

**Independent Auditors' Report
 to the Members of
 The Oriental Insurance Company Limited, Nepal Branch**

Opinion

We have audited the accompanying Financial Statements of M/s The Oriental Insurance Company Limited, Nepal Branch (hereinafter referred to as 'the Company') which comprise the Statement of Financial Position as at Ashad 31, 2080 (July 16, 2023), and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes In Equity and Statement of Cash Flows attached thereto, for the year then ended and notes to the financial statements, including a summary of Significant Accounting Policies and other Explanatory Notes & information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statement read together with Notes forming part of the financial statement presents fairly. In all material respects, the Financial Position of the company as at Ashad 31, 2080 (July 16, 2023), and its Financial Performance, Changes in Equity, Cash Flow for the year then ended and a Summary of Significant Accounting Policies and Other Explanatory Information in accordance with Nepal Financial Reporting Standards (NFRSs) and comply with Companies Act, 2063 and Insurance Act, 2079.

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal together with the ethical requirements that are relevant to our audit of the Financial Statement, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

S.N.	Key Audit Matters	How the matters were addressed in our Audit
1.	<p>Revenue Recognition (Premium Income)</p> <p>Premium income comprises major part of revenue which is recorded on issue of the policy as prescribed by the directives of Nepal Insurance Authority. Unearned premium income is recorded/adjusted as estimated by actuarial valuation report. Estimation of income can be right only if the factors involved are incorporated in the system and extracted correctly from the system.</p>	<p>Our audit procedures on recognition of premium income included:</p> <ol style="list-style-type: none"> Obtaining clear understanding of the process of issuing the policies as per directives issued by the Nepal Insurance Authority and understanding the process of booking such income.



S.N.	Key Audit Matters	How the matters were addressed in our Audit
		<p>2. Tested the design, implementation, and operating effectiveness of key controls over revenue recognition.</p> <p>3. Verified underwriting documents and premium calculation thereon as per regulatory requirements and internal policies of the company on sample basis along with premium receipt, verified premium ceded as per Reinsurance agreement/treaty with Reinsurers.</p> <p>4. Verified unearned premium income as assessed by appointed actuary in his actuarial valuation report.</p> <p>Our results: Based on work carried out as above, we considered the premium income recognition to be acceptable</p>
2.	<p>Insurance Claim Insurance claim is the major area of expense for the insurance companies.</p> <p>Total Claim incurred include paid claim, outstanding claim and claim incurred but Not (Enough) Reported IBN(E)R.</p> <p>The provision and payment of claims was considered to be one of the areas which required significant auditor attention and one of the matters of most significance in financial statement.</p>	<p>Our Audit procedures on Insurance claim included:</p> <ol style="list-style-type: none"> 1. Obtaining clear understanding of the process/ guidelines as per directives issued by the Nepal Insurance Authority for processing claim as well internal operational guidelines relating to claim processing. 2. Performed test of controls, test of details and analytical review procedures on outstanding claims. 3. Verified the claim paid and provision made on sample basis with proof for payment, documentation as well as surveyor report and understanding the process of accounting. 4. In case of IBN(E)R, these provisions have been captured by the Actuary appointed by the company. The actuarial valuation of liability in respect of IBNR and IBN(E)R claims as at July 16, 2023 is as certified by the company's appointed actuary and we had verified the amount and related liability based on such report. <p>Our Results: Based on work carried out as above, we considered the insurance claim expenses be acceptable.</p>
3.	<p>Valuation of investments at amortized cost and measured at fair value through OCI</p> <p>Investment of the Company comprises of investment in unquoted equity instruments and fixed deposits of various banks and financial institutions.</p>	<p>Our Audit procedures on valuation of investment included:</p> <ol style="list-style-type: none"> 1. We tested the design, implementation, and operating effectiveness of key controls over valuation process of investments. 2. Review of investments of the company and its valuation in accordance with NFRS.



S.N.	Key Audit Matters	How the matters were addressed in our Audit
	<p>Valuation of the aforesaid securities have been done in accordance with NAS 39 read with NFRS 9. The investment in fixed deposit is recognized at Amortized Cost whereas investments in equity instruments unquoted, are valued at Fair Value through Other Comprehensive Income on the reporting date.</p> <p>Given the varieties of treatments recommended for valuation of investment based on investment objective targeted by the management, nature of cash flows, complexity of calculations and significance of amount involved in such investments, thus, we have considered it as a Key Audit Matter in our audit.</p>	<p>3. Assessment of the business model adopted by the management and the nature of expected cash flow of the investments on the basis of available evidence/circumstances and ensured that classification of investment is commensurate with nature of cash flows and management intention of holding the investments.</p> <p>4. For the investment's valuation at amortized cost, we have verified the Accrued Interest, amortization schedule on test basis.</p> <p>5. For investments (Unquoted) designated at fair value through OCI, fair value has been reviewed from intrinsic value of investee company derived from audited and published Financial Statement.</p> <p>Our Results: Based on work carried out as above, we considered the valuation of investments at amortized cost and measured at fair value to be acceptable.</p>
4.	<p>Information Technology Controls</p> <p>IT controls include recording of transactions, generating reports in compliance with reporting requirement of Nepal Insurance Authority and other compliances to regulators is an important part of the process. Hence the company's financial and reporting processes are highly dependent on the effective working of Core Insurance Software.</p> <p>We have considered this as a key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in incorrect reporting to the management, shareholders and regulators.</p>	<p>Our Audit procedures on Information Technology Controls included:</p> <ol style="list-style-type: none"> 1. Understanding the Core Insurance Software and other allied systems used by the company for accounting and reporting purposes and control. 2. Understanding the process of feeding data in the system and conducting a walkthrough of the extraction of the financial information and statements from the IT systems existing in the company. 3. Walkthrough of access control of the users. 4. Reviewing the reports generated by the system on sample basis. <p>Our Results: Based on work carried out as above, we considered the controls in the information technology to be acceptable.</p>

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

The company's management is responsible for the presentation of the other information. The other information comprises the information included in the company's Annual Report such as Report of Management but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and accordingly, we do not express an audit opinion or, except as explicitly stated above, any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether, based on audit work done by us on financial statement, the other information therein is materially misstated or inconsistent with the financial statements.



Responsibilities of Management and those charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- a. Identify and assess the risks of material misstatement of the Financial Statements whether due to fraud, error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Company to express an opinion on the Financial Statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.



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

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

Report on Other Legal and Regulatory Requirements

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

- a. We have obtained all the information and explanations along with replies to our queries, which to the best of our knowledge and belief were necessary for the purposes of the audit.
- b. In our opinion, the financial statements comprising of Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows prepared in accordance with the requirements of Companies Act, 2063 and format prescribed by Nepal Insurance Authority are in agreement with the books of Accounts.
- c. In our opinion, books of accounts and records of the company have been maintained as required by prevailing laws.
- d. To the best of our information and according to the explanations provided to us and so far as appeared from the examination of the books of accounts, we have not come across any cases where management or any employee have acted contrary to the legal provision relating to accounts, or committed any misappropriation or caused any loss or damage to the company.
- e. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the books of accounts.
- f. To the best of our knowledge, Company has maintained Insurance Fund, and other mandatory reserves in line with directives issued by Nepal Insurance Authority.
- g. We did not obtain any information indicating engagement of the company in activities other than insurance business as approved/licensed by the Nepal Insurance Authority.
- h. We did not obtain any information indicating company's activities which is prejudicial to the interest of the Insured.
- i. The company has acted as per directives of Nepal Insurance Authority.
- j. We did not obtain any information indicating issuance of insurance policy other than as approved by Nepal Insurance Authority.
- k. As the company is branch office of foreign entity, there are no any shareholders of the company.
- l. To the best of our knowledge, the company is eligible and capable to bear its long-term liabilities from the assets of the company.
- m. The internal control system implemented by the company is found to be effective.

Kathmandu
Date: December 14, 2023



S. Shrestha
S.M. Shrestha FCA
Partner

For: **B. K. Agrawal & Co.**
Chartered Accountants

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The Oriental Insurance Company Limited

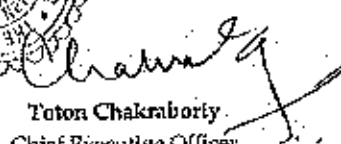
Statement of Financial Position As at Ashad 31, 2080 (July 16, 2023)

Fig in NPR

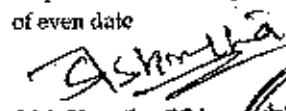
Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	611,759	601,759
Property and Equipment	5	18,658,562	33,825,588
Investment Properties	6	-	-
Deferred Tax Assets	7	16,343,241	11,261,104
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	2,518,848,308	2,759,820,908
Loans	11	7,360,114	7,512,033
Reinsurance Assets	12	492,804,850	724,005,087
Current Tax Assets	21	2,968,272	-
Insurance Receivables	13	386,892,117	189,955,806
Other Assets	14	23,471,892	17,729,794
Other Financial Assets	15	240,901,696	165,905,616
Cash and Cash Equivalent	16	313,325,289	203,459,096
Total Assets		4,022,186,100	4,114,076,741
Equity & Liabilities			
Equity			
Share Capital	17 (a)	251,197,769	251,197,769
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17 (c)	-	-
Special Reserves	17 (d)	1,385,136,406	1,156,736,689
Catastrophe Reserves	17 (e)	36,217,260	401,202
Retained Earnings	17 (f)	(73,455,652)	(170,111,429)
Other Equity	17 (g)	495,371,624	516,045,751
Total Equity		2,094,470,407	1,754,269,962
Liabilities			
Provisions	18	120,864,907	164,252,783
Gross Insurance Contract Liabilities	19	1,571,650,870	1,810,907,900
Deferred Tax Liabilities	7	-	-
Insurance Payable	20	53,995,409	113,922,829
Current Tax Liabilities	21	-	62,560,967
Borrowings	22	-	-
Other Liabilities	23	87,071,738	104,200,125
Other Financial Liabilities	24	94,132,769	103,962,155
Total Liabilities		1,927,715,693	2,359,806,769
Total Equity and Liabilities		4,022,186,100	4,114,076,741

Summary of significant accounting policies 3
The accompanying notes are an integral part of these financial statements


Man Bahadur Dhakal
Divisional Manager


Toton Chakraborty
Chief Executive Officer

As per our attached report
of even date


S.M. Shrestha, FCA
Partner
B.K. Agrawal & Co.
Chartered Accountants



Kathmandu, Nepal
Date: December 14, 2023

The Oriental Insurance Company Limited
Statement of Profit or Loss
For the year ended Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

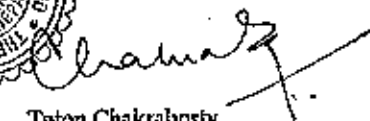
Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	1,413,753,310	1,260,650,503
Premiums Ceded	26	532,251,368	437,625,133
Net Earned Premiums		881,501,942	823,025,370
Commission Income	27	135,269,486	113,603,994
Other Direct Income	28	11,600	19,050
Income from Investments & Loans	29	252,070,648	219,683,874
Net Gain/ (Loss) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	-	-
Other Income	32	776,746	3,787,447
Total Income		1,269,630,422	1,160,119,735
Expenses:			
Gross Claims Paid	33	962,881,297	848,598,173
Claims Ceded	33	(448,450,976)	(272,369,142)
Gross Change in Contract Liabilities	34	(329,877,728)	(83,665,756)
Change in Contract Liabilities Ceded to Reinsurers	34	263,327,233	(8,766,502)
Net Claims Incurred		447,880,726	488,796,773
Commission Expenses	35	53,885,934	48,340,039
Service Fees	36	10,671,081	12,624,084
Other Direct Expenses	37	3,930,846	4,038,321
Employee Benefits Expenses	38	195,190,570	161,879,993
Depreciation and Amortization Expenses	39	15,936,275	17,600,739
Impairment Losses	40	24,906,887	2,835,800
Other Operating Expenses	41	30,133,371	23,164,004
Finance Cost	42	2,047,698	3,225,468
Total Expenses		784,583,388	767,505,221
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		485,047,034	402,614,514
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		485,047,034	402,614,514
Income Tax Expense	43	159,909,981	122,242,945
Net Profit/(Loss) For The Year		325,137,053	280,371,569
Earning Per Share	51	-	-
Basic EPS		-	-
Diluted EPS		-	-

Summary of significant accounting policies 3
The accompanying notes are an integral part of these financial statements

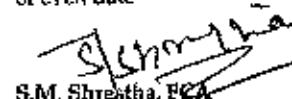


Man Bahadur Dhakal
Divisional Manager




Toton Chakraborty
Chief Executive Officer

As per our attached report
of even date


S.M. Shrestha, FCA
Partner
B.K. Agrawal & Co.
Chartered Accountants

Kathmandu, Nepal
Date: December 14, 2023



The Oriental Insurance Company Limited
Statement of Other Comprehensive Income
For the year ended Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		325,137,053	280,371,569
Other Comprehensive Income			
a) Items that are or may be Reclassified to Profit or Loss			
Changes in Fair Value of FVOCI Debt Instruments			
Cash Flow Hedge - Effective Portion of Changes in Fair Value			
Exchange differences on translation of Foreign Operation			
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items			
Reclassified to Profit or Loss			
b) Items that will not be Reclassified to Profit or Loss			
Changes in fair value of FVOCI Equity Instruments		18,630,400	10,518,941
Revaluation of Property and Equipment/ Goodwill & Intangible Assets			
Remeasurement of Post-Employment Benefit Obligations		2,888,703	4,861,967
Share of other comprehensive income of associates accounted for using the equity method	9		
Income Tax Relating to Above Items		(6,455,731)	(4,614,272)
Total Other Comprehensive Income For the Year, Net of Tax		15,063,372	10,766,636
Total Comprehensive Income For the Year, Net of Tax		340,200,425	291,138,205

Summary of significant accounting policies
 The accompanying notes form an Integral part of the Financial Statements.

