



अजोड इन्स्योरेन्स लिमिटेड
AJOD Insurance Limited

हरेक कदमको महयात्री...

प्रथम

वार्षिक प्रतिवेदन

(आ.व. २०७८/०७९)

संचालक समिति



डा. बिनोद प्रसाद बिष्ट
अध्यक्ष



आजाद श्रेष्ठ
संचालक



राजेन्द्र प्रसाद कायस्थ
संचालक



उपरथी राम बहादुर गुरुङ्ग (अ.प्रा.)
संचालक



सागर गुरुङ्ग
संचालक



वैद्यनाथ प्रसाद उपाध्याय
कम्पनी सचिव

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अजोड इन्स्योरेन्स लि. प्रथम वार्षिक साधारण सभा बस्ने सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरू

यस कम्पनीको संचालक समितिको मिति २०७६ साल असार ०८ गते आइतबार बसेको ५७ औं बैठकको निर्णय अनुसार कम्पनीको प्रथम वार्षिक साधारण सभा निम्न मिति, स्थान र समयमा देहाय बमोजिमका विषयहरू उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा कम्पनी ऐन, २०६३ को दफा ६७ बमोजिम सम्पूर्ण शेयरधनी महानुभावहरूको जानकारी तथा उपस्थितिका लागि यो सूचना प्रकाशित गरिएको छ ।

सभा बस्ने मिति, स्थान र समय:

मिति : २०७६ साल असार ३० गते सोमबार, तदनुसार (जुलाई १५, २०१९)

स्थान : वल्ड ट्रेड सेन्टर पृथ्वी हल चौथो तल्ला, त्रिपुरेश्वर, काठमाडौं

समय : दिउँसो ४:०० बजे

छलफलका विषयहरू :

१) सामान्य प्रस्तावहरू :

- क. संचालक समितिको तर्फबाट अध्यक्षज्यूद्वारा प्रस्तुत आ.व. २०७४।०७५ को वार्षिक प्रतिवेदन पारित गर्ने बारे ।
- ख. संचालक समितिबाट विभिन्न मितिमा नियुक्त भएका लेखापरिक्षकहरूको नियुक्ति एवम् पारिश्रमिक अनुमोदन गर्न र लेखापरिक्षण प्रतिवेदन सहित आ.व. २०६४।०६५ देखि आ.व. २०७३।०७४ सम्मको वासलात, नाफा नोक्सान हिसाव तथा नगद प्रवाह विवरण सहित अनुसूचिहरू पारित गर्ने बारे ।
- ग. NFRS बमोजिम आ.व. २०७४।०७५ को वित्तीय विवरण तथा लेखा परीक्षण प्रतिवेदन उपर छलफल गरि पारित गर्ने बारे ।
- घ. संचालक समितिको सिफारिस बमोजिम को बाह्य लेखा परिक्षक नियुक्ति गर्ने तथा निजको पारिश्रमिक तोक्ने बारे ।
- ङ. संचालक समितिका अध्यक्ष र सदस्यहरूको बैठक भत्ता, अन्य समिति तथा उप समितिको सदस्यहरूको बैठक भत्ता अनुमोदन गर्ने बारे ।
- च. सर्वसाधारणका लागि शेयर निस्काशन सम्बन्धी कार्य गर्न संचालक समितिलाई अख्तियारी दिने बारे ।
- छ. संस्थापक समूहबाट संचालकहरूको निर्वाचन गर्ने बारे ।

२) विशेष प्रस्तावहरू :

१. कम्पनीको नियमावलीको २४ (२) मा संशोधन गर्ने तथा उक्त संशोधनमा कम्पनी रजिष्ट्रारको कार्यालय, बीमा समिति वा अन्य नियमनकारी निकायबाट कुनै फेरबदल गरेमा आवश्यक संशोधन तथा परिमार्जन गर्न संचालक समितिलाई अख्तियारी प्रदान गर्ने बारे ।

३) विविध ।

संचालक समितिको आज्ञाले
कम्पनी सचिव

साधारण सभा सम्बन्धी सामान्य जानकारी

१. कम्पनीको वार्षिक प्रतिवेदन सम्पूर्ण शेयरधनी महानुभावहरूलाई हुलाक मार्फत पठाइएकोछ । कारणवस कसैलाई प्राप्त नभएको भए कम्पनीको केन्द्रीय कार्यालय सी.टी.सी.मल सातौँ तल्ला, सुन्धारा, काठमाडौँबाट उक्त प्रतिवेदन प्राप्त गर्न सक्नु हुनेछ ।
२. सभामा उपस्थिति हुने शेयरधनीहरूले सभाको सूचनाका साथमा शेयरधनीको परिचय पत्र अनिवार्य रूपमा ल्याउनु हुन अनुरोध छ ।
३. सभामा भागलिन र मतदान गर्नको लागि प्रतिनिधि नियुक्ति गर्न चाहने शेयरधनीहरूले २०७६ असार २८ गते दिउसो ४.०० बजेभन्दा अगावै कम्पनीको केन्द्रीय कार्यालय सी.टी.सी.मल सातौँ तल्ला, सुन्धारा, काठमाडौँमा प्रोक्सी पत्र दर्ता गरी सक्नु पर्नेछ । एक जना शेयरधनीले एक जनाभन्दा बढीलाई प्रतिनिधि (प्रोक्सी) नियुक्त गर्न सकिने छैन । एकभन्दा बढी प्रोक्सीको नाउँ उल्लेख गरेको प्रोक्सी रद्द हुनेछ । प्रतिनिधि (प्रोक्सी) नियुक्त गरिसके पछि प्रतिनिधि (प्रोक्सी) बदर नगरी कुनै शेयरधनीले सभामा भाग लिन चाहेमा भाग लिन सक्नु हुनेछ । तर मतदान गर्न पाउनु हुने छैन ।
४. प्रतिनिधि नियुक्ति गर्ने व्यक्ति, कम्पनी वा संगठित संस्था भएमा त्यस्तो नियुक्ति पत्रमा सो संस्था वा कम्पनीको छाप सहित अधिकृत व्यक्तिको दस्तखत गरेको हुनुपर्छ । संस्थागत शेयरधनी बाहेक अरुले यसरी प्रतिनिधि नियुक्ति दर्ता गर्दा कम्पनीको अर्को शेयरधनीलाई मात्र नियुक्ति गर्नु पर्नेछ ।
५. संयुक्त रूपमा शेयर खरिद गरिएको अवस्थामा लगत किताबमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्मतबाट प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले मात्र सभामा भाग लिन र मतदान गर्न पाउनेछ ।
६. शेयरधनीले प्रतिनिधि (प्रोक्सी) नियुक्त गरिसकेपछि प्रतिनिधि पत्र बदर गरी आफैँ सभामा उपस्थित भै हाजिर पुस्तिकामा दस्तखत गर्नु भएमा प्रतिनिधि पत्र (प्रोक्सी) स्वतः बदर हुनेछ ।
७. कुनै एक शेयरधनीले एकभन्दा बढी व्यक्तिलाई प्रतिनिधि नियुक्ति गरी त्यस्ता प्रतिनिधि (प्रोक्सी) पत्र समयमै यस कम्पनीमा दर्ता हुन आएता पनि सबैभन्दा पहिला प्राप्त भएको प्रतिनिधि पत्रलाई मान्य गरी अन्य प्रतिनिधि पत्र बदर गरिनेछ ।
८. छलफलको विषय अन्तर्गत विविध शिर्षक सम्बन्धमा शेयरधनी महानुभावहरूले छलफल गर्न चाहनु भएको विषयहरूबारे २०७६ साल असार २० गतेसम्म कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई लिखित जानकारी दिनु पर्नेछ । त्यस्तो विषय सञ्चालक समितिको अध्यक्षलाई उचित लागेमा मात्र छलफलको लागि समावेश गर्नुपर्नेछ ।
९. शेयरधनीहरूले व्यक्त गरेका मन्तव्य वा प्रश्नहरूको सम्बन्धमा सभाका सभापति आफैँले वा सभाका सभापतिबाट आदेश पाएका व्यक्तिबाट उत्तर दिइनेछ ।
१०. सभामा भाग लिने प्रत्येक शेयरधनी महानुभावले सभा हुने स्थानमा उपस्थित भई त्यहाँ रहेको हाजिर पुस्तिकामा दस्तखत गर्नुपर्ने छ । हाजिर पुस्तिका दिउसो ३.०० बजेदेखि खुला रहनेछ । हाजिर पुस्तिकामा दस्तखत गर्ने र मतदान गर्ने व्यक्ति एउटै हुनु पर्नेछ ।
११. कम्पनी ऐन अनुसारको कम्पनीको वार्षिक आर्थिक विवरण, संचालक समितिको प्रतिवेदन, लेखापरीक्षकको प्रतिवेदन, सूचना तथा सामान्य जानकारी सम्बन्धि विवरण कम्पनीको Website: www.ajodinsurance.com.np मा हेर्नु हुन अनुरोध छ ।
१२. सञ्चालक निर्वाचन सम्बन्धी जानकारी यस कम्पनीको केन्द्रिय कार्यालयको सूचनापाटी र यस कम्पनीको वेबसाइटमा समेत उपलब्ध हुनेछ ।
१३. सभा सम्बन्धि अन्य काम कारवाही कम्पनी ऐन, २०६३ बमोजिम हुनेछ ।

अजोड इन्स्योरेन्स लिमिटेड

प्रतिनिधि नियुक्त गर्ने फाराम (प्रोक्सी)

श्री संचालक समिति
अजोड इन्स्योरेन्स लिमिटेड
सीटीसी मल सातौं तल्ला, सन्धारा, काठमाडौं

विषय: प्रतिनिधि (प्रोक्सी) नियुक्त गरेको बारे ।

महाशय,

जिल्ला..... उप/म.न.पा./न.पा./गा.पा. वडा नं. बस्ने म/हामी
ले त्यस कम्पनीको शेयरधनीको हैसियतले मिति २०७६ असार ३० गते सोमबारका
दिन हुने प्रथम वार्षिक साधारण सभामा म/हामी स्वयम् उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले
उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका लागि जिल्ला
उप/म.न.पा./न.पा./गा.पा. वडा नं. बस्ने कम्पनीका शेयर धनी
श्री..... शेयर धनी नं. शेयर
प्रमाणपत्र नं.लाई मेरो/हाम्रो प्रतिनिधि मनोनयन गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको

हस्ताक्षरको नमूना:

निवेदक,

दस्तखत:

नाम:

ठेगाना:

शेयर प्रमाणपत्र नं.:

शेयर संख्या:

प्रतिनिधि नियुक्ति सम्बन्धी निवेदन साधारण सभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको केन्द्रीय कार्यालय, सीटीसी मल सुन्धारा,
काठमाडौंमा पेश गरी सक्नु पर्नेछ ।

अजोड इन्स्योरेन्स लिमिटेड

सीटीसी मल सातौं तल्ला, सन्धारा, काठमाडौं

प्रवेश-पत्र

अजोड इन्स्योरेन्स लिमिटेडको मिति २०७६ असार ३० गते सोमबारका दिन हुने प्रथम वार्षिक साधारण सभामा उपस्थित हुन
जारी गरिएको प्रवेश पत्र ।

शेयरधनीको नाम :

शेयरधनी नं. :

शेयर प्रमाण पत्र नं. :

शेयरधनीको दस्तखत :

कम्पनी सचिव

द्रष्टव्य: खाली स्थान शेयरधनी आफैले भर्नु हुनु र सभा कक्षमा प्रवेश गर्न यो प्रवेश-पत्र अनिवार्य रूपमा लिई आउनु हुन अनुरोध छ ।

अजोड इन्स्योरेन्स लिमिटेडको प्रथम वार्षिक साधारण सभामा संचालक समितिका अध्यक्ष श्री बिनोद प्रसाद बिष्टज्यूबाट प्रस्तुत मन्तव्य

आदरणीय शेयरधनी महानुभावहरू,

अजोड इन्स्योरेन्स लिमिटेडको प्रथम वार्षिक साधारण सभामा भाग लिन पाल्नु भएका समस्त संस्थापक शेयरधनी महानुभावहरू, आमन्त्रित पाहुनाहरू र कम्पनीको कर्मचारीवर्ग तथा पत्रकार ज्यूहरूमा कम्पनीको तर्फबाट हार्दिक स्वागत तथा अभिवादन गर्दछु ।

नेपाली बीमा बजारमा बीमाको बढ्दो आवश्यकता लाई परिपूर्ति गर्ने उद्देश्यले स्थापित यस कम्पनी एक दशकको अथक प्रयास पछि नियमक निकायबाट संचालन अनुमति प्राप्त गरी २०७५ साल असार २१ गतेबाट विधिवत रूपमा व्यवसायिक कारोबार शुभारम्भ गरेको व्यहोरा यहाँहरूमा सहर्ष जानकारी गराउँदछु ।

बीमा आजको आधारभूत आवश्यकता भईसकेको सन्दर्भमा प्राकृतिक तथा मानव निर्मित जोखिम अन्तर्गत हुने आर्थिक नोक्सानीले बीमाको आवश्यकतालाई अझ प्रष्टाएको छ । देशमा भएको राजनैतिक परिवर्तन पछि आर्थिक विकास निर्माणका कार्य तिव्र गतिमा वृद्धि भई रहेको परिप्रेक्ष्यमा बीमाको दायरालाई जनतामाभ पुऱ्याउन सबै प्रदेशहरूमा प्रतिनिधित्व गर्ने हेतुले १ मुख्य कार्यालय ६ वटा क्षेत्रिय कार्यालय तथा २३ वटा शाखा कार्यालय, १७ वटा बीमा काउण्टरहरू र १ वटा ग्राहक सेवा केन्द्र स्थापना गरि सेवा प्रदान गरिरहेको व्यहोरा जानकारी गराउन पाउँदा हामीलाई खुशी लागेको छ । साथै निकट भविष्यमा अन्य स्थानहरूमा पनि आवश्यकता अनुरूप शाखा कार्यालयहरू स्थापना गरी कम्पनीको कार्यलाई अगाडी अझै बिस्तार गरिनेछ ।

नयाँ बीमा कम्पनीहरूको आगमन सँगै नेपालको बीमा व्यवसायमा प्रतिष्पर्धाका वावजूद यस कम्पनीले अवलम्बन गरेको व्यवसायिक रणनीति, संस्थागत सुशासन, पारदर्शिता तथा कम्पनीले प्रदान गरिरहेको उच्चस्तरको ग्राहकमुखी बीमा सेवाले गर्दा व्यवसायिक कारोबार शुरु गरेको छोटो अवधिमा कम्पनीले चालु आ.व. २०७५।७६ को चैत्र मसान्त सम्म रु २५ करोड ४ लाख बीमा शुल्क संकलन गरी आफ्नो लक्ष्य हासिल गर्न उन्मुख रहेको व्यहोरा जानकारी गराउँदै सेवाग्राही बीच आफ्नो पहिचान स्थापित गर्न सफल भएको छ ।

यसका साथै बीमा क्षेत्रमा आफ्नो मौलिक पहिचान कायम राखी कम्पनीको उद्देश्य वमोजिम बीमा सेवाको पहुँच नेपाल भर पुऱ्याई मुलुकको आर्थिक वृद्धि दर वढाउन सञ्चालक समिति आवश्यक कदम चाल्ने कुरामा सबैलाई विश्वस्त गराउन चाहन्छु ।

अन्तमा, यस कम्पनीको स्थापनाकाल देखि सहयोग गर्नु हुने नियमक निकाय श्री बीमा समिति, कम्पनी रजिष्ट्रारको कार्यालय, अन्य नियमनकारी निकायहरू, बैंक तथा बित्तीय संस्थाहरू, स्वदेशी र विदेशी पूनर्बीमा कम्पनीहरू, बीमा अभिकर्ता, पूर्व कपोरेट एडभाइजरज्यूहरू, कानूनी सल्लाहकार, लेखा परिक्षकज्यूहरू, कम्पनीको कार्यमा ईमान्दारी र लगनशीलताका साथ योगदान दिनु हुने सम्पूर्ण कर्मचारीहरू र सहयोग गर्नु हुने सम्पूर्ण महानुभावहरू, पत्रकार, ग्राहकवर्ग र यस साधारण सभामा सहभागी हुन पाल्नु भएका सम्पूर्ण शेयरधनी महानुभावहरू लगायत सबै अतिथिहरूलाई यहाँहरूको गरिमामय उपस्थितिका लागि संचालक समितिको तर्फबाट धन्यवाद ज्ञापन गर्दै भविष्यमा समेत सरसल्लाह, सुझाव तथा सहयोग अविच्छिन्न रूपमा पाउने अपेक्षा राखेका छौं ।

धन्यवाद ।

डा. बिनोद प्रसाद बिष्ट

अध्यक्ष

संचालक समिति

मिति: २०७६।०३।३०

अजोड इन्स्योरेन्स लिमिटेडको
प्रथम वार्षिक साधारण सभामा संचालक समितिको तर्फबाट
अध्यक्ष डा. बिनोद प्रसाद बिष्टबाट प्रस्तुत आ.व.२०७४/०७५ को वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

यस कम्पनीको प्रथम वार्षिक साधारण सभामा उपस्थित शेयरधनी तथा आमन्त्रित महिला तथा सज्जनबृद्धहरूलाई संचालक समिति तथा मेरो व्यक्तिगत तर्फबाट हार्दिक स्वागत अभिवादन गर्दछु ।

नेपाली बीमा बजारमा बीमाको बढ्दो आवश्यकतालाई परिपूर्ति गर्ने उद्देश्यले कम्पनी ऐन, २०६३ र बीमा ऐन, २०४९ बमोजिम मिति २०६४/१२/२० मा कम्पनी रजिष्ट्रारको कार्यालयमा दर्ता भई नियमक निकाय श्री बीमा समितिमा बीमा व्यवसाय संचालन अनुमतिका लागि निवेदन दर्ता गराएको व्यहोरा स्मरण गराउन चाहन्छौ । हाम्रो लामो समयको अथक प्रयास तथा प्रतिक्षा पश्चात् यस कम्पनीले मिति २०७४/१०/२४ मा बीमकको प्रमाणपत्र प्राप्त गरी मिति २०७५ साल असार महिना २१ गते देखि विधिवत् रूपमा आफ्नो व्यवसायिक कारोवार शुभारम्भ गर्न सफल भएको शेयरधनी महानुभावहरूलाई सहर्ष जानकारी गराउँदछौ ।

शेयरधनी महानुभावहरू,

कम्पनीले आफ्नो व्यवसायिक कारोवार शुभारम्भ गर्न ढिलाईको बाध्यात्मक परिवेशलाई आत्मसात गरी कम्पनीप्रतिको निष्ठा र विश्वास तथा सदासयताको लागि आभार तथा हार्दिक धन्यवाद ज्ञापन गर्दै आगामी दिनहरूमा यहाँहरूबाट यस्तै सहयोग, सद्भाव एवम् अमूल्य सल्लाह तथा सुझाव प्राप्त हुने अपेक्षा राख्दछौ ।

कम्पनी ऐन, २०६३ को दफा १०९ बमोजिम तयार गरिएको आर्थिक वर्ष २०६४/०६५ देखि २०७३/७४ सम्मको वित्तीय विवरण तथा बीमा समितिको निर्देशन र नेपाल वित्तीय प्रतिवेदन मान (NFRS) बमोजिम तयार गरिएको आर्थिक वर्ष २०७४/७५ को वित्तीय विवरण सहितको वार्षिक प्रतिवेदन अनुमोदनको लागि यहाँहरू समक्ष प्रस्तुत गर्दै यहाँहरूको पूर्ण समर्थनको विश्वास लिएका छौ ।

१. क) विगत बर्षको कारोवारको सिंहावलोकन:

समिक्षा अवधि २०६४/०६५ देखि २०७३/०७४ सम्म यस कम्पनीले व्यवसायिक कारोवार शुभारम्भ गरी नसकेकोले प्रगति विवरणसँग सम्बन्धित पक्ष समेटन नसकिएको तथा अन्य वित्तीय सूचाङ्कहरू यसैसाथ संलग्न वित्तीय प्रतिवेदनमा उल्लेख गरिएको व्यहोरा जानकारी गराउँदछौ । साथै आ.व. २०७४/०७५ को अषाढ २१ गतेबाट यस कम्पनीले व्यवसायिक कारोवार शुभारम्भ गरेको जानकारी गराउँदै उक्त १२ दिनको कारोवारको मुख्य सूचाङ्कहरू यहाँहरू समक्ष पेश गर्न चाहन्छौ ।

विवरण	रकम (रु.)
कुल बीमा शुल्क	२३,८५,३३८
पूनर्बीमा शुल्क	२२,७३,३६८
खुद अर्जित बीमा शुल्क	१११,९७०
पूनर्बीमा कमिशन आय	५,०८२
लगानी तथा अन्य प्रत्यक्ष आय	३३७,९७,१००
व्यवस्थापन तथा अन्य खर्च	४६,३३,४८३
आयकर व्यवस्था	९६,३५,४८४
खुद नाफा	१९५,३६,९५४
बीमा कोष	९९,६४,७९३

ख. चुक्ता पूँजी :

मिति २०७४।०१।१५ गते बसेको विशेष साधारण सभाको निर्णयबाट पूँजी बृद्धि भई यस कम्पनीको हाल अधिकृत पूँजी १ अर्ब रहेको जसमध्ये चुक्ता पूँजी रु. ७० करोड रहेको छ । बाँकी रु. ३० करोड सर्वसाधारणमा शेयर जारी गरी चुक्ता पूँजी रु. १ अर्ब पुऱ्याईने छ ।

२. बाह्य वातावरणवाट कम्पनीको कारोवारमा परेको असर:

विश्वव्यापी राजनैतिक, आर्थिक तथा सामाजिक आरोह अवरोह तथा विविध गतिविधिले विश्वका धेरै मुलुकहरुमा परेको नकरात्मक प्रभाववाट हाम्रो देश पनि अछुत रहन नसकेको र ती घटनाक्रमको प्रत्यक्ष तथा अप्रत्यक्ष प्रभाव पर्न गएको छ। उत्पादनशिल क्षेत्रमा लगानी संकुचनका कारणले अर्थत्रन्त्रमा पर्न गएको प्रतिकूल स्थितिमा निर्जीवन बीमाको आवश्यकता र औचित्यलाई आम जनतासमक्ष सुसूचित गर्ने कार्यमा कठिनाई उत्पन्न हुन सक्ने परिस्थिति हाम्रो सामु चुनौतीको रुपमा रही नै रहेको छ तरपनि नेपाल सरकारको कृषि तथा वाली र पशुपंक्षी बीमा सम्बन्धी नीति र बीमा समितिवाट जारी सम्पत्ति बीमा सम्बन्धि निर्देशिका २०७५ मा भएको व्यवस्थाले कृषि तथा वाली र पशुपंक्षी बीमा तथा सम्पत्ति बीमामा सर्वसाधारणको सहज पहुच भई बीमा बजार तथा व्यवसायको विस्तार हुन सक्ने अपेक्षा गर्न सकिन्छ।

३. प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा:

क) चालु बर्षको उपलब्धि :

यस आ.व. २०७५/०७६ को चैत्र मसान्त सम्मको आर्थिक सुचकाङ्कहरु निम्नानुसार यहाँहरु समक्ष जानकारीको लागि पेश गरेका छौ।

क्र.सं.	विवरण	२०७५ चैत्र मसान्त (अपरिष्कृत)
१.	जारी बीमालेख संख्या	२९,४०७
२.	बीमाशुल्क	२५,०४,१५,१७६
३.	पूनीबीमा कमिशन आय	३६७,५०,७१५
४.	लगानीवाट आय	५५,०३,०००
५.	व्यवस्थापन खर्च	६५७,९३,५६२
६.	कुल लगानी	८१,८६,५३,०००
६.	चुक्ता पूँजी	७०,००,००,०००
७.	खुद मुनाफा	२,६०,९५,४७७

ख) शाखा कार्यालय बिस्तार :

हालसम्म देशभरी १ मुख्य कार्यालय ६ वटा क्षेत्रिय कार्यालय (विराटनगर,विरगंज, पोखरा, बुटवल, सुर्खेत र धनगढी) तथा २३ वटा शाखा कार्यालय (कलंकी, जोरपाटी, किर्तीपुर, नयाँ बानेश्वर, बालाजु, बुढानिलकण्ठ, पाटन, भक्तपुर, वनेपा, दाङ्ग, भैरहवा, विर्तामोड, इटहरी, लाहान, जनकपुर, हेटौडा, नारायणघाट, दमौली, नेपालगंज साथै कृषि तथा वाली र पशुपंक्षी बीमा सेवा प्रदान गर्न नियमक निकाय बीमा समितिवाट निर्देशन प्राप्त भए वमोजिम (रौतहट, गुल्मी, पर्वत, पूर्वी रुकुम) १६ वटा बीमा काउण्टरहरु (एकान्तकुना, सतुङ्गल, ठाडोभयाङ्ग, भक्तपुर, विर्तामोड, इटहरी, पोखरा, बुटवल, धनगढी, लहान, हेटौडा, नेपालगंज, सुर्खेत, जनकपुर, नारायणघाट, कावासोती) र १ वटा ग्राहक सेवा केन्द्र (सञ्चय कोषको कार्यालय, ठमेल) मार्फत् बीमा सेवा प्रदान गरिसकेका छौ। साथै आगामी वर्षमा संभाव्यताका आधारमा आवश्यकता अनुरूप देशका अन्य स्थानहरुमा थप शाखा बिस्तार गर्ने योजना रहेको छ।

ग) पूनीबीमा व्यवस्था :

बीमा व्यवसायमा पूनीबीमा मेरुदण्डको रुपमा रहि जोखिम वहन गर्ने भएकोले यसको प्रभावकारी व्यवस्था हुनु पर्ने हुन्छ। हामीले नेपालको पूनीबीमा Nepal Re संग Direct cession र हुलदंगा आतंकवादको Direct treaty र भारतको GIC Re को अगुवाईमा निम्न पूनीबीमा कम्पनी हरूसंग पूनीबीमा सम्झौता गरिएको छ।

- General Insurance Corporation Of India, Mumbai, India
- Oriental insurance Ltd. New Delhi India
- The New India Assurance Company Ltd., IFSC Insurance Office GIFT City, Gandhi Nagar
- GIC Bhutan Re Company Ltd. Bhutan
- Kenya Reinsurance Corporation Ltd., Nairobi, Kenya
- Oman Reinsurance Company, Muscat, Sultanate of Oman
- East Africa Reinsurance Company Ltd., Nairobi, Kenya

घ) मानव संशाधन विकास तथा वृत्ति विकास:

नयाँ बीमा कम्पनीको स्थापना र बीमा बजारको विकासले गर्दा दक्ष जनशक्तिको माग वढी रहेको परिप्रक्ष्यमा यस कम्पनीमा कार्यरत कर्मचारीहरुलाई आवश्यकताको आधारमा आन्तरिक तथा बाह्य तालिम प्रदान गर्ने गरी मौजुदा नीतिलाई परिष्कृत गरि उक्त कार्य गर्ने/गराईने छ।

४) औद्योगिक वा व्यवसायिक सम्बन्ध:

निर्जीवन बीमा व्यवसायको प्रत्यक्ष सम्बन्ध उद्योग तथा व्यवसायहरूसँग हुने भएकोले त्यस्ता औद्योगिक तथा व्यवसायिक संस्थाहरूलाई बीमा सेवा उपलब्ध गराई सुमधुर सम्बन्ध कायम राख्दै आएकाछौं ।

बीमा कारोवारमा बैंक तथा वित्तीय संस्थाहरूको महत्वपूर्ण योगदान हुने परिप्रेक्ष्यमा बैंक तथा वित्तीय संस्थाहरूसँग आवद्ध ग्राहकहरूलाई सरल र सहजरूपमा बीमा सेवा उपलब्ध गराउनका लागि २० वटा वाणिज्य बैंक, ११ वटा विकास बैंक, २ वटा फाइनेन्स कम्पनी सँग बैंक इन्स्योरेन्स (Bancassurance) सम्झौता (संस्थागत अभिकर्ता) र ८ वटा हस्पिटल र ४ वटा व्यवसायिक संस्थाहरूसँग बीमा सेवा सम्बन्धी सम्झौता गरी सेवा प्रदान गरी रहेका छौं । यस प्रकारले औद्योगिक तथा व्यवसायिक संस्थाहरूसँग कायम सुमधुर सम्बन्ध बिस्तार गर्दै लगिनेछ ।

५) संचालक समितिमा हेरफेर:

कम्पनीको प्रथम संचालक समितिमा डा. विनोद प्रसाद विष्ट, अध्यक्ष तथा सदस्यहरूमा संचालक श्री आजाद श्रेष्ठ, संचालक श्री राजेन्द्र प्रसाद कायस्थ, संचालक श्री मिन मान श्रेष्ठ, संचालक श्री मिन वहादुर गुरुङ्ग रहनुभएकोमा संचालक श्री मिन मान श्रेष्ठ ज्यूले संचालक पदबाट दिनु भएको राजिनामा मिति २०७५।०२।२४ मा स्वीकृत पश्चात् उक्त रिक्त संचालक पदमा श्री सागर गुरुङ्ग संस्थापक श्री रोडसो इन्भेष्टमेन्ट कम्पनी प्रा.लि. का तर्फबाट प्रतिनिधिको रूपमा संचालक पदमा नियुक्त हुनु भएको थियो । मिति २०७५।०३।२९ मा संचालक श्री मिन वहादुर गुरुङ्ग ज्यूले संचालक पदबाट राजिनामा दिनु भएपछि उक्त रिक्त संचालक पदमा संस्थापक श्री भाटभटेनी डिपार्टमेन्ट स्टोर प्रा.लि. का तर्फबाट श्री कल्याण गुरुङ्ग ज्यूले यस कम्पनीको संचालक समितिमा प्रतिनिधित्व गर्दै आउनुभएकोमा उहाँको सट्टा उक्त कम्पनीबाट संचालक समितिमा प्रतिनिधित्व गर्न उपरथी श्री राम वहादुर गुरुङ्ग (अ.प्रा.) ज्यूलाई अख्तियारी दिएको हुँदा मिति २०७५/१२/२४ देखि निज उपरथी श्री राम वहादुर गुरुङ्ग (अ.प्रा.) संचालकको पदमा नियुक्त हुनु भएको जानकारी गराउदछौं ।

सि.नं	संचालकहरूको नाम	शेयर संख्या
१	डा. विनोद प्रसाद विष्ट, अध्यक्ष	२५,०००
२	श्री आजाद श्रेष्ठ, संचालक	११०,०००
३	श्री राजेन्द्र प्रसाद कायस्थ, संचालक	५०,०००
४	श्री सागर गुरुङ्ग, संचालक (प्रतिनिधि रोडसो इन्भेष्टमेन्ट कम्पनी प्रा.लि.)	२००,०००
५	उपरथी श्री राम वहादुर गुरुङ्ग,(अ.प्रा.) संचालक (प्रतिनिधि भाटभटेनी डिपार्टमेन्ट स्टोर प्रा.लि.)	७,९९,०५०

६) कारोवारलाई असर पार्ने मुख्य कुराहरू:

राष्ट्र बैंकबाट जारी मौद्रिक नीतिका कारण बैंक तथा वित्तीय क्षेत्रमा परेको प्रभाव, बीमा कम्पनीहरू बीचको तिब्र प्रतिस्पर्धा, योजना अनुसार वार्षिक बजेटबाट सरकारी पूँजीगत खर्च नहुनु, उत्पादनमुलक क्षेत्रमा लगानीको अवसरमा कमी आदि कारणले बीमा कारोवारमा असर परेको देखिन्छ ।

७) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर संचालक समितिको प्रतिक्रिया :

लेखापरीक्षण प्रतिवेदनबाट प्राप्त सुझावहरूलाई शिघ्रतातिशिघ्र कार्यान्वयन गर्न आवश्यक कदम चालि सकिएको छ ।

८) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम:

समीक्षा वर्षको कारोवारबाट हुन आएको खुद मुनाफा रु. १९५,३६,९५४।- मा बीमा ऐन,२०४९ अनुसारको रकम रु.९९,६४,७९३।- बीमा कोषमा सारे पछि बाँकी रकममा महा विपत्ति जगेडा र स्थगन कर जगेडा समायोजन पछि बाँकी वितरण योग्य मुनाफा रु.८८,३४,९००।- वासलातमा सारेका छौं ।

समीक्षा वर्षको मुनाफाबाट लाभांश वितरणको प्रस्ताव गरिएको छैन ।

९) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सो वापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत गरी अन्य इन्ड्युक शेयरधनी तथा लगानीकर्ताहरूलाई नियमानुसार बिक्री गरिएको र जफत गरिएको शेयर बापत साविकमा प्राप्त रकम फिर्ता भुक्तानी गरिएको:

साविकका कम्पनीको संस्थापक शेयर लिन कबुल गरेका विभिन्न शेयरधनीहरूले विशेष कारणवस शेयर संख्या घटाएको, शेयर धनी भई निरन्तरता दिन नचाहेको जानकारी गराएकोले निजहरूको माग बमोजिम संचालक समितिको मिति २०७४।०१।२२ गतेको निर्णयानुसार ६,६६,५०० कित्ता संस्थापक समूहको शेयर जफत गरी अन्य इन्ड्युक संस्थापक शेयरधनी तथा अन्य शेयरधनीहरूलाई बिक्री गरिएको र निजहरूबाट साविकमा प्राप्त रकम फिर्ता भुक्तान गरिएको व्यहोरा जानकारी गराउँदछौं ।

१०) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोवारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन: यस कम्पनीको कुनै सहायक कम्पनी नरहेको व्यहोरा जानकारी गराउँदछौं ।

