Raju Poudel	Deputy General Manager
Mr. Binesh Maskey	Assistant General Manager
Mrs. Rohini Karmacharya	Assistant General Manager

Compensation to Board Member

Particulars	Chaitra 2082	Chaitra 2081
Meeting Fees	1,473,000	1,046,000
Meeting Expenses	66,888	28,950

Compensation to Board Member

Particulars	Chaitra 2082	Remarkss
Short term Employee Benefits	19,331,754	It Includes all the short-term benefit paid to other KMP (Executive Level Management Employees).



Segmental Information for the period ended on Chaitra 2082

Particulars	Amount in NPR									
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	501,091,270	433,881,261	52,057,273	810,137,440	-	-	31,942,702	143,193,195	-	1,972,323,141
Premiums Ceded	(389,612,869)	(1,142,709,250)	(35,799,417)	(736,026,040)	-	-	(26,243,102)	(107,604,769)	-	(1,437,995,447)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	111,478,401	291,172,011	16,257,856	74,111,400	-	-	5,719,600	35,588,426	-	534,327,694
Commission Income	111,737,575	26,950,556	10,355,672	92,672,422	-	-	3,948,621	31,777,044	-	277,461,890
Other Direct Income	-	11,590,667	-	-	-	-	-	-	-	11,590,667
Income from Investments and Loans	-	-	-	-	-	-	-	-	-	-
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	223,215,976	329,713,234	26,613,528	166,783,822	-	-	9,688,221	67,365,470	-	823,380,251
Expenses:										
Gross Claims Paid	583,506,267	398,999,217	22,433,293	137,723,542	-	-	24,700,326	85,557,452	-	1,252,920,097
Claims Ceded	(540,934,454)	(1,156,393,740)	(15,934,859)	(119,328,981)	-	-	(20,314,492)	(57,370,855)	-	(910,277,381)
Gross Change in Contract Liabilities	(131,613,771)	87,206,760	146,484,060	107,309,470	505,010	-	18,052,708	36,516,611	-	264,460,848
Change in Contract Liabilities Ceded to Reinsurers	150,467,833	(64,407,130)	(118,332,921)	(99,303,987)	(559,538)	-	(15,005,747)	(31,508,334)	-	(178,649,824)
Net Claims Paid	61,425,875	265,405,107	34,649,573	26,400,044	(54,528)	-	7,432,795	33,194,874	-	428,453,740
Commission Expenses	9,006,014	3,970,044	1,200,839	22,872,033	-	-	2,061,161	4,456,773	-	43,566,864
Service Fees	1,074,076	1,448,252	252,853	519,503	-	-	42,630	324,092	-	3,661,406
Other Direct Expenses	300,860	10,356,977	91,950	89,910	-	-	493,560	73,240	-	11,406,497
Employee Benefits Expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenses	71,806,825	281,180,380	36,195,215	49,881,490	(54,528)	-	10,030,146	38,046,979	-	487,088,507
Total Segmental Results	151,409,151	48,532,854	(9,581,687)	116,902,332	54,528	-	(341,925)	29,316,491	-	336,291,744
Segment Assets	1,225,543,804	345,974,313	194,540,547	1,163,141,299	268,801,248	-	53,858,598	218,960,212	-	3,470,820,021
Segment Liabilities	1,394,434,731	944,933,710	262,190,461	1,251,799,983	268,882,088	64	66,375,520	290,240,707	-	4,478,857,264

Reconciliation of Segmental Profit with Statement of Profit or Loss

Particulars	Current Year
Segmental Profit	336,291,744
Less: Unallocable Depreciation and Amortization	(23,414,873)
Less: Non-cash expenses other than Depreciation and Amortization	-
Less: Unallocable Employee & Other Operating Expenditures	(318,370,874)
Add: Unallocable Income from Investments and Loans & Other Income	81,142,562
Less: Unallocable Finance Cost	(2,271,353)
Profit Before Tax	73,377,206



DISCLOSURE AS PER SECTION 84(3) OF INSURANCE ACT, 2079

1. Solvency Ratio related disclosure:

Solvency Ratio of Company for FY 2081-82 end is 5.85 times.

2. Reinsurance related disclosure:

Company has done reinsurance with the Local as well as foreign reinsurer as per the directive issued by regulatory authority.

3. Details regarding legal proceeding:

Nepal Reinsurance company declined to pay claim recovery of Khilung Kalika Agro Rs. 1,80,74,855, against that the company moved to Nepal Beema Pradhikaran and On 05 Shrawan 2079, Nepal Beema Pradhikaran has decided case in favour of company. Nepal Reinsurance Company not being satisfied with the decision of Nepal Beema Pradhikaran filed the case in Patan High Court and the Patan High Court has returned the case to Nepal Beema Pradhikaran for further decision making.

4. Corporate Governance:

Company is highly committed to maintain the high standards of corporate governance by complying to legal & regulatory requirements.

5. Regulatory limit on expenses ratio:

All the expenses are within the limit.

6. Any other disclosure as deemed relevant



INFORMATION AS REQUIRED BY SECURITIES REGISTRATION AND ISSUANCE REGULATION 2073 (RELATED TO SUB RULE (1) OF RULE 26)

1. Information Regarding Financial Statement

a) Quarterly Financials

Provisional unaudited third quarter report of FY 2082-83 are published with this report.

b) Major Financial Highlights:

Earnings Per Share (Annualized)	Rs. 3.19
Price to Earnings Ratio (PE Ratio)	155.05
Total Assets Value Per Share	Rs. 413.31
Net worth Per Share	Rs. 153.04

2. Management Analysis:

- a) Positive income seen in 3rd quarter, after reporting loss consecutively in first and second quarter of current fiscal year caused due to claims arising from Gen-Z movement.
- b) The economy is stagnant at present, there is no any demand for loans from the private sector such as manufacturing and construction industries, which have consequently impacted the growth of non-life insurance sector. Due to recent changes seen in the political environment, we are hopeful that there will be sustainable growth in the overall economy.

3. Details Regarding Legal Action

- a) Case filed by or to company during the quarter:
There are some normal business-related legal issues which do not have significant impact in company's overall business.
- b) Case by or against the promoter or director of company regarding disobedience of prevailing law commission of criminal offence:
None to our knowledge.
- c) Case by or against the promoter or director of company regarding commission of financial crime:
None to our knowledge.

4. Analysis of share transaction and progress of organized institution:

- a) Management's view of share transactions of organized institution of securities market:
The price of share is determined by the open market, so the management has neutral view regarding share transaction and its movement.

b) Maximum, minimum and last share price of the organized institution including total transaction and transaction days during the

Maximum Price	539
Minimum Price	460
Closing Price	493.90
No. of Traded Shares	1,389,777
No. of Transaction	10,449
Traded days	53

5. Problems and Challenges:

Internal

- Increment of Operating cost

External

- Slowdown in economy
- Decreasing market interest rate

Strategies to overcome challenges

- Maintaining appropriate portfolio mix
- Moving towards digitization
- Diversifying the investment

6. Corporate Governance:

Company is committed to maintain the high standards of corporate governance by complying to legal & regulatory requirements. Required policies and structures are in place and are reviewed regularly and monitored regularly. Audit Committee ensures the establishment of effective internal controls and provides recommendation to management regarding internal control and compliance issues.

7. Declaration by CEO:

I, CEO of the company, take responsibility for the truthfulness of the information and details disclosed in this report. I also hereby declare that to the best of my knowledge and belief, the information disclosed in this report are true, fair and complete and have not concealed any matters that can adversely affect the investment decision of the investors.



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