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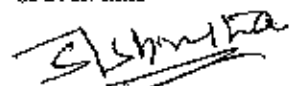


Man Bahadur Dhakal
 Divisional Manager




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Kathmandu, Nepal
 Date: December 14, 2023

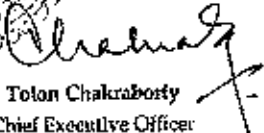


The Oriental Insurance Company Limited
Statement of Distributable Profit or Loss
For the year ended Ashad 31, 2080 (July 16, 2023)

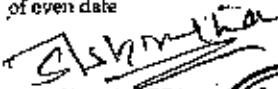
Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	(170,111,429)	(244,274,732)
Prior Period Adjustments	-	(235,187)
Transfer from OCI reserves to retained earning in current year	-	-
Net profit or (loss) as per statement of profit or loss	325,137,055	280,371,569
Appropriations:		
i) Transfer to Insurance Fund	-	(145,401,835)
ii) Transfer to Special Reserve	(156,799,593)	-
iii) Transfer to Catastrophe Reserve	(21,496,033)	-
iv) Transfer to Capital Reserve	(62,719,837)	(58,160,742)
v) Transfer to CSR reserve	(8,135,992)	(601,202)
vi) Transfer to/from Regulatory Reserve	27,208,047	-
vii) Transfer to Fair Value Reserve	-	-
viii) Transfer of Deferred Tax Reserve	(11,537,868)	(2,009,250)
ix) Transfer to OCI reserves due to change in classification	-	-
x) Others	-	-
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments		
b) Mutual Fund		
c) Others (if any)		
ii) Accumulated Fair Value gain on Investment Properties		
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges		
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges		
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges		
vi) Goodwill Recognised		
vii) Unrealised Gain on Fluctuation of Foreign Exchange Currency		
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account		
ix) Overdue loans		
x) Fair value gain recognised in Statement of Profit or Loss		
xi) Investment in unlisted shares		
xii) Delisted share investment or mutual fund investment		
xiii) Bonus share/ dividend paid		
xiv) Deduction as per Sec 17 of Financial directive		
xv) Deduction as per Sec 18 of Financial directive		
xvi) Others (to be specified)		
Adjusted Retained Earning	(73,453,652)	(170,111,429)
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 15(1) Of Financial directive		
Add/Less: Others (to be specified)		
Total Distributable Profit/(loss)	(73,453,652)	(170,111,429)


Man Bahadur Dhaikal
 Divisional Manager


Toton Chakraborty
 Chief Executive Officer

As per our attached report
of even date


S.M. Shrestha, FCA
 Partner
B.K. Agrawal & Co.
 Chartered Accountants



The Oriental Insurance Company Limited
Statement of Cash Flows
For the year ended Ashad 31, 2080 (July 16, 2023)

Fig. in NPR.

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	1,504,374,008	1,440,353,790
Reinsurance Commission Received	136,672,129	121,045,067
Claim Recovery Received from Reinsurers	226,606,878	342,208,600
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		
Other Direct Income Received	11,600	19,050
Others (to be specified)		
Cash Paid		
Gross Benefits and Claims Paid	(962,381,297)	(348,598,173)
Reinsurance Premium Paid	(624,305,784)	(643,615,709)
Commission Paid	(55,811,660)	(47,299,317)
Service Fees Paid	(14,403,537)	(11,588,594)
Employee Benefits Expenses Paid	(253,440,258)	(219,850,488)
Other Expenses Paid	(120,243,047)	(36,057,561)
Other Direct Expenses Paid		
Others (to be specified)		
Income Tax Paid	(236,977,088)	(144,552,995)
Net Cash Flow From Operating Activities [1]	(400,398,056)	(47,936,340)
Cash Flow From Investing Activities		
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	(366,560)	(647,796)
Proceeds From Sale of Property & Equipment	5,377	13,656
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		(44,589,000)
Proceeds from Sale of Debentures	22,103,000	
Purchase of Bonds		
Proceeds from Sale of Bonds		
Investments in Deposits		(101,050,000)
Maturity of Deposits	237,500,000	
Loans Paid	151,919	1,577,291
Proceeds from Loans		
Rental Income Received		
Proceeds from Finance Lease		
Dividend Income Received	250,322,021	220,002,865
Dividend Received		
Others (to be specified)	773,492	3,778,024
Total Cash Flow From Investing Activities [2]	518,264,249	79,085,040

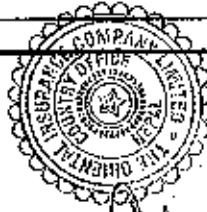
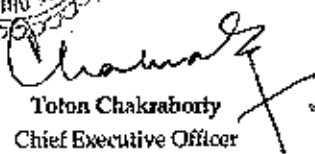
The Oriental Insurance Company Limited
Statement of Cash Flows
For the year ended Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Financing Activities		
Interest Paid		
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease		
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid		
Dividend Paid		
Dividend Distribution Tax Paid		
Others (Adjustment made of credit balance of Head Office balance into Share Capital)		
Total Cash Flow From Financing Activities [3]		
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	109,866,193	31,148,780
Cash & Cash Equivalents At Beginning of The Year/Period	203,459,096	172,310,396
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	313,325,289	203,459,096
Components of Cash & Cash Equivalents		
Cash In Hand	65,612	13,698
Cheque In Hand		
Term Deposit with Banks (with initial maturity upto 3 months)	115,000,000	32,602,540
Balance With Banks	198,218,019	170,809,320
Others	41,658	33,536

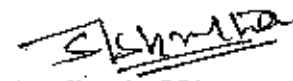


Man Bahadur Dhakal
Divisional Manager

Toton Chakraborty
Chief Executive Officer

As per our attached report
of even date



S.M. Shrestha, FCA
Partner

B.K. Agrawal & Co.
Chartered Accountants

Kathmandu, Nepal
Date: December 14, 2023



The Oriental Insurance Company Limited
Statement of Changes in Equity
For the year ended Ashad 31, 2080 (July 16, 2023)

Fig. in NRs

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Residual Earnings	Residuals Reserve	Special Reserves	Capital Reserve	Contingent Reserve	Corporate Social Responsibility (CSR) Reserves	Reserve or Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deducted Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2079	251,197,769				244,285,724			233,167,239			1,011,384,834	44,875,487	6,210,380	30,235,779	1,93,200,248	3,462,266,864
Provisional adjustment					(785,187)											(785,187)
Restated Balance as at Shrawan 1, 2079					244,238,210											3,461,481,677
Profit/Loss for the Year					280,371,569											280,371,569
Other Comprehensive Income for the Year, Net of Tax																
1) Change in Fair Value of FVOCI Debt Instruments																
2) Change in Fair Value of FVOCI Equity Instruments																
3) Change in Cash Flow Hedge																
4) Exchange difference on translation of Foreign Operation																
5) Change in fair value of FVOCI Equity Instruments																
6) Revaluation of Property and Equipment																
7) Goodwill & Intangible Assets																
8) Reassessment of Post-Employment Benefit Obligations																
9) Reassessment of Property and Equipment																
10) Transfer to Reserves / Funds / Capital Reserve (Insurance Fund)					233,167,239			93,160,747			145,800,835					
11) Transfer from Reserves / Funds					601,203											
12) Transfer to Deducted Tax Reserves					(2,009,289)									2,009,289		
13) Transfer of Reserves																
14) Transfer of Depreciation on Revaluation of Property and Equipment																
15) Transfer on Depreciation of Revalued Property and Equipment																
16) Transfer on Disposal of Revalued Property and Equipment																
17) Measurement of FVOCI																
18) Share Issue or Cost																
19) Contribution by Distribution to the owners of the Company																
20) Issue of Share Based Payment																
21) Cash Dividend																
22) Dividend Distribution Tax																
23) Other (Addition/Debit) credit of credit balance of Head Office balance sheet Share Capital)																
Balance as on Ashad 31, 2080	251,197,769				470,111,209		1,156,736,689	271,229,471	467,202			51,989,246	2,810,402	23,257,879	143,300,248	4,754,269,923



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The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

1. Reporting Entity

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.

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

2. Basis of Preparation

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

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 2079 to 31st Ashadh 2080 with the corresponding previous year from 1st Shrawan 2078 to 32nd Ashadh 2079.

(b) Statement of Compliance

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

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

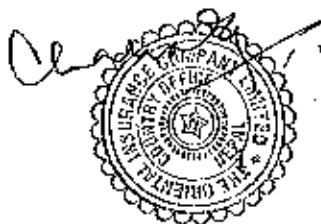
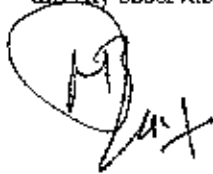
(c) Basis of Measurement

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

- i. Certain Financial Assets and 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 and services.

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



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

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

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

(d) Use of Estimates

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

(e) Functional and Presentation Currency

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

(f) Going Concern

The financial statements are prepared on going concern basis. The management of 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 operation of it.

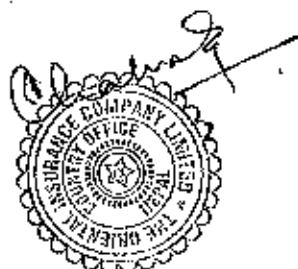
(g) Change in Accounting Policies

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

(h) Recent Accounting Pronouncements

Accounting standards issued and effective

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



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

Accounting standards issued and non-effective
NFRS 17 "Insurance Contracts"

(i) Carve-outs

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

(j) Presentation of financial statements

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

(k) Offsetting

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

(l) Materiality and Aggregation

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

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

3. Significant Accounting Policies

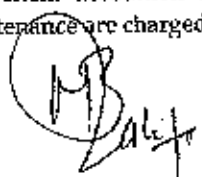
This note provides a list of the significant policies adopted in the preparation of these financial statements.

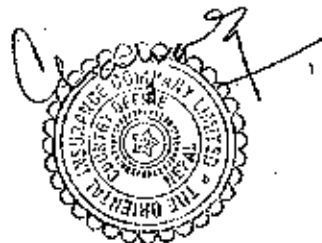
(a) Property and Equipment

i) Recognition

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

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





The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

ii) Depreciation

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

The Assets Useful Life/ Rate of Depreciation and Residual Values are reviewed at the Reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Useful Life of Property, Plant and Equipment based on SLM/DBM is categorized as stated below:

List of Assets Categories	Rate for WDV
Land	Not Applicable
Leasehold Improvement	Lease Period
Furniture & Fixture	25%
Computers and IT Equipment	25%
Office Equipment	25%
Vehicles	20%
Other Assets	25%

iii) Derecognition

An item of Property, Plant 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, 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.

iv) 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.

v) Capital Work-In-Progress

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

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The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

(b) 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
Softwares	5

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.

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The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

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

Cost Model

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

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

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

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

(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.

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The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

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 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 on 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 because 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.



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

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, 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 reduces the carrying amount accordingly and is recognized in statement of profit or loss.

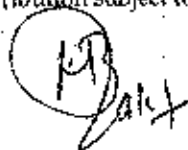
(i) Assigned Capital

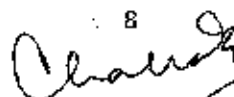
Company is branch office of Oriental Insurance Company Limited India incorporated under Companies Act of Nepal. The payable balance of Head Office account is treated as assigned capital.

(j) Reserves and Funds

i) **Share Application Money Pending Allotment:** If the company has received any calls in advance amount, the amount will be presented under this head.

ii) **Share Premium:** If the Company issues share capital at premium, it receives extra amount other than share capital such amount is transferred to share premium. The amount in share premium is allowed for distribution subject to provisions of company act & regulatory requirement.



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The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

ii) **Catastrophe Reserve:** The Company has allocated catastrophe reserve for the amount which is 10% of the distributable profit for the year as per Regulator's Directives.

iii) **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 as per regulator's directive.

iv) **Regulatory Reserves:** Reserve created out of net profit in line with different circulars issued by Insurance Board.

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

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

vii) **Special Reserve:** The Company has allocated special reserve per Regulator's Directive.

viii) **Other Reserves:** Reserve other than above reserves, for e.g, deferred tax reserve & Corporate Social Responsibility Reserve.

(c) Insurance Contract Liabilities

i) Provision for unearned premiums

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

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

ii) Outstanding claims provisions

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

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

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

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

Liability adequacy

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. The calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant 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.






The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

(i) 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 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 contributions are recognized as Employee Benefit Expenses when they are due.

-Defined Benefit Plan

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

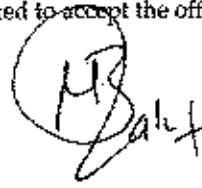
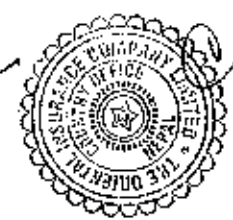
iii) Long Term Employee Benefits

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

iv) Termination

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

- a) When the Company can no longer withdraw the offer of those benefits; and
- b) When the entity recognizes costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits. The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

(m) Revenue Recognition

i) Gross Premium

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

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

iii) Premiums on Reinsurance Accepted

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

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.

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.

B. K. Agrawal




The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

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.

(n) Claims and Expenses

i) Gross Claims

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

The IBN(E)R is calculated using the BCL (Incurred claim) method. IBN(E)R reserves are estimated by deducting incurred claim amount i.e., sum of claim paid and case reserves (100% basis) from the estimated ultimate loss amount.

ii) Reinsurance Claims

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

(o) Product Classification

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

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

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

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

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

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

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

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

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

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The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

viii) **Miscellaneous Portfolio** – All the insurance business which do not fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.

(p) Borrowing Costs

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

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

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

(q) Cash Flow Statement

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

(r) Leases

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

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

(s) Income Taxes

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

i) Current Tax

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

ii) Deferred Tax

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

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



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

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

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

(t) Provisions, Contingent Liabilities & Contingent Assets

i) Provisions

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

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

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

ii) Contingent Liabilities

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

iii) Contingent Assets

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

(u) Functional Currency & Foreign Currency Transactions

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

(v) Earnings Per Share

Since the payable balance of Head Office account is treated as assigned capital, EPS is not calculated.

(w) Operating Segment

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



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2080 (July 16, 2023)

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.