- ११) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोवारहरू र अवधिमा कम्पनीको कारोवारमा आएको कुनै महत्वपूर्ण परिवर्तन :
 यस कम्पनीको हालसम्मको कारोवार निर्जीवन बीमा व्यवसाय मात्र भएको र कम्पनीको कारोवार अवधिमा कुनै महत्वपूर्ण परिवर्तन नभएको जानकारी गराउँदछौं ।
- १२) विगत आर्थिक वर्षमा कम्पनीको आधारभुत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी :
 शेयरधनीहरूबाट कुनै विशेष जानकारी प्राप्त नभएको जानकारी गराउँदछौं ।
- १३) विगत आर्थिक वर्षमा कम्पनीका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोवारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :
 कम्पनीको शेयर कारोवारमा कुनै संचालक संलग्न नरहेको जानकारी गराउँदछौं ।
- १४) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित संभौताहरूमा कुनै संचालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा :
 कम्पनीसँग सम्बन्धित संभौताहरूमा कुनै संचालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थ नरहेको जानकारी गराउँदछौं ।
- १५) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अंकित मुल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम :
 कम्पनीले आफ्नो शेयर आफैले खरिद नगरेको जानकारी गराउँदछौं ।
- १६) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :
 कम्पनीले आन्तरिक नियन्त्रण प्रणालीलाई व्यवस्थित गर्न विभिन्न विनियमावलीहरू र कार्यविधिहरूलाई आवश्यकता अनुसार लागु गरेको छ । आन्तरिक नियन्त्रण प्रणालीको प्रभावकारिता मापनको लागि स्वतन्त्र चार्टर्ड एकाउण्टेण्टबाट आन्तरिक लेखापरीक्षणबाट गराउने व्यवस्था गरेको छ ।
 बीमा समितिबाट मिति २०७५ साल भाद्र १ गते देखि लागु हुने गरी जारी बीमकको संस्थागत सुशासन सम्बन्धी निर्देशिका, २०७५ बमोजिम गठन गर्नुपर्ने निम्न समितिहरू संचालकको संयोजकत्वमा गठन गरिएको छ ।
 क) दाबी भुक्तानी तथा पुनर्बीमा समिति
 ख) लगानी, जोखिम व्यवस्थापन तथा वित्तीय स्वस्थता (सोल्भेन्सी) समिति
 ग) मानव संशाधन समिति
 घ) सम्पत्ति शुद्धिकरण निवारण समिति
 ङ) लेखापरीक्षण समिति
- १७) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :
 यस कम्पनीको आर्थिक वर्ष २०७४/७५ कुल व्यवस्थापन खर्च रु. ४६,३३,४८३/- रहेको जानकारी गराउन चाहन्छौं ।
- १८) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :
 आ.व. २०७४/०७५ मा लेखा परिक्षण समिति गठन भइनसकेको हुनाले उक्त समितिबाट हुने काम कारवाही संचालक समितिबाट हुँदै आएकोले कुनै भत्ता सुविधा प्रदान नगरिएको जानकारी गराउँदछौं ।
- १९) संचालक, कार्यकारी प्रमुख, कम्पनीका आधारभुत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा :
 कम्पनीलाई कुनै रकम बुझाउन बाँकी छैन ।
- २०) संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई पारिश्रमिक, भत्ता तथा सुविधाहरूको रकम :
 आ.व. २०७४/०७५ मा संचालक समितिका अध्यक्ष तथा संचालकहरूलाई बैठक भत्ता वापत रु. २६,०००/- प्रदान गरिएको छ । प्रमुख कार्यकारी अधिकृत देखि प्रबन्धक तहसम्मका पदाधिकारीहरूलाई पारिश्रमिक, भत्ता तथा अन्य सुविधा वापत रु. १,३५२,५५१ भुक्तानी गरिएको छ ।
- २१) शेयरधनीहरूले बुभिलिन बाँकी रहेको लाभांशको रकम :
 कम्पनीले हालसम्म लाभांश वितरण गरेको छैन ।
- २२) दफा १४१ बमोजिम सम्पत्ति खरिद वा विक्री गरेको कुराको विवरण :
 वासलातको आर्थिक प्रतिवेदनमा उल्लेख छ ।

२३) दफा १७५ वमोजिम सम्बद्ध कम्पनी बीच भएको कारोवारको विवरण :

यस कम्पनीको अन्य कुनै कम्पनीहरूसँग सम्बद्ध नरहेको जानकारी गराउन चाहान्छौं ।

२४) कम्पनी ऐन, २०६३ तथा प्रचलित कानून वमोजिम संचालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा :

नभएको ।

२५) कम्पनीको दैनिक कार्यमा संस्थागत सुशासनको महत्वपूर्ण भूमिका रहन्छ । बीमा ऐन, २०४९, बीमा नियमावली, २०४९ बीमकको संस्थागत सुशासन सम्बन्धि निर्देशिका, २०७५ बीमा समितिबाट जारी निर्देशनहरू, कम्पनी ऐन, २०६३ मा भएका कानूनी व्यवस्थाहरूको पालना भएको छ । यसकुरामा कम्पनी सदा सजक र सचेत छ ।

२६) अन्य आवश्यक कुराहरू :

क) लेखापरीक्षक नियुक्ती सिफारिस:

कम्पनी ऐन, २०६३ को दफा १११(घ) वमोजिम यस कम्पनीको चालु आ.व. २०७५/०७६ को वाह्य लेखा परीक्षण, विस्तृत लेखापरीक्षण प्रतिवेदन (LFAR) , नेपाल वित्तीय प्रतिवेदन मान (NFRS) वमोजिमको वित्तीय विवरण परीक्षण तथा कम्पनी ऐन, २०६३ को दफा ७८ वमोजिमको विवरण प्रमाणिकरण गर्नका लागि संचालक समितिको सिफारिसमा श्री जे.एन.उपाध्याय एण्ड कम्पनी चार्टर्ड एकाउण्टेण्टस्लाई परिश्रमिक रु.२,२५,०००/- (अक्षरुपी दुई लाख पच्चिस हजार मात्र) मुल्य अभिवृद्धि कर बाहेक प्रदान गर्ने गरी लेखा परीक्षक नियुक्ती गर्न अनुमोदनका लागि यहाँहरू समक्ष पेश गरेका छौं ।

ख) लेखापरीक्षक नियुक्ती तथा पारिश्रमिक अनुमोदन :

यस कम्पनीको आर्थिक वर्ष २०६४/०६५ देखि २०७४/०७५ सम्मको हिसाब किताब लेखापरिक्षण गर्नका लागि संचालक समितिको निर्णयानुसार नियुक्त भएका देहाय वमोजिमका लेखापरीक्षकको नियुक्ति तथा पारिश्रमिकको अनुमोदनका लागि यसै साधारण सभामा पेश गरेका छौं ।

लेखापरीक्षकको नाम	आर्थिक वर्ष	पारिश्रमिक
श्री के.के.सिंह एण्ड कम्पनी	२०६४/०६५, २०६५/०६६, २०६६/०६७	४०,०००.०० प्रति वर्ष
श्री वि.के.सिंह एण्ड कम्पनी	२०६७/०६८, २०६८/०६९	१०,०००.०० प्रति वर्ष
श्री एन. चौधरी एण्ड एसोसिएट्स	२०६९/०७०, २०७०/०७१, २०७१/०७२	४०,०००.०० प्रति वर्ष
श्री ए.शर्मा एण्ड एसोसिएट्स	२०७२/०७३	४०,०००.०० प्रति वर्ष
श्री जे.एन. उपाध्याय एण्ड कम्पनी	२०७३/०७४	६५,०००.००
श्री जे.एन. उपाध्याय एण्ड कम्पनी	२०७४/०७५	१२५,०००.००

अन्त्यमा,

यस कम्पनीको स्थापनाकाल देखि सहयोग गर्नुहुने नियामक निकाय बीमा समिति, कम्पनी रजिष्ट्रारको कार्यालय, उद्योग विभाग, बाणिज्य बैंक तथा वित्तीय संस्थाहरू, स्वदेशी र विदेशी बीमा तथा पूनर्बीमा कम्पनीहरू, लेखा परिक्षकहरू, बीमा अभिकर्ताहरू लगायत अन्य संघ संस्था तथा ग्राहकवर्गहरूप्रति आभार तथा धन्यवाद ज्ञापन गर्दछौं ।

कम्पनीको व्यवसाय प्रवर्द्धनमा इमानदारी र लगनशीलताका साथ योगदान दिनहुने यस कम्पनीका सम्पूर्ण कर्मचारीहरूलाई पनि यस अवसरमा हार्दिक धन्यवाद दिन चाहान्छौं ।

यस साधारण सभामा सहभागी हुन पाल्नु भएका सम्पूर्ण शेयरधनी महानुभावहरूलाई धन्यवाद ज्ञापन गर्दै यहाँहरूको अमूल्य सुझावको अपेक्षा गरेका छौं ।

धन्यवाद ।

अध्यक्ष

डा. बिनोद प्रसाद बिष्ट

संचालक समिति

अजोड इन्स्योरेन्स लि.

मिति:- २०७६।०३।३०

J.N. Upadhyay & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AJOD INSURANCE LIMITED

We have audited the accompanying financial statements of the **Ajod Insurance Limited**, which comprise the Statement of Financial Position as at **Ashad 32, 2075 (July 16, 2018)**, Statement of Profit and Loss, Statement of Comprehensive Income, Statement of changes in Equity, Statement of Cash Flow for the year then ended and a summary of principal accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing and/or relevant practices. Those standards and/or relevant practices require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments we consider the internal control relevant to the preparation and fair presentation of the financial statements 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 internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

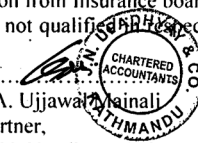
Opinion

On the basis of our examination, we would like to report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
2. Proper books of accounts as required by prevailing laws have been kept by the company so far as it appears from our examination of such books;
3. The enclosed Statement of Financial Position, Statement of Profit and Loss, Statement of Comprehensive Income, Statement of changes in Equity, Statement of Cash Flow and the attached schedules are in accordance with the books of account maintained by the company;
4. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements read together with Notes to accounts annexed herewith, gives true and fair view of the financial position of Ajod Insurance Limited as at Ashad 32, 2075 (July 16, 2018) and of the results of its financial performance and its cash flows for the year then ended in conformity with the Nepal Financial Reporting Standards;
5. To the best of our information and according to explanations given to us, the director or any employee of the company has not acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the company.

We draw attention to changes in the amounts in Note 4, 7, 8, 11, 12, 14, 16, 20, 22, 28 and 30 to the financial statements due to reclassification of Income and management expenses made based on recommendation from Insurance board to the company subsequent to issue of audit report by us dated Falgun 19, 2075. Our opinion is not qualified in respect of the changes in this revised audit report.

Date: Jestha 06, 2076
Place: Kathmandu



CA. Ujjawal Jainali
Partner,
J.N. Upadhyay & Co.
Chartered Accountants

G.P.O. Box No.: 20770, Koteshwor, Kathmandu, Tel.: 01-4154133, E-mail: jupadhyay111@gmail.com



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Statement of Financial Position
As at 32 Ashad 2075

	Note	FY 2074-75	FY 2073-74	FY 2072-73
		Rs.	Rs.	Rs.
Assets				
Property, Plant & Equipment	1	11,395,873	-	-
Intangible assets	2	-	-	-
Financial assets				
Deferred Tax Assets	3	-	-	-
Financial assets at amortized cost	4	678,746,178	-	-
Financial asset at fair value through other comprehensive income	5	-	-	-
Financial assets at fair value through profit or loss	6	-	-	-
Other Financial Assets	7	322,329	-	12,300
Reinsurance Asset	8	2,250,808	-	-
Insurance receivables	9	3,791,514	-	-
Other Assets	10	1,502,978	24,007,279	36,255,996
Current tax assets	11	3,759,353	57,307	135,832
Cash and Cash Equivalents	12	35,225,757	12,351,265	56,917
Total Assets		736,994,790	36,415,851	36,461,045
Liabilities				
Insurance contract liabilities	13	2,360,913	-	-
Deferred Tax Liabilities	3	133,414	-	-
Other Financial Liabilities	14	7,662,164	2,950,425	8,504,423
Insurance Payables	15	1,940,283	-	-
Other Liabilities	16	2,917,244	-	-
Current tax Liabilities	11	-	-	-
Trade and other payables	17	2,443,819	2,415,426	1,071,622
Total Liabilities		17,457,837	5,365,851	9,576,045
Equity				
Share capital	18	700,000,000	31,050,000	26,885,000
Share premium	19	-	-	-
Insurance Fund	20.1	9,964,793	-	-
Catastrophic reserves	20.1	-	-	-
Retained Earnings	20.2	9,438,746	-	-
Other Reserves	20.3	133,414	-	-
Total Equity		719,536,953	31,050,000	26,885,000
Total Liabilities and Equity		736,994,790	36,415,851	36,461,045

The notes to the financial statements as set out on schedules 01 to 43 form an integral part of these financial statements.

Ganesh Kumar Kapar
Account Chief

Kumar Bahadur Khatri
Chief Executive Officer

Ajad Shrestha
Director

Rajendra Pd. Kayastha
Director

As per our Report of even date
For J.N. Upadhyay & Co.
Chartered Accountants

Ram Bahadur Gurung
Director

Sagar Gurung
Director

Binod Pd. Bista
Chairman

CA. Ujjawal Mainali
Chartered Accountant

Date : 2076/02/05
Place : Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Statement of Profit or Loss Year ended 32 Ashad 2075

	Note	FY 2074-75	FY 2073-74
		Rs.	Rs.
Gross earned premium	21	2,385,338	-
Premiums ceded to reinsurers	21	(2,273,368)	-
Net earned premiums		111,970	-
Fees and commission income	22	5,082	-
Investment income	23	33,797,100	94,552
Net realised gains and losses	24	-	-
Fair value gains and losses	25	-	-
Other income	26	1,872	1,188,823
Other revenue		33,804,055	1,283,375
Total Revenue		33,916,025	1,283,375
Gross benefits and claims paid	27	-	-
Claims ceded to reinsurers	27	-	-
Change in insurance contract liabilities	28	(110,105)	-
Net benefits and claims		(110,105)	-
Finance costs	29	-	-
Other operating and administrative expenses	30	(4,633,483)	(2,295,595)
Other expenses		(4,633,483)	(2,295,595)
Total benefits, claims and other expenses		(4,743,587)	(2,295,595)
Profit before tax		29,172,437	(1,012,220)
Income Tax Expense	31	(9,635,484)	-
Profit For the Year		19,536,954	(1,012,220)
Basic earnings per share	32	2.79	-
Diluted Earning Per share	32	2.79	-

The notes to the financial statements as set out on schedules 01 to 43 form an integral part of these financial statements.

Ganesh Kumar Kapar
 Account Chief

Kumar Bahadur Khatri
 Chief Executive Officer

Ajad Shrestha
 Director

Rajendra Pd. Kayastha
 Director

As per our Report of even date
 For J.N. Upadhyay & Co.
 Chartered Accountants

Ram Bahadur Gurung
 Director

Sagar Gurung
 Director

Binod Pd. Bista
 Chairman

CA. Ujjawal Mainali
 Chartered Accountant

Date : 2076/02/05
 Place : Kathmandu



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Statement of other Comprehensive Income
Year ended 32 Ashad 2075

	FY 2074-75 Rs.	FY 2073-74 Rs.
Profit for the year	19,536,954	(1,012,220)
Gains /(losses) on re-measuring financial assets at fair value through other comprehensive income	-	-
Gain/(loss) on Actuarial valuation of defined benefit liability	-	-
Gain/(loss) on Actuarial valuation of premium income	-	-
Total other comprehensive income	-	-
Deferred tax income /(expense) relating to components of other comprehensive income	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year, net of tax	19,536,954	(1,012,220)

The notes to the financial statements as set out on schedules 01 to 43 form an integral part of these financial statements.

Ganesh Kumar Kapar
Account Chief

Kumar Bahadur Khatri
Chief Executive Officer

Ajad Shrestha
Director

Rajendra Pd. Kayastha
Director

As per our Report of even date
For J.N. Upadhyay & Co.
Chartered Accountants

Ram Bahadur Gurung
Director

Sagar Gurung
Director

Binod Pd. Bista
Chairman

CA. Ujjawal Mainali
Chartered Accountant

Date : 2076/02/05
Place : Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Statement of Cash Flows For the Year Ended 32nd Ashad 2075

	FY 2074-75	FY 2073-74
	Rs.	Rs.
Cash flow from operating activities		
Cash Received	602,531	1,188,823
Net premium income	111,970	-
Fee and Commission Income	488,689	-
Net realised gains and losses	-	-
Fair value gains and losses	-	-
Other Income	1,872	1,188,823
Cash Paid	(14,351,487)	(2,295,595)
Net Claim Paid	-	-
Staff Expense	(3,276,804)	(1,665,000)
Agent commission expense	(106,797)	-
Reinsurance commission expense	-	-
Service Charge	(1,120)	-
Other Expenses	(1,464,695)	(630,595)
Income Tax	(9,502,070)	-
Adjustment	(881,094)	-
Deferred Reinsurance commission income	(483,606)	-
Deferred Reinsurance commission Expense	-	-
Deferred Agent Commission	105,829	-
Written back of Premium on Govt.Bond Purchase	-	-
Depreciation	(259,798)	-
Unexpired risk reserve provision	(110,105)	-
Income Receivable on investments	-	-
Deferred Tax income/expense	(133,414)	-
Change in insurance contract outstanding claims provision	-	-
(Increase)/ Decrease of Current Assets	12,437,604	12,339,542
(Increase)/ Decrease in Financial Assets	(7,815,889)	90,825
(Increase)/ Decrease in Reinsurance Asset	(2,250,808)	-
(Increase)/ Decrease in Other Assets	22,504,301	12,248,717
Increase/ (Decrease) of Current Liabilities	12,202,091	(4,210,194)
Increase/ (Decrease) in Other Liabilities	12,202,091	(4,210,194)
Net cash flow from operating activities (A)	10,009,645	7,022,577
Cash flow from investing activities		
(Increase) / Decrease in Fixed Assets	(11,136,075)	-
(Increase) / Decrease in Investment in Govt. & Govt. Guaranteed Securities	-	-
(Increase) / Decrease in Investment in Fixed Deposit of Banks & Financial Institutions	(678,746,178)	-
(Increase) / Decrease in Investment in Other Deposit of Banks & Financial Institutions	-	-
(Increase) / Decrease in Investment in Equity Share	-	-
(Increase) / Decrease in Investment in Preference Share / Debenture	-	-
(Increase) / Decrease in Other Investment	-	-
(Increase) / Decrease in Loans and Advances	-	-
Interest Income Received on Investment	33,797,100	94,552
Dividend Received	-	-
Rent Income	-	-
Interest Income Received on Loan	-	-
Net cash flow from investing activities (B)	(656,085,152)	94,552
Cash flow on financing activities	668,950,000	5,177,220
Interest Expense	-	-
Dividend Paid	-	-
(Increase) / Decrease in Equity after adjustment of net profit for the year	668,950,000	5,177,220
Net cash flow from financing activities (C)	668,950,000	5,177,220
Change in Exchange rate in Cash and Bank Balances (D)		
Net increase/(decrease) in cash and cash equivalents (E)	22,874,492	12,294,349
Cash and cash equivalents at the beginning of the year	12,351,265	56,917
Cash and cash equivalents at the end of the year	35,225,757	12,351,265

The notes to the financial statements as set out on schedules 01 to 43 form an integral part of these financial statements.

Ganesh Kumar Kapar
Account Chief

Kumar Bahadur Khatri
Chief Executive Officer

Ajad Shrestha
Director

Rajendra Pd. Kayastha
Director

Ram Bahadur Gurung
Director

Sagar Gurung
Director

Binod Pd. Bista
Chairman

As per our Report of even date
For J.N. Upadhyay & Co.
Chartered Accountants

Date : 2076/02/05
Place : Kathmandu

CA. Ujjawal Mainali
Chartered Accountant

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Statement of Changes in Equity Year ended 31 Ashad 2075

	Share Capital	Share Premium	Insurance Reserves	Retained Earnings	Other Reserves and Funds	Catastrophic Reserves	Deferred Tax Reserve	Regulatory Reserve	Insurance Fund	Fair Value Reserve	Actuarial Reserve	Total Shareholders' Funds
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31 Ashad 2073 as per GAAP	26,885,000	-	-	-	-	-	-	-	-	-	-	26,885,000
NFRS Adjustment												
Reversal of Proposed dividend as per NFRS	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of Proposed bonus share as per NFRS	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial Gain/loss	-	-	-	-	-	-	-	-	-	-	-	-
Fair value change	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of premium on government bond	-	-	-	-	-	-	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-	-	-	-	-	-	-
Leave Encashment	-	-	-	-	-	-	-	-	-	-	-	-
Unearned Premium Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurance Asset	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Claim Provision	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of other provision	-	-	-	-	-	-	-	-	-	-	-	-
Deferred commission income and Expense	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 Ashad 2073 as per NFRS	26,885,000	-	-	-	-	-	-	-	-	-	-	26,885,000
Net profit for the year	-	-	-	-	-	-	-	-	-	-	-	-
Issue of new shares	3,115,000	-	-	-	-	-	-	-	-	-	-	3,115,000
Calls in advance	4,000,000	-	-	-	-	-	-	-	-	-	-	4,000,000
Calls in arrears	(2,950,000)	-	-	-	-	-	-	-	-	-	-	(2,950,000)
Bonus shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
Right Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
Proposed bonus shares	-	-	-	-	-	-	-	-	-	-	-	-
Addition from Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Prior Period Issue	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Other Reserves												
Share Premium	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to insurance fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to catastrophic reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Deferred tax Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Regulatory Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-

Continue...

	Share Capital	Share Premium	Insurance Reserves	Retained Earnings	Other Reserves and Funds	Catastrophic Reserves	Deferred Tax Reserve	Regulatory Reserve	Insurance Fund	Fair Value Reserve	Actuarial Reserve	Total Shareholders' Funds
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Other Adjustments												
Expenses Related to Previous Year												
Proposed Dividend												
Proposed Dividend Reversal due to NFRS												
Proposed bonus share												
Proposed bonus share Reversal due to NFRS												
Deferred tax Reserve Reversal due to NFRS												
Actuarial Gain/loss												
Fair value change												
NFRS Adjustments												
Balance as at 31 Ashad 2074	31,050,000											31,050,000
Net profit for the year				19,536,954								19,536,954
Issue of new shares	668,950,000											668,950,000
Calls in advance												
Bonus shares issued												
Right Shares Issued												
Proposed bonus shares												
Addition from Acquisition												
Dividend Paid												
Adjustment for Prior Period Issue												
Transfer to Other Reserves												
Share Premium												
Transfer to insurance fund				(9,964,793)					9,964,793			
Transfer to catastrophic reserve				(996,479)		996,479						
Transfer to Deferred tax Reserve				(133,414)			133,414					
Transfer to Regulatory Reserve												
Transfer from catastrophic reserve				996,479.34		(996,479)						
Other Reserves												
Other Adjustments												
Expenses Related to Previous Year												
Proposed Dividend												
Proposed Dividend Reversal due to NFRS												
Proposed bonus share												
Proposed bonus share Reversal due to NFRS												
Deferred tax Reserve												
Actuarial Gain/loss												
Fair value change												
NFRS Adjustments												
Balance as at 32 Ashad 2075	700,000,000			9,438,746			133,414		9,964,793			719,536,953

The notes to the financial statements as set out on schedules 01 to 43 form an integral part of these financial statements.

As per our Report of even date
For J.N. Upadhyay & Co.
Chartered Accountants

Ajad Shrestha
Director

Binod Pd. Bista
Chairman

Sagar Gurung
Director

Kumar Bahadur Khatri
Chief Executive Officer

Ganesh Kumar Kapar
Account Chief

Rajendra Pd. Kayastha
Director

Ram Bahadur Gurung
Director

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Significant Accounting Policy Year Ended 32 Ashad 2075

1. Insurance

1.1 General

Ajod Insurance Company Limited (hereinafter referred to as "AIL") is a public limited company, established on 2064/03/07 from company registrar office, Kathmandu. The company obtained the license (18/074-075) from Beema Samiti on 2074/10/24 and finally got approval from Beema Samiti to carry on business from 2074/10/24 and company finally started its commercial operation from 2075/03/21. The financial statement and significant accounting policies has been approved by the board meeting on 2076/02/05.

1.2 Financial Statements

The Financial Statement of the AIC for the year ended 32 Ashad 2075 comprises Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements, Significant Accounting Policies of the Company and Statement of Financial Position and reconciliations.

1.3 Principal Activities and Operations

Insurance

The principal activities of the Insurance is to issue Non - Life Insurance contract to the general public. Ownership of Subsidiary and Associates as at 31 Ashad 2073, 31 Ashad 2074 and 32 Ashad 2075 is given below: There are no holding in subsidiary and associates.

2. Basis of Preparation of Financial Statement and Other Significant Accounting Policies

2.1. Basis of Preparation

2.1.1. Statement of Compliance

The Financial Statement of AIC which comprises components mentioned above have been prepared in accordance with Nepal Financial Reporting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standards (hereafter referred as NFRS), laid down by the Institute of Chartered Accountants of Nepal and in compliance with the requirements of the Companies Act, 2006.

For all periods up to 32 Ashad 2075 the AIC prepared the financial statements in accordance with the Nepal Accounting Standards which were effective till that period. These financial statements for the year ended 32 Ashad 2075 are the first set of statements AIC has prepared in accordance with NFRSs.

2.1.2. Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements of AIC as per the provisions of the Companies Act, 2006.

2.1.3. Approval of Financial Statements by Directors

The accompanied Financial Statements have been authorized by the Board of Directors vide its resolution and recommended for its approval by the Annual General Meeting of the shareholders.

2.1.4. Basis of Measurement

The Financial Statements of Insurance have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position:

- Financial assets at fair value through other comprehensive income (quoted) are measured at fair value.
- Employee defined benefit obligations are measured in accordance with provision contained in NAS 19 based on report of the Actuary.
- Insurance contract liabilities are determined in accordance with provision contained in NFRS 4 & actuarial report for Liability Adequacy Test (LAT), however, insurance contract liabilities are also determined in accordance contained in Insurance Act 1992 and Final Liability is taken as higher of two in compliance with Insurance Board Circular dated 28th September 2018.

2.1.5. Functional and Presentation Currency

The Financial Statements of AIC are presented in Nepalese Rupees (Rs), which is the currency of the primary economic environment in which the Insurance operates. Financial information presented in Nepalese Rupees. There was no change in AIC's presentation and functional currency during the year under review.

2.1.6. Presentation of Financial Statements

The assets and liabilities of AIC presented in the Statement of Financial Position are grouped in an order of liquidity.

2.1.7. Materiality and Aggregation

In compliance with Nepal Accounting Standard - NAS 01 (Presentation of Financial Statements), each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately unless they are immaterial. 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 liability simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by an Accounting Standard.

2.1.8. Comparative Information

The accounting policies have been consistently applied by Insurance Company with those of the previous financial year in accordance with NAS 01 Presentation of Financial Statements, except those which had to be changed as a result of application of the new NFRS. Further, comparative information is reclassified wherever necessary to comply with the current NFRS presentation.

2.1.9. Going Concern

The Directors have made an assessment of Insurance's ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Insurance's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.1.10. Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the financial statements are set out below. The Insurance and will adopt these standards when they become effective. Pending a detailed review, the financial impact is not reasonably estimable as at the date of publication of these financial statements.

- (i) NFRS 9- Financial Instruments: Classification and Measurement
NFRS 9, as issued reflects the first phase of work on replacement of NAS 39 and applies to classification and measurement of financial assets and liabilities.

Since NFRS 9 consists of mixed sets of standards from IAS 39 and IFRS 9, this standard has been brought to the attention on issuing body and Institute of Chartered Accountants of Nepal. This is under review and will be effective after this has been resolved.

2.1.11. Standards neither issued nor made effective

Standards neither issued nor made effective up to the date of issuance of the financial statements are set out as below.

These standards will be applied by the insurance company when issued and made effective making a reasonable difference in Financials. Pending a detailed review, the financial impact is not reasonably estimable as at the date of publication of these financial statements.

- i. IFRS 17- Insurance Contract
IFRS 17, if issued would be an updated version of NFRS 4, Insurance Contracts. IFRS 17 requires entities to reflect the time value of money in estimated payments to settle the incurred claims, which is not provisioned by NFRS 4. IFRS 17 requires a company to recognize profits as it delivers insurance services (rather than when it receives premiums) and to provide information about insurance contract profits the company expects to recognize in the future.

2.2. Property, Plant and Equipment

A. Recognition of Property, Plant and Equipment

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

- (a) It is probable that future economic benefits associated with the item will flow to the entity; and
- (b) The cost of the item can be measured reliably.

a) Initial Cost

Items of property, plant and equipment may be acquired for safety or environmental reasons. The acquisition of such property, plant and equipment, although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for an entity to obtain the future economic benefits from its other assets. Such items of property, plant and equipment qualify for recognition as assets because they enable an entity to derive future economic benefits from related assets in excess of what could be derived had those items not been acquired.

b) Subsequent Cost

An entity does not recognize in the carrying amount of an item of property, plant and equipment the costs of the day-to-day servicing of the item. Rather, these costs are recognized in profit or loss as incurred. Costs of day-to-day servicing are primarily the costs of labor and consumables, and may include the cost of small parts. The purpose of these expenditures is often described as for the 'repairs and maintenance' of the item of property, plant and equipment.

Parts of some items of property, plant and equipment may require replacement at regular intervals. An entity recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of this Standard

B. Measurement of property, plant and equipment

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

The cost of an item of property, plant and equipment comprises:

- (a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

C. Measurement after recognition

An entity shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.

Cost model

Property and equipment is stated at cost less accumulated depreciation less accumulated impairment losses.

Revaluation model

The Insurance Company has not applied the revaluation model to the any class of freehold land and buildings or other assets. Such properties are carried at a previously recognized GAAP Amount.

Depreciation

The company applies written down value methods of depreciation calculation.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning and not when it starts to be used. Items of Property, Plant and Equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives on a Written down value basis. Land is not depreciated.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

A significant part of an item of property, plant and equipment may have a useful life and a depreciation method that are the same as the useful life and the depreciation method of another significant part of that same item. Such parts may be grouped in determining the depreciation charge.

The depreciation charge for each period shall be recognized in profit or loss unless it is included in the carrying amount of another asset.

Estimated rate of Depreciation

The estimated rate of Depreciation of property, plant and equipment of the Company are as follows:

Asset Class	Rate of Depreciation
A- Building	5%
B- Furniture & Fixture	25%
B- Computer & Accessories	25%
B- Office equipment	25%
C- Motor Vehicle	20%
B- Lease Hold	25%

Property, plant and equipment's residual values and useful lives are reviewed at each Statement of Financial Position date and changes, if any, are treated as changes in accounting estimate.

D. Impairment of property, plant and equipment

To determine whether an item of property, plant and equipment is impaired, an entity applies NAS 36 Impairment of Assets. That Standard explains how an entity reviews the carrying amount of its assets, how it determines the recoverable amount of an asset, and when it recognizes, or reverses the recognition of, an impairment loss.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up shall be included in profit or loss when the compensation becomes receivable.

There is no any condition to the company to impair its property plant and equipment as on 32nd Ashad 2075.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased.

If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed, only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

E. Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment shall be derecognized:

- On disposal; or
- When no future economic benefits are expected from its use or disposal.

The gain or loss arising from derecognition of an item of property, plant and equipment shall be included in profit or loss when the item is derecognized (unless NAS 17 requires otherwise on a sale and leaseback). Gains shall not be classified as revenue.

2.3. Intangible assets

Basis of recognition

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

The company does not have any intangible assets as on 32nd Ashad 2075.

In case any software is purchased by the company then it will be classified as intangible assets and its useful life will be estimated by the management.

Subsequent expenditure

Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure on software 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.

Amortization of Intangible assets

Intangible assets are amortized on a straight line basis over the period of services to be rendered. Amortization is recorded in the statement of profit or loss.

Intangible assets with finite lives are amortized over the useful economic life. 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 accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates.

Amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible asset.

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows;

De-recognition of Intangible assets

An intangible asset is de-recognized on disposal or when no future economic benefits are expected from it. The gain or loss arising from de-recognition of such intangible assets is included in the statement of profit or loss when the item is de-recognized.

Impairment of Intangible assets

An impairment review is performed whenever there is an indication of impairment. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the statement of profit or loss.

Assessment of impairment of intangible assets

The Board of Directors has assessed the potential impairment indicators of Intangible assets as at 31 Ashad 2073, 31 Ashad 2074 and 32 Ashad 2075. Based on the assessment, no impairment indicators were identified.

Capital Work in Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development, awaiting capitalization. Capital work-in-progress would be transferred to the relevant asset when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is stated at cost less any accumulated impairment losses.

2.4. Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except;

- a) When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred Tax Assets and Deferred Tax liabilities

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit or loss is recognized outside statement of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.5. Financial Assets

As per NFRS 9 Financial instrument are classified into following types;

- a) Financial instrument measured at amortized cost
- b) Financial instrument at fair value through profit and loss
- c) Financial instrument at fair value through other comprehensive income

A. Financial instrument measured at amortized cost

Financial assets at amortized cost includes those financial assets that are held by the entity for long term purpose and intend to hold till maturity.

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in "Investment income" in statement of profit or loss.

Impairment of financial assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the loss is recorded in the statement of income.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment. The impairment assessment is performed at each reporting date.

If, in a subsequent period, the amount of the impairment loss decreases and that decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

B. Financial instrument at fair value through profit and loss

Recognition of financial instrument at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Investments typically bought with the intention to sell in the near future are classified as held for trading. Attributable transaction costs are recognized in the statement of profit or loss as incurred. These investments are initially recorded at fair value. Subsequent to initial recognition, they are remeasured at fair value.

Changes in fair value are recorded in 'fair value gains and losses' in the statement of profit or loss. Interest is accrued and presented in 'investment income' using the Effective Interest rate (EIR). Dividend income is recorded in the 'investment income' when the right to the payment has been established. The Company will evaluate its financial assets at fair value through profit or loss (held for trading) by considering whether the intent to sell them in the near term is still appropriate.

For investments to be designated as at Fair Value through Profit or Loss, the following criteria must be met;

The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on a different basis.

C. Financial instrument at fair value through other comprehensive income

Recognition of Financial assets at fair value through other comprehensive income

Fair value through other comprehensive income (FVTOCI) financial investments include equity shares. Equity investments classified as fair value through OCI are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After the initial measurement, FVTOCI are subsequently measured at fair value, with unrealized gains or losses recognized in the statement of comprehensive income in the available-for-sale reserve. Dividends earned whilst FVTOCI are recognized in the statement of profit or loss as 'Investment income' when the right of the payment has been established. When the asset is de-recognized, cumulative gain or loss is in the statement of profit or loss and other comprehensive income is transferred to the statement of profit or loss. If the asset is determined to be impaired, the cumulative loss is recognized in the statement of profit or loss and removed from the available-for-sale reserve.

