

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF SIDDHARTHA PREMIER INSURANCE LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Siddhartha Premier Insurance Limited (hereafter referred to as "the Company")** which comprise Statement of Financial Position as at Ashadh 31, 2081 (July 15, 2024), and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a Summary of Significant Accounting Policies and other explanatory notes (hereafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements present fairly, in all material respects, the financial position of the company, as at Ashadh 31, 2081 (July 15, 2024), and its financial performance, cash flows, changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards, comply with Company Act, 2063 and other prevailing Laws.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summaries below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Key audit matter	Key Audit Procedure
<p><b><u>Revenue Recognition</u></b></p> <p>The Company has reported gross premium of NRs. 4,192.04 million in the Profit or Loss account in its annual financial statements (from 1<sup>st</sup> Shrawan 2080 to 31<sup>st</sup> Ashadh 2081) as per terms and conditions of underwriting of insurance policy included reinsurance accepted.</p>	<p>Insurer issues insurance policies in compliance with directives on insurance tariffs issued by Nepal Insurance Authority.</p> <p>Insurance Act 2079 allows insurance coverage only on receipt of insurance premium.</p> <p>We have checked the appropriateness of underwriting process, booking of premium income and reinsurance accepted and tested the control implemented.</p> <p>We find that data used for calculation of Gross change in unearned premium by the Company appointed Actuary are appropriate and complete.</p> <p>Based on our audit procedures, we were able to satisfy ourselves that the booking of gross premium is acceptable.</p>
<p><b><u>Measurement of Gross Insurance Contract Liabilities</u></b></p> <p>In the financial statements of the Company, provision for Gross Insurance Contract Liabilities amounting to NRs. 4,957.99 million has been made as per the directives of Nepal Insurance Authority.</p>	<p>Given the significance of gross insurance contract liabilities, we evaluated the appropriateness of the design of the process for recognizing reserves as well as carried out functional tests in order to assess the effectiveness of the internal controls.</p> <p>We focused on controls designed to ensure that the data used is appropriate and complete and that the calculation process is subject to sufficient form of quality assurance. We focused in particular on controls designed to ensure that new products and policies are correctly classified and that changes in assumptions are correctly implemented in the systems</p> <p>Estimation of Gross insurance contract liabilities i.e. Unearned Premium Reserve, Unearned Risk Reserve, Earthquake Premium Reserve, Margin Over Best Estimate, Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) are made by an independent actuary in compliance with Risk Based Capital and Solvency Directive, 2024 issued by Nepal Insurance Authority and we relied on the Company appointed actuary's certification.</p> <p>Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made for gross insurance contract liabilities by the management on actuary's Risk Based Capital and Solvency Valuation Note are acceptable.</p>

*S.R. Pandey*



### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management Report, Report of the Board of Directors and Chairman's Statement but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud and error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

### Report on Other Legal and Regulatory Requirements

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

- i. We have obtained all the information and explanations which were considered necessary for the purpose of our audit.
- ii. The financial statements are in agreement with the books of account maintained by the Company.
- iii. The Statement of Financial Position, Statement of Profit or Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows and attached Schedules dealt with by this report are in agreement with the books of account maintained by the Company.
- iv. During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the company has acted contrary to the provisions of law or caused loss or damage to the company.
- v. The details of the branches are adequate for the purpose of our audit, and
- vi. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book.

Place: Kathmandu  
Date: 2081/10/21  
UDIN: 250204CA00031PMYZW



Sudarshan Raj Pandey, FCA  
Senior Partner



**Siddhartha Premier Insurance Ltd.**  
Statement of Financial Position  
As At Ashadh 31, 2081 (July 15, 2024 )

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>Assets</b>			
Goodwill & Intangible Assets	4		
Property and Equipment	5	12,705,133.96	11,744,651.58
Investment Properties	6	746,503,752.89	830,527,831.01
Deferred Tax Assets	7	309,393,869.27	203,139,299.27
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	-	-
Loans	11	9,306,186,893.41	9,405,735,641.05
Reinsurance Assets	12	26,443,217.23	19,758,639.59
Current Tax Assets	21	2,838,364,762.68	3,455,482,620.90
Insurance Receivables	13	129,677,917.85	64,582,478.98
Other Assets	14	360,774,611.12	1,606,026,099.28
Other Financial Assets	15	105,410,135.98	86,536,405.03
Cash and Cash Equivalents	16	661,655,011.48	622,434,791.02
<b>Total Assets</b>		<b>14,636,600,866.73</b>	<b>16,426,631,341.73</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	17 (a)	2,806,549,900.00	2,806,549,900.00
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17(c)	475,935.00	475,935.00
Special Reserves	17(d)	2,500,000,000.00	2,500,000,000.00
Catastrophe Reserves	17(e)	188,242,128.34	137,634,531.21
Retained Earnings	17(f)	1,100,436,658.91	457,734,321.71
Other Equity	17(g)	1,168,137,589.49	1,664,208,648.65
<b>Total Equity</b>		<b>7,763,842,211.74</b>	<b>7,566,603,336.56</b>
<b>Liabilities</b>			
Provisions	18	253,978,896.00	378,404,048.63
Gross Insurance Contract Liabilities	19	4,957,990,910.66	5,324,853,995.01
Deferred Tax Liabilities	7	262,071,412.95	586,777,181.81
Insurance Payables	20	624,524,161.07	1,808,318,186.17
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	510,179,378.39	464,776,774.029
Other Financial Liabilities	24	264,013,895.91	296,897,819.512
<b>Total Liabilities</b>		<b>6,872,758,654.98</b>	<b>8,560,028,005.16</b>
<b>Total Equity and Liabilities</b>		<b>14,636,600,866.73</b>	<b>16,426,631,341.73</b>

The accompanying notes form an integral part of these Financial Statements.

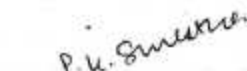
  
Suresh Lal Shrestha  
Chairman

Pawan Kumar Agrawal  
Director


  
Rahul Agrawal  
Director

As per our attached report of even date

  
Rajan Krishna Shrestha  
Director

  
Prabhu Krishna Shrestha  
Director

  
Sumit Kumar Kedia  
Director

  
Sudarshan Raj Pandey, FCA  
Senior Partner  
S. R. Pandey & Co.  
Chartered Accountants



  
Hasana Sharma  
Director

  
Birendra Bahadur Baidar Chhetri  
Chief Executive Officer

  
Padam Bahadur Thapa  
Chief Financial Officer



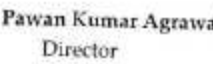
**Siddhartha Premier Insurance Ltd.**  
**Statement of Profit or Loss**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>Income:</b>			
Gross Earned Premiums			
Premiums Ceded	25	4,192,037,068.99	2,940,965,074.54
<b>Net Earned Premiums</b>	26	<b>(2,347,964,002.17)</b>	<b>(1,824,588,724.04)</b>
Commission Income		<b>1,844,073,066.81</b>	<b>1,116,376,350.49</b>
Other Direct Income	27	559,620,926.17	369,718,228.32
Income from Investments & Loans	28	30,420,593.96	10,309,165.59
Net Gains/ (Losses) on Fair Value Changes	29	734,199,542.92	503,401,072.31
Net Realised Gains/ (Losses)	30	5,701,670.00	6,815,900.86
Other Income	31	(153,422,570.57)	-
<b>Total Income</b>	32	<b>16,266,202.88</b>	<b>10,991,803.35</b>
		<b>3,036,859,432.17</b>	<b>2,017,612,520.92</b>
<b>Expenses:</b>			
Gross Claims Paid			
Claims Ceded	33	2,138,149,466.52	3,008,416,182.21
Gross Change in Contract Liabilities	33	(1,150,930,338.20)	(2,211,209,176.76)
Change in Contract Liabilities Ceded to Reinsurers	34	(351,998,225.82)	(1,669,922,618.60)
<b>Net Claims Incurred</b>	34	<b>563,130,355.05</b>	<b>1,523,422,006.95</b>
Commission Expenses		<b>1,198,351,257.56</b>	<b>650,706,393.80</b>
Service Fees	35	37,572,612.06	36,087,921.62
Other Direct Expenses	36	14,124,290.47	9,779,976.65
Employee Benefits Expenses	37	14,830,170.68	11,732,944.32
Depreciation and Amortization Expenses	38	595,696,270.96	391,608,043.45
Impairment Losses	39	47,072,336.71	38,407,345.50
Other Operating Expenses	40	35,411,566.44	34,215,360.59
Finance Cost	41	203,597,777.64	138,941,691.96
<b>Total Expenses</b>	42	<b>14,199,700.27</b>	<b>9,009,887.92</b>
		<b>2,160,855,982.78</b>	<b>1,320,489,565.81</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates</b>			
<b>Accounted for Using Equity Method and Tax</b>		<b>876,003,449.39</b>	<b>697,122,955.12</b>
Share of Net Profit of Associates accounted using Equity Method	9	-	-
<b>Profit Before Tax</b>		<b>876,003,449.39</b>	<b>697,122,955.12</b>
Income Tax Expense	43	187,814,298.00	317,803,450.60
<b>Net Profit/ (Loss) For The Year</b>		<b>688,189,151.39</b>	<b>379,319,504.52</b>
<b>Earning Per Share</b>	51		
Basic EPS		24.52	13.52
Diluted EPS		24.52	13.52

The accompanying notes form an integral part of these Financial Statements.

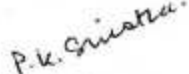
  
**Suresh Lal Shrestha**  
 Chairman

  
**Pawan Kumar Agrawal**  
 Director


  
**Rahul Agrawal**  
 Director

As per our attached report of even date

  
**Rajan Krishna Shrestha**  
 Director

  
**Prabhu Krishna Shrestha**  
 Director

  
**Sumit Kumar Kedia**  
 Director

  
**Sudarshan Raj Pandey, FCA**  
 Senior Partner  
**S. R. Pandey & Co.**  
 Chartered Accountants



  
**Hasana Sharma**  
 Director

  
**Birendra Bahadur Baidawar Chhetri**  
 Chief Executive Officer

  
**Padam Bahadur Thapa**  
 Chief Financial Officer



**Siddhartha Premier Insurance Ltd.**  
**Statement of Comprehensive Income**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**


Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/ (Loss) For The Year		688,189,151.39	379,319,504.52
<b>Other Comprehensive Income</b>			
<b>a) Items that are or may be Reclassified to Profit or Loss</b>			
Changes in Fair Value of FVOCI Debt Instruments		-	-
Cash Flow Hedge - Effective Portion of Changes in Fair Value		-	-
Exchange differences on translation of Foreign Operation		-	-
Share of other comprehensive income of associates accounted for using the equity method		-	-
Income Tax Relating to Above Items		-	-
Reclassified to Profit or Loss		-	-
<b>b) Items that will not be Reclassified to Profit or Loss</b>			
Changes in fair value of FVOCI Equity Instruments		(846,844,062.75)	724,313,285.40
Revaluation of Property and Equipment/ Intangible Assets		13,921,186.31	31,947,019.36
Re-measurement of Post-Employment Benefit Obligations		2,024,529.00	-
Share of other comprehensive income of associates accounted for using the equity method		-	-
Income Tax Relating to Above Items		249,269,504.23	(226,878,091.43)
<b>Total Other Comprehensive Income For the Year, Net of Tax</b>		(581,628,843.21)	529,382,213.33
<b>Total Comprehensive Income For the Year, Net of Tax</b>		106,560,308.18	908,701,717.85

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

  
**Suresh Lal Shrestha**  
 Chairman


  
**Pawan Kumar Agrawal**  
 Director


  
**Rahul Agrawal**  
 Director

  
**Rajan Krishna Shrestha**  
 Director

  
**Prabhu Krishna Shrestha**  
 Director

  
**Sumit Kumar Kedia**  
 Director

  
**Sudarshan Raj Pandey, FCA**  
 Senior Partner  
**S. R. Pandey & Co.**  
 Chartered Accountants



  
**Hasana Sharma**  
 Director

  
**Birendra Bahadur Baidawar Chhetri**  
 Chief Executive Officer

  
**Padam Bahadur Thapa**  
 Chief Financial Officer

Date: 2081/10/21  
 Place: Kathmandu



**Siddhartha Premier Insurance Ltd.**  
**Statement of Changes in Equity**  
**For The Year Ended Asmath 31, 2021**  
**(For The Year Ended July 31, 2021)**

Fig. in NPR

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Other Reserves	Retained Earnings	Reserves	Special Reserves	Capital Reserves	Contingent Reserves	Dividends Received	Current Social Responsibility (CSR) Expenses	Business Fund Including Transition Reserve	Fair Value Reserves	Interest Reserves	Deferred Tax Reserves	Other Reserves	Total
Balance as at Asmath 1, 2020	5,227,684,800.00	475,000.00	-	115,290,274.87	215,557,921.39	83,268,384.27	-	83,268,384.27	3,303,948.80	58,410,827.81	58,410,827.81	3,084,332,244.00	72,258,716.09	13,881,188.24	13,881,188.24	3,843,254,514.29	
First Round Allotment	1,227,684,800.00	475,000.00	-	115,290,274.87	1,342,131.27	46,264,864.37	-	46,264,864.37	3,883,951.89	84,018,427.01	84,018,427.01	3,644,921,611.09	72,258,716.09	13,881,188.24	13,881,188.24	3,843,254,514.29	
Other Companies' Income for the Year, Net of Tax	-	-	-	-	23,000,806.26	115,290,274.87	-	-	3,883,951.89	-	-	-	72,258,716.09	13,881,188.24	13,881,188.24	3,843,254,514.29	
Dividend Income for the Year	-	-	-	-	19,211,471.31	19,211,471.31	-	-	-	-	-	-	72,258,716.09	13,881,188.24	13,881,188.24	3,843,254,514.29	
Other Companies' Income for the Year, Net of Tax	-	-	-	-	13,105,814.83	13,105,814.83	-	-	4,574,110.17	-	-	-	-	-	-	13,105,814.83	
Dividend Income for the Year	-	-	-	-	8,113,424.68	8,113,424.68	-	-	-	-	-	-	-	-	-	8,113,424.68	
Other Companies' Income for the Year, Net of Tax	-	-	-	-	6,252,246.69	6,252,246.69	-	-	1,845,135.29	-	-	-	-	-	-	6,252,246.69	
Dividend Income for the Year	-	-	-	-	145,537,606.03	145,537,606.03	-	-	-	-	-	-	-	-	-	145,537,606.03	
Other Companies' Income for the Year, Net of Tax	-	-	-	-	38,252,286.47	38,252,286.47	-	-	1,384,327.47	-	-	-	-	-	-	38,252,286.47	
Dividend Income for the Year	-	-	-	-	132,944,714.13	132,944,714.13	-	-	5,168,859.48	-	-	-	-	-	-	132,944,714.13	
Other Companies' Income for the Year, Net of Tax	-	-	-	-	129,843,107.43	129,843,107.43	-	-	-	-	-	-	-	-	-	129,843,107.43	
Dividend Income for the Year	-	-	-	-	61,207,677.06	61,207,677.06	-	-	-	-	-	-	-	-	-	61,207,677.06	
Other Companies' Income for the Year, Net of Tax	-	-	-	-	145,537,606.03	145,537,606.03	-	-	-	-	-	-	-	-	-	145,537,606.03	
Dividend Income for the Year	-	-	-	-	40,794,321.71	40,794,321.71	-	-	-	-	-	-	-	-	-	40,794,321.71	
Other Companies' Income for the Year, Net of Tax	-	-	-	-	45,724,321.71	45,724,321.71	-	-	14,261,782.74	-	-	-	-	-	-	45,724,321.71	
Dividend Income for the Year	-	-	-	-	84,456,787.74	84,456,787.74	-	-	34,233,874.74	-	-	-	-	-	-	84,456,787.74	
Other Companies' Income for the Year, Net of Tax	-	-	-	-	48,100,117.19	48,100,117.19	-	-	-	-	-	-	-	-	-	48,100,117.19	
Dividend Income for the Year	-	-	-	-	6,252,246.69	6,252,246.69	-	-	-	-	-	-	-	-	-	6,252,246.69	
Other Companies' Income for the Year, Net of Tax	-	-	-	-	17,428,246.69	17,428,246.69	-	-	6,117,228.67	-	-	-	-	-	-	17,428,246.69	
Dividend Income for the Year	-	-	-	-	871,433,112.64	871,433,112.64	-	-	1,991,991.96	-	-	-	-	-	-	871,433,112.64	
Other Companies' Income for the Year, Net of Tax	-	-	-	-	382,430,842.00	382,430,842.00	-	-	-	-	-	-	-	-	-	382,430,842.00	
Dividend Income for the Year	-	-	-	-	1,230,028,390.91	1,230,028,390.91	-	-	24,326,888.87	-	-	-	-	-	-	1,230,028,390.91	
Balance as at Asmath 31, 2021	22,86,588,900.00	475,000.00	-	34,554,616.88	2,203,000,000.00	108,242,228.34	-	108,242,228.34	24,326,888.87	196,130,862.43	196,130,862.43	441,708,275.84	18,117,376.38	18,117,376.38	18,117,376.38	2,306,000,376.60	