The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashad 31, 2080 (July 16, 2023)

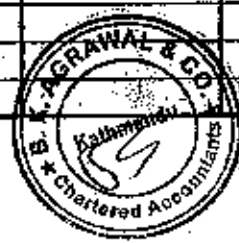
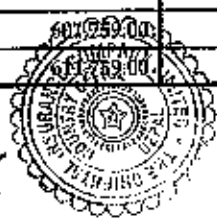
4 Goodwill & Intangible Assets

Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be Specify)	Total
Gross carrying amount				
As at Shrawan 1, 2078	1,822,000.00			
Additions during the year				
Acquisition	-			-
Internal Development	-			-
Business Combination(to be Specified)	-			-
Disposals during the year				
Revaluation/Adjustment				-
Balance as at Ashadh 32, 2079	1,822,000.00	-	-	1,822,000.00
Additions during the year				
Acquisition	225,000.00			225,000.00
Internal Development				
Business Combination(to be Specified)				
Disposals during the year				
Revaluation/Adjustment				-
Balance as at Ashadh 31, 2080	2,047,000.00	-	-	2,047,000.00
Accumulated amortization and impairment				
As at Shrawan 1, 2078	1,020,241.00			1,020,241.00
Additions during the year	200,000.00			200,000.00
Disposals during the year	-			-
Impairment during the year				
Balance as at Ashadh 32, 2079	1,220,241.00	-	-	1,220,241.00
Additions during the year	215,000.00			
Disposals during the year				
Impairment during the year				
Balance as at Ashadh 31, 2080	1,435,241.00	-	-	1,435,241.00
Capital Work-In-Progress				
As on Shrawan 1, 2078				
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 32, 2079				
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as on Ashadh 31, 2080				
Net Carrying Amount				
As on Ashadh 32, 2079	601,759.00	-	-	601,759.00
As on Ashadh 31, 2080	611,759.00	-	-	611,759.00

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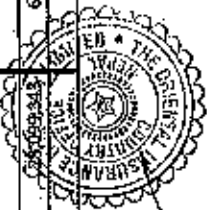


The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashadh 31, 2080 (July 16, 2023)

Property and Equipment

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Gross carrying amount									
As on Shrawan 1, 2078	-	-	8,012,401	6,814,488	8,880,491	1,013,488	5,461,877	6,789,668	36,652,364
Additions during the year	-	39,341,796	45,863	118,248	213,929	10,000	-	239,756	39,989,592
Acquisition	-	39,341,796	45,863	118,248	213,929	10,000	-	239,756	39,989,592
Capitalization				(52,132)	(86,700)			(185,699)	(824,581)
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/ adjustments									
Balance as on Ashadh 31, 2079	-	39,341,796	8,058,264	6,880,584	9,017,720	1,023,488	5,461,877	6,833,726	76,517,425
Additions during the year									
Acquisition		189,862.00		72,343.00	49,960.00	22,599.00		227,498.00	536,422.00
Capitalization									
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/ adjustments									
Balance as on Ashadh 31, 2080	-	29,531,658.00	8,058,264.00	6,652,897.00	9,061,680.00	1,046,087.00	5,461,877.00	7,033,990.00	76,846,413.00
Accumulated depreciation and impairment									
As on Shrawan 1, 2078	-	-	4,856,467	4,955,153	6,362,102	742,575	4,015,582	4,449,587	25,411,466
Additions during the year	-	14,274,684	1,004,030	291,306	587,800	68,562	268,676	475,479	17,400,739
Disposals during the year				(50,786)	(86,333)			(185,180)	(320,299)
Write-offs during the year									
Impairment during the year									
Transfer/ adjustments									
Balance as on Ashadh 31, 2079	-	14,774,684	5,860,497	5,195,856	6,843,589	811,137	4,334,258	4,743,896	42,497,887
Additions during the year	-	13,374,689	1,004,030	242,563	431,555	58,728	214,940	394,780	15,721,275
Disposals during the year									
Write-offs during the year									
Impairment during the year									
Transfer/ adjustments									
Balance as on Ashadh 31, 2080	-	28,149,373	6,864,527	5,438,419	7,275,144	869,865	4,549,198	5,111,355	58,187,861



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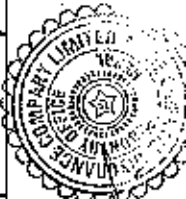
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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashadh 31, 2080 (July 16, 2023)

Property and Equipment

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Capital Work-In-Progress									
As on Shrawan 1, 2078									
Additions during the year									
Capitalisation during the year									
Disposals during the year									
Impairment during the year									
Balance as on Ashadh 31, 2079									
Additions during the year									
Capitalisation during the year									
Disposals during the year									
Impairment during the year									
Balance as on Ashadh 31, 2080									
Net Carrying Amount									
As on Ashadh 31, 2079		24,617,112	2,197,767	1,384,698	2,174,151	232,851	1,167,619	2,091,840	33,825,538
As on Ashadh 31, 2080		31,432,915	1,191,737	1,214,458	1,796,556	176,182	992,679	1,972,635	38,683,562
Right-of-Use Assets (after implementation of NFRS 16)									
Gross carrying amount									
As on Shrawan 1, 2078									
Additions during the year		39,341,796							39,341,796
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/Adjustment									
Balance as on Ashadh 31, 2079		39,341,796							39,341,796
Additions during the year		189,862							
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/Adjustment									
Balance as on Ashadh 31, 2080		39,531,658							39,531,658



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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashadh 31, 2080 (July 16, 2023)

5 Property and Equipment

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Accumulated depreciation									
As on Shrawan 1, 2078		14,724,684							14,724,684
Additions during the year									
Disposals during the year									
Write-offs during the year									
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2079		14,724,684							14,724,684
Additions during the year		13,374,659							13,374,659
Disposals during the year									
Write-offs during the year									
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2080		28,099,343							28,099,343
Net Carrying Amount									
As on Ashadh 31, 2079		24,617,112	2,197,767	1,384,698	2,174,151	272,351	1,147,619	2,091,840	33,825,538
As on Ashadh 31, 2080		11,242,453	1,195,737	1,214,438	1,786,556	176,182	932,679	1,922,635	18,689,502
Grand Total									
As on Ashadh 31, 2079		24,617,112	2,197,767	1,384,698	2,174,151	272,351	1,147,619	2,091,840	33,825,538
As on Ashadh 31, 2080		11,242,453	1,195,737	1,214,438	1,786,556	176,182	932,679	1,922,635	18,689,502



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The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

6 Investment Properties

Investment Properties at Cost

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

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The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

(i) Amounts recognised in statement of profit or loss

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

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land		
Building		
Total	-	-

Notes on Fair Value :

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

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

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

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

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The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

(iv) Contractual obligations:

OR

Investment Properties at Fair Value

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

Notes on Fair Value :

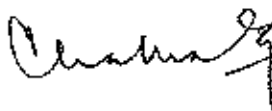
The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including :

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

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

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

(ix) Contractual obligations:


The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

Deferred Tax Assets/(Liabilities)

Particulars	Current Year		Previous Year		Total
	Through SOPL	Through SOCI	Through SOPL	Through SOCI	
Goodwill & Intangible Assets	(475,054)	-	(60,081)	-	(60,081)
Property and Equipment	-	-	-	-	-
Financial Assets at FVTPL	-	-	-	-	-
Financial Assets at FVOCI	(27,870,182)	(27,870,182)	6,860,583	(22,281,062)	(22,281,062)
Provision for Leave	6,367,106	11,794,892	11,430,154	1,204,287	6,860,583
Provision for Contingency	11,417,216	337,876	850,740	-	12,634,441
Impairment Loss on Financial Assets	8,322,806	-	-	-	850,740
Impairment Loss on Other Assets	-	-	-	-	-
Unearned Premiums Reserve	-	-	-	-	-
Premium Deficiency Reserve	-	-	-	-	-
IBNR and IBNER Claims	-	-	-	-	-
Margin For Adverse Deviation	-	-	-	-	-
Carry forward of unused tax losses	-	-	-	-	-
Changes in tax rate	-	-	-	-	-
Others (specify if any)	7,581,835	-	7,983,451	-	7,983,451
i) Unearned Commission	-	-	-	-	-
ii) Deferred Acquisition Cost	137,810	-	588,326	-	588,326
iii) NRES 15 - Lease	8,217,112	-	2,377,790	-	2,377,790
ii) LAT Adjustments (URR+PDR+IBNR)	2,306,916	-	2,306,916	-	2,306,916
iii) Depreciated Tax	43,875,747	(27,532,506)	32,667,879	(21,076,775)	11,261,104
Total	43,875,747	(27,532,506)	16,343,241	(21,076,775)	11,261,104
Deferred Tax Assets	-	-	-	-	-
Deferred Tax Liabilities	-	-	-	-	-

Movements in deferred tax Assets/ (Liabilities)

Particulars	Current Year		Previous Year		Total
	SOPL	SOCI	SOPL	SOCI	
As at Shrawan 1, 2079	-	-	11,261,104	-	11,261,104
(Charged)/Credited to Statement of Profit or Loss	11,537,868	(6,455,731)	2,009,280	(4,614,272)	2,009,280
(Charged)/Credited to Other Comprehensive Income	-	(6,455,731)	-	(4,614,272)	(4,614,272)
As at Ashad 31, 2080	11,537,868	(6,455,731)	2,009,280	(4,614,272)	11,261,104



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

8 Investment in Subsidiaries

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

Investment in Quoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs. Each of Ltd.				
..... Shares of Rs. Each of Ltd.				
Total				

Investment in Unquoted Subsidiaries

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs. Each of Ltd.				
..... Shares of Rs. Each of Ltd.				
Total				

Information Relating to Subsidiaries

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

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The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashad 31, 2080 (July 16, 2023)

9

Investment in Associates

Fig. in NPR

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

Investment in Quoted Associates

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

Investment in Unquoted Associates

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

Information Relating to Associates

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

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

10 Investments

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	2,312,036,000	2,571,639,000
i) Investment in Preference Shares of Bank and Financial Institutions	232,486,000	254,589,000
ii) Investment in Debentures	70,000,000	70,000,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	1,917,050,000	2,157,050,000
iv) Fixed Deposits in "A" Class Financial Institutions		
v) Fixed Deposits in Infrastructure Banks	87,500,000	85,000,000
vi) Fixed Deposits in "B" Class Financial Institutions	5,000,000	5,000,000
vii) Fixed Deposits in "C" Class Financial Institutions		
viii) Others (to be Specified).		
Less: Impairment Losses	206,812,308	188,181,908
Investments at FVTOCI		
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)	206,812,308	188,181,908
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
v) Others (to be Specified)		
Investments at FVTPL		
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)		
iii) Investment in Mutual Funds		
iv) Investment in Debentures		
v) Others (to be Specified)		
Total	2,518,848,308	2,759,820,908

a) Details of Impairment Losses

Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions		
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Total		

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

b) Investments having expected maturities less than 12 months:

Fig. in NPR

Particulars	Fig. in NPR	
	Current Year	Previous Year
Investment in Equity Instruments (Quoted)		
Investment in Equity Instruments (Unquoted)		
Investment in Mutual Funds		
Investment in Preference Shares of Bank and Financial Institutions		70,000,000
Investment in Debentures	30,000,000	
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions	1,357,050,000	949,550,000
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions	52,500,000	85,000,000
Fixed Deposit with "C" Class Financial Institutions	5,000,000	5,000,000
Others (to be Specified)		
Total	1,444,550,000	1,109,550,000

c) Information relating to investment in equity instruments

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
.....Ltd.... shares of Rs.... Each				
.....Ltd.... shares of Rs.... Each				
.....Ltd.... shares of its.... Each				
Investment in Equity Instruments (Unquoted)				
Nepal Re-Insurance Co. Ltd 1,315,421 shares of Rs 100 Each	112,911,700	205,812,308	112,911,700	187,181,908
Insurance Institute Nepal 10,000 shares of Rs 100 Each	1,000,000	1,000,000	1,000,000	1,000,000
.....Ltd.... shares of Rs.... Each				

d) The company has earmarked investments amounting to NPR 1,692,500,000 To Nepal Insurance Authority.

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

11 Loans

Particulars	Current Year	Previous Year
Loans measured at Amortised Cost		
Loan to Employees	7,360,114	7,512,033
Others (to be Specified)		
Less: Impairment Losses		
Total	7,360,114	7,512,033

a) Expected repayment of loan within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees	130,050	122,600
Others (to be Specified)		
Total	130,050	122,600

12 Reinsurance Assets

Particulars	Current Year	Previous Year
Reinsurance Assets on:		
Unearned Premium Reserve	340,967,000	308,840,004
Premium Deficiency Reserve	23,699,771	5,790,651
Outstanding Claims	107,527,891	353,820,660
IBNR and IBNER Claim	20,610,188	55,553,772
Margin For Adverse Deviation		
Less: Impairment Losses		
Total	492,804,850	724,005,087

13 Insurance Receivables

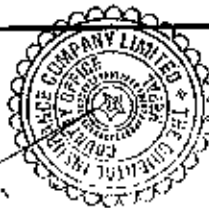
Particulars	Current Year	Previous Year
Receivable from Reinsurer	145,244,766	7,801,382
Receivable from Other Insurance Companies	269,390,038	184,990,224
Others(to be Specified)		
Less: Impairment Losses	(27,742,687)	(2,835,800)
Total	386,892,117	189,955,806

a) Expected receivable within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurer	145,244,766	7,801,382
Receivable from Other Insurance Companies	269,390,038	184,990,224
Others(to be Specified)		
Total	414,634,804	192,791,606

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

14 **Other Assets**

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses	3,719,100	3,301,780
Claim Advances		
Advance To Suppliers		
VAT Receivable		
Staff Advances	121,413	165,913
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses	11,344,488	9,609,447
Deferred Agent Commission Expenses	3,560,152	2,553,830
Lease Receivables		
Others (to be specified)		
i. Prepaid Employee Benefit	4,726,739	2,098,824
Less: Impairment Losses		
Total	23,471,892	17,729,794

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

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses	3,719,100	3,301,780
Claim Advances		
Advance To Suppliers		
Staff Advances	121,413	165,913
VAT Receivable		
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses	11,344,488	9,609,447
Deferred Agent Commission Expenses	3,560,152	2,553,830
Lease Receivables		
Others (to be specified)		
Total	18,745,153	15,630,970

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits	2,900,533	2,510,491
Accrued Interest	12,356,490	10,607,863
Other Receivables	-	-
Other Deposits :	-	-
Sundry Debtors	95,962,697	60,191,841
Other (Receivable From HO)	129,681,976	92,595,421
Less: Impairment Losses	-	-
Total	240,901,696	165,905,615

a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits	-	-
Accrued Interest	12,356,490	10,607,863
Other Receivables	-	-
Other Deposits	-	-
Sundry Debtors	95,962,697	60,191,841
Other (to be Specified)	-	-
Total	108,319,187	70,799,704

16 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand	65,612	13,698
Cheque in Hand	-	-
Bank Balances	-	-
i) Balance With "A" Class Financial Institutions	187,962,442	167,500,582
ii) Balance With Infrastructure Banks	9,066,348	3,308,738
iii) Balance With "B" Class Financial Institutions	-	-
iv) Balance With "C" Class Financial Institutions	1,189,229	-
Less: Impairment Losses	-	-
Deposit with initial maturity upto 3 months	115,000,000	32,602,540
Others (Postage Stamp)	41,658	33,538
Less: Impairment Losses	-	-
Total	313,325,289	203,459,096