Impairment of financial assets at fair value through OCI

If a fair value through OCI financial asset is impaired, an amount comprising the difference between its costs (net of any principal repayment and amortization) and its current fair value, less any impairment loss previously recognized in other comprehensive income, is transferred from equity to the statement of profit or loss. Reversals in respect of equity instruments classified as fair value through OCI are not recognized in the statement of profit or loss.

Reversals of impairment losses on debt instruments classified at fair value through OCI are reversed through the statement of profit or loss, if the increase in the fair value of the instruments can be objectively related to an event occurring after the impairment losses were recognized in the statement of income.

Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position can be derived from active markets, they are derived from observable market data. However, if this is not available, judgment is required to establish fair values.

The financial assets and financial liabilities of the company are recognized at fair value. Fair value of the financial assets are determined on the basis of fair value hierarchy.

Determination of fair values of financial assets and financial liabilities recorded on the statement of financial position for which there is no observable market price are determined using a variety of valuation techniques that include the use of mathematical techniques. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish their fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** Listed/quoted (adjusted) prices in active markets for identical instruments are available. The Company measures the fair value of a financial instrument using active listed/quoted prices or dealer price quotations and managers buying price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- **Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. Non-market observable input means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data.

Derecognition of financial assets

Derecognition is the removal of a previously recognized financial asset (or financial liability) from an entity's statement of financial position. In general, NFRS 9 criteria for derecognition of a financial asset aim to answer the question whether an asset has been sold and should be derecognized or whether an entity obtained a kind of financing against this asset and simply a financial liability should be recognized.

Derecognition criteria in NFRS 9 should be applied to a part of an asset if, and only if, the part being considered for derecognition meets one of the following three conditions:

1. The part comprises only specifically identified cash flows from a financial asset or a group of similar financial assets.
2. The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset or a group of similar financial assets.
3. The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial.

2.6. Reinsurance Assets

Reinsurance assets are those assets that are created as a part of reinsurance ceded out of the gross amount.

Reinsurance Assets is created on the premium ceded to the reinsurer on the basis of the ratio of UPR to total gross premium income. As Reinsurance part is not covered by LAT report. Further part of claim ceded to reinsurer is also reclassified as reinsurance Assets which is as per NFRS 4. Reinsurance assets are not set off with the gross insurance contract liabilities as it is not provided by NFRS 4.

Reinsurance Assets is created on following items:

- a) Premium ceded to reinsurer
- b) Outstanding claim ceded to reinsurer

Reinsurance assets are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the statement of profit or loss.

2.7. Current tax assets and current tax liabilities

Current tax assets of the company includes the amount of advance income tax paid to the Inland Revenue department and tax deducted at source (TDS). Similar current tax liabilities includes the tax provision made for the year.

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to Inland Revenue Department in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

Current tax assets and current tax liabilities are shown in net in statement of financial position of the company as there exist condition to setoff both of the assets and liabilities as permitted by NFRS 4.

2.8. Cash and Cash Equivalent

Cash and cash equivalent in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value net of any provision.

2.9. Insurance Contract Liabilities

Provision for unexpired risk reserve provision

As per regulatory requirement the insurance company needs to create 50% of net earned premium as liabilities for provision for unexpired risk reserve. However NFRS 4 requires valuation of liabilities of the company as per actuaries and create liabilities higher among the regulatory liabilities or the liabilities as per NFRS 4.

As per the requirement of NFRS 4 UPR is calculated by actuaries by applying following assumption:

- a) For all one-year policies, except for Marine Cargo Open Cover Policies, the UPR is determined on 1/365th basis, assuming the risk is uniform over the policy year.
- b) For shorter than one year Marine Cargo policies, UPR is determined: i) Using straight-line method over the policy term as in (a) above; or ii) In the absence of data required for (i) above, using the last three months' premium for the relevant period as per Article 69 (2) of Implementing Regulations, but company is not able to provide date of Voyage/ date of Expiry of Risk, we have assumed as 50% of Gross Premium.

Unearned premium reserve is calculated by actuaries on gross premium income and as per actuarial valuation unearned premium reserve is equal to the unexpired risk reserve.

Provision for unexpired risk represents premiums received for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognized as premium income.

As required by NFRS 4 - Insurance Contracts, the Company performs a Liability Adequacy Test (LAT) in respect of non-life contract liabilities with the assistance of an external actuary.

Provision for gross outstanding claims

As per regulatory requirement the insurance company needs to create 115% of opening outstanding claim as liabilities for provision for outstanding claims. Gross provision for outstanding claim is separated from the hundred and fifteen percentage. Actuarial valuation is required for the calculation of liabilities for gross outstanding claim provision.

Non-life insurance contract liabilities are recognized when contracts are entered into and premiums are charged. These liabilities are known as the outstanding claims provision, which are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries.

The liability is not discounted for the time value of money. The liabilities are de-recognized when the contract expires, is discharged or is cancelled.

Liability adequacy test

NFRS 4 requires the insurance company to determine their business liabilities using the actuaries.

A Liability Adequacy Test (LAT) was performed by Global risk consultants Mumbai, a firm of professional actuaries as at 31 Ashad 2075 as required by NFRS 4 - Insurance Contracts in order to assess the adequacy of the carrying amount of the provision for unexpired risk. The valuation is based on internationally accepted actuarial methods. According to the report issued by Global risk consultants Mumbai, the liability carried forward by the Company was not adequate.

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of profit or loss by setting up a provision for liability adequacy.

Following are the assumption used by actuaries for the calculation of liabilities of the Company as required by NFRS 4;

1. Accounting Policy:

NFRS 4 Accounting Policy document is a policy framework which specifies the fundamental approach of the Company to implementation of the NFRS 4 in the background of regulatory specifications (of Beema Samiti) for estimation of various liability provisions.

The FY 2017-18 being the first year of application of the NFRS 4, it is expected that this Accounting Policy document shall undergo changes so as to capture directions of the Beema Samiti including experience of the Company as the business develops.

2. Cash Flow:

Cash Flows considered and estimation are as follows:

Income side;

- Premium
- Reinsurance claims
- Reinsurance commission

Outflow side;

- Claims
- Reinsurance premium
- Commission for intermediation
- Expenses

The current liability estimates are not based on present value of future cash flows, the portfolio size being very small. Alternative methods have been applied.

3. Valuation Methods and Assumptions

For all one-year policies, except for Marine Cargo Open Cover Policies, the UPR is determined on 1/365th basis, assuming the risk is uniform over the policy year.

For shorter than one year Marine Cargo policies, UPR is determined:

- i. Using straight-line method over the policy term; or
- ii. In the absence of data required for (i) above, using the last three months' premium for the relevant period of Implementing Regulations.

4. Discounting Policy:

No discounting has been used. The estimates of liability amounts for non-life insurance contracts are always carried out on non-discount basis for 1) liability terms being short and 11) the Pricing (determination of premium) is on non-discount basis.

5. Aggregation practices

Principles of aggregation:

“When applying an existing accounting policy, the aggregation practice follows that practice already established in that policy. When using an NAS 37 measure of the future cash flows, the test “shall be made at the level of a portfolio of contracts that are subject to broadly similar risks and managed together as a single portfolio.”

The portfolio of insurance contracts as at the reporting date is very small, hence no aggregation has been considered.

2.10. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Expense relating to any provision is presented in the statement of income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounting using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.11. Revenue Recognition Policy of company

The company applies accrual basis of accounting for the recognition of revenue which includes the premium income, fees and commission income and other income of insurance company as per the requirement of the NAS 18.

2.12. Gross premiums on insurance contracts

NFRS 4 - Insurance Contracts, requires contracts written by insurer to be classified as either 'Insurance contracts' or 'Investment contracts' depending in the level of insurance risk transferred.

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.

Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variables, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

All the products sold by the Company are insurance contracts. Therefore, classified as insurance contracts under the NFRS 4 - Insurance Contracts. Thus, the Company does not have any investment contracts within its product portfolio as at the reporting date.

Revenue recognition of gross written premium

Gross premium (GP) represents the premium charged by the Company to underwrite risks. GP is accounted on an accrual basis.

Non-life insurance gross premium comprises the total premiums received/receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognized on the date on which the policy commences.

2.13. Premiums ceded to reinsurers on insurance contracts

Recognition of premium ceded to reinsurers

Non-life gross reinsurance premium comprises the total premium payable for the whole cover provided by contracts entered into the period and is recognized on the date on which the policy incepts. Premium includes any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

2.14. Fee and Commission Income

As per Nepal financial reporting standards the insurance company shall recognize its income in accrual basis so the fee and commission of the company total received is not totally recognized as income in the year of collection of cash. However NFRS required to defer the fee and commission income not related to the current year. Hence the fee and commission income is deferred by using the unearned premium reserve to gross provision ratio.

2.15. Interest income

Revenue recognition of interest income

Interest income is recognized in the statement of profit or loss as it accrues and is calculated by using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

2.16. Dividend Recognition policy

As per NAS dividend income or expense shall be recognized when right to receive dividend is established or dividend is declared by the company.

2.17. Staff expenses

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.18. Retirement Benefits Obligations

A. Defined Contribution Plans

A Defined Contribution Plan includes post-employment benefit plan under which an Insurance pays fixed contribution into a separate Institution (or own fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods, as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

Employer & Employee both, contributes 10% of the basic salary.

B. Defined Benefit Plans

Provision for Defined Benefit Plan are provided as per NAS 19 based on Actuarial Valuation Report.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, staff gratuity and leave encashment has been considered as defined benefit plans as per Nepal Accounting Standards – NAS 19 (Employee Benefits).

a. Gratuity

NAS 19 requires actuarial valuations for Gratuity. Actuarial valuations has not been carried out to determine the amount of Gratuity. GAAP figure has been taken as a base for Gratuity.

b. Leave Encashment

NAS 19 requires actuarial valuations for Leave encashment. Actuarial valuations has not been carried out so GAAP figure has been taken as a base for leave encashment.

2.19. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Insurance company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases that do not transfer substantially all of the risks and rewards of ownership of an asset to the Insurance Company are classified as operating leases.

Operating lease payments are recognized as an expense in the statement of profit or loss on a straight line basis over the lease term.

Insurance company as a lessor

Leases in which the Insurance Company does not transfer substantially all of the risks and rewards of ownership of an asset are classified as operating leases. Rental income is recognized as revenue in the statement of profit or loss on a straight line basis over the lease term.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.20. Capital commitments and contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the statement of financial position but are disclosed unless they are remote.

The company does not have any Capital commitments and Contingencies as on Balance Sheet date.

2.21. Deferred Acquisition Cost

As per NFSR 4 deferred acquisition cost describes the practice of deferring the cost of acquiring a new customer over the duration of the insurance contract. face large upfront costs incurred in issuing new business.

The insurance company has incurred agent commission and reinsurance commission expense as deferred acquisition cost which are deferred for the next period.

2.22. Segment Reporting

The company has determine following business as separate segment;

- a) Engineering
- b) Fire
- c) Miscellaneous
- d) Motor

Segment Reporting includes the total profit distribution of the company to all its line of business. The premium income, reinsurance premium expense, gross claim and claim ceded to reinsurer, outstanding claim, other direct expenses and income, fee and commission income, investment income, other operating and administrative expenses are allocated to each line of business as per revenue account as prepared in existing GAAP policy however any amount increase or decrease in such item are separately kept as an unallocated amount.

2.23. Events occurring after the reporting date

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date when the financial statements are authorized for issue.

All material post reporting date events have been considered and where appropriate, adjustments or disclosures have been made in the respective notes to the financial statements.

2.24. Significant Accounting Judgments, Estimates and Assumptions

The preparation of Financial Statements in conformity with Nepal Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.25. Disclosure related to Share and Mutual Fund

Shares and mutual funds are classified as Financial Assets through Other Comprehensive Income or Financial Assets through Profit or Loss depending on the purpose of investment. The company has not invested in Shares and Mutual Fund.

AJOD Insurance Limited

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Notes to the Financial Statements Year ended 32 Ashad 2075

1. Property, Plant and Equipment

	Land		Buildings		Furniture and Fixtures		Computer & Accessories		Photocopy/Fax/Printer		Motor Vehicles		Network Equipments		Office Equipment		Miscellaneous Assets		Leasehold Improvement		Capital WIP		Total		
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	
Cost:																									
At 31 Ashad 2074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	4,733,264	522,264	4,733,264	522,264	4,814,326	985,819	600,000	985,819	600,000	11,655,671	-	-	-	-	-	-	-	-	-	-	-	11,655,671	
Additions from Acquired Entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
This Year adjustment/written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 32 Ashad 2075	-	-	4,733,264	522,264	4,733,264	522,264	4,814,326	985,819	600,000	985,819	600,000	11,655,671	-	-	-	-	-	-	-	-	-	-	-	11,655,671	
Accumulated Depreciation																									
At 31 Ashad 2074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	74,146	24,748	74,146	24,748	33,046	7,858	120,000	7,858	120,000	259,798	-	-	-	-	-	-	-	-	-	-	-	259,798	
Depreciation from acquired entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
This Year Depreciation adjustment/written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 32 Ashad 2075	-	-	74,146	24,748	74,146	24,748	33,046	7,858	120,000	7,858	120,000	259,798	-	-	-	-	-	-	-	-	-	-	-	259,798	
At 31 Ashad 2073	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost-																									
Accumulated Depreciation																									
Net book value:																									
At 31 Ashad 2074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 32 Ashad 2075	-	-	4,659,118	497,516	4,659,118	497,516	4,781,279	977,960	480,000	977,960	480,000	11,395,873	-	-	-	-	-	-	-	-	-	-	-	11,395,873	

AJOD Insurance Limited

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Notes to the Financial Statements

Year ended 32 Ashad 2075

2. Intangible Assets

	Intangibles Rs
Cost:	
At 31 Ashad 2074	-
Additions	-
Disposals	-
At 32 Ashad 2075	-
Accumulated Amortization	
At 31 Ashad 2074	-
Additions	-
Disposals	-
At 32 Ashad 2075	-
Net book value:	
Cost	-
Accumulated Amortization	-
At 31 Ashad 2073	-
At 31 Ashad 2074	-
At 32 Ashad 2075	-

3. Deferred Tax Assets/ Liabilities

Valuation of deferred tax assets and liabilities

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Deferred tax Assets	-	-	-
Deferred tax liabilities	133,414	-	-
	133,414	-	-

3.1 Deferred tax asset

	FY 2074-75		FY 2073-74	
	Temporary difference Rs.	Tax effect Rs.	Temporary difference Rs.	Tax effect Rs.
Property, plant and equipment	-	-		
Actuarial reserve	-	-		
Fair value gains recognised in other comprehensive income	-	-		
	-	-	-	-

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Notes to the Financial Statements

Year ended 32 Ashad 2075

3.2 Deferred Tax Liabilities

	FY 2074-75		FY 2073-74	
	Temporary difference Rs.	Tax effect Rs.	Temporary difference Rs.	Tax effect Rs.
Property, plant and equipment	444,713	133,414	-	-
Gratuity	-	-	-	-
Actuarial reserve	-	-	-	-
Fair value gains recognised in other comprehensive income	-	-	-	-
	444,713	133,414	-	-

4 Financial assets at amortized cost

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Government Securities	-	-	-
Commercial Banks Fixed Deposits	678,746,178	-	-
Development Banks Fixed Deposits	-	-	-
Finance Companies Fixed Deposits	-	-	-
Foreign Bonds	-	-	-
Debenture/Bond of Financial Institutions	-	-	-
	678,746,178	-	-

The management has kept Rs 60 crore under earmark with Beema Samiti for fiscal year 2074/75

5 Financial assets at fair value through other comprehensive income

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Quoted Equities	-	-	-
Unquoted Equities(Nepal reinsurance company share)	-	-	-
Mutual Funds	-	-	-
Citizen Investment Trust Units	-	-	-
Less: Impairment	-	-	-
	-	-	-

5.1 Quoted Equity Shares

	FY 2074-75		FY 2073-74		FY 2072-73	
	Carrying value Rs	Fair value Rs	Carrying value Rs	Fair value Rs	Carrying value Rs	Fair value Rs
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

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Notes to the Financial Statements

Year ended 32 Ashad 2075

5.2 Unquoted Equity Shares

	FY 2074-75		FY 2073-74		FY 2072-73	
	Carrying value Rs	Fair value Rs	Carrying value Rs	Fair value Rs	Carrying value Rs	Fair value Rs
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

5.3 Quoted Mutual Fund Shares

	FY 2074-75		FY 2073-74		FY 2072-73	
	Carrying value Rs	Fair value Rs	Carrying value Rs	Fair value Rs	Carrying value Rs	Fair value Rs
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

6 Financial assets at fair value through profit or loss

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Quoted Equities	-	-	-
	-	-	-

6.1 Quoted Equities

	FY 2074-75		FY 2073-74		FY 2072-73	
	Carrying value Rs	Fair value Rs	Carrying value Rs	Fair value Rs	Carrying value Rs	Fair value Rs
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

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Notes to the Financial Statements

Year ended 32 Ashad 2075

7 Other Financial Assets

Other financial assets includes financial assets other than the above normal classification of financial assets measured at amortized cost, fair value through profit or loss and fair value through other comprehensive income. This is stated at net of any impairment recognized.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Security Deposit	216,500	-	12,300
Advance Gold and Silver	-	-	-
Staff Advances	-	-	-
Government Grant Receivable	-	-	-
Income Receivable on investments	-	-	-
Deposit For Utilities	-	-	-
Claim Advance	-	-	-
Other Advance	-	-	-
Advance To Other	-	-	-
Gratuity Fund	-	-	-
Deferred Agency Commission Expense	105,829	-	-
Business Advance to Staff	-	-	-
Miscellaneous Deposit	-	-	-
Less: Impairment Provisions (please specify)	-	-	-
	322,329	-	12,300

8 Reinsurance Asset

Reinsurance Asset is recognised from the portion of reinsurance amount paid to Reinsurer. Premium being collected in cash basis and not accrued is parked in Reinsurance Asset.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Reinsurance Asset	2,250,808	-	-

8.1 Reinsurance Assets calculation

Total Reinsurance Assets is the sum of the Reinsurance Assets Created on reinsurance ceded on outstanding claim and Reinsurance Assets Created on reinsurance ceded on deferred premium.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Reinsurance Assets Created on reinsurance ceded on outstanding claim	-	-	-
Reinsurance Assets Created on reinsurance ceded on deferred premium	2,250,808	-	-
Reinsurance Assets Created on Incurred but not reported	-	-	-
Total Reinsurance Assets	2,250,808	-	-
Reinsurance Ceded			
Opening Balance	-	-	-
Gross Reinsurance Ceded	2,273,368	-	-
Reinsurance Ceded Recognised During the year	(22,560)	-	-
Closing Balance	2,250,808	-	-

AJOD Insurance Limited

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Notes to the Financial Statements

Year ended 32 Ashad 2075

8.1.1 Portfolio wise classification of Reinsurance Assets

	FY 2074-75 Rs	FY 2073-74 Rs
Motor	16,976	-
Engineering	1,943,282	-
Fire	182,908	-
Miscellaneous	107,642	-
Total Reinsurance Assets to be Created	2,250,808	-

9 Insurance receivables

Insurance receivables includes amount receivable related to insurance businesses such as due from other insurance companies, due from reinsurers.

Reinsurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Outstanding from Other Insurance Companies	-	-	-
Sundry Debtors	3,791,513.50	-	-
Outstanding from Reinsurers	-	-	-
Outstanding premium receivable	-	-	-
Less: Impairment provisions	-	-	-
	3,791,514	-	-

9.1 Assessment of impairment of insurance receivables

The Board of Directors has assessed potential impairment loss of insurance receivables as at 31 Ashad 2073, 31 Ashad 2074 and 32 Ashad 2075. Based on the assessment, it was concluded that there is no requirement for an additional impairment loss provision other than amounts provided.

9.2 Fair value of insurance receivables

The carrying amount disclosed above approximates the fair value at the reporting date.

10 Other Assets

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Stock of tickets	-	-	-
Prepaid Employee Benefits	-	-	-
Prepayments	-	-	-
Seed Money to Insurance Promotion Board	-	-	-
Other Transit Items (including cheques)	-	-	-
Branch Adjustment Accounts	-	-	-
Written off / Due Adjustable Outstanding Expenses	-	-	-
Start-Up Costs	-	23,056,803	34,879,584
VAT Receivable	1,502,978	890,475	866,412
Other Assets	-	60,000	510,000
	1,502,978	24,007,279	36,255,996

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Notes to the Financial Statements

Year ended 32 Ashad 2075

10.1 Start-Up Costs

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Unamortized preliminary expenses	-	1,961,921	1,961,921
Pre Operating Expenses	-	21,094,882	32,917,662
	-	23,056,803	34,879,584

11 Current Tax Assets/ Liabilities

Current income tax liabilities for the current period are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Income Tax Liabilities	9,502,070	-	-
Income Tax Receivables	-	-	-
Advance Tax Payment	13,261,423	44,978	135,832
TDS on Interest	-	12,330	-
	3,759,353	57,307	135,832

12 Cash and Cash equivalents

Cash and Cash Equivalent in the statement of financial position comprise cash at bank and on hand, call deposits and fixed deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, net of any provisions.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Cash Balance	732,413	-	-
Bank Balance	210,055	12,351,265	56,917
Commercial Banks Fixed Deposits	-	-	-
Development Banks Fixed Deposits	-	-	-
Finance Companies Fixed Deposits	-	-	-
Commercial Banks Call Deposits	-	-	-
Development Banks Call Deposits	-	-	-
Finance Companies Call Deposits	-	-	-
Interest bearing deposit of Commercial Bank	31,741,536	-	-
Interest bearing deposit of Dev. Bank	2,541,753	-	-
Interest bearing deposit of Finance Companies	-	-	-
Less: Impairment Provisions	-	-	-
	35,225,757	12,351,265	56,917

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Notes to the Financial Statements

Year ended 32 Ashad 2075

13 Gross Insurance contract liabilities

	Note	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Outstanding claims provision				
Incurred But not Reported Claims	13.1	-	-	-
Unexpired risk reserve provision	13.2	2,360,913	-	-
Total gross Insurance contract liability		2,360,913	-	-
Change in gross insurance contract liability (A)		2,360,913		
Reinsurance asset on outstanding claims provision				
Reinsurance asset on incurred but not reported claims				
Reinsurance asset on unexpired risk reserve provision		2,250,808		
Total reinsurance assets created		2,250,808	-	-
Change in reinsurance assets (B)		2,250,808	-	-
Net Change in Insurance contract liabilities (A+B)		(110,105)	-	

13.1 Incurred But not Reported (IBNR)

As per Insurance Board the liabilities of the insurance company shall be the higher among the liabilities determined by acturaries as per NFRS 4 and the liabilities as required by Regulatory authority. In case of this insurance company the amount of liabilities as required by Regulatory authority is higher than the liability as per NFRS 4. Hence the liability for IBNR is as per regulatory requirement.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
IBNR as per LAT report (A)	-	-	-
15% created on Net Outstanding Claim (B)	-	-	-
Higher of A and B	-	-	-

13.2 Unexpired risk reserve provision (UPR/URR)

Unexpired risk reserve (URR) is the liabilities related with the gross premium income that is not related with the current year and is deferred for next period. URR will be the higher among the URR as per regulatory requirement and URR as per Liability adequacy test (LAT) report.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Unexpired Risk Reserve (URR) as per GAAP [A]	55,985		
Unexpired Risk Reserve (URR) as per LAT [B]	2,360,913		
Total URR for the Year (Higher of A and B)	2,360,913	-	-

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14 Other Financial Liabilities

Other financial liabilities include financial liabilities other than the normal classification of financial liabilities measured at amortized cost

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Audit fee payable	-	64,025	-
Sundry Creditor	7,066,161	186,900	937,839
Deposit Received	72,667	-	-
Other Payable(Unknown share subscription)	-	1,903,705	6,353,705
Gratuity/Pension Fund	-	180,124	597,207
Payable to Associates Co	-	-	-
Deferred Reinsurance Commission income	483,606	-	-
Employees Leave Fund	-	-	-
Deposit Premium	39,730	-	-
PF & CIT Payable	-	615,672	615,672
	7,662,164	2,950,425	8,504,423

15 Insurance payables

Insurance payables includes amount payable related to insurance businesses such as due to agents, due to other insurance companies, due to reinsurers.

Insurance payables are recognised when due and measured on initial recognition at the fair value of the consideration paid or payable.

Insurance payables are derecognised when the contractual obligations are extinguished or expire or when the contract is transferred to another party.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Outstanding payable to Agents	90,777	-	-
Due to Other insurance Company	1,849,506	-	-
Insurance Levy Payable to Beema Samiti	-	-	-
Payable to Reinsurers	-	-	-
	1,940,283	-	-

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Notes to the Financial Statements

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16 Other Liabilities

Other liabilities includes the amount of provisions made for staff bonus and any other provisions determined in accordance with the requirements of NAS 37.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Provisionforstaffbonus	2,917,244	-	-
OfficeRentPayable	-	-	-
ProvisionForDividend	-	-	-
ImpairmentProvision	-	-	-
ProvisonforDoubtfulDebtforsundrycreditors	-	-	-
Provisionforotherlosses	-	-	-
Provisionforsalary	-	-	-
Provisionfordebtforreinsurers	-	-	-
ProvisionforVAT	-	-	-
	2,917,244	-	-

17 Trade and other payables

Trade and other payables includes the payable to trade suppliers and any other payables other than the financial liabilities and other liabilities. These payables are recorded at the amount expected to be payable as at the reporting date.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
TDS payable	202,419	307,767	327,543
VAT Payable	-	-	-
Service fee payable	23,997	-	-
Payable to employee	2,217,403	2,019,259	655,679
Payable to Board	-	88,400	88,400
Dividend Payable	-	-	-
Payable Survey Fee	-	-	-
Payable to Other	-	-	-
	2,443,819	2,415,426	1,071,622

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18 Share Capital

The Company has issued ordinary shares that are classified as equity. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Shares as at 1st Shrawan			
Add: Adjustment	31,050,000	26,885,000	30,000,000
Add: Bonus Shared Issued	-	-	-
Add: Right Shared Issued	-	-	-
Add: Addition this year	-	-	-
Add: Calls in Advance	668,950,000	3,115,000	-
Less: Calls in Arrears	-	4,000,000	-
Shares as at 31st Ashad		2,950,000	3,115,000
	700,000,000	31,050,000	26,885,000

18.1 Reconciliation of No. of Shares

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Ordinary Shares as at 1st Shrawan	310,500	268,850	300,000
Add: Adjustment	-	-	-
Add: Bonus Shared Issued	-	-	-
Add: Right Shared Issued	-	-	-
Add: Addition this year	6,689,500	31,150	-
Add: Calls in Advance	-	40,000	-
Less: Calls in Arrears	-	29,500	31,150
Ordinary Shares as at 31st Ashad	7,000,000	310,500	268,850

18.2 Rights of ordinary shareholders

All issued shares are fully paid and shares of the Company are listed on the Nepal stock exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at General Meetings of the Company.

19 Share premium

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Share premium	-	-	-
	-	-	-

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20 Reserves & Surplus

20.1 Capital reserves

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Catastrophic reserves	-	-	-
Insurance Fund	9,964,793	-	-
Total	9,964,793	-	-

As per the circular issued by Insurance Board catastrophic reserve is allowed for profit distribution so it has been transferred to retained earning.

20.2 General Reserves

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Retained Earnings	9,438,746	-	-
Total	9,438,746	-	-

20.3 Other Reserves

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Insurance Reserve	-	-	-
Regulatory Reserve	-	-	-
Other Free reserve	-	-	-
Deferred tax reserve	133,414	-	-
Fair value reserve	-	-	-
Actuarial reserve	-	-	-
Total	133,414	-	-

20.2.1 Fair value reserve

Fair value reserves comprise the cumulative net change in the fair value of financial assets at fair value through other comprehensive income and is carried forward until the respective assets are derecognised.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Balance as at 1 Shrawan	-	-	-
NFRS Remeasurement Impact:	-	-	-
Statement of financial position	-	-	-
Other comprehensive income	-	-	-
Balance as at 31 Ashad	-	-	-

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Year ended 32 Ashad 2075

20.2.2 Actuarial Reserve

Actuarial reserve include the actuarial gains/(losses) arising from valuation of leave encashment liability as required by NAS 19 - Employee Benefits.

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Balance as at 1 Shrawan	-	-	-
NFRS Remeasurement Impact:	-	-	-
Opening restatement	-	-	-
Other comprehensive income	-	-	-
Profit or loss	-	-	-
Balance as at 31 Ashad	-	-	-

21 Net Premiums

	FY 2074-75 Rs	FY 2073-74 Rs
Gross earned premium	2,385,338	-
Premiums ceded to reinsurers	(2,273,368)	-
Net Insurance Premium	111,970	-

21.1 Gross premiums on insurance contracts

For the year ended

	FY 2074-75 Rs	FY 2073-74 Rs
Class-wise		
Motor	70,092	
Agricultural		
Aviation		
Engineering	1,971,771	
Fire	226,574	
Marine		
Miscellaneous	116,900	
	2,385,338	-

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Notes to the Financial Statements Year ended 32 Ashad 2075

21.2 Premiums ceded to reinsurers on insurance contracts

For the year ended

	FY 2074-75 Rs	FY 2073-74 Rs
Class-wise		
Motor	17,232.64	-
Agricultural		-
Aviation		-
Engineering	1,960,271	-
Fire	187,186	-
Marine		-
Miscellaneous	108,678	-
	2,273,368	-
Payee-wise		
Nepal reinsurance company	2,273,368	-
Foreign reinsurers	-	-
	2,273,368	-

22 Fees and Commission Income

	FY 2074-75 Rs	FY 2073-74 Rs
Reinsurance commission income	488,689	-
Unearned reinsurance commission income	(483,606)	-
	5,082	-

23 Investment income

	FY 2074-75 Rs	FY 2073-74 Rs
Interest income	33,725,061	94,552
Income from Other (Other than Fixed Deposits)	72,039	
Income from revenue stamps	-	
Dividend income	-	-
	33,797,100	94,552

23.1 Interest income

	FY 2074-75 Rs	FY 2073-74 Rs
Government securities	-	-
Commercial Banks Fixed Deposits	33,725,061	-
Development Banks Fixed Deposits	-	-
Citizen Investment Trust Units	-	-
Finance Companies Fixed Deposits	-	-
Interest income on Bank Deposits	-	94,552
Debenture of Commercial Banks and Finance Companies	-	-
Saving & Revolving Account	-	-
	33,725,061	94,552

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23.2 Dividend income

Revenue recognition of dividend income

Dividend income is recognised when the right to receive the dividend is established.

	FY 2074-75 Rs	FY 2073-74 Rs
Dividend from Ordinary Shares of Public Limited Company	-	-
Dividend from Preference Shares	-	-
	-	-

24 Net realised gains and losses

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

	FY 2074-75 Rs	FY 2073-74 Rs
Gain/(Loss) on sale of Mutual Fund	-	-
Gain/(Loss) from Sale of Equity investment	-	-
Gain/(Loss) from Sale of Other Investments	-	-
	-	-

25 Fair value gains and losses

This includes the gains and losses arising from changes in fair value on financial instruments classified as financial asset at fair value through profit or loss, if any.

	FY 2074-75 Rs	FY 2073-74 Rs
Fair value gains and losses	-	-
	-	-

26 Other Income

Other income includes disposal gains/ losses on property, plant and equipment and miscellaneous income. Profit or loss on sale of property, plant and equipment is recognised in the period in which the sale occurs and is classified under other income.

	FY 2074-75 Rs	FY 2073-74 Rs
Written back liabilities	-	1,188,823
Other Direct Income	-	
Foreign Exchange Income	-	-
Miscellaneous Income	1,872	-
Gain/(Loss) on Sale of Fixed Assets	-	-
	1,872	1,188,823

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27 Net benefits and claims paid

	FY 2074-75 Rs	FY 2073-74 Rs
Gross benefits and claims paid	-	-
Claims ceded to reinsurers	-	-
	-	-

28 Change in Insurance contract liabilities

	FY 2074-75 Rs	FY 2073-74 Rs
Change in Gross insurance contract liabilities		
Change in insurance contract outstanding claims provision	-	-
Change in charged for Incurred But not Reported	-	-
Change in unexpired risk reserve provision	(2,360,913)	-
	(2,360,913)	-
Change in Reinsurance Assets		
Change in reinsurance asset created on outstanding claim provision	-	-
Change in Reinsurance Asset created on unexpired risk reserve	2,250,808	-
	2,250,808	-
Net change in Insurance contract liabilities	(110,105)	-

29 Finance costs

Finance costs include the finance charges in respect of Bank loan, other Financial liabilities at amortized cost and in respect of finance leases as per NAS 17 Leases.

	FY 2074-75 Rs	FY 2073-74 Rs
Interest Expense	-	-
	-	-

30 Other operating and administrative expenses

Recognition of other operating and administrative expenses

Other operating and administrative expenses are recognised on accrual basis. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment are charged to the statement of profit or loss.

