

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, 2081 (July 15, 2024), 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, 2081 (July 15, 2024), 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.	Revenue Recognition (Premium Income) 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.	Our audit procedures on recognition of premium income included: 1. 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. 2. Tested the design, implementation, and operating effectiveness of key controls over revenue recognition.

S.N.	Key Audit Matters	How the matters were addressed in our Audit
		<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 gross unearned premium income as assessed by appointed actuary is appropriated and complete.</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 and Measurement of gross Insurance contract liability</p> <p>Insurance claim is the major area of expense for the insurance companies.</p> <p>Gross insurance contract liability includes outstanding claim, claim Incurred but Not (Enough) Reported IBN(E)R, Unearned Premium Reserve, Earthquake Premium Reserve, Margin Over Best Estimate (MOBE).</p> <p>The provision and payment of claims and changes in insurance contract liabilities was 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 and gross contract liability Included:</p> <p>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.</p> <p>2. Performed test of controls, test of details and analytical review procedures on outstanding claims.</p> <p>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.</p> <p>4. Estimation of gross contract liabilities i.e. claim Incurred but Not (Enough) Reported IBN(E)R, Unearned Premium Reserve, Earthquake Premium Reserve, Margin Over Best Estimate (MOBE) are made by an independent actuary in compliance with Risk Based Capital and Solvency Directive, 2024 issued by Nepal Insurance Authority and we relied on the company's appointed actuary certificate</p> <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> <p>1. We tested the design, implementation, and operating effectiveness of key controls over valuation process of investments.</p> <p>2. Review of investments of the company and its valuation in accordance with NFRS.</p>

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 based on 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> <p>1. Understanding the Core Insurance Software and other allied systems used by the company for accounting and reporting purposes and control.</p> <p>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.</p> <p>3. Walkthrough of access control of the users.</p> <p>4. Reviewing the reports generated by the system on sample basis.</p> <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 it 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 there on. 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 are 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 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 evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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.

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 has 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 the 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 a branch office of a foreign entity, there are no any shareholders of the company.
- l. To the best of our knowledge, the company is eligible and capable of bearing its long-term liabilities from the assets of the company.
- m. The internal control system implemented by the company is found to be effective.



The Oriental Insurance Company Limited
Statement of Financial Position
As at Ashad 31, 2081 (July 15, 2024)

Fig in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	886,759	611,759
Property and Equipment	5	95,633,406	18,658,562
Investment Properties	6	-	-
Deferred Tax Assets	7	17,588,323	16,343,241
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	3,585,811,519	2,518,848,308
Loans	11	13,142,676	7,360,114
Reinsurance Assets	12	942,153,543	492,804,850
Current Tax Assets	21	67,350,014	2,968,272
Insurance Receivables	13	183,177,857	386,892,117
Other Assets	14	49,343,296	23,471,892
Other Financial Assets	15	137,091,541	240,901,696
Cash and Cash Equivalent	16	163,857,543	313,325,289
Total Assets		5,256,036,477	4,022,186,100
Equity & Liabilities			
Equity			
Share Capital	17 (a)	-	251,197,769
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17 (c)	-	-
Special Reserves	17 (d)	1,661,129,793	1,385,136,406
Catastrophe Reserves	17 (e)	63,344,278	36,217,260
Retained Earnings	17 (f)	55,762,163	(73,455,652)
Other Equity	17 (g)	775,878,109	495,374,624
Total Equity		2,556,114,343	2,094,470,407
Liabilities			
Provisions	18	195,747,458	120,864,907
Gross Insurance Contract Liabilities	19	1,906,734,981	1,571,650,870
Deferred Tax Liabilities	7	-	-
Insurance Payable	20	124,248,703	53,995,409
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	205,275,902	87,071,738
Other Financial Liabilities	24	267,915,090	94,132,769
Total Liabilities		2,699,922,134	1,927,715,693
Total Equity and Liabilities		5,256,036,477	4,022,186,100

Summary of significant accounting policies

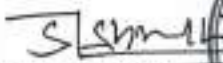
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The accompanying notes are an integral part of these financial statements


Man Bahadur Dhakal
Senior 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 Profit or Loss
For the year ended Ashad 31, 2081 (July 15, 2024)


Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	2,100,301,492	1,413,753,310
Premiums Ceded	26	709,968,795	532,251,368
Net Earned Premiums		1,390,332,697	881,501,942
Commission Income	27	120,485,880	135,269,486
Other Direct Income	28	14,375	11,600
Income from Investments & Loans	29	268,803,049	252,070,648
Net Gain/ (Loss) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	-	-
Other Income	32	3,806,284	776,746
Total Income		1,783,442,285	1,269,630,422
Expenses:			
Gross Claims Paid	33	802,469,875	962,881,297
Claims Ceded	33	(245,854,636)	(448,450,076)
Gross Change in Contract Liabilities	34	273,269,999	(329,877,728)
Change in Contract Liabilities Ceded to Reinsurers	34	(153,591,335)	263,327,233
Net Claims Incurred		676,293,903	447,880,726
Commission Expenses	35	58,656,024	53,885,934
Service Fees	36	12,527,283	10,671,081
Other Direct Expenses	37	2,481,273	3,930,846
Employee Benefits Expenses	38	280,180,593	195,190,570
Depreciation and Amortization Expenses	39	16,772,318	15,936,275
Impairment Losses	40	(9,853,298)	24,906,887
Other Operating Expenses	41	34,394,907	30,133,371
Finance Cost	42	11,748,983	2,047,698
Total Expenses		1,083,201,985	784,583,388
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		700,240,300	485,047,034
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		700,240,300	485,047,034
Income Tax Expense	43	101,831,732	159,909,981
Net Profit/(Loss) For The Year		598,408,568	325,137,053
Earning Per Share	51		
Basic EPS			
Diluted EPS			

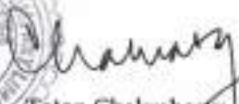
Summary of significant accounting policies

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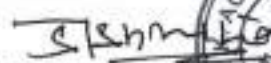
The accompanying notes are an integral part of these financial statements


Man Bahadur Dhakal
Senior 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 Other Comprehensive Income
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		598,408,568	325,137,053
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		200,738,211	18,630,400
Revaluation of Property and Equipment/ Goodwill & Intangible Assets		-	-
Remeasurement of Post-Employment Benefit Obligations		(34,405,158)	2,888,703
Share of other comprehensive income of associates accounted for using the equity method	9	-	-
Income Tax Relating to Above Items		(49,899,916)	(6,455,731)
Total Other Comprehensive Income For the Year, Net of Tax		116,433,137	15,063,372
Total Comprehensive Income For the Year, Net of Tax		714,841,705	340,200,425

Summary of significant accounting policies

3

The accompanying notes form an Integral Part of Financial Statements.


Man Bahadur Dhakal
Senior Divisional Manager


Loton 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: April 07, 2025

The Oriental Insurance Company Limited
Statement of Distributable Profit or Loss
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig. in NPR


Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	(73,455,652)	(170,111,429)
Prior Period Adjustments	-	-
Transfer from OCI reserves to retained earning in current year	-	-
Net profit or (loss) as per statement of profit or loss	598,408,568	325,137,093
Appropriations:		
i) Transfer to Insurance Fund	-	-
ii) Transfer to Special Reserve	(275,993,387)	(156,799,593)
iii) Transfer to Catastrophe Reserve	(27,127,018)	(21,496,033)
iv) Transfer to Capital Reserve	(109,452,714)	(62,719,837)
v) Transfer to CSR reserve	(5,472,636)	(3,135,992)
vi) Transfer to/from Regulatory Reserve	-	27,208,047
vii) Transfer to Fair Value Reserve	-	-
viii) Transfer of Deferred Tax Reserve	(51,144,998)	(11,537,868)
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	-	-
ix) Overdue loans	-	-
x) Fair value gain recognised in Statement of Profit or Loss	-	-
xi) Investment in unlisted shares	-	-
xii) Delisted share Investment or mutual fund investment	-	-
xiii) Bonus share/ dividend paid	-	-
xiv) Deduction as per Sec 17 of Financial directive	-	-
xiv) Deduction as per Sec 18 of Financial directive	-	-
xv) Others (to be specified)	-	-
Adjusted Retained Earning	55,762,163	(73,455,652)
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)	55,762,163	(73,455,652)


Man Bahadur Dhakal
Senior Divisional Manager




Toton Chakraborty
Chief Executive Officer

As per our attached report
of even date


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



The Oriental Insurance Company Limited
Statement of Cash Flows
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	2,162,115,604	1,504,374,008
Reinsurance Commission Received	139,886,205	136,672,129
Claim Recovery Received from Reinsurers	459,422,194	226,606,878
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	-	-
Other Direct Income Received	14,375	11,600
Others (to be specified)	-	-
Cash Paid		
Gross Benefits and Claims Paid	(802,469,875)	(962,881,297)
Reinsurance Premium Paid	(935,472,857)	(624,305,784)
Commission Paid	(80,079,840)	(55,811,660)
Service Fees Paid	(10,671,083)	(14,403,537)
Employee Benefits Expenses Paid	(230,869,668)	(253,440,258)
Other Expenses Paid	224,967,622	(120,243,047)
Other Direct Expenses Paid	-	-
Others (to be specified)	-	-
Income Tax Paid	(217,358,472)	(236,977,088)
Net Cash Flow From Operating Activities [1]	709,504,204	(400,398,056)
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets	(490,000)	(225,000)
Proceeds From Sale of Intangible Assets	-	-
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Acquisitions of Property & Equipment	(5,455,388)	(366,560)
Proceeds From Sale of Property & Equipment	1,562,042	5,377
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	-	-
Proceeds from Sale of Equity Instruments	-	-
Purchase of Mutual Funds	-	-
Proceeds from Sale of Mutual Funds	-	-
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	(40,225,000)	-
Proceeds from Sale of Debentures	-	22,103,000
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	(826,000,000)	-
Investments in Deposits	-	237,500,000
Maturity of Deposits	-	151,919
Loans Paid	(5,782,562)	-
Proceeds from Loans	-	-
Rental Income Received	-	-
Proceeds from Finance Lease	-	-
Interest Income Received	266,095,998	250,322,021
Dividend Received	-	-
Others (to be specified)	2,520,715	773,492
Total Cash Flow From Investing Activities [2]	(607,777,150)	519,264,249

The Oriental Insurance Company Limited
Statement of Cash Flows
For the year ended Ashad 31, 2081 (July 15, 2024)

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)	(251,197,769)	-
Total Cash Flow From Financing Activities [3]	(251,197,769)	-
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	(149,467,746)	109,866,193
Cash & Cash Equivalents At Beginning of The Year/Period	313,325,289	203,459,096
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	-
Cash & Cash Equivalents At End of The Year/Period	163,857,543	313,325,289
Components of Cash & Cash Equivalents		
Cash In Hand	6,400	65,612
Cheque in Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	115,000,000
Balance With Banks	163,801,260	198,218,019
Others	49,883	41,658