As per our detailed report of www.splc

*S. P. M. S.*  
 Chartered Accountants  
 Kathmandu

*Rajendra*  
 Rajendra Khatiwada  
 Director

*S. P. M. S.*  
 Chartered Accountants  
 Kathmandu

*P. U. G. S.*  
 P. U. G. S. Chartered Accountants  
 Kathmandu

*S. P. M. S.*  
 Chartered Accountants  
 Kathmandu

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*S. P. M. S.*  
 Chartered Accountants  
 Kathmandu



**Siddhartha Premier Insurance Ltd.**  
**Statement of Cash Flows**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

Fig. in NPR

Cash Flow From Operating Activities:	Current Year	Previous Year
<b>Cash Received</b>		
Gross Premium Received		
Reinsurance Commission Received	4,177,172,210.45	2,784,395,493.74
Claim Recovery Received from Reinsurers	574,419,815.11	349,790,480.21
Realised Foreign Exchange Income other than bn Cash and Cash Equivalents	2,360,771,476.47	2,211,209,176.76
Other Direct Income Received	-	-
Others - Other Income	30,420,593.96	23,046,486.35
<b>Cash Paid</b>	1,025,998.66	17,465,420.95
Gross Claims Paid		
Reinsurance Premium Paid	(2,124,921,206.48)	(3,008,416,182.21)
Commission Paid	(3,477,770,524.12)	(2,785,251,860.62)
Service Fees Paid	(31,455,185.29)	(31,263,694.62)
Employee Benefits Expenses Paid	(20,276,720.93)	(21,172,292.26)
Other Management Expenses Paid	(628,988,917.88)	(79,952,566.22)
Other Direct Expenses Paid	(238,466,114.12)	(557,803,408.22)
Others - Other Expenses	(14,830,170.68)	(11,732,944.32)
Income Tax Paid	(592,004.32)	(2,650,012.00)
<b>Net Cash Flow From Operating Activities [1]</b>	<b>(63,189,195.99)</b>	<b>(1,261,473,164.46)</b>
<b>Cash Flow From Investing Activities</b>		
Acquisitions of Intangible Assets		
Proceeds From Sale of Intangible Assets	(1,591,615.04)	(42,499.68)
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Acquisitions of Property, Plant & Equipment	-	-
Proceeds From Sale of Property, Plant & Equipment	(20,510,744.32)	(5,361,395.73)
Investment in Subsidiaries	19,693,270.75	2,561,934.74
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	(160,279,675.88)	-
Proceeds from Sale of Equity Instruments	578,964,309.43	(7,300,996.28)
Purchase of Mutual Funds	(27,500,000.00)	(1,000,000.00)
Proceeds from Sale of Mutual Funds	6,695,678.01	-
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	(171,492,882.76)	(159,730,000.00)
Proceeds from Sale of Debentures	13,064,765.52	-
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	5,000,000.00	-
Investments in Deposits	(5,019,500,000.00)	(3,483,900,000.00)
Maturity of Deposits	4,444,900,000.00	3,180,300,000.00
Loans Paid	(19,746,119.53)	(3,381,865.00)
Proceeds from Loans	9,376,696.92	4,226,453.94
Rental Income Received	12,727,901.57	6,473,617.60
Proceeds from Finance Lease	-	-
Interest Income Received	705,418,467.84	485,631,061.46
Dividend Received	5,512,309.31	4,822,775.65
Others	-	-
<b>Total Cash Flow From Investing Activities [2]</b>	<b>380,732,361.83</b>	<b>23,299,086.70</b>

**Siddhartha Premier Insurance Ltd.**  
**Statement of Cash Flows**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

Fig. in NPR

<b>Cash Flow From Financing Activities</b>		
Interest Paid		
Proceeds From Borrowings	-	-
Repayment of Borrowings	-	-
Payment of Finance Lease	-	-
Proceeds From Issue of Share Capital	-	-
Share Issuance Cost Paid	-	-
Dividend Paid	-	-
Dividend Distribution Tax Paid	(301,060,562.00)	-
Others	(7,659,927.00)	(9,207,637.00)
<b>Total Cash Flow From Financing Activities [3]</b>	<b>(308,720,489.00)</b>	<b>(9,207,637.00)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents [1+2+3]</b>		
<b>Cash &amp; Cash Equivalents At Beginning of The Year/Period</b>	<b>18,822,676.83</b>	<b>(1,247,381,714.76)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>120,662,884.02</b>	<b>1,368,044,598.78</b>
<b>Cash &amp; Cash Equivalents At End of The Year/Period</b>	<b>139,465,560.85</b>	<b>120,662,884.02</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash In Hand		
Cheques In Hand	20,000.00	518,020.63
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
<b>Balance With Banks</b>	<b>139,465,560.85</b>	<b>120,144,863.39</b>

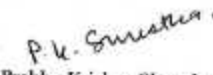
  
**Suresh Lal Shrestha**  
 Chairman

**Pawan Kumar Agrawal**  
 Director

  
**Rahul Agrawal**  
 Director

As per our attached report of even date

  
**Rajan Krishna Shrestha**  
 Director

  
**Prabhu Krishna Shrestha**  
 Director


  
**Sumit Kumar Kedia**  
 Director

  
**Sudarshan Raj Pandey, FCA**  
 Senior Partner  
**S. R. Pandey & Co.**  
 Chartered Accountants



  
**Hasana Sharma**  
 Director

  
**Birendra Bahadur Baidawar Chhetri**  
 Chief Executive Officer

  
**Padam Bahadur Thapa**  
 Chief Financial Officer


Date: 2081/10/21  
 Place: Kathmandu



**Siddhartha Premier Insurance Ltd.**  
**Statement of Distributable Profit or Loss**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	457,734,321.71	211,657,921.69
Transfer from OCI reserves to retained earning in current year	399,399,056.00	-
Net profit or (loss) as per statement of profit or loss	688,189,151.39	379,319,504.52
<b>Appropriations:</b>		
i) Transfer to Insurance Fund	-	-
ii) Transfer to Special Reserve	-	(138,497,654.90)
iii) Transfer to Catastrophe Reserve	(50,607,597.14)	7,780,559.39
iv) Transfer to Capital Reserve	-	-
v) Transfer to CSR reserve	(10,121,519.43)	(4,374,319.17)
vi) Transfer to/from Regulatory Reserve	-	6,353,256.41
vii) Transfer to Fair Value Reserve	-	-
viii) Transfer of Deferred Tax Reserve	(75,436,264.63)	58,112,424.60
ix) Transfer to OCI reserves due to change in classification	-	-
x) Others - Capital Reserve	-	10,984,084.00
- Business Combination	-	132,594,719.13
<b>Deductions:</b>		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments	-	-
b) Mutual Fund	-	-
c) Others	-	-
ii) Accumulated Fair Value gain on Investment Properties	(120,765,514.80)	(116,774,345.80)
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges	-	-
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges	-	-
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges	-	-
vi) Goodwill Recognised	-	(10,984,084)
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency	-	-
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account	-	-
ix) Overdue loans	-	-
x) Fair value gain recognised in Statement of Profit or Loss	-	-
xi) Investment in unlisted shares	-	-
xii) Delisted share investment or mutual fund investment	-	-
xiii) Bonus share/ dividend paid	(308,720,489.00)	(184,152,737.00)
xiv) Deduction as per Sec 17 of Financial directive	-	-
xiv) Deduction as per Sec 18 of Financial directive	-	-
xv) Others : Prior Period Adjustments	-	1,242,135.27
<b>Adjusted Retained Earning</b>	<b>979,671,144.11</b>	<b>353,261,464.13</b>
Add: Transfer from Share Premium Account	-	-
Less: Amount apportioned for Assigned capital	-	-
Less: Deduction as per sec 15(1) Of Financial directive	-	-
Add: Transfer from SIL	-	136,236,208
Less: Tax on Bonus Share Distributed from Share Premium	-	(148,537,697)
<b>Total Distributable Profit/(loss)</b>	<b>979,671,144.11</b>	<b>340,959,975.90</b>

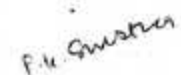
  
**Suresh Lal Shrestha**  
Chairman

**Pawan Kumar Agrawal**  
Director

  
**Rahul Agrawal**  
Director

As per our attached report of even date

  
**Rajan Krishna Shrestha**  
Director

  
**Prabhu Krishna Shrestha**  
Director

  
**Sumit Kumar Kedia**  
Director

  
**Sudarshan Raj Pandey, FCA**  
Senior Partner  
S. R. Pandey & Co.  
Chartered Accountants



  
**Hasana Sharma**  
Director

  
**Birendra Bahadur Baidarwar Chhetri**  
Chief Executive Officer

  
**Padam Bahadur Thapa**  
Chief Financial Officer



# Siddhartha Premier Insurance Ltd.

## Notes to the Financial Statements For The Year Ended Ashadh 31, 2081 (For The Year Ended July 15, 2024)

Fig. in NPR

### 4 Goodwill & Intangible Assets

Particulars	Softwares	Goodwill	Others	Total
<b>Gross carrying amount</b>				
As at Shrawan 1, 2079	3,088,151.70	-	-	3,088,151.70
Additions during the year				
Acquisition	42,500.00	-	-	42,500.00
Internal Development	-	-	-	-
Business Combination	-	10,984,084.00	-	10,984,084.00
Transfer from SIL	643,958.65	-	-	643,958.65
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
As at Shrawan 1, 2080	3,774,610.35	10,984,084.00	-	14,758,694.35
Additions during the year				
Acquisition	1,591,615.04	-	-	1,591,615.04
Internal Development	-	-	-	-
Business Combination	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
<b>Balance as at Ashadh 31, 2081</b>	<b>5,366,225.39</b>	<b>10,984,084.00</b>	<b>-</b>	<b>16,350,309.39</b>
<b>Accumulated amortization and impairment</b>				
As at Shrawan 1, 2079	2,424,566.23	-	-	2,424,566.23
Additions during the year	589,476.54	-	-	589,476.54
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
As at Shrawan 1, 2080	3,014,042.77	-	-	3,014,042.77
Additions during the year	631,132.66	-	-	631,132.66
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
<b>Balance as at Ashadh 31, 2081</b>	<b>3,645,175.43</b>	<b>-</b>	<b>-</b>	<b>3,645,175.43</b>
<b>Capital Work-In-Progress</b>				
As at Shrawan 1, 2079	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
As at Shrawan 1, 2080	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
<b>Balance as at Ashadh 31, 2081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Carrying Amount</b>				
As at Shrawan 1, 2080	760,567.58	10,984,084.00	-	11,744,651.58
As at Ashadh 31, 2081	1,721,049.96	10,984,084.00	-	12,705,133.96

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*Signature*



Siddhartha Premier Insurance Ltd.  
Notes to the Financial Statements  
For The Year Ended Ashadh 31, 2081  
(For The Year Ended July 15, 2024)

5 Property and Equipment

Fig. in NRS

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Carry over amount									
As at Shrawan 1, 2079	350,072,700	76,229,405	-	35,271,325	26,138,187	6,327,209	20,612,835	12,336,099	335,094,900
Additions during the year	-	-	-	3,688,877	280,131	673,278	14,296	284,492	5,361,994
Disposals during the year	282,225,000	111,821,450	9,984,814	8,184,232	1,972,363	5,931,650	16,946,266	3,313,241	440,339,016
Write-offs during the year	-	-	-	(32,108)	-	-	-	-	(32,108)
Revaluation during the year	7,026,500	27,666,215	-	-	-	-	-	-	34,692,715
Transfer/adjustments	-	-	-	-	-	-	-	-	-
As at Shrawan 1, 2080	630,329,200	210,717,171	9,984,814	65,612,376	36,789,622	9,141,826	42,807,097	12,727,613	905,809,421
Additions during the year	-	-	-	497,267	249,131	1,446,579	17,519,668	4	20,310,744
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	9,227,050	4,683,336	-	-	-	-	-	-	13,910,386
Transfer/adjustments	(84,719,280)	(25,873,700)	(9,384,814)	9,984,814	-	-	-	-	(10,000,000)
Balance as at Ashadh 31, 2081	383,842,970	179,566,807	-	56,364,486	36,088,793	10,387,905	36,403,197	12,736,811	718,125,883
Accumulated depreciation and impairment									
As at Shrawan 1, 2079	-	13,663,050	-	17,241,848	16,825,882	4,050,525	14,446,513	10,106,792	78,334,845
Additions during the year	-	1,890,349	887,601	3,901,389	4,510,896	1,286,976	3,391,290	1,121,504	16,699,450
Disposals during the year	-	-	-	(8,087,272)	-	-	(2,526,714)	-	(10,614,046)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	(2,242,133)	-	-	-	-	-	-	(2,242,133)
As at Shrawan 1, 2080	-	14,011,676	887,601	21,155,049	23,336,680	5,307,502	15,309,587	11,228,297	91,215,948
Additions during the year	-	3,094,856	-	6,237,261	3,477,683	1,284,218	3,281,571	1,136,352	19,121,842
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	(887,601)	897,601	-	-	-	-	(12,557,862)
Balance as at Ashadh 31, 2081	-	17,706,532	-	28,260,411	26,814,363	6,601,720	6,033,268	12,364,649	97,798,370
Capital Work In-Progress									
As at Shrawan 1, 2079	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalization during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
As at Shrawan 1, 2080	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalization during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Balance as at Ashadh 31, 2081	-	-	-	-	-	-	-	-	-
Net Carrying Amount									
As at Shrawan 1, 2080	630,329,200	196,708,800	9,097,213	24,477,326	12,463,942	3,834,023	27,197,509	1,859,316	714,994,031
As at Ashadh 31, 2081	383,842,970	161,860,261	-	28,260,411	9,220,902	3,986,184	26,830,902	302,030	617,346,312