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR


17 (a) Share Capital

Particulars	Current Year	Previous Year
Ordinary Shares		
Assigned Capital	251,197,769	251,197,769
As at Shrawan 1, 2079		
Additions during the year		
i) Bonus Share Issue		
ii) Share Issue		
iii) Others (Adjustment made of credit balance of Head Office balance into Share Capital)		
As at Ashadh 31, 2080		
Convertible Preference Shares (Equity Component Only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Irredeemable Preference Shares (Equity Component Only)		
As at Shrawan 1, 2079		
Additions during the year		
As at Ashadh 31, 2080		
Total	251,197,769	251,197,769

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:		
..... Ordinary Shares of Rs. XXX Each		
Issued Capital:		
..... Ordinary Shares of Rs. XXX Each.		
Subscribed and Paid Up Capital:		
..... Ordinary Shares of Rs. XXX Each.		
Total		

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

(ii) Preference Share Capital

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

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions				
Nepali Citizens				
Foreigners				
Others (to be Specified)				
Total (A)				
Other than Promoters				
General Public				
Others (to be Specified)				
Total (B)				
Total(A+B)				

Details of shareholders holding 1% or more than 1% of the aggregate shares in the Company:

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

17(b) Share Application Money Pending Allotment

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

17 (c) Share Premium

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

17 (d) Special Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079	1,156,736,689	
Additions	228,399,717	1,156,736,689
Utilizations		
As on Ashadh 31, 2080	1,385,136,406	1,156,736,689

17 (e) Catastrophe Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079	401,202	
Additions	35,816,058	
Utilizations		401,202
As on Ashadh 31, 2080	36,217,260	401,202

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

17 (f) Retained Earnings

Particulars	Current Year	Previous Year
As on Shrawan 1, 2079	(170,111,429)	(244,274,732)
Net Profit or Loss	325,137,053	280,371,569
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves		
Special Reserves	(156,799,593)	
Capital Reserves	(62,719,837)	(58,160,742)
Catastrophe Reserves	(21,496,033)	(401,202)
Corporate Social Responsibility (CSR) Reserves	(3,135,992)	
Insurance Fund including Insurance Reserves		(145,401,855)
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserves	(11,537,868)	(2,009,280)
Regulatory Reserves	27,208,047	
Other Reserve(to be specified)		
Transfer of Depreciation on Revaluation of Property and Equipment		
Transfer of Disposal of Revalued Property and Equipment		
Transfer of Disposal of Equity Instruments Measured at FVTOCI		
Issue of Bonus Shares		
Transaction costs on Issue of Shares		
Dividend Paid		
Dividend Distribution Tax		
Others (to be Specified)		
i. Prior Period Adjustments		(235,187)
As on Ashadh 31, 2080	(73,455,652)	(170,111,429)

Note: During the year, additional Nrs 5,816,074 has been appropriated to Catastrophic reserve as per direction of Nepal Insurance Authority.

17 (g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves		-
Capital Reserves	382,688,368	291,328,481
Corporate Social Responsibility (CSR) Reserves	4,567,994	-
Insurance Fund including Insurance Reserves		
Fair Value Reserves	65,030,426	51,989,146
Actuarial Reserves	(787,911)	(2,810,003)
Deferred Tax Reserve	43,875,747	32,337,879
Other Reserve(to be specified)		143,200,248
Total	495,374,624	516,045,751

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

18 Provisions

Fig. in NPR

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	21,223,685	22,868,609
ii) Provision for Gratuity	38,057,387	38,100,514
iii) Termination Benefits		
iv) Other Employee Benefit obligations (Staff Bonus)	53,894,115	95,593,940
Provision for tax related legal cases	7,689,720	7,689,720
Provision for non-tax related legal cases		
Others:		
Total	120,864,907	164,252,783

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

Description	Opening Balance	Additions during the Year	Utilised during the Year	Reversed during the Year	Unwinding of Discount	Closing Balance
Provision for employee benefits						
i) Provision for Leave	22,868,609	1,408,228	(3,053,152)			21,223,685
ii) Provision for Gratuity	38,100,514	2,594,273	(2,637,400)			38,057,387
iii) Termination Benefits						
iv) Other Employee Benefit obligations (to be Specified)	95,593,940	53,894,115	(95,593,940)			53,894,115
Provision for tax related legal cases						
Provision for non-tax related legal cases	7,689,720					7,689,720
Others (to be Specified)						

(b) Provision with expected payouts within 12 months

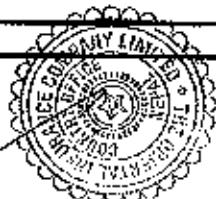
Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	1,321,898	2,010,170
ii) Provision for Gratuity	3,352,078	3,680,849
iii) Termination Benefits		
iv) Other Employee Benefit obligations (Staff Bonus)	53,894,115	95,593,940
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		
Total	58,568,091	101,284,959

19 Gross Insurance Contract Liabilities

Particulars	Current Year	Previous Year
Unearned Premium Reserve	1,032,036,895	941,416,197
Premium Deficiency Reserve	32,075,296	7,238,263
Outstanding Claims	420,906,895	733,882,911
IBNR and IBNER Claims	86,631,784	128,370,529
Margin For Adverse Deviation		
Others		
Total	1,571,642,870	1,810,907,900

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

19.1 Gross Insurance Contract Liabilities
a) Gross Insurance Contract Liability

Fig. in NPR

Particulars	Line of Business							Total	
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop		Miscellaneous
As at Shrawan 1, 2079									
Unearned Premium Reserve	258,471,591	109,977,901	369,456,390	123,148,715	214,052	-	32,078,564	48,068,884	941,416,197
Premium Deficiency Reserve	-	-	-	-	-	-	-	-	-
Outstanding Claims	302,314,267	54,424,523	30,613,278	245,590,825	69,049,205	-	16,342,982	15,547,881	733,882,911
IBNR and IBNER Claims	46,899,640	9,049,178	8,033,778	36,833,624	10,357,381	-	3,185,140	14,006,788	128,370,529
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total Balance As at Shrawan 1, 2079	607,685,498	173,431,602	408,108,446	405,578,164	79,620,638	-	58,844,999	77,623,553	1,810,907,900
Changes during the year									
Unearned Premiums Reserve	(60,152,674)	5,499,822	(1,428,610)	(10,975,285)	(72,948)	-	(17,116,908)	(6,368,095)	(90,620,898)
Premium Deficiency Reserve	-	-	-	-	-	-	(19,931,887)	(5,505,146)	(24,837,083)
Outstanding Claims	100,595,085	12,166,052	18,650,859	180,532,835	15,849,205	-	2,113,911	(16,931,931)	312,976,016
IBNR and IBNER Claims	16,641,763	2,710,407	(7,494,952)	27,079,925	2,377,381	-	1,050,787	(626,566)	41,738,745
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total changes during the year	57,084,174	20,370,261	9,727,297	196,637,475	16,153,638	-	(36,284,097)	(29,431,738)	239,257,030
As at Ashad 31, 2080									
Unearned Premiums Reserve	318,624,265	104,494,079	370,885,000	134,124,000	287,000	-	49,195,572	54,436,979	1,032,036,895
Premium Deficiency Reserve	-	-	-	-	-	-	-	-	-
Outstanding Claims	201,719,182	42,258,471	11,962,419	65,057,990	53,200,000	-	26,570,150	5,505,146	32,075,296
IBNR and IBNER Claims	30,257,877	6,338,771	15,528,730	9,758,699	7,980,000	-	14,229,021	32,479,812	420,906,895
Margin For Adverse Deviation	-	-	-	-	-	-	2,134,353	14,633,354	86,631,784
Others	-	-	-	-	-	-	-	-	-
Total Balance As at Ashad 31, 2080	550,601,324	153,081,321	398,376,329	208,940,689	61,467,000	-	92,129,096	107,055,291	1,571,650,870



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The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashadh 31, 2080 (July 16, 2023)

Fig. in NPR

Particulars	Line of Business										Total	
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous				
b) Reinsurance Assets:												
As at Shrawan 1, 2079												
Unearned Premiums Reserve	104,770,417	32,943,349	73,938,888	57,450,509	66,564	-	25,663,130	13,987,167	-	-	308,940,004	
Premium Deficiency Reserve	-	-	-	-	-	-	5,790,651	-	-	-	5,790,651	
Outstanding Claims	154,052,037	15,778,576	9,965,043	87,114,951	68,760,000	-	18,584,746	4,565,327	-	-	353,820,660	
IBNR and IBNER Claims	23,107,806	2,366,786	1,494,756	13,067,240	10,314,000	-	2,037,712	3,165,472	-	-	55,553,772	
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	-	
Total Balance As at Shrawan 1, 2079	281,930,260	51,088,711	85,418,687	157,632,680	79,140,564	-	47,076,219	21,717,966	-	-	724,005,087	
Changes during the year												
Unearned Premiums Reserve	(33,449,583)	7,338,349	(4,513,112)	13,671,509	19,544	-	(15,663,890)	470,167	-	-	(52,126,996)	
Premium Deficiency Reserve	-	-	-	-	-	-	(16,529,697)	(1,379,423)	-	-	(17,909,120)	
Outstanding Claims	137,718,627	2,225,173	7,762,560	82,201,233	15,560,000	-	1,830,308	(1,005,634)	-	-	246,292,769	
IBNR and IBNER Claims	20,657,795	333,776	(1,364,345)	12,330,185	2,334,000	-	274,621	377,532	-	-	34,943,584	
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	-	
Total changes during the year	124,926,839	9,897,300	1,885,103	108,202,927	17,913,564	-	(30,088,158)	(1,537,338)	-	-	231,200,237	
As at Ashadh 31, 2080												
Unearned Premiums Reserve	136,220,000	25,605,000	78,472,000	43,779,000	47,000	-	41,327,000	13,517,000	-	-	340,967,000	
Premium Deficiency Reserve	-	-	-	-	-	-	22,320,348	1,379,423	-	-	23,699,771	
Outstanding Claims	16,333,410	13,553,401	2,202,483	4,913,698	53,200,000	-	11,753,938	5,370,961	-	-	107,527,891	
IBNR and IBNER Claims	2,450,011	2,033,010	2,859,101	737,055	7,980,000	-	1,763,091	2,787,920	-	-	20,610,188	
Margin For Adverse Deviation	-	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	-	
Total Balance As at Ashadh 31, 2080	157,003,421	41,191,411	83,533,584	49,429,753	61,227,000	-	47,164,377	23,255,304	-	-	492,804,850	



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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

19.2 Disclosure of Outstanding claim

S.no	Type of insurance	Outstanding claim for claims intimated during the year (A)	Unclaimed Fund			Gross outstanding claim (A+B)	Reinsurance share (C)	Net Outstanding Claim (A+B-C)
			Outstanding claim for claims intimated during the previous 1 year	Outstanding claim for claims intimated during the previous 2 year	Outstanding claim for claims intimated during the previous 3 year			
1	Property	56,308,556	118,053,539	27,556,987	-	201,719,182	16,333,410	185,385,772
2	Motor	23,272,129	11,441,197	2,439,045	5,106,100	42,258,471	13,553,401	28,705,070
3	Marine	6,937,419	2,775,000	1,075,000	1,175,000	11,962,419	2,202,483	9,759,936
4	Engineering	17,459,801	5,341,000	21,157,424	21,099,765	65,057,990	4,913,698	60,144,292
5	Micro	-	850,000	38,475,000	13,875,000	53,200,000	53,200,000	-
6	Aviation	-	-	-	-	-	-	-
7	Cattle and Crop	4,885,021	7,899,000	1,445,000	-	14,229,021	11,758,938	2,475,083
8	Miscellaneous	17,626,556	117,554	718,947	14,016,755	32,479,812	5,570,961	26,908,851
	Total	126,499,482	146,477,390	92,667,403	55,272,620	420,906,895	107,527,891	313,379,004

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

20 Insurance Payable

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer	20,655,223	89,502,271
Payable to Other Insurance Companies	33,340,186	24,420,558
Portfolio Withdrawal Premium	-	-
Outstanding Withdrawal Claims	-	-
Others (to be Specified)	-	-
Total	53,995,409	113,922,829

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer	20,655,223	89,502,271
Payable to other Insurance Companies	33,340,186	24,420,558
Portfolio Withdrawal Premium	-	-
Outstanding Withdrawal Claims	-	-
Others (to be Specified)	-	-
Total	53,995,409	113,922,829

21 Current Tax (Assets)/Liabilities (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities	631,612,362	460,164,513
Income Tax Assets	(634,580,634)	(397,603,546)
Total	(2,968,272)	62,560,967

22 Borrowings

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

Payable within 12 months:

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

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The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

23 Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable	2,681,330	5,632,820
VAT Payable	21,650,222	18,810,791
Unidentified deposits	-	-
Advance Premiums	-	-
Insurance Service Fee Payable	10,671,082	14,403,538
Lease Liability	11,891,682	26,578,197
Deferred Reinsurance Commission Income	-	-
Deferred Income	40,177,422	38,774,779
Others(to be specified)	-	-
Total	87,071,738	104,200,125

Payable within 12 months

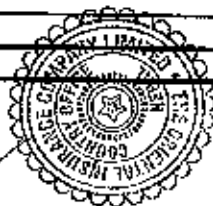
Particulars	Current Year	Previous Year
TDS Payable	2,681,330	5,632,820
VAT Payable	21,650,222	18,810,791
Unidentified Deposits	-	-
Advance Premiums	-	-
Insurance Service Fee Payable	10,671,082	14,403,538
Lease Liability	11,891,682	13,277,412
Deferred Reinsurance Commission Income	-	-
Deferred Income	40,177,422	38,774,779
Others(to be specified)	-	-
Total	87,071,738	90,899,340

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	37,266,400	47,464,485
Payable to Agent	5,317,655	4,502,018
Payable to Surveyor	-	-
Sundry Creditors	386,733	1,666,880
Retention and deposits	-	-
Short-term employee benefits payable	-	-
i) Salary Payables	114,515	100,109
ii) Bonus Payables	-	-
iii) Other employee benefit payable (Incentive)	23,252,352	41,017,273
Audit Fees Payable	475,000	800,000
Actuarial Fees Payable	-	-
Dividend Payable	-	-
Others (to be specified)	-	-
i) Expense Payable	23,865,886	3,977,773
ii) Stale Cheque	3,389,612	4,368,761
iii) Insurance Stamp	64,616	64,856
Total	103,962,155	103,962,155