	FY 2074-75 Rs	FY 2073-74 Rs
Staff expenses	3,276,804	1,665,000
Administrative expenses	1,094,792	630,595
Depreciation	259,798	-
Share Issue Expenses	-	-
Share Listing Expenses	-	-
Other share Related Expenses	-	-
Agent Commission	968	-
Reinsurance Commission expenses	-	-
Service Charge	1,120	-
Other Direct expenses	-	-
Impairment loss	-	-
	4,633,483	2,295,595

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30.1 Staff expenses

For the year ended

	FY 2074-75 Rs	FY 2073-74 Rs
Wages and salaries		-
Staff benefit expenses		-
Provision for Staff Bonus	2,917,244	-
Employees Related Expenses	359,561	1,665,000
Contributions made to the Employees' Provident Fund (EPF)	-	-
Gratuity Expenses	-	-
Contributions made to the Employees' Trust Fund (ETF)		-
Defined benefit plan expenses		-
Total employee benefit expenses	3,276,804	1,665,000

30.2 Administrative expenses

	FY 2074-75 Rs	FY 2073-74 Rs
Rent	123,864	-
Water & Electricity	33,170	-
Repair & Maintenance	-	-
Communication Expenses	7,358	27,746
Printing & Stationery	98,235	5,650
Miscellaneous Office & Materials Expenses	5,355	-
Conveyance Expenses	-	-
Insurance Levy- Net	-	-
Fuel expenses	5,940	11,015
Travelling Expenses	124,592	-
Dispose of Fixed Assets	-	-
Agent Training Expense	-	-
Agent Others	-	-
Insurance Premium	-	-
Security Expense	18,781	-
Consultancy Fee	-	-
Government Fee	-	-
Legal and Consultancy Fee	13,240	-
News Papers, Books & Periodical	-	-
Publicity and Advertisement	403,936	-
Business Promotion Expense	-	-
Guest Entertainment Expenses	414	-
Gift & Donation	-	-
Expense Related to Board Meeting	28,728	22,000
Expense Related to Committee/Sub-Committee	-	-
Annual General Meeting Expense	-	-
Audit Fee	-	-
Expense Related to Audit	150,000	65,000
Bank Charges	190	510

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AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

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	FY 2074-75 Rs	FY 2073-74 Rs
Rates and Taxes	-	230,855
Revenue Stamp	2,440	-
Anniversary expenses	-	-
Office rent	-	-
Office expenses	-	-
Service fee	-	-
Miscellaneous	5,795	1,500
Branch opening expenses	72,755	-
Tax renewal expenses	-	-
Festival expenses	-	-
Website and app development expenses	-	-
Crops and live stock expenses	-	-
Computer Accessories & Peripherals	-	3,100
Consumables	-	1,000
Deposit Written Off	-	12,300
Late Fees	-	246,839
Tea & Tiffin Expenses	-	3,080
Foreign Exchange loss	-	-
Others	-	-
Seminar Expense	-	-
Computer Expense	-	-
Subscription & Renewal Fees	-	-
Postage and courier	-	-
Miscellaneous Expense	-	-
Cleaning Expenses	-	-
Generator Expenses	-	-
Software Expenses	-	-
Penalty	-	-
Provision for Investment Loss (Share)	-	-
Other Provision	-	-
Total	1,094,792	630,595

31 Income tax expense

Recognition of income tax expense

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, when it is recognised in equity.

	FY 2074-75 Rs	FY 2073-74 Rs
Income Tax Expenses	(9,502,070)	-
Deferred Tax (Expenses)/Income	(133,414)	-
	(9,635,484)	-

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Year ended 32 Ashad 2075

31.1 Deferred Tax (Expenses)/Income

	FY 2074-75 Rs	FY 2073-74 Rs
GAAP Deferred tax expenses/(Income)	(133,414)	
NFRS Adjustment Deferred tax effect	-	-
	(133,414)	-

32 Basic Earnings Per Share (EPS)

Company presents basic and diluted Earnings Per Share (EPS) for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

	FY 2074-75 Rs	FY 2073-74 Rs
Profit for the year (Rs.)	19,536,954	-
Weighted average number of shares	7,000,000	-
Basic earnings per share (Rs.)	2.79	
Weighted average number of shares		
Issued ordinary shares as at 1 Shrawan	310,500	-
Shares issued during the year	6,689,500	-
	7,000,000	-

Restated earnings per share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is same as the basic earnings per share stated above.

For the year ended

	FY 2074-75 Rs	FY 2073-74 Rs
Bonus share to be issued cost [A]	-	-
Number of bonus share at current share price [B]	-	-
Restated share (weighted average no of share o/s +[B])	7,000,000	-
Profit for the year	19,536,954	-
Restated Earning Per Share	2.79	-

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33 Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are paid.

Dividends proposed by the Board of Directors after the reporting date is not recognised as a liability and is only disclosed as a note to the financial statements.

Final dividend

	FY 2074-75 Rs	FY 2073-74 Rs
Final dividend proposed (Rs.)	-	-
Number of ordinary shares	-	-
Final dividend per share (Rs.)	-	-

34 Related Party Transactions

The Company has not carried out any business with parties who are defined as related parties in NAS 24 - Related Party Disclosures.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity

34.1 Identification of Related Party

A related party is a person or entity that is related to the entity that is preparing its financial statements

- a. A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control of the reporting entity
 - (ii) has significant influence over the reporting entity or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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34.2 Transactions and outstanding balances with the key management personnel

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

Ajod Insurance company considers its Board of Directors and their immediate family members as key management personnel of the Company.

KMPs of the Ajod Insurance Company Ltd. includes members of Board of directors and Chief Executive Officer namely:

Name of key management personnel	Position
Binod Prasad Bista	Chairman
Ajad Shrestha	Director
Rajendra Prasad Kayastha	Director
Kalyan Gurung	Director
Sagar Gurung	Director
Kumar Bahadur Khatri	Chief Executive Officer

a) Key management personnel compensation

Transactions

For the year ended

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Short term employment benefits	-	-	-
Salary-CEO	297,916.00	-	-
Allowances-BOD	26,000.00	-	-
	323,916.00	-	-

b) Other transactions with key management personnel

Transactions

For the year ended

	FY 2074-75 Rs	FY 2073-74 Rs	FY 2072-73 Rs
Claim expense	-	-	-
Premium Income	-	-	-
	-	-	-

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35 Accounting Classification and Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

In the principal market for the asset or liability or ;

In the absence of the principal market, in the most advantageous market for the asset or liability.

Fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. For units in unit trusts, fair value is determined by reference to published bid-values. If a market for a financial instrument is not active, then the Company establishes fair value using a valuation technique.

Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, i.e. without modification or repackaging, or based on a valuation technique whose variables include only data from observable markets.

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in the statement of profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable is not recognised in the statement of profit or loss immediately, but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable. Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counter party where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Company believes a third-party market participant would take them into accounting pricing a transaction.

Financial assets and liabilities based on the accounting classification with their carrying values and fair values are tabulated below.

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Year ended 32 Ashad 2075

As at	32 Ashad 2075				
	Fair value through profit or loss Rs.	Fair value through other comprehensive income Rs.	Amortized cost Rs.	Total carrying amount Rs.	Fair value Rs.
Financial assets					
Measured at fair value through PL	-	-	-	-	-
Measured at fair value through OCI	-	-	-	-	-
Measured at amortised cost	-	-	678,746,178	678,746,178	-
Reinsurance receivables	-	-	-	-	-
Other Insurance receivables	-	-	-	-	-
Total	-	-	678,746,178	678,746,178	-
Financial liabilities					
Reinsurance payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
	-	-	-	-	-

As at	31 Ashad 2074				
	Fair value through profit or loss Rs.	Fair value through other comprehensive income Rs.	Amortized cost Rs.	Total carrying amount Rs.	Fair value Rs.
Financial assets					
Measured at fair value through PL	-	-	-	-	-
Measured at fair value through OCI	-	-	-	-	-
Measured at amortised cost	-	-	-	-	-
Reinsurance receivables	-	-	-	-	-
Other Insurance receivables	-	-	-	-	-
Total	-	-	-	-	-
Financial liabilities					
Reinsurance payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
	-	-	-	-	-

As at	31 Ashad 2073				
	Fair value through profit or loss Rs.	Fair value through other comprehensive income Rs.	Amortized cost Rs.	Total carrying amount Rs.	Fair value Rs.
Financial assets					
Measured at fair value through PL	-	-	-	-	-
Measured at fair value through OCI	-	-	-	-	-
Measured at amortised cost	-	-	-	-	-
Reinsurance receivables	-	-	-	-	-
Other Insurance receivables	-	-	-	-	-
Total	-	-	-	-	-
Financial liabilities					
Reinsurance payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
	-	-	-	-	-

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35.1 Determination of fair value of Financial Instrurment

Fair value measurement

The following table analyses financial assets measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

As at	32 Ashad 2075			31 Ashad 2074			31 Ashad 2073					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through OCI												
Quoted equities	-	-	-	-	-	-	-	-	-	-	-	-
Unquoted equities	-	-	-	-	-	-	-	-	-	-	-	-
Quoted mutual funds	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through PL												
Quoted equities	-	-	-	-	-	-	-	-	-	-	-	-
Unquoted equities	-	-	-	-	-	-	-	-	-	-	-	-
Quoted mutual funds	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

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36 Employee Defined Benefit Obligations

Defined contribution plans

As at	32 Ashad 2075 Rs.	31 Ashad 2074 Rs.	31 Ashad 2073 Rs.
Employees' Provident Fund	-	-	-
Employees' Gratuity	-	-	-
	-	-	-

Recognition and measurement of employee defined benefit obligations

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the financial statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The value of defined benefit obligation is calculated by a qualified Actuary as at the reporting date, using the Projected Unit Credit (PUC) method as recommended by NAS 19 - Employee Benefits. The Actuarial valuation involves making assumptions about discount rate, salary increment rate and balance service period of employees. Due to the long-term nature of the plans, such estimates are subject to significant uncertainty.

The re-measurement of the net defined benefit liability which comprises actuarial gains and losses are charged or credited to the statement of other comprehensive income in the period in which they arise. The assumptions based on which the results of the actuarial valuation was determined, are included in Note 35.2.4 to the financial statements.

Cost of defined benefit obligations (gratuity) is determined on funded basis as per provision of Labour Act, 2074 as amended. Same Act, has mandated to contribute 8.33% of basic salary on monthly basis. Being funded benefit, actuarial valuation is not required

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

36.1 Defined benefit plans - Provision for employee benefits

As at	32 Ashad 2075 Rs.	31 Ashad 2074 Rs.	31 Ashad 2073 Rs.
Present value of unfunded obligation	-	-	-
	-	-	-

36.2 Movement in the present value of the employee benefits

As at	32 Ashad 2075 Rs.	31 Ashad 2074 Rs.	31 Ashad 2073 Rs.
As at 1 Shrawan	-	-	-
Expenses recognised in statement of profit or loss	-	-	-
Payments during the year	-	-	-
Actuarial loss recognised in statement of comprehensive income	-	-	-
As at Ashad end	-	-	-

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36.2.1 Expenses recognised in statement of profit or loss

For the year ended	32 Ashad 2075 Rs.	31 Ashad 2074 Rs.	31 Ashad 2073 Rs.
Interest cost	-	-	-
Current service cost	-	-	-
	-	-	-

36.2.2 Expenses recognised in statement of comprehensive income

For the year ended	32 Ashad 2075 Rs.	31 Ashad 2074 Rs.	31 Ashad 2073 Rs.
Actuarial loss	-	-	-

36.2.3 Valuation of employee benefit obligations

Cost of defined benefit obligations (gratuity) is determined on funded basis as per provision of Labour Act, 2074 as amended. Same Act, has mandated to contribute 8.33% of basic salary on monthly basis. Being funded benefit, actuarial valuation is not required.

36.2.4 Principal actuarial assumptions used

Actuarial information	32 Ashad 2075	31 Ashad 2074	31 Ashad 2073
(a) Discount rate	-	-	-
(b) Salary increase	-	-	-
(c) Incidence of withdrawal	-	-	-
(e) Mortality rates	-	-	-
(g) Disability rates	-	-	-
Employee information			
(a) Average age	-	-	-
(b) Average service period (years)	-	-	-
(c) Expected future working life time (years)	-	-	-
(d) Number of employees	-	-	-

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37 Risk Management Framework

(a) Insurance and financial risk

(i) Insurance risks

The Company principally issues the following types of general insurance contracts : Motor, Fire, Engineering, Marine, Healthcare and Miscellaneous. Risks under non-life insurance policies usually cover twelve months duration.

For general insurance contracts, the most significant risks arise from natural disasters, climate changes and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. This is largely achieved through diversification across industry sectors and geography. 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 established to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities. The Company identifies and categorises risks in terms of their source, their impact on the Company and preferred strategies for dealing with them.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g. flood damage).

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

- Product design risk
- Underwriting risk
- Reinsurance risk
- Claims risk

Operational risk	Mitigation strategies
<p>Product design risk</p> <p>The Company issues non-life insurance contracts such as motor, fire and engineering, marine and miscellaneous. Product designs of the portfolio may be outdated due to changes in the climate leading to natural disasters, behavioral trends of people due to changing life styles and steady escalation of costs in respect of spare parts in the industry.</p>	<p>Diversification of insurance contracts across a large geographical areas.</p> <p>Variability of risk 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.</p> <p>Strategies are periodically reviewed and suitable action taken.</p> <p>Constant watch on internal and external factors that may impede planned objectives.</p>
<p>Underwriting risk</p> <p>Underwriting risk generally refers to the risk of loss on underwriting activity in the insurance. In insurance, underwriting risk may either arise from an inaccurate assessment of the risks entailed in writing an insurance policy, or from factors wholly out of the underwriter's control.</p>	<p>Improve knowledge and skills of the underwriting staff.</p> <p>Statistical databases are maintained on loss making clients to ensure such clients are strategically declined.</p> <p>Review profitability, pricing, terms and conditions of various products.</p> <p>Financial authority limits are in place for underwriting clearly prescribing the limits to underwrite based on the sum assured and risk.</p>

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Notes to the Financial Statements Year ended 32 Ashad 2075

37 Risk Management Framework (Continued)

Reinsurance risk	
<p>Reinsurance risk refers to the inability of the ceding company or the primary insurer to obtain insurance from a reinsurer at the right time and at an appropriate cost.</p>	<p>Global trusted and stable portfolio of reinsurance companies which are rated highly used for reinsurance placements.</p> <p>Very close and professional relationship is maintained with all reinsurers.</p> <p>Provisions are made for long outstanding reinsurance receivables.</p> <p>Outstanding reinsurance receivables are reviewed on a monthly basis to ensure that all dues are collected or set-off against payables on time.</p>
<p>Claims risk The risk of actual claims or the timing thereof, may differ from expectations.</p>	<p>Claim intimation is done through the call centre which works on 24x7 basis.</p> <p>Customers are advised of consequence of inadequate sum insured and excesses.</p> <p>Cross check information from various issues and segregation of approval and payment duties.</p> <p>Qualified independent actuary carries out independent valuation on a quarterly basis in order to assess adequacy of reserves.</p> <p>Significant outstanding claims are subjected to periodic reviews by the management and the Board of Directors.</p>

● Concentration Risk

Fiscal Year ending 32nd Ashad 2075			
Portfolio	Gross premium	Premium Ceded	Net Premium
Motor	70,092	17,233	52,860
Engineering	1,971,771	1,960,271	11,500
Fire	226,574	187,186	39,388
Miscellaneous	116,900	108,678	8,222

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37 Risk Management Framework (Continued)

(ii) Financial risks

Nature and extent of risk arising from financial instruments

The Company has exposure to the following risks from financial instruments.

- Credit risk (loan risk)
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risks.

37 Risk Management Framework (Continued)

● Credit risk/ Loan Risk

Credit risk is the risk of financial loss to the Company, if a customer or counter-party to a financial instrument fails to meet its contractual obligations in accordance with agreed terms and arises principally from the Company's premium receivables, reinsurance receivables, investments in debt securities and deposits with financial institutions such as time deposits, demand deposits, etc.

Management of credit risk - Insurance receivables

There is no policy for providing Credit facility against issued policy document as per regulatory restriction.

Management of credit risk - Reinsurance receivables

Credit risk with regard to reinsurance receivables is mitigated by selecting the reinsurers with higher credit ratings and reviewing their ratings periodically. The following table depicts the reinsurers of the Company with their ratings.

Reinsurer	Rating	Issuing agency

Management of credit risk - Financial investments (Except listed equity securities)

The Company evaluates the credit ratings of the respective investee and/or respective issue prior to the investment decision are made. In addition, the Company focuses on tolerable levels concentration risk and portfolio monitoring in line with the Company's risk appetite.

Management of credit risk - Cash at bank

The Company's exposure to credit risk with relevant to cash and cash equivalents is minimal since these balances are maintained at banks and finance companies with high credit ratings.

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37 Risk Management Framework (Continued)

Collateral adequacy

Being restriction on credit facility floating, collateral adequacy is not applicable in case of Sanima Insurance Limited.

• Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its 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 timing differences between gross cash out-flows and expected reinsurance recoveries. As per requirement of NFRS, adequate provision as per Liability Adequacy Test conducted by Fellow Actuary is being made.

Management of liquidity risk

The following controls are in place to mitigate liquidity risk which is faced by the Company.

- i. The Company's approach to managing liquidity is to ensure that funds available are adequate to meet claim payments to its policyholders and to ensure operational expenses are paid when they are due.
- ii. Main sources of the Company's funding are capital and gross written premium. The Company also maintains a portfolio of readily marketable securities to strengthen its liquidity position. Investment durations are diversified, depending on the cash flow needs of the Company and maturity periods are regularly reviewed. Cash flow analysis is done prior to investments are made.
- iii. The Company's treaty agreements with reinsurers contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain agreed size.
- iv. Availability of a stand-by overdraft facility to be used only in the event of an emergency.
- v. Determining the maturity profiles of insurance contract liabilities and reinsurance assets based on the estimated timing of net cash outflows from recognised insurance liabilities.
- vi. Planning for all large cash outflows in advance and making necessary arrangements to ensure the availability of funds to meet such outflows.

Exposure to liquidity risk

The Company monitors the liquidity position of the Company to assess funding requirements. Liquid assets include cash and short term investments and bills purchased. The Company also monitors maturity profile of its assets and liabilities.

Maturity profiles

The following table summarises the maturity profile of the financial assets, financial liabilities and insurance contract liabilities. Unearned premiums have been excluded from the analysis as they are not contractual obligations. The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs.

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37 Risk Management Framework (Continued)

Contractual maturities of undiscounted cash flows of financial assets and financial liabilities are provided below.

As at 32 Ashad 2075

Financial assets/liabilities	0-6 Months	7-12 Months	1-2 Years	Over 2 Years	No Stated Maturity	Total
Financial assets						
Fair value through profit or loss	-	-	-	-	-	-
Listed equity securities	-	-	-	-	-	-
Fair value through other comprehensive income	-	-	-	-	-	-
Amortized cost (please specify separately)	-	-	-	-	-	-
Fixed deposit	-	-	-	-	-	-
Government bond	-	-	-	-	-	-
Reinsurance receivables	-	-	-	-	-	-
Other Financial Assets	322,329	-	-	-	-	322,329
Cash and short term deposits	35,225,757	-	-	-	-	35,225,757
Total	35,548,086	-	-	-	-	35,548,086
Financial liabilities						
Reinsurance payable	1,940,283	-	-	-	-	1,940,283
Other financial liabilities (Sundry Creditors)	7,066,161	-	-	-	-	7,066,161
Total	9,006,444	-	-	-	-	9,006,444

37 Risk Management Framework (Continued)

As at 31 Ashad 2074

Financial assets/liabilities	0-6 Months	7-12 Months	1-2 Years	Over 2 Years	No Stated Maturity	Total
Financial assets						
Fair value through profit or loss	-	-	-	-	-	-
Listed equity securities	-	-	-	-	-	-
Fair value through other comprehensive income	-	-	-	-	-	-
Amortized cost (please specify separately)	-	-	-	-	-	-
Fixed deposit	-	-	-	-	-	-
Government bond	-	-	-	-	-	-
Reinsurance receivables	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-
Cash and short term deposits	12,351,265	-	-	-	-	12,351,265
Total	12,351,265	-	-	-	-	12,351,265
Financial liabilities						
Reinsurance payable	-	-	-	-	-	-
Other financial liabilities (Sundry Creditors)	186,900	-	-	-	-	186,900
Total	186,900	-	-	-	-	186,900

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Notes to the Financial Statements Year ended 32 Ashad 2075

37 Risk Management Framework (Continued)

As at 31 Ashad 2073

Financial assets/liabilities	0-6 Months	7-12 Months	1-2 Years	Over 2 Years	No Stated Maturity	Total
Financial assets						
Fair value through profit or loss	-	-	-	-	-	-
Listed equity securities	-	-	-	-	-	-
Fair value through other comprehensive income	-	-	-	-	-	-
Amortized cost (please specify separately)	-	-	-	-	-	-
Fixed deposit	-	-	-	-	-	-
Government bond	-	-	-	-	-	-
Reinsurance receivables	-	-	-	-	-	-
Other Financial Assets	12,300	-	-	-	-	12,300
Cash and short term deposits	56,917	-	-	-	-	56,917
Total	69,217	-	-	-	-	69,217
Financial liabilities						
Reinsurance payable	-	-	-	-	-	-
Other financial liabilities (Sundry Creditors)	937,839	-	-	-	-	937,839
Total	937,839	-	-	-	-	937,839

37 Risk Management Framework (Continued)

- **Market risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. Market risk is an aggregation of,

- a) Interest rate risk
- b) Currency risk
- c) Equity price risk

- a) **Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Floating rate instruments typically expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest rate risk.

Management of interest rate risk

In order to mitigate the interest rate risk faced by the Company, the management follows the guidelines set out in the investment policy which is regularly reviewed by the Investment Committee. Among such guidelines, following guidelines included to mitigate the interest rate risk faced by the Company.

- i. Preferred investment horizon for the investment portfolio is limited to a maximum of ten years from the time of investment.
- ii. Forecasting and monitoring future cash inflows and outflows when formulating investment strategies.
- iii. Relative amounts of the each portfolio will be determined by the Company's liquidity position, availability of market values, individual securities' risk/return profiles.

However, Company does not have any variable rate interest bearing financial assets and financial liabilities as at the reporting date. Therefore, the Company is exposed only to fair value interest rate risk during the period.

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37 Risk Management Framework (Continued)

b) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Company's principal transactions are carried out in Nepalese Rupees (Rs.) and hence, its exposure to foreign exchange risk arises primarily with respect to reinsurance recoveries and US Dollars denominated assets developed out of aforementioned recoveries.

Management of currency risk

The currency risk faced by the Company is minimal since no material liabilities or assets were recorded on foreign currency denominated as at the reporting date.

c) Equity price risk

The risk of fluctuation in fair values or future cash flows of a financial instrument due to a change in market prices, other than those occurring due to interest rate risk or currency risk, is referred to as equity price risk. Accordingly, the equity price risk affects the Company's investments in equity instruments.

Management of equity price risk

In order to mitigate the equity price risk faced by the Company, the management follows the guidelines set out in the investment policy. The Company's investment policy guides the management to set/monitor objectives and constraints on investments, diversification plans as well as limits on equity exposure. Compliance with the policy is monitored and the exposure and instances of non-compliance are reported to the Board of Directors. The policy is reviewed regularly for pertinence and for changes in the risk environment. The Company manages its equity price risk by investing in relatively less volatile sectors and in different sectors.

Sensitivity analysis - Equity price risk

Sensitivity analysis for equity risk reflects how changes in the fair value of equity securities at the reporting date will fluctuate in response to assumed changes in equity market prices. The movements in the fair value of equity securities monitored by assessing the projected changes in the fair value of equity securities held by the portfolios in response to assumed equity price movements of +/- 10% and +/- 20%.

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud 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 processess, 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.

Net change in operational assets and liabilities	FY 2074-75 Rs.	FY 2073-74 Rs.	FY 2072-73 Rs.
Net change in reinsurance receivables	2,250,808	-	-
Net change in receivables and other assets	(18,390,458)	(12,261,017)	36,268,296
Net change in insurance liabilities	2,360,913	-	-
Net change in other liabilities	9,597,659	(4,210,194)	9,576,045
	(4,181,077)	(16,471,211)	45,844,341



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Notes to the Financial Statements

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38 Events After The Reporting Date

38.1 Dividends

Company being in first year of operation, no dividend has been proposed or declared.

There have been no events subsequent to the reporting date, which would have any material effect on the Company, other than disclosed above.

39 Capital Commitments and Contingencies

39.1 Capital commitments

The Company has no commitments as on Ashar end 2074/75.

39.2 Contingencies

In the opinion of the Directors and the Company's lawyers, there is no such pending litigation against which the Company will not have a material impact on the reported financial results or future operations of the Company.

All pending litigation for claims have been evaluated and adequate provisions have been made in the financial statements.

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40 Actuarial Data for Gratuity and Leave Encashment

The Nepal Accounting Standard 19 on "Employee Benefits" issued by the Institute of chartered Accountants of Nepal has been adopted by the Company as under: Defined Benefit plans in respect of Gratuity and Leave Encashment will be as per actuarial valuation. Being Company in first year of operation and no leave encashment benefit obligation, actuarial valuation is not required in case of Leave Encashment.

Brief calculation pattern of Actuarial Valuation Working as disclosed hereunder:

S.N. Particulars	2074-75		2073-74		2072-73	
	Leave Encashment (Non Funded)	Gratuity Non (Funded)	Leave Encashment (Non Funded)	Gratuity Non (Funded)	Leave Encashment (Non Funded)	Gratuity Non (Funded)
1 Expenses Recognized In Income Statement						
Interest Cost	-	-	-	-	-	-
Current Service Cost	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-	-
Actuarial (Gain)/ Loss	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-
Expenses recognized in the Profit & Loss A/c	-	-	-	-	-	-
2 Change in Present Value Obligations						
PV of Obligation at beginning of the year	-	-	-	-	-	-
Interest Cost	-	-	-	-	-	-
Current Service Cost	-	-	-	-	-	-
Benefit paid	-	-	-	-	-	-
Actuarial (Gain)/ Loss	-	-	-	-	-	-
Liability at the end of the year	-	-	-	-	-	-
3 Change in Fair Value of Plan Assets						
Fair Value of Plan Asset at Beginning of the Year	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-	-
Contribution by Employer	-	-	-	-	-	-
Benefit paid	-	-	-	-	-	-
Actuarial (Gain)/ Loss on Plan Assets	-	-	-	-	-	-
Fair Value of Plan Asset at End of the Year	-	-	-	-	-	-
4 Amount Recognized in Statement of Financial Position						
Present Value of Obligations at Year End	-	-	-	-	-	-
Fair Value of Plan Assets at Year End	-	-	-	-	-	-
Funded Status	-	-	-	-	-	-
Unrecognised Actuarial (Gain)/Loss at Year End	-	-	-	-	-	-
Unrecognised Past Service Cost	-	-	-	-	-	-
Net Asset/(Liability) Recognised in Balance Sheet	-	-	-	-	-	-
5 Actuarial Assumptions						
Discount rate	-	-	-	-	-	-
Salary escalation rate	-	-	-	-	-	-
Retirement age	-	-	-	-	-	-
Remaining Working Life	-	-	-	-	-	-
Mortality	-	-	-	-	-	-

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Notes to the Financial Statements Year ended 32 Ashad 2075

41 Segment Reporting

For the FY ending 32nd Ashad 2075

Particulars	Line of Business (LOB)				Unallocated amount	Total
	Motor	Engineering	Fire	Miscellaneous		
Gross Premium Income	70,092	1,971,771	226,574	116,900	-	2,385,338
Premium ceded to reinsurer	(17,233)	(1,960,271)	(187,186)	(108,678)	-	(2,273,368)
Fee and Commission Income	138.94	3,458.55	1,234.53	250.42	-	5,082
Investment Income	-	-	-	-	33,797,100	33,797,100
Other Income	-	-	-	-	1,872	1,872
Total Income	52,999	14,959	40,623	8,473	33,798,972	33,916,025
Gross Benefits and Claims Paid	-	-	-	-	-	-
Claims Ceded to reinsurers	-	-	-	-	-	-
Change in insurance contract liabilities	52,073	11,401	38,488	8,144	-	110,105
Finance costs	-	-	-	-	-	-
Other operating and administrative expenses	529	969	454	135	4,631,395	4,633,483
Staff expenses	-	-	-	-	3,276,804	3,276,804
Administrative expenses	-	-	-	-	1,094,792	1,094,792
Depreciation	-	-	-	-	259,798	259,798
Share Issue Expenses	-	-	-	-	-	-
Share Listing Expenses	-	-	-	-	-	-
Other share Related Expenses	-	-	-	-	-	-
Agent Commission	-	854	60	53	-	968
Reinsurance Commission expenses	-	-	-	-	-	-
Service Charge	529	115	394	82	-	1,120
Other Direct expenses	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-
Total Expenses	52,601	12,370	38,942	8,279	4,631,395	4,743,587
Profit before income tax	397	2,589	1,681	193	29,167,577	29,172,437
Income Tax Expense	-	-	-	-	9,635,484	9,635,484
Net Profit	397	2,589	1,681	193	19,532,093	19,536,954

AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu



Notes to the Financial Statements
Year ended 32 Ashad 2075

For the FY ending 31st Ashad 2074

Particulars	Line of Business (LOB)				Unallocated amount	Total
	Motor	Engineering	Fire	Miscellaneous		
Gross Premium Income	-	-	-	-	-	-
Premium ceded to reinsurer	-	-	-	-	-	-
Fee and Commission Income	-	-	-	-	-	-
Investment Income	-	-	-	-	94,552	94,552
Other Income	-	-	-	-	1,188,823	1,188,823
Total Income	-	-	-	-	1,283,375	1,283,375
Gross Benefits and Claims Paid	-	-	-	-	-	-
Claims Ceded to reinsurers	-	-	-	-	-	-
Change in insurance contract liabilities	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
Other operating and administrative expenses	-	-	-	-	2,295,595	2,295,595
Staff expenses	-	-	-	-	1,665,000	1,665,000
Administrative expenses	-	-	-	-	630,595	630,595
Depreciation	-	-	-	-	-	-
Share Issue Expenses	-	-	-	-	-	-
Share Listing Expenses	-	-	-	-	-	-
Other share Related Expenses	-	-	-	-	-	-
Agent Commission	-	-	-	-	-	-
Reinsurance Commission expenses	-	-	-	-	-	-
Service Charge	-	-	-	-	-	-
Other Direct expenses	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-
Total Expenses	-	-	-	-	2,295,595	2,295,595
Profit before income tax	-	-	-	-	(1,012,220)	(1,012,220)
Income Tax Expense	-	-	-	-	-	-
Net Profit (Loss)	-	-	-	-	(1,012,220)	(1,012,220)

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Notes to the Financial Statements Year ended 32 Ashad 2075

42 First Time Adoption of NFRS

These are the Insurance's first financial statements prepared in accordance with NFRS. The accounting policies set out in Point 2 have been applied in preparing the Financial Statements for the year ended 16th July 2018, the comparative information presented for the year ended 15th July 2017 and in the preparation of an opening NFRS based Statement of Financial Position at 15th July 2016 (the date of transition).

As per NFRS 1 "First time adoption of NFRS", following are the exemption available to the insurance company;

Exceptions to the retrospective application of other NFRSs

- a) derecognition of financial assets and financial liabilities
- b) non-controlling interests
- c) classification and measurement of financial assets

Exemptions for business combinations

- a) A first-time adopter may elect not to apply NFRS 3 retrospectively to past business combinations (business combinations that occurred before the date of transition to NFRSs). However, if a first-time adopter restates any business combination to comply with NFRS 3 it shall restate all later business combinations and shall also apply NFRS 10 from that same date.
- b) If a first-time adopter does not apply NFRS 3 retrospectively to a past business combination, this has the following consequences for that business combination:
 - The first-time adopter shall keep the same classification as in its previous GAAP financial statements.
 - The first-time adopter shall recognize all its assets and liabilities at the date of transition other than some financial assets and financial liabilities derecognized in accordance with previous GAAP, assets, including goodwill, and liabilities that were not recognized in the acquirer's consolidated statement of financial position in accordance with previous GAAP and also would not qualify for recognition in accordance with NFRSs in the separate statement of financial position of the acquire.
- c) NFRSs require subsequent measurement of some assets and liabilities on a basis that is not based on original cost, such as fair value. The first-time adopter shall measure these assets and liabilities on that basis in its opening NFRS statement of financial position, even if they were acquired or assumed in a past business combination. It shall recognize any resulting change in the carrying amount by adjusting retained earnings.
- d) Immediately after the business combination, the carrying amount in accordance with previous GAAP of assets acquired and liabilities assumed in that business combination shall be their deemed cost in accordance with NFRSs at that date. If NFRSs require a cost-based measurement of those assets and liabilities at a later date that deemed cost shall be the basis for cost-based depreciation or amortization from the date of the business combination.

Exemptions from other NFRSs

An entity may elect to use one or more of the following exemptions:

1. Insurance contracts

A first-time adopter may apply the transitional provisions in NFRS 4 Insurance Contracts. NFRS 4 restricts changes in accounting policies for insurance contracts, including changes made by a first-time adopter.

2. Leases

First-time adopter may apply the transitional provisions in IFRIC 4 Determining whether an Arrangement contains a Lease. Therefore, a first-time adopter may determine whether an arrangement existing at the date of transition to NFRSs contains a lease on the basis of facts and circumstances existing at that date.

If a first-time adopter made the same determination of whether an arrangement contained a lease in accordance with previous GAAP as that required by IFRIC 4 but at a date other than that required by IFRIC 4, the first-time adopter need not reassess that determination when it adopts NFRSs. For an entity to have made the same determination of whether the arrangement contained a lease in accordance with previous GAAP, that determination would have to have given the same outcome as that resulting from applying NAS 17 Leases and IFRIC 4.

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Notes to the Financial Statements

Year ended 32 Ashad 2075

3. Fair value measurement of financial assets or financial liabilities at initial recognition

Despite the requirements of paragraphs 7 and 9, an entity may apply the requirements in the last sentence of paragraph B5.4.8 and in paragraph B5.4.9 of NFRS 9 prospectively to transactions entered into on or after the date of transition to NFRSs.

4. Deemed Cost:

The company has elected to measure item of property, plant and equipment at the date of transition at net carrying cost and use that net carrying cost as its deemed cost at that date.

5. Lease:

In para 33, lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless either:

- Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Short-term exemptions from NFRSs

- Exemption from the requirement to restate comparative information for NFRS 9
- Disclosures about financial instruments- may apply the transition provisions
- Employee Benefits- may apply the transition provisions

42.1 Reconciliation of Profit or loss

Particulars	Year Ended 2017	Year Ended 2018
Profit/Loss as per GAAP (A)	(1,012,220)	19,929,587
Adjustments due to NFRS Implementation	-	-
1. Unearned Premium	-	(2,304,928)
2. Premium ceded to reinsurers (un-accrued)	-	2,250,808
3. Un-accrued Fee and Commission income	-	(483,606)
4. Increase (Decrease) in Investment Income (Government Bond)	-	-
5. Increase (Decrease) in Other operating and administrative expenses	-	145,093
a. Reinsurance Commission Expense	-	-
b. Agency Commission	-	105,829
c. Gratuity/Pension Expenses	-	-
d. Leave Encashment Expenses	-	-
e. Reversal of Provision for other losses	-	-
f. Net Increase/Decrease in Staff Bonus	-	39,263
6. Increase (Decrease) in income tax expense due to NFRS implementation	-	-
a. Deferred tax income(expense) on premium amortization	-	-
b. Deferred tax income(expense) on Gratuity	-	-
c. Deferred tax income(expense) on Leave encashment	-	-
7. Outstanding claim	-	-
8. Change in reversal of provision for loss on investment	-	-
9. Change in Incurred but not reported	-	-
Total Adjustment (B)	-	(392,633)
Profit/(Loss) as per NFRS [A+B]	(1,012,220)	19,536,954

NFRS Profit amount differ from GAAP is due to remeasurement of following items namely deferred gross premium income, deferred premium ceded to reinsurer, deferred fee and commission income, deferred agent commission expense and Change in staff bonus as per NFRS profit.