Man Bahadur Dhakal
 Senior Divisional Manager


Toton Chakraborty
 Chief Executive Officer

Kathmandu, Nepal
 Date: April 07, 2025

As per our attached report
 of even date


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



ing to NPIs



 As per our attached report
 of even date

 S.M. Shrestha, P.C.A.
 Partner
 B.K. Agrawal & Co.
 Chartered Accountants




 Man Chakraborty
 Joint Secretary
 Internal Security Officer



 Man Bahadur Thakral
 Senior Divisional Manager

Kathmandu, Nepal
 April 07, 2005

Manuskript

7 April 07, 2025

The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

4 Goodwill & Intangible Assets

Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be Specify)	Total
Gross carrying amount				
Balance as at Ashadh 32, 2079	1,822,000	-	-	1,822,000
Additions during the year				
Acquisition	225,000	-	-	225,000
Internal Development	-	-	-	-
Business Combination(to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
Balance as at Ashadh 31, 2080	2,047,000	-	-	2,047,000
Additions during the year				
Acquisition	490,000	-	-	490,000
Internal Development	-	-	-	-
Business Combination(to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
Balance as at Ashadh 31, 2081	2,537,000	-	-	2,537,000
Accumulated amortization and impairment	-	-	-	-
Balance as at Ashadh 32, 2079	1,220,241	-	-	1,220,241
Additions during the year	215,000	-	-	215,000
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as at Ashadh 31, 2080	1,435,241	-	-	1,435,241
Additions during the year	215,000	-	-	215,000
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as at Ashadh 31, 2080	1,650,241	-	-	1,650,241
Capital Work-In-Progress				
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	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	-	-
Net Carrying Amount				
As on Ashadh 31, 2080	611,759	-	-	611,759
As on Ashadh 31, 2081	886,759	-	-	886,759

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The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashadh 31, 2081 (July 15, 2024)

Fig. in NPR

Property and Equipment

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Balance carrying amount									
Balance as on Ashadh 32, 2079	-	39,341,796	8,058,264	6,280,354	9,017,720	1,023,488	5,461,877	6,833,726	76,317,425
Additions during the year		189,862		72,343	43,960	22,539		227,698	556,422
Acquisition									
Capitalization									
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2080	-	39,531,658	8,058,264	6,652,897	9,061,680	1,046,047	5,461,877	7,033,990	76,846,413
Additions during the year		278,787.00		434,288.00	4,012,357.00	13,274.00		995,472.00	5,734,175.00
Acquisition									
Capitalization									
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2081	-	88,074,474.00	8,058,264.00	6,656,510.59	10,934,547.00	1,059,321.00	5,461,877.00	7,825,134.00	167,880,572.59
accumulated depreciation and impairment									
Balance as on Ashadh 32, 2079	-	14,724,684	5,860,497	5,195,856	6,843,569	811,137	4,314,258	4,711,886	42,491,887
Additions during the year		13,374,659	1,004,030	242,583	431,555	58,728	214,940	394,780	15,721,275
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2080	-	28,099,343	6,864,527	5,438,439	7,275,124	869,865	4,529,198	5,111,355	58,187,851
Additions during the year		13,426,902	1,004,030	232,332	1,184,429	49,031	171,952	488,642	16,557,318
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2081	-	41,526,245	7,868,557	5,256,112	6,576,938	918,896	4,701,150	5,399,268	72,347,166

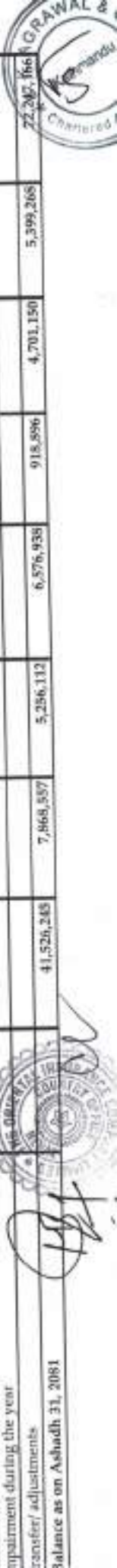


Fig. in NPR



The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

Property and Equipment

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Accumulated depreciation									
Balance as on Ashad 32, 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 Ashad 31, 2080		28,099,343	-	-	-	-	-	-	28,099,343
Additions during the year		13,426,902							13,426,902
Disposals during the year									-
Write-offs during the year									-
Impairment during the year									-
Transfer/adjustments									-
Balance as on Ashad 31, 2081	-	41,526,245	-	-	-	-	-	-	41,526,245
At Carrying Amount		11,432,315							11,432,315
on Ashad 32, 2080	-	86,358,674	-	-	-	-	-	-	86,358,674
on Ashad 31, 2081	-								
Grand Total									
Balance as on Ashad 32, 2080	-	11,432,315	1,193,737	1,214,458	1,786,556	176,182	932,679	1,922,635	18,658,562
Balance as on Ashad 31, 2081	-	86,358,674	189,707	1,400,398	4,357,609	140,425	760,727	2,425,866	95,633,406



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

6 Investment Properties

Investment Properties at Cost

Particulars	Land	Building	Total
Gross carrying amount			
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			
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			
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, 2081 (July 15, 2024)

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:

(Signature)



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

(iv) Contractual obligations:

OR

Investment Properties at Fair Value

Particulars	Land	Building	Total
Gross carrying amount			
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			
Balance as on Ashadh 32, 2079	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 31, 2080			
Net Carrying Amount			
Net Balance As At Ashad 31, 2079	-	-	-
Net Balance As At Ashad 31, 2080	-	-	-

Notes on Fair Value :

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

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

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

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

(iv) Contractual obligations:

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The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

Deferred Tax Assets/(Liabilities)

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Goodwill & Intangible Assets						
Property and Equipment	(760,596)		(760,596)	(475,054)		(475,054)
Financial Assets at FVTPL						
Financial Assets at FVTOCI		(88,091,646)	(88,091,646)		(27,870,182)	(27,870,182)
Provision for Leave	9,518,018		9,518,018	6,367,106		6,367,106
Provision for Gratuity	22,954,501	10,659,224	33,613,725	11,417,216	337,676	11,754,892
Impairment Loss on Financial Assets	5,366,817		5,366,817	8,322,806		8,322,806
Impairment Loss on Other Assets						
Unearned Premiums Reserve						
Premium Deficiency Reserve	603,459		603,459			
Provision for staff training						
Margin For Adverse Deviation						
Carry forward of unused tax losses						
Changes in tax rate						
Others (specify if any)						
i) Unearned Commission	6,835,655		6,835,655	7,281,835		7,581,835
ii) Deferred Acquisition Cost	2,124,998		2,124,998	137,810		137,810
iii) NERS 16 - Lease	46,071,377		46,071,377	8,217,112		8,217,112
iv) LAT Adjustments (URR+PDR+IBNR+Earthquake premium reserve+MOBE)	2,306,916		2,306,916	2,306,916		2,306,916
ii) Disputed Tax	95,020,745	(77,432,422)	17,588,323	43,875,747	(27,532,506)	16,343,241
Total			17,588,323			16,343,241
Deferred Tax Assets						
Deferred Tax Liabilities						

Movements in deferred tax Assets/ (Liabilities)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
As at Shrawan 1, 2080			16,343,241			13,866,096
(Charged)/Credited to Statement of Profit or Loss	51,144,998		51,144,998	13,547,148		13,547,148
(Charged)/Credited to Other Comprehensive Income		(49,899,916)	(49,899,916)		(11,070,003)	(11,070,003)
As at Ashadh 31, 2081	51,144,998	(49,899,916)	17,588,323	13,547,148	(11,070,003)	16,343,241



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

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.		

M. B. S.



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

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		

M. B. S.



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

10 Investments

Fig. in NPR

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	3,178,261,000	2,312,036,000
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures	272,711,000	232,486,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	70,000,000	70,000,000
iv) Fixed Deposits in "A" Class Financial Institutions	2,690,550,000	1,917,050,000
v) Fixed Deposits in Infrastructure Banks		
vi) Fixed Deposits in "B" Class Financial Institutions	145,000,000	87,500,000
vii) Fixed Deposits in "C" Class Financial Institutions	-	5,000,000
viii) Others (to be Specified)		
Less: Impairment Losses		
Investments at FVTOCI	407,550,519	206,812,308
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)	407,550,519	206,812,308
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	3,585,811,519	2,518,848,308

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, 2081 (July 15, 2024)

Fig. in NPR

b) Investments having expected maturities less than 12 months:

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)		
Investment in Equity Instruments (Unquoted)		
Investment in Mutual Funds		
Investment in Preference Shares of Bank and Financial Institutions	30,000,000	30,000,000
Investment in Debentures	-	-
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	2,006,050,000	1,357,050,000
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks	65,000,000	52,500,000
Fixed Deposit with "B" Class Financial Institutions	-	5,000,000
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Total	2,101,050,000	1,444,550,000

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 Rs....Each				
Investment in Equity Instruments (Unquoted)				
Nepal Re-Insurance Co. Ltd 1,129,117 shares of Rs 100 Each	112,911,700	406,550,519	112,911,700	205,812,308
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				

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

11 Loans

Fig. in NPR

Particulars	Current Year	Previous Year
Loans measured at Amortised Cost		
Loan to Employees	13,142,676	7,360,114
Others (to be Specified)		
Less: Impairment Losses		
Total	13,142,676	7,360,114

a) Expected repayment of loan within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees	67,646	130,050
Others (to be Specified)		
Total	67,646	130,050

12 Reinsurance Assets

Particulars	Current Year	Previous Year
Reinsurance Assets on:		
Unearned Premium Reserve	636,724,357	340,967,000
Unexpired Risk Reserve	25,952,345	23,699,771
Earthquake Premium Reserve	-	-
Incurred but not reported (IBNR)	56,309,601	20,610,188
Incurred but enough reported (IBNER)	-	-
Outstanding Claims	223,167,240	107,527,891
Others	-	-
Less: Impairment Losses		
Total	942,153,543	492,804,880

13 Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurer	636,093	145,244,766
Receivable from Other Insurance Companies	200,431,153	269,390,038
Others (to be Specified)	-	-
Less: Impairment Losses	(17,889,389)	(27,742,687)
Total	183,177,857	386,892,117

a) Expected receivable within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurer	636,093	145,244,766
Receivable from Other Insurance Companies	200,431,153	269,390,038
Others (to be Specified)	-	-
Total	201,067,246	414,634,804

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses	4,757,447	3,719,100
Claim Advances		
Advance To Suppliers		
VAT Receivable		
Staff Advances	83,737	121,413
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses	20,281,413	11,344,488
Deferred Agent Commission Expenses	16,510,817	3,560,152
Lease Receivables		
Others (to be specified)		
i. Prepaid Employee Benefit	7,709,882	4,726,739
Less: Impairment Losses		
Total	49,343,296	23,471,892

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

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses	4,757,447	3,719,100
Claim Advances		
Advance To Suppliers		
Staff Advances	83,737	121,413
VAT Receivable		
Printing and Stationary Stocks		
Stamp Stocks		
Deferred Expenses		
Deferred Reinsurance Commission Expenses	20,281,413	11,344,488
Deferred Agent Commission Expenses	16,510,817	3,560,152
Lease Receivables		
Others (to be specified)		
Total	41,633,414	18,745,153

B. K. Agrawal



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits	36,032,730	2,900,533
Accrued Interest	15,063,541	12,356,490
Other Receivables		
Other Deposits		
Sundry Debtors	85,995,270	95,962,697
Other (Receivable From HO)		129,681,976
Less: Impairment Losses		
Total	137,091,541	240,901,696

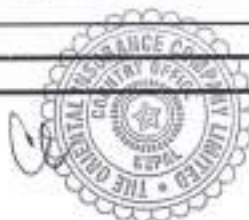
a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits		
Accrued Interest	15,063,541	12,356,490
Other Receivables		
Other Deposits		
Sundry Debtors	85,995,270	95,962,697
Other (to be Specified)		
Total	101,058,811	108,319,187

16 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand	6,400	65,612
Cheque in Hand		
Bank Balances		
i) Balance With "A" Class Financial Institutions	151,420,375	187,962,442
ii) Balance With Infrastructure Banks	5,805,380	9,066,348
iii) Balance With "B" Class Financial Institutions		
iv) Balance With "C" Class Financial Institutions	6,575,505	1,189,229
Less: Impairment Losses		
Deposit with initial maturity upto 3 months		115,000,000
Others (Postage Stamp)	49,883	41,658
Less: Impairment Losses		
Total	163,857,543	313,325,289

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The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

17 (a) Share Capital

Particulars	Current Year	Previous Year
Ordinary Shares		
Assigned Capital		251,197,769
As at Shrawan 1, 2080		
Additions during the year		
i) Bonus Share Issue		
ii) Share Issue		
iii) Others (Adjustment made as per NIA direction)		
As at Ashadh 31, 2081		
Convertible Preference Shares (Equity Component Only)		
As at Shrawan 1, 2080		
Additions during the year		
As at Ashadh 31, 2081		
Irredeemable Preference Shares (Equity Component Only)		
As at Shrawan 1, 2080		
Additions during the year		
As at Ashadh 31, 2081		
Total	-	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	-	-

(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		

Balut.