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Right-of-Use Assets after Implementation of NFRS 16									
<b>Gross carrying amount</b>									
As at Shrawan 1, 2079	-	-	-	-	-	-	-	-	54,113,796.00
Additions during the year	-	-	-	-	-	-	-	-	(16,019,940.60)
Deposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer from SIL	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As at Shrawan 1, 2080	-	-	-	-	-	-	-	-	112,900,338.40
Additions during the year	-	-	-	-	-	-	-	-	-
Deposals during the year	-	-	-	-	-	-	-	-	150,094,509.90
Write-offs during the year	-	-	-	-	-	-	-	-	49,660,722.93
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer from SIL	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
Balance as at Ashadh 31, 2081	-	-	-	-	-	-	-	-	191,837,310.25
<b>Accumulated depreciation</b>									
As at Shrawan 1, 2079	-	-	-	-	-	-	-	-	13,902,292.00
Additions during the year	-	-	-	-	-	-	-	-	21,158,418.09
Deposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
As at Shrawan 1, 2080	-	-	-	-	-	-	-	-	35,060,710.09
Additions during the year	-	-	-	-	-	-	-	-	27,319,361.26
Deposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Balance as at Ashadh 31, 2081	-	-	-	-	-	-	-	-	62,380,071.33
<b>Net Carrying Amount</b>									
As at Shrawan 1, 2080	-	-	-	-	-	-	-	-	115,933,799.85
Balance as at Ashadh 31, 2081	-	-	-	-	-	-	-	-	129,157,239.22
<b>Grand Total</b>									
As on Ashadh 31, 2078	439,229,208.00	-	-	-	-	-	-	-	115,933,799.85
As on Ashadh 31, 2081	463,847,840.00	-	-	-	-	-	-	-	129,157,239.22



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**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

Fig. in NPR

**6 Investment Properties**

Particulars	Land	Building	Total
<b>Gross carrying amount</b>			
As at Shrawan 1, 2079			
Additions during the year	26,484,300.00	11,041,050.00	37,525,350.00
Disposals during the year			-
Net changes in Fair Value			-
Transfer from SIL	1,223,500.00	1,030,702.00	2,254,202.00
Transfer/Adjustments	115,275,000.00	45,673,549.27	160,948,549.27
As at Shrawan 1, 2080		2,411,198.00	2,411,198.00
Additions during the year	142,982,800.00	60,156,499.27	203,139,299.27
Disposals during the year			-
Net changes in Fair Value			-
Transfer from SIL	5,065,150.00	636,520.00	5,701,670.00
Transfer/Adjustments			-
<b>Balance as at Ashadh 31, 2081</b>	<b>64,719,200.00</b>	<b>35,833,700.00</b>	<b>100,552,900.00</b>
	<b>212,767,150.00</b>	<b>96,626,719.27</b>	<b>309,393,869.27</b>
<b>Capital work-in-progress</b>			
As at Shrawan 1, 2079			
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
As at Shrawan 1, 2080	-	-	-
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
<b>Balance as at Ashadh 31, 2081</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Carrying Amount</b>			
As at Shrawan 1, 2080			
As at Ashadh 31, 2081	142,982,800.00	60,156,499.27	203,139,299.27
	212,767,150.00	96,626,719.27	309,393,869.27

**(i) Amounts recognised in profit or loss**

Particulars	Current Year	Previous Year
Rental income		
Direct operating expenses from property that generated rental income	12,430,504.15	6,473,617.60
Direct operating expenses from property that didn't generated rental income	-	-
Profit from investment properties before depreciation	-	-
Depreciation	12,430,504.15	6,473,617.60
<b>Profit from investment properties</b>	<b>12,430,504.15</b>	<b>6,473,617.60</b>

**(ii) Fair value of investment properties:**

Particulars	Current Year	Previous Year
Land		
Building	212,767,150.00	142,982,800.00
<b>Total</b>	<b>96,626,719.27</b>	<b>60,156,499.27</b>
	<b>309,393,869.27</b>	<b>203,139,299.27</b>

**Estimation of Fair Value**

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

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

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

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

There are no restrictions on the realisability of investment properties or proceeds of disposal.

**(iv) Contractual obligations:**

The company doesnot have any contractual obligations relating to investment properties.

*[Handwritten signatures]*



**Siddhartha Premier Insurance Ltd.**  
Notes to the Financial Statements  
For The Year Ended Ashadh 31, 2081  
(For The Year Ended July 15, 2024)

7. Deferred Tax Assets/ (Liabilities)

Fig. in NPR

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Goodwill & Intangible Assets	426,749.77	-	426,749.77	(229,925.41)	-	(229,925.41)
Property and Equipment	(23,832,470.57)	(160,523,407.74)	(184,355,878.31)	(16,163,231.49)	(156,347,051.84)	(172,510,283.34)
Financial Assets at FVTPL	(51,756,649.20)	-	(51,756,649.20)	(50,046,148.20)	-	(50,046,148.20)
Financial Assets at FVTOCI	-	(275,052,092.55)	(275,052,092.55)	-	(529,105,311.37)	(529,105,311.37)
Provision for Lease	30,397,844.10	-	30,397,844.10	26,328,572.46	-	26,328,572.46
Provision for Gratuity	28,690,330.20	171,051.95	45,795,824.70	19,470,436.33	17,712,833.20	37,183,289.53
Impairment Loss on Financial Assets	38,273,408.93	-	38,273,408.93	27,650,304.18	-	27,650,304.18
Impairment Loss on Other Assets	21,630.59	-	21,630.59	86,575.53	-	86,575.53
Unearned Premiums Reserve	42,010,078.62	-	42,010,078.62	36,795,669.13	-	36,795,669.13
Premium Deficiency Reserve	-	-	-	(4,240,532.40)	-	(4,240,532.40)
IBNR and IBNER Claims	44,900,801.18	-	44,900,801.18	37,139,058.10	-	37,139,058.10
Margin Over Best Estimates	29,551,316.90	-	29,551,316.90	1,482,472.49	-	1,482,472.49
Carry forward of unused tax losses	-	-	-	-	-	-
Changes in tax rate	-	-	-	-	-	-
- Lease Liability	6,915,211.18	-	6,915,211.18	3,502,107.37	-	3,502,107.37
- Lease Receivable	(723,810.66)	-	(723,810.66)	(813,029.88)	-	(813,029.88)
- Earthquake Premium Reserve	11,524,151.79	-	11,524,151.79	-	-	-
<b>Total</b>	<b>156,398,592.83</b>	<b>(418,470,005.78)</b>	<b>(262,071,412.95)</b>	<b>80,962,328.20</b>	<b>(667,739,510.02)</b>	<b>(586,777,181.81)</b>

Movements in deferred tax assets/ (liabilities)

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
As at Shrawan 1, 2080	80,962,328.20	(667,739,510.02)	(586,777,181.81)	55,018,824.20	(362,507,147.63)	(307,488,323.43)
Charged/(Credited) to Statement of Profit or Loss	75,436,264.63	-	75,436,264.63	25,943,504.01	-	25,943,504.01
Charged/(Credited) to Other Comprehensive Income	-	249,269,504.23	249,269,504.23	-	(305,232,362.39)	(305,232,362.39)
<b>Balance as at Ashadh 31, 2081</b>	<b>156,398,592.83</b>	<b>(418,470,005.78)</b>	<b>(262,071,412.95)</b>	<b>80,962,328.20</b>	<b>(667,739,510.02)</b>	<b>(586,777,181.81)</b>

*for B. Ramesh A. Puri*





**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

Fig. in NPR

**8 Investments in Subsidiaries**

Particulars	Current Year	Previous Year
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	-	-
Less: Impairment Losses	-	-
<b>Total</b>	-	-

**Investment in Quoted Subsidiaries**

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
.....Shares of Rs.....each of ..... Ltd.	-	-	-	-
.....Shares of Rs.....each of ..... Ltd.	-	-	-	-
<b>Total</b>	-	-	-	-

**Investment in Unquoted Subsidiaries**

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
.....Shares of Rs.....each of ..... Ltd.	-	-	-	-
.....Shares of Rs.....each of ..... Ltd.	-	-	-	-
<b>Total</b>	-	-	-	-

**Information Relating to Subsidiaries**

Particulars	Percentage of Ownership	
	Current Year	Previous Year
.....Shares of Rs.....each of ..... Ltd.	-	-
.....Shares of Rs.....each of ..... Ltd.	-	-
.....Shares of Rs.....each of ..... Ltd.	-	-
.....Shares of Rs.....each of ..... Ltd.	-	-

**9 Investments in Associates**

Particulars	Current Year	Previous Year
Investment in Quoted Associates	-	-
Investment in Unquoted Associates	-	-
Less: Impairment Losses	-	-
<b>Total</b>	-	-

**Investment in Quoted Associates**

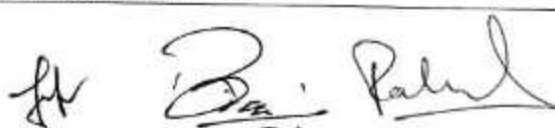



Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equity Method	Cost	Fair Value	(or) Equity Method
.....Shares of Rs.....each of ..... Ltd.	-	-	-	-	-	-
.....Shares of Rs.....each of ..... Ltd.	-	-	-	-	-	-
Add: Share of Profit or Loss for Earlier Years	-	-	-	-	-	-
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

**Investment in Unquoted Associates**

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equity Method	Cost	Fair Value	(or) Equity Method
.....Shares of Rs.....each of ..... Ltd.	-	-	-	-	-	-
.....Shares of Rs.....each of ..... Ltd.	-	-	-	-	-	-
Add: Share of Profit or Loss for Earlier Years	-	-	-	-	-	-
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

**Information Relating to Associates**

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



**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**10 Investments**

Particulars	Current Year	Previous Year
<b>Investments measured at Amortised Cost</b>		
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debtors		
iii) Investment in Bonds (Nepal Government/ NRR/ Guaranteed by Nepal Government)	864,648,430.27	706,220,313.00
iv) Fixed Deposit of "A" Class Financial Institutions	-	5,000,000.00
v) Fixed Deposit of Infrastructure Banks	5,895,900,000.00	5,230,700,000.00
vi) Fixed Deposits in "B" Class Financial Institutions	-	-
vii) Fixed Deposits in "C" Class Financial Institutions	794,000,000.00	823,700,000.00
viii) Others	162,000,000.00	222,500,000.00
Less: Impairment Losses	-	-
<b>Investments measured at FVTOC</b>		
i) Investment in Equity Instruments (Quoted)		
ii) Investment in Equity Instruments (Unquoted)	1,409,354,246.52	2,381,149,340.30
iii) Investment in Mutual Funds	114,540,000.00	9,360,000.00
iv) Investment in Debtors	66,124,216.62	46,905,987.72
v) Others	-	-
<b>Investments measured at FVTPL</b>		
i) Investment in Equity Instruments	-	-
ii) Investment in Equity Instruments (Quoted)	-	-
iii) Investment in Mutual Funds	-	-
iv) Investment in Debtors	-	-
v) Others	-	-
<b>Total</b>	<b>9,306,186,893.41</b>	<b>9,605,733,641.05</b>

**a) Details of Impairment Losses**

Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions	-	-
Investment in Debtors	-	-
Investment in Bonds (Nepal Government/ NRR/ Guaranteed by Nepal Government)	-	-
Fixed Deposit with "A" Class Financial Institutions	-	-
Fixed Deposit with Infrastructure Bank	-	-
Fixed Deposits with "B" Class Financial Institutions	-	-
Fixed Deposits with "C" Class Financial Institutions	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**b) Investments having expected maturities less than 12 months:**

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)	-	-
Investment in Equity Instruments (Unquoted)	-	-
Investment in Mutual Funds	-	-
Investment in Preference Shares of Bank and Financial Institutions	-	-
Investment in Debtors	-	-
Investment in Bonds (Nepal Government/ NRR/ Guaranteed by Nepal Government)	-	-
Fixed Deposit with "A" Class Financial Institutions	-	-
Fixed Deposit with Infrastructure Bank	5,895,900,000.00	5,230,700,000.00
Fixed Deposits with "B" Class Financial Institutions	-	-
Fixed Deposits with "C" Class Financial Institutions	794,000,000.00	823,700,000.00
Others	162,000,000.00	222,500,000.00
<b>Total</b>	<b>6,851,900,000.00</b>	<b>6,276,900,000.00</b>

**c) Information relating to investment in equity instruments**

Particulars	Unit	Cost	Current Year		Previous Year	
			Cost	Fair Value	Cost	Fair Value
<b>Investment in Equity Instruments (Quoted)</b>						
<b>Shares in Public Equity Share</b>						
Agribank Development Bank Limited	8,794.00	389.48	5,428,743.99	2,385,430.00	3,166,174.38	1,813,626.70
Aravali Power Limited	2,105	268.06	332,162.00	389,429.00	261,268.02	141,872.50
Aravali Hydropower Development Company Limited	8,250	227.75	1,840,682.00	1,474,791.00	841,989.74	546,973.00
Asur Life Insurance Company Limited	1,175	835.25	970,075.15	729,533.00	970,075.15	809,923.70
Chitank Laxminari Bhatya Sanatha Limited	8,161	1,289.12	10,524,271.80	7,347,605.00	10,524,271.80	7,775,000.00
Chitank Hydel power Company Limited	92,300	269.94	24,219,619.52	43,012,500.00	33,543,344.20	44,309,860.00
Citizen Investment Trust	1,782	1,970.44	3,571,316.78	3,465,980.00	2,455,132.98	2,222,986.00
Citizen Bank International Limited	24,891	321.74	7,727,118.07	6,661,608.50	7,016,104.63	3,848,268.70
Darkest Bank Limited	3,214	532.45	146,358.84	679,840.00	-	863.00
First Microfinance Development Bank Limited	5,718	684.75	3,915,426.00	2,893,088.00	3,915,426.00	3,916,379.70
Forward Microfinance Laxminari Bhatya Sanatha Limited	-	-	-	-	-	1,321.00
Garima Bikas Bank Limited	24,854	279.33	6,629,441.58	9,571,273.41	5,701,728.39	5,493,825.00
Global IME Bank Limited	12,073	248.49	3,980,325.44	2,236,226.00	2,791,526.94	2,025,074.00
Himalayan Bank Limited	9,325	266.11	2,491,483.16	1,934,165.00	2,491,483.16	1,884,361.02
Himalayan Dairymilk Limited	1,778	1,847.18	3,284,252.74	2,860,752.00	1,892,182.94	1,591,584.00
Himalayan Life Insurance Limited	2,301	471.21	1,406,860.56	93,881.00	2,604,860.56	1,312,237.00
Hydroelectricity Investment and Development Company Ltd	-	-	-	-	300.00	181.00
Joint Bank Bank Limited	14,742	466.31	6,871,367.44	6,020,968.00	6,871,367.44	4,791,116.00

*[Handwritten signatures and initials]*



Siddhartha Premier Insurance Ltd.