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Notes to the Financial Statements

Year ended 32 Ashad 2075

42.2 Reconciliation of Equity

Particulars	Year Ended 2016	Year Ended 2017	Year Ended 2018
Total Equity as per GAAP(A)	26,885,000	31,050,000	719,929,587
Adjustments due to NFRS Implementation	-	-	-
1. Fair Value Reserve on Investment Available for Sale	-	-	-
2. Actuarial Reserve on Gratuity	-	-	-
3. Net Increase/(Decrease) in Retained Earning	-	-	(392,633)
a. Premium amortization	-	-	-
b. Gratuity	-	-	-
c. Leave Encashment	-	-	-
d. Unearned Premium Reserve	-	-	(2,304,928)
e. Reinsurance Asset	-	-	2,250,808
f. Employee Bonus provision	-	-	39,263
g. Reversal of other Provision	-	-	-
h. Unearned Commission	-	-	(377,777)
i. Reversal of provision for loss on investment	-	-	-
4. Outstanding claim	-	-	-
5. Incurred but not reported	-	-	-
Total Adjustment (B)	-	-	(392,633)
Total Equity as per NFRS [A+B]	26,885,000	31,050,000	719,536,953

NFRS balance of equity differ from the GAAP balance is due to remeasurement of following items namely unearned permium reserve created as per LAT report, Reinsurance Assets created on premium ceded to reinsurer, employee bonus adjustment as per NFRS profit, deferred commission income and expense recognized as liability and assets.

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu



Notes to the Financial Statements Year ended 32 Ashad 2075

42.2 Reconciliation of Statement of financial position

	Year ended 2016			Year ended 2017			Year ended 2018		
	As per Gaap	NFRS Remeasurement	NFRS Balance	As per Gaap	NFRS Remeasurement	NFRS Balance	As per Gaap	NFRS Remeasurement	NFRS Balance
Assets									
Property & Equipment	-	-	-	193,760,381	-	193,760,381	208,079,105	-	208,079,105
Intangible assets	-	-	-	-	-	-	-	-	-
Financial assets									
Deferred Tax Assets	-	-	-	3,422,315	(1,707,656)	1,714,659	12,585,796	5,495,692	18,091,488
Financial assets at amortized cost	-	-	-	120,694,113	(55,905)	120,638,208	1,272,583,927	(68,899)	1,272,515,028
Financial asset at fair value through other comprehensive income	111,668,418	(45,494)	111,622,924	-	-	-	-	-	-
Financial assets at fair value through profit or loss	153,018,856	42,350,290	195,369,146	186,484,829	30,373,525	216,858,354	208,697,024	12,240,625	220,937,649
Other Financial Assets	543,722,014	17,096,908	560,818,922	284,664,600	19,993,139	304,657,739	96,291,414	21,730,655	118,022,069
Reinsurance Asset	1,416,749,599	311,174,794	1,727,924,393	774,838,900	420,257,997	1,195,096,897	220,328,887	491,076,445	711,405,332
Insurance receivables	313,984,341	-	313,984,341	513,197,208	-	513,197,208	480,871,936	-	480,871,936
Other Assets	843,420	-	843,420	475,850	-	475,850	1,092,402	-	1,092,402
Current tax assets	402,344,806	-	402,344,806	448,878,805	-	448,878,805	507,873,442	-	507,873,442
Cash and short-term deposits	973,333,849	-	973,333,849	1,142,049,362	-	1,142,049,362	496,511,352	-	496,511,352
Total Assets	4,001,784,870	370,576,497	4,372,361,367	3,668,466,363	468,861,099	4,137,327,462	3,504,925,285	530,474,518	4,035,399,803
Liabilities									
Insurance contract liabilities	2,109,412,738	318,833,702	2,428,246,440	1,384,313,755	416,714,265	1,801,028,020	874,365,831	488,704,586	1,363,070,417
Deferred Tax Liabilities	(6,795,852)	7,966,124	1,170,272	-	-	-	-	-	-
Other Financial Liabilities	116,910,634	91,232,975	208,143,609	102,483,045	119,473,277	221,956,322	109,639,162	145,587,001	255,226,163
Insurance Payables	298,970,532	-	298,970,532	377,922,202	-	377,922,202	280,931,590	-	280,931,590
Other Liabilities	32,285,115	(2,450,214)	29,834,901	44,171,825	(4,307,233)	39,864,592	59,984,914	(11,210,260)	48,774,654
Current tax Liabilities	390,184,597	-	390,184,597	426,816,745	-	426,816,745	491,585,699	-	491,585,699
Trade and other payables	37,513,191	-	37,513,191	41,369,563	-	41,369,563	51,780,173	-	51,780,173
Total Liabilities	2,978,480,955	415,582,588	3,394,063,543	2,377,077,135	531,880,309	2,908,957,444	1,868,287,370	623,081,326	2,491,368,696
Equity									
Share capital	441,222,900	-	441,222,900	538,291,900	-	538,291,900	538,291,900	-	538,291,900
Share premium	-	-	-	-	-	-	-	-	-
Insurance Fund	391,722,425	-	391,722,425	488,791,425	-	488,791,425	488,791,425	-	488,791,425
Catastrophic reserves	28,079,499	-	28,079,499	45,993,311	-	45,993,311	-	-	-
Retained Earnings	105,982,764	(62,304,215)	43,678,549	165,389,802	(65,038,495)	100,351,307	547,458,320	(78,608,461)	468,849,859
Other Reserves	56,296,327	17,298,124	73,594,451	52,922,790	2,019,286	54,942,076	62,096,270	(13,996,348)	48,097,922
Total Equity	1,023,303,915	(45,006,090)	978,297,825	1,291,389,228	(63,019,209)	1,228,370,019	1,636,637,915	(92,606,809)	1,544,031,106
Total Liabilities and Equity	4,001,784,870	370,576,497	4,372,361,367	3,668,466,363	468,861,099	4,137,327,462	3,504,925,285	530,474,518	4,035,399,803

The NFRS balance of assets differ from GAAP balance is due to remeasurement of following items Deferred reinsurance and agent commission expense and reinsurance assets recognized as per NFRS 4.

The NFRS balance of liability differ from GAAP balance is due to remeasurement of following items unearned premium recognized as per NFRS 4, deferred reinsurance commission income and provision for staff bonus adjustment on NFRS profit.

NFRS balance of equity differ from the GAAP balance is due to remeasurement of following items namely unearned premium reserve created as per LAT report, Reinsurance Assets created on premium ceded to reinsurer, employee bonus adjustment as per NFRS profit, deferred commission income and expense recognized as liability and assets.

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Notes to the Financial Statements Year ended 32 Ashad 2075

43. Reconciliation of Cash flow statement

For the year ending 32nd Ashad 2075

Particular	As per GAAP	As per NFRS	Difference
Cash flow from Operating Activities	10,368,155	10,048,908	319,247
Cash flow from Investing Activities	(690,726,951)	(656,085,152)	(34,641,799)
Cash flow from financing Activities	668,950,000	668,950,000	0
Net change in cash and cash equivalent	(11,408,796)	22,913,756	(34,322,552)
Opening cash and cash equivalent	12,351,265	12,351,265	(0)
closing cash and cash equivalent	942,469	35,265,021	(34,322,552)

The change in cash flow from operating activities as per GAAP and as per NFRS is due to following reason:

- Deferred gross premium income
- Deferred premium ceded to reinsurer
- Deferred reinsurance commission income
- Deferred Agent commission expense
- Deferred Reinsurance commission expense
- Increase in income tax expense as per NFRS
- Service Charge
- Staff bonus adjustment as per NFRS

The change in cash flow from Investing activities as per GAAP and as per NFRS is due to following reason:

- Reclassification of fixed deposit having more than 3month as financial assets at amortized cost
- Reclassification of interest income in Long term investment to the book value of Investment.

The change in cash flow from financing activities as per GAAP and as per NFRS is due to following reason:

- Change in Retained earning due to NFRS

J.N. Upadhyay & Co.

Chartered Accountants

AUDITOR'S REPORT TO THE SHAREHOLDERS OF AJOD Insurance Limited

We have audited the accompanying Balance Sheet of the **AJOD Insurance Limited** as of Ashad 31, 2074 (July 15, 2017) and the related statement of Income, statement of changes in equity and Cash Flow Statement for the year then ended and summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments we considered the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the project's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

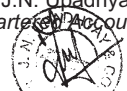
Opinion

On the basis of our examination, we would like to report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, the Balance Sheet, Income Statement and the Cash Flow Statement referred in this report have been prepared in accordance with Company Act 2063 and are in agreement with the books account maintained by the Company.
3. In our opinion, proper books of account as required by prevailing laws have been kept by the Company so far as appears from our examination of such books.
4. In our opinion, except for few points referred to Notes to Accounts, the financial statements read together with notes to accounts annexed herewith, are presented fairly, in all material respects, the financial position of the company as **Ashad 31, 2074 (July 15, 2017)** the results of its operation and its cash flows for the year then ended in accordance with Nepal Accounting Standards and comply with concerning laws.
5. To the best of our information and according to explanations given to us and from our examination of the books of account of the company necessary for the purpose of our audit. We have not *come* across cases where the company or any employee of the company have acted contrary to the provisions of law or committed any misappropriation or caused loss or damage to the company.

Date: 28/09/2074
Place: Kathmandu

For: J.N. Upadhyay & Co.
Chartered Accountancy



CA Jagannath Upadhyay
Proprietor

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Balance Sheet

As at 15 July, 2017 (31 Ashadh, 2074)

(Amount in Rupees)

	Note	As at 15 July, 2017 31 Ashadh, 2074	As at 15 July, 2016 31 Ashadh, 2073
Equity and Liabilities			
Shareholder's Funds			
Share Capital	1	31,050,000.00	26,885,000.00
Retained Earnings	2	-	-
		31,050,000.00	26,885,000.00
Non-Current Liabilities			
Long Term Borrowings	3	-	-
Deferred Tax Liability		-	-
Current Liabilities			
Trade and Other Payables	4	5,365,850.93	9,576,044.69
		5,365,850.93	9,576,044.69
Total		36,415,850.93	36,461,044.69
Assets			
Non-current Assets			
Property, Plant & Equipment (Net.)	5	-	
Capital Work in Progress- Building			
Investments			
Start-up Costs (Unamortised)		23,056,803.44	34,879,583.77
		23,056,803.44	34,879,583.77
Current Assets			
Trade Receivables	6	60,000.00	510,000.00
Deferred Tax Assets			
Other Current Assets	7	947,782.26	1,014,544.32
Cash & Cash Equivalents	8	12,351,265.23	56,916.60
		13,359,047.49	1,581,460.92
Total		36,415,850.93	36,461,044.69

Significant Accounting Policies & Notes on Financial Statements

9

Schedule 1-9 form integral part of Balance Sheet.

As per our Report of even date

For J.N. Upadhyay & Co.
Chartered Accountants

For and on behalf of the Board

CA. Jagannath Upadhyay
Fellow Chartered Accountant

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

Min Bahadur Gurung
Director

Uttam Prasad Poudel
Sr. Finance Assistant

Date : Poush 28, 2074

Place : Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Statement of Profit or Loss for the year ended on 15 July, 2017 (31 Ashadh, 2074)

(Amount in Rupees)

	Note	As at 15 July, 2017 31 Ashadh, 2074	As at 15 July, 2016 31 Ashadh, 2073
Income			
Revenue From Operations			
Costs of Revenue			
Net Revenue From Operations		-	-
Other Income	10	1,283,374.98	295.17
Expenditure			
Administrative Expenses	11	2,295,594.65	40,000.00
Depreciation and Amortisements	5		
Total Expenses		2,295,594.65	40,000.00
Net Profit before Bonus & Tax		(1,012,219.67)	(39,704.83)
Employee's Bonus			
Profit Before Tax		(1,012,219.67)	(39,704.83)
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Total Tax Expense		-	-
Profit for the year		(1,012,219.67)	(39,704.83)
Dividend			
Balance to be transferred to Balance Sheet		(1,012,219.67)	(39,704.83)

Significant Accounting Policies & Notes on Financial Statements

9

Schedule 12-18 form integral part of Profit or Loss Statement..

As per our Report of even date
For J.N. Upadhyay & Co.
Chartered Accountants

For and on behalf of the Board

CA. Jagannath Upadhyay
Fellow Chartered Accountant

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

Min Bahadur Gurung
Director

Uttam Prasad Poudel
Sr. Finance Assistant

Date : Poush 28, 2074

Place : Kathmandu



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Cash Flow Statement

For the year ended on 15 July 2017 (31 Ashad, 2074)

(Amount in Rupees)

	2073-74	2072-73
A: Cash Flow from Operating Activities		
Net Profit Before Tax as per Profit & Loss Accounts	(1,012,219.67)	(39,704.83)
Adjustments for :		
Depreciation	-	-
Operating Profit Before Working Capital Changes		
(Increase) / Decreases in Current Assets	13,351,762.06	(450,000.00)
Increase / (Decreases) in Current Liabilities	(4,210,193.76)	490,000.00
Cash Flow from Operating Activities	8,129,348.63	295.17
Tax Paid		
Net Cash Flow from Operating Activities	8,129,348.63	295.17
B: Cash Flow from Investing Activities		
Sale of Fixed Assets		
Purchase of Fixed Assets		
Net Cash Flow From Investing Activities	-	-
C: Cash Flow from Financing Activities		
Proceeds from Share Capital	4,165,000.00	
Increased in Loans and Deposits		
Net Cash Flow From Financing Activities	4,165,000.00	-
D: Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	12,294,348.63	295.17
Cash and cash equivalents at the beginning of period	56,916.60	56,621.43
Cash and cash equivalents at the end of period	12,351,265.23	56,916.60

As per our Report of even date

For J.N. Upadhyay & Co.
Chartered Accountants

For and on behalf of the Board

CA. Jagannath Upadhyay
Fellow Chartered Accountant

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

Min Bahadur Gurung
Director

Uttam Prasad Poudel
Sr. Finance Assistant

Date : Poush 28, 2074

Place : Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu



Statement of Changes in Equity

For the year ended on 15 July 2017 (31 Ashad, 2074)

(Amount in Rupees)

Particulars	Share Capital	Share Premium	Revaluation Reserve	Translation Reserve	Accumulated Profit	Total
Opening Balance	26,885,000	-	-	-	-	26,885,000
Changes in accounting policy	-	-	-	-	-	-
Restated balance	26,885,000	-	-	-	-	26,885,000
Surplus on revaluation of properties	-	-	-	-	-	-
Deficit on revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Issue of share capital	4,165,000	-	-	-	-	4,165,000
Adjusted Opening Balances	31,050,000	-	-	-	-	31,050,000
Surplus (Deficit) on revaluation of properties	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-
Net gains and losses not recognised in the income statements	-	-	-	-	-	-
Net profits (loss) for the period	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
Balance as on Ashadh 31, 2074	31,050,000	-	-	-	-	31,050,000

As per our Report of even date For and on behalf of the Board

For J.N. Upadhyay & Co.
Chartered Accountants

CA. Jagannath Upadhyay
Fellow Chartered Accountant

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

Min Bahadur Gurung
Director

Uttam Prasad Poudel
Sr. Finance Assistant

Date : Poush 28, 2074
Place : Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Notes Forming Part of Financial Statements

(Amount in Rupees)

	Note	As at 31 Ashadh, 2074	As at 31 Ashadh, 2073
1 Share Capital			
Authorised Share Capital			
1,00,00,000 Equity Shares of Rs. 100 each (PY 50,00,000 Equity Share of Rs. 100 each)		1,000,000,000.00	500,000,000.00
Issued Share Capital			
1,00,00,000 Equity Shares of Rs. 100 each (PY 25,00,000 Equity Share of Rs. 100 each)		1,000,000,000.00	250,000,000.00
Paid up Capital			
20,00,000 Equity Shares of Rs. 15 each (PY 20,00,000 Equity Share of Rs. 15 each)		30,000,000.00	30,000,000.00
Less: Call in Arrears	1.2	2,950,000.00	3,115,000.00
Add: Advance against Share Capital	1.3	4,000,000.00	-
	1.1	31,050,000.00	26,885,000.00
2 Retained Earnings			
As per Last Balance Sheet			
Add: Transfer from Profit & Loss Account			
		-	-
3 Long Term Borrowings			
Secured Loan		-	-
Unsecured Loan		-	-
		-	-
4 Trade and Other Payables			
Sundry Creditors	4.1	186,900.00	937,839.09
TDS Payable	4.2	307,766.55	327,542.55
Other Payables	4.3	1,967,729.75	6,353,704.75
Payable to Staffs	4.4	2,019,258.98	655,678.98
Board Meeting Fee payable		88,400.00	88,400.00
Gratuity Payable	4.5	180,123.81	597,207.48
CIT Payable	4.6	352,886.00	352,886.00
PF Payable	4.7	262,785.84	262,785.84
		5,365,850.93	9,576,044.69
Start Up Cost			
Preliminary Expenses Not Written Off		1,961,921.44	1,961,921.44
Pre Operating Expenses		21,094,882.00	32,917,662.33
		23,056,803.44	34,879,583.77
6 Trade Receivables			
Sundry Debtors	6.1	60,000.00	510,000.00
		60,000.00	510,000.00

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu



Schedules Forming Part of Financial Statements

(Amount in Rupees)

5 Property, Plant & Equipment

Description	Gross Block		Depreciation / Amortisation		Net Block			
	As at 16 July 2016 01 Shrawan 2073	Additions Deductions / Adjustments	As at 16 July 2017 31 Ashad 2074	As at 15 July 2016 01 Shrawan 2073	Additions Deductions / Adjustments	Upto 15 July 2017 31 Ashadh 2074	As at 15 July 2017 31 Ashadh 2074	As at 15 July 2016 31 Ashadh 2073
Tangible Assets:								
Land	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-
Furniture & Fixtures	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-
Intangible Assets:								
Softwares	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Notes Forming Part of Financial Statements

(Amount in Rupees)

	Note	As at 31 Ashadh, 2074	As at 31 Ashadh, 2073
7 Other Current Assets			
Advance Tax	7.1	57,307.16	135,832.22
Vat Recoverable		890,475.10	866,412.10
Deposits		-	12,300.00
		947,782.26	1,014,544.32
8 Cash & Cash Equivalents			
Cash in Hand		-	-
Cash at Bank	8.1	12,351,265.23	56,916.60
		12,351,265.23	56,916.60
10 Other Income			
Interest Received	10.1	94,552.22	295.17
Liability written off	10.2	1,188,822.76	
		1,283,374.98	295.17
11 Administrative Expenses			
Salary	11.1	1,665,000.00	
Rates and Taxes		230,854.65	
Bank Charges and Commission		510.00	-
Communication Expenses	11.2	27,746.00	-
Computer Accessories & Peripherals		3,100.00	
Consumables		1,000.00	
Deposit Written Off		12,300.00	
Fuel Expenses		11,015.00	
Audit Fee			
Statutory Audit Fee		40,000.00	40,000.00
Tax Audit Fee		25,000.00	
Late Fees		246,839.00	
Printing and Stationary		5,650.00	
Tea & Tiffin Expenses		3,080.00	
Miscellaneous Exp. (TDS On Audit Fees of 2068-69)		1,500.00	
Meeting Expenses		22,000.00	
		2,295,594.65	40,000.00

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Significant Accounting Policies & Notes to the Accounts forming part of the Financial Statements

Annexure 9

1. The Company

AJOD Insurance Limited has been registered under the Companies Act, 2063 with the Office of the Registrar of Company, under the Department of Industry, Commerce and Supply, Government of Nepal 2064, Chaitra 20, with registration number- 1061/064/065.

AJOD Insurance Limited, Kathmandu has not yet obtained the license from the Insurance Board under the Insurance Act, 2049 for conducting the general insurance business. The company has not obtained the certificate of commencement of business as required under Section 63 of The Company Act, 2063 from the Office of Registrar of Company. Therefore, AJOD Insurance Limited is in the pre-operating stage. The Company has been registered with Inland Revenue Office and obtained PAN Number 302895548 dated Baisakh 3, 2065. The financial statements were adopted by the Board of Directors on Poush 28, 2074.

2. Significant Accounting Policies

2.1 Convention

These financial statements have been prepared in accordance with the generally accepted accounting policies in consonance with the applicable accounting standards in Nepal issued by the Institute of Chartered Accountants of Nepal as well as the presentation requirement of the Companies Act, 2063. The financial statements are also prepared in the prescribed format as required under the Insurance Rules, 2049,

2.2 Basis of Preparation

These financial statements are presented in Nepalese Rupees and are prepared with following accrual method of accounting and the historical cost convention.

2.3 Start-up Costs (Unamortized)

Expenses incurred before the commencement of the business are recorded as Start-up costs and are shown under Non-Current Assets in the balance sheet. Such costs shall be amortized in the coming years after the company begins its operation of general insurance according to the decision of the board.

2.4 Cash and Cash Equivalents:

Cash and cash equivalents represent cash in hand and balance in bank accounts.

2.5 Other Current Assets

Other current assets include amount recoverable from Government on account of recoverable VAT and Tax as well as amount recoverable from promoters,

2.6 Trade and Other Payables

The amount payable to creditors is stated at book value and subject to balance confirmation.

2.7 Taxation

2.7.1 Income Tax

The company is in start-up stage and hence there is no liability of the company to pay Income Tax in the year 2073-74,

3. Notes to Accounts

3.1 Share Capital

The authorized Share capital of AJOD Insurance Limited has been increased to Rs. 1,00,00,00,000 from Rs. 50,00,00,000 in accordance with "Beemak Darta Tatha Beema Byabasaya Sanchalan Sambandhi Nirdeshika, 2073". Also, the issued share capital has been increased to Rs. 1,00,00,00,000 from Rs. 25,00,00,000.

Continue...

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Significant Accounting Policies & Notes to the Accounts forming part of the Financial Statements

3.2 Pre Operating Expenses

The company's Pre operating Expenses is as follows:

Particulars	Amount (Rs.)
Pre Operating expenses till 31.03.2073	32,917,662.33
Addition During the Year	1,012,219.67
Less: Amount Recovered From Promoters	(12,835,000.00)
Total	21,094,882.00

3.3 Advance Tax

As per the Income Tax Act, 2058, if the tax has not been claimed TDS in the return with the IRD in previous year the same cannot be claimed in next year as recoverable by the assessee. The TDS recoverable as shown in the Balance Sheet of FY 2072/073 is Rs. 1,35,832.22 but as per the claim in annexure 10 is Rs, 44,977.57. The company has not claimed Rs, 90,854.65 in the return submitted with the department. The same amount has been recorded as expense under the head Rates and Taxes in the financial statement of 2073/074.

3.4 Employee Benefits

3.4.1 Gratuity

Gratuity payable to employees has been shown under Gratuity Payable in the Balance Sheet. However, the gratuity payable to Mr. DPS Poudyalaya, amounting to Rs. 4,17,083.67, has been written off from the books as per the decision of the Board dated Poush 23, 2074.

3.5 Other Income:

The balances of following creditors have been written off as per the decision of the board and included as liability written off under other Income:

Party Name	Amount (Rs.)
Kiara Electronics Nepal	1,41,960.00
Nasa Trading Pvt. Ltd.	1,71,229.75
Secure Alarms Traders	43,047.50
Gapsco International P. Ltd.	53,622.15
Other (Sundry Creditors)	3,61,879.69
Total	7,71,739.09

3.6 Regrouping

Previous year's figures have been regrouped and/or rearranged wherever necessary.

As per our Report of even date

For and on behalf of the Board

For J.N. Upadhyay & Co.
Chartered Accountants

CA. Jagannath Upadhyay
Fellow Chartered Accountant

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

Min Bahadur Gurung
Director

Uttam Prasad Poudel
Sr. Finance Assistant

Date : Poush 28, 2074

Place : Kathmandu

A. Sharma & Associates
Chartered Accountants

Phone: 977(1)4600409
Email: asharma.ktm@gmail.com
Maitidevi, Kathmandu, Nepal

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF M/S AJOD INSURANCE LIMITED**

We have audited the accompanying balance sheet of the M/s AJOD Insurance Ltd as of Ashad 31, 2073 and the related statements of income, Change in equity, and cash flows for the year then ended and summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statement. The procedures selected depend on our professional judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessment we consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the expressing on the opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

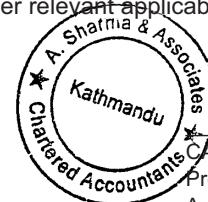
Report on other legal and Regulatory requirements.

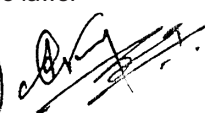
On the basis of our examination, we would like to further report that:

- a) We have obtained prompt replies to our queries and explanation asked for.
- b) The Balance Sheet, Income statements are in agreement with the books of accounts maintained by the company.
- c) The accounts and record of the company have been accurately maintained in accordance with the law.
- d) To the best of our information and according to the explanations given to us, neither the board of directors nor any employee of the company have acted contrary to legal provisions relating to accounts nor committed any misappropriation causing loss or damage to the company.

Opinion

In our opinion the accompanying financial statements give true and fair view, in all material respect, the financial position of M/s **AJOD Insurance Ltd** as at **Ashad 31, 2073** and of its financial performance and its cash flows for the year .then ended in accordance with Nepal accounting standards, other relevant applicable laws.




CA Arun Sharma
Proprietor
A. Sharma & Associates
Chartered Accountants

Place: Kathmandu
Date: 03-01-2074



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Balance Sheet
As on 31st Ashadh 2073

(Amount in NRs.)

Particulars	Schedules	Current Year	Previous Year
Sources of Funds:			
Paid up Share Capital	1	2,68,85,000.00	2,68,85,000.00
Total		2,68,85,000.00	2,68,85,000.00
Applications of Funds:			
Non Current Assets			
Fixed Assets	2	-	-
Investment in Fixed Deposits		-	-
Current Assets			
Advances and recovrable	3	15,12,244.32	10,62,244.32
Deposit	4	12,300.00	12,300.00
Cash and bank balances	5	56,916,.60	56,621.43
		15,81,460.92	11,31,165.75
Less: Current liabilities	6	(95,76,044.69)	(90,86,044.69)
Net current assets		(79,94,583.77)	(79,54,878.94)
Preliminary expenses (not written off)		19,61,921.44	19,61,921.44
Pre-operating expenses (up to Previous Year)		3,28,77,957.50	3,28,32,565.60
Pre-operating expenses (of this year)		39,704.83	45,391.90
Total		2,68,85,000.00	2,68,85,000.00
Significant Accounting Policies and Notes to Accounts	7		

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

As per our report of even date

Min Bdr. Gurung
Director

CA. Arun Sharma
For: A. Sharma & Associates
Chartered Accountants

Date: 03-01-2074
Place: Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Income Statement For the Year Ended on Ashad 31, 2073

(Amount in NRs.)

Particulars	Schedule	Current Year	Previous Year
Income:			
Income from interest		295.17	743.10
Income from Other		-	-
Profit on sales of Fixed Assets		-	-
Total		295.17	743.10
Expenses:			
Establishment expenses	7	40,000.00	46,135.00
Depreciation	2	-	-
Total		40,000.00	46,135.00
Pre-operating expenses transferred to Balance Sheet		39,704.83	45,391.90

Significant Accounting Policies and Notes to Accounts

8

Binod Pd. Bista
 Chairman

Ajad Shrestha
 Director

Min Man Shrestha
 Director

Rajendra Pd. Kayastha
 Director

As per our report of even date

Min Bdr. Gurung
 Director

CA. Arun Sharma
 For: A. Sharma & Associates
 Chartered Accountants

Date: 03-01-2074
 Place: Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Cash Flow Statement For the Year Ended on Ashad 31, 2073

(Amount in NRs.)

Particulars	Current Year	Previous Year
(A) Cash flow from operating activities:		
Net Profit before taxation and Extra ordinary item	(39,704.83)	(45,391.9)
Adjustment for:		
Depreciation	-	-
Income from interest	(295.17)	(743.10)
Income From Other	-	-
Profit on sale of Assets	-	-
Interest expenses	-	-
Operating profit before working capital changes	(40,000.00)	(46,135.00)
(Increase) decrease in recoverable	(4,50,000.00)	(46,135.00)
Preliminary expenses	-	-
Increase (decrease) in payables	4,90,000.00	46,135.00
Net Cash from operating activities (A)	-	-
(B) Cash flow from investing activities:		
Purchases of fixed assets	-	-
Sales of Fixed Assets	-	-
Interest received	295.17	743.10
Income from other	-	-
Investment in Fixed Deposit	-	-
Net cash used in investing activities (B)	295.17	743.10
(C) Cash flow from financing activities:		
Increase in share capital	-	-
Increase or (decrease) in loans	-	-
Dividend paid	-	-
Net cash used in financing activities (C)	-	-
Net increase in cash and cash equivalents (A+B+C)	295.17	743.10
Add: Cash and cash equivalent at the beginning of the period	56,621.42	55,878.33
Cash and cash equivalent at the end of the period	56,916.59	56,621.42

 Binod Pd. Bista
 Chairman

 Ajad Shrestha
 Director

 Min Man Shrestha
 Director

 Rajendra Pd. Kayastha
 Director

As per our report of even date

 Min Bdr. Gurung
 Director

CA. Arun Sharma
 For: A. Sharma & Associates
 Chartered Accountants

Date: 03-01-2074

Place: Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming parts of Financial Statement For the Year Ended on Ashad 31, 2073

Share Capital

Schedule - 1
(Amount in NRs.)

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Authorized share capital: 5000000 Ordinary shares of Rs 100 each		50,00,00,000.00	50,00,00,000.00
Issued share Capital: 2500000 ordinary shares of Rs 100 each		25,00,00,000.00	25,00,00,000.00
Subscribed shares: 20,00,000 Ordinary shares of Rs 100 each		20,00,00,000.00	20,00,00,000.00
Called up shares: 20,00,000 Ordinary shares of Rs 15 each		3,00,00,000.00	3,00,00,000.00
Paid up share capital: 20,00,000 shares of Rs. 15 each Less, Calls In Arrears For 311,500 Shares of Rs. 10 each	1.1	3,00,00,000.00 (31,15,000.00)	3,00,00,000.00 (31,15,000.00)
Total		2,68,85,000.00	2,68,85,000.00

Advance & Recoverables

Schedule - 3

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Sundry Debtors	2.1	5,10,000.00	60,000.00
Staff advance	2.2	-	-
VAT recoverable		8,66,412.10	8,66,412.10
Advance tax		1,35,832.22	1,35,832.22
Total		15,12,244.32	10,62,244.32

Deposit

Schedule - 4

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Nepal Telecom		11,000.00	11,000.00
Life Mineral Water Pvt. Ltd.		300.00	300.00
GPO Box Deposits		1,000.00	1,000.00
Total		12,300.00	12,300.00

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming parts of Financial Statement For the Year Ended on Ashad 31, 2073

Cash and Bank Balances Schedule - 5

(Amount in NRs.)

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Vibor Bikas Bank Ltd.		-	-
Kasthamandup Development Bank Ltd.		15,353.98	15,058.81
Bank of Kathmandu		22,552.90	22,552.90
Imperial Finance Ltd.		19,009.72	19,009.72
Total		56,916.60	56,621.43

Current Liabilities Schedule - 6

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Sundry Creditors	6.1	80,35,622.82	75,46,222.82
TDS	6.2	3,27,542.55	3,26,942.55
Gratuity	6.3	5,97,207.48	5,97,207.48
CIT	6.4	3,52,886.00	3,52,886.00
Provident fund	6.5	2,62,785.84	2,62,785.84
Total		95,76,044.69	90,86,044.69

Establishment Expenses Schedule - 7

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Electricity & Water			
Office rent			
Insurance Premium			6,135.00
Repair and maintenance			
Fuel expenses			
Audit fee		40,000.00	40,000.00
Miscellaneous expenses			
Postage & Courier Charges			
Rates & Taxes			
Wages			
Total		40,000.00	46,135.00

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming part of the Balance Sheet As at 31st Asadha 2073

Significant Accounting Policies and Notes to Accounts

Brief introduction of the company

AJOD Insurance Limited has been registered under the Company Act, 2063 with the Office of the Registrar of company, under the Department of Industry, commerce and Supply, Government of Nepal on 2064 Chaitra 20, with registration number- 1061/064/065.

AJOD Insurance Limited, Kathmandu has not yet obtained the license from Insurance Board under the Insurance Act;2049 for conducting the general insurance business. The company has not also obtained the certificate of commencement of business as required under section 63 of the Company Act, 2063 from the Office of the Registrar of Company. Therefore, AJOD Insurance Limited is in the pre-operation stage.

However, AJOD Insurance Limited has been registered with Inland Revenue Office and obtained PAN Number 302895548 dated 2065-01-03.

A. Accounting Policies

1. Accounting system

The financial statements have been prepared under the historical cost convention and in accordance with the Nepal Accounting Standards or relevant practices and the provisions of the company act 2063. The financial statements are also prepared in the prescribed format as required under the Insurance Rules, 2049.

All incomes and expenses having material bearing on the financial statements are recognized on accrual basis.

2. Depreciation

Depreciation on fixed assets has been provided on written down value method and in accordance with the provisions of schedule-2 of the Income Tax Act 2058.

3. Interest income

Interest earned on the investment of fixed deposits with banks is accounted for on accrual basis.

4. Pre-operation expenses

Expenses incurred before the commencement of business are capitalized as pre-operational expenses and shown in the balance sheet. Such expenses will be amortized in the coming years after the company begins its operation of general insurance according to the decision of the board.

5. Cash & Bank Balance

Bank statement and balance certificate of Bank of Kathmandu Bank Ltd and Imperial Finance Ltd are not available for the time being till date of signing of Financial statement, hence they are stated & carried forward as it was previously stated.

B. Notes to accounts

1. Data are regrouped as needed and reflected accordingly.
2. Figures are shown in Nepalese Rupees.
3. Schedules 1 to 7 are forming integral part of the financial statements.

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Sub Schedules forming parts of Schedules For the Year Ended 31st Ashadh, 2073

Sub-Schedule - 1.1

Call in Arrear

(Amount in NRs.)