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

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

17(b) Share Application Money Pending Allotment

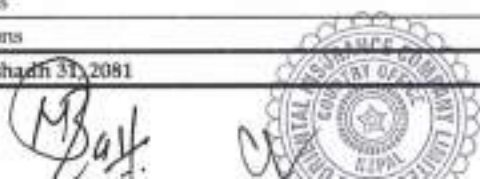
Particulars	Current Year	Previous Year
Share Application Money Pending Allotment		
Total	-	-

17 (c) Share Premium

Particulars	Current Year	Previous Year
As on Shrawan 1, 2080		
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, 2081	-	-

17 (d) Special Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2080	1,385,136,406	1,156,736,689
Additions	275,993,387	228,399,717
Utilizations		
As on Ashadh 31, 2081	1,661,129,793	1,385,136,406



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashadh 31, 2081 (July 15, 2024)

Fig. in NPR

17 (e) Catastrophe Reserves

Particulars	Current Year	Previous Year
As on Shrawan 1, 2080	36,217,260	401,202
Additions	27,127,018	35,816,058
Utilizations		
As on Ashadh 31, 2081	63,344,278	36,217,260

17 (f) Retained Earnings

Particulars	Current Year	Previous Year
As on Shrawan 1, 2080	(73,455,652)	(170,111,429)
Net Profit or Loss	598,408,568	325,137,033
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves		
Special Reserves	(275,993,387)	(156,799,593)
Capital Reserves	(109,452,714)	(62,719,837)
Catastrophe Reserves	(27,127,018)	(21,496,033)
Corporate Social Responsibility (CSR) Reserves	(5,472,636)	(3,135,992)
Insurance Fund including Insurance Reserves	-	-
Fair Value Reserves		
Actuarial Reserves		
Deferred Tax Reserves	(51,144,998)	(11,537,868)
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		
As on Ashadh 31, 2081	55,762,163	(73,455,652)

17 (g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves		-
Capital Reserves	492,141,082	382,688,368
Corporate Social Responsibility (CSR) Reserves	8,040,630	4,567,994
Insurance Fund including Insurance Reserves		-
Fair Value Reserves	205,547,174	65,030,426
Actuarial Reserves	(24,871,522)	(787,911)
Deferred Tax Reserve	95,020,745	43,875,747
Other Reserve(to be specified)		
Total	775,878,109	495,324,624

The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

18 Provisions

Fig. in NPR

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	31,726,728	21,223,685
ii) Provision for Gratuity	76,515,003	38,057,387
iii) Termination Benefits		
iv) Other Employee Benefit obligations (Staff Bonus)	77,804,478	53,894,115
Provision for tax related legal cases	7,689,720	7,689,720
Provision for non-tax related legal cases		
Others (Provision for Staff training and Skill Enhancement fund)	2,011,529	-
Total	195,747,458	120,864,907

(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	21,223,685	12,692,264	(2,189,221)			31,726,728
ii) Provision for Gratuity	38,057,387	40,657,416	(2,199,800)			76,515,003
iii) Termination Benefits						
iv) Other Employee Benefit obligations(to be Specified)	53,894,115	77,804,478	(53,894,115)			77,804,478
Provision for tax related legal cases						
Provision for non-tax related legal cases	7,689,720					7,689,720
Others (Provision for Staff training and Skill Enhancement fund)	-	2,011,529	-			2,011,529

(b) Provision with expected payouts within 12 months

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	3,705,951	1,321,898
ii) Provision for Gratuity	11,354,172	3,352,078
iii) Termination Benefits		
iv) Other Employee Benefit obligations(Staff Bonus)	77,804,478	53,894,115
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Provision for Staff training	2,011,529	
Total	94,876,130	58,568,091

19 Gross Insurance Contract Liabilities

Particulars	Current Year	Previous Year
Unearned Premium Reserve	1,093,851,007	1,032,036,895
Unexpired Risk Reserve	45,053,376	32,075,296
Earthquake Premium Reserve	38,343,298	-
Margin over best Estimates	54,027,662	-
Incurred but not reported (IBNER)	144,567,589	86,631,784
Incurred but not enough reported (IBNER)	-	420,906,895
Outstanding Claims	530,892,049	-
Others	-	-
Total	1,906,734,981	1,539,650,870

The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

9.1 Gross Insurance Contract Liabilities

Fig. in NPR

a) Gross Insurance Contract Liability

Particulars	Line of Business							Total
	Property	Motor	Marine	Engineering	Micro	Aviation	Miscellaneous	
As at Shrawan 1, 2080								
Unearned Premium Reserve	318,624,265	104,484,079	370,885,000	134,124,000	287,000		54,436,979	1,032,036,895
Unexpired Risk Reserve	-	-	-	-	-	-	5,505,146	32,075,296
Earthquake premium Reserve	-	-	-	-	-	-	-	-
Margin over Best Estimates	30,257,877	6,338,771	15,528,730	9,758,699	7,980,000	-	14,633,394	86,631,784
Incurred but not reported (IBNR)	-	-	-	-	-	-	-	-
Incurred but not enough reported (IBNR)	201,719,182	42,258,471	11,962,419	65,057,990	53,200,000	-	14,229,021	420,906,895
Outstanding Claims	-	-	-	-	-	-	-	-
Others	550,601,324	153,081,321	398,376,149	208,940,689	61,467,000	-	107,055,291	1,571,650,870
Total Balance As at Shrawan 1, 2080								
Changes during the year								
Unearned Premiums Reserve	7,048,619	33,812,628	261,992,233	(372,523,793)	281,102	-	(9,242,747)	(61,814,112)
Unexpired Risk Reserve	-	-	-	-	(184)	-	(9,065,153)	(12,978,080)
Earthquake premium Reserve	(18,820,631)	(2,304,664)	(4,514,233)	(10,695,350)	-	-	(426,936)	(38,343,298)
Margin over Best Estimates	(13,230,176)	(4,022,255)	(7,309,760)	(23,797,442)	(208)	-	(1,897,540)	(54,027,662)
Incurred but not reported (IBNR)	(2,776,973)	(1,180,747)	(22,672,763)	(12,402,281)	451,429	-	(15,372,059)	(57,935,805)
Incurred but not enough reported (IBNR)	-	-	-	-	-	-	-	-
Outstanding Claims	(29,524,760)	(10,378,138)	(41,819,640)	(37,623,551)	500,000	-	(176,007)	(109,985,154)
Others	(57,303,921)	15,926,804	185,475,837	(457,042,417)	1,232,139	-	7,655,479	(335,084,111)
Total changes during the year								
As at Ashadh 31, 2081								
Unearned Premiums Reserve	311,875,646	70,671,451	108,892,767	506,647,793	5,898	-	58,438,319	1,093,891,007
Premium Deficiency Reserve	-	-	-	-	184	-	30,482,893	45,053,376
Earthquake premium Reserve	18,820,631	2,304,664	4,514,233	10,695,350	-	-	426,936	38,343,298
Margin over Best Estimates	13,230,176	4,022,255	7,309,760	23,797,442	208	-	1,897,540	54,027,662
Incurred but not reported (IBNR)	33,034,850	7,519,518	38,201,493	22,160,980	7,528,571	-	17,506,412	144,567,589
Incurred but not enough reported (IBNR)	-	-	-	-	-	-	-	-
Outstanding Claims	231,243,942	52,636,629	53,782,099	102,681,541	52,700,000	-	23,442,850	530,892,049
Others	-	-	-	-	-	-	-	-
Total Balance As at Ashadh 31, 2081	607,905,245	137,154,517	212,900,312	665,983,106	60,234,861	-	99,399,812	1,906,734,981



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

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, 2080								
Unearned Premiums Reserve	136,220,000	25,605,000	78,472,000	43,779,000	47,000	-	41,327,000	13,517,000
Premium Deficiency Reserve	-	-	-	-	-	-	22,320,348	1,379,423
Earthquake premium Reserve	-	-	-	-	-	-	-	-
Incurred but not reported (IBNR)	2,450,011	2,033,010	2,859,101	737,055	7,980,000	-	1,763,091	2,787,920
Incurred but not enough reported (IBNER)	-	-	-	-	-	-	-	-
Outstanding Claims	16,333,410	13,553,401	2,202,483	4,913,698	53,200,000	-	11,753,908	5,570,961
Others	-	-	-	-	-	-	-	-
Total Balance As at Shrawan 1, 2080	157,003,421	41,191,411	83,533,584	49,429,753	61,227,000	-	77,164,377	23,255,304
Changes during the year								
Unearned Premiums Reserve	(41,456,184)	(3,604,644)	52,603,016	(298,951,128)	45,337	-	(7,293,681)	2,899,928
Premium Deficiency Reserve	-	-	-	-	(49)	-	(3,041,430)	788,905
Earthquake premium Reserve	-	-	-	-	-	-	-	-
Incurred but not reported (IBNR)	(12,456,361)	(144,205)	(4,957,659)	(4,356,647)	451,429	-	(12,656,759)	(1,579,210)
Incurred but not enough reported (IBNER)	-	-	-	-	-	-	-	-
Outstanding Claims	(88,011,197)	(1,687,105)	(8,802,360)	(18,687,657)	500,000	-	(112,125)	1,161,095
Others	-	-	-	-	-	-	-	-
Total changes during the year	(141,923,742)	(5,435,954)	38,842,997	(321,995,432)	946,717	-	(23,103,995)	3,270,718
As at Ashadh 31, 2081								
Unearned Premiums Reserve	179,676,184	29,209,644	25,868,984	342,730,128	1,663	-	48,620,681	10,617,072
Premium Deficiency Reserve	-	-	-	-	49	-	25,361,778	990,518
Earthquake premium Reserve	-	-	-	-	-	-	-	-
Incurred but not reported (IBNR)	14,906,372	2,177,215	7,816,760	5,093,702	7,528,571	-	14,419,890	4,367,130
Incurred but not enough reported (IBNER)	-	-	-	-	-	-	-	-
Outstanding Claims	104,344,607	15,240,506	11,004,843	23,601,355	52,700,000	-	11,866,063	4,409,866
Others	-	-	-	-	-	-	-	-
Total Balance As at Ashadh 31, 2081	298,927,163	46,627,365	44,690,587	371,425,185	60,230,284	-	100,268,372	19,984,586
								942,153,542



(Signature)

The Oriental Insurance Company Limited

Notes to the Financial Statements

As at Ashad 31, 2081 (July 15, 2024)

Disclosures of Outstanding claim

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			
Property	223,653,090	4,553,260	3,037,591	7,590,851	231,243,941	104,344,607	126,899,334
Motor	32,321,391	11,853,801	2,355,336	20,315,237	52,636,628	15,240,508	37,396,120
Marine	51,172,059	1,610,000		2,610,000	53,782,059	11,004,843	42,777,216
Engineering	69,520,142	4,861,975	3,825,000	24,474,424	102,681,541	23,601,355	79,080,186
Micro	-	-	-	52,700,000	52,700,000	52,700,000	-
Aviation	-	-	-	-	-	-	-
Cattle and Crop	10,055,028	300,000	4,050,000	4,350,000	14,405,028	11,866,063	2,538,965
Miscellaneous	6,300,720	3,372,476		17,142,129	23,442,849	4,409,866	19,032,983
Total	393,022,430	26,551,512	13,267,927	137,869,616	530,892,046	223,167,242	307,724,803