Notes to the Financial Statements

For The Year Ended Ashadh 31, 2081

(For The Year Ended July 15, 2024)

Kantari Bank Limited	6,240	107.78	913,541.03	1,327,968.00	-	518,100.00
Laxmi Laxmi Bhatia Sanatha Limited	-	-	-	-	-	893.08
Laxmi Santha Bank Limited	-	-	-	-	-	880.00
Life Insurance Corporation Nepal Limited	1,879	1,502.99	3,573,822.62	2,701,564.00	3,163,877.40	2,483,790.00
Malakoni Bikas Bank Limited	10,156	343.97	3,493,319.02	3,574,912.00	56,491.50	50,779.00
Mero Microfinance Laxmi Bhatia Sanatha Limited	2,868	1,046.00	2,991,809.43	1,863,800.00	2,945,951.60	1,913,340.00
Mirinae Laxmi Bhatia Sanatha Limited	-	-	-	-	-	1,903.00
Mukmathi Bank Limited	29,789	397.24	7,863,602.57	7,242,196.00	3,423,832.71	2,899,700.00
National Life Insurance Company Limited	2,413	809.14	2,024,834.33	1,435,739.00	2,024,834.33	1,555,740.00
Nepal Bank Limited	9,658	315.94	3,011,329.50	2,216,511.00	2,447,990.65	1,782,342.00
Nepal Infrastructure Bank Limited	3,360	451.18	1,324,092.71	700,040.00	1,524,992.74	797,126.00
Nepal Investment Mega Bank Limited	11,560	326.31	2,421,886.54	2,024,250.00	848,420.00	488,330.00
Nepal Life Insurance Company Limited	2,949	1,733.91	3,178,248.33	1,825,430.00	3,178,248.33	2,194,036.00
Nepal SBI Bank Limited	108,744	455.80	50,102,902.41	35,947,241.00	49,437,405.18	38,413,875.00
NIC Asia Bank Limited	7,342	696.44	5,333,282.75	3,233,974.40	4,361,431.71	3,195,045.00
Nirman Uthara Laxmi Bhatia Sanatha Limited	6,364	1,026.25	6,503,291.52	4,530,551.60	6,533,291.52	4,660,460.00
NMB Bank Limited	8,428	217.32	1,751,238.49	1,839,712.00	15,398.63	45,210.00
NMB Laxmi Bhatia Sanatha Limited	2,381	1,020.40	2,254,197.43	1,733,560.00	1,690,400.00	819,440.00
Pradha Bank Limited	17,272	284.01	4,898,414.83	2,617,934.40	4,066,440.00	1,952,988.20
Prithi Commercial Bank Limited	16,524	263.08	10,329,037.33	8,101,025.20	6,339,985.45	3,222,180.00
Ranawade Hydro Power Company Limited	300	329.29	88,785.67	88,780.00	98,785.67	90,000.00
RSDC Laxmi Bhatia Sanatha Limited	325	695.98	197,249.24	224,500.00	197,249.24	164,743.10
Sara Kisan Bank Laxmi Bhatia Sanatha Limited	5,171	1,020.00	5,205,485.18	4,414,482.70	5,032,988.52	3,785,984.00
Sarona Bank Limited	38,233	251.60	11,148,867.45	10,867,807.00	3,727,804.85	4,121,088.00
Sarona Mah Hydro Power Limited	5,263	414.51	2,602,402.81	1,784,780.50	2,602,402.81	1,698,670.00
Sarona Power Company Limited	300	326.27	92,482.38	85,110.00	92,482.38	89,070.00
Shivam Cement Limited	1,942	1,231.48	2,391,931.32	975,466.60	2,311,911.32	1,107,580.00
Siddhartha Bank Limited	-	-	-	-	726,218.67	850,707.00
Siddhartha Hotel Limited	-	-	-	-	-	453.00
Standard Chartered Bank Nepal Limited	1,781	429.86	765,147.15	1,071,540.00	765,147.15	943,578.00
Swayambhu Life Insurance Company Limited	7,013	690.80	4,204,574.62	3,013,449.50	4,264,974.62	3,375,330.00
Swayambhu Laxmi Bhatia Sanatha Limited	2,343	1,079.53	2,486,330.11	2,184,620.00	2,889,894.65	1,445,663.00
Universal Power Company Limited	4,289	379.83	1,428,283.23	883,580.70	1,428,283.23	885,780.00
Mahabubcherry Bank Ltd	6,500	186.83	1,227,399.52	1,300,000.00	-	-
Nabil Bank Ltd	5,630	492.21	2,710,035.28	2,844,480.00	-	-
Karnali Sewa Bikash Bank Ltd	20,000	377.00	7,541,429.06	6,320,000.00	-	-
Lumbini Bikash Bank Ltd	3,747	386.28	1,447,397.97	1,561,000.20	-	-
Ganapati Bikash Laxmi Bhatia Sanatha Ltd	2,000	618.73	1,637,437.11	1,622,000.00	-	-
Apni Power Company Limited	1,500	178.35	257,517.63	296,500.00	-	-
United Ltd Mandi & RB Hydro Power Ltd	1,000	418.76	418,704.69	430,000.00	-	-
Himalayan Reinsurance Limited	7,240	444.28	4,664,596.97	4,196,300.00	-	-
<b>Total</b>	<b>59,4622</b>		<b>28,853,004</b>	<b>29,499,537</b>	<b>20,375,510</b>	<b>16,541,206</b>
<b>Shares in Promoter Equity Share</b>						
Central Finance Limited	188,016	29.28	15,000,000.00	31,884,689.00	15,000,000.00	36,945,344.00
Citron Investment Trust	724,984	45.28	31,031,236.26	923,240,528.00	31,031,236.26	665,833,041.00
Nepal Investment Mega Bank Limited	15,640	328.32	5,141,478.89	2,175,174.00	5,141,478.89	2,410,674.00
Nepal Reinsurance Company Limited	2,171,831	74.50	161,801,800.00	480,315,474.00	323,632,600.00	1,484,771,790.00
NMB Bank Limited	99,061	46.04	3,501,000.00	11,133,893.00	4,501,000.00	13,016,615.40
Swayambhu Life Insurance Company Limited	33,173	220.81	7,216,636.65	11,196,972.82	7,216,636.65	9,729,500.00
<b>Total</b>	<b>3,289,609</b>		<b>227,839,179</b>	<b>1,099,864,710</b>	<b>388,155,973</b>	<b>2,195,785,234</b>
<b>Investment in Equity Instruments (Unquoted)</b>						
<b>Shares in Promoter Equity Share</b>						
Insurance Institute of Nepal Limited	700,000	17.66	9,700,000.00	9,560,000.00	9,560,000.00	9,560,000.00
Alpha Capital Limited (Promoter)	58,000	1,299.25	105,000,000.00	105,000,000.00	-	-
<b>Total</b>	<b>758,000</b>		<b>114,700,000</b>	<b>114,560,000</b>	<b>9,560,000</b>	<b>9,560,000</b>
<b>Shares in Mutual Fund</b>						
Citizens Mutual Fund-1	200,000	10.00	2,000,000.00	1,924,000.00	2,000,000.00	1,870,000.00
Karnali Dhanodhikha Yojana	180,000	10.00	1,800,000.00	1,450,000.00	1,800,000.00	1,500,000.00
Laxmi Equity Fund	-	-	-	-	2,924,700.00	2,814,804.00
Laxmi Urmah Bank	300,000	10.00	3,000,000.00	2,700,000.00	3,000,000.00	2,817,000.00
Mega Mutual Fund - 1	400,000	10.00	4,000,000.00	3,088,000.00	4,000,000.00	3,196,000.00
Majil Balanced Fund - 2	250,000	10.00	2,500,000.00	2,250,000.00	2,500,000.00	2,200,000.00
Nabil Balanced Fund III	33,340	10.00	333,400.00	260,052.00	333,400.00	292,383.80
Nabil Equity Fund	-	-	-	-	1,818,388.88	1,566,430.00
Nabil Flexi Cap Fund	50,000	10.00	500,000.00	532,000.00	500,000.00	500,000.00
NIBL Pragati Fund	-	-	-	-	1,163,809.13	795,249.00
NIBL Sewadhi Fund - 2	150,000	10.00	1,500,000.00	1,277,300.00	1,500,000.00	1,363,500.00
NIC ASIA Balanced Fund	170,000	12.00	2,040,000.00	1,632,000.00	2,040,000.00	1,589,200.00
NIC Asia Flexi Cap Fund	400,000	10.00	4,000,000.00	3,700,000.00	4,000,000.00	3,660,000.00
NIC Asia Growth Fund	100,400	11.42	1,237,645.05	1,075,140.00	1,237,645.05	1,115,436.00
NIC Asia Select-30	100,000	10.00	1,000,000.00	860,000.00	1,000,000.00	890,000.00
NMB 20	260,000	11.51	3,049,033.30	2,569,600.00	3,049,033.30	2,742,500.00
NMB Hybrid Fund I - 1	-	-	-	-	788,700.00	651,807.30
NMB Sway Investment Fund - II	500,000	10.00	5,000,000.00	5,000,000.00	5,000,000.00	4,995,000.00
Sarona Equity Fund	136,980	14.92	2,036,699.72	1,484,054.87	2,036,699.72	1,606,192.40
Sarona Growth Fund	50,000	10.00	500,000.00	500,000.00	500,000.00	499,500.00
Sarona Large Cap Fund	250,000	10.00	2,500,000.00	2,312,500.00	2,500,000.00	2,250,000.00
Siddhartha Equity Fund	475,000	10.00	4,750,000.00	3,995,250.00	4,750,000.00	4,479,250.00
Siddhartha Investment Growth Scheme-2	200,000	10.00	2,000,000.00	1,814,000.00	2,000,000.00	1,805,000.00
Sarona First Mutual Fund	100,000	14.92	1,492,000.00	1,033,000.00	1,492,000.00	1,108,000.00
Shreeya 80-20 (HBR:20)	2,000,000	10.00	20,000,000.00	19,000,000.00	-	-
Laxmi Value Fund II (L.VF2)	250,000	10.00	2,500,000.00	2,510,000.00	-	-
NIC Asia Growth Fund 2 (NAG2)	800,000	10.00	8,000,000.00	4,100,000.00	-	-
<b>Total</b>	<b>7,037,822.00</b>		<b>72,445,185.30</b>	<b>66,124,216.62</b>	<b>81,699,443.41</b>	<b>66,995,987.72</b>
<b>Grand Total</b>	<b>11,687,832.00</b>		<b>679,198,134.79</b>	<b>1,190,039,863.14</b>	<b>683,906,556.78</b>	<b>2,417,635,508.12</b>

d) The Company has earmarked investments amounting to NPR 2,80,00,00,000 to Nepal Insurance Authority.

*[Handwritten signatures and initials]*



**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 31, 2024)**

**11 Loans**

Particulars	Current Year	Previous Year
<b>Loans at Amortized Cost</b>		
Loan to Employees	-	-
Others	26,443,217.23	19,788,639.99
Less: Impairment Losses	-	-
<b>Total</b>	<b>26,443,217.23</b>	<b>19,788,639.99</b>

a) Expected recovery period within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees	9,406,806.92	6,409,980.29
Others	-	-
<b>Total</b>	<b>9,406,806.92</b>	<b>6,409,980.29</b>

**12 Reinsurance Assets**

Particulars	Current Year	Previous Year
<b>Reinsurance Assets on:</b>		
Unearned Premium Reserve	932,777,558.56	956,765,061.72
Unexpired Risk Reserve	-	(237,447.00)
Earthquake Premium Reserves	-	-
Incurred But Not Reported (IBNR)	-	-
Incurred But Not Enough Reported (IBNER)	327,298,906.99	381,526,662.00
Outstanding Claims	36,366,543.22	-
Others	1,541,921,751.92	2,087,428,544.17
Less: Impairment Losses	-	-
<b>Total</b>	<b>2,838,364,762.68</b>	<b>3,455,482,628.90</b>

**13 Insurance Receivables**

Particulars	Current Year	Previous Year
Receivable from Reinsurers	335,558,338.11	1,604,882,952.82
Receivable from Other Insurance Companies	151,404,249.27	91,926,772.83
Others	-	-
Less: Impairment Losses	(126,187,896.26)	(91,777,626.37)
<b>Total</b>	<b>360,774,611.12</b>	<b>1,606,028,099.28</b>

a) Expected recovery period within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurers	335,558,338.11	1,604,882,952.82
Receivable from Other Insurance Companies	151,404,249.27	91,926,772.83
Others - Receivable from Covid Claim	-	-
<b>Total</b>	<b>486,962,587.38</b>	<b>1,696,809,725.65</b>

**14 Other Assets**

Particulars	Current Year	Previous Year
Capital Advances	26,682,133.98	-
Prepaid Expenses	805,479.14	5,210,758.33
Claim Advance	40,263,236.32	43,348,162.02
Advance To Suppliers	1,665,243.51	-
Staff Advances	-	-
VAT Receivable	13,052,801.51	12,133,826.50
Printing and Stationery Stock	-	-
Stamp Stock	392,195.00	120,835.00
Deferred Expenses	-	-
Deferred Re-insurance Commission Expenses	-	-
Deferred Agent Commission Expenses	196,516.70	56,129.14
Lease Receivable	13,093,161.16	19,994,872.92
Others - Prepaid Staff Loan	2,412,792.19	2,770,099.61
Less: Impairment Losses	(6,755,849.97)	(3,071,005.00)
<b>Total</b>	<b>105,410,135.98</b>	<b>86,536,416.03</b>

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

Particulars	Current Year	Previous Year
Capital Advances	26,682,133.98	-
Prepaid Expenses	805,479.14	5,210,758.33
Claim Advance	40,263,236.32	43,348,162.02
Advance To Suppliers	1,665,243.51	-
Staff Advances	-	-
VAT Receivable	13,052,801.51	12,133,826.50
Printing and Stationery Stock	-	-
Stamp Stock	392,195.00	120,835.00
Deferred Expenses	-	-
Deferred Re-insurance Commission Expenses	-	-
Deferred Agent Commission Expenses	196,516.70	56,129.14
Lease Receivable	13,093,161.16	19,994,872.92
Others - Prepaid Staff Loan	-	-
<b>Total</b>	<b>96,350,867.32</b>	<b>80,864,583.91</b>

*For [Signature]* *Prakash* *[Signature]* *[Signature]* *[Signature]* *[Signature]*



**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**15 Other Financial Assets**

Particulars	Current Year	Previous Year
Security Deposits		
Accrued Interest	3,593,569.16	3,812,667.38
Other Receivables	44,337,339.44	33,499,097.82
Other Deposits	-	-
Sundry Debtors	-	-
Other - Lease Fund	89,201,281.70	127,021,661.33
- Gratuity Fund	131,513,972.72	110,834,146.91
- Receivable from Covid Claim	149,419,209.57	103,687,998.66
Less: Impairment Losses	242,870,388.89	242,470,388.89
<b>Total</b>	<b>661,653,011.48</b>	<b>622,434,791.02</b>

**a) Expected maturities within 12 months:**

Particulars	Current Year	Previous Year
Security Deposits		
Accrued Interest	-	-
Other Receivables	44,337,339.44	33,499,097.82
Other Deposits	-	-
Sundry Debtors	-	-
Other - Lease Fund	89,201,281.70	127,021,661.33
- Gratuity Fund	-	-
- Receivable from Covid Claim	-	-
<b>Total</b>	<b>133,538,641.14</b>	<b>160,520,759.15</b>

**16 Cash and Cash Equivalents**

Particulars	Current Year	Previous Year
Cash in Hand		
Cheques in Hand	20,000.00	518,021.63
Bank Balances		
i) Balance with 'A' Class Financial Institutions		
ii) Balance with Infrastructure Banks	116,974,337.22	86,988,170.45
iii) Balance with 'B' Class Financial Institutions		
iv) Balance with 'C' Class Financial Institutions	19,257,807.53	19,900,726.98
Less: Impairment Losses	3,215,668.06	13,514,545.07
Deposit with initial maturity upto 3 months	(72,101.96)	(288,985.11)
Others	-	-
Less: Impairment Losses	-	-
<b>Total</b>	<b>139,485,560.85</b>	<b>120,662,804.02</b>