Name	Shares	Amount
Manju Prasai, Ms. (21)	10,000	1,00,000.00
Sharad Kumar Neupane (28)	10,000	1,00,000.00
Pra Nath K. C. (31)	15,000	1,50,000.00
Rajendra Kasaju (37)	15,000	1,50,000.00
Bikram Prasad Kasaju (45)	15,000	1,50,000.00
Mahendra Prasad Shrestha (74)	15,000	1,50,000.00
Rabindra Prasad Kasaju (75)	15,000	1,50,000.00
Shyam Sunder Khetan (43 A4)	20,000	2,00,000.00
Rajendra Shakya (47)	25,000	2,50,000.00
Ajad Shrestha (56A12)	16,500	1,65,000.00
Anjan Shrestha (57 A13)	20,000	2,00,000.00
Chandra Bahadur Rajbhandari (60)	10,000	1,00,000.00
Ganesh Bahadur Shrestha (61 A14)	20,000	2,00,000.00
Krishna Bahadur Shrestha (63)	10,000	1,00,000.00
Nirakar Shrestha (65 A16)	20,000	2,00,000.00
Niranjan Shrestha (66 A15)	20,000	2,00,000.00
SunilShrestha(68A17)	20,000	2,00,000.00
Manoj Pun (76)	10,000	1,00,000.00
Rajendra Kumar Bataju (79)	15,000	1,50,000.00
Manoj Kumar Shrestha (81)	10,000	1,00,000.00
Total Calls in Arrear	3,11,500.00	31,15,000.00

Sundry Debtors

Sub-Schedule - 2.1

Name	Current Year	Previous Year
1. Ranjit Subba	-	-
2. Padam B Gurung	-	-
3. Others	4,50,000.00	-
4. GMII (P) Ltd.	60,000.00	60,000.00
Total sundry Debtors	5,10,000.00	60,000.00

Staff Advance

Sub-Schedule - 2.2

Name	Current Year	Previous Year
1. Durganand Rajbanshi	-	-
Total Staff Advance	-	-

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Sub Schedules forming parts of Schedules For the Year Ended 31st Ashadh, 2073

Sub-Schedule - 6.1 (Amount in NRs.)

Sundry Creditors

Name	Current Year	Previous Year
1. Retention for Leasehold Interior Works	1,71,229.75	1,71,229.75
1.1 Nasa Trading Pvt. Ltd	1,71,229.75	1,71,229.75
2. Retention on Outsourcers	1,85,007.50	1,85,007.50
2.1 Kirara Electronics Nepal	1,41,960.00	1,41,960.00
2.2 Secure Alarms Traders	43,047.50	43,047.50
3. Payable to Staffs	6,55,678.98	6,55,678.98
3.1 Payable Salary	6,55,678.98	6,55,678.98
4. Others	6,70,001.84	6,30,601.84
4.1 Board fee	88,400.00	88,400.00
4.2 Gapsco International P. Ltd.	53,622.15	53,622.15
4.3 B.K. Singh & CO.	8,500.00	8,500.00
4.6 Audit Fee Payable	1,57,600.00	1,18,200.00
4.6 Others	3,61,879.69	3,61,879.69
5. Advance on call from Shareholder	63,53,704.75	59,03,704.75
5.1 Entire Promoters @ Rs.2 per share	40,00,000.00	40,00,000.00
5.2 Roadshow Investment Co. P. Ltd.	23,53,704.75	19,03,704.75
Total	80,35,622.82	75,46,222.82

TDS

Sub-Schedule - 6.2

Particular	Account Head	TDS Amount
1. TDS on Rent	11131	3,16,904.83
2. TDS on Fees	11111	6,900.00
3. TDS on Audit Fees	11111	2,400.00
4. Social Security Tax	11211	270.00
5. Gappsco International P. Ltd.	11123	1,067.72
		3,27,542.55

Payable Gratuity

Sub-Schedule - 6.3

Particular	Current Year	Previous Year
1. Jestha, Aasadh 2067 & DPS Poudyalaya	5,97,207.48	5,97,207.48
Total Gratuity Payable	5,97,207.48	5,97,207.48

Payable CIT

Sub-Schedule - 6.4

Particular	Current Year	Previous Year
1. Bhadra 2067	3,52,886.00	3,52,886.00
Total CIT Payable	3,52,886.00	3,52,886.00

Payable Provident Fund

Sub-Schedule - 6.5

Particular	Current Year	Previous Year
1. Jestha, Aasadh, Shrawan & Bhadra 2067	2,62,785.84	2,62,785.84
Total PF Payable	2,62,785.84	2,62,785.84

N. Chaudhary & Associates

Chartered Accountants

H/No. 229, Dillibazar Road
Maiti Devi Chowk, KMC -32
Phone: 01-4423341/9855025523
Email: niranjan.chaudhary23@gmail.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF M/S AJOD INSURANCE LIMITED

We have audited the accompanying balance sheet of the **M/s AJOD Insurance Ltd** as of **Ashad 31, 2072** and the related statements of income. Change in equity, and cash flows for the year then ended and summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statement. The procedures selected depend on our professional judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessment we consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on other legal and Regulatory requirements.

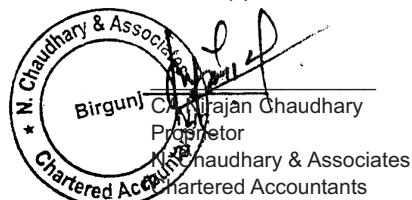
On the basis of our examination, we would like to further report that:

- We have obtained prompt replies to our queries and explanation asked for.
- The Balance Sheet, Income statements are in agreement with the books of accounts maintained by the company.
- The accounts and record of the company have been accurately maintained in accordance with the law.
- To the-best of our information and according to the explanations given to us, neither the board of directors nor any employee of the company have acted contrary to legal provisions relating to accounts nor committed any misappropriation causing loss or damage to the company.

Opinion

In our opinion the accompanying financial statements give true and fair view, in all material respect, the financial position of **M/s AJOD Insurance Ltd** as at **Ashad 31, 2072** and of its financial performance and its cash flows for the year then ended in accordance with Nepal accounting standards, other relevant applicable laws.

Place: Kathmandu
Date: 29-12-2073



Birgunj, N. Chaudhary & Associates
Niranjan Chaudhary
Proprietor
N. Chaudhary & Associates
Chartered Accountants

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Balance Sheet As on 31st Ashadh 2072

(Amount in NRs.)

Particulars	Schedules	Current Year	Previous Year
Sources of Funds:			
Paid up Share Capital	1	2,68,85,000.00	2,68,85,000.00
Total		2,68,85,000.00	2,68,85,000.00
Applications of Funds:			
Non Current Assets			
Fixed Assets	2	-	-
Investment in Fixed Deposits		-	-
Current Assets			
Advances and recoverable	3	10,62,244.32	10,62,244.32
Deposit	4	12,300.00	12,300.00
Cash and bank balances	5	56,621.43	55,878.33
		11,31,165.75	11,30,422.65
Less: Current liabilities	6	(90,86,044.69)	(90,39,909.69)
Net current assets		(79,54,878.94)	(79,09,487.04)
Preliminary expenses (not written off)		19,61,921.44	19,61,921.44
Pre-operating expenses (up to Previous Year)		3,28,32,565.60	3,27,93,423.83
Pre-operating expenses (of this year)		45,391.90	39,141.77
Total		2,68,85,000.00	2,68,85,000.00

Significant Accounting Policies and Notes to Accounts

7

Binod Pd. Bista
 Chairman

Ajad Shrestha
 Director

Min Man Shrestha
 Director

Rajendra Pd. Kayastha
 Director

As per our report of even date

Min Bdr. Gurung
 Director

CA. Nirajan Chaudhary
 For: N. Chaudhary & Associates
 Chartered Accountants

Date: 29-12-2073
 Place: Kathmandu



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Income Statement
For the Year Ended on Ashad 31, 2072

(Amount in NRs.)

Particulars	Schedule	Current Year	Previous Year
Income:			
Income from interest		743.10	858.23
Income from Other		-	-
Profit on sales of Fixed Assets		-	-
Total		743.10	858.23
Expenses:			
Establishment expenses	7	46,135.00	40,000.00
Depreciation	2	-	-
Total		46,135.00	40,000.00
Pre-operating expenses transferred to Balance Sheet		45,391.90	39,141.77

Significant Accounting Policies and Notes to Accounts

8

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

As per our report of even date

Min Bdr. Gurung
Director

CA. Nirajan Chaudhary
For: N. Chaudhary & Associates
Chartered Accountants

Date: 29-12-2073

Place: Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Cash Flow Statement For the Year Ended on Ashad 31, 2072

(Amount in NRs.)

Particulars	Current Year	Previous Year
(A) Cash flow from operating activities:		
Net Profit before taxation and Extra ordinary item	(45,391.90)	(39,141.77)
Adjustment for:		
Depreciation	-	-
Income from interest	(743.10)	(858.23)
Income From Other	-	-
Profit on sale of Assets	-	-
Interest expenses	-	-
Operating profit before working capital changes	(46,135.00)	(40,000.00)
(Increase) decrease in recoverable	-	-
Preliminary expenses	-	-
Increase (decrease) in payables	46,135.00	40,000.00
Net Cash from operating activities (A)	-	-
(B) Cash flow from investing activities:		
Purchases of fixed assets	-	-
Sales of Fixed Assets	-	-
Interest received	743.10	858.23
Income from other	-	-
Investment in Fixed Deposit	-	-
Net cash used in investing activities (B)	743.10	858.23
(C) Cash flow from financing activities:		
Increase in share capital	-	-
Increase or (decrease) in loans	-	-
Dividend paid	-	-
Net cash used in financing activities (C)	-	-
Net increase in cash and cash equivalents (A+B+C)	743.10	858.23
Add: Cash and cash equivalent at the beginning of the period	55,878.33	55,020.10
Cash and cash equivalent at the end of the period	56,621.42	55,878.33

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

As per our report of even date

Min Bdr. Gurung
Director

CA. Nirajan Chaudhary
For: N. Chaudhary & Associates
Chartered Accountants

Date: 29-12-2073
Place: Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming parts of Financial Statement For the Year Ended on Ashad 31, 2072

Share Capital

Schedule - 1
(Amount in NRs.)

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Authorized share capital: 5000000 Ordinary shares of Rs 100 each		50,00,00,000.00	50,00,00,000.00
Issued share Capital: 2500000 ordinary shares of Rs 100 each		25,00,00,000.00	25,00,00,000.00
Subscribed shares: 20,00,000 Ordinary shares of Rs 100 each		20,00,00,000.00	20,00,00,000.00
Called up shares: 20,00,000 Ordinary shares of Rs 15 each		3,00,00,000.00	3,00,00,000.00
Paid up share capital: 20,00,000 shares of Rs. 15 each Less, Calls In Arrears For 311,500 Shares of Rs. 10 each	1.1	3,00,00,000.00 (31,15,000.00)	3,00,00,000.00 (31,15,000.00)
Total		2,68,85,000.00	2,68,85,000.00

Advance & Recoverables

Schedule - 3

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Sundry Debtors	2.1	60,000.00	60,000.00
Staff advance	2.2	-	-
VAT recoverable		8,66,412.10	8,66,412.10
Advance tax		1,35,832.22	1,35,832.22
Total		10,62,244.32	10,62,244.32

Deposit

Schedule - 4

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Nepal Telecom		11,000.00	11,000.00
Life Mineral Water Pvt. Ltd.		300.00	300.00
GPO Box Deposits		1,000.00	1,000.00
Total		12,300.00	12,300.00

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming parts of Financial Statement For the Year Ended on Ashad 31, 2072

Cash and Bank Balances Schedule - 5

(Amount in NRs.)

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Vibor Bikas Bank Ltd.		-	-
Kasthamandup Development Bank Ltd.		15,058.81	14,315.71
Bank of Kathmandu		22,552.90	22,552.90
Imperial Finance Ltd.		19,009.72	19,009.72
Total		56,621.43	55,878.33

Current Liabilities Schedule - 6

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Sundry Creditors	6.1	75,46,222.82	75,00,687.82
TDS	6.2	3,26,942.55	3,26,342.55
Gratuity	6.3	5,97,207.48	5,97,207.48
CIT	6.4	3,52,886.00	3,52,886.00
Provident fund	6.5	2,62,785.84	2,62,785.84
Total		90,86,044.69	90,39,909.69

Establishment Expenses Schedule - 7

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Insurance Premium		6,135.00	-
Audit fee		40,000.00	40,000.00
Total		46,135.00	40,000.00

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Sub Schedules forming parts of Schedules For the Year Ended 31st Ashadh, 2072

Call in Arrear	Sub-Schedule - 1 (Amount in NRs.)	
Name	Shares	Amount
Manju Prasai, Ms. (21)	10,000	1,00,000.00
Sharad Kumar Neupane (28)	10,000	1,00,000.00
Pra Nath K. C. (31)	15,000	1,50,000.00
Rajendra Kasaju (37)	15,000	1,50,000.00
Bikram Prasad Kasaju (45)	15,000	1,50,000.00
Mahendra Prasad Shrestha (74)	15,000	1,50,000.00
Rabindra Prasad Kasaju (75)	15,000	1,50,000.00
Shyam Sunder Khetan (43 A4)	20,000	2,00,000.00
Rajendra Shakya (47)	25,000	2,50,000.00
Ajad Shrestha (56A12)	16,500	1,65,000.00
Anjan Shrestha (57 A13)	20,000	2,00,000.00
Chandra Bahadur Rajbhandari (60)	10,000	1,00,000.00
Ganesh Bahadur Shrestha (61 A14)	20,000	2,00,000.00
Krishna Bahadur Shrestha (63)	10,000	1,00,000.00
Nirakar Shrestha (65 A16)	20,000	2,00,000.00
Niranjan Shrestha (66 A15)	20,000	2,00,000.00
Sunil Shrestha (68A17)	20,000	2,00,000.00
Manoj Pun (76)	10,000	1,00,000.00
Rajendra Kumar Bataju (79)	15,000	1,50,000.00
Manoj Kumar Shrestha (81)	10,000	1,00,000.00
Total Calls in Arrear	3,11,500.00	31,15,000.00

Sundry Debtors	Sub-Schedule - 2.1	
Name	Current Year	Previous Year
1. Ranjit Subba	-	-
2. Padam B Gurung	-	-
3. GMII (P) Ltd.	-	-
Total Sundry Debtors	-	-

Staff Advance	Sub-Schedule - 2.2	
Name	Current Year	Previous Year
1. Durganand Rajbanshi	-	-
Total Staff Advance	-	-

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Sub Schedules forming parts of Schedules For the Year Ended 31st Ashadh, 2072

Sub-Schedule - 6.1 (Amount in NRs.)

Sundry Creditors

Name	Current Year	Previous Year
1. Retention for Leasehold Interior Works	1,71,229.75	1,71,229.75
1.1 Nasa Trading Pvt. Ltd	1,71,229.75	1,71,229.75
2. Retention on Outsources	1,85,007.50	1,85,007.50
2.1 Kirara Electronics Nepal	1,41,960.00	1,41,960.00
2.2 Secure Alarms Traders	43,047.50	43,047.50
3. Payable to Staffs	6,55,678.98	7,25,678.98
3.1 Payable Salary	6,55,678.98	7,25,678.98
4. Others	6,30,601.84	5,91,201.84
4.1 Board fee	88,400.00	88,400.00
4.2 Gapsco International P. Ltd.	53,622.15	53,622.15
4.3 B.K. Singh & CO.	8,500.00	8,500.00
4.4 Laxmi Chaudhary (Housekeeping)	-	-
4.5 Payable Rent	-	-
4.6 Audit Fee Payable	1,18,200.00	78,800.00
4.6 Others	3,61,879.69	3,61,879.69
5. Advance on call from Shareholder	59,03,704.75	58,27,569.75
5.1 Entire Promoters @ Rs.2 per share	40,00,000.00	40,00,000.00
5.2 Roadshow Investment Co. P. Ltd.	19,03,704.75	18,27,569.75
Total	75,46,222.82	75,00,687.82



AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming part of the Balance Sheet As at 31st Asadha 2072

Significant Accounting Policies and Notes to Accounts

Brief introduction of the company:

AJOD Insurance Limited has been registered under the Company Act, 2063 with the Office of the Registrar of company, under the Department of Industry, commerce and Supply, Government of Nepal on 2064 Chaitra 20, with registration number-1061/064/065.

AJOD Insurance Limited, Kathmandu has not yet obtained the license from Insurance Board under the Insurance Act, 2049 for conducting the general insurance business. The company has not also obtained the certificate of commencement of business as required under section 63 of the Company Act, 2063 from the Office of the Registrar of Company. Therefore, AJOD Insurance Limited is in the pre-operation stage.

However, AJOD Insurance Limited has been registered with Inland Revenue Office and obtained PAN Number 302895548 dated 2065-01-03.

A. Accounting Policies:

1. Accounting system:

The financial statements have been prepared under the historical cost convention and in accordance with the Nepal Accounting Standards or relevant practices and the provisions of the company act 2063. The financial statements are also prepared in the prescribed format as required under the Insurance Rules, 2049.

All incomes and expenses having material bearing on the financial statements are recognized on accrual basis.

2. Depreciation:

Depreciation on fixed assets has been provided on written down value method and in accordance with the provisions of schedule-2 of the Income Tax Act 2058.

3. Interest income:

Interest earned on the investment of fixed deposits with banks is accounted for on accrual basis.

4. Pre-operation expenses:

Expenses incurred before the commencement of business are capitalized as pre-operational expenses and shown in the balance sheet. Such expenses will be amortized in the coming years after the company begins its operation of general insurance according to the decision of the board.

5. Cash & Bank Balance

Bank statement and balance certificate of Bank of Kathmandu Bank Ltd and Imperial Finance Ltd are not available for the time being till date of signing of financial statement, hence they are stated & carried forward as it was previously stated.

B. Notes to accounts:

1. Data are regrouped as needed and reflected accordingly.
2. Figures are shown in Nepalese Rupees.
3. Schedules 1 to 7 are forming integral part of the financial statements.

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Sub Schedules forming parts of Schedules For the Year Ended 31st Ashadh, 2072

TDS		Sub-Schedule - 6.2 (Amount in NRs.)	
Particular	Account Head	TDS Amount	
1. TDS on Rent	11131	3,16,904.83	
2. TDS on Fees	11111	6,900.00	
3. TDS on Audit Fees	11111	1,800.00	
4. Social Security Tax	11211	270.00	
5. Gappsco International P. Ltd.	11123	1,067.72	
		3,26,942.55	

Payable Gratuity		Sub-Schedule - 6.3	
Particular	Current Year	Previous Year	
1. Jestha, Aasadh 2067 & DPS Poudyalaya	5,97,207.48	5,97,207.48	
Total Gratuity Payable	5,97,207.48	5,97,207.48	

Payable CIT		Sub-Schedule - 6.4	
Particular	Current Year	Previous Year	
1. Bhadra 2067	3,52,886.00	3,52,886.00	
Total CIT Payable	3,52,886.00	3,52,886.00	

Payable Provident Fund		Sub-Schedule - 6.5	
Particular	Current Year	Previous Year	
1. Jestha, Aasadh, Shrawan & Bhadra 2067	2,62,785.84	2,62,785.84	
Total PF Payable	2,62,785.84	2,62,785.84	

N. Chaudhary & Associates

Chartered Accountants

H/No. 229, Dillibazar Road
Maiti Devi Chowk, KMC -32
Phone: 01-4423341/9855025523
Email: niranjan.chaudhary23@gmail.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF M/S AJOD INSURANCE LIMITED

We have audited the accompanying balance sheet of the **M/s AJOD Insurance Ltd** as of **Ashad 31, 2070** and the related statements of income, Change in equity, and cash flows for the year then ended and summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statement. The procedures selected depend on our professional judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessment we consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on other legal and Regulatory requirements.

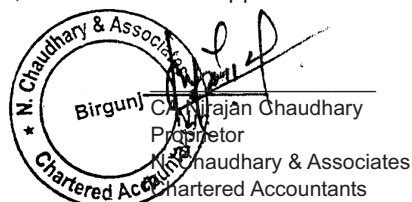
On the basis of our examination, we would like to further report that:

- We have obtained prompt replies to our queries and explanation asked for.
- The Balance Sheet, Income statements are in agreement with the books of accounts maintained by the company.
- The accounts and record of the company have been accurately maintained in accordance with the law.
- To the-best of our information and according to the explanations given to us, neither the board of directors nor any employee of the company have acted contrary to legal provisions relating to accounts nor committed any misappropriation causing loss or damage to the company.

Opinion

In our opinion the accompanying financial statements give true and fair view, in all material respect, the financial position of **M/s AJOD Insurance Ltd** as at **Ashad 31, 2070** and of its financial performance and its cash flows for the year then ended in accordance with Nepal accounting standards, other relevant applicable laws.

Place: Kathmandu
Date: 29-12-2073



Birgunj
Niranjan Chaudhary
Proprietor
N. Chaudhary & Associates
Chartered Accountants

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Balance Sheet

As on 31st Ashadh 2070

(Amount in NRs.)

Particulars	Schedules	Current Year	Previous Year
Sources of Funds:			
Paid up Share Capital	1	2,68,85,000.00	2,68,85,000.00
Total		2,68,85,000.00	2,68,85,000.00
Applications of Funds:			
Non Current Assets			
Fixed Assets	2	-	37,09,418.19
Investment in Fixed Deposits		-	-
Current Assets			
Advances and recoverable	3	10,62,244.32	16,39,076.13
Deposit	4	12,300.00	12,300.00
Cash and bank balances	5	55,020.10	64,144.87
		11,29,564.42	17,15,521.00
Less: Current liabilities	6	(89,99,9.9.69)	(1,26,26,466.71)
Net current assets		(78,70,345.27)	(1,09,10,945.71)
Preliminary expenses (not written off)		19,61,921.44	19,61,921.44
Pre-operating expenses (up to Previous Year)		3,21,24,606.08	2,95,27,502.51
Pre-operating expenses (of this year)		6,68,817.75	25,97,103.57
Total		2,68,85,000.00	2,68,85,000.00

Significant Accounting Policies and Notes to Accounts

7

Binod Pd. Bista
 Chairman

Ajad Shrestha
 Director

Min Man Shrestha
 Director

Rajendra Pd. Kayastha
 Director

Min Bdr. Gurung
 Director

As per our report of even date

CA. Nirajan Chaudhary
 For: N. Chaudhary & Associates
 Chartered Accountants

Date: 29-12-2073
 Place: Kathmandu



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Income Statement
For the Year Ended on Ashad 31, 2070

(Amount in NRs.)

Particulars	Schedule	Current Year	Previous Year
Income:			
Income from interest		895.84	5,115.06
Income from Other		2,22,220.00	1,99,998.00
Profit on sales of Fixed Assets		8,91,844.00	-
Total		11,14,959.84	2,05,113.06
Expenses:			
Establishment expenses	7	11,42,692.39	16,02,899.05
Depreciation	2	6,41,085.20	11,99,317.58
Total		17,83,777.59	28,02,216.63
Pre-operating expenses transferred to Balance Sheet		6,68,817.75	25,97,103.57

Significant Accounting Policies and Notes to Accounts

8

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

As per our report of even date

Min Bdr. Gurung
Director

CA. Nirajan Chaudhary
For: N. Chaudhary & Associates
Chartered Accountants

Date: 29-12-2073
Place: Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Cash Flow Statement For the Year Ended on Ashad 31, 2070

(Amount in NRs.)

Particulars	Current Year	Previous Year
(A) Cash flow from operating activities:		
Net Profit before taxation and Extra ordinary item	(6,68,817.75)	(25,97,103.57)
Adjustment for:		
Depreciation	6,41,085.20	11,99,317.58
Income from interest	(895.84)	(5,115.06)
Income From Other	(2,22,220.00)	(1,99,998.00)
Profit on sale of Assets	(8,91,844.00)	-
Interest expenses	-	-
Operating profit before working capital changes	(11,42,692.39)	(16,02,899.05)
(Increase) decrease in recoverable	5,76,831.81	(15,961.51)
Preliminary expenses	-	-
Increase (decrease) in payables	(36,26,557.02)	14,18,701.78
Net Cash from operating activities (A)	(41,92,417.60)	(2,00,158.78)
(B) Cash flow from investing activities:		
Purchases of fixed assets		
Sales of Fixed Assets	39,60,176.99	-
Interest received	895.84	5,115.06
Income from other	2,22,220.00	1,99,998.00
Investment in Fixed Deposit	-	-
Net cash used in investing activities (B)	41,83,292.83	2,05,113.06
(C) Cash flow from financing activities:		
Increase in share capital	-	-
Increase or (decrease) in loans	-	-
Dividend paid	-	-
Net cash used in financing activities (C)	-	-
Net increase in cash and cash equivalents(A+B+C)	(9,124.77)	4,954.28
Add: Cash and cash equivalent at the beginning of the period	64,144.87	59,190.59
Cash and cash equivalent at the end of the period	55,020.10	64,144.87

Binod Pd. Bista
 Chairman

Ajad Shrestha
 Director

Min Man Shrestha
 Director

Rajendra Pd. Kayastha
 Director

Min Bdr. Gurung
 Director

As per our report of even date

CA. Nirajan Chaudhary
 For: N. Chaudhary & Associates
 Chartered Accountants

Date: 29-12-2073
 Place: Kathmandu

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming parts of Financial Statement For the Year Ended on Ashad 31, 2070

Share Capital

Schedule - 1
(Amount in NRs.)

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Authorized share capital: 5000000 Ordinary shares of Rs 100 each		50,00,00,000.00	50,00,00,000.00
Issued share Capital: 2500000 ordinary shares of Rs 100 each		25,00,00,000.00	25,00,00,000.00
Subscribed shares: 20,00,000 Ordinary shares of Rs 100 each		20,00,00,000.00	20,00,00,000.00
Called up shares: 20,00,000 Ordinary shares of Rs 15 each		3,00,00,000.00	3,00,00,000.00
Paid up share capital: 20,00,000 shares of Rs. 15 each Less, Calls In Arrears For 311,500 Shares of Rs. 10 each	1.1	3,00,00,000.00 (31,15,000.00)	3,00,00,000.00 (31,15,000.00)
Total		2,68,85,000.00	2,68,85,000.00

Advance & Recoverables

Schedule - 3

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Sundry Debtors	2.1	60,000.00	1,46,582.50
Staff advance	2.2	-	747.00
VAT recoverable		8,66,412.10	13,78,136.41
Advance tax		1,35,832.22	1,13,610.22
Total		10,62,244.32	16,39,076.13

Deposit

Schedule - 4

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Nepal Telecom		11,000.00	11,000.00
Life Mineral Water Pvt. Ltd.		300.00	300.00
GPO Box Deposits		1,000.00	1,000.00
Total		12,300.00	12,300.00

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming parts of Financial Statement For the Year Ended on Ashad 31, 2070

Cash and Bank Balances

Schedule - 5

(Amount in NRs.)

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Vibor Bikas Bank Ltd.		-	10,020.61
Kasthamandup Development Bank Ltd.		13,457.48	12,561.64
Bank of Kathmandu		22,552.90	22,552.90
Imperial Finance Ltd.		19,009.72	19,009.72
Total		55,020.10	64,144.87

Current Liabilities

Schedule - 6

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Sundry Creditors	6.1	74,61,287.82	1,11,90,954.67
TDS	6.2	3,25,742.55	2,22,632.72
Gratuity	6.3	5,97,207.48	5,97,207.48
CIT	6.4	3,52,886.00	3,52,886.00
Provident fund	6.5	2,62,785.84	2,62,785.84
Total		89,99,909.69	1,26,26,466.71

Establishment Expenses

Schedule - 7

Particulars	Ref: Sub-Schedules	Current Year	Previous Year
Salaries & Allowances		-	108,500
Electricity & Water		4,170.00	10,978.00
Communication expenses		-	6,536.01
Printing and stationery		-	490.00
Office rent		10,37,398.33	14,21,100.00
Insurance Premium		11,649.00	-
Consumables		-	4,115.05
Repair and maintenance		12,632.06	2,700.00
Fuel expenses		5,228.00	3,435.00
Audit fee		40,000.00	10,000.00
Miscellaneous expenses		3,610.00	1,300.00
Postage & Courier Charges		5.00	-
Rates & Taxes		1,000.00	21,245.00
Wages		27,000.00	12,500.00
Total		11,42,692.39	16,02,899.05

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Statement of Fixed Assets and Depreciation For the Year Ended on Ashad 31, 2070

Schedule - 2
(Amount in NRs.)

Description	Rate %	Gross Block 01-04-2069	Addition During the year	Adjustment During the year	Total Asset	Depreciation 01-04-2069	Depreciation for the year	Adjustment During the year	Total Depreciation	Net block 31-03-2070	Net block 31.03.2069
Pool B:											
Office Equipment & Computer	25	30,03,459.23	(30,03,459.23)	-	-	19,53,804.25	(19,53,804.25)	-	-	-	10,49,654.98
Office Furniture & Fixtures	25	53,13,262.21	(53,13,262.21)	-	-	30,99,360.80	(30,99,360.80)	-	-	-	22,13,901.41
Pool C:											
Vehicle	20	11,66,281.92	(11,66,281.92)	-	-	7,20,420.12	(7,20,420.12)	-	-	-	4,45,861.80
Total		94,83,003.36	(94,83,003.36)	-	-	5,773,585.17	(5,773,585.17)	-	-	-	37,09,418.19

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming part of the Balance Sheet As at 31st Asadha 2070

Significant Accounting Policies and Notes to Accounts

Brief introduction of the company:

AJOD Insurance Limited has been registered under the Company Act, 2063 with the Office of the Registrar of company, under the Department of Industry, commerce and Supply, Government of Nepal on 2064 Chaitra 20, with registration number-1061/064/065.

AJOD Insurance Limited, Kathmandu has not yet obtained the license from Insurance Board under the Insurance Act, 2049 for conducting the general insurance business. The company has not also obtained the certificate of commencement of business as required under section 63 of the Company Act; 2063 from the Office of the Registrar of Company. Therefore, AJOD Insurance Limited is in the pre-operation stage.

However, AJOD Insurance Limited has been registered with Inland Revenue Office and obtained PAN Number 302895548 dated 2065-01-03.

A. Accounting Policies:

1. Accounting system:

The financial statements have been prepared under the historical cost convention and in accordance with the Nepal Accounting Standards or relevant practices and the provisions of the company act 2063. The financial statements are also prepared in the prescribed format as required under the Insurance Rules, 2049.

All incomes and expenses having material bearing on the financial statements are recognized on accrual basis.

2. Depreciation:

Depreciation on fixed assets has been provided on written down value method and in accordance with the provisions of schedule-2 of the Income Tax Act 2058.

3. Interest income:

Interest earned on the investment of fixed deposits with banks is accounted for on accrual basis.

4. Pre-operation expenses:

Expenses incurred before the commencement of business are capitalized as pre-operational expenses and shown in the balance sheet. Such expenses will be amortized in the coming years after the company begins its operation of general insurance according to the decision of the board.

5. Cash & Bank Balance

Bank statement and balance certificate of Bank of Kathmandu Bank Ltd and Imperial Finance Ltd are not available for the time being till date of signing of Financial statement, hence they are stated & carried forward as it was previously stated.

B. Notes to accounts:

1. Data are regrouped as needed and reflected accordingly.
2. Figures are shown in Nepalese Rupees.
3. Schedules 1 to 7 are forming integral part of the financial statements

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Sub Schedules forming parts of Schedules For the Year Ended 31st Ashadh, 2070

Call in Arrear	Sub-Schedule - 1 (Amount in NRs.)	
Name	Shares	Amount
Manju Prasai, Ms. (21)	10,000	1,00,000.00
Sharad Kumar Neupane (28)	10,000	1,00,000.00
Pra Nath K. C. (31)	15,000	1,50,000.00
Rajendra Kasaju (37)	15,000	1,50,000.00
Bikram Prasad Kasaju (45)	15,000	1,50,000.00
Mahendra Prasad Shrestha (74)	15,000	1,50,000.00
Rabindra Prasad Kasaju (75)	15,000	1,50,000.00
Shyam Sunder Khetan (43 A4)	20,000	2,00,000.00
Rajendra Shakya (47)	25,000	2,50,000.00
Ajad Shrestha (56A12)	16,500	1,65,000.00
Anjan Shrestha (57 A13)	20,000	2,00,000.00
Chandra Bahadur Rajbhandari (60)	10,000	1,00,000.00
Ganesh Bahadur Shrestha (61 A14)	20,000	2,00,000.00
Krishna Bahadur Shrestha (63)	10,000	1,00,000.00
Nirakar Shrestha (65 A16)	20,000	2,00,000.00
Niranjan Shrestha (66 A15)	20,000	2,00,000.00
SunilShrestha(68A17)	20,000	2,00,000.00
Manoj Pun (76)	10,000	1,00,000.00
Rajendra Kumar Bataju (79)	15,000	1,50,000.00
Manoj Kumar Shrestha (81)	10,000	1,00,000.00
Total Calls in Arrear	3,11,500.00	31,15,000.00

Sundry Debtors	Sub-Schedule - 2.1	
Name	Current Year	Previous Year
1. Ranjit Subba	-	56,520.00
2. Padam B Gurung	-	50,062.50
3. GMII (P) Ltd.	60,000.00	40,000.00
Total Sundry Debtors	60,000.00	1,46,582.50

Staff Advance	Sub-Schedule - 2.2	
Name	Current Year	Previous Year
1. Durganand Rajbanshi	-	747.00
Total Staff Advance	-	747.00

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Sub Schedules forming parts of Schedules For the Year Ended 31st Ashadh, 2070

Sub-Schedule - 6.1 (Amount in NRs.)

Sundry Creditors

Name	Current Year	Previous Year
1. Retention for Leasehold Interior Works	1,71,229.75	1,71,229.75
1.1 Nasa Trading Pvt. Ltd	1,71,229.75	1,71,229.75
2. Retention on Outsources	1,85,007.50	1,85,007.50
2.1 Kirara Electronics Nepal	1,41,960.00	1,41,960.00
2.2 Secure Alarms Traders	43,047.50	43,047.50
3. Payable to Staffs	7,25,678.98	7,25,678.98
3.1 Payable Salary	7,25,678.98	7,25,678.98
4. Others	9,69,941.84	13,16,388.69
4.1 Board fee	88,400.00	88,400.00
4.2 Gapsco International P. Ltd.	53,622.15	53,622.15
4.3 B.K. Singh & CO.	8,500.00	17,000.00
4.4 Laxmi Chaudhary (Housekeeping)	-	2,500.00
4.5 Payable Rent	1,87,581.00	6,36,866.54
4.6 Audit Fee Payable	39,400.00	-
4.6 Others	5,92,438.69	5,18,000.00
5. Advance on call from Shareholder	54,09,429.75	87,92,649.75
5.1 Entire Promoters @ Rs.2 per share	40,00,000.00	40,00,000.00
5.2 Roadshow Investment Co. P. Ltd.	14,09,429.75	47,92,649.75
Total	74,61,287.82	1,11,90,954.67

Sub-Schedule - 6.2 (Amount in NRs.)