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

20 Insurance Payable

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer	48,463,170	20,655,223
Payable to Other Insurance Companies	75,785,533	33,340,186
Portfolio Withdrawal Premium	-	-
Outstanding Withdrawal Claims	-	-
Others (to be Specified)	-	-
Total	124,248,703	53,995,409

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer	48,463,170	20,655,223
Payable to other Insurance Companies	75,785,533	33,340,186
Portfolio Withdrawal Premium	-	-
Outstanding Withdrawal Claims	-	-
Others (to be Specified)	-	-
Total	124,248,703	53,995,409

21 Current Tax (Assets)/Liabilities (Net)

Particulars	Current Year	Previous Year
Income Tax Liabilities	784,589,092	631,612,362
Income Tax Assets	(851,939,106)	(634,580,634)
Total	(67,350,014)	(2,968,272)

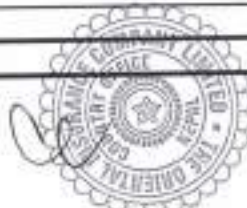
22 Borrowings

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, 2081 (July 15, 2024)

Fig. in NPR

23 Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable	2,660,145	2,681,330
VAT Payable	37,070,060	21,650,222
Unidentified deposits	-	-
Advance Premiums	-	-
Insurance Service Fee Payable	12,527,283	10,671,082
Lease Liability	93,440,667	11,891,682
Deferred Reinsurance Commission Income	-	-
Deferred Income	59,577,747	40,177,422
Others(to be specified)	-	-
Total	205,275,902	87,071,738

Payable within 12 months

Particulars	Current Year	Previous Year
TDS Payable	2,660,145	2,681,330
VAT Payable	37,070,060	21,650,222
Unidentified Deposits	-	-
Advance Premiums	-	-
Insurance Service Fee Payable	12,527,283	10,671,082
Lease Liability	93,440,667	11,891,682
Deferred Reinsurance Commission Income	-	-
Deferred Income	59,577,747	40,177,422
Others(to be specified)	-	-
Total	205,275,902	87,071,738

24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	20,709,342	37,266,400
Payable to Agent	5,781,429	5,317,655
Payable to Surveyor	-	-
Sundry Creditors	18,997,016	386,733
Retention and deposits	-	-
Short-term employee benefits payable	-	-
i) Salary Payables	199,913	114,515
ii) Bonus Payables	-	-
iii) Other employee benefit payable (Incentive)	34,012,015	23,252,352
Audit Fees Payable	475,000	475,000
Actuarial Fees Payable	-	-
Dividend Payable	-	-
Others (to be specified)	-	-
i) Expense Payable	9,784,133	23,865,886
ii) Stale Cheque	2,845,239	3,389,612
iii) Insurance Stamp	50,716	64,616
iv) Others	-	-
v)HO payable	175,060,267	-
Total	267,915,090	94,132,769

(Signature)



The Oriental Insurance Company Limited
Notes to the Financial Statements
As at Ashad 31, 2081 (July 15, 2024)

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	20,709,342	37,266,400
Payable to Agents	5,781,429	5,317,655
Payable to Surveyor	-	-
Sundry Creditors	18,997,016	386,733
Retention and deposits	-	-
Short-term employee benefits payable	-	-
i) Salary Payables	199,913	114,515
ii) Bonus Payables	-	-
iii) Other employee benefit payable (to be Specified)	34,012,015	23,252,352
Audit Fees Payable	475,000	475,000
Actuarial Fees Payable	-	-
Dividend Payable	-	-
Others (to be specified)	-	-
i) Expense Payable	9,784,153	23,865,886
ii) Stale Cheque	2,845,239	3,389,612
iii) Insurance Stamp	50,716	64,616
iv) Others	-	-
v) Ho Payable	175,060,267	-
Total	267,915,090	94,132,769

(Signature)



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

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	718,732,382	542,324,280	149,737,365	94,923,929	7,048,619	(60,152,674)	875,518,366	577,095,535
Motor	131,436,127	128,606,138	29,919,286	80,361,157	33,812,628	5,493,822	195,168,041	214,461,117
Marine	192,268,876	180,202,568	973,728	1,872,612	261,992,233	(1,428,610)	455,234,837	180,646,570
Engineering	583,963,900	171,974,648	122,871,980	96,272,626	(372,523,793)	(10,975,285)	334,312,057	257,271,989
Micro	39,025	573,004	-	-	281,102	(72,948)	320,127	500,056
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	112,946,135	98,390,065	-	-	(9,342,747)	(17,116,908)	103,703,388	81,273,157
Miscellaneous	110,875,817	107,379,822	8,351,013	1,493,159	16,817,846	(6,368,095)	136,044,676	102,504,886
Total	1,880,262,262	1,229,450,525	311,853,342	274,923,483	(61,814,112)	(90,620,698)	2,100,301,492	1,413,753,310

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	429,735,761	238,634,582	230,885,386	270,715,992	58,111,235	32,973,706	718,732,382	542,324,280
Motor	58,686,572	57,363,746	72,631,104	71,214,045	118,601	28,347	131,436,277	128,606,138
Marine	186,768,240	59,587,175	(26,599)	120,615,393	5,527,215	-	192,268,876	180,202,568
Engineering	482,213,405	56,896,579	76,127,163	107,121,876	25,623,333	7,956,193	583,963,901	171,974,648
Micro	16,925	344,233	22,100	227,731	-	1,040	39,025	573,004
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	111,608,359	95,369,265	1,337,775	3,020,800	-	-	112,946,134	98,390,065
Miscellaneous	37,742,979	36,119,086	72,883,253	70,196,450	249,433	1,064,286	110,875,665	107,379,822
Total	1,306,772,261	544,314,666	453,860,182	643,112,287	89,629,817	42,023,572	1,880,262,260	1,229,450,525



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig.in NPR

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	366,586,255	276,439,680	(41,456,184)	(33,449,583)	325,130,071	242,990,097
Motor	58,925,911	51,209,138	(3,604,644)	7,338,349	55,321,267	58,547,487
Marine	42,768,156	39,393,111	52,603,016	(4,513,112)	95,371,172	34,879,999
Engineering	421,626,508	87,557,476	(298,951,128)	13,671,509	122,675,380	101,228,985
Micro	10,459	93,014	45,337	19,564	55,796	112,578
Aviation	-	-	-	-	-	-
Cattle and Crop	93,971,223	82,652,921	(7,293,681)	(15,663,890)	86,677,542	66,989,031
Miscellaneous	21,837,639	27,033,024	2,899,928	470,167	24,737,567	27,503,191
Total	1,005,726,151	564,378,364	(295,757,356)	(32,126,996)	709,968,795	532,251,368

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	875,518,366	577,095,535	325,130,071	242,990,097	550,388,295	334,105,438
Motor	195,168,041	214,461,117	55,321,267	58,547,487	139,846,774	155,913,630
Marine	455,234,837	180,646,570	95,371,172	34,879,999	359,863,665	145,766,571
Engineering	334,312,057	257,271,989	122,675,380	101,228,985	211,636,677	156,043,004
Micro	320,127	500,056	55,796	112,578	264,331	387,478
Aviation	-	-	-	-	-	-
Cattle and Crop	103,703,388	81,273,187	86,677,542	66,989,031	17,025,846	14,284,126
Miscellaneous	136,044,676	102,504,886	24,737,567	27,503,191	111,307,109	75,001,695
Total	2,100,301,492	1,413,753,310	709,968,795	532,251,368	1,390,332,697	881,501,942



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig.in NPR

7 Commission Income

Particulars	Reinsurance Commission Income		Deferred Commission Income		Profit Commission		Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	68,642,070	75,079,960	3,215,274	(4,621,974)	-	-	71,857,344	70,457,986
Motor	8,228,794	6,096,844	(1,029,504)	3,739,045	-	-	7,199,290	9,835,889
Marine	12,263,787	15,349,254	(752,331)	1,487,831	-	-	11,511,456	16,837,085
Engineering	31,849,124	15,578,314	(13,057,832)	(415,951)	-	-	18,791,292	15,162,363
Micro	3,472	15,911	6,133	6,674	-	-	9,605	22,585
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	14,141,752	16,534,586	(9,097,243)	(1,149,791)	-	-	5,044,509	15,384,795
Miscellaneous	4,757,206	8,017,260	1,315,178	(448,477)	-	-	6,072,384	7,568,783
Total	139,886,205	136,672,129	(19,400,325)	(1,402,643)	-	-	120,485,880	135,269,486

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	14,375	11,600	-	-	14,375	11,600
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total	14,375	11,600	-	-	14,375	11,600

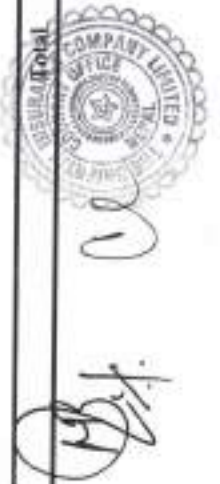


The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig.in NPR

99 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	219,771,563	208,253,451
ii) Fixed Deposit with Infrastructure Bank	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	13,292,424	8,535,508
iv) Fixed Deposit with "C" Class Financial Institutions	174,192	467,500
v) Debentures	26,922,810	26,884,859
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	1,408,144	788,584
ix) Other Interest Income (Bank Deposit Other Than FD)	3,775,916	3,682,746
Financial Assets Measured at FVTOCI	-	-
i) Interest Income on Debentures	-	-
ii) Dividend Income	-	-
iii) Other Interest Income (to be specified)	-	-
Financial Assets Measured at FVTPL	-	-
i) Interest Income on Debentures	-	-
ii) Dividend Income	-	-
iii) Other Interest Income (to be specified)	-	-
Rental Income	-	-
Others(to be Specified)	-	-
Total	268,803,049	252,070,648



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

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	-	-
iii) Others (to be specified)	-	-
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs		
i) Debentures	-	-
ii) Bonds	-	-
iii) Others (to be specified)	-	-
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	1,805,394	39,544
Interest Income from Finance Lease	-	-
Amortization of Deferred Income	-	-
Profit from disposal of Property and Equipment	1,285,555	3,254
Amortization of Deferred Income	-	-
Stamp Income	-	-
Others	715,335	733,948
Total	3,806,284	776,746

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig in NPR

33 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	258,041,759	232,409,906	22,683,860	99,346,022	235,357,899	133,063,884
Motor	57,529,823	107,503,189	14,953,179	20,970,935	42,576,644	86,532,254
Marine	111,092,899	108,566,793	38,284,631	42,698,016	72,808,268	65,868,777
Engineering	50,349,481	261,315,629	12,804,483	147,640,388	37,544,998	113,675,241
Micro	400,000	38,592,742	400,000	15,855,469	-	22,737,273
Aviation	-	-	-	-	-	-
Cattle and Crop	156,050,047	124,362,807	130,407,681	102,247,695	25,642,366	22,115,112
Miscellaneous	169,005,866	90,130,231	26,320,802	19,691,551	142,685,064	70,438,680
Total	902,469,875	962,881,297	245,854,636	448,450,076	556,615,239	514,431,221