*For B. P. Patel & Co. Chartered Accountants*



**Siddhartha Premier Insurance Ltd.**  
Notes to the Financial Statements  
For The Year Ended Ashadh 31, 2081  
(For The Year Ended July 15, 2024)

Fig. in NPR

17 (a) Share Capital

Particulars	Current Year	Previous Year
<b>Ordinary Shares</b>		
As at Shrawan 1, 2080		
Additions during the year	2,806,549,900.00	1,227,684,800.00
i) Bonus Share Issue		
ii) Share Issue	-	174,945,100.00
Balance as at Ashadh 31, 2081	-	1,403,920,000.00
<b>Convertible Preference Shares (Equity Component Only)</b>	2,806,549,900.00	2,806,549,900.00
As at Shrawan 1, 2080		
Additions during the year	-	-
Balance as at Ashadh 31, 2081	-	-
<b>Irredeemable Preference Shares (Equity Component Only)</b>		
As at Shrawan 1, 2080		
Additions during the year	-	-
Balance as at Ashadh 31, 2081	-	-
<b>Total</b>	2,806,549,900.00	2,806,549,900.00

(i) Ordinary Shares

Particulars	Current Year	Previous Year
<b>Authorised Capital:</b>		
5,00,00,000 Ordinary Shares of Rs. 100 each		
<b>Issued Capital:</b>	5,00,00,000.00	5,00,00,000.00
4,00,00,000 Ordinary Shares of Rs. 100 each		
<b>Subscribed and Paid Up Capital:</b>	4,00,00,000.00	4,00,00,000.00
2,80,65,499 Ordinary Shares of Rs. 100 each		
<b>Total</b>	2,806,549,900.00	2,806,549,900.00

(ii) Preference Share Capital

Particulars	Current Year	Previous Year
<b>Authorised Capital:</b>		
..... Convertible Preference Shares of Rs. ... each		
..... Irredeemable Preference Shares of Rs. ... each	-	-
<b>Issued Capital:</b>		
..... Convertible Preference Shares of Rs. ... each		
..... Irredeemable Preference Shares of Rs. ... each	-	-
<b>Subscribed and Paid Up Capital:</b>		
..... Convertible Preference Shares of Rs. ... each		
..... Irredeemable Preference Shares of Rs. ... each	-	-
<b>Total</b>	-	-

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
<b>Promoters</b>				
Government of Nepal				
Nepali Organized Institutions	759,156	750,780	2.70	2.68
Nepali Citizens	13,554,248	13,562,624	48.30	48.32
Foreigner				
Others				
<b>Total (A)</b>	14,313,404	14,313,404	51.00	51.00
<b>Other than Promoters</b>				
General Public	9,451,073	9,967,121	33.68	35.51
Others - Nepali Organized Institutions	4,301,022	3,784,974	15.32	13.49
<b>Total (B)</b>	13,752,095	13,752,095	49.00	49.00
<b>Total (A+B)</b>	28,065,499	28,065,499	100.00	100.00

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

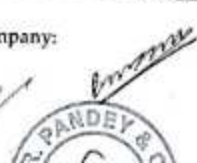


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**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

Fig. in NPR

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Siddhartha Bank Limited	2,115,019	2,115,019	7.54	7.54
Ram Lal Shrestha	1,729,920	1,729,920	6.16	6.16
Bal Krishna Shrestha	994,622	994,622	3.54	3.54
Suresh Lal Shrestha	917,097	917,097	3.27	3.27
Dinesh Lal Shrestha	904,048	904,048	3.22	3.22
Kamal Kumar Begani	887,294	891,504	3.16	3.18
Prabhu Krishna Shrestha	880,420	880,420	3.14	3.14
R.S.R. Holdings Pvt. Ltd.	688,235	688,235	2.45	2.45
Pawan Kumar Agrawal	644,311	644,311	2.30	2.30
Rahul Agrawal	477,338	477,338	1.70	1.70
Pawan Kumar Agrawal	463,297	463,297	1.65	1.65
Amir Shrestha	415,324	415,324	1.48	1.48
Pawan Kumar Agrawal	393,804	393,804	1.40	1.40
Subodh Todi	299,881	299,881	1.07	1.07
Bharat Kumar Todi	298,334	298,334	1.06	1.06
Bijay Krishna Shrestha	292,737	292,737	1.04	1.04

17 (b) Share Application Money Pending Allotment

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

17(c) Share Premium


Particulars	Current Year	Previous Year
As at Shrawan 1, 2080	475,935.00	475,935.00
Increase due to issue of shares at premium	-	-
Decrease due to issue of bonus shares	-	-
Transaction costs on issue of share	-	-
Others - Business Combination	-	-
Balance as at Ashadh 31, 2081	475,935.00	475,935.00

17(d) Special Reserves

Particulars	Current Year	Previous Year
As at Shrawan 1, 2080	2,500,000,000.00	-
Additions	-	-
Utilizations	-	1,190,449,448.60
Transfer from SIL	-	-
Balance as at Ashadh 31, 2081	2,500,000,000.00	1,309,550,551.40

17(e) Catastrophe Reserves

Particulars	Current Year	Previous Year
As at Shrawan 1, 2080	137,634,531.21	60,280,385.27
Additions	50,607,597.14	15,288,286.24
Utilizations	-	(22,727,272.70)
Transfer from SIL	-	-
Balance as at Ashadh 31, 2081	188,242,128.34	84,793,132.40





**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

17(f) Retained Earnings

Fig. in NPR

Particulars	Current Year	Previous Year
As at Shrawan 1, 2080		
Net Profit or Loss	457,734,321.71	211,657,921.69
Items of OCI recognised directly in retained earnings	688,189,151.39	379,319,504.52
Re measurement of Post-Employment Benefit Obligations	-	-
<b>Transfer to reserves</b>		
Revaluation Reserves	-	-
Special Reserves	-	-
Capital Reserves	-	(138,497,654.90)
Catastrophe Reserves	-	-
Corporate Social Responsibility (CSR) Reserves	(50,607,597.14)	7,780,559.39
Insurance Fund including Insurance Reserves	(10,121,519.43)	(4,374,319.17)
Fair Value Reserves	-	-
Actuarial Reserves	-	-
Deferred Tax Reserves	-	-
Regulatory Reserves	(75,436,264.63)	58,112,424.60
Transfer of Depreciation on Revaluation of Property and Equipment	-	6,353,256.41
Transfer on Disposal of Revalued Property and Equipment	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	399,399,056.00	-
Transaction costs on issue of shares	-	-
Issuance of Bonus Shares	-	-
Dividend Paid	-	(174,945,100.00)
Dividend Distribution Tax	(301,060,562.00)	-
Transfer from SII	(7,659,927.00)	(9,207,637.00)
Business Combination	-	136,236,208.40
Others - Prior Period Adjustments	-	132,594,719.13
- Tax on Bonus Share Distributed from Share Premium	-	1,242,135.27
<b>Balance as at Ashadh 31, 2081</b>	<b>1,100,436,658.91</b>	<b>457,734,321.71</b>

17(g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves	374,554,618.05	364,809,787.64
Capital Reserves	-	-
Corporate Social Responsibility (CSR) Reserves	24,324,899.17	14,203,379.74
Insurance Fund including Insurance Reserves	-	-
Fair Value Reserves	641,788,215.94	1,234,579,059.87
Actuarial Reserves	(39,912,820.50)	(41,329,990.80)
Deferred Tax Reserve	156,398,592.83	80,962,328.20
Other Reserves	10,984,084.00	10,984,084.00
<b>Total</b>	<b>1,168,137,589.49</b>	<b>1,664,208,648.65</b>

*for B. P. Patel*      *for P. P. P. P.*      *for P. P. P. P.*





**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

Fig. in NPR

**18 Provisions**

Particulars	Current Year	Previous Year
Provisions for employee benefits		
i) Provision for Leave		
ii) Provision for Gratuity	101,326,147.00	85,926,684.00
iii) Termination Benefits	152,652,749.00	130,989,499.00
iv) Other employee benefit obligation	-	-
Provision for tax related legal cases	-	-
Provision for non-tax related legal cases	-	-
Others : Tax on Bonus Share Distributed from Share Premium	-	161,487,865.63
<b>Total</b>	<b>253,978,896.00</b>	<b>378,404,048.63</b>

**(a) Additional Disclosure under of Provisions**

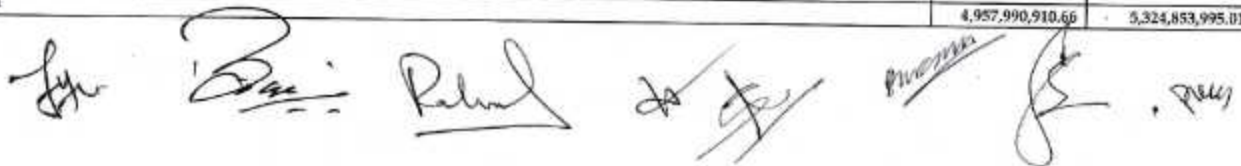
Description	Opening Balance	Additions During the Year	Utilised During the Year	Reversed During the Year	Unwinding of Discount	Closing Balance
Provision for employee benefits						
i) Provision for Leave	85,926,684.00	22,188,020.88	(6,788,558.00)	-	-	101,326,146.88
ii) Provision for Gratuity	130,989,499.00	23,837,717.00	(2,174,467.00)	-	-	152,652,749.00
iii) Termination Benefits	-	-	-	-	-	-
iv) Other Employee Benefit obligations( to be Specified)	-	-	-	-	-	-
Provision for tax related legal cases	-	-	-	-	-	-
Provision for non-tax related legal cases	-	-	-	-	-	-

**(b) Provision with expected payouts within 12 months:**

Particulars	Current Year	Previous Year
Provisions for employee benefits		
i) Provision for Leave	-	-
ii) Provision for Gratuity	-	-
iii) Termination Benefits	-	-
iv) Other employee benefit obligation	-	-
Provision for tax related legal cases	-	-
Provision for non-tax related legal cases	-	-
Others : Tax on Bonus Share Distributed from Share Premium	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**19 Gross Insurance Contract Liabilities**

Particulars	Current Year	Previous Year
Unearned Premium Reserve	2,014,409,009.66	2,029,273,868.20
Unearned Risk Reserve	-	-
Earthquake Premium Reserve	38,413,839.30	-
Margin over Best Estimates	98,504,389.67	10,622,593.95
Incurred But not Reported (IBNR)	550,209,973.68	595,611,218.00
Incurred But not enough Reported (IBNER)	61,134,441.52	-
Outstanding Claims	2,195,319,256.83	2,689,346,314.86
Others :	-	-
<b>Total</b>	<b>4,957,990,910.66</b>	<b>5,324,853,995.01</b>





Siddhartha Premier Insurance Ltd.

Notes to the Financial Statements  
For The Year Ended Ashadh 31, 2081  
(For The Year Ended July 15, 2024)

10.1 a) Gross Insurance Contract Liability

Fig. in NPR

Particulars	Line of Business							Total	
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop		Miscellaneous
<b>As at Shrawan 1, 2080</b>									
Unearned Premium Reserve	610,577,997.28	776,577,975.63	122,273,221.64	304,136,332.57	5,873,440.08	5,701,601.57	53,451,631.45	190,635,667.89	2,029,273,968.20
Unearned Risk Reserve	-	-	-	-	-	-	-	-	-
Earthquake Premium Reserve	-	-	-	-	-	-	-	-	-
Margin over Best Estimates	831,557.96	8,489,134.15	196,175.40	407,119.60	54,792.15	80,176.30	115,165.10	476,473.30	10,622,393.95
Incurred but not Reported (IBNR)	74,736,079.00	282,920,248.00	20,475,291.00	134,676,512.00	2,961,694.00	32,590,336.00	8,236,871.50	39,014,226.50	595,611,218.00
Incurred but not enough Reported (IBNER)	-	-	-	-	-	-	-	-	-
Outstanding Claims	427,766,971.34	595,962,492.14	56,630,027.58	845,059,034.85	671,977,486.25	10,579,354.00	19,735,600.00	61,595,349.00	2,689,346,314.86
Others	-	-	-	-	-	-	-	-	-
<b>Total Balance As at Shrawan 1, 2080</b>	<b>1,113,932,605.67</b>	<b>1,663,969,849.92</b>	<b>199,576,715.62</b>	<b>1,294,300,998.72</b>	<b>680,867,372.48</b>	<b>48,971,467.87</b>	<b>81,559,268.05</b>	<b>251,725,716.69</b>	<b>5,324,853,995.01</b>
<b>Changes during the year</b>									
Unearned Premium Reserve	(128,583,094.88)	68,992,390.17	97,127,723.84	(20,354,096.25)	5,861,760.12	(2,461,402.69)	21,584,613.97	(27,332,974.74)	14,864,858.54
Unearned Risk Reserve	-	-	-	-	-	-	-	-	-
Earthquake Premium Reserve	(15,264,349.34)	(15,532,919.40)	(2,752,125.20)	(3,744,413.85)	(4,996,79)	(90,586.72)	(218,487.75)	(1,305,957.25)	(38,413,639.30)
Margin over Best Estimates	(26,305,999.19)	(42,361,790.51)	(1,892,872.44)	(9,756,926.35)	(29,631,49)	(202,066.66)	(620,966.63)	(5,894,522.44)	(87,881,795.72)
Incurred but not Reported (IBNR)	3,082,259.37	10,728,159.03	2,332,829.69	7,149,713.00	171,548.58	17,787,584.92	3,141,169.12	1,013,981.41	45,401,244.32
Incurred but not enough Reported (IBNER)	(7,961,535.51)	(90,243,545.44)	(2,015,829.01)	(14,170,311.00)	(310,011.71)	(1,644,750.12)	(596,189.15)	(4,222,249.57)	(61,134,441.52)
Outstanding Claims	83,064,926.34	37,438,686.81	21,578,266.03	327,990,138.60	(733,673.75)	(1,160,876.00)	15,713,900.00	10,136,091.00	494,077,056.03
Others	-	-	-	-	-	-	-	-	-
<b>Total changes during the year</b>	<b>(91,968,154.22)</b>	<b>28,000,860.65</b>	<b>114,377,990.11</b>	<b>287,638,074.16</b>	<b>4,958,984.06</b>	<b>12,226,902.73</b>	<b>39,234,048.55</b>	<b>(27,605,632.58)</b>	<b>366,963,084.36</b>
<b>As at Ashadh 31, 2081</b>									
Unearned Premium Reserve	799,181,052.26	707,565,685.46	25,145,497.80	304,482,428.82	11,679,96	8,163,004.25	31,867,018.48	177,972,642.63	2,014,409,009.66
Unearned Risk Reserve	-	-	-	-	-	-	-	-	-
Earthquake Premium Reserve	15,264,349.34	15,032,919.40	2,752,125.20	3,744,413.85	4,996.79	90,586.72	218,487.75	1,305,957.25	38,413,639.30
Margin over Best Estimates	27,137,557.14	51,870,924.66	2,091,697.84	10,164,075.95	80,423.64	253,242.96	536,171.75	6,370,995.74	98,504,385.67
Incurred but not Reported (IBNR)	71,638,819.63	272,192,088.97	18,142,461.11	127,532,799.00	2,790,105.42	14,802,751.08	5,095,702.38	38,000,246.09	590,209,773.66
Incurred but not enough Reported (IBNER)	(7,961,535.51)	(90,243,545.44)	(2,015,829.01)	(14,170,311.00)	(310,011.71)	(1,644,750.12)	(596,189.15)	(4,222,249.57)	(61,134,441.52)
Outstanding Claims	344,702,446.00	556,543,905.33	33,051,761.55	517,068,893.95	672,711,360.00	11,740,230.00	4,041,700.00	51,469,258.00	2,195,319,256.83
Others	-	-	-	-	-	-	-	-	-
<b>Total Balance As at Ashadh 31, 2081</b>	<b>1,205,900,769.89</b>	<b>1,635,968,989.25</b>	<b>85,198,725.81</b>	<b>995,662,924.57</b>	<b>675,908,377.52</b>	<b>36,694,565.14</b>	<b>42,326,219.50</b>	<b>279,331,349.27</b>	<b>4,967,980,910.66</b>



