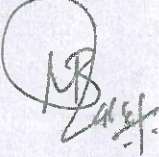


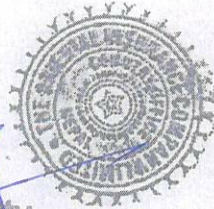
**THE ORIENTAL INSURANCE COMPANY LIMITED**  
**SUNRISE BIZZ PARK, CHARKHAL, DILIBAZAR, KATHMANDU**  
**TELEPHONE NO. 4416439, 4418578, FAX NO. 4420399**  
**Email :oriental@orientalinsurance.com.np, Website : www.orientalinsurance.com.np**  
**Quarterly Financial Results for (1st quarter), F.Y. 2080/81 B.S**

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**As on Quarter end Ashwin 2080**

Particulars	Fig in NPR.	
	Unaudited At the end of this Quarter	Unaudited At the end of Immediate Previous Period
<b>Assets:</b>		
Goodwill & Intangible Assets	558,009	611,759
Property and Equipment	16,938,202	18,432,753
Investment Properties	-	-
Deferred Tax Assets	1,962,528	5,304,717
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	2,790,217,908	2,615,217,908
Loans	9,520,846	7,360,114
Reinsurance Assets	523,822,143	531,443,790
Current Tax Assets	-	-
Insurance Receivables	335,011,832	470,044,689
Other Assets	43,477,178	19,975,679
Other Financial Assets	208,651,343	204,006,885
Cash and Cash Equivalent	407,448,344	163,962,872
<b>Total Assets</b>	<b>4,336,608,332</b>	<b>4,036,361,166</b>
<b>Equity:</b>		
Share Capital	251,197,769	251,197,769
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Special Reserves	-	-
Catastrophe Reserves	56,976,706	55,151,687
Retained Earnings	220,259,547	207,666,914
Other Equity	1,785,181,126	1,784,690,774
<b>Total Equity</b>	<b>2,313,615,148</b>	<b>2,298,707,143</b>
<b>Liabilities:</b>		
Provisions	66,970,792	66,970,792
Gross Insurance Contract Liabilities	1,576,723,903	1,299,345,144
Deferred Tax Liabilities	-	-
Insurance Payable	129,130,917	76,563,965
Current Tax Liabilities	57,796,488	97,948,625
Borrowings	-	-
Other Liabilities	61,020,168	81,503,869
Other Financial Liabilities	131,350,917	115,321,628
<b>Total Liabilities</b>	<b>2,022,993,184</b>	<b>1,737,654,023</b>
<b>Total Equity and Liabilities</b>	<b>4,336,608,332</b>	<b>4,036,361,166</b>

  
**M.B. Dhakal**  
 Divisional Manager

  
**Toton Chakraborty**  
 Chief Executive Officer





**THE ORIENTAL INSURANCE COMPANY LIMITED**

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Quarterly Financial Results for (1st quarter), F.Y. 2080/81 B.S

**CONDENSED STATEMENT OF PROFIT OR LOSS**  
For the Quarter End Ashwin 2080

Fig in NPR.