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig. In NPR

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	251,291,996	155,255,760	6,750,165	77,154,146	258,041,760	232,409,906
Motor	54,342,633	102,322,947	3,187,193	5,180,242	57,529,826	107,503,189
Marine	105,177,572	105,449,197	5,915,325	3,117,596	111,092,897	108,566,793
Engineering	47,002,939	251,156,202	3,346,541	10,159,427	50,349,480	261,315,629
Micro	400,000	38,592,742	-	-	400,000	38,592,742
Aviation	-	-	-	-	-	-
Cattle and Crop	153,619,884	120,197,606	2,430,163	4,165,201	156,050,047	124,362,807
Miscellaneous	167,864,896	89,926,726	1,140,969	203,505	169,005,865	90,130,231
Total	779,699,519	862,901,180	22,770,356	99,980,117	802,469,875	962,881,297

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	64,352,540	(117,236,848)	(100,467,558)	158,376,422	(36,115,018)	41,139,574
Motor	17,885,824	(14,876,459)	(1,831,310)	2,558,951	16,054,514	(12,317,508)
Marine	76,516,396	(11,155,907)	(13,760,019)	6,398,215	62,756,377	(4,757,692)
Engineering	84,518,624	(207,612,760)	(23,044,304)	94,531,418	61,474,320	(113,081,342)
Micro	(951,037)	(18,226,586)	951,380	17,894,000	343	(332,586)
Aviation	-	-	-	-	-	-
Cattle and Crop	21,785,285	16,167,189	(15,810,314)	(14,424,268)	5,974,971	1,742,921
Miscellaneous	9,162,367	23,063,643	370,790	(2,007,505)	9,533,157	21,056,138
Total	273,269,999	(329,877,728)	(153,591,338)	263,327,233	119,678,661	(550,495)



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

35 Commission Expenses

Particulars	Commission Expenses on Direct Premiums		Commission Expenses on Premium on Reinsurance Accepted		Deferred Commission Expenses		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	6,030,555	635,675	33,541,009	22,868,170	(3,745,802)	(380,940)	35,825,762	23,123,105
Motor	848,748	965,123	37,148	23,440	14,558	231,191	900,454	1,219,754
Marine	416,325	406,510	136,196	397,105	10,022	113,585	562,543	917,200
Engineering	866,550	1,215,384	18,419,502	13,617,106	(6,068,680)	(1,694,442)	13,197,372	13,138,048
Micro	2,344	41,494	-	-	17,021	(17,380)	19,365	24,114
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	16,713,221	14,657,202	-	-	(11,352,892)	(863,723)	5,360,329	13,793,979
Miscellaneous	1,654,286	1,509,603	1,877,730	289,785	(741,817)	(129,654)	2,790,199	1,669,734
Total	26,532,029	19,431,691	54,011,585	37,195,606	(21,887,590)	(2,741,363)	98,656,024	53,485,934

36 Service Fees

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	6,513,523	5,215,481	(1,121,593)	(991,346)	5,391,930	4,224,135
Motor	1,210,166	1,668,587	(1,907)	(299,557)	1,208,259	1,369,030
Marine	1,449,320	1,562,261	(528)	(133)	1,448,792	1,562,127
Engineering	5,301,269	2,185,640	(2,551,791)	(411,793)	2,749,478	1,773,847
Micro	293	4,775	-	-	293	4,775
Aviation	-	-	-	-	-	-
Cattle and Crop	847,096	795,865	-	-	847,096	795,865
Miscellaneous	894,201	944,943	(12,766)	(3,642)	881,435	941,301
Total	16,215,868	12,377,552	(3,688,585)	(1,706,471)	12,527,283	10,671,081
	16,215,867				7,542,946	

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

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig.in NPR

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	50,816	-	-	-	50,816	-
Motor	-	-	-	-	-	-
Marine	1,762,613	3,429,346	-	-	1,762,613	3,429,346
Engineering	245,344	-	-	-	245,344	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	422,500	501,500	-	-	422,500	501,500
Miscellaneous	-	-	-	-	-	-
Total	2,481,273	3,930,846	-	-	2,481,273	3,930,846






The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig.in NPR

38 Employee Benefits Expenses

Particulars	Current Year	Previous Year
Salaries	114,670,311	47,555,089
Allowances	(4,599,890)	32,437,025
Festival Allowances	8,663,244	6,676,036
Defined Benefit Plans	-	-
i) Gratuity & Pension	6,252,258	5,482,976
ii) Others (Leave Encashment)	12,692,265	1,408,229
Defined Contribution Plans	-	-
i) Provident Fund	11,302,257	4,725,837
ii) Others (to be specified)	-	-
Leave Encashments	-	-
Termination Benefits	-	-
Training Expenses	2,825,929	79,400
Uniform Expenses	1,494,935	1,417,810
Medical Expenses	152,000	126,000
Insurance Expenses	577,399	598,759
Staff Welfare Expenses	-	-
Others:	-	-
i.Amortization of Deferred Employee Expenses	1,246,278	638,446
ii. Other allowances	-	-
iii.Wages	6,866,938	8,519,313
iv.Other	40,232,191	31,631,535
Sub Total	202,376,115	141,296,455
Employees Bonus	77,804,478	53,894,115
Total	280,180,593	195,190,570

39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)	215,000	215,000
Depreciation on Property and Equipment(Refer Note.5)	16,557,318	15,721,275
Depreciation on Investment Properties (Refer Note. 6)	-	-
Total	16,772,318	15,936,275

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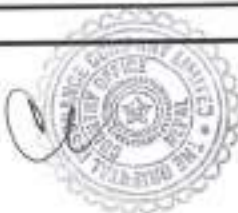
The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig.in NPR

40 Impairment Losses

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties and Goodwill & Intangible Assets		
i) Property and Equipment	-	-
ii) Investment properties	-	-
iii) Goodwill & Intangible Assets	-	-
Impairment Losses on Financial Assets		
i) Investments	-	-
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	(9,853,298)	24,906,887
iii) Lease Receivables	-	-
iv) Others (to be Specified)	-	-
Total	(9,853,298)	24,906,887

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig.in NPR

41 Other Operating Expenses

Particulars	Current Year	Previous Year
Rent Expenses	-	-
Electricity and Water	1,990,590	1,855,677
Repair & Maintenance		
i) Building	-	-
ii) Vehicle	69,739	115,703
iii) Office Equipments	491,816	574,795
iv) Others	-	-
Telephone & Communication	1,645,002	1,148,988
Printing & Stationary	1,587,112	1,381,757
Office Consumable Expenses	626,707	487,211
Travelling Expenses		
i) Domestic	1,776,786	2,409,868
ii) Foreign	43,681	53,250
Transportation & Fuel Expenses	-	-
Agent Training	-	-
Other Agent Expenses	-	-
Insurance Premium	1,001,923	858,951
Security & Outsourcing Expenses	-	-
Legal and Consulting Expenses	1,753,713	246,120
Newspapers, Books and Periodicals	19,100	27,185
Advertisement & Promotion Expenses	854,011	465,041
Business Promotion	324,316	153,988
Guest Entertainment	2,426,430	1,898,967
Gift and Donations	-	-
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	400,000	350,000
ii) Tax Audit	35,000	35,000
iii) Long Form Audit Report	15,000	15,000
iv) Other Fees	-	-
v) Internal Audit	300,000	300,000
vi) Others	-	-
Bank Charges	111,961	21,890
Fee and Charges	299,040	325,560
Postage Charges	406,370	405,800
Foreign Exchange Losses	-	-
Fines and Penalties	-	-
Others (to be Specified)		
i) Fuel	7,172,185	6,835,598
ii) Office Maintenance	2,118,356	2,011,866
iii) Computer Operating Expenses	3,610,511	2,692,947
iv) Provision for Unrealised Cheque	-	-
v) Others	5,315,588	5,462,200

The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig.in NPR

41.1 Other:

Particulars	Current Year	Previous Year
Proportional VAT	737,374	1,651,099
Courier	233,240	197,818
Other Expenses	2,592,952	1,915,441
Local Travel	1,028,277	667,531
Employee Transfer Expense	723,715	1,030,320
Total	5,315,558	5,462,209

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig.in NPR

42 Finance Cost

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	11,748,983	2,047,698
Interest Expenses - Overdraft Loans	-	-
Others (to be Specified)	-	-
Total	11,748,983	2,047,698

43 Income Tax Expense

(a) Income Tax Expense

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year	148,253,527	171,447,849
ii) Income Tax Relating to Prior Periods	4,723,203	-
Deferred Tax For The Year		
i) Originating and reversal of temporary differences	(51,144,998)	(11,537,868)
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	101,831,732	159,909,981

(b) Reconciliation of Taxable Profit & the Accounting Profit

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	700,240,300	485,047,034
Applicable Tax Rate	30%	30%
Tax at the applicable rate on Accounting Profit	210,072,090	145,514,110
Add: Tax effect of expenses that are not deductible for tax purpose	7,128,689	13,194,164
Less: Tax effect on exempt income and additional deduction	(68,947,252)	12,739,575
Less: Adjustments to Current Tax for Prior Periods	4,723,203	-
Add/ (Less): Others(to be Specified)		
i) Deferred Tax as per NFRS	(51,144,998)	(11,537,868)
ii) Fine related to Tax	-	-
Income Tax Expense	101,831,732	159,909,981
Effective Tax Rate	15%	33%

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

44 Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashad 31, 2081 (July 15, 2024) the company has recognised an amount of NPR 11,302,257.00 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.

Fig. in NPR

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

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost	4,527,438	3,686,657	-	-
Past service cost	-	-	-	-
Net interest cost	5,381,216	5,492,682	-	-
a. Interest expense on defined benefit obligation (DBO)	-	-	-	-
b. Interest (income) on plan assets	-	-	-	-
Net Actuarial Loss/(Gain) recognised during year	9,035,868	(2,288,134)	-	-
Defined benefit cost included in Statement of Profit or Loss	18,944,522	6,891,205	-	-

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

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
a. Actuarial (gain)/ loss due to financial assumption changes in DBO	-	-	-	-
b. Actuarial (gain)/ loss due to experience on DBO	34,405,158	(2,888,703)	-	-
c. Return on plan assets (greater)/ less than discount rate	-	-	-	-
Total actuarial (gain)/ loss included in OCI	34,405,158	(2,888,703)	-	-

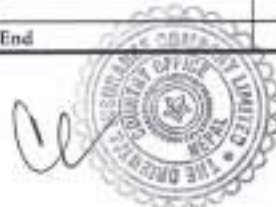
e) Total cost recognised in Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss	18,944,522	6,891,205	-	-
Remeasurements effects recognised in OCI	34,405,158	(2,888,703)	-	-
Total cost recognised in Comprehensive Income	53,349,680	4,002,502	-	-

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	59,281,073	60,969,123	-	-
Service cost	4,527,438	3,686,657	-	-
Interest cost	5,381,216	5,492,682	-	-
Benefit payments from plan assets	(4,389,021)	(5,690,552)	-	-
Actuarial (gain)/ loss - financial assumptions	-	-	-	-
Actuarial (gain)/ Loss - experience	43,441,026	(5,176,837)	-	-
Defined Benefit Obligation as at Year End	108,241,732	59,281,073	-	-

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

g) Change in Fair Value Of Plan Assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year	-	-	-	-
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	108,241,732	59,281,073	-	-
Fair Value of Plan Assets	-	-	-	-
Liability/ (Asset) Recognised in Statement of Financial Position	108,241,732	59,281,073	-	-

i) Expected Company Contributions for the Next Year

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

j) Reconciliation of amounts in Statement of Financial Position

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end	59,281,073	60,969,123	-	-
Defined benefit cost included in Statement of Profit or Loss	18,944,522	6,891,205	-	-
Total remeasurements included in OCI	34,405,158	(2,888,703)	-	-
Acquisition/ divestment	-	-	-	-
Employer contributions	(4,389,021)	(5,690,552)	-	-
Net defined benefit liability/(asset)	108,241,732	59,281,073	-	-

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	1,125,587	4,014,290	-	-
Total remeasurements included in OCI	34,405,158	(2,888,703)	-	-
Cumulative OCI - (Income)/Loss	35,530,745	1,125,587	-	-

l) Current/Non - Current Liability

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	15,060,123	4,673,976	-	-
Non - Current Liability	93,181,608	54,607,096	-	-
Total	108,241,731	59,281,072	-	-

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

m) Expected Future Benefit Payments

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	11,334,172	3,352,078	-	-
Between 1-2 years	10,563,304	6,753,028	-	-
Between 2-5 years	19,706,857	12,402,161	-	-
From 6 to 10	46,222,777	21,467,154	-	-
Total	87,847,110	43,975,321	-	-

n) Plan assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
	(% Invested)	(% Invested)	(% Invested)	(% Invested)
Government Securities (Central and State)	-	-	-	-
Corporate Bonds (including Public Sector bonds)	-	-	-	-
Mutual Funds	-	-	-	-
Deposits	-	-	-	-
Cash and bank balances	-	-	-	-
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	(71,518,061)	(35,575,737)	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	82,188,758	40,866,789	-	-
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	82,012,202	40,890,068	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	(71,587,264)	(35,517,164)	-	-
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, 2081 (July 15, 2024)

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 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.