*S. P. R. S. & Co.*

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**Siddhartha Premier Insurance Ltd.**  
Notes to the Financial Statements  
For The Year Ended Ashadh 31, 2081  
(For The Year Ended July 15, 2024)

b) Reinsurance Assets

Particulars	Line of Business										Total	
	Property	Motor	Marine	Engineering	Misc	Aviation	Cattle and Cmp	Miscellaneous				
<b>As at Shrawan 1, 2080</b>												
Unearned Premium Reserve	383,698,687.65	192,160,389.58	47,340,368.49	265,084,988.06	933,043.27	5,647,533.35	42,589,743.38	49,510,292.94				986,765,001.72
Unearned Risk Reserve	-	-	-	-	-	-	-	(237,447.00)				(237,447.00)
Earthquake Premium Reserve	-	-	-	-	-	-	-	-				-
Incurred but not Reported (IBNR)	58,104,920.00	113,137,565.00	16,511,783.00	126,454,120.00	1,865,811.00	31,586,910.00	5,933,599.50	27,852,063.50				381,526,662.00
Outstanding Claims	337,467,624.70	175,328,043.88	37,560,560.06	815,838,833.57	671,784,825.25	6,867,275.00	15,804,463.00	26,677,297.71				2,087,428,344.17
Others	-	-	-	-	-	-	-	-				-
<b>Total Balance As at Shrawan 1, 2080</b>	<b>779,071,231.35</b>	<b>480,626,898.46</b>	<b>101,412,711.55</b>	<b>1,207,487,641.63</b>	<b>674,583,279.52</b>	<b>44,201,638.35</b>	<b>64,327,792.88</b>	<b>103,802,327.15</b>				<b>3,465,482,620.88</b>
<b>Changes during the year</b>												
Unearned Premium Reserve	19,435,799.96	71,738,019.90	(164,799,969.27)	3,913,830.83	(1,106,676.42)	(904,106.51)	(15,078,008.15)	32,813,546.49				(53,987,903.15)
Unearned Risk Reserve	-	-	-	-	-	-	-	237,447.00				237,447.00
Earthquake Premium Reserve	-	-	-	-	-	-	-	-				-
Incurred but not Reported (IBNR)	(9,609,147.50)	(8,180,288.99)	(5,433,777.54)	(9,938,394.36)	191,110.10	(17,422,998.95)	(2,950,269.95)	(883,958.25)				(54,227,795.02)
Outstanding Claims	5,388,419.17	11,661,919.60	1,228,667.27	12,998,089.63	228,546.29	1,573,796.78	333,696.62	2,996,456.36				36,366,545.22
Others	(164,206,272.58)	(9,166,077.96)	(18,838,598.89)	(340,357,375.70)	146,754.75	980,438.00	(12,493,072.00)	(872,367.87)				(645,506,592.26)
<b>Total changes during the year</b>	<b>(146,991,200.94)</b>	<b>66,053,672.55</b>	<b>(187,863,679.42)</b>	<b>(333,626,956.61)</b>	<b>(540,234.79)</b>	<b>(15,972,910.68)</b>	<b>(30,607,683.49)</b>	<b>34,291,126.76</b>				<b>(617,117,858.11)</b>
<b>As at Ashadh 31, 2081</b>												
Unearned Premium Reserve	403,034,482.63	263,898,409.48	(117,459,600.78)	268,996,818.89	(173,573.15)	5,143,446.85	27,011,733.22	82,333,839.43				932,777,598.56
Unearned Risk Reserve	-	-	-	-	-	-	-	-				-
Earthquake Premium Reserve	-	-	-	-	-	-	-	-				-
Incurred but not Reported (IBNR)	48,495,772.50	104,957,276.41	11,098,005.46	116,595,723.64	2,036,921.10	14,163,811.05	3,003,269.55	26,868,125.27				327,298,906.98
Outstanding Claims	5,388,419.17	11,661,919.60	1,228,667.27	12,998,089.63	228,546.29	1,573,796.78	333,696.62	2,996,456.36				36,366,545.22
Others	173,161,356.12	166,161,965.92	18,721,961.17	479,281,157.87	671,931,160.00	7,547,713.00	3,311,408.00	25,805,029.84				1,541,931,791.92
<b>Total Balance As at Ashadh 31, 2081</b>	<b>630,080,030.42</b>	<b>546,679,571.41</b>	<b>(86,450,966.87)</b>	<b>873,830,783.03</b>	<b>674,043,054.74</b>	<b>28,428,727.67</b>	<b>33,860,109.39</b>	<b>138,083,452.91</b>				<b>2,838,364,762.68</b>



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Siddhartha Premier Insurance Ltd.  
Notes to the Financial Statements  
For The Year Ended Ashadh 31, 2081  
(For The Year Ended July 15, 2024)

19.2 Disclosure of Outstanding claim

S.no	Type of insurance	Outstanding claim for claims intimated during the year (A)	Unclaimed Fund			Total Unclaimed Fund (B)	Gross outstanding claim (A+B)	Reinsurance share (C)	Net Outstanding Claim (A+B-C)
			Outstanding claim for claims intimated during the previous 1 year	Outstanding claim for claims intimated during the previous 2 year	Outstanding claim for claims intimated during the previous 3 year				
1	Property	276,304,391.00	52,860,880.00	11,493,575.00	68,398,055.00	344,702,446.00	173,161,356.12	171,541,089.88	
2	Motor	401,758,910.67	90,314,348.57	51,341,604.45	156,784,894.66	558,543,805.33	166,161,965.92	392,381,839.41	
3	Marine	21,556,975.00	13,113,148.00	391,638.55	13,494,786.55	35,051,761.55	18,721,961.37	16,329,800.38	
4	Engineering	182,331,579.09	124,457,887.00	25,618,213.00	354,737,316.95	517,068,896.95	475,281,157.87	41,787,738.08	
5	Micro	975,000.00	-	134,259,000.00	134,259,000.00	135,234,000.00	7,547,713.00	127,686,287.00	
6	Aviation	-	3,352,240.00	-	3,352,240.00	3,352,240.00	-	3,352,240.00	
7	Cattle and Crop	4,041,700.00	-	-	-	4,041,700.00	3,311,408.00	730,292.00	
8	Miscellaneous	39,130,321.00	1,979,525.00	2,610,012.00	4,589,537.00	43,719,858.00	25,805,029.84	17,914,828.16	
	Total	926,098,876.67	286,078,028.57	225,704,043.00	757,438,308.59	2,195,319,256.83	1,541,921,751.92	653,397,504.91	

*The Board*  
*by*  *Chairman*  
*by*  *Managing Director*



**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**20 Insurance Payables**

Particulars	Current Year	Previous Year
Payable to Reinsurers	479,333,098.14	1,575,537,457.37
Payable to Other Insurance Companies	13,081,252.24	232,780,728.80
Portfolio Withdrawal Premium	91,245,068.45	-
Outstanding Withdrawal Claims	40,864,742.24	-
Others	-	-
<b>Total</b>	<b>624,524,161.07</b>	<b>1,808,318,186.17</b>

**Payable within 12 months:**

Particulars	Current Year	Previous Year
Payable to Reinsurers	479,333,098.14	1,575,537,457.37
Payable to Other Insurance Companies	13,081,252.24	232,780,728.80
Portfolio Withdrawal Premium	91,245,068.45	-
Outstanding Withdrawal Claims	40,864,742.24	-
Others	-	-
<b>Total</b>	<b>624,524,161.07</b>	<b>1,808,318,186.17</b>

**21 Current Tax Assets/ (Liabilities) (Net)**

Particulars	Current Year	Previous Year
Income Tax Liabilities	(2,341,972,382.81)	(993,673,298.88)
Income Tax Assets	2,471,650,300.66	1,058,255,777.86
<b>Total</b>	<b>129,677,917.85</b>	<b>64,582,478.98</b>

**22 Borrowings**

Particulars	Current Year	Previous Year
Bond	-	-
Debenture	-	-
Term Loan - Bank and Financial Institution	-	-
Bank Overdraft	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Payable within 12 months:**

Particulars	Current Year	Previous Year
Bond	-	-
Debenture	-	-
Term Loan - Bank and Financial Institution	-	-
Bank Overdraft	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**23 Other Liabilities**

Particulars	Current Year	Previous Year
TDS Payable	6,365,248.02	4,265,358.90
VAT Payable	44,082,615.16	36,199,137.85
Deposit Premium	12,154,155.61	14,998,467.87
Deferred Commission Income	256,908,998.53	242,110,109.58
Insurance Service Fee Payable	31,328,791.57	37,481,222.03
Lease Liability	152,207,943.17	129,550,281.26
Deferred Income	-	-
Others - Expense Payable	7,131,626.33	172,196.54
<b>Total</b>	<b>510,179,378.39</b>	<b>464,776,774.03</b>

**Payable within 12 months:**

Particulars	Current Year	Previous Year
TDS Payable	6,365,248.02	4,265,358.90
VAT Payable	44,082,615.16	36,199,137.85
Deposit Premium	-	-
Deferred Commission Income	256,908,998.53	242,110,109.58
Insurance Service Fee Payable	31,328,791.57	37,481,222.03
Lease Liability	33,394,796.23	17,038,465.00
Deferred Income	-	-
Others - Expense Payable	7,131,626.33	172,196.54
<b>Total</b>	<b>379,212,075.85</b>	<b>337,266,489.90</b>





**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**21. Other Financial Liabilities**

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Payable to Agent	-	-
Payable to Surveyor	12,805,890.53	13,449,787.98
Refundable Share Application Money	15,896,841.12	5,753,506.78
Payable to Insured	-	-
Sundry Creditors	20,137,571.90	12,159,066.63
Retention and deposits	59,349,689.28	68,068,630.24
Short-term employee benefits payable	307,794.75	17,612,586.33
i) Salary Payable	-	-
ii) Bonus Payable	613,332.38	-
iii) Other employee benefit payable	97,333,716.60	120,709,754.65
Audit Fee Payable	19,446,132.99	8,862,921.05
Dividend Payable	238,384.77	467,875.00
Others - Stale & Cancelled Cheque	453,400.00	18,247,384.03
<b>Total</b>	<b>37,431,141.59</b>	<b>31,566,306.82</b>
	<b>264,013,895.91</b>	<b>296,897,819.51</b>

**Payable within 12 months:**

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Payable to Agent	-	-
Payable to Surveyor	12,805,890.53	13,449,787.98
Refundable Share Application Money	15,896,841.12	5,753,506.78
Payable to Insured	-	-
Sundry Creditors	20,137,571.90	12,159,066.63
Retention and deposits	59,349,689.28	68,068,630.24
Short-term employee benefits payable	-	-
i) Salary Payable	-	-
ii) Bonus Payable	613,332.38	-
iii) Other employee benefit payable	97,333,716.60	120,709,754.65
Audit Fee Payable	19,446,132.99	8,862,921.05
Dividend Payable	238,384.77	467,875.00
Others - Stale & Cancelled Cheque	453,400.00	18,247,384.03
<b>Total</b>	<b>226,274,959.57</b>	<b>247,718,926.36</b>










**Siddhartha Premier Insurance Ltd.**  
Notes to the Financial Statements  
For The Year Ended Ashadh 31, 2081  
(For The Year Ended July 15, 2024)

25 **Gross Earned Premiums**

Fig. in NPR

Particulars	Direct Premiums		Premiums on Reinsurer Accepted		Gross Change in Unearned Premiums		Gross Earned Premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	1,406,226,755.26	754,005,527.47	2,563,989.06	479,093.45	(128,583,054.88)	(37,793,087.77)	1,280,207,689.44	695,691,533.15
Motor	1,306,099,143.57	822,313,156.29	118,117,146.96	197,769,828.75	68,992,290.17	82,145,099.86	1,493,206,580.50	1,062,228,085.00
Marine	209,978,776.71	141,015,515.28	(13,468.40)	-	97,127,723.84	(34,680,199.96)	307,093,037.15	106,335,315.32
Engineering	609,161,564.54	497,491,788.89	136,312.01	363,673.04	-	-	588,973,782.30	566,441,702.21
Micro	863,350.50	10,747,699.52	-	-	5,861,760.12	(1,902,975.54)	6,365,150.62	8,844,723.98
Aviation	38,603,012.47	109,146,617.49	-	-	(2,461,402.69)	70,916,452.63	36,141,609.78	180,063,070.32
Cattle and Crop	57,800,990.80	52,458,606.17	-	-	-	-	57,800,990.80	52,458,606.17
Miscellaneous	477,891,542.47	238,505,737.29	103,032.70	101,250.00	21,584,612.97	2,331,509.32	79,380,603.77	54,787,115.49
<b>Total</b>	<b>4,056,265,178.12</b>	<b>2,625,681,648.50</b>	<b>120,907,032.33</b>	<b>158,713,845.24</b>	<b>14,864,858.54</b>	<b>756,569,580.80</b>	<b>4,192,037,068.99</b>	<b>2,940,965,074.54</b>

25.1 **Direct Premiums**

Particulars	New Business Premium		Renewal Premium		Co-Insurance Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	928,573,367.44	359,506,970.31	429,416,518.78	373,430,609.11	48,236,569.03	23,047,948.09	1,406,226,755.26	754,005,527.47
Motor	728,154,752.07	497,726,271.87	577,944,391.50	324,388,884.52	-	-	1,306,099,143.57	822,313,156.29
Marine	162,212,146.25	110,657,903.15	47,266,630.46	30,357,612.11	-	-	209,978,776.71	141,015,515.28
Engineering	216,283,607.01	224,852,870.91	345,773,038.30	268,517,092.20	47,104,861.44	4,111,820.78	609,161,564.54	497,491,788.89
Micro	353,494.50	3,446,210.17	149,896.00	5,361,489.40	-	-	503,390.50	10,747,699.52
Aviation	3,230,653.50	2,320,014.16	35,372,358.97	106,626,603.33	-	-	38,603,012.47	109,146,617.49
Cattle and Crop	57,509,119.80	52,629,011.00	291,571.00	(173,474.83)	-	-	57,800,990.80	52,458,606.17
Miscellaneous	289,235,642.83	197,246,234.30	132,962,894.65	39,757,402.92	5,673,004.99	1,502,100.07	477,891,542.47	238,505,737.29
<b>Total</b>	<b>2,785,573,143.40</b>	<b>1,448,595,588.62</b>	<b>1,569,677,599.26</b>	<b>1,148,624,723.79</b>	<b>101,014,435.46</b>	<b>28,662,868.90</b>	<b>4,056,265,178.12</b>	<b>2,625,681,648.50</b>