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

Payable within 12 months

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	37,266,400	47,464,483
Payable to Agents	5,317,655	4,502,018
Payable to Surveyor	-	-
Sundry Creditors	386,733	1,666,880
Retention and deposits	-	-
Short-term employee benefits payable	-	-
i) Salary Payables	114,515	100,109
ii) Bonus Payables	-	-
iii) Other employee benefit payable (to be Specified)	23,252,352	41,017,273
Audit Fees Payable	475,000	800,000
Actuarial Fees Payable	-	-
Dividend Payable	-	-
Others (to be specified)	-	-
i) Expense Payable	23,865,886	3,977,773
ii) Stale Cheque	3,389,612	4,368,761
iii) Insurance Stamp	64,616	64,856
Total	94,132,769	103,962,155

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

Fig.in NPR

Gross Earned Premiums

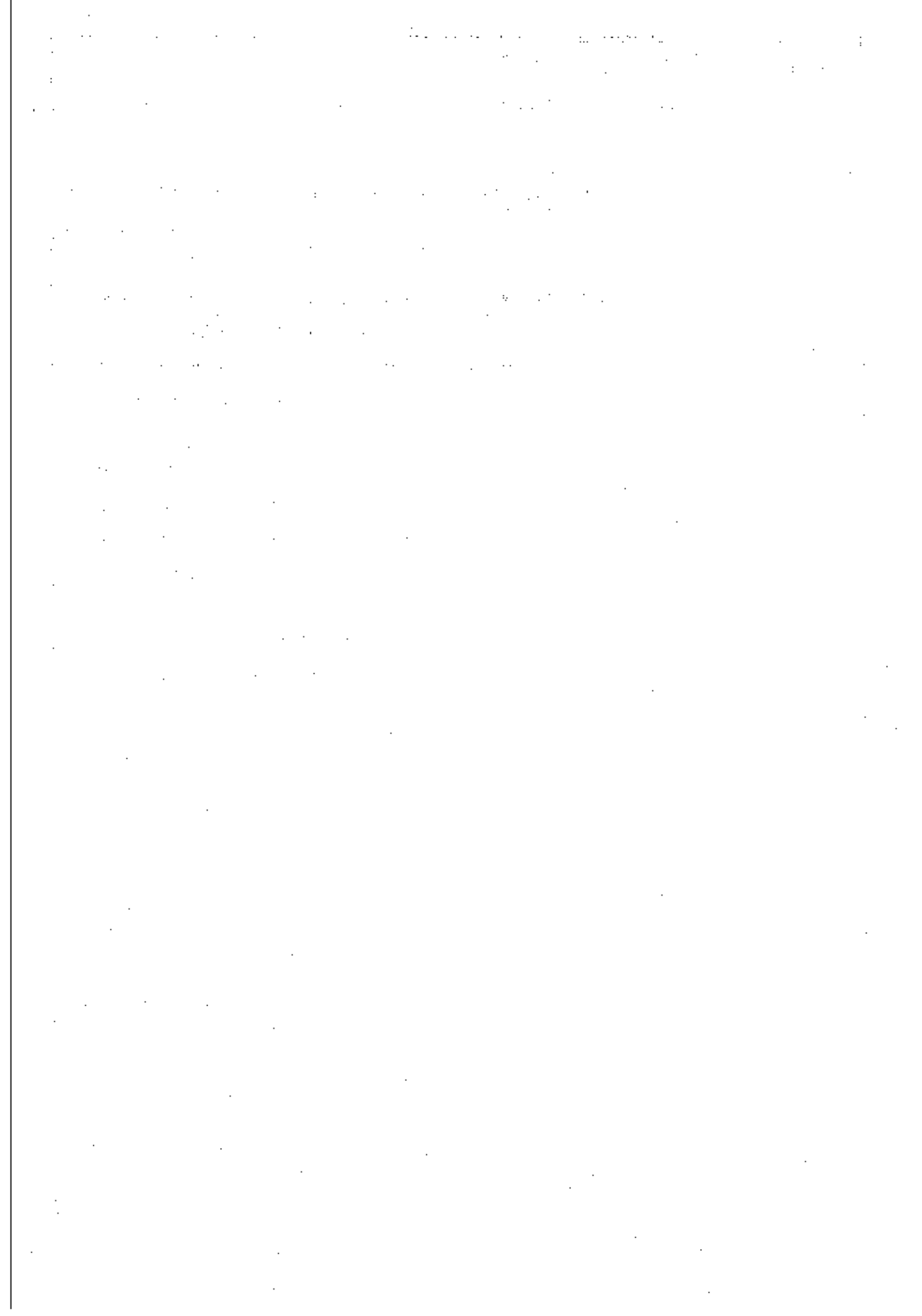
Particulars	Direct Premiums		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	542,324,280	412,508,706	94,923,929	104,434,476	(60,152,674)	(47,577,597)	577,095,535	469,369,585
Motor	128,606,138	134,099,344	80,361,157	85,856,457	5,493,822	(28,220,172)	214,461,117	191,735,629
Marine	180,202,568	293,141,197	1,872,612	3,292,975	(1,428,610)	(55,542,500)	180,646,570	240,891,672
Engineering	171,974,648	178,805,949	96,272,626	67,491,481	(10,975,285)	(51,742,987)	257,271,989	194,554,443
Micro	573,004	423,103	-	-	(72,948)	18,515,854	500,056	18,943,957
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	98,390,065	64,157,325	-	-	(17,116,908)	(6,869,521)	81,273,157	35,287,734
Miscellaneous	107,379,822	93,226,361	1,493,159	2,911,406	(6,368,095)	(6,266,284)	102,504,886	89,871,483
Total	1,229,450,525	1,176,866,985	274,923,483	283,986,795	(90,620,693)	(179,703,277)	1,413,753,310	1,260,650,503

Direct Premiums

Particulars	New Business Premium		Renewal Premium		Co-Insurance Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	238,634,582	162,065,851	270,715,992	240,183,400	32,973,706	10,259,455	542,324,280	412,508,706
Motor	57,363,746	67,865,998	71,214,045	66,733,346	28,347	-	128,606,138	134,099,344
Marine	59,587,175	81,101,609	120,615,393	212,059,588	-	-	180,202,568	293,141,197
Engineering	56,896,579	46,249,077	107,121,876	132,128,128	7,956,193	428,744	171,974,648	178,805,949
Micro	344,233	379,405	227,731	43,460	1,040	5,238	573,004	423,103
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	95,369,265	62,421,395	3,020,800	1,735,930	-	-	98,390,065	64,157,325
Miscellaneous	36,119,086	24,353,463	70,196,450	62,954,424	1,064,286	5,918,474	107,379,822	93,226,361
Total	544,514,666	443,956,738	643,112,287	715,818,276	42,023,372	16,784,911	1,229,450,525	1,176,866,985



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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

Fig.in NPR

26 Premiums Ceded

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premiums		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Property	276,499,680	209,540,834	(33,449,583)	(39,745,025)	242,990,097
Motor	51,209,138	65,886,698	7,388,349	(3,489,379)	58,547,487	62,397,319
Marine	39,393,111	64,893,549	(4,513,112)	(23,279,797)	34,879,999	41,613,752
Engineering	87,557,476	114,901,018	13,671,509	(25,901,237)	101,228,985	88,999,781
Micro	98,014	133,127	19,564	2,921,854	112,578	3,054,981
Aviation	-	-	-	-	-	-
Cattle and Crop	82,652,921	51,326,219	(15,663,891)	(7,095,854)	66,989,031	44,230,365
Miscellaneous	27,083,024	27,974,354	470,167	(441,208)	27,503,191	27,533,126
Total	564,378,364	634,635,779	(32,126,996)	(97,030,646)	532,251,368	437,625,138

26.1 Portfolio-wise detail of Net Earned Premiums

Particulars	Gross Earned Premiums		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Property	577,095,535	469,365,585	242,990,097	169,795,809	334,105,438
Motor	214,461,117	191,735,629	58,547,487	62,397,319	155,913,630	129,338,310
Marine	130,646,570	240,891,672	34,879,999	41,613,752	145,766,571	199,277,920
Engineering	257,271,989	194,554,443	101,228,985	88,999,781	156,043,004	105,554,662
Micro	500,056	18,943,987	112,578	3,054,981	387,478	15,888,976
Aviation	-	-	-	-	-	-
Cattle and Crop	81,273,157	55,287,784	66,989,031	44,230,365	14,284,126	11,057,969
Miscellaneous	102,504,886	89,871,483	27,503,191	27,533,126	75,001,695	62,338,357
Total	1,413,753,310	1,260,630,503	532,251,368	437,625,132	881,501,942	823,025,370

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The Oriental Insurance Company Limited
Notes to the Financial Statements

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

27. Commission Income

Fig in NPR

Particulars	Reinsurance Commission Income		Deferred Commission Income		Profit Commission		Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	75,079,960	55,941,937	(4,621,974)	(3,014,586)	-	-	70,457,986	52,927,351
Motor	6,096,844	10,819,284	3,739,045	30,308	-	-	9,835,889	10,849,592
Marine	15,349,254	19,505,435	1,487,831	(1,943,631)	-	-	16,837,085	17,562,804
Engineering	15,578,314	18,110,238	(415,951)	(1,731,313)	-	-	15,162,363	16,378,925
Micro	15,911	38,716	6,674	(12,590)	-	-	22,585	26,126
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	16,534,586	8,866,467	(1,149,791)	(90,633)	-	-	15,384,795	8,775,834
Miscellaneous	8,017,260	7,761,990	(448,477)	(678,628)	-	-	7,568,783	7,083,362
Total	156,672,129	121,045,087	(1,402,648)	(7,441,073)	-	-	185,269,486	115,603,994

28. Other Direct Income

Particulars	Direct Income		Others (to be Specified)		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-	-	-	-	-
Motor	11,600	19,050	-	-	11,600	19,050
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total	11,600	19,050	-	-	11,600	19,050

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2060 (July 16, 2023)

30 Net Gain/ (Loss) on Fair Value Changes

Fig.in NPR

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments	-	-
ii) Mutual Fund	-	-
iii) Others (to be specified)	-	-
Changes in Fair Value on Investment Properties	-	-
Changes in Fair Value on Hedged Items in Fair Value Hedges	-	-
Changes in Fair Value on Hedging Instruments in Fair Value Hedges	-	-
Other (to be Specified)	-	-
Total	-	-

31 Net Realised Gains/ (Losses)

Particulars	Current Year	Previous Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments	-	-
ii) Mutual Fund	-	-
iii) Debentures	-	-
iv) Others (to be specified)	-	-
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs		
i) Debentures	-	-
ii) Bonds	-	-
iii) Others (to be specified)	-	-
Total	-	-

32 Other Income

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Cost		
i) Employee Loan	-	-
ii) Bonds	-	-
iii) Others (to be Specified)	-	-
Foreign Exchange Income	39,544	69,970
Interest Income from Finance Lease	-	-
Amortization of Deferred Income	-	-
Profit from disposal of Property and Equipment	3,254	9,423
Amortization of Deferred Income	-	-
Stamp Income	-	-
Others	733,948	3,708,054
Total	776,746	3,787,447

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

Fig in NPR

Gross Claims Paid and Claims Ceded

	Gross Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	232,409,906	366,960,373	99,346,022	77,710,477	138,063,884	289,249,896
Motor	107,503,189	105,058,953	20,970,955	30,284,683	86,532,234	74,774,270
Marine	108,566,793	111,652,683	42,698,016	31,334,182	65,868,777	80,318,501
Engineering	261,315,629	81,606,738	147,640,388	23,276,718	113,675,241	58,330,020
Micro	38,592,742	32,579,066	15,853,469	32,250,001	22,737,273	329,065
Aviation	-	-	-	-	-	-
Cattle and Crop	124,362,807	75,219,589	102,247,695	60,175,751	22,115,112	15,043,838
Miscellaneous	90,130,231	75,520,771	19,691,551	17,337,330	70,438,680	58,183,441
Total	962,881,297	848,598,173	448,450,076	272,369,142	514,431,221	576,229,031

33.1 Details of Gross Claim Paid

Particulars	Claim Paid		Survey Fees		Total Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	156,255,760	351,961,304	77,154,146	14,999,069	232,409,906	366,960,373
Motor	102,322,947	99,697,450	5,180,242	5,361,503	107,503,189	105,058,953
Marine	105,449,197	108,962,201	3,117,596	2,690,482	108,566,793	111,652,683
Engineering	251,156,202	74,608,019	10,159,427	6,998,719	261,315,629	81,606,738
Micro	38,592,742	32,579,066	-	-	38,592,742	32,579,066
Aviation	-	-	-	-	-	-
Cattle and Crop	120,197,606	72,863,576	4,165,201	2,356,013	124,362,807	75,219,589
Miscellaneous	89,926,726	75,424,235	208,505	96,537,687	90,130,231	75,520,771
Total	862,901,180	816,095,851	99,980,117	32,507,859	962,881,297	848,598,173

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The Oriental Insurance Company Limited
Notes to the Financial Statements

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

Fig. in NPR

29 Income from Investments & Loans

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions	208,253,451	187,817,468
ii) Fixed Deposit with Infrastructure Bank	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	8,535,506	7,014,967
iv) Fixed Deposit with "C" Class Financial Institutions	467,500	666,034
v) Debentures	26,884,839	18,691,095
vi) Bonds (Nepal Government/NRB/ Guaranteed by Nepal Government)	3,458,000	3,458,000
vii) Bank Deposits other than Fixed Deposit	-	-
xiii) Employee Loans	-	-
ix) Other Interest Income (Bank Deposit Other Than FD)	788,584	804,861
Financial Assets Measured at FV/TOCI	3,682,746	1,231,449
i) Interest Income on Debentures	-	-
ii) Dividend Income	-	-
iii) Other Interest Income (to be specified)	-	-
Financial Assets Measured at FV/PL	-	-
i) Interest Income on Debentures	-	-
ii) Dividend Income	-	-
iii) Other Interest Income (to be specified)	-	-
Rental Income	-	-
Others(to be Specified)	-	-
Total	252,070,548	219,650,874

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

34 Change in Insurance Contract Liabilities

	Gross Change in Insurance Contract Liabilities		Change in Reinsurance Assets		Net Change in Insurance Contract Liabilities	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	(117,236,848)	(95,987,580)	158,376,422	(58,353,853)	41,139,574	(129,341,433)
Motor	(14,876,459)	(26,737,611)	2,553,951	5,708,514	(12,317,506)	(21,029,097)
Marine	(11,155,907)	(802,786)	6,398,215	(5,410,125)	(4,757,692)	(6,212,911)
Engineering	(207,612,760)	106,560,020	94,531,418	(24,162,053)	(113,081,342)	82,397,967
Micro	(18,226,586)	(31,867,898)	17,894,000	31,878,097	(332,586)	10,199
Aviation	-	-	-	-	-	-
Cattle and Crop	16,167,189	(15,054,561)	(14,424,268)	12,043,607	1,742,921	(3,010,954)
Miscellaneous	23,063,643	(19,775,340)	(2,007,505)	4,529,311	21,056,138	(15,246,029)
Total	(329,877,728)	(83,665,756)	253,327,233	(8,766,502)	(66,550,495)	(92,432,258)