TDS

Particular	Account Head	TDS Amount
1. TDS on Rent	11131	3,16,904.83
2. TDS on Fees	11111	6,900.00
3. TDS on Audit Fees	11111	600.00
4. Social Security Tax	11211	270.00
5. Gappsco International P. Ltd.	11123	1,067.72
		3,25,742.55

Payable Gratuity

Sub-Schedule - 6.3

Particular	Current Year	Previous Year
1. Jestha, Aasadh 2067 & DPS Poudyalaya	5,97,207.48	5,97,207.48
Total Gratuity Payable	5,97,207.48	5,97,207.48

Payable CIT

Sub-Schedule - 6.4

Particular	Current Year	Previous Year
1. Bhadra 2067	3,52,886.00	3,52,886.00
Total CIT Payable	3,52,886.00	3,52,886.00

Payable Provident Fund

Sub-Schedule - 6.5

Particular	Current Year	Previous Year
1. Jestha, Aasadh, Shrawan & Bhadra 2067	2,62,785.84	2,62,785.84
Total PF Payable	2,62,785.84	2,62,785.84

B.K. Singh & Co.
REGISTERED AUDITORS

Ga - 2 605, Battisputali
Mobile: 98510-98557

INDEPENDENT AUDITOR'S REPORT

To
**The shareholders of
Ajod Insurance Ltd.
Thapathali, Kthmandu**

Report on the financial statements

We have audited the accompanying financial statements of Ajod Insurance Ltd. Thapathali, Kathmandu, which comprise the balance sheet as at 31st-Asadh, 2069 and the Income statement, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards (NAS). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether financial statements are free from material misstatement.



Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

- We have obtained prompt replies to our queries and explanations asked for;
- The balance sheet, Income statement and cash flow statement are in agreement with the books of accounts and drawn up in compliance with the provisions of company Act 2063;
- The accounts and records of the company have been accurately maintained in accordance with the law;
- In our opinion and to the best of our information and explanations given to us, the board of directors or any employee of the company has not acted contrary to the legal provisions relating to accounts nor committed any misappropriation of caused loss or damage to the company.

In our opinion, the financial statements give a true and fair view of the financial position of Ajod Insurance Ltd. Thapathali, Kathmandu as of 31st-Asadh, 2069 and of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards (NAS).



(RA. B. K. Singh, FCA)

For: B. K. Singh & Co.

Registered Auditors

Date: 15 Marg 2069

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

(Under process of obtaining certificate of commencement of Business)

Balance Sheet As at 31st Ashadh 2069

(Amount in NRs.)

Particulars	Schedules	Current Year 31-03-2069	Previous Year 31-03-2068
Sources of Funds:			
Paid up Share Capital	1	26,885,000.00	26,885,000.00
Total		26,885,000.00	26,885,000.00
Applications of Funds:			
Fixed Assets	2	3,709,418.19	4,908,735.77
Investment in Fixed Deposits		-	-
Current Assets			
Advances and recoverable	3	1,639,076.13	1,623,114.62
Deposit	4	12,300.00	12,300.00
Cash and bank balances	5	64,144.87	59,190.59
Less: Current liabilities	6	(12,626,466.71)	(11,207,764.93)
Net current assets		(10,910,945.71)	(9,513,159.72)
Preliminary expenses (not written off)		1,961,921.44	1,961,921.44
Pre-operating expenses (up to Previous Year)		29,527,502.51	24,175,452.75
Pre-operating expenses (of this year)		2,597,103.57	5,352,049.76
Total		26,885,000.00	26,885,000.00

Significant Accounting Policies and Notes to Accounts

7

Binod Pd. Bista
 Chairman

Ajad Shrestha
 Director

Min Man Shrestha
 Director

Rajendra Pd. Kayastha
 Director

As per our report of even date

Min Bdr. Gurung
 Director

B. K. Singh
 For: B. K. Singh & Co.
 Registered Auditors
 Date: 15 Marg 2069



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Income Statement

For the period Shrawan 01, 2068 to 31st Ashadh, 2069 (2068/2069-2011/2012)

(Amount in NRs.)

Particulars	Schedule	Current Year 2068/2069	Previous Year 2067/2068
Income:			
Income from interest		5,115.06	5,637.69
Income from Other		199,998.00	-
Total		205,113.06	5,637.69
Expenses:			
Establishment expenses	6	1,602,899.05	3,767,886.13
Depreciation	2	1,199,317.58	1,589,801.32
Total		2,802,216.63	5,357,687.45
Pre-operating expenses transferred to Balance Sheet		2,597,103.57	5,352,049.76

Significant Accounting Policies and Notes to Accounts

7

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

As per our report of even date

Min Bdr. Gurung
Director

B. K. Singh
For: B. K. Singh & Co.
Registered Auditors
Date: 15 Marg 2069

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Cash Flow Statement For the Year Ended 31st Ashadh, 2069

(Amount in NRs.)

Particulars	31-03-2069	32-03-2068
(A) Cash flow from operating activities:		
Net Profit before taxation and Extra ordinary item	(2,597,103.57)	(5,352,049.76)
Adjustment for:		
Depreciation	1,199,317.58	1,589,801.32
Income from interest	(5,115.06)	(5,637.69)
Income From Other	(199,998.00)	-
Profit on sale of Assets	-	-
Interest expenses	-	-
Operating profit before working capital changes	(1,602,899.05)	(3,767,886.13)
(Increase) decrease in recoverable	(15,961.51)	(11,777.10)
Preliminary expenses	-	-
Increase (decrease) in payables	1,418,701.78	3,576,947.05
Net Cash from operating activities (A)	(200,158.78)	(202,716.18)
(B) Cash flow from investing activities:		
Purchases of fixed assets	-	29,399.04
Insurance Claim Recovery	-	-
Interest received	5,115.06	5,637.69
Income from other	199,998.00	-
Investment in Fixed Deposit	-	-
Net cash used in investing activities (B)	205,113.06	35,036.73
(C) Cash flow from financing activities:		
Increase in share capital	-	-
Increase or (decrease) in loans	-	-
Dividend paid	-	-
Net cash used in financing activities (C)	-	-
Net increase in cash and cash equivalents(A+B+C)	4,954.28	(167,679.45)
Add: Cash and cash equivalent at the beginning of the period	59,190.59	226,870.04
Cash and cash equivalent at the end of the period	64,144.87	59,190.59

Binod Pd. Bista
 Chairman

Ajad Shrestha
 Director

Min Man Shrestha
 Director

Rajendra Pd. Kayastha
 Director

As per our report of even date

Min Bdr. Gurung
 Director

B. K. Singh
 For: B. K. Singh & Co.
 Registered Auditors
 Date: 15 Marg 2069



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

For the Year Ended 31st Ashad, 2069

Statement of Share Capital

Schedule - 1
(Amount in NRs.)

Particulars	31-03-2069	32-03-2068
Authorized share capital:		
5000000 Ordinary shares of Rs 100 each	500,000,000.00	500,000,000.00
Issued share Capital:		
2500000 ordinary shares of Rs 100 each	250,000,000.00	250,000,000.00
Subscribed shares:		
20,00,000 Ordinary shares of Rs 100 each	200,000,000.00	200,000,000.00
Called up shares:		
20,00,000 Ordinary shares of Rs 15 each	30,000,000.00	3,00,00,000.00
Paid up share capital:		
20,00,000 shares of Rs. 15 each	30,000,000.00	30,000,000.00
Less, Calls In Arrears For 311,500 Shares of Rs. 10 each	(3,115,000.00)	(3,115,000.00)
Total	26,885,000.00	26,885,000.00

Statement of Debtors & Recoverables

Schedule - 3

Particulars	31-03-2069	32-03-2068
Sundry Debtors	146,582.50	125,206.25
Accrued interest	-	-
Staff advance	747.00	28,241.00
VAT recoverable	1,378,136.41	1,376,718.43
Advance tax	113,610.22	92,948.94
Total	1,639,076.13	1,623,114.62
Deposit	12,300.00	12,300.00

Statement of Cash and Bank Balances

Schedule - 4
(Amount in NRs.)

Particulars	31-03-2069	32-03-2068
Vibor Bikas Bank Ltd.	10,020.61	9,471.11
Kasthamandup Development Bank Ltd.	12,561.64	11,548.58
Bank of Kathmandu	22,552.90	20,705.04
Imperial Finance Ltd.	19,009.72	17,465.86
Total	64,144.87	59,190.59

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

For the Year Ended 31st Ashad, 2069

Statement of Current Liabilities

Schedule - 5

Particulars	31-03-2069	32-03-2068
Sundry Creditors	11,190,954.67	9,856,601.89
TDS	222,632.72	94,429.72
Gratuity	597,207.48	597,207.48
CIT	352,886.00	386,400.00
Provident fund	262,785.84	273,125.84
Total	126,26,466.71	11,207,764.93

Statement of Establishment Expenses

Schedule - 6

Particulars	31-03-2069	32-03-2068
Salaries & Allowances	108,500.00	1,733,018.50
Contribution to Provident fund	-	64,494.67
Gratuity	-	58,502.67
Training & Stipend Expenses	-	-
Electricity & Water	10,978.00	43,999.48
Communication Expenses	6,536.01	75,561.03
Printing and stationery	490.00	5187.00
Local Conveyance	-	-
Travelling expenses	-	-
Office rent	1,421,100.00	1,421,100.00
Advertisement	-	-
Insurance Premium	-	97,775.09
Consumables	4,115.04	1,745.00
Repair and maintenance	2,700.00	25,017.29
Fuel expenses	3,435.00	24,579.25
Entertainment	-	15,116.15
Business promotion	-	-
Bank charges	-	-
Board meeting fees	-	104,000.00
Audit fee	10,000.00	10,000.00
Legal and consultancy fees	-	15,000.00
Miscellaneous expenses	1,300.00	52,435.00
Books & periodical	-	675.00
Postage & Courier Charges	-	500.00
Rates & Taxes	21,245.00	19,180.00
Wages	12,500.00	-
Total	16,02,899.05	3,767,886.13

Deposits

Particulars	31-03-2069
Nepal Telecom	9,856,601.89
Mineral Water	94,429.72
GPO Box Deposits	597,207.48
Total	11,207,764.93

Statement of Fixed Assets and Depreciation
For the Year Ended on 31st Ashadh 2069

 Schedule - 2
 (Amount in NRs.)

Description	Rate %	Gross Block 01-04-2068	Addition During the year	Adjustment During the year	Total Asset	Depreciation 01-04-2068	Depreciation for the year	Adjustment During the year	Total Depreciation	Net block 31-03-2069	Net block 31.03.2068
Pool B:											
Office Equipment & Computer	25	30,03,459.23	-	-	300,3459.23	1,603,919.26	349,884.99	-	1,953,804.25	1,049,654.98	1,399,539.97
Office Furniture & Fixtures	25	5,313,262.21	-	-	5,313,262.21	2,361,393.66	737,967.14	-	3,099,360.80	2,213,901.41	2,951,868.55
Pool C:											
Vehicle	20	1,166,281.92	-	-	1,166,281.92	608,954.67	111,465.45	-	720,420.12	445,861.80	557,327.25
Total					9,483,003.36	4,574,267.59	1,199,317.58		5,773,585.17	3,709,418.19	4,908,735.77

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

For the Year Ended 31st Ashadh, 2069

Schedule - 1

Statement of Hare Capital: Call in Arrear

(Amount in NRs.)

Name	Shares	Amount
Manju Prasai, Ms. (21)	10,000	100,000.00
Sharad Kumar Neupane (28)	10,000	100,000.00
Pra Nath K. C. (31)	15,000	150,000.00
Rajendra Kasaju (37)	15,000	150,000.00
Bikram Prasad Kasaju (45)	15,000	150,000.00
Mahendra Prasad Shrestha (74)	15,000	150,000.00
Rabindra Prasad Kasaju (75)	15,000	150,000.00
Shyam Sunder Khetan (43 A4)	20,000	200,000.00
Rajendra Shakya (47)	25,000	250,000.00
Ajad Shrestha (56A12)	16,500	165,000.00
Anjan Shrestha (57 A13)	20,000	200,000.00
Chandra Bahadur Rajbhandari (60)	10,000	100,000.00
Ganesh Bahadur Shrestha (61 A14)	20,000	200,000.00
Krishna Bahadur Shrestha (63)	10,000	100,000.00
Nirakar Shrestha (65 A16)	20,000	200,000.00
Niranjan Shrestha (66 A15)	20,000	200,000.00
Sunil Shrestha (68A17)	20,000	200,000.00
Manoj Pun (76)	10,000	100,000.00
Rajendra Kumar Bataju (79)	15,000	150,000.00
Manoj Kumar Shrestha (81)	10,000	100,000.00
Total Calls in Arrear	311,500.00	3,115,000.00

Sundry Debtors

1. Ranjit Subba	56,520.00
2. Padam B Gurung	50,062.50
3. GMII (P) Ltd.	40,000.00
Total Sundry Debtors	146,582.50

Staff Advance

1. Durganand Rajbanshi	747.00
Total Staff Advance	747.00

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

For the Year Ended 31st Ashadh, 2069

TDS

(Amount in NRs.)

1. TDS on Rent	213,165.00
1.1 Padam B Gurung	100,125.00
1.2 Ranjit Subba	113,040.00
2. TDS on Fees	8,400.00
3. TDS on Others	1,067.72
3.1 Gappsco International P. Ltd.	1,067.72

Payable Gratuity

1. Jestha, Aasadh 2067 & DPS Poudyalaya	597,207.48
Total Gratuity Payable	597,207.48

Payable CIT

1. Bhadra 2067	352,886.00
	352,886.00

Payable Provident Fund

1. Jestha, Aasadh, Shrwan & Bhadra 2067	262,785.84
	262,785.84

Sundry Creditors

1. Retention for Leasehold Interior Works	171,229.75
1.1 Nasa Trading Pvt. Ltd	1,71,229.75
1.2 Himalayas continental Pvt. Ltd.	-
1.3 Keen Enterprises Pvt. Ltd.	-
2. Retention on Outsourcers	185,007.50
2.1 Kirara Electronics Nepal	141,960.00
2.2 Secure Alarms Traders	43,047.50
3. Payable to Staffs	725,678.98
3.1 Payable Salary	725,678.98
4. Others	1,316,388.69
4.1 Board fee	88,400.00
4.2 Gappsco International P. Ltd.	53,622.15
4.3 B.K. Singh & CO.	17,000.00
4.4 Laxmi Chaudhary (Housekeeping)	2,500.00
4.5 Payable Rent	636,866.54
4.6 Others	5,18,000.00
5. Advance on call from Shareholder	8,792,649.75
5.1 Entire Promoters @ Rs.2 per share	4,000,000.00
5.2 Roadshow Investment Co. P. Ltd.	4,792,649.75
	11,190,954.67

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming part of the Balance Sheet As at 31st Asadha 2069

Significant Accounting Policies and Notes to Accounts

Brief introduction of the company:

AJOD Insurance Limited has been registered under the Company Act, 2063 with the Office of the Registrar of company, under the Department of Industry, commerce and Supply, Government of Nepal on 2064 Chaitra 20, with registration number -1061/064/065.

AJOD Insurance Limited, Kathmandu has not yet obtained the license from Insurance Board under the Insurance Act, 2049 for conducting the general insurance business. The company has not also obtained the certificate of commencement of business as required.

However, AJOD Insurance Limited has been registered with Inland Revenue Office and obtained PAN Number 302895548 dated 2065-01-03.

A. Accounting Policies:

1. Accounting system:

The financial statements have been prepared under the historical cost convention and in accordance with the Nepal Accounting Standards or relevant practices and the provisions of the company act 2063. The financial statements are also prepared in the prescribed format as required under the Insurance Rules, 2049.

All incomes and expenses having material bearing on the financial statements are recognized on accrual basis.

2. Depreciation:

Depreciation on fixed assets has been provided on written down value method and in accordance with the provisions of schedule-2 of the Income Tax Act 2058.

3. Interest income:

Interest earned on the investment of fixed deposits with banks is accounted for on accrual basis.

4. Pro-operation expenses:

Expenses incurred before the commencement of business are capitalized as pre-operational expenses and shown in the balance sheet. Such expenses will be amortized in the coming years after the company begins its operation of general insurance according to the decision of the board.

B. Notes to accounts:

1. Data are regrouped as needed and reflected accordingly.
2. Figures are shown in Nepalese Rupees.
3. Schedules 1 to 6 are forming integral part of the financial statements.

B.K. Singh & Co.
REGISTERED AUDITORS

Ga - 2 605, Battisputali
Mobkle: 98510-98557

AUDITORS' REPORT
To The shareholders of
Ajod Insurance Ltd.
Thapathali, Kthmandu

Report on the financial statements

We have audited the accompanying financial statements of Ajod Insurance Ltd. Kathmandu, which comprise the balance sheet as at 32nd Asadh, 2068 and the Income statement, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards (NAS). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether financial statements are free from material misstatement.

Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

- a) We have obtained prompt replies to our queries and explanations asked for;
- b) The balance sheet, Income statement and cash flow statement are in agreement with the books of accounts and drawn up in compliance with the provisions of company Act 2063;
- c) The accounts and records of the company have been accurately maintained in accordance with the law;
- d) In our opinion and to the best of our information and explanations given to us, the board of directors or any employee of the company has not acted contrary to the legal provisions relating to accounts nor committed any misappropriation or caused loss or damage to the company.

In our opinion, the financial statements give a true and fair view of the financial position of Ajod Insurance Ltd., Kathmandu as of 32nd Asadh, 2068 and of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards (NAS).



(RA. B. K. Singh, FCA)
For: B. K. Singh & Co.
Registered Auditors
Date, 28 Marg 2068



AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Balance Sheet As at 32nd Ashadh 2068

(Amount in NRs.)

Particulars	Schedules	Current Year 32-03-2068	Previous Year 31-03-2067
Sources of Funds:			
Paid up Share Capital	1	26,885,000.00	26,885,000.00
Total		26,885,000.00	26,885,000.00
Applications of Funds:			
Fixed Assets	2	4,908,735.77	6,527,936.13
Investment in Fixed Deposits		-	-
Current Assets			
Advances and recoverable	3	1,623,114.62	1,611,337.52
Deposit	4	12,300.00	12,300.00
Cash and bank balances	5	59,190.59	226,870.04
		1,694,605.21	1,850,507.56
Less: Current liabilities	6	(11,207,764.93)	(7,630,817.88)
Net current assets		(9,513,159.72)	(5,780,310.32)
Preliminary expenses (not written off)		1,961,921.44	1,961,921.44
Pre-operating expenses (up to Previous Year)		24,175,452.75	10,473,430.78
Pre-operating expenses (of this year)		5,352,049.76	13,702,021.97
Total		26,885,000.00	26,885,000.00
Significant Accounting Policies and Notes to Accounts	7		

Binod Pd. Bista
 Chairman

Ajad Shrestha
 Director

Min Man Shrestha
 Director

Rajendra Pd. Kayastha
 Director

As per our report of even date

Min Bdr. Gurung
 Director

B. K. Singh
 For: B. K. Singh & Co.
 Registered Auditors
 Date: 28 Marg, 2068



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Income Statement

For the period Shrawan 01, 2067 to Ashadh, 2068 (2067/2068-2010/2011)

(Amount in NRs.)

Particulars	Schedule	Current Year 2067/2068	Previous Year 2066/2067
Income:			
Income from interest		5,637.69	82,683.20
Total		5,637.69	82,683.20
Expenses:			
Establishment expenses	6	3,767,886.13	11,670,697.72
Depreciation	2	1,589,801.32	2,114,007.45
Total		5,357,687.45	13,784,705.17
Pre-operating expenses transferred to Balance Sheet		5,352,049.76	13,702,021.97

Significant Accounting Policies and Notes to Accounts

7

Binod Pd. Bista
Chairman

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

As per our report of even date

Min Bdr. Gurung
Director

B. K. Singh
For: B. K. Singh & Co.
Registered Auditors
Date: 28 Marg, 2068

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Cash Flow Statement For the Year Ended 32nd Ashadh, 2068

(Amount in NRs.)

Particulars	32-03-2068	31-03-2067
(A) Cash flow from operating activities:		
Net Profit before taxation and Extra ordinary item	(5,352,049.76)	(13,702,021.97)
Adjustment for:		
Depreciation	1,589,801.32	2,114,007.45
Income from interest	(5,637.69)	(82,683.20)
Profit on sale of Assets	-	-
Interest expenses	-	-
Operating profit before working capital changes	(3,767,886.13)	(11,670,697.72)
(Increase) decrease in recoverable	(11,777.10)	3,440,826.20
Preliminary expenses	-	-
Increase (decrease) in payables	3,576,947.05	7,056,065.75
Net Cash from operating activities (A)	(202,716.18)	(1,173,805.77)
(B) Cash flow from investing activities:		
Purchases of fixed assets	29,399.04	-
Insurance Claim Recovery	-	29,399.04
Interest received	5,637.69	82,683.20
Investment in Fixed Deposit	-	2,500,000.00
Net cash used in investing activities (B)	35,036.73	2,612,082.24
(C) Cash flow from financing activities:		
Increase in share capital	-	-
Increase or (decrease) in loans	-	-
Dividend paid	-	-
Net cash used in financing activities (C)	-	-
Net increase in cash and cash equivalents(A+B+C)	(167,679.45)	(3,561,090.77)
Add: Cash and cash equivalent at the beginning of the period	226,870.04	3,787,960.81
Cash and cash equivalent at the end of the period	59,190.59	226,870.04

Binod Pd. Bista
 Chairman

Ajad Shrestha
 Director

Min Man Shrestha
 Director

Rajendra Pd. Kayastha
 Director

As per our report of even date

Min Bdr. Gurung
 Director

B. K. Singh
 For: B. K. Singh & Co.
 Registered Auditors
 Date: 28 Marg, 2068



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

For the period Ended 32nd Ashad, 2068

Statement of Share Capital

Schedule - 1
(Amount in NRs.)

Particulars	32-03-2068	31-03-2067
Authorized share capital:		
5000000 Ordinary shares of Rs 100 each	500,000,000.00	500,000,000.00
Issued share Capital:		
2500000 ordinary shares of Rs 100 each	250,000,000.00	250,000,000.00
Subscribed shares:		
20,00,000 Ordinary shares of Rs 100 each	200,000,000.00	200,000,000.00
Called up shares:		
20,00,000 Ordinary shares of Rs 15 each	30,000,000.00	3,00,00,000.00
Paid up share capital:		
20,00,000 shares of Rs. 15 each	30,000,000.00	30,000,000.00
Less, Calls In Arrears For 311,500 Shares of Rs. 10 each	(3,115,000.00)	(3,115,000.00)
Total	26,885,000.00	26,885,000.00

Statement of Debtors & Recoverables

Schedule - 3

Particulars	32-03-2068	31-03-2067
Sundry Debtors	125,206.25	169,841.50
Accrued interest	-	-
Staff advance	28,241.00	328.66
VAT recoverable	1,376,718.43	1,349,168.20
Advance tax	92,948.94	91,999.16
Total	1,623,114.62	1,611,337.52
Deposit	12,300.00	12,300.00

Statement of Cash and Bank Balances

Schedule - 4
(Amount in NRs.)

Particulars	32-03-2068	31-03-2067
Vibor Bikas Bank Ltd.	9,471.11	33,924.60
Shikhar Bitty Sanstha Ltd.	11,548.58	22,921.45
Bank of Kathmandu	20,705.04	51,425.20
Imperial Finance Ltd.	17,465.86	118,598.79
Total	59,190.59	226,870.04

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

For the period Ended 32nd Ashad, 2068

Statement of Current Liabilities

Schedule - 5

Particulars	32-03-2068	32-03-2067
Sundry Creditors	9,856,601.89	6,919,230.85
TDS	94,429.72	78,957.36
Gratuity	597,207.48	472,883.17
CIT	386,400.00	15,000.00
Provident fund	273,125.84	144,746.50
Total	11,207,764.93	7,630,817.88

Statement of Establishment Expenses

Schedule - 6

Particulars	32-03-2068	32-03-2067
Salaries & Allowances	1,733,018.50	7,022,401.11
Contribution to Provident fund	64,494.67	451,448.15
Gratuity	58,502.67	656,861.07
Training & Stipend Expenses	-	59,623.00
Electricity & Water	43,999.48	94,278.85
Communication Expenses	75,561.03	171,480.98
Printing and stationery	5187.00	930,308.00
Local Conveyance	-	8,000.00
Travelling expenses	-	-
Office rent	1,421,100.00	1,421,100.00
Advertisement	-	-
Insurance Premium	97,775.09	34,280.57
Consumables	1,745.00	23,896.54
Repair and maintenance	25,017.29	64,326.24
Fuel expenses	24,579.25	133,277.35
Entertainment	15,116.15	97,675.40
Business promotion	-	-
Bank charges	-	-
Board meeting fees	104,000.00	72,000.00
Audit fee	10,000.00	40,000.00
Legal and consultancy fees	15,000.00	290,000.00
Miscellaneous expenses	52,435.00	53,795.46
Books & periodicals	675.00	5,500.00
Postage & Courier Charges	500.00	12,535.00
Rates & Taxes	19,180.00	27,910.00
Total	3,767,886.13	11,670,697.72

Statement of Fixed Assets and Depreciation
For the Year Ended 32nd Ashadh 2068

 Schedule - 2
 (Amount in NRs.)

Description	Rate %	Gross Block 01-04-2067	Addition During the year	Adjustment During the year	Total Asset	Depreciation 01-04-2067	Depreciation for the year	Adjustment During the year	Total Depreciation	Net block 32-03-2068	Net block 32-03-2067
Pool B:											
Office Equipment & Computer	25	3,038,741.61	-	(35,282.38)	3,003,459.23	1,143,289.27	466,513.33	(5,883.34)	1,63,919.26	1,399,539.97	1,895,452.34
Office Furniture & Fixtures	25	5,313,262.21	-	-	5,313,262.21	1,377,437.48	983,956.18	-	2,361,393.66	2,951,868.55	3,935,824.73
Pool C:											
Vehicle	20	1,166,281.92	-	-	1,166,281.92	469,622.86	139,331.81	-	608,954.67	557,327.25	696,659.06
Total		9,518,285.74	-	(35,282.38)	9,483,003.36	2,990,349.61	1,589,801.32	(5,883.34)	4,574,267.59	4,908,735.77	6,527,936.13

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming part of the Balance Sheet
As at 32nd Ashad, 2068

Schedule - 7

Significant Accounting Policies and Notes to Accounts

Brief introduction of the company:

AJOD Insurance Limited has been registered under the Company Act, 2063 with the Office of the Registrar of company, under the Department of Industry, commerce and Supply, Government of Nepal on 2064 Chaitra 20, with registration number -1061/064/065.

AJOD Insurance Limited, Kathmandu has not yet obtained the license from Insurance Board under the Insurance Act, 2049 for conducting the general insurance business. The company has not also obtained the certificate of commencement of business as required.

However, AJOD Insurance Limited has been registered with Inland Revenue Office and obtained PAN Number 30289548 dated 2065-01-03.

A. Accounting Policies:

1. Accounting system:

The financial statements have been prepared under the historical cost convention and in accordance with the Nepal Accounting Standards or relevant practices and the provisions of the company act 2063. The financial statements are also prepared in the prescribed format as required under the Insurance Rules, 2049.

All incomes and expenses having material bearing on the financial statements are recognized on accrual basis.

2. Depreciation:

Depreciation on fixed assets has been provided on written down value method and in accordance with the provisions of schedule-2 of the Income Tax Act 2058.

3. Interest income:

Interest earned on the investment of fixed deposits with banks is accounted for on accrual basis.

4. Pre-operation expenses:

Expenses incurred before the commencement of business are capitalized as pre-operational expenses and shown in the balance sheet. Such expenses will be amortized in the coming years after the company begins its operation of general insurance according to the decision of the board.

B. Notes to accounts:

1. Data are regrouped as needed and reflected accordingly.
2. Figures are shown in Nepalese Rupees.
3. Schedules 1 to 6 are forming integral part of the financial statements.

K. K. SINGH & CO.

Chartered Accountants

158/18 Kha, shree Ram Marg
Battispatali, Kathmandu
Phone: 4472463 (Off.), 4472125

AUDITORS' REPORT TO THE SHAREHOLDERS OF AJOD INSURANCE LIMITED, KATHMANDU.

We have audited the accompanying balance sheet of AJOD Insurance Ltd., Kathmandu, as of 32nd Asadh, 2067 and the related Income Statement, Cash flow statements and Accounting Policies and Notes to Accounts for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Nepal Standards on Auditing or relevant practices. Those standards or relevant practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained prompt replies to our queries and explanations asked for;
2. The balance sheet and Income Statement and Cash flows are in agreement with the books of accounts and drawn up in compliance with the provisions of the Company Act, 2063;
3. the accounts and records of the company have been accurately maintained in accordance with the law;
4. In our opinion and to the best of our information and according to the explanations given to us, the board of directors or any employee of the company has not acted contrary to the legal provisions relating to accounts nor committed any misappropriation or caused loss or damage to the company.
5. In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 32nd Asadh, 2067, and of the results of its operations and its cash flows for the year then ended in accordance with Nepal Accounting Standards or relevant practices and comply with provisions of Company Act, 2063.



(K. K. Singh, FCA)
For: K. K. Singh & Co.
Chartered Accountants



Date, 22nd September, 2010 (6th Ashwin, 2067)

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Balance Sheet

As at 32nd Ashadh 2067 (July 16, 2010)

(Amount in NRs.)

Particulars	Schedules	Current Year 32-03-2067	Previous Year 31-03-2066
Sources of Funds:			
Paid up Share Capital	1	26,885,000.00	26,885,000.00
Total		26,885,000.00	26,885,000.00
Applications of Funds:			
Fixed Assets	2	6,527,936.13	3,671,975.38
Investment in Fixed Deposits		-	2,500,000.00
Current Assets			
Advances and recoverable	3	1,611,337.52	5,052,163.72
Deposit	4	12,300.00	12,300.00
Cash and bank balances	5	226,870.04	3,787,960.81
		1,850,507.56	8,852,424.53
Less: Current liabilities	6	(7,630,817.88)	(574,752.13)
Net current assets		(5,780,310.32)	8,277,672.40
Preliminary expenses (not written off)		1,961,921.44	1,961,921.44
Pre-operating expenses (up to Previous Year)		10,473,430.78	2,016,458.29
Pre-operating expenses (of this year)		13,702,021.97	8,456,972.49
Total		26,885,000.00	26,885,000.00

Significant Accounting Policies and Notes to Accounts

7

Binod Pd. Bista
 Chairman

Dinesh P. S. Poudyalaya
 Chief Executive Officer

Ajad Shrestha
 Director

Rajendra Pd. Kayastha
 Director

Praveen K. Koirala
 Director

Min Man Shrestha
 Director

Min Bdr. Gurung
 Director

As per our report of even date

K. K. Singh, FCA
 For: K. K. Singh & Co.
 Chartered Accountants

Date: Ashwin 6, 2067



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Income Statement

For the period Shrawan 01, 2066 to 32nd Ashadh, 2067 (2066/2067-2009/2010)

(Amount in NRs.)

Particulars	Schedule	Current Year 2066/2067	Previous Year 2065/2066
Income:			
Income from interest		82,683.20	347,308.46
Total		82,683.20	347,308.46
Expenses:			
Establishment expenses	6	11,670,697.72	8,037,424.79
Depreciation	2	2,114,007.45	766,856.16
Total		13,784,705.17	8,804,280.98
Pre-operating expenses transferred to Balance Sheet		13,702,021.97	8,456,972.49

Significant Accounting Policies and Notes to Accounts

7

Binod Pd. Bista
Chairman

Dinesh P. S. Poudyalaya
Chief Executive Officer

Ajad Shrestha
Director

Rajendra Pd. Kayastha
Director

Praveen K. Koirala
Director

Min Man Shrestha
Director

Min Bdr. Gurung
Director

As per our report of even date

K. K. Singh, FCA
For: K. K. Singh & Co.
Chartered Accountants

Date: Ashwin 6, 2067

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Cash Flow Statement For the Year Ended 32nd Ashadh, 2067

(Amount in NRs.)

Particulars	32-03-2067	31-03-2066
(A) Cash flow from operating activities:		
Net Profit before taxation and Extra ordinary item	(13,702,021.97)	(8,456,972.49)
Adjustment for:		
Depreciation	2,114,007.45	766,856.16
Income from interest	(82,683.20)	(347,308.46)
Profit on sale of Assets	-	
Interest expenses	-	
Operating profit before working capital changes	(11,670,697.72)	(8,037,424.79)
(Increase) decrease in recoverable	3,440,826.20	(4,237,813.95)
Preliminary expenses	-	-
Increase (decrease) in payables	7,056,065.75	(638,275.46)
Net Cash from operating activities (A)	(1,173,805.77)	(12,913,514.20)
(B) Cash flow from investing activities:		
Purchases of fixed assets	(4,992,266.57)	(2,889,737.25)
Insurance Claim Recovery	22,298.37	-
Interest received	82,683.20	347,308.46)
Investment in Fixed Deposit	2,500,000.00	-
Net cash used in investing activities (B)	2,387,285	(2,542,428.79)
(C) Cash flow from financing activities:		
Increase in share capital	-	16,885,000.00
Increase or (decrease) in loans	-	-
Dividend paid	-	-
Net cash used in financing activities (C)	-	16,885,000.00
Net increase in cash and cash equivalents(A+B+C)	(3,561,090.77)	1,429,057.01
Add: Cash and cash equivalent at the beginning of the period	3,787,960.81	2,358,903.80
Cash and cash equivalent at the end of the period	226,870.04	3,787,960.81

Binod Pd. Bista
Chairman

Dinesh P. S. Poudyalaya
Chief Executive Officer

Ajad Shrestha
Director

Rajendra Pd. Kayastha
Director

Praveen K. Koirala
Director

Min Man Shrestha
Director

Min Bdr. Gurung
Director

As per our report of even date

K. K. Singh, FCA
For: K. K. Singh & Co.
Chartered Accountants

Date: Ashwin 6, 2067



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

For the period Ended 32nd Ashad, 2067

Statement of Share Capital

Schedule - 1
(Amount in NRs.)