26 **Premiums Ceded**

Particulars	Premiums Ceded to Reinsurers		Reinsurer's Share of Change in Unearned Premiums		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	843,131,289.30	513,068,850.66	(19,535,799.98)	(39,464,463.58)	823,595,489.32	473,604,387.08
Motor	552,166,226.43	311,567,351.09	(71,738,019.90)	88,488,022.80	480,428,206.53	400,075,373.89
Marine	82,864,129.65	87,208,948.18	164,799,969.27	(33,922,134.09)	247,646,098.92	53,284,814.09
Engineering	498,330,686.69	446,414,993.69	(3,913,830.83)	74,242,491.18	494,416,827.86	520,657,484.87
Micro	132,884.28	1,720,995.90	1,106,616.42	(626,952.85)	1,239,500.70	1,094,043.05
Aviation	32,303,897.63	109,038,521.05	504,106.51	67,478,596.11	33,068,004.14	176,517,117.16
Cattle and Crop	48,090,434.28	41,964,484.93	15,578,008.15	2,036,798.44	63,668,432.43	44,001,253.37
Miscellaneous	226,696,988.78	119,651,823.86	(32,813,546.49)	35,702,626.67	203,883,442.29	155,354,250.53
<b>Total</b>	<b>2,283,976,499.02</b>	<b>1,630,653,968.56</b>	<b>53,987,503.15</b>	<b>193,954,784.68</b>	<b>2,347,964,002.17</b>	<b>1,824,588,724.04</b>

26.1 **Portfolio-wise detail of Net Earned Premiums**

Particulars	Gross Earned Premiums		Premiums Ceded		Net Earned Premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	1,280,207,689.44	695,691,533.15	823,595,489.32	473,604,387.08	456,612,200.12	223,087,146.07
Motor	1,493,206,580.50	1,062,228,085.00	480,428,206.53	400,075,373.89	1,012,780,373.99	662,152,711.12
Marine	307,093,037.15	106,335,315.32	247,646,098.92	53,284,814.09	59,446,938.23	53,050,501.23
Engineering	588,973,782.30	566,441,702.21	494,416,827.86	520,657,484.87	94,556,954.44	45,784,217.34
Micro	6,365,150.62	8,844,723.98	1,239,500.70	1,094,043.05	5,125,649.92	7,750,680.93
Aviation	36,141,609.78	180,063,070.32	33,068,004.14	176,517,117.16	3,073,605.64	3,545,953.16
Cattle and Crop	57,800,990.80	52,458,606.17	63,668,432.43	44,001,253.37	15,712,114.34	10,285,862.12
Miscellaneous	400,661,620.45	265,573,529.06	203,883,442.29	155,354,250.53	196,778,178.14	110,219,278.53
<b>Total</b>	<b>4,192,037,068.99</b>	<b>2,940,965,074.54</b>	<b>2,347,964,002.17</b>	<b>1,824,588,724.04</b>	<b>1,844,073,066.81</b>	<b>1,116,376,350.49</b>

27 **Commission Income**

Particulars	Reinsurance Commission Income		Deferred Commission Income		Profit Commission		Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	256,436,544.92	148,407,371.01	(26,746,372.60)	(2,664,836.90)	22,328,614.35	1,954,572.53	252,018,786.67	147,697,106.64
Motor	105,494,019.20	40,297,308.18	(15,413,623.63)	18,989,871.99	11,619,580.18	(96,357.01)	101,099,975.75	58,380,823.16
Marine	25,098,247.69	27,442,114.58	17,604,645.27	(5,636,735.79)	2,177,280.04	1,136,071.64	47,880,173.00	22,963,447.43
Engineering	82,524,539.34	76,188,239.60	1,440,467.82	157,732.18	-	-	83,965,007.16	76,346,001.78
Micro	44,234.20	292,569.32	157,732.18	(111,288.02)	13,510.39	-	268,983.70	181,281.30
Aviation	251,408.12	828,146.32	(8,354.36)	4,072,049.29	-	-	253,081.76	4,900,195.61
Cattle and Crop	9,832,522.27	9,536,623.75	4,703,106.31	(3,598,762.50)	1,103,858.62	-	15,239,487.20	5,937,862.95
Miscellaneous	45,597,673.23	36,207,361.91	3,463,009.85	2,333,493.48	3,542,590.25	(508,197.44)	52,603,773.34	38,032,657.95
<b>Total</b>	<b>528,382,188.97</b>	<b>339,199,736.67</b>	<b>(14,798,888.94)</b>	<b>19,927,748.11</b>	<b>46,037,626.14</b>	<b>10,800,743.54</b>	<b>589,620,926.17</b>	<b>369,718,228.32</b>

28 **Other Direct Income**

Particulars	Direct Income		Other		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-	-	-	-	-
Motor	29,868,249.77	10,174,240.33	-	-	29,868,249.77	10,174,240.33
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	7,200.00	-	7,200.00	-
Miscellaneous	552,344.79	127,723.26	-	-	552,344.79	127,723.26
<b>Total</b>	<b>30,420,594.56</b>	<b>10,301,963.59</b>	<b>-</b>	<b>-</b>	<b>30,420,594.56</b>	<b>10,301,963.59</b>

Handwritten signatures and official stamps of Siddhartha Premier Insurance Ltd. and S.R. Pandey & Co. are visible at the bottom of the page.

**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

Fig in NPR

**29 Income from Investment & Loans**

Particulars	Current Year	Previous Year
<b>Interest Income from Financial Assets Measured at Amortised Costs</b>		
i) Fixed Deposit with "A" Class Financial Institutions		
ii) Fixed Deposit with Infrastructure Bank	506,472,535.99	343,740,230.21
iii) Fixed Deposit with "B" Class Financial Institutions		
iv) Fixed Deposit with "C" Class Financial Institutions	77,987,386.79	64,463,642.07
v) Debentures	20,785,259.73	16,301,032.52
vi) Bonds (Nepal Government/ NRI/ Guaranteed by Nepal Government)	68,460,038.57	27,110,418.46
vii) Bank Deposits other than Fixed Deposit	86,750.00	116,426.00
viii) Employee Loan	2,899,381.42	32,180,918.43
ix) Other Interest Income- Interest on Gratuity & Leave Fund	257,602.96	422,880.65
<b>Financial Assets Measured at FVTOCI</b>	<b>19,306,957.00</b>	<b>7,569,130.20</b>
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income	5,512,309.31	4,822,775.65
<b>Financial Assets Measured at FVTPL</b>		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income		
<b>Rental Income</b>		
Others	12,430,504.15	6,673,617.60
<b>Total</b>	<b>734,199,542.92</b>	<b>503,401,072.31</b>

**30 Net Gains/ (Losses) on Fair Value Changes**

Particulars	Current Year	Previous Year
<b>Changes in Fair Value of Financial Assets Measured at FVTPL</b>		
i) Equity Instruments		
ii) Mutual Fund		
iii) Others		
<b>Changes in Fair Value on Investment Properties</b>		
<b>Changes in Fair Value on Hedged Items in Fair Value Hedges</b>	<b>5,701,670.00</b>	<b>6,815,908.86</b>
<b>Changes in Fair Value on Hedging Instruments in Fair Value Hedges</b>		
Others		
<b>Total</b>	<b>5,701,670.00</b>	<b>6,815,908.86</b>

**31 Net Realised Gains/ (Losses)**

Particulars	Current Year	Previous Year
<b>Realised Gains/(Losses) on Derecognition of Financial Assets Measured at FVTPL</b>		
i) Equity Instruments		
ii) Mutual Fund	(153,422,570.57)	-
iii) Debentures		
iv) Others		
<b>Realised Gains/(Losses) on Derecognition of Financial Assets at Amortised Costs</b>		
i) Debentures		
ii) Bonds		
iii) Others		
<b>Total</b>	<b>(153,422,570.57)</b>	<b>-</b>

**32 Other Income**

Particulars	Current Year	Previous Year
<b>Unwinding of discount on Financial Assets at Amortised Cost</b>		
i) Employee Loan		
ii) Bonds		
iii) Others		
<b>Foreign Exchange Income</b>		
<b>Interest Income from Finance Lease</b>		2,534,575.84
<b>Profit from disposal of Property and Equipment</b>		
<b>Amortization of Deferred Income</b>	<b>7,688,365.41</b>	
<b>Stamp Income</b>		
<b>Others - Miscellaneous Income</b>		
- Interest Income on Staff Loan	1,025,998.66	510,604.41
- Prior Period Income	6,211,041.50	7,946,623.00
	1,340,507.31	
<b>Total</b>	<b>16,266,202.88</b>	<b>10,991,803.35</b>

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**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

33 Gross Claims Paid and Claims Coded

Fig.in NPR

Particulars	Gross Claims Paid		Claims Coded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	441,312,549.51	333,679,669.45	(317,730,285.60)	(251,498,558.61)	123,582,263.91	82,181,110.84
Motor	927,387,607.39	762,126,654.91	(252,030,012.97)	(190,831,770.58)	675,357,594.42	571,294,884.33
Marine	85,921,826.71	76,737,107.03	(37,771,976.71)	(65,826,760.51)	48,149,850.00	10,910,346.52
Engineering	411,711,278.19	1,571,469,171.00	(388,502,510.57)	(1,556,763,114.12)	23,208,767.62	14,706,056.88
Micro	248,246.19	98,258,781.66	(45,851.24)	(75,446,302.00)	202,394.95	22,812,479.66
Aviation	30,488.00	-	(15,244.00)	-	15,244.00	-
Cattle and Crop	38,752,750.78	24,438,277.34	(31,193,645.54)	(19,550,621.87)	7,559,105.24	4,887,655.47
Miscellaneous	232,784,719.75	141,706,520.82	(123,650,911.57)	(51,292,649.07)	109,133,808.18	90,414,471.75
<b>Total</b>	<b>2,138,149,466.52</b>	<b>3,008,416,182.21</b>	<b>(1,150,930,338.20)</b>	<b>(2,211,209,176.76)</b>	<b>987,219,128.32</b>	<b>797,207,005.45</b>

33.1 Details of Gross Claim Paid

Particulars	Claim Paid		Survey Fees		Total Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	420,366,822.20	318,673,147.51	20,945,727.31	15,008,521.94	441,312,549.51	333,679,669.45
Motor	893,836,627.30	729,389,142.00	33,530,980.09	32,737,512.91	927,387,607.39	762,126,654.91
Marine	78,794,916.00	72,914,085.55	7,126,910.71	3,823,021.48	85,921,826.71	76,737,107.03
Engineering	388,231,685.25	1,533,834,810.00	23,479,592.94	37,634,361.00	411,711,278.19	1,571,469,171.00
Micro	200,090.00	98,219,863.70	47,236.19	38,915.96	248,246.19	98,258,781.66
Aviation	30,488.00	-	-	-	30,488.00	-
Cattle and Crop	38,481,838.88	24,384,326.00	270,911.90	33,951.34	38,752,750.78	24,438,277.34
Miscellaneous	232,199,192.65	141,281,734.13	585,527.10	424,796.69	232,784,719.75	141,706,520.82
<b>Total</b>	<b>2,082,142,560.28</b>	<b>2,915,697,118.89</b>	<b>86,006,906.24</b>	<b>89,719,071.32</b>	<b>2,138,149,466.52</b>	<b>3,008,416,182.21</b>

34 Change in Contract Liabilities

Particulars	Gross Change in Contract Liabilities		Change in Reinsurance Assets		Net Change in Contract Liabilities	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	(36,614,900.67)	(60,668,044.26)	168,527,030.92	46,463,459.14	131,912,130.25	(14,204,583.12)
Motor	40,991,429.51	(198,729,264.58)	5,684,446.95	23,669,283.44	46,675,876.47	(135,059,981.14)
Marine	(17,230,266.27)	4,397,762.53	23,063,709.13	4,132,223.57	5,813,442.89	8,529,986.10
Engineering	(307,562,170.40)	(1,312,462,224.35)	337,540,689.43	1,318,803,376.18	29,978,519.03	6,341,151.83
Micro	902,765.15	284,753,502.60	(566,391.64)	(283,636,483.72)	336,373.52	1,117,018.88
Aviation	(14,688,305.41)	8,795,126.39	15,268,804.17	(11,200,516.06)	380,488.75	(2,405,339.67)
Cattle and Crop	(17,649,435.58)	(429,125,367.46)	15,089,675.32	430,942,826.22	(2,559,760.25)	1,817,438.76
Miscellaneous	272,657.64	(6,884,159.47)	(1,477,579.27)	(5,752,161.82)	(1,204,921.42)	(12,636,321.29)
<b>Total</b>	<b>(381,998,225.82)</b>	<b>(1,669,922,618.60)</b>	<b>563,120,355.05</b>	<b>1,523,422,006.93</b>	<b>211,132,129.24</b>	<b>(146,500,611.65)</b>

35 Commission Expenses

Particulars	Commission Expenses on Direct Insurance Contracts		Commission Expenses on Reinsurance Accepted		Deferred Commission Expenses		Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	11,830,564.51	8,345,606.86	234,922.67	61,221.69	(147,455.11)	3,724,799.04	11,918,032.07	12,131,627.59
Motor	8,135,884.42	7,152,440.77	-	487.69	1,582,200.91	918,324.06	9,698,085.33	8,071,252.52
Marine	1,787,100.16	1,359,777.70	(2,020.26)	-	813,690.65	(44,123.56)	2,998,770.35	1,315,656.14
Engineering	3,338,201.00	5,847,016.18	19,443.11	44,857.05	1,621,797.62	447,289.36	4,989,401.73	6,339,172.99
Micro	12,878.63	323,472.36	-	-	168,490.57	(39,247.95)	181,369.20	284,224.41
Aviation	-	319,125.00	-	-	-	664,710.54	-	983,835.54
Cattle and Crop	-	3,349,798.22	-	-	2,530,160.13	(1,050,080.86)	2,530,160.15	2,299,717.36
Miscellaneous	5,458,835.70	4,444,703.60	15,457.90	35,187.50	182,479.43	202,544.37	5,656,793.03	4,662,435.47
<b>Total</b>	<b>30,543,484.42</b>	<b>31,141,940.69</b>	<b>267,803.42</b>	<b>121,793.93</b>	<b>6,761,324.22</b>	<b>4,824,227.00</b>	<b>37,872,612.06</b>	<b>36,087,921.62</b>

36 Service Fees

Particulars	Gross Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	10,565,930.58	6,005,469.47	(6,323,199.44)	(4,227,736.57)	4,242,731.14	1,777,733.90
Motor	10,681,622.18	7,888,959.81	(4,141,246.73)	(1,949,057.55)	6,540,375.45	5,939,902.26
Marine	1,574,739.81	1,144,606.70	(621,480.96)	(721,463.99)	953,258.85	423,142.71
Engineering	4,589,734.09	4,079,556.77	(3,757,408.82)	(3,639,626.00)	832,325.27	439,930.77
Micro	3,775.43	88,329.18	(996.63)	(14,162.36)	2,778.80	74,166.82
Aviation	289,522.59	958,007.08	(214,229.21)	(933,171.20)	45,293.38	24,835.88
Cattle and Crop	433,507.43	405,995.53	(363,678.18)	(324,845.02)	72,829.25	81,150.51
Miscellaneous	3,209,959.46	1,946,321.86	(1,775,261.13)	(927,259.07)	1,434,698.33	1,019,113.79
<b>Total</b>	<b>31,328,791.57</b>	<b>22,517,297.41</b>	<b>(17,204,501.10)</b>	<b>(12,737,320.76)</b>	<b>14,124,290.47</b>	<b>9,779,976.65</b>

*for* *Prakash* *Palml* *to* *for* *Prakash* *Palml* *to* *for* *Prakash* *Palml* *to*