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

35 Commission Expenses

Fig in NPR

Particulars	Commission Expenses on Direct Premiums		Commission Expenses on Premium on Reinsurance Accepted		Deferred Commission Expenses		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	635,875	706,932	22,868,170	20,391,115	(80,940)	1,525,982	23,123,105	22,624,029
Motor	965,123	1,138,472	23,440	251,308	231,191	1,305,754	1,219,754	2,696,534
Marine	406,510	384,241	397,105	707,887	113,585	156,252	917,200	1,248,380
Engineering	1,215,384	1,466,053	13,617,106	10,909,524	(1,694,442)	(1,574,855)	13,136,048	10,800,722
Micro	41,494	-	-	-	(17,380)	12,535	24,114	12,535
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	14,657,702	9,415,584	-	-	(863,723)	(60,935)	13,793,979	9,354,649
Miscellaneous	1,509,603	1,137,021	289,785	526,608	(129,654)	(60,439)	1,669,734	1,603,190
Total	19,431,691	14,248,303	37,195,606	32,786,442	(2,741,363)	1,305,294	53,888,934	43,340,059

36 Service Fees

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	5,215,481	5,169,432	(991,346)	(697,398)	4,224,135	4,472,034
Motor	1,668,587	2,199,558	(299,557)	(219,286)	1,369,030	1,980,272
Marine	1,562,261	2,964,342	(133)	(215,980)	1,562,128	2,748,362
Engineering	2,185,640	2,462,974	(411,793)	(382,416)	1,773,847	2,080,558
Micro	4,775	4,281	-	(444)	4,775	3,837
Aviation	-	-	-	-	-	-
Cattle and Crop	795,865	641,573	-	(170,825)	795,865	470,748
Miscellaneous	944,943	961,378	(3,642)	(93,105)	941,301	868,273
Total	12,377,552	14,403,538	(1,706,471)	(1,779,454)	10,671,081	12,624,084

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



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

Fig.in NCR

37 Other Direct Expenses

Particulars	Direct Expenses		Other (to be Specified)		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	1,026,671	-	-	-	1,026,671
Motor	-	19,430	-	-	-	19,430
Marine	3,429,346	1,924,200	-	-	3,429,346	1,924,200
Engineering	-	653,231	-	-	-	653,231
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	501,500	385,675	-	-	501,500	385,675
Total	3,930,846	4,038,321	-	-	3,930,846	4,038,321

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

88 Employee Benefits Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Salaries	47,555,089	32,566,445
Allowances	32,437,025	26,909,305
Festival Allowances	6,876,036	4,958,859
Defined Benefit Plans	-	-
i) Gratuity & Pension	5,482,976	5,224,784
ii) Others (Leave Encashment)	1,408,229	1,884,107
Defined Contribution Plans	-	-
i) Provident Fund	4,725,837	3,256,943
ii) Others (to be specified)	-	-
Leave Encashments	-	-
Termination Benefits	-	-
Training Expenses	79,400	94,172
Uniform Expenses	1,417,810	2,361,294
Medical Expenses	126,000	136,000
Insurance Expenses	598,759	949,194
Staff Welfare Expenses	-	-
Others:	-	-
i. Amortization of Deferred Employee Expenses	638,446	648,097
ii. Other allowances	-	-
iii. Wages	8,519,313	8,707,825
iv. Other	31,631,535	29,448,821
Sub Total	141,296,455	117,145,046
Employees Bonus	53,894,115	44,734,947
Total	195,190,570	161,879,993

39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)	215,000	200,000
Depreciation on Property and Equipment (Refer Note.5)	15,721,275	17,400,739
Depreciation on Investment Properties (Refer Note. 6)	-	-
Total	15,936,275	17,600,739

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

40 Impairment Losses

Fig.in NPR

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties and Goodwill & Intangible Assets		
i) Property and Equipment	-	-
ii) Investment properties	-	-
iii) Goodwill & Intangible Assets	-	-
Impairment Losses on Financial Assets		
i) Investments	-	-
ii) Loans	-	-
iii) Other Financial Assets	-	-
iv) Cash and Cash Equivalents	-	-
v) Others (to be Specified)	-	-
Impairment Losses on Other Assets		
i) Reinsurance Assets	-	-
ii) Insurance Receivables	24,906,887	2,835,800
iii) Lease Receivables	-	-
iv) Others (to be Specified)	-	-
Total	24,906,887	2,835,800

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

41 Other Operating Expenses

Fig.in NPR

Particulars	Current Year	Previous Year
Rent Expenses	-	-
Electricity and Water	-	-
Repair & Maintenance	1,855,677	2,252,813
i) Building	-	-
ii) Vehicle	-	-
iii) Office Equipments	115,703	85,520
iv) Others	574,795	214,790
Telephone & Communication	-	-
Printing & Stationary	1,148,988	898,138
Office Consumable Expenses	1,381,757	714,412
Travelling Expenses	487,211	587,987
i) Domestic	-	-
ii) Foreign	2,409,868	1,413,316
Transportation & Fuel Expenses	53,250	78,666
Agent Training	-	-
Other Agent Expenses	-	17,648
Insurance Premium	-	-
Security & Outsourcing Expenses	858,551	643,749
Legal and Consulting Expenses	-	-
Newspapers, Books and Periodicals	246,120	631,000
Advertisement & Promotion Expenses	27,185	19,015
Business Promotion	465,041	230,840
Guest Entertainment	158,988	173,827
Gift and Donations	1,898,967	1,275,464
Board Meeting Fees and Expenses	-	-
i) Meeting Allowances	-	-
ii) Other Allowances	-	-
Other Committee/ Sub-committee Expenses	-	-
i) Meeting Allowances	-	-
ii) Other Allowances	-	-
General Meeting Expenses	-	-
Actuarial Service Fee	-	-
Other Actuarial Expenses	-	-
Audit Related Expenses	-	-
i) Statutory Audit	-	-
ii) Tax Audit	350,000	350,000
iii) Long Form Audit Report	35,000	35,000
iv) Other Fees	15,000	15,000
v) Internal Audit	-	36,655
vi) Others	309,000	309,000
Bank Charges	-	-
Pee and Charges	21,890	30,666
Postage Charges	325,560	442,750
Foreign Exchange Losses	405,800	362,345
Fines and Penalties	-	-
Others (to be Specified)	-	-
i) Fuel	-	-
ii) Office Maintenance	6,835,528	6,064,507
iii) Computer Operating Expenses	2,041,866	1,614,341
iv) Provision for Unrealised Cheque	2,692,947	1,868,192
v) Others	-	-
Total	5,462,209	2,782,363
	30,133,371	23,764,004

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

42 Finance Cost

Fig. In NPR

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions	-	-
Unwinding of discount on Financial Liabilities at Amortised Costs	-	-
Interest Expenses - Bonds	-	-
Interest Expenses - Debentures	-	-
Interest Expenses - Term Loans	-	-
Interest Expenses - Leases	-	-
Interest Expenses - Overdraft Loans	2,047,698	3,225,468
Others (to be Specified)	-	-
Total	2,047,698	3,225,468

43 Income Tax Expense

(a) Income Tax Expense

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year		
ii) Income Tax Relating to Prior Periods	171,447,849	124,252,225
Deferred Tax For The Year		
i) Originating and reversal of temporary differences	(11,537,868)	(2,009,280)
ii) Changes in tax rate	-	-
iii) Recognition of previously unrecognised tax losses	-	-
iv) Write-down or reversal	-	-
v) Others (to be Specified)	-	-
Income Tax Expense	159,909,981	122,242,945

(b) Reconciliation of Taxable Profit & the Accounting Profit

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	485,047,034	402,614,514
Applicable Tax Rate	30%	30%
Tax at the applicable rate on Accounting Profit	145,514,110	120,784,354
Add: Tax effect of expenses that are not deductible for tax purpose	13,194,164	2,195,195
Less: Tax effect on exempt income and additional deduction	12,739,575	1,272,676
Less: Adjustments to Current Tax for Prior Periods	-	-
Add/ (Less): Others (to be Specified)		
i) Deferred Tax as per NRS	(11,537,868)	(2,009,280)
ii) Fine related to Tax	-	-
Income Tax Expense	159,909,981	122,242,945
Effective Tax Rate	33%	30%

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

44 Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashad 31, 2080 (July 16, 2023) the company has recognised an amount of NPR. 4,725,837.00 as an expenses under the defined contribution plans in the Statement of Profit or Loss.

b) Post Employment Benefit - Defined Benefit Plans

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out.

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

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost	3,686,657	3,422,701	-	-
Past service cost	-	-	-	-
Net interest cost	5,492,682	5,221,489	-	-
a. Interest expense on defined benefit obligation (DBO)	-	-	-	-
b. Interest (income) on plan assets	-	-	-	-
Net Actuarial Loss/(Gain) recognised during year	(2,288,134)	(1,535,297)	-	-
Defined benefit cost included in Statement of Profit or Loss	6,891,205	7,108,893	-	-

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

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
a. Actuarial (gain)/ loss due to financial assumption changes in DBO	-	(2,787,224)	-	-
b. Actuarial (gain)/ loss due to experience on DBO	(2,888,703)	(2,074,743)	-	-
c. Return on plan assets (greater)/ less than discount rate	-	-	-	-
Total actuarial (gain)/ loss included in OCI	(2,888,703)	(4,861,967)	-	-

e) Total cost recognised in Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss	6,891,205	7,108,893	-	-
Remeasurement effects recognised in OCI	(2,888,703)	(4,861,967)	-	-
Total cost recognised in Comprehensive Income	4,002,502	2,246,926	-	-

f) Change in Defined Benefit Obligation

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year	60,969,123	64,853,393	-	-
Service cost	3,686,657	3,422,701	-	-
Interest cost	5,492,682	5,221,489	-	-
Benefit payments from plan assets	(5,690,852)	(6,131,196)	-	-
Actuarial (gain)/ loss - financial assumptions	-	-	-	-
Actuarial (gain)/ Loss - experience	(5,176,837)	(6,397,264)	-	-
Defined Benefit Obligation as at Year End	59,281,073	60,969,123	-	-

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

g) Change in Fair Value Of Plan Assets

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year	-	-	-	-
Interest Income	-	-	-	-
Expected return on plan assets	-	-	-	-
Employer contributions	-	-	-	-
Participant contributions	-	-	-	-
Benefit payments from plan assets	-	-	-	-
Transfer in/ transfer out	-	-	-	-
Actuarial gain/ (loss) on plan assets	-	-	-	-
Fair value of Plan Assets as at Year End	-	-	-	-

h) Net Defined Benefit Asset/(Liability)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation	-	-	-	-
Fair Value of Plan Assets	59,281,073	60,969,123	-	-
Liability/ (Asset) Recognised in Statement of Financial Position	99,281,073	60,969,123	-	-

i) Expected Company Contributions for the Next Year

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year	-	3,680,849	-	-

j) Reconciliation of amounts in Statement of Financial Position

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end	60,969,123	64,833,393	-	-
Defined benefit cost included in Statement of Profit or Loss	6,891,205	7,108,893	-	-
Total remeasurements included in OCI	(2,888,703)	(4,861,967)	-	-
Acquisition/ divestment	-	-	-	-
Employer contributions	(5,690,552)	(6,131,196)	-	-
Net defined benefit liability/(asset)	99,281,073	60,969,123	-	-

k) Reconciliation of Statement of Other Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period	4,014,290	8,976,257	-	-
Total remeasurements included in OCI	(2,888,703)	(4,861,967)	-	-
Cumulative OCI - (Income)/Loss	1,125,587	4,014,290	-	-

l) Current/Non - Current Liability

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	4,673,976	5,691,019	-	-
Non - Current Liability	54,607,096	55,278,104	-	-
Total	59,281,072	60,969,123	-	-

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

m) Expected Future Benefit Payments

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	3,352,078	3,680,849	-	-
Between 1-2 years	6,733,928	3,267,259	-	-
Between 2-5 years	12,402,161	14,985,714	-	-
From 6 to 10	21,467,154	17,804,194	-	-
Total	43,976,321	39,738,316	-	-

n) Plan assets

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

o) Sensitivity Analysis

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Effect in Defined Benefit Obligation Due to 1% Increase in Discount Rate	(35,578,737)	(35,512,353)	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	40,866,789	41,044,371	-	-
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	40,890,068	41,046,283	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	(35,517,164)	(35,433,375)	-	-
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate	-	-	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate	-	-	-	-

p) Assumptions

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate	9.45%	9.45%
Escalation Rate (Rate of Increase in Compensation Levels)	7.00%	7.00%
Attrition Rate (Employee Turnover)	2.00%	2.00%
Mortality Rate During Employment	NALM (2009) Table	NALM (2009) Table

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The Oriental Insurance Company Limited

Notes to the Financial Statements

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

45 Fair Value Measurements

(i) Financial Instruments by Category & Hierarchy

This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are (a) recognised and measured at fair value and (b) measured at Amortised Cost and for which Fair Values are disclosed in the Financial Statements.

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

Particulars	Level	Current Year			Previous Year			Fig. in NPR
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	
Investments								
i) Investment in Equity Instruments								
Investment in Equity (Quoted)	1							
Investment in Equity (Unquoted)	3		206,812,308					
ii) Investment in Mutual Funds	1					188,181,908		
iii) Investment in Preference Shares of Bank and Financial Institutions								
iv) Investment in Debentures	3			232,486,000				
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3			70,000,000				254,589,000
vi) Fixed Deposits	3							70,000,000
vii) Others (Equity Instruments Unquoted)				2,009,550,000				2,247,050,000
Loans								
Other Financial Assets								
Cash and Cash Equivalents	3			7,360,114				7,512,033
Total Financial Assets				240,901,696				165,905,616
Borrowings								
Other Financial Liabilities								
Total Financial Liabilities				2,873,623,099				2,945,515,745
				206,812,308				188,181,908
Other Financial Liabilities								
Total Financial Liabilities				94,132,769				180,540,352
				94,132,769				190,540,352



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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

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

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

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

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

(iii) Valuation Technique Used to Determine Fair Value

- a) Use of quoted market prices or dealer quotes for similar instruments
- b) Fair Value of remaining financial instruments is determined using discounted cash flow analysis

(iii) Valuation Process

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Discussion on valuation processes and results are held at least once in a year.