Particulars	32-03-2067	31-03-2066
Authorized share capital:		
5000000 Ordinary shares of Rs 100 each	500,000,000.00	500,000,000.00
Issued share Capital:		
2500000 ordinary shares of Rs 100 each	250,000,000.00	250,000,000.00
Subscribed shares:		
20,00,000 Ordinary shares of Rs 100 each	200,000,000.00	200,000,000.00
Called up shares:		
20,00,000 Ordinary shares of Rs 15 each	30,000,000.00	3,00,00,000.00
Paid up share capital:		
20,00,000 shares of Rs. 15 each	30,000,000.00	30,000,000.00
Less, Calls In Arrears For 311,500 Shares of Rs. 10 each	(3,115,000.00)	(3,115,000.00)
Total	26,885,000.00	26,885,000.00

Statement of Debtors & Recoverables

Schedule - 3

Particulars	32-03-2067	31-03-2066
Sundry Debtors	169,841.50	4,369,791.25
Accrued interest	-	40,740.21
Staff advance	328.66	10,364.15
VAT recoverable	1,349,168.20	569,691.71
Advance tax	91,999.16	61,576.40
Total	1,611,337.52	5,052,163.72
Deposit	12,300.00	12,300.00

Statement of Cash and Bank Balances

Schedule - 4
(Amount in NRs.)

Particulars	32-03-2067	31-03-2066
Vibor Bikas Bank Ltd.	33,924.60	2,099,082.27
Shikhar Bitty Sanstha Ltd.	22,921.45	158,327.14
Bank of Kathmandu	51,425.20	187,936.92
Imperial Finance Ltd.	118,598.79	1,342,614.48
Total	226,870.04	3,787,960.81

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

For the period Ended 32nd Ashad, 2067

Statement of Current Liabilities

Schedule - 5

Particulars	32-03-2067	31-03-2066
Sundry Creditors	6,919,230.85	457,501.20
TDS	78,957.36	88,468.05
Gratuity	472,883.17	14,391.44
CIT	15,000.00	-
Provident fund	144,746.50	14,391.44
Total	7,630,817.88	574,752.13

Statement of Establishment Expenses

Schedule - 6

Particulars	32-03-2067	31-03-2066
Salaries & Allowances	7,022,401.11	4,173,057.67
Contribution to Provident fund	451,448.15	316,681.22
Gratuity	656,861.07	139,778.30
Training & Stipend Expenses	59,623.00	870,344.30
Electricity & Water	94,278.85	106,306.67
Communication Expenses	171,480.98	127,763.03
Printing and stationery	930,308.00	37,085.00
Local Conveyance	8,000.00	12,323.00
Travelling expenses	-	-
Office rent	1,421,100.00	1,093,445.83
Advertisement	-	-
Insurance Premium	34,280.57	119,575.00
Consumables	23,896.54	57,250.63
Repair and maintenance	64,326.24	13,951.64
Fuel expenses	133,277.35	127,663.54
Entertainment	97,675.40	140,153.95
Business promotion	-	180,354.00
Bank charges	-	300.00
Board meeting fees	72,000.00	123,000.00
Audit fee	40,000.00	40,000.00
Legal and consultancy fees	290,000.00	300,000.00
Miscellaneous expenses	53,795.46	33,291.01
Books & periodical	5,500.00	10,797.00
Postage & Courier Charges	12,535.00	3,878.00
Rates & Taxes	27,910.00	10,425.00
Total	11,670,697.12	8,037,424.79

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Statement of Fixed Assets and Depreciation For the Year Ended 32nd Ashadh 2067

Schedule - 2
(Amount in NRs.)

Description	Rate %	Gross Block 01-04-2066	Addition During the year	Adjustment During the year	Total Asset	Depreciation 01-04-2066	Depreciation for the year	Adjustment During the year	Total Depreciation	Net block 32-03-2067	Net block 31.03.2066
Pool B:											
Office Equipment & Computer	25	2,851,886.25	219,289.36	(32,434.00)	3,038,741.61	525,523.80	627,901.10	(10,135.63)	1,143,289.27	1,895,452.34	2,326,362.45
Office Furniture & Fixtures	25	540,285.00	4,772,977.21	-	5,313,262.21	65,495.90	1,311,941.58	-	1,377,437.48	3,935,824.73	474,789.10
Pool C:											
Vehicle	20	1,166,281.92	-	-	1,166,281.92	295,458.09	174,164.77	-	469,622.86	696,659.06	870,823.83
Total		4,558,453.17	4,992,266.57	(32,434.00)	9,518,285.74	886,477.79	2,114,007.45	(10,135.63)	2,990,349.61	6,527,936.13	3,671,975.38

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming part of the Balance Sheet As at 32nd Ashad, 2067

Schedule - 7

Significant Accounting Policies and Notes to Accounts

Brief introduction of the company:

AJOD Insurance Limited has been registered under the Company Act, 2063 with the office of the Registrar of company, under the Department of Industry, commerce and Supply Government of Nepal on 2064 Chaitra 20, with registration number -1061/064/065

AJOD Insurance Limited, Kathmandu has not yet obtained the license from Insurance under the Insurance Act, 2049 for conducting the general insurance business. The company has not also obtained the certificate of commencement of business as required.

However, AJOD Insurance Limited has been registered with Inland Revenue Office and obtained PAN Number 302895548 dated 2065-01-03.

A. Accounting Policies:

1. Accounting system:

The financial statements have been prepared under the historical cost convention and in accordance with the Nepal Accounting Standards or relevant practices and the provisions of the company act 2063. The financial statements are also prepared in the prescribed format as required under the Insurance Rules, 2049.

All incomes and expenses having material bearing on the financial statements are recognized on accrual basis.

2. Depreciation:

Depreciation on fixed assets has been provided on written down value method and in accordance with the provisions of schedule-2 of the Income Tax Act 2058.

3. Interest income:

Interest earned on the investment of fixed deposits with banks is accounted for on accrual basis.

4. Pre-operation expenses:

Expenses incurred before the commencement of business are capitalized as pre-operational expenses and shown in the balance sheet. Such expenses will be amortized in the coming years after the company begins its operation of general insurance according to the decision of the board.

B. Notes to accounts:

1. Data are regrouped as needed and reflected accordingly.
2. Figures are shown in Nepalese Rupees.
3. Schedules 1 to 7 are forming integral part; of the financial statements.



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Balance Sheet
As at 31st Ashadh 2066 (July 15, 2009)

(Amount in NRs.)

Particulars	Schedules	Current Year 31-03-2066	Previous Year 31-03-2065
Sources of Funds:			
Paid up Share Capital	1	26,885,000.00	10,000,000.00
Total		26,885,000.00	10,000,000.00
Applications of Funds:			
Fixed Assets	2	3,671,975.38	1,549,094.29
Investment in Fixed Deposits		2,500,000.00	2,500,000.00
Current Assets			
Advances and recoverable	3	5,052,163.72	821,349.77
Deposit		12,300.00	5,300.00
Cash and bank balances	4	3,787,960.81	2,358,903.80
		8,852,424.53	3,185,553.57
Less: Current liabilities	5	(574,752.13)	(1,213,027.59)
Net current assets		8,277,672.40	1,972,525.98
Preliminary expenses (not written off)		1,961,921.44	1,961,921.44
Pre-operating expenses (up to Previous Year)		2,016,458.29	-
Pre-operating expenses (of this year)		8,456,972.49	2,016,458.29
Total		26,885,000.00	10,000,000.00

Significant Accounting Policies and Notes to Accounts

7

Binod Pd. Bista
Chairman

Dinesh P. S. Poudyalaya
Chief Executive Officer

Ajad Shrestha
Director

Rajendra Pd. Kayastha
Director

Suraj Bhattarai
Finance Head

Min Man Shrestha
Director

Min Bdr. Gurung
Director

As per our report of even date

K. K. Singh, FCA
For: K. K. Singh & Co.
Chartered Accountants

Date: Marga 30, 2066

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Income Statement

For the period Shrawan 01, 2065 to 31st Ashadh, 2066 (2065/2066-2008/2009)

(Amount in NRs.)

Particulars	Schedule	Current Year 2065/2066	Previous Year 2064/2065
Income:			
Income from interest		347,308.46	103,941.02
Total		347,308.46	103,941.02
Expenses:			
Establishment expenses	6	8,037,424.79	2,000,777.68
Depreciation		766,856.16	119,621.63
Total		8,804,280.95	2,120,399.31
Pre-operating expenses transferred to Balance Sheet		8,456,972.49	2,016,458.29

Significant Accounting Policies and Notes to Accounts

7

Binod Pd. Bista
 Chairman

Dinesh P. S. Poudyalaya
 Chief Executive Officer

Ajad Shrestha
 Director

Rajendra Pd. Kayastha
 Director

Suraj Bhattarai
 Finance Head

Min Man Shrestha
 Director

Min Bdr. Gurung
 Director

As per our report of even date

K. K. Singh, FCA
 For: K. K. Singh & Co.
 Chartered Accountants

Date: Marga 30, 2066

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Cash Flow Statement For the Year Ended 31st Ashadh, 2066

(Amount in NRs.)

Particulars	31-03-2066	31-03-2065
(A) Cash flow from operating activities:		
Net Profit before taxation and Extra ordinary item	(8,456,972.49)	(2,016,458.29)
Adjustment for:		
Depreciation	766,856.16	119,621.63
Income from interest	(347,308.46)	(103,941.02)
Profit on sale of Assets	-	-
Interest expenses	-	-
Operating profit before working capital changes	(8,037,424.79)	2,000,777.68)
(Increase) decrease in recoverable	(4,237,813.95)	(826,649.77)
Preliminary expenses	-	(1,961,921.44)
Increase (decrease) in payables	(638,275.46)	1,213,027.59
Net Cash from operating activities (A)	(12,913,514.20)	(3,576,321.30)
(B) Cash flow from investing activities:		
Purchases of fixed assets	(2,889,737.25)	(1,668,715.92)
Interest received	347,308.46	103,941.02
Investment in Fixed Deposit	-	(2,500,00.00)
Net cash used in investing activities (B)	(2,542,428.79)	(4,064,774.90)
(C) Cash flow from financing activities:		
Increase in share capital	16,885,000.00	10,000,000.00
Increase or (decrease) in loans	-	-
Dividend paid	-	-
Net cash used in financing activities (C)	16,885,000.00	10,000,000.00
Net increase in cash and cash equivalents(A+B+C)	1,429,057.01	2,358,903.80
Add: Cash and cash equivalent at the beginning of the period	2,358,903.80	-
Cash and cash equivalent at the end of the period	3,787,960.81	2,358,903.80

Binod Pd. Bista
Chairman

Dinesh P. S. Poudyalaya
Chief Executive Officer

Ajad Shrestha
Director

Rajendra Pd. Kayastha
Director

Suraj Bhattarai
Finance Head

Min Man Shrestha
Director

Min Bdr. Gurung
Director

As per our report of even date

K. K. Singh, FCA
For: K. K. Singh & Co.
Chartered Accountants

Date: Marga 30, 2066

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

For the period Ended 31st Ashad, 2066

Statement of Share Capital

Schedule - 1
(Amount in NRs.)

Particulars	31-03-2066	31-03-2065
Authorized share capital:		
5000000 Ordinary shares of Rs 100 each	500,000,000.00	500,000,000.00
Issued share Capital:		
2500000 ordinary shares of Rs 100 each	250,000,000.00	250,000,000.00
Subscribed shares:		
20,00,000 Ordinary shares of Rs 100 each	200,000,000.00	200,000,000.00
Called up shares:		
20,00,000 Ordinary shares of Rs 15 each	30,000,000.00	10,000,000.00
Paid up share capital:		
20,00,000 shares of Rs. 15 each	30,000,000.00	10,000,000.00
Less, Calls In Arrears For 311,500 Shares of Rs. 10 each	(3,115,000.00)	-
Total	26,885,000.00	10,000,000.00

Statement of Debtors & Recoverables

Schedule - 3

Particulars	31-03-2066	31-03-2065
Sundry Debtors	4,369,791.25	617,324.96
Accrued interest	40,740.21	42,808.22
Staff advance	10,364.15	5,890.04
VAT recoverable	569,691.71	146,156.63
Advance tax	61,576.40	9,169.92
Total	5,052,163.72	821,349.77
Deposit	12,300.00	5,300.00

Statement of Cash and Bank Balances

Schedule - 4
(Amount in NRs.)

Particulars	31-03-2066	31-03-2065
Vibor Bikas Bank Ltd.	2,099,082.27	2,258,643.58
Shikhar Bitty Sanstha Ltd.	158,327.14	12,755.32
Bank of Kathmandu	187,936.92	87,504.90
Imperial Finance Ltd.	1,342,614.48	-
Total	3,787,960.81	2,358,903.80

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Statement of Fixed Assets and Depreciation For the Year Ended 31st Ashadh 2066

Schedule - 2
(Amount in NRs.)

Description	Rate %	Gross Block 01-04-2065	Addition During the year	Total Asset	Depreciation 01-04-2065	Depreciation for the year	Total Depreciation	Net block 31-03-2066	Net block 31-03-2065
Pool B:									
Office Equipment & Computer	25	502,434.00	2,349,452.25	2,851,886.25	41,869.50	483,654.30	525,523.80	2,326,362.45	460,564.50
Office Furniture & Fixtures	25	-	540,285.00	540,285.00	-	65,495.90	65,495.90	474,789.10	-
Pool C:									
Vehicle	20	1,166,281.92	-	1,166,281.92	77,752.13	217,705.96	295,458.09	870,823.83	1,088,529.79
Total		1,668,715.92	2,889,737.25	4,558,453.17	119,621.63	766,856.16	886,477.79	3,671,975.38	1,549,094.29

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

For the period Ended 31st Ashad, 2066

Statement of Current Liabilities

Schedule - 5

Particulars	31-03-2066	31-03-2065
Sundry Creditors	457,501.20	808,837.88
TDS	88,468.05	130,406.42
Gratuity	14,391.44	32,130.32
CIT	-	23,436.00
Provident fund	14,391.44	218,216.97
Total	574,752.13	1,213,027.59

Statement of Establishment Expenses

Schedule - 6

Particulars	31-03-2066	31-03-2065
Salaries & Allowances	4,173,057.67	769,634.41
Contribution to Provident fund	316,681.22	72,065.16
Gratuity	139,778.30	16,065.16
Training & Stipend Expenses	870,344.30	-
Electricity & Water	106,306.67	26,492.00
Communication Expenses	127,763.03	104,274.14
Printing and stationery	37,085.00	21,227.00
Local Conveyance	12,323.00	27,720.00
Travelling expenses	-	215,491.49
Office rent	1,093,445.83	87,500.00
Advertisement	-	31,297.50
Insurance Premium	119,575.00	62,439.98
Consumables	57,250.63	87,226.30
Repair and maintenance	13,951.64	16,465.00
Fuel expenses	127,663.54	32,993.50
Entertainment	140,153.95	58,520.04
Business promotion	180,354.00	21,784.00
Bank charges	300.00	450.00
Board meeting fees	123,000.00	199,000.00
Audit fee	40,000.00	40,000.00
Legal and consultancy fees	300,000.00	100,000.00
Miscellaneous expenses	33,291.01	10,132.00
Books & periodical	10,797.00	-
Postage & Courier Charges	3,878.00	-
Rates & Taxes	10,425.00	-
Total	8,037,424.79	2,000,777.68



AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedules forming part of the Balance Sheet As at 31st Ashad, 2066

Schedule - 7

Significant Accounting Policies and Notes to Accounts

Brief introduction of the company:

AJOD Insurance Limited has been registered under the Company Act, 2063 with the Office of the Registrar of company, under the Department of Industry, commerce and Supply, Government of Nepal on 2064 Chaitra 20, with registration number -1061/064/065.

AJOD Insurance Limited, Kathmandu has not yet obtained the license from Insurance Board under the insurance Act, 2049 for conducting the general insurance business. The company has not also obtained the certificate of commencement of business as required

However, AJOD Insurance Limited has been registered with Inland Revenue Office and obtained PAN Number 302895548 dated 2065-01-03.

A. Accounting Policies:

1. Accounting system:

The financial statements have been prepared under the historical cost convention and in accordance with the Nepal Accounting Standards or relevant practices and the provisions of the company act 2063. The financial statements are also prepared in the prescribed format as required under the Insurance Rules, 2049.

All incomes and expenses having material bearing on the financial statements are recognized on accrual basis.

2. Depreciation:

Depreciation on fixed assets has been provided on written down value method and in accordance with the provisions of schedule-2 of the Income Tax Act 2058.

3. Interest income:

Interest earned on the investment of fixed deposits with banks is accounted for on accrual basis.

4. Pre-operation expenses:

Expenses incurred before the commencement of business are capitalized as pre-operational expenses and shown in the balance sheet. Such expenses will be amortized in the coming years after the company begins its operation of general insurance according to the decision of the board.

B. Notes to accounts:

1. The Previous year's figures were for four months only. This year's figures are of full financial year and therefore not comparable.
2. Figures are shown in Nepalese Rupees.
3. Schedules 1 to 6 are forming integral part of the financial statements.

K. K. SINGH & CO.

Chartered Accountants

158/18 Kha, shree Ram Marg
Battisputali, Kathmandu
Phone: 4472463 (Off.), 4472125**AUDITORS' REPORT
TO THE SHAREHOLDERS OF
AJOD INSURANCE LIMITED, KATHMANDU.**

We have audited the accompanying balance sheet of AJOD Insurance Ltd., Kathmandu, as of 31st Asadh, 2065 and the related Income Statement and Cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Nepal Standards on Auditing or relevant practices. Those standards or relevant practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained prompt replies to our queries and explanations asked for;
2. The balance sheet and Income Statement and Cash flows are in agreement with the books of accounts and drawn up in compliance with the provisions of the Company Act, 2063;
3. The accounts and records of the company have been accurately maintained in accordance with the law;
4. In our opinion and to the best of our information and according to the explanations given to us, the board of directors or any employee of the company has not acted contrary to the legal provisions relating to accounts nor committed any misappropriation or caused loss or damage to the company.
5. In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31st Asadh, 2065, and of the results of its operations and its cash flows for the year then ended in accordance with Nepal Accounting Standards or relevant practices and comply with provisions of Company Act, 2063.



(K. K. Singh, FCA)

For: K. K. Singh & Co

Chartered Accountants

Date: 29th December, 2008 (14th Poush, 2065)



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

Balance Sheet
As at Ashadh 31, 2065

(Amount in NRs.)

Particulars	Schedules	31-03-2065
Sources of Funds:		
Paid up Share Capital	1	10,000,000.00
Total		10,000,000.00
Applications of Funds:		
Fixed Assets	2	1,549,094.29
Investment in Fixed Deposits		2,500,000.00
Current Assets		
Advances and recoverable	3	821,349.77
Deposit		5,300.00
Cash and bank balances	4	2,358,903.80
		3,185,553.57
Less: Current liabilities	5	(1,213,027.59)
Net current assets		1,972,525.98
Preliminary expenses Not written off		1,961,921.44
Preoperating expenses Not written off		2,016,458.29
Total		10,000,000.00

Significant Accounting Policies and Notes to Accounts

7

Dinesh P. S. Poudyalaya
Chief Executive Officer

Binod Pd. Bista
Chairman

Suraj Bhattarai
Finance Head

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

Min Bdr. Gurung
Director

As per our report of even date



K. K. Singh, FCA
 For: K. K. Singh & Co.
 Chartered Accountants

Date: Poush 14, 2065

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Income Statement

For the period Shrawan 2064, Chaitra 20 to Ashad 31, 2065

(Amount in NRs.)

Particulars	Schedule	31-03-2065
Income:		
Income from interest		103,941.02
Total		103,941.02
Expenses:		
Establishment expenses	6	2,000,777.68
Depreciation		119,621.63
Total		2,120,399.31
Pre-operating expenses transferred to Balance Sheet		2,016,458.29

Significant Accounting Policies and Notes to Accounts

7

Dinesh P. S. Poudyalaya
Chief Executive Officer

Binod Pd. Bista
Chairman

Suraj Bhattarai
Finance Head

Ajad Shrestha
Director

Min Man Shrestha
Director

Rajendra Pd. Kayastha
Director

Min Bdr. Gurung
Director

As per our report of even date



K. K. Singh, FCA
 For: K. K. Singh & Co.
 Chartered Accountants

Date: Poush 14, 2065

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Cash Flow Statement For the Year Ended Ashadh 31st, 2065

(Amount in NRs.)

Particulars	31-03-2065
(A) Cash flow from operating activities:	
Pre-operating expenses not written off before taxation and Extra ordinary item	(2,016,458.29)
Adjustment for:	
Depreciation	119,624.63
Income from interest	(103,941.02)
Profit on sale of Assets	-
Interest expenses	-
Operating profit before working capital changes	2,000,777.68
(Increase) decrease in recoverable	(826,649.77)
Preliminary expenses	(1,961,921.44)
Increase (decrease) in payables	1,213,027.59
Net Cash from operating activities (A)	(3,576,321.30)
(B) Cash flow from investing activities:	
Purchases of fixed assets	(1,668,715.90)
Interest received	103,941.00
Investment in Fixed Deposit	(2,500,00.00)
Net cash used in investing activities (B)	(4,064,774.90)
(C) Cash flow from financing activities:	
Increase in share capital	10,000,000.00
Increase or (decrease) in loans	-
Dividend paid	-
Net cash used in financing activities (C)	10,000,000.00
Net increase in cash and cash equivalents(A+B+C)	2,358,903.80
Add: Cash and cash equivalent at the beginning of the period	-
Cash and cash equivalent at the end of the period	2,358,903.80

Dinesh P. S. Poudyalaya
 Chief Executive Officer

Binod Pd. Bista
 Chairman

Suraj Bhattarai
 Finance Head

Ajad Shrestha
 Director

Min Man Shrestha
 Director

Rajendra Pd. Kayastha
 Director

Min Bdr. Gurung
 Director

As per our report of even date


K. K. Singh, FCA
 For: K. K. Singh & Co.
 Chartered Accountants

Date: Poush 14, 2065

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

For the period Ended Ashad 31, 2065

Statement of Share Capital

Schedule - 1
(Amount in NRs.)

Particulars		31-03-2065
Authorized share capital:		
5000000 Ordinary shares of Rs 100 each		500,000,000.00
Issued share Capital:		
2500000 ordinary shares of Rs 100 each		250,000,000.00
Subscribed shares:		
20,00,000 Ordinary shares of Rs 100 each		200,000,000.00
Called up shares:		
20,00,000 Ordinary shares of Rs 15 each		10,000,000.00
Paid up share capital:		
20,00,000 shares of Rs. 15 each		10,000,000.00
Total		10,000,000.00

Statement of Debtors & Recoverables

Schedule - 3

Particulars	31-03-2065
Sundry Debtors	617,324.96
Accrued interest	42,808.22
Staff advance	5,890.04
VAT recoverable	146,156.63
Advance tax	9,169.92
Total	821,349.77
Deposit	5,300.00

Statement of Cash and Bank Balances

Schedule - 4
(Amount in NRs.)

Particulars	31-03-2065
Vibor Bikas Bank Ltd.	2,258,643.58
Shikhar Bittiya Sanstha Ltd.	12,755.32
Bank of Kathmandu	87,504.90
Total	2,358,903.80



AJOD Insurance Limited
CTC Mall, Sundhara, Kathmandu

For the period Ended Ashad 31, 2065

Statement of Current Liabilities

Schedule - 5

Particulars	31-03-2065
Sundry Creditors	808,837.88
TDS	130,406.42
Gratuity	32,130.32
CIT	23,436.00
Provident fund	218,216.97
Total	1,213,027.59

Statement of Establishment Expenses

Schedule - 6

Particulars	31-03-2065
Salaries & Allowances	769,634.41
Contribution to Provident fund	72,065.16
Gratuity	16,065.16
Electricity & Water	26,492.00
Communication Expenses	104,274.14
Printing and stationery	21,227.00
Local Conveyance	27,720.00
Travelling expenses	215,491.49
Office rent	87,500.00
Advertisement	31,297.50
Insurance Premium	62,439.98
Consumables	87,226.30
Repair and maintenance	16,465.00
Fuel expenses	32,993.50
Entertainment	58,520.04
Business promotion	21,784.00
Bank charges	450.00
Board meeting fees	199,000.00
Audit fee	40,000.00
Legal and consultancy fees	100,000.00
Miscellaneous expenses	10,132.00
Total	2,000,777.68

AJOD Insurance Limited

CTC Mall, Sundhara, Kathmandu

Schedule - 7

Schedules forming part of the Balance Sheet As at 31 Ashad, 2065

Significant Accounting Policies and Notes to Accounts

Brief introduction of the company:

AJOD Insurance Limited has been registered under the Company Act, 2063 with the office of the Registrar of company, under the Department of Industry, commerce and Supply Government of Nepal on 2064 Chaitra 20, with registration number -1061/064/065

AJOD Insurance Limited, Kathmandu has not yet obtained the license from Insurance board under the Insurance Act, 2049 for conducting the general insurance business. The company has not also obtained the certificate of commencement of business as required under section 63 of the company Act, 2063 from the Office of the Registrar of Company. Therefore, AJOD Insurance Limited is in the pre-operation stage.

However, AJOD Insurance Limited has been registered with Inland Revenue Office and obtained PAN Number 302895548 dated 2065-01-03.

A. Accounting Policies:

1. Accounting system:

The financial statements have been prepared under the historical cost convention and in accordance with the Nepal Accounting Standards or relevant practices and the provisions of the company act 2063. The financial statements are also prepared in the prescribed format as required under the company Act and Rules, 2063.

All incomes and expenses having material bearing on the financial statements are recognized on accrual basis.

2. Depreciation:

Depreciation on fixed assets has been provided on written down value method and in accordance with the provisions of schedule-2 of the Income Tax Act 2058.

3. Interest income:

Interest earned on the investment of fixed deposits with banks is accounted for on accrual basis.

4. Pre-operation expenses:

Expenses incurred before the commencement of business are capitalized as pre-operational expenses and shown in the balance sheet. Such expenses will be amortized in the coming years after the company begins its operation of general insurance according to the decision of the board.

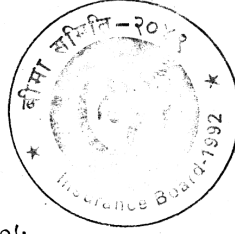
B. Notes to accounts:

1. This being the first financial year of the company and therefore, previous year's figures are not appearing in the financial statements.
2. Figures are shown in Nepalese Rupees.
3. Schedules 1 to 7 are forming integral part of the financial statements.



बीमा समिति
BEEMA SAMITI

नेपालको बीमा नियमनकारी निकाय
Insurance Regulatory Authority of Nepal



गैरस्थलगत सुपरीवेक्षण ३४७ (२०७५/०७६) च.न. ५००५

मिति: २०७६/०२/१६

श्री अजोड इन्स्योरेन्स कम्पनी लि.
सुन्धारा, काठमाण्डौं ।

अजोड इन्स्योरेन्स लि.
द.नं. १०३३/०६५/०७६
मिति: २०७६/०२/१६
समय: १२:४३:००


विषय: आ.व. २०७४/७५ को वित्तीय विवरण स-शर्त स्वीकृतिबारे ।

TO
HR/ADM / Finance Dep
SP
4/6/19

तहाँको मिति २०७५/०२/०७ (च.न. १४२२ (०७५/०७६) को पत्र सम्बन्धमा लेखिदै छ ।

बीमकको वित्तीय विवरण प्रतिको उत्तरदायित्व बीमकमा रहेको सर्वविदितै छ । लेखापरीक्षण भई समितिको स्वीकृतिको लागि पेश हुन आएको समितिबाट जारी निर्देशिका बमोजिमको तहाँको आ.व. २०७४/७५ को वित्तीय विवरण सम्बन्धमा देहाय बमोजिमका शर्तहरू सहित स्वीकृत गरिएको व्यहोरा निर्णयानुसार आवश्यक कार्यार्थ जानकारी गराईन्छ ।

- १) बीमकको अन्डरराईटिङ्ग प्रकृया र दावी भुक्तानी प्रकृया प्रभावकारी बनाउनु हुन ।
- २) बीमकले समितिबाट जारी भएको बीमकको लगानी निर्देशनको पूर्ण पालना गर्नुहुन ।
- ३) बीमकको व्यवस्थापन खर्च उच्च रहेको प्रति सचेत रहनुहुन ।
- ४) बीमकले समितिबाट जारी भएको "Solvency Margin Directive for General Insurers" बमोजिम सोल्भेन्सी मार्जिन कायम गर्नुहुन ।
- ५) बीमकले समितिबाट जारी भएको बीमकको संस्थागत सुशासन सम्वन्धी निर्देशिका, २०७५ को पूर्ण पालना गर्नुहुन ।
- ६) बीमकको आन्तरिक तथा बाह्य लेखा परीक्षकले औँल्याएका कैफियतहरू सुधार गर्नुहुन ।
- ७) बीमकले समितिबाट वित्तीय विवरण स्वीकृत भएको मितिले साठी (६०) दिनभित्र साधारण सभा गर्नुहुन ।


सन्तोष कार्की

प्रमुख, गैरस्थलगत सुपरीवेक्षण शाखा

बीमा समितिको शर्त सम्बन्धी व्यवस्थापनको प्रत्युत्तर

बीमा समितिद्वारा आ.व. २०७४।७५ को वित्तीय विवरण स-शर्त स्वीकृत दिइएको हुँदा त्यसमा उल्लेखित शर्तहरू सम्बन्धि व्यवस्थापनको निम्न बमोजिमको प्रत्युत्तर रहेको छः

१. कम्पनीले आफ्नो अन्डरराईटिङ प्रक्रिया तथा दावी भुक्तानी प्रक्रिया प्रभावकारी बनाईसकेको छ ।
२. कम्पनीले चालु आ.व मा समितिबाट जारी लगानी निर्देशिकाको पूर्ण रुपमा पालना गरेको छ ।
३. कम्पनीले आफ्नो व्यवस्थापन खर्च उच्च रहेको प्रति सचेत रहेको छ । यसलाई न्युनीकरण गर्न कम्पनी प्रतिबद्ध रहेको छ ।
४. कम्पनी समितिबाट जारी भएको 'Solvency Margin Directive for General Insurers' को सोल्भेन्सी मार्जिन कायम गर्ने प्रतिबद्ध रहेको छ ।
५. बिमा समितिले जारी गरेको संस्थागत सुशासन सम्बन्धि निर्देशिका, २०७५ को पूर्ण रुपले पालना गर्नको लागि कम्पनी प्रतिबद्ध रहेको छ ।
६. कम्पनीले आन्तरीक र बाह्य लेखापरीक्षकले औंल्याएका कैफियतहरू क्रमिक रुपमा सुधार गर्दै लिएको छ ।
७. कम्पनीले वित्तीय विवरण स्वीकृत भएको ६० दिन भित्र वार्षिक साधारण सभा गर्ने व्यवस्था मिलाएको छ ।

अजोड इस्योरेन्स लिमिटेडको प्रथम वार्षिक साधारण सभामा कम्पनीको नियमावलीमा प्रस्तावित संशोधन

नियमावलीको सम्बन्धित नियम	हालको व्यवस्था	प्रस्तावित संशोधन	संशोधन गर्नुपर्ने कारण
नियम २४(२)	<p>यस कम्पनीमा ६ (छ) जनाको संचालक समिति हुनेछ। जसमा १(एक) जना स्वतन्त्र संचालक रहनेछन। सो समितिमा देहाय बमोजिम प्रतिनिधित्व हुनेछः</p> <p>(क) समुह क : संस्थापक शेयरधनीहरु मध्ये -४ (चार)</p> <p>(ख) समुह ख : सर्वसाधारण शेयरधनीहरु बाट निर्वाचित -१ (एक)</p> <p>(ग) समुह ग : नियम २६ उपनियम १ अनुसार योग्यता भएका संचालक समितिको सिफारिसमा साधारण सभाबाट नियुक्त स्वतन्त्र संचालक -१(एक)</p>	<p>यस कम्पनीमा देहाय बमोजिम प्रतिनिधित्व हुने गरी ७ (सात) जनाको संचालक समिति हुनेछः</p> <p>(क) समुह क : संस्थापक शेयरधनीहरुबाट -४ (चार) जना</p> <p>(ख) समुह ख : सर्वसाधारण शेयरधनीहरु बाट निर्वाचित -२(दुई) जना</p> <p>(ग) नियम २६ उपनियम १ अनुसार योग्यता भएका संचालक समितिको सिफारिसमा नियुक्त स्वतन्त्र विज्ञ संचालक -१(एक) जना</p> <p>(घ) सर्वसाधारण शेयरधनी समुहबाट नियुक्त हुने संचालकले प्रतिनिधित्व नगरेसम्म संचालक समितिले संस्थापकहरुमध्यबाट - १ (एक) जना संचालक मनोनित गर्ने छ।</p>	<p>बीमकको संस्थागत सुशासन सम्बन्धी निर्देशिका, २०७५ को दफा ३(१) बमोजिम र हाल प्रथम संचालक ५ (पाँच) जना प्रतिनिधित्व गरिरहेकोमा सर्वसाधारणको तर्फबाट संचालक प्रतिनिधित्व नभएसम्म संस्थापकहरुबाट ५ (पाँच) जना संचालक राख्न उपयुक्त भएकोले।</p>

व्यवस्थापन समूह



कुमार बहादुर खत्री
प्रमुख कार्यकारी अधिकृत



सुरेन्द्र थापा
नायब प्रमुख कार्यकारी अधिकृत



अनिल कुमार अर्याल
सहायक महाप्रबन्धक
अन्डरराइटिङ्ग



महेश राज खरेल
सहायक महाप्रबन्धक
मानव संसाधन तथा प्रशासन

विभागीय प्रमुखहरू



गणेश कुमार कापर
प्रमुख - वित्त विभाग



दोरिन्द्र राज दाहाल
प्रमुख - बजार विभाग



एस. जे. बी. राणा
प्रमुख - दाबी विभाग



प्रशन्न कुमार चौधरी
प्रमुख - पुनर्बीमा विभाग



राजु कुमार साहुखल
प्रमुख - सूचना प्रविधि विभाग



अजोड इन्स्योरेन्स लिमिटेड AJOD Insurance Limited

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Tel: 01-4233743, 4243072, 4243303, Fax: 977-1-4244013



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