Fig. in NT

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Investments							
i) Investment in Equity Instruments							
Investment in Equity (Quoted)	1	-	-	-	-	-	-
Investment in Equity (Unquoted)	3	-	407,550,519	-	-	206,812,308	-
ii) Investment in Mutual Funds	1	-	-	-	-	-	-
iii) Investment in Preference Shares of Bank and Financial Institutions		-	-	-	-	-	-
iv) Investment in Debentures	3	-	-	272,711,000	-	-	232,486,000
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3	-	-	70,000,000	-	-	70,000,000
vi) Fixed Deposits	3	-	-	2,835,550,000	-	-	2,009,550,000
vii) Others (Equity Instruments Unquoted)		-	-	-	-	-	-
Loans	3	-	-	13,142,676	-	-	7,360,111
Other Financial Assets	3	-	-	137,091,541	-	-	240,901,692
Cash and Cash Equivalents	3	-	-	163,857,543	-	-	313,325,281
Total Financial Assets		-	407,550,519	3,492,352,760	-	206,812,308	2,873,623,071
Borrowings		-	-	-	-	-	-
Other Financial Liabilities	3	-	-	267,915,090	-	-	94,132,761
Total Financial Liabilities		-	-	267,915,090	-	-	94,132,761



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

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 far as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

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

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

(ii) Valuation Technique Used to Determine Fair Value

- 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 & 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, 2081 (July 15, 2024)

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

Fig. in NP

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investments				
i) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
ii) Investment in Debentures	272,711,000	272,711,000	232,486,000	232,486,000
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	2,835,550,000	2,835,550,000	2,009,550,000	2,009,550,000
v) Others	-	-	-	-
Loans				
i) Loan to Employees	13,142,676	13,142,676	7,360,114	7,360,114
ii) Others (to be Specified)	-	-	-	-
Other Financial Assets	137,091,541	137,091,541	240,901,696	240,901,696
Total Financial Assets at Amortised Cost	3,328,495,217	3,328,495,217	2,560,297,810	2,560,297,810
Borrowings				
i) Bonds	-	-	-	-
ii) Debentures	-	-	-	-
iii) Term Loans - Bank and Financial Institution	-	-	-	-
iv) Bank Overdrafts	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Other Financial Liabilities	267,915,090	267,915,090	94,132,769	94,132,769
Total Financial Liabilities at Amortised Cost	267,915,090	267,915,090	94,132,769	94,132,769

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.






The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

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 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 minimise the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce the exposure to unpredictable future developments that can negatively impact the business.



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

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 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 fact 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 adjusters 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 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, 2081 (July 15, 2024)

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 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 individual basis.

Fig. 10

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%	78,927,869	54,746,547	49,769,588	34,838,711	68,595,296	36,648,151	33,316,501	23,32
Average Number of Claims	+ 10%								
Average Claim Cost	- 10%	(78,927,869)	(54,746,547)	(49,769,588)	(34,838,711)	(68,595,296)	(36,648,151)	(33,316,501)	(23,32
Average Number of Claims	- 10%								

Claim development table

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

Gross outstanding claim provision

Year of incident	> FY 4	FY 4	FY 3	FY 2	FY 1	Current Year	Total
At end of incident year						922,394,809	922,39
One year later						199,435,801	199,43
Two year later						154,549,992	154,56
Three year later						172,598,183	172,59
Four year later						28,950,723	28,95
More than Four years							
Current estimate of cumulative claims	-	-	-	-	-	1,477,929,508	1,477,92
At end of incident year						422,348,163	422,34
One year later						165,654,028	165,65
Two year later						137,669,066	137,66
Three year later						47,647,893	47,64
Four year later						28,950,723	28,95
More than Four years							
Cumulative payments to date						802,469,873	802,46
Gross outstanding claim provision	-	-	-	-	-	675,459,635	675,45

Fig. 10.

The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

Net outstanding claim provision						
Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year
At end of incident year						540,746,558
One year later						116,917,639
Two year later						90,603,693
Three year later						101,184,300
Four year later						16,972,129
More than Four years						-
Current estimate of cumulative claims						866,424,319
At end of incident year						247,598,223
One year later						97,113,345
Two year later						80,707,386
Three year later						28,050,443
Four year later						16,972,128
More than Four years						-
Cumulative payments to date						470,441,525
Net outstanding claim provision						395,982,794

f) Reserving

Insurance Contract Liabilities are created to cover this risk based on the actuarial valuation report.

The table below sets out the concentration of risk associated with above mentioned products. Risk as at year end has been measured as Insurance contract liabilities and disclosed as below:

Fig. in NPR

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Property	607,905,245	298,927,163	308,978,082	550,601,324	157,003,421	393,597,903
Motor	137,154,517	46,627,365	90,527,152	153,081,321	41,191,411	111,889,910
Marine	212,900,312	44,690,587	168,209,725	398,376,149	83,533,584	314,842,565
Engineering	665,983,106	371,425,185	294,557,921	208,940,689	49,429,753	159,510,936
Micro	60,234,861	60,230,284	4,577	61,467,000	61,227,000	240,000
Aviation	-	-	-	-	-	-
Cattle and Crop	123,157,128	100,268,372	22,888,756	92,129,096	77,164,377	14,964,719
Miscellaneous	99,399,812	19,984,586	79,415,226	107,055,291	23,255,304	83,799,987
Total	1,906,734,981	942,153,542	964,581,438	1,571,650,870	492,804,850	1,078,846,020


 Director



The Oriental Insurance Company Limited

Notes to the Financial Statements

For the year ended Ashadh 31, 2081 (July 15, 2024)

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:

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

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh 31, 2081

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 Debentures	272,711,000	-	-	272,711,000
	Investment in Bonds	70,000,000	-	-	70,000,000
Credit Risk has significantly increased and not credit impaired	Fixed Deposits	2,835,550,000	-	-	2,835,550,000
Credit Risk has significantly increased and credit impaired	Loss allowance measured at 12 months expected credit losses				
	Loss allowance measured at life-time expected credit losses				

Fig. in NPR



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

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

Fig. in NPR

Particulars	Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Investment in	232,486,000	-	-	232,486,000
	Investment in Bonds	70,000,000	-	-	70,000,000
	Fixed Deposits	2,009,550,000	-	-	2,009,550,000
Credit Risk has significantly increased and not credit impaired					
Credit Risk has significantly increased and credit impaired					

Reconciliation of Loss Allowance Provision

Fig. in NPR

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 31, 2080				
Changes in loss allowances				
Write-offs				
Recoveries				
Loss Allowance on Ashadh 31, 2081	-	-	-	-



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

ii) Liquidity Risk

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

Maturity of Financial Liabilities

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

Particulars	Current Year			Previous Year		
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	Upto 1 Year	1 Year to 5 Year	More than 5 Year
Borrowings	-	-	-	-	-	-
Other Financial Liabilities	267,915,090	-	-	94,132,769	-	-
Total Financial Liabilities	267,915,090	-	-	94,132,769	-	-

Fig. in NPR

iii) Market Risk

a1) Foreign Currency Risk Exposure

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

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.

Fig. in NPR

Particulars	Impact on profit after tax				Impact on other component of equity			
	Current Year		Previous Year		Current Year		Previous Year	
USD sensitivity								
NPR/ USD - Increases by 10% *								
NPR/ USD - Decreases by 10% *								
Currency A sensitivity								
NPR/ USD - Increases by 10% *								
NPR/ USD - Decreases by 10% *								

* Holding all other variable constant

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The Oriental Insurance Company Limited

Notes to the Financial Statements

For the year ended Ashad 31, 2081 (July 15, 2024)

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.

Fig. in NPR

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

* Holding all other Variable Constant

c1) Equity Price Risk

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

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

c2) Sensitivity

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

Fig. in NPR

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

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



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

49 Operational Risk

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

49 Climate Related Risk

Climate-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 Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Dividend	Particulars	Fig. in NPR	
		Current Year	Previous Year
(ii) Dividends recognised			
Final dividend for the year ended Ashadh 31, 2081 of NPR/- (Ashadh 31, 2078 - NPR/-) per fully paid share			
(iii) 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 31, 2081 - NPR/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting			

51 Earnings Per Share	Particulars	Fig. in NPR	
		Current Year	Previous Year
Profit For the Year		598,408,568	325,137,053
Less: Dividend on Preference Shares			
Profit For the Year used for Calculating Basic Earning per Share		598,408,568	325,137,053
Add: Interest saving on Convertible Bonds			
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			



(Signature)

The Oriental Insurance Company Limited

Notes to the Financial Statements

For the year ended Ashad 31, 2081 (July 15, 2024)

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.

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:

Property

Motor

Marine

Engineering

Micro

Aviation

Cattle and Crop

Miscellaneous



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Supplemental Information for the year ended Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income										
Earned Premiums	879,518,366	195,168,041	455,234,837	334,312,057	320,127	-	101,703,388	136,044,676		2,100,301,492
Reinsurances Ceded	(325,130,071)	(55,321,267)	(95,371,171)	(122,675,380)	(85,796)	-	(88,677,542)	(24,732,567)		(709,968,795)
Segment Revenue										-
Earned Premiums	550,385,295	139,846,774	359,863,665	211,636,677	264,331	-	17,025,846	111,307,109	-	1,390,332,697
Reinsurances Ceded	(71,857,244)	(7,199,290)	(11,511,656)	(18,791,292)	(9,605)	-	(5,044,529)	(6,072,384)		(120,485,880)
Direct Income	-	14,375	-	-	-	-	-	-		14,375
Income from Investments and Loans	112,051,535	24,978,207	58,262,356	42,786,286	40,971	-	13,272,279	17,411,417		268,800,051
Gain/(Loss) on Fair Value Changes										-
Realised Gains/(Losses)										-
Income										-
Segmental Income	734,207,174	172,038,646	429,637,477	273,214,255	314,907	-	35,342,634	134,790,910	-	1,779,636,003
Expenses										
Claims Paid	298,041,759	57,529,823	111,092,899	50,349,481	400,000	-	136,050,047	169,085,866		802,469,875
Reinsurances Ceded	(22,683,860)	(14,953,179)	(38,284,631)	(12,804,483)	(400,000)	-	(130,407,681)	(26,320,802)		(345,854,636)
Change in Contract Liabilities	64,352,540	17,885,824	76,516,396	84,518,624	(951,037)	-	21,785,285	9,162,367		273,269,999
Change in Contract Liabilities Coded to Reinsurers	(100,467,558)	(1,831,310)	(13,760,019)	(23,044,304)	951,380	-	(15,810,314)	(370,790)		(153,591,335)
Claims Paid	199,242,881	58,631,158	135,564,645	99,019,318	343	-	31,617,337	152,218,221	-	676,293,903
Commission Expenses	35,825,762	900,454	562,543	13,197,372	19,365	-	5,360,329	2,790,199		38,656,024
License Fees	5,391,930	1,208,259	1,448,792	2,749,478	293	-	847,096	881,435		12,527,383
Other Direct Expenses	50,816	-	1,762,613	245,344	-	-	422,500	-		2,481,273
Employee Benefits Expenses	116,794,306	26,035,451	60,728,408	44,597,288	42,705	-	13,834,050	18,148,384		280,180,592
Provision and Amortization Expenses										-
Investment Losses										-
Other Operating Expenses	14,337,663	3,196,106	7,455,006	5,474,753	5,242	-	1,698,365	2,227,892		34,394,917
Finance Cost										-
Other Segmental Expenses	371,643,338	89,971,428	207,522,007	165,283,553	67,948	-	83,779,577	176,266,131	-	1,064,533,962
Segmental Results	362,453,836	82,067,218	222,115,470	107,930,702	246,959	-	(18,436,943)	(41,475,271)	-	715,102,021
Segment Assets	391,823,212	67,649,396	101,586,854	399,072,310	60,293,544	-	95,545,634	9,360,449	-	1,125,331,999.00
Segment Liabilities	670,916,210	151,413,665	251,492,790	684,736,024	60,277,770	-	119,953,276	92,193,507	-	2,030,983,682.00