Particulars	Unaudited		Unaudited	
	Current Period		Corresponding Previous Period	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
<b>Income:</b>				
Gross Earned Premiums	256,949,576	256,949,576	292,028,664	292,028,664
Premiums Ceded	(87,907,501)	(87,907,501)	(154,868,760)	(154,868,760)
<b>Net Earned Premiums</b>	<b>169,042,075</b>	<b>169,042,075</b>	<b>137,159,904</b>	<b>137,159,904</b>
Commission Income	43,140,553	43,140,553	40,846,096	40,846,096
Other Direct Income	-	-	-	-
Income from Investments and Loans	64,760,644	64,760,644	61,437,417	61,437,417
Net Gain/(Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-
Other Income	817,541	817,541	2,550	2,550
<b>Total Income</b>	<b>277,760,813</b>	<b>277,760,813</b>	<b>239,445,967</b>	<b>239,445,967</b>
<b>Expenses:</b>				
Gross Claims Paid	144,082,923	144,082,923	74,216,429	74,216,429
Claims Ceded	(52,961,153)	(52,961,153)	(21,568,903)	(21,568,903)
Gross Change in Contract Liabilities	8,410,145	8,410,145	191,351,504	191,351,504
Change in Contract Liabilities Ceded to Reinsurers	90,082,104	90,082,104	(132,753,301)	(132,753,301)
<b>Net Claims Incurred</b>	<b>189,614,019</b>	<b>189,614,019</b>	<b>111,245,729</b>	<b>111,245,729</b>
Commission Expenses	18,145,777	18,145,777	8,584,749	8,584,749
Service Fees	3,944,386	3,944,386	3,964,675	3,964,675
Other Direct expenses	-	-	893,454	893,454
Employee Benefits Expenses	30,892,279	30,892,279	33,007,536	33,007,536
Depreciation and Amortization Expenses	3,873,682	3,873,682	-	-
Impairment Losses	-	-	-	-
Other Operating Expenses	4,910,889	4,910,889	8,994,889	8,994,889
Finance Cost	308,076	308,076	-	-
<b>Total Expenses</b>	<b>251,689,108</b>	<b>251,689,108</b>	<b>166,691,032</b>	<b>166,691,032</b>
<b>Net Profit/(Loss) For The Period Before</b>				
<b>Share of Net Profits of Associates</b>				
Accounted for Using Equity Method and Tax	26,071,705	26,071,705	72,754,935	72,754,935
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
<b>Profit Before Tax</b>	<b>26,071,705</b>	<b>26,071,705</b>	<b>72,754,935</b>	<b>72,754,935</b>
Income Tax Expenses	11,163,701	11,163,701	21,826,481	21,826,481
<b>Net Profit/(Loss) For The Period</b>	<b>14,908,005</b>	<b>14,908,005</b>	<b>50,928,454</b>	<b>50,928,454</b>
<b>Earning Per Share</b>				
Basic EPS	-	-	-	-
Diluted EPS	-	-	-	-



M.B. Dhakai  
Divisional Manager



Toton Chakraborty  
Chief Executive Officer





**THE ORIENTAL INSURANCE COMPANY LIMITED**

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Quarterly Financial Results for (1st quarter), F.Y. 2080/81 B.S

**CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
For the Quarter End Ashwin 2080

Particulars	Unaudited		Fig in NPR	
	Current Period		Unaudited	
	This Quarter	Upto this Quarter (YTD)	This Quarter	Upto this Quarter (YTD)
Net Profit/(Loss) For The Period	14,908,005	14,908,005	50,928,454	50,928,454
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>14,908,005</b>	<b>14,908,005</b>	<b>50,928,454</b>	<b>50,928,454</b>

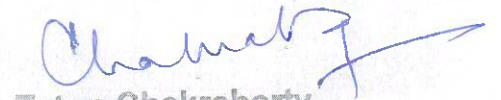
**OTHER DETAILS**

	Current Period	Previous Period
	Upto this Quarter (YTD)	Upto this Quarter (YTD)
1. Total Issued Policy Count (Only for Non Life and Non Micro Life)	10,443	9,876
2. Total Renewed Policy Count (Only for Non Life and Non Micro Life)	2,553	2,422
3. Gross Written Premium	525,918,190	396,467,452
4. Total Claims Paid Count	637	446
5. Outstanding Claims Count	1,401	1,579
6. Long Term Investments (Amount)	1,053,897,700	1,550,947,700
7. Short Term Investments (Amount)	1,662,050,000	1,195,000,000



**M.B. Dhakal**  
Divisional Manager





**Toton Chakraborty**  
Chief Executive Officer

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

### 1. Disclosure on Solvency Ratio

Particulars	Ratio
Solvency Ratio (Based on Latest Unaudited Financial Statement)	1.68

Solvency ratio of the company stands above the regulatory limit of 1.5

### 2. Reinsurance related disclosure:

We have done adequate reinsurance arrangement to comply with Regulatory requirements through various treaties; proportional and non-proportional beyond our retention and obligatory cession with GIC Re, Indian and international Reinsurers and local Reinsurers with the compliance of NIA directives.

Our commitment to prudential risk management has led us to carefully assess and select reinsurance partners that align with our business objectives and provide substantial support in managing potential liabilities. Through these strategic reinsurance arrangements, we have enhanced our capacity to meet the diverse needs of our policyholders while maintaining a robust financial position

### 3. Details regarding legal proceeding:

NIL

### 4. Corporate Governance:

The company has established various structure and mechanism to be compliant with Corporate Governance Directives issued by Nepal Insurance Authority: The followings

- A. Compliance of Insurance Acts, Regulation and various Directives & Circulars issued by Nepal Insurance Authority.
- B. Periodic Internal Audit
- C. Periodic Review and strengthening of Internal Control System.