The main level 3 inputs are derived and evaluated as follows:

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



The Oriental Insurance Company Limited

Notes to the Financial Statements

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

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

Particulars	Current Year		Previous Year		Fig. in NPR
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
Investments					
i) Investment in Preference Shares of Bank and Financial Institutions					
ii) Investment in Debentures	232,486,000	232,486,000	254,589,000	254,589,000	
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	70,000,000	70,000,000	70,000,000	70,000,000	
iv) Fixed Deposit	2,009,550,000	2,009,550,000	2,247,050,000	2,247,050,000	
v) Others					
Loans					
i) Loan to Employees					
ii) Others (to be Specified)	7,360,114	7,360,114	7,512,033	7,512,033	
Other Financial Assets					
Total Financial Assets at Amortised Cost	2,40,901,696	2,40,901,696	1,65,905,616	1,65,905,616	
Borrowings					
i) Bonds	2,560,297,810	2,560,297,810	2,745,056,649	2,745,056,649	
ii) Debentures					
iii) Term Loans - Bank and Financial Institution					
iv) Bank Overdrafts					
v) Others (to be Specified)					
Other Financial Liabilities					
Total Financial Liabilities at Amortised Cost	94,132,769	94,132,769	130,540,862	130,540,862	
	94,132,769	94,132,769	130,540,862	130,540,862	

The fair values of the above financial instruments measured at amortised cost are calculated based on cash flows discounted using current discount rate. The carrying amounts of cash and cash equivalents are considered to be the same as their fair values due to their short-term nature.

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

46

Insurance Risk

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

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

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

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

a) Product development

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

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

The above risk exposure is mitigated by the diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business.



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The Oriental Insurance Company Limited

Notes to the Financial Statements

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

b) Pricing

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

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

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

c) Underwriting

The Company's underwriting process is governed by the by the internal underwriting procedures. Some of the actions undertaken to mitigate underwriting risks are detailed below:

- i) Investments are made on the training and development of underwriting and claims management staff, including those attached to the distribution network.
- ii) Application of Four-Eye principle on underwriting process.
- iii) Pre-underwriting inspections are made on new business over a predetermined threshold to evaluate risk prior to acceptance.
- iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed.
- v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers.

d) Claims handling:

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

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

e) Reinsurance

The Company purchases reinsurance as part of its risks mitigation programme. Premium ceded to the reinsurers is in accordance with the terms of the programmes already agreed based on the risks written by the insurance companies. Recoveries from reinsurers on claims are based on the cession made in respect of each risk and is estimated in a manner consistent with the outstanding claims provisions made for the loss. Although we mitigate our exposures through prudent reinsurance arrangements, the obligation to meet claims emanating from policy holders rests with the Company. Default of reinsurers does not negate this obligation and in that respect the Company carries a credit risk up to the extent ceded to each reinsurer.



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

Sensitivities

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

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

Fig. in NPR

Particulars	Changes in Assumptions	Current Year				Previous Year			
		Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax
Average Claim Cost	+ 10%	68,595,796	36,648,151	33,316,501	23,321,550	74,549,971	50,622,142	46,020,129	32,214,091
Average Number of Claims	+ 10%								
Average Claim Cost	- 10%	(68,595,796)	(36,648,151)	(33,316,501)	(23,321,550)	(74,549,971)	(50,622,142)	(46,020,129)	(32,214,091)
Average Number of Claims	- 10%								

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

Claim development table

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

Year of incident	Gross outstanding claim provision					Fig in NPR
	> PY 4	PY 4	PY 3	PY 2	PY 1	
At end of incident year						563,528,492
One year later						418,724,931
Two year later						405,938,213
Three year later						77,251,698
Four year later						4,976,642
More than Four years						-
Current estimate of cumulative claims						-
At end of incident year						1,470,419,976
One year later						411,004,726
Two year later						242,099,312
Three year later						294,197,845
Four year later						10,602,772
More than Four years						4,976,642
Cumulative payments to date						-
Gross outstanding claim provision						962,881,297
						507,538,679

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The Oriental Insurance Company Limited
Notes to the Financial Statements
 For the year ended Ashad 31, 2080 (July 16, 2023)

Net outstanding claim provision

Year of incident	Fig. in NPR				Total
	> PY 4	PY 4	PY 3	PY 2	
At end of incident year					421,254,687
One year later					313,009,621
Two year later					303,451,161
Three year later					57,747,994
Four year later					3,720,191
More than Four years					-
Current estimate of cumulative claims					
At end of incident year					1,099,183,654
One year later					907,238,533
Two year later					180,976,599
Three year later					219,921,837
Four year later					7,925,895
More than Four years					3,720,190
Cumulative payments to date					
At end of incident year					719,783,054
One year later					579,400,600
Two year later					-
Three year later					-
Four year later					-
More than Four years					-
Net outstanding claim provision					879,410,600

Reserving

Insurance Contract Liabilities are created to cover this risk based on the actuarial valuation report. The table below sets out the concentration of risk associated with above mentioned products. Risk as at year end has been measured as insurance contract liabilities and disclosed as below:

Particulars	Fig. in NPR					
	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Property	530,601,324	157,003,421	393,597,903	607,685,498	281,930,260	325,755,238
Motor	153,081,321	41,191,411	111,889,910	173,451,602	51,085,711	122,365,891
Marine	398,376,149	83,533,584	314,842,565	408,103,446	85,418,687	322,684,759
Engineering	208,940,689	49,429,755	159,510,936	405,578,164	157,632,680	247,945,484
Micro	61,467,000	61,227,000	240,000	79,620,638	79,140,564	480,074
Aviation	-	-	-	-	-	-
Cattle and Crop	92,129,096	77,164,377	14,964,719	58,844,999	47,076,219	11,768,780
Miscellaneous	107,065,291	23,255,304	83,799,987	77,623,553	21,717,986	55,905,567
Total	1,571,650,870	492,804,850	1,078,846,020	1,810,907,900	724,005,087	1,086,902,813

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

47 Financial Risk

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

i) Credit Risk

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

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

- a) Company has credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- b) Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by entering into agreement with more than one party. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- c) The company deals with only creditworthy counterparties and obtains sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh 31, 2080

Particulars	Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Investment in Debtures	232,486,000	-	-	232,486,000
	Investment in Bonds	70,000,000	-	-	70,000,000
	Fixed Deposits	2,009,530,000	-	-	2,009,530,000
Credit Risk has significantly increased and not credit impaired					
Credit Risk has significantly increased and credit impaired					

Fig. in NPR



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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

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

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses	Investment in Debentures	254,589,000	-	-	254,589,000
		Investment in Bonds	70,000,000	-	-	70,000,000
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses	Fixed Deposits	2,247,050,000	-	-	2,247,050,000
Credit Risk has significantly increased and credit impaired						

Reconciliation of Loss Allowance Provision

Particulars	Measured at 12 months expected credit losses	Measured at life-time expected credit	
		Credit Risk has significantly increased and not credit impaired	Credit Risk has significantly increased and credit impaired
Loss Allowance on Ashadh 32, 2079			
Changes in loss allowances			
Write-offs			
Recoveries			
Loss Allowance on Ashadh 31, 2080			



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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

ii) Liquidity Risk

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

Maturity of Financial Liabilities:

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

Particulars	Current Year			Previous Year			Fig. in NPR
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	Upto 1 Year	1 Year to 5 Year	More than 5 Year	
	Borrowings	-	-	-	-	-	
Other Financial Liabilities	94,132,769	-	-	-	-	-	-
Total Financial Liabilities	94,132,769	-	-	103,962,155	-	-	103,962,155

iii) Market Risk

a) Foreign Currency Risk Exposure

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

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

a2) Foreign Currency Risk - Sensitivity

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

Particulars	Impact on profit after tax		Impact on other component of equity		Fig. in NPR
	Current Year	Previous Year	Current Year	Previous Year	
USD sensitivity					
NPR/USD - Increases by 10% *					
NPR/USD - Decreases by 10% *					
Currency A sensitivity					
NPR/USD - Increases by 10% *					
NPR/USD - Decreases by 10% *					
* Holding all other variable constant					

b1) Interest Rate Risk

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

b2) Interest Rate Sensitivity

Profit or Loss is sensitive to changes in Interest Rate for Borrowings.

A change in Market Interest Level by 1% which is reasonably possible based on Management's Assessment would have the following effect on the Profit After Tax.

Particulars	Impact on Profit After Tax		Fig. in NPR	
	Current Year	Previous Year	Current Year	Previous Year
Interest Rate - Increase By 1%*				
Interest Rate - Decrease By 1%*				
* Holding all other Variable Constant				



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The Oriental Insurance Company Limited

Notes to the Financial Statements

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

c1) Equity Price Risk

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

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

c2) Sensitivity

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

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

Fig. in NPR

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

Operational Risk

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

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

49 Climate Related Risk

Climate-related risks in the insurance industry are becoming increasingly significant due to the changing climate and the resulting impact on weather patterns, natural disasters, and other environmental factors. Company face a range of challenges associated with climate change, and managing these risks is crucial for the sustainability of the industry. Company is responding to these challenges by incorporating climate risk into their risk management practices, developing innovative insurance products, and engaging in industry initiatives to address climate-related risks collaboratively.

50 Capital Management

The Company's objectives when managing Capital are to:

- a) Safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- b) Maintain an optimal capital structure to reduce the cost of capital.

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

Regulatory minimum paid up capital

Non-Life insurance companies were required by the Directive issued by Nepal Insurance Authority to attain a stipulated minimum paid up capital of NPR 2.5 billion by Chaitra, 2079. Since the company is branch office of foreign company, there is no any paid up capital and as on the reporting date, the company's assigned capital is NPR 251,197,769, which is appearing from earlier years.

Dividend

Particulars	Fig. in NPR	
	Current Year	Previous Year
(i) Dividends recognised		
Final dividend for the year ended Ashadh 32, 2079 of NPR/- (Ashadh 31, 2078 - NPR/-) per fully paid share		
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the year ended the directors have recommended the payment of a final dividend of NPR/- per fully paid equity share (Ashadh 32, 2079 - NPR/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting		

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

Particulars	Current Year	Previous Year
Profit For the Year	325,137,053	280,371,569
Less: Dividend on Preference Shares		
Profit For the Year used for Calculating Basic Earning per Share		
Add: Interest saving on Convertible Bonds	325,137,053	280,371,569
Profit For the Year used for Calculating Diluted Earning per Share		
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share		
Adjustments for calculation of Diluted Earning per Share:		
i) Dilutive Shares		
ii) Options		
iii) Convertible Bonds		
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share		
Nominal Value of Equity Shares		
Basic Earning Per Share		
Diluted Earning Per Share		
Proposed Bonus Share		
Weighted Average Number of Equity Shares Outstanding During the Year for Restated Earning Per Share		
Restated Basic Earning Per Share		
Restated Diluted Earning Per Share		

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

52 Operating Segment

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

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

Business Segments of the Company's are:

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



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashadh 31, 2080 (July 16, 2023)

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

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Intra Segment Elimination	Total
Income										
Gross Earned Premiums	577,095,535	214,461,117	160,646,570	257,271,989	500,056	-	81,273,157	102,504,856	-	1,413,753,310
Premiums Ceded	(242,990,097)	(89,517,487)	(34,879,999)	(301,228,985)	(112,578)	-	(66,989,081)	(27,509,191)	-	(532,251,366)
Intra-Segment Revenue										
Net Earned Premiums	334,105,438	155,913,630	145,766,571	156,043,004	387,478	-	14,284,126	75,001,695	-	881,501,942
Commission Income	70,437,966	9,835,889	16,837,083	15,162,363	72,585	-	15,384,795	7,563,783	-	135,269,436
Other Direct Income		11,600	-	-	-	-	-	-	-	11,600
Income from Investments and Loans	102,895,494	38,238,179	32,209,083	45,871,310	89,159	-	14,490,914	18,276,509	-	252,070,648
Net Gain/(Loss) on Fair Value Changes										
Net Realised Gain/(Losses)										
Other Income										
Total Segmental Income	507,458,918	203,999,298	194,812,739	217,076,677	499,222	-	44,159,838	100,846,987	-	1,269,853,676
Expenses										
Gross Claims Paid	232,409,906	107,503,189	108,566,793	261,315,629	38,582,742	-	124,362,807	90,130,231	-	962,881,297
Claims Ceded	(99,346,022)	(20,970,935)	(42,696,016)	(147,640,398)	(15,855,469)	-	(102,247,695)	(19,691,551)	-	(448,450,076)
Gross Change in Contract Liabilities	(117,236,548)	(14,876,459)	(11,155,907)	(207,612,760)	(18,276,586)	-	16,167,189	23,063,643	-	(329,877,288)
Change in Contract Liabilities Ceded to Reinsurers	158,376,422	2,358,951	6,398,215	94,531,418	17,854,000	-	(44,424,268)	(2,007,505)	-	268,327,233
Net Claims Paid	174,203,456	74,214,746	61,111,085	598,899	22,404,687	-	28,858,033	91,494,818	-	447,880,726
Commission Expenses	23,123,105	1,219,754	917,200	13,139,048	24,114	-	13,799,979	1,669,734	-	53,886,934
Service Fees	4,224,135	1,369,030	1,562,128	1,773,947	4,776	-	795,865	941,301	-	10,677,081
Other Direct Expenses			3,429,346	-	-	-	501,500	-	-	3,930,846
Employee Benefits Expenses	79,676,989	29,609,683	24,941,061	35,520,388	69,040	-	11,221,020	14,132,389	-	195,190,570
Depreciation and Amortization Expenses										
Impairment Losses										
Other Operating Expenses										
Finance Cost	12,300,479	4,571,120	3,830,382	5,483,610	10,658	-	1,732,292	2,154,836	-	30,133,371
Total Segmental Expenses	293,528,160	110,984,333	95,811,202	56,509,792	22,513,274	-	51,902,689	110,463,076	-	741,692,528
Total Segmental Results	213,930,758	93,014,965	99,001,537	160,566,885	(22,014,052)	-	(7,742,854)	(9,616,089)	-	527,161,148
Segment Assets	314,010,674	109,486,603	156,192,418	167,272,394	45,070,500	-	21,481,771	142,257,777	-	879,696,967
Segment Liabilities	572,515,559	162,608,543	408,516,586	225,387,053	59,212,172	-	91,336,021	105,473,858	-	1,455,646,279