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Supplemental Information for the year ended Ashad 31, 2080 (July 16, 2023)

Fig. in NPR

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income										
as Earned Premiums	577,095,535	214,461,117	180,646,570	257,271,989	500,056	-	81,273,157	102,504,886		1,413,753,310
Reinsurance Ceded	(242,990,097)	(58,547,487)	(34,879,999)	(101,228,985)	(112,578)	-	(66,989,631)	(27,503,191)		(532,251,364)
- Segment Revenue										
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	70,457,986	9,835,889	16,837,085	15,162,363	22,585	-	15,384,795	7,568,783		135,269,486
or 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
Gain/ (Loss) on Fair Value Changes										
Realised Gains/ (Losses)										
or Income										
Segmental Income	507,458,918	203,999,298	194,812,739	217,076,677	699,222	-	44,159,835	100,846,987	-	1,268,853,678
Expenses										
as Claims Paid	232,409,906	107,503,189	108,566,793	261,315,629	38,592,742	-	124,362,807	90,130,231		962,881,297
Reinsurance Ceded	(99,346,022)	(20,970,935)	(42,698,016)	(147,640,388)	(15,855,469)	-	(102,247,695)	(19,691,551)		(448,450,076)
Change in Contract Liabilities	(117,236,848)	(34,876,459)	(11,155,907)	(207,612,760)	(18,226,586)	-	16,167,189	23,063,643		(329,877,228)
Change in Contract Liabilities Ceded to Reinsurers	158,376,422	2,558,951	6,398,215	94,531,418	17,894,000	-	(14,424,268)	(2,007,505)		263,327,338
Claims Paid	174,203,458	74,214,746	61,111,085	593,899	22,404,687	-	23,858,033	91,494,818	-	447,880,726
Commission Expenses	23,123,105	1,219,754	917,200	13,138,048	24,114	-	13,793,979	1,669,734		53,885,934
or Fees	4,224,135	1,369,030	1,562,128	1,773,847	4,775	-	795,865	941,301		10,671,081
or 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	14,152,369		195,190,578
Provision and Amortization Expenses										
or Depreciation Expenses	12,300,473	4,571,120	3,850,382	5,483,610	10,658	-	1,732,292	2,184,836		30,133,371
or Operating Expenses										
or Cost										
Segmental Expenses	293,528,160	110,984,333	95,811,202	56,599,792	22,513,274	-	51,902,689	110,443,078	-	741,692,528
Segmental Results	213,930,758	93,014,963	99,001,537	160,566,885	422,014,052	-	(7,742,854)	(9,596,091)	-	527,161,148
Assets										
or Current Assets	314,010,674	109,456,603	156,192,418	167,272,394	45,070,530	-	71,481,771	16,212,577		879,696,967
Liabilities	572,513,559	162,608,543	408,516,556	225,387,035	59,212,172	-	91,336,021	106,072,393	-	1,625,646,279



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

Fig. in NPR

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

Particulars	Current Year	Previous Year
Segmental Profit	715,102,021	527,161,148
Add: Net Gains/ (Losses) on Fair Value Changes	-	-
Add: Net Realised Gains/ (Losses)	-	-
Add: Other Income	3,806,284	776,746
Less: Depreciation and Amortization	(16,772,318)	(15,936,275)
Less: Impairment Losses	9,853,298	(24,906,887)
Less: Finance Cost	(11,748,983)	(2,047,698)
Less: Unallocable Corporate Expenditures	-	-
Profit Before Tax	700,240,302	485,047,034

d) Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets	1,125,331,399	879,696,967
Goodwill & Intangible Assets	886,759	611,759
Property, Plant and Equipment	95,633,406	18,658,562
Investment Properties	-	-
Deferred Tax Assets	17,588,323	16,343,241
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	3,585,811,519	2,518,848,308
Loans	13,142,676	7,360,114
Current Tax Assets	67,350,014	2,968,272
Other Assets	49,343,296	23,471,892
Other Financial Assets	137,091,541	240,901,696
Cash and Cash Equivalents	163,857,543	313,325,289
Total Assets	5,256,036,476	4,022,186,100

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	2,030,983,682	1,625,646,279
Provisions	195,747,458	120,864,907
Deferred Tax Liabilities	-	-
Current Tax Liabilities	-	-
Other Financial Liabilities	267,915,090	94,132,769
Other Liabilities	205,275,902	87,071,738
Total Liabilities	2,699,922,132	1,927,715,693

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The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

53 Related Party Disclosure

Holding Company: Oriental Insurance Company Ltd.

Subsidiaries:

Associates:

Fellow Subsidiaries:

Key Management Personnel:

Toton Chakraborty

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

Sirisha Marujolla

Dy. Chief Executive Officer (From 10/06/2023 Onwards)

MB Dvakal

Member of LMC

SK Manandhar

Member of LMC

(b) Key Management Personnel Compensation:

Fig. in NPR

Particulars	Current Year	Previous Year
Short-term employee benefits	21,528,451	13,559,325
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	2,750,242
Total	21,528,451	16,309,567

Payment to Chief Executive Officer (CEO)

Fig. in NPR

Particulars	Current Year	Previous Year
Annual salary and allowances	5,431,996	6,758,022
Performance based allowances		
i) Employee Bonus	293,428	4,174,122
ii) Benefits as per prevailing provisions	1,950,615	1,119,370
iii) Incentives		
Insurance related benefits		
i) Life Insurance	-	-
ii) Accident Insurance	30,540	30,540
iii) Health Insurance (including family members)	69,020	67,000
Total	7,775,601	12,149,054

MB Dvakal



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

(c) Related Party Transactions:

Fig. in NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Premium Earned						
Current Year						
Previous Year						
Commission Income						
Current Year	8,149,146					8,149,146
Previous Year	5,345,530					5,345,530.00
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	104,082,831					104,082,831
Previous Year	36,977,744					36,977,744
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	43,548,276					43,548,276
Previous Year	69,267,962					69,267,962

MB

cc



The Oriental Insurance Company Limited
Notes to the Financial Statements
For the year ended Ashad 31, 2081 (July 15, 2024)

(d) Related Party Balances:

Fig. in NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
Current Year	175,060,267					175,060,267
Previous Year	129,681,976					129,681,976
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, 2081 (July 15, 2024)

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 11,748,983.46 & NPR 13,426,902.39 respectively.

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

Fig. in NPR

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	6,795,227	7,126,438
ii) Later than 1 year and not later than 5 years	48,823,566	5,295,953
iii) Later than 5 years	57,558,819	1,050,883

(ii) Finance Lease:

The Company does not hold assets under finance leases.

Fig. in NPR

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

Fig. in NPR

Future Minimum Lease Income	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

Fig. in NPR

Particulars	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, 2081 (July 15, 2024)

56 Contingent Liabilities

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

Fig. in NPR

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as debts		
a) Income Tax	342,077,895	136,138,064
b) Indirect Taxes	4,571,778	4,571,778
c) Others (TDS)	4,836,526	2,183,455
Total	351,486,199	142,893,297

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 assesment made by LTPO of financial years 2072/73, 2073/74, 2074/75, 2075/76, which is also under consideration.

57 Events occuring after Balance Sheet

58 Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are:

Fig. in NPR

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

59 Corporate Social Responsibility

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
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	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Property	4,626	3,748	307,594,167,342	246,290,157,995	116,847,036,338	109,749,081,921	190,747,131,004	136,5
2	Motor	21,295	22,138	9,231,246,004	113,684,427,852	1,496,800,923	24,637,652,691	7,734,445,081	89,0
3	Marine	2,938	2,525	122,861,122,484	9,031,875,289	43,871,670,566	3,518,057,272	78,989,451,918	5,5
4	Engineering	616	518	143,828,630,863	79,564,266,178	63,702,696,171	9,563,026,809	80,125,934,692	70,0
5	Micro	14	195	17,400,000	235,891,745	2,784,000	-	14,616,000	2
6	Aviation	-	-	-	-	-	-	-	-
7	Cattle and Crop	7,471	5,104	2,413,248,699	2,025,910,058	2,007,823,438	1,740,164,478	405,425,262	2
8	Miscellaneous	4,437	6,037	69,331,643,300	60,648,883,614	9,979,590,358	15,316,237,238	59,392,052,941	45,3
Total		41,397	40,265	655,277,458,692	511,481,412,731	237,908,401,794	164,524,220,409	417,369,056,898	346,9

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The Oriental Insurance Company Limited
Major Financial Indicators

S.N	Particular	Indicators	Fiscal Year				
			2080/81	2079/80	2078/79	2077/78	2076/77
A. Equity:							
1	Net worth	NWR	2,556,114,343	2,094,470,407	1,754,269,982	1,463,356,964	1,130,653,278
2	Net Profit	NPR	998,418,568	325,137,053	280,371,569	316,871,758	790,363,488
3	Number of Shares	No. of	0.00%	0.00%	0.00%	0.00%	0.00%
4	Earning per Share (EPS)	Per Share	0.00%	0.00%	0.00%	0.00%	0.00%
5	Book value per share	Per Share	0.00%	0.00%	0.00%	0.00%	0.00%
6	Dividend per Share (DPS)	Per Share	0.00%	0.00%	0.00%	0.00%	0.00%
7	Market Price per Share (MPPS)	Per Share	0.00%	0.00%	0.00%	0.00%	0.00%
8	Price Earning Ratio (PER Ratio)	Ratio	0.00%	0.00%	0.00%	0.00%	0.00%
9	Change in Equity	%	22.04%	19.39%	116.9%	25.4%	236.0%
10	Return on Equity	%	23.41%	15.3%	17.4%	21.7%	69.9%
11	Attributable Ratio	%	0.00%	0.00%	0.00%	0.00%	0.00%
12	Capital to Total Net Assets Ratio	%	0.00%	7.13%	7.43%	7.76%	9.08%
13	Capital to Technical Reserve Ratio	%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Market Share	%					
15	Solvency Margin	%	2.66	1.61	1.88	2.30	1.63
B. Income:							
16	Net Earning Ratio	%	43.04%	36.88%	34.07%	42.92%	118.20%
17	Gross Earned Premium Growth Rate	%	48.56%	12.00%	16.58%	14.40%	9.42%
18	Direct Premium Growth Rate	%	90.50%	4.51%	24.81%	7.63%	9.42%
	Property	%	32.53%	31.47%	33.93%	5.12%	2.75%
	Motor	%	2.20%	-4.10%	4.13%	-1.26%	-4.37%
	Marine	%	6.70%	-38.53%	12.61%	46.17%	-2.80%
	Engineering	%	239.56%	-3.82%	99.71%	-30.70%	28.74%
	Misc.	%	-95.19%	33.88%	-93.11%	-46.87%	5819.75%
	Aviation	%	0.00%	0.00%	0.00%	0.00%	0.00%
	Cattle and Crops	%	14.79%	53.36%	38.22%	68.44%	45.08%
	Miscellaneous	%	3.20%	15.10%	15.27%	10.18%	-3.75%
19	Reversion Ratio	%	66.20%	62.35%	65.29%	68.27%	69.81%
20	Net Reinsurance Inflow/Outflow	Amount in Cr.	343,628,279	51,468,194.00	51,651,997.00	(32,977,994.00)	189,195,082.00
21	Net Commission Income / Premium Ceded	%	17.0%	25.4%	26.0%	27.1%	38.6%
22	Gross Earned Premium to Equity	%	82.2%	67.5%	57.0%	75.9%	84.7%
23	Net Earned Premium to Equity	%	54.4%	42.1%	29.0%	50.4%	59.1%
24	Gross Earned Premium to Total Assets	%	45.3%	53.8%	30.6%	28.0%	30.6%
25	Gross Premium to Equity	%	84.6%	71.8%	82.1%	79.2%	150.5%
26	Net Profit to Gross Premium	%	27.7%	21.6%	22.2%	29.3%	82.5%
27	Yield on Investment and Loan	%	8.4%	9.5%	8.2%	7.0%	8.0%