### 5. Regulatory limit on expenses ratio:

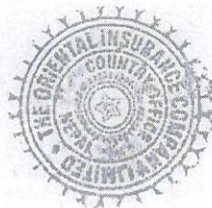
Particulars	Current Year	Corresponding Previous Year
Expense Ratio	8.73%	9.99%

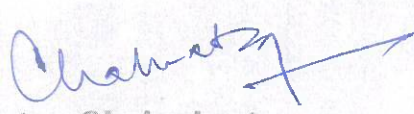
The Expense Ratio of the company is within the regulatory limit.

### Disclosure as required by other regulatory bodies and Nepal Financial Reporting Standards

As per Financial Directive, 2080, Paragraph-4, clause 11(Nga), insurer shall transfer appropriate amount as determined by actuary from retained earnings to Insurance fund to maintain Solvency Margin required as per section 38 of the Act. Since the actuarial report for FY 2079/80 hasnt been obtained till date of publication of this report, no amount has been appropriated from retained earnings to Insurance Fund In unaudited Financial Statement of FY 2079/80(i.e Corresponding Previous Period) & first quarter of FY 2080/81 respectively.

  
M.B. Dhakal  
Divisional Manager



  
Toton Chakraborty  
Chief Executive Officer



# THE ORIENTAL INSURANCE COMPANY LIMITED

SUNRISE BIZZ PARK, CHARKHAL, DILLIBAZAR, KATHMANDU

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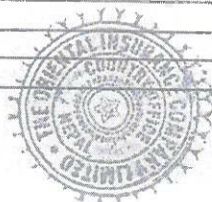
## Statement of Cash Flows as on

For the Quarter End Ashwin 2080

Fig. in NPR

Particulars	Unaudited	Unaudited
	At the end of this Quarter	At the end of Immediate Previous Period
<b>Cash Flow From Operating Activities:</b>		
Cash Received		
Gross Premium Received	525,918,190	1,529,678,418
Reinsurance Commission Received	32,932,865	129,505,218
Claim Recovery Received from Reinsurers	187,994,010	99,511,657
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income Received		
Others (to be specified)		
<b>Cash Paid</b>		
Gross Benefits and Claims Paid	(144,082,923)	(962,881,297)
Reinsurance Premium Paid	(116,801,006)	(571,250,911)
Commission Paid	(10,186,956)	(55,811,667)
Service Fees Paid	(12,436,692)	(14,403,538)
Employee Benefits Expenses Paid	(28,399,623)	(235,219,293)
Other Expenses Paid	(33,872,727)	(118,639,278)
Other Direct Expenses Paid		
Others (to be specified)		
Income Tax Paid	(47,973,649)	(236,703,881)
<b>Net Cash Flow From Operating Activities [1]</b>	<b>353,091,488</b>	<b>(436,214,572)</b>
<b>Cash Flow From Investing Activities</b>		
Acquisitions of Intangible Assets		(225,000)
Proceeds From Sale of Intangible Assets		
Acquisitions of Investment Properties		
Proceeds From Sale of Investment Properties		
Acquisitions of Property & Equipment	(2,857,185)	(367,181)
Proceeds From Sale of Property & Equipment	1,680,803	5,377
Investment in Subsidiaries		
Receipts from Sale of Investments in Subsidiaries		
Investment in Associates		
Receipts from Sale of Investments in Associates		
Purchase of Equity Instruments		
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	(50,000,000)	
Proceeds from Sale of Debentures		22,103,000
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits	(125,000,000)	
Maturity of Deposits		122,500,000
Loans Paid		151,919
Proceeds from Loans		
Rental Income Received	(2,160,732)	

**M.B. Dhakal**  
Divisional Manager



**Toton Chakraborty**  
Chief Executive Officer



SUNRISE BIZZ PARK, CHARKHAL, DILLBAZAR, KATERMANDU  
Statement of Changes in Equity