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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

b) Segmental information for the year ended Ashad 31, 2079 (July 16, 2022)

Particulars	Fig. in NPR							Total		
	Income	Property	Motor	Marine	Engineering	Micro	Aviation		Cattle and Crop	Miscellaneous
Gross Earned Premiums	469,365,585	191,735,629	240,891,672	194,554,443	18,943,927	55,287,734	89,871,483	1,260,650,503		
Premiums Ceded	(169,795,809)	(62,397,319)	(41,613,753)	(88,999,781)	(3,054,981)	(27,533,126)		(437,625,133)		
Inter-Segment Revenue										
Net Earned Premiums	299,569,776	129,338,310	199,277,920	105,554,662	15,888,946	28,754,608		823,025,370		
Commission Income	52,927,531	10,849,392	17,562,804	16,378,925	26,126	8,775,834		112,603,994		
Other Direct Income		19,050								
Income from Investments and Loans	81,792,733	33,412,294	41,978,340	33,903,507	3,301,218	9,634,568		19,050		
Net Gain/(Loss) on Fair Value Changes								219,685,874		
Net Realised Gains/(Losses)										
Other Income										
Total Segmental Income	434,289,860	173,619,246	298,819,064	155,937,094	19,216,328	29,467,771		1,156,332,288		
Expenses:										
Gross Claims Paid	366,950,973	105,058,983	111,652,683	81,616,738	82,579,066	75,520,771		849,598,173		
Claims Ceded	(77,710,477)	(30,284,683)	(31,334,182)	(23,276,718)	(32,250,001)	(17,337,330)		(272,369,142)		
Gross Change in Contract Liabilities	(95,987,580)	(26,737,611)	(802,786)	106,560,020	(31,867,896)	(19,094,561)		(83,665,756)		
Change in Contract Liabilities Ceded to Reinsurers	(33,343,853)	5,708,514	(5,410,125)	(24,162,053)	31,878,097	(12,043,607)		(6,766,502)		
Net Claims Paid	159,908,463	53,745,173	74,105,990	140,727,967	339,264	42,937,412		488,796,773		
Commission Expenses	22,624,029	2,696,534	1,248,380	10,800,722	12,535	1,403,190		48,540,059		
Service Fees	4,472,094	1,980,272	2,748,362	2,080,588	3,837	868,273		12,624,084		
Other Direct Expenses	1,026,671	19,430	1,924,200	639,251		29,114		4,096,321		
Employee Benefits Expenses	60,271,183	24,620,751	30,932,673	24,982,715	2,432,391	11,540,588		161,879,992		
Depreciation and Amortization Expenses										
Impairment Losses										
Other Operating Expenses	8,624,425	3,523,074	4,226,299	8,574,969	3,48,088	1,651,557		23,164,004		
Finance Cost										
Total Segmental Expenses	256,926,805	86,585,234	115,985,704	162,830,082	3,136,313	58,629,734		733,843,214		
Total Segmental Results	177,362,055	87,034,012	143,453,360	(26,892,988)	16,080,005	(891,569)		422,489,074		
Segment Assets	361,674,670	90,220,175	149,907,978	145,500,827	86,370,814	33,611,941		915,960,893		
Segment Liabilities	655,510,879	196,920,045	446,779,793	398,302,287	83,956,569	84,757,604		1,924,830,729		



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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

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

Fig. in NPR

Particulars	Current Year	Previous Year
Segmental Profit		
Add: Net Gains/ (Losses) on Fair Value Changes	527,161,148	422,489,074
Add: Net Realised Gains/ (Losses)	-	-
Add: Other Income	-	-
Less: Depreciation and Amortization	776,746	3,787,447
Less: Impairment Losses	(15,936,275)	(17,600,739)
Less: Finance Cost	(24,906,887)	(2,835,800)
Less: Unallocable Corporate Expenditures	(2,047,696)	(3,225,468)
Profit Before Tax	485,047,034	402,614,514

d) Reconciliation of Assets

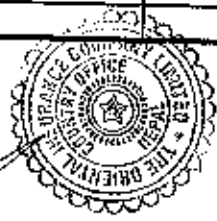
Particulars	Current Year	Previous Year
Segment Assets		
Goodwill & Intangible Assets	879,696,967	913,960,893
Property, Plant and Equipment	611,759	601,759
Investment Properties	18,658,562	33,825,536
Deferred Tax Assets	-	-
Investment in Subsidiaries	16,343,241	11,261,104
Investment in Associates	-	-
Investments	-	-
Loans	2,518,848,308	2,759,820,908
Current Tax Assets	7,360,114	7,512,033
Other Assets	2,968,272	-
Other Financial Assets	28,471,892	17,729,794
Cash and Cash Equivalents	240,901,696	165,905,616
Total Assets	4,022,186,100	4,114,076,741

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities		
Provisions	1,625,646,279	1,924,830,729
Deferred Tax Liabilities	120,864,907	164,252,783
Current Tax Liabilities	-	62,560,967
Other Financial Liabilities	94,132,769	103,962,155
Other Liabilities	87,071,738	104,200,125
Total Liabilities	1,927,715,693	2,359,806,759

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

53 Related Party Disclosure

Holding Company: Oriental Insurance Company Ltd.

Subsidiaries:

Associates:

Fellow Subsidiaries:

Key Management Personnel:

Toton Chakraborty

VB Ghate

Sirisha Marzjolla

Radhika Mathukumar

MB Dhakal

SK Manandhar

Chief Executive Officer (From 16/05/2023 onwards)

Chief Executive Officer (Upto 15/05/2023)

Dy. Chief Executive Officer (From 10/05/2023 Onwards)

Dy. Chief Executive Officer (Upto 09/05/2023)

Member of I.M.C.

Member of L.M.C.

(b) Key Management Personnel Compensation:

Fig. in NPR

Particulars	Current Year	Previous Year
Short-term employee benefits		
Post-employment benefits	13,589,325	12,890,456
Other long-term benefits	-	-
Termination benefits	-	-
Total	2,750,292	-
	16,309,567	12,590,456

Payment to Chief Executive Officer (CEO)

Fig. in NPR

Particulars	Current Year	Previous Year
Annual salary and allowances		
Performance based allowances	6,758,022	4,581,705
i) Employee Bonus		
ii) Benefits as per prevailing provisions	4,174,122	2,038,775
iii) Incentives	1,119,370	580,980
Insurance related benefits		
i) Life Insurance		
ii) Accident Insurance		
iii) Health Insurance (including family members)		30,520
		57,620
Total	12,051,514	7,309,600



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

(c) Related Party Transactions:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Fig. in NPR Total
Premium Earned						
Current Year						
Previous Year						
Commission Income						
Current Year	5,345,530					
Previous Year						5,345,530
Rental Income						
Current Year						
Previous Year						
Interest Income						
Current Year						
Previous Year						
Sale of Property & Equipment						
Current Year						
Previous Year						
Purchase of Property & Equipment						
Current Year						
Previous Year						
Premium Paid						
Current Year	36,977,744					
Previous Year	5,218,458					36,977,744 5,218,458
Commission Expenses						
Current Year						
Previous Year						
Dividend						
Current Year						
Previous Year						
Meeting Fees						
Current Year						
Previous Year						
Allowances to Directors						
Current Year						
Previous Year						
Others (Survey Fee + Claim Recovery)						
Current Year	69,267,962					
Previous Year	673,122					69,267,962 673,122

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

(d) Related Party Balances:

Fig. In NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
Current Year	129,681,976					
Previous Year	92,595,421					129,681,976
						92,595,421
Other Receivables (to be Specified)						
Current Year						
Previous Year						
Payables including Reinsurance Payables						
Current Year						
Previous Year						
Other Payables						
Current Year						
Previous Year						

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

54 Leases

(a) Leases as Lessee

(i) Operating Leases:

The Company has various operating leases ranging below 1 year upto 15 years. The leases are renewable by mutual consent and contain escalation clause. Rental expenses for operating leases hasnot been recognised in the Statement of Profit and Loss due to application of NFRS 16 (Except in which NFRS 16 is not applicable). Interest Expenses on Lease Liability & Depreciation on ROU has been charged amounting to NPR 2,047,698.00 & NPR 13,374,659.00 respectively.

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

Future Minimum Lease Payments	Fig. in NPR	
	Current Year	Previous Year
i) Not Later than 1 year	7,126,438	5,366,257
ii) Later than 1 year and not later than 5 years	5,295,953	18,135,806
iii) Later than 5 years	1,050,883	7,794,725

(ii) Finance Lease:

The Company does not hold assets under finance leases.

Future Minimum Lease Payments	Fig. in NPR	
	Current Year	Previous Year
i) Not Later than 1 year		
ii) Later than 1 year and not later than 5 years		
iii) Later than 5 years		
Total Future Minimum Lease Payments		
Less Effect of Discounting	-	-
Finance lease liability recognised	-	-

(b) Leases as Lessor

(i) Operating Lease:

The Company has not leased out any office spaces that are renewable on a periodic basis.

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

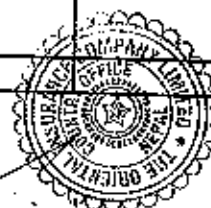
(ii) Finance Lease:

The Company has not given any assets under finance leases.

55 Capital Commitments

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

Particulars	Fig. in NPR	
	Current Year	Previous Year
Property and Equipment		
Investment Properties		
Goodwill & Intangible Assets		
Total		



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2080 (July 16, 2023)

56 Contingent Liabilities

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

Particulars	Fig. in NPR	
	Current Year	Previous Year
Claims against Company not acknowledged as debts		
a) Income Tax		
b) Indirect Taxes	136,138,064	23,813,439
c) Others (FDS)	4,571,778	4,571,778
Total	2,183,455	1,764,660
	142,893,297	30,149,877

Case was filed in the Hon'ble Supreme Court against the decision of the Large Tax Payer Office for re-assessment of tax of the financial year 2061/062, 2062/063, which is under consideration. As per instructions of the Nepal Insurance Authority, NRs.7,689,720 is shown as liability arising from the said tax assessment, the same has been shown as the Provision for tax related legal cases in Note 18.

Also, case has been file in the Hon'ble Supreme Court by Large Tax Payer Office (LTPO) against decision of Revenue Tribunal for re-assessment of tax of financial year 2060/61, which is under consideration.

Further, application for administrative review has filed in Inland Revenue Department against the decision regarding the assessment made by LTPO of financial years 2072/73, 2073/74, 2074/75, 2075/76, which is also under consideration.

57 Events occurring after Balance Sheet

58 Assets Pledged as Security
(only if pledged)

The carrying amount of assets pledged as security are:

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

59 Corporate Social Responsibility

As per section no 11 (ga) of Financial Directive, 2080 issued by NIA, 1% of net profit has been allocated as CSR reserve during the year.

60 Miscellaneous

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

61 Others (to be Specified)

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The Oriental Insurance Company Limited

Major Financial Indicators

S.N	Particular	Indicators	Fiscal Year					
			2079/80	2078/79	2077/78	2076/77	2075/76	
1	Equity:							
1	Net worth							
2	Number of Shares	NPR	2,094,470,407	1,754,269,982	1,463,366,964	1,130,653,278	336,511,865	
3	Book value per shares	No.s						
4	Net Profit	NPR						
5	Earning per Shares (EPS)	NPR	325,137,053	280,371,569	316,871,783	790,363,456	435,502,199	
6	Dividend per Shares (DFS)	NPR						
7	Market Price per Shares (MPPS)	NPR						
8	Price Earning Ratio (PE Ratio)	NPR						
9	Change in Equity	Ratio						
10	Return on Equity	%	19.39%	116.86%	29.43%	239.99%	-55.76%	
11	Capital to Total Net Assets Ratio	%	15.52%	17.4%	21.7%	69.9%	129.4%	
12	Capital to Technical Reserve Ratio	%	7.15%	7.43%	7.76%	9.08%		
13	Affiliate Ratio	%	23.33%					
	Business:	%	0.00%	0.00%	0.00%	0.00%	0.00%	
14	Total Premium Growth Rate							
	Property							
	Motor	%	22.95%	17.75%	10.09%	6.86%	-2.82%	
	Marine	%	11.85%	8.94%	60.17%	-18.43%	22.11%	
	Engineering	%	-25.01%	27.35%	-14.12%	17.87%	-19.75%	
	Micro	%	32.24%	16.85%	-1.62%	36.41%	-16.34%	
	Aviation	%	-57.36%	-22.91%	312.49%	5119.75%	0.00%	
	Griffie and Crop	%	0.07%	0.00%	0.00%	0.00%	0.00%	
	Miscellaneous	%	47.00%	49.40%	58.90%	52.64%	-19.72%	
15	Not Premium Growth Rate	%	14.05%	8.69%	6.08%	6.08%	-5.69%	
	Property	%						
	Motor	%	11.53%	8.58%	6.14%	5.79%	-5.23%	
	Marine	%	20.55%	3.60%	17.56%	17.56%	16.27%	
	Engineering	%	-26.85%	31.47%	-2.20%	-2.20%	-4.78%	
		%	47.83%	17.16%	9.77%	9.77%	5.58%	



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The Oriental Insurance Company Limited

Annexure IV

Statement of Sum Assured

S.N.	Insurance Types	Existing Insurance Policies Numbers		Insured Amount against Existing Insurance Policies		Insured Risk Ceded to Re-Insurer		Net Insured Risk Retained by Insurer	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Property	3,748	3,578	246,290,157,995	307,997,603,597	109,749,081,971	96,892,439,201	136,541,076,074	211,105,164,396
2	Motor	2,525	2,960	113,684,427,852	154,435,433,183	24,637,652,691	33,684,608,565	89,046,775,161	120,750,824,518
3	Marine	22,138	21,856	9,031,875,289	10,073,169,581	3,518,057,272	4,589,195,138	5,513,818,017	5,483,974,443
4	Engineering	518	496	79,564,266,178	53,116,569,913	9,563,076,809	13,015,558,282	70,001,239,369	40,101,011,661
5	Aviation	5,104	3,484	2,025,910,058	1,318,656,666	1,701,872,887	1,054,932,712	324,037,171	263,723,954
6	Cattle and Crop	195	152	235,891,745	184,772,115	38,291,591	104,113,458	197,600,154	80,659,657
7	Miscellaneous	6,037	1,442	60,648,883,614	51,335,634,380	15,316,237,238	14,441,094,662	45,332,646,376	37,095,599,718
8	Total	40,265	53,968	511,481,412,731	578,662,839,435	164,524,220,409	163,781,881,985	346,957,192,322	414,880,957,447



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