Comparative Statement of Solvency Balance Sheet and NFRS based Financial Statement

The company has got approval of assessment of solvency and actuarial valuation of liabilities of the company as at 15th July 2024, as per Risk Based Capital and Solvency Directives, 2024 (2080) issued by the Nepal Insurance Authority, vide letter dated 2081/12/13 Chellan No. 2081/82, 4785. Accordingly the solvency margin of the company is 265.9% which is higher than the Supervisory Target Capital level of 130% and Risk based capital requirement id Rs 79.71 crores.

Summary of Balance Sheet

The summary of the annual financial statement and solvency balance sheet are as below

Particulars	Annual Financial Statements	Amount ('000)
		Solvency Balance Sheet
Total Assets	5,256,036	5,110,198
Reinsurance Assets	942,153	925,771
All Other Assets	4,313,883	4,184,427
Total Liabilities	2,699,922	2,699,922
Technical Provision	1,906,735	1,906,735
All Other Liabilities	793,187	793,187
Excess of Assets over Liabilities	2,556,114	2,410,276

The excess of assets over liabilities for solvency stands at 241.03 crores, which is 5.71% lower than excess as per the annual financial statements.

Summary of Solvency Margin

Particulars	Amount ('000)
Total Solvency Available Capital Resources Requirement (ACR)	2,119,256
Risk Based Capital (RBC)	797,135
Solvency Surplus/Deficit	1,322,121
Solvency Ratio (ASC/RBC)	265.9%

The risk-based solvency ratio stands at 265.90% as per the RBC approach. The company's Available Solvency Capital (ACR) is 211.92 crores and risk-based capital is 79.71 crores. The company has a surplus solvency capital of 132.21 crores.

Risk Based Capital (RBC)

Risk Based Capital (RBC) consists of the capital charges for the various categories of risks along with the allowance for diversification benefits achieved among the risks while aggregating the individual capital charges for the risks. The benefits of diversification are achieved owing to the fact that the risks are not perfectly positively correlated.

Below is the table showing the bifurcation of the Total Risk-Based Capital:

Particulars	Amount ('000)
Market Risk	165,045
Credit Risk	306,253
Non-life Insurance Risk	451,078
Sum of Capital Charges	922,376
Aggregation with correlations	724,668
Diversification benefits	197,708
Operational risk before floor/cap	87,912
Operational risk after floor/cap	72,461
Total Risk-Based Capital	797,135

Available Solvency Capital (ASC)

Available Solvency Capital (ASC) is the excess of assets over liabilities for solvency purpose after allowing for various deductions. This is the total capital available to demonstrate the solvency for the insurer. Below is the table showing the bifurcation of Total Available Solvency Capital.

Particulars	Amount ('000)
Excess assets over liabilities as per Solvency Balance Sheet	2,410,276
Deductions	(291,020)
Tier 1 Capital (after limits)	2,119,256
Tier 2 Capital (after limits)	-
Total Solvency Available Capital Resources	2,119,256

The following can be observed from the above table:

- The total available solvency capital is divided into Tier 1 and Tier 2 according to the loss absorbency and availability.
- The entire ASC comes from the Tier 1 capital and Tier 2 capital stands at nil.



Available Capital Resources (ACR), solvency Position and MCR

The Oriental Insurance Company Limited

amounts in NPR units (no decimals)

Solvency balance sheet

TIER 1 CAPITAL: List of items (capital resources that absorb losses on a going-concern basis and in winding-up basis)		C0010
Excess of assets over liability as per Solvency Balance Sheet	R0001	2,410,275,676
Add: Paid-in (paid-up) subordinated debts qualified as tier 1 Available Capital Resources	R0002	-
Less: Revaluation reserve	R0003	-
Less: CSR Reserve	R0004	(8,040,630)
Less: Fair value reserve	R0005	(205,547,174)
Less: Actuarial reserve	R0006	-
Less: Excess of deferred tax reserve shown in equity of 02.01 BS over deferred tax assets as per Financial Statement	R0007	(77,432,422)
Less: Assets pledged by the insurer when the facility guaranteed is not in the liability side of the solvency balance sheet	R0008	-
Less: Credit Facilities granted by the insurer and secured by its own shares when the facility is not in the liability side	R0009	-
Less: Direct and indirect investments, reciprocal cross holdings, arranged either directly or indirectly between financial institutions	R0010	-
Less: Assets not valued at nil whose valuation in the solvency balance sheet should not increase the Available Capital Resources	R0011	-
Less: Deduction as per para 65(5) of Risk-Based Capital and Solvency Directive if not valued at nil in solvency balance sheet	R0012	-
Less: Deduction as per para 65(7) of Risk-Based Capital and Solvency Directive if not valued at nil in solvency balance sheet	R0013	-
Less: Embedded profit already included in surplus i.e. excess of assets over liability as per 02.01 BS	R0014	-
TIER 1 - TOTAL BEFORE LIMITS	R0100	2,119,255,650

TIER 2 CAPITAL: List of items (capital resources that absorb losses only in winding-up basis)		C0010
Cumulative irredeemable preference shares qualified as tier 2 Available Capital Resources	R0101	-
Irredeemable subordinated debts qualified as tier 2 Available Capital Resources	R0102	-
Other capital resources qualified as Tier 2, including unpaid preference shares, unpaid subordinated debt, letters of credit, guarantees and mutual member calls	R0103	-
Future profits embedded in the valuation of technical provisions (reserves)	R0104	-
TIER 2 - TOTAL BEFORE LIMITS	R0105	-

Dividend during financial year 2078 - 2079	R0121	-
Dividend during financial year 2079 - 2080	R0122	-
Dividend during financial year 2080 - 2081	R0123	-
Dividend agreed or expected during financial year 2081 - 2082	R0124	-

SOLVENCY SITUATION		C0010	C0010
Risk-Based Capital Requirement	R0201	797,135,350	797,135,350
Reduction of life technical reserves due to transitional (only where approved by the NIA)	R0202	-	-
Reduction of non-life technical reserves due to transitional (only where approved by the NIA)	R0203	-	-

		C0010	C0010
		Calculations without transitional	Calculations without transitional
Tier 1 items before limits	R0204	2,119,255,650	2,119,255,650
Tier 1 Paid-in subordinated debt before limit	R0205	-	-
Reduction to limit up to 30% Tier 1	R0206	-	-
Tier 1 Paid-in subordinated debt after deduction of the limit	R0207	-	-
Exceptional increase para 65(6) Annexure V of RBC Directive - only previous NIA approval	R0208	-	-
Tier 1 items after limits	R0209	2,119,255,650	2,119,255,650
Tier 2 before limits	R0210	-	-
Before limits - Future profits embedded in technical reserves	R0211	-	-
After limits - Future profits embedded in technical reserves	R0212	-	-
Recalculated Tier 2 after limits to Future profits embedded in technical reserves	R0213	-	-
Tier 2 after limit 40% RBC	R0214	-	-
Total Solvency Available Capital Resources	R0215	2,119,255,650	2,119,255,650
Solvency surplus/deficit	R0216	1,322,120,300	1,322,120,300
Solvency ratio	R0217	265.9%	265.9%
Supervisory Target Capital Level (paragraph (85) Annexure VI of RBC Directive (%))	R0218		130.00%

MINIMUM CAPITAL REQUIREMENT

Tier 1 covering MCR

Tier 2 covering MCR

MCR surplus/deficit

	C0010	C0010
	Calculations without transitional	Calculations without transitional
R0219	265,711,783	265,711,783
R0220	2,119,255,650	2,119,255,650
R0221	-	-
R0222	1,853,543,867	1,853,543,867



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

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 2080 to 31st Ashadh 2081 with the corresponding previous year from 1st Shrawan 2079 to 31st Ashadh 2080.

(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, 2063, 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 Risk Based Capital and Solvency Note ,

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

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

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The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

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, 2081 (July 15, 2024)

Accounting standards issued and non-effective

NFRS 17 "Insurance Contracts" effective from 2025.

(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, 2081 (July 15, 2024)

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.

(Signature)



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

(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.





The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

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.



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

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, 2081 (July 15, 2024)

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) Capital

Company is branch office of Oriental Insurance Company Limited India incorporated under Companies Act of Nepal. Hence, there is no capital account.

(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

The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

- 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) **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.
- v) **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.
- vi) **Special Reserve:** The Company has allocated special reserve per Regulator's Directive.
- vii) **Other Reserves:** Reserve other than above reserves, for e.g. deferred tax reserve & Corporate Social Responsibility Reserve.

(k) Insurance Contract Liabilities

i) Provision for unearned premiums

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

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

ii) Outstanding claims provisions

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

iii) Provision for claim incurred but not reported.

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 over best estimate.

iv) Margin over Best Estimate (MOBE)

The Company has established appropriate levels of MOBE on the line of business to reflect the value of the inherent uncertainty in the cashflows related to insurance obligations. The MOBE for the company has been calculated as ten percent of net technical provision for the 'Engineering' and 'Cattle & Crops' line of business. For the rest of the lines of business, the MOBE has been calculated as five percent of the net technical provisions.

iv) Earthquake Premium Reserve

The Earthquake Premium Reserve is a financial provision set aside by insurance companies to cover potential future claims arising from earthquake-related events. A defined percentage of premiums from each Line of Business (LOB) is allocated to earthquake Premium. A reserve amounting to 15% of this allocated earthquake premium has been created towards the earthquake premium reserve

(l) Employee Benefits

i) Short Term Obligations



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

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.

(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

The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

- 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.

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.





The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

(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.

Reserves for Incurred but Not Reported Claims (IBNR) and Reserve for Incurred but Not Enough Reported Claim (IBNER) are 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 over best estimate (previously known as Margin for Adverse Deviation).

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.

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.



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

(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.

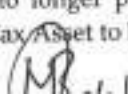
ii) Deferred Tax

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.

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.



The Oriental Insurance Company Limited
Notes to the Financial Statements
for the year ended Ashad 31, 2081 (July 15, 2024)

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

(v) Earnings Per Share

There is no share capital account hence 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".

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.