0  
0

Particulars	Ordinary Share Capital	Premiums on Shares	Show Applicant's Minority Pending Allotment	Share Premium	Retained Earnings	Reservations Reserves	Special Reserves	Capital Reserves	Contingent Reserves	Company's Social Responsibility (CSR) Reserves	Insurance Funds including Investment Reserves	Fair Value Reserves	Statutory Reserves	Deferred Tax Reserves	Other Reserves	Total
Balance on 31/03/2019	213,97,790.00				171,111,192.00			271,328,941.00	484,222.00		1,156,726,689.20	31,969,116.00	2,410,083.40	32,137,879.00	141,200,145.00	2,542,596,002.00
Profit/loss for the year					52,412,992.28											292,413,684.00
Changes in fair value of FVOCI Debt Instruments																
Gain/(Loss) on Cash Flow Hedge																
Gain/(Loss) on translation of Foreign Operation																
Changes in fair value of FVOCI Equity Instruments																
Revaluation of Property and Equipment/Goods & Intangible Assets					1,199,726,922								2,032,092.00			2,032,092.00
Reassessment of Post-Employment Benefit Obligations																
Transfer to Reserves/Funds										5,475,009.00						
Transfer to Deferred Tax Reserves																
Transfer to Depreciation or Amortisation of Property and Equipment																
Transfer on Disposal of Revalued Property and Equipment																
Transfer on Disposal of Equity Instruments Measured at FVTPL																
Share Issuance Costs																
Contribution by Directors to the owners of the Company																
Dividend Paid																
Share Issue																
Cash Dividend																
Dividend Distribution Tax																
Dividend Adjustment made of credit balance of Paid Up Share Capital																
Profit or Loss for the year	213,97,790.00				207,666,914.15			405,629,893.00	55,151,666.90	6,475,009.00	1,156,726,689.00	31,969,116.00	2,032,092.00	22,268,103.00	143,200,145.00	2,288,207,141.95
Profit or Loss for the year																
Changes in fair value of FVOCI Debt Instruments																
Gain/(Loss) on Cash Flow Hedge																
Gain/(Loss) on translation of Foreign Operation																
Changes in fair value of FVOCI Equity Instruments																
Revaluation of Property and Equipment/Goods & Intangible Assets																
Reassessment of Post-Employment Benefit Obligations																
Transfer to Reserves/Funds																
Transfer to Deferred Tax Reserves																
Transfer to Depreciation or Amortisation of Property and Equipment																
Transfer on Disposal of Revalued Property and Equipment																
Transfer on Disposal of Equity Instruments Measured at FVTPL																
Share Issuance Costs																
Contribution by Directors to the owners of the Company																
Dividend Paid																
Share Issue																
Cash Dividend																
Dividend Distribution Tax																
Dividend Adjustment made of credit balance of Paid Up Share Capital																
Profit or Loss for the year	251,02,769.00				223,531,817.48			694,479,882.20	99,998,703.85	6,667,556.94	1,156,726,689.00	31,969,116.00	2,032,092.00	21,905,914.00	143,200,145.00	2,173,651,602.48

The accompanying notes form an integral part of Financial Statements.

*[Signature]*

M. B. Dhakal  
Divisional Manager



*[Signature]*

Toton Chakraborty  
Chief Executive Officer


**Statement of Cash Flows as on**  
For the Quarter End Ashwin 2080

Fig. in NPR

Particulars	Unaudited	Unaudited
	At the end of this Quarter	At the end of Immediate Previous Period
Proceeds from Finance Lease		
Interest Income Received	69,062,555	250,322,018
Dividend Received		-
Others (to be specified)	(331,457)	2,228,216
<b>Total Cash Flow From Investing Activities [2]</b>	<b>(109,606,016)</b>	<b>396,718,348</b>
<b>Cash Flow From Financing Activities</b>		
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 (Adjustment made of credit balance of Head Office balance into Share Capital )		
<b>Total Cash Flow From Financing Activities [3]</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents [1+2+3]</b>	<b>243,485,472</b>	<b>(39,496,224)</b>
Cash & Cash Equivalents At Beginning of The Year/Period	163,962,872	203,459,096
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
<b>Cash &amp; Cash Equivalents At End of The Year/Period</b>	<b>407,448,344</b>	<b>163,962,872</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash In Hand	52,716	65,612
Cheuge in Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Balance With Banks	407,250,630	163,855,602
Balance With Banks	144,998	41,658

**Notes:**

The accompanying notes form an Integral Part of Financial Statements.

  
**M.B. Dhakal**  
 Divisional Manager





**Ananta Chakraborty**  
 Chief Executive Officer



# THE ORIENTAL INSURANCE COMPANY LIMITED

SUNRISE BIZZ PARK, CHARKHAL, DILLIBAZAR, KATHMANDU

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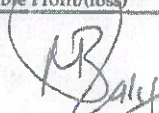
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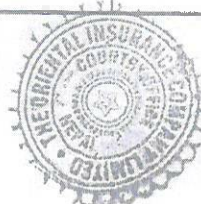
Statement of Distributable Profit or Loss

For the Quarter End Ashwin 2080

Fig. in NPR

Particulars	Unaudited	Unaudited
	At the end of this Quarter	At the end of Immediate Previous Period
Opening Balance in Retained Earnings	207,666,914.05	(170,111,429.00)
Prior Period Adjustments		-
Transfer from OCI reserves to retained earning in current year	207,666,914.05	(170,111,429.00)
Net profit or (loss) as per statement of profit or loss	14,908,004.52	542,415,069.00
<b>Appropriations:</b>		
i) Transfer to Insurance Fund		-
ii) Transfer to Special Reserve		
iii) Transfer to Catastrophe Reserve	(1,825,019.35)	(54,750,484.50)
iv) Transfer to Capital Reserve	(3,650,038.70)	(109,500,969.00)
v) Transfer to CSR reserve	(182,501.94)	(5,475,049.00)
vi) Transfer to/from Regulatory Reserve		
vii) Transfer to Fair Value Reserve		-
viii) Transfer of Deferred Tax Reserve	3,342,189.00	5,089,776.00
ix) Transfer to OCI reserves due to change in classification		
x) Others		-
<b>Deductions:</b>		
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		
xiv) Deduction as per Sec 17 of Financial directive		
xiv) Deduction as per Sec 18 of Financial directive		
xv) Others (to be specified)		
<b>Adjusted Retained Earning</b>	220,259,548	207,666,914
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)		
<b>Total Distributable Profit/(Loss)</b>	220,259,548	207,666,914

  
M.B. Dhakal  
Divisional Manager



  
Toton Chakraborty  
Chief Executive Officer



# The Oriental Insurance Company Limited

Notes to the Quarterly Financial Statements for the quarter ended Ashoj 31, 2080 (October 17, 2023)

## 1 General Information

The Oriental Insurance Company Limited (Company) herein after referred as "Company" is a branch office of Oriental Insurance Company Limited India incorporated under Companies Act of Nepal. The registered address of the Company is Sunrise Bizz Park, Charkhal, Dillibazar, Kathmandu.

2

### (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:

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

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

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

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

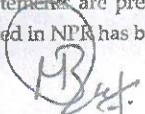
- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2 - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly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

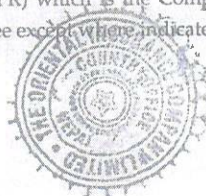
### (c) Use of Estimates

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

  
M.B. Dhakal  
Divisional Manager



  
Toton Chakraborty  
Chief Executive Officer

# The Oriental Insurance Company Limited

Notes to the Quarterly Financial Statements for the quarter ended Ashoj 31, 2080 (October 17, 2023)

Notes to the Financial Statements (Continued...)

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

##### ii) Depreciation

Depreciation on Property, Plant and Equipment other than Freehold Land i.e. the Company's Freehold Building, Plant & Machinery, Vehicles & Other Assets is provided on "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.

Rate of Depreciation 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
Leasehold Improvement	Lease Period
Furniture & Fixtures	25%
Computers and IT Equipments	25%
Office Equipment	25%
Vehicles	20%
Other Assets	25%

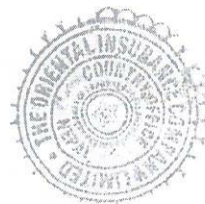
##### iv) Derecognition

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

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.

  
M.B. Dhakal  
Divisional Manager



  
Toton Chakraborty  
Chief Executive Officer



## The Oriental Insurance Company Limited

### Notes to the Quarterly Financial Statements for the quarter ended Ashoj 31, 2080 (October 17, 2023)

#### Notes to the Financial Statements ( Continued...)

(e) **Going Concern**

The financial statements are prepared on a going concern basis. The management of the company 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, Management 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.

(f) **Changes in Accounting Policies**

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

(g) **Recent Accounting**

Accounting standards issued and effective


All the accounting standard made effective by the ASB are applied while preparing the financial statement of the Company.

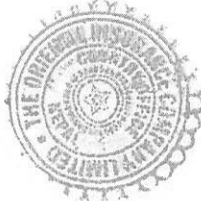
Accounting standards issued and non-effective

NFRS 17 "Insurance Contracts"

(h) **Carve-outs**

N.A.

  
M.B. Dhakal  
Divisional Manager



Toton Chakraborty  
Chief Executive Officer

**THE ORIENTAL INSURANCE COMPANY LIMITED**  
**SUNRISE BIZZ PARK, CHARKHAL, DILLIBAZAR, KATHMANDU**  
**TELEPHONE NO. 4416439, 4418579, FAX NO. 4420399**

Notes to the Financial Statements  
 For Period 17th July, 2023 to 17th October 2023

**51 Segmental Information**

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 are:

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

a) Segmental Information for the Period ended Aswin 30, 2080 (October 17, 2023)

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
<b>Income:</b>										
Gross Earned Premiums	118,190,996.50	30,635,793.00	29,661,020.00	41,745,454.63	75,522.38	-	15,861,089.13	20,779,700.38	-	256,949,576
Premiums Ceded	46,532,553.75	8,330,477.75	5,394,490.00	11,306,699.88	12,782.50	-	13,295,479.50	3,235,617.25	-	87,907,501
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	71,658,442.75	22,305,315.25	24,266,530.00	30,439,355	62,740	-	2,565,610	17,544,083	-	169,042,075
Commission Income	27,098,189	6,991,139	(1,300,699)	3,663,146	(7,927)	-	3,633,435	2,863,270	-	43,340,583
Investment Income	29,288,432	7,721,335	7,475,656	10,571,374	19,034	-	3,997,572	5,272,241	-	64,750,641
Net Gains/(Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	376,050	97,424	94,373	132,822	240	-	30,466	64,115	-	817,541
Total Segmental Income	129,121,134	37,115,283	30,335,860	44,756,697	74,058	-	10,447,082	25,770,709	-	277,760,913
<b>EXPENSES:</b>										
Gross Claims Paid	21,144,688	11,363,578	15,900,833	22,681,452	100,000	-	39,461,358	33,428,034	-	144,082,923
Claims Ceded	(4,981,501)	(3,181,202)	(3,041,869)	(2,122,022)	(190,800)	-	(33,070,132)	(6,464,427)	-	(52,961,153)
Change in Contract Liabilities Ceded to Reinsurers	35,355,832	(1,536,281)	25,635,520	(60,193,529)	(230,000)	-	(10,948,157)	16,346,850	-	8,410,145
Net Claims Paid	77,994,306	(1,973,470)	(3,446,641)	19,459,221	(828,000)	-	3,323,202	(5,686,973)	-	90,082,104
Commission Expenses	129,442,324	4,672,925	34,647,843	(10,139,876)	598,000	-	(1,230,729)	31,623,534	-	189,614,019
Service Fees	8,747,143	604,265	(88,242)	3,600,397	3,557	-	4,183,177	1,095,480	-	18,345,777
Employee Benefits Expenses	2,140,548	265,444	414,077	487,017	211	-	213,792	433,367	-	3,944,386
Depreciation and Amortization Expenses	14,209,730	3,683,250	3,566,056	5,018,931	9,080	-	1,905,951	2,498,251	-	30,892,279
Impairment Losses	1,781,806	481,854	447,159	629,340	1,139	-	239,116	313,267	-	3,873,682
Other Expenses	2,258,898	585,519	566,889	797,850	1,445	-	303,141	397,147	-	4,910,899
Finance Cost	141,708	36,732	35,563	50,652	91	-	19,017	24,914	-	308,076
Total Segmental Expenses	158,722,177	10,309,989	39,589,366	443,208	613,521	-	5,854,386	36,376,011	-	251,699,108
Total Segmental Results	(29,601,043)	26,805,274	(9,053,506)	44,312,988	(539,463)	-	4,812,746	(10,605,302)	-	26,071,205
Segment Assets	407,432,004	89,787,292	69,602,029	97,302,447	61,091,212	-	88,625,132	45,783,558	-	837,833,975
Segment Liabilities	825,336,364	175,771,911	186,874,606	207,278,621	61,228,609	-	88,324,918	159,739,711	-	1,507,284,839

M.B. Dhakal



Toton Chakraborty  
 Chief Executive Officer

*(Handwritten Signature)*