**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**37 Other Direct Expenses**

Particulars	Direct Expenses		Others		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	19,229.91	4,433.52	-	-	19,229.91	4,433.52
Motor	13,902,570.07	10,950,308.33	-	-	13,902,570.07	10,950,308.33
Marine	(101.01)	-	-	-	(101.01)	-
Engineering	1,022.34	2,767.64	-	-	1,022.34	2,767.64
Micro	-	67,397.33	-	-	-	67,397.33
Aviation	-	-	-	-	-	-
Cattle and Crop	906,676.47	707,025.00	-	-	906,676.47	707,025.00
Miscellaneous	772.90	1,012.50	-	-	772.90	1,012.50
<b>Total</b>	<b>14,830,170.68</b>	<b>11,732,944.32</b>	<b>-</b>	<b>-</b>	<b>14,830,170.68</b>	<b>11,732,944.32</b>

**38 Employee Benefits Expenses**

Particulars	Current Year	Previous Year
Salaries	256,381,517.36	125,369,175.75
Allowances	72,771,150.21	82,676,424.35
Festival Allowances	27,139,257.11	10,621,617.22
<b>Defined Benefit Plans:</b>		
i) Gratuity	-	-
ii) Others - Leave	27,288,053.00	10,125,970.14
<b>Defined Contribution Plans:</b>		
i) Provident Fund	22,929,539.00	18,267,249.90
ii) Others-Gratuity	25,630,419.68	13,618,848.79
Leave Encashment	8,363,133.48	6,339,940.93
Termination Benefits	15,898,290.98	3,137,891.40
Training Expenses	-	-
Uniform Expenses	11,339,191.94	10,766,415.48
Medical Expenses	-	5,900.00
Insurance Expenses	14,608,538.98	6,317,477.80
Staff Welfare Expenses	3,327,102.68	3,220,735.68
Others- Staff Paid Expenses	7,305,218.24	5,732,636.89
- Interest Expenses on Staff Loan	-	-
<b>Sub - Total</b>	<b>6,211,041.50</b>	<b>7,946,623.00</b>
Employee Bonus	498,362,554.36	314,149,937.33
<b>Total</b>	<b>97,333,716.60</b>	<b>77,458,106.12</b>
	<b>395,696,270.96</b>	<b>391,608,043.45</b>

**39 Depreciation and Amortization Expenses**

Particulars	Current Year	Previous Year
Amortization of goodwill & Intangible Assets (Refer Note 4)	-	-
Depreciation on Property and Equipment (Refer Note 5)	631,132.66	589,476.54
Depreciation on Investment Properties (Refer Note 6)	46,441,204.05	37,817,868.96
<b>Total</b>	<b>47,072,336.71</b>	<b>38,407,345.50</b>

**40 Impairment Losses**

Particulars	Current Year	Previous Year
<b>Impairment Losses on Property and Equipment, Investment Properties and Intangible Assets</b>		
i) Property and Equipment	-	-
ii) Investment Properties	-	-
iii) Intangible Assets	-	-
<b>Impairment Losses on Financial Assets</b>		
i) Investment	-	-
ii) Loans	-	-
iii) Other Financial Assets	-	-
iv) Cash and Cash Equivalent	-	-
v) Others	1,214.25	-
<b>Impairment Losses on Other Assets</b>		
i) Reinsurance Assets	-	-
ii) Insurance Receivables	-	-
iii) Lease Receivables	35,410,352.19	34,215,360.59
iv) Others	-	-
<b>Total</b>	<b>35,411,566.44</b>	<b>34,215,360.59</b>

*for P. P. Paul* *for S. S. Pandey*



**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
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**(For The Year Ended July 15, 2024)**

**41. Other Operating Expenses**

Particulars	Current Year	Previous Year
Rent Expenses		
Electricity and Water	7,048,723.56	1,329,079.33
Repair & Maintenance:	7,459,149.80	4,846,708.07
i) Building		
ii) Vehicle	426,719.50	344,607.63
iii) Office Equipments	1,125,703.25	1,165,744.08
iv) Others	5,223,319.50	3,944,636.23
Telephone & Communication	1,656,595.35	708,679.98
Printing & Stationary	14,168,670.00	8,930,763.75
Office Consumable Expenses	11,443,375.30	9,268,618.20
Travelling Expenses:	9,605,677.95	8,374,406.26
i) Domestic		
ii) Foreign	2,668,215.74	1,186,248.33
Transportation & Fuel Expenses	3,280,073.30	722,154.50
Agent Training	18,827,481.78	17,481,439.26
Other Agent Expenses	30,624.00	-
Insurance Premium	6,000.00	724.00
Security & Outsourcing Expenses	1,632,969.54	483,079.86
Legal and Consulting Expenses	30,795,219.76	14,970,587.28
Newspapers, Books and Periodicals	1,066,335.00	3,634,600.31
Advertisement & Promotion Expenses	157,057.84	142,305.94
Business Promotion	3,425,342.50	5,196,193.94
Guest Entertainment	44,077,240.78	26,586,025.65
Gift and Donations	428,438.98	2,233,213.21
Board Meeting Fees and Expenses:	345,308.00	836,086.21
i) Meeting Allowances		
ii) Other Allowances	2,064,000.00	2,217,000.00
Other Committee/ Sub-committee Expenses:	324,513.71	292,712.96
i) Meeting Allowances		
ii) Other Allowances	2,730,000.00	2,394,900.00
General Meeting Expenses	104,742.01	208,355.00
Actuarial Service Fee	528,011.99	207,110.00
Other Actuarial Expenses	800,790.00	411,764.71
Audit Related Expenses:		
i) Statutory Audit		
ii) Tax Audit	700,000.00	375,000.00
iii) Long Form Audit Report	50,000.00	30,000.00
iv) Other Fees		
v) Internal Audit	239,655.00	871,528.20
vi) Others - Audit Expenses	500,000.00	446,250.00
Bank Charges	1,075,358.24	793,739.98
Fee and Charges	2,211,013.23	1,534,628.49
Postage Charges	9,753,618.14	3,567,492.66
Foreign Exchange Losses	2,976,274.00	2,181,463.83
Fine & Penalty	8,106,080.40	-
Others - Miscellaneous Expenses	210,187.00	5,500.00
- VAT Expenses	1,407,557.27	1,021,803.72
- Wages & Other Service Expenses	2,970,765.22	3,305,386.98
- Share Listing Expenses	4,500.00	1,130,458.10
- Loss from disposal of Property and Equipment	922,110.00	2,508,141.10
<b>Total</b>	<b>203,597,777.64</b>	<b>138,941,491.96</b>

**42. Finance Cost**

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions		
Unwinding of discount on Financial Liabilities at Amortised Costs		
Interest Expenses - Bonds	-	-
Interest Expenses - Debentures	-	-
Interest Expenses - Term Loans	-	-
Interest Expenses - Lease	-	-
Interest expenses - Overdraft Loan	14,199,700.27	9,009,887.92
Others	-	-
<b>Total</b>	<b>14,199,700.27</b>	<b>9,009,887.92</b>

*[Handwritten signatures and initials]*



**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

43 **Income Tax Expense**

60 **Income Tax Expense**

Particulars	Current Year	Previous Year
<b>Current Tax</b>		
i) Income Tax Expenses for the Year		
ii) Income Tax Relating to Prior Periods	232,751,292.00	257,041,014.00
<b>Deferred Tax For The Year</b>	30,499,270.62	2,650,012.00
i) Originating and reversal of temporary differences		
ii) Changes in tax rate	(75,436,264.62)	58,112,424.60
iii) Recognition of previously unrecognized tax losses	-	-
iv) Write-down or reversal	-	-
v) Others - Reversal of Deferred Tax liabilities on disposal of Share	-	-
<b>Income Tax Expense</b>	<b>187,814,298.00</b>	<b>317,803,450.60</b>

60 **Reconciliation of Taxable Profit & Accounting Profit**

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	876,003,449.39	697,122,955.12
Applicable Tax Rate	30%	30%
<b>Tax at the applicable rate on Accounting Profit</b>	<b>262,801,034.82</b>	<b>209,136,886.54</b>
<b>Add: Tax effect of expenses that are not deductible for tax purpose</b>		
i) Agent commission	-	3,900,334.50
ii) Defined benefit plan expenses	15,065,277.60	941,941.76
iii) Portion of bonus on tax exempt dividend	165,369.28	95,239.76
iv) Repairs & maintenance	2,529,821.28	1,849,100.38
v) Depreciation as per Books	14,121,701.01	11,522,203.65
vi) Donation	-	-
vii) Fine & Penalty	63,096.10	1,650.00
viii) Provision for loss on Doubtful Debt	10,623,469.93	10,264,608.18
ix) Share related Expenses	-	-
x) Rent Amortization Expenses	-	(5,165,139.23)
xi) Finance cost of Rent Amortization Expenses	4,229,910.08	2,702,966.36
xii) Insurance contract liabilities-claim	45,579,199.46	1,198,011.08
<b>Less: Tax effect on exempt income and additional deduction</b>		
i) Insurance contract liabilities- Premium	(97,581,334.67)	71,399,599.23
ii) Reinsurance commission income	-	(40,263,563.31)
iii) Dividend income	(1,633,692.35)	(952,397.60)
iv) Gain/Loss on sale of assets	(2,306,569.62)	315,766.20
v) Reinsurance commission expense	(1,129,487.24)	(1,163,766.20)
vi) Repairs & Maintenance	(5,464,957.79)	(3,697,236.03)
vii) Depreciation as per Books	-	-
viii) Rent Amortization Income	-	-
<b>Less: Adjustments to Current Tax for Prior Periods</b>		
i) Premium on government bond	-	-
<b>Add/ (Less): Others</b>		
i) Change in FV of Investment Property	(1,710,501.00)	(2,044,770.26)
ii) Rent Expenses	(9,625,451.79)	-
iii) Gratuity and Leave Paid	(2,392,158.00)	-
iv) Actuarial Return on Plan Assets	(650,197.50)	-
v) Deferred Rent Income	89,219.23	-
vi) Prior Period Expense/(Income)	67,583.08	-
<b>Income Tax Expense</b>	<b>232,751,292.00</b>	<b>257,041,014.00</b>
<b>Effective Tax Rate</b>	<b>26.57</b>	<b>36.87</b>

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Siddhartha Premier Insurance Ltd.

Notes to the Financial Statements

For The Year Ended Ashadh 31, 2081

(For The Year Ended July 15, 2024)

Fig.in NPR

44 Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashadh 31,2081 ( July 15, 2024) the company has recognised an amount of NPR. 33,993,553.36 as an expenses under the defined contribution plans in the Statement of Profit or Loss.

b) Post Employment Benefit - Defined Benefit Plans

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

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

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost	12,759,317.00	3,460,226.00	15,336,589.00	10,067,018.00
Past service cost	-	-	-	-
Net interest cost (a-b)	195,149.00	(2,711,951.00)	2,619,580	-
a. Interest expense on defined benefit obligation (DBO)	7,622,911.00	935,471.00	11,951,464.00	-
b. Interest (income) on plan assets	(9,975,073.00)	(937,338.00)	(9,331,884.00)	-
c. Actuarial (gain)/ loss due to financial assumption changes in DBO	2,547,311.00	(2,710,084.00)	-	-
<b>Defined benefit cost included in Statement of Profit or Loss</b>	<b>12,954,466.00</b>	<b>748,275.00</b>	<b>17,956,169.00</b>	<b>10,067,018.00</b>

d) Re-measurement effects recognised in Statement of Other Comprehensive Income (OCI)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
a. Actuarial (gain)/ loss due to financial assumption changes in DBO	-	-	-	-
b. Actuarial (gain)/ loss due to experience on DBO	-	-	(3,450,336.00)	-
c. Return on plan assets (greater)/ less than discount rate	-	-	1,425,807.00	-
<b>Total actuarial (gain)/ loss included in OCI</b>	<b>-</b>	<b>-</b>	<b>(2,024,529)</b>	<b>-</b>

e) Total cost recognised in Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss	12,954,466.00	748,275.00	17,956,169.00	10,067,018.00
Re-measurements effects recognised in OCI	-	-	(2,024,529)	-
<b>Total cost recognised in Comprehensive Income</b>	<b>12,954,466.00</b>	<b>748,275.00</b>	<b>15,931,640.00</b>	<b>10,067,018</b>

f) Change in Defined Benefit Obligation

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year	85,926,683.80	18,706,758.00	130,989,499.00	-
Service cost	12,759,317.00	3,460,226.40	15,336,589.00	10,067,018.00
Interest cost	7,622,911.00	935,471.00	11,951,464.00	-
Benefit payments from plan assets	(6,788,558.00)	(3,500,029.00)	(2,174,467.00)	(1,490,881.00)
Actuarial (gain)/ loss - financial assumptions	1,805,793.00	241,105.00	-	-
Actuarial (gain)/ Loss - experience	-	66,083,132.40	(3,450,336.00)	122,413,362.00
<b>Defined Benefit Obligation As At Year End</b>	<b>101,326,146.80</b>	<b>85,926,683.80</b>	<b>152,652,749.00</b>	<b>130,989,499</b>

g) Change in Fair Value Of Plan Assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year	110,834,146.00	18,746,758.00	103,687,599.00	-
Expected return on plan assets	9,975,073.00	937,338.00	9,331,884.00	28,651,168.00
Employer contributions	17,245,664.00	92,541,132.00	40,000,000.00	76,527,312.00
Participant contributions	-	-	-	-
Benefit payments from plan assets	(5,799,393.00)	(4,342,271.00)	(2,174,467.00)	(1,490,881.00)
Transfer in/ transfer out	-	-	-	-
Actuarial gain/ (loss) on plan assets	(741,518.00)	2,951,189.00	(1,425,807.00)	-
<b>Fair value of Plan Assets At End of Year</b>	<b>131,513,972.00</b>	<b>110,834,146.00</b>	<b>149,419,209.00</b>	<b>103,687,599</b>

h) Net Defined Benefit Liability/(Asset)

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation	101,326,146.80	85,926,683.80	152,652,749	130,989,499
Fair Value of Plan Assets	(131,513,972.00)	(110,834,146.00)	(149,419,209)	(103,687,599)
<b>Liability/(Asset) Recognised in Statement of Financial Position</b>	<b>(30,187,825.20)</b>	<b>(24,907,462.20)</b>	<b>3,233,540.00</b>	<b>27,301,900</b>

i) Expected Company Contributions for the Next Year

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year	(17,428,509)	(21,447,237.00)	17,789,222	43,238,489.00



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**Siddhartha Premier Insurance Ltd.**

**Notes to the Financial Statements**

**For The Year Ended Ashadh 31, 2081**

**(For The Year Ended July 15, 2024)**

**j) Reconciliation of amounts in Statement of Financial Position**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end	(24,907,462.20)	(40,001.00)	27,301,900.00	-
Defined benefit cost included in Statement of Profit or Loss	12,954,466.00	748,275.00	17,956,169.00	10,067,018.00
Total re-measurements included in OCI	-	-	(2,024,529.00)	-
Acquisition/ divestment	-	2,155,765.00	-	45,886,050.00
Employer contributions	(18,234,829.00)	(27,771,501.00)	(40,000,000.00)	(28,651,168.00)
<b>Net defined benefit liability/(asset)</b>	<b>(30,187,825.20)</b>	<b>(24,907,462.00)</b>	<b>3,233,540.00</b>	<b>27,301,900</b>

**k) Reconciliation of Statement of Other Comprehensive Income**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period	-	-	59,042,845.00	59,042,845.00
Total re-measurements included in OCI	-	-	(2,024,529.00)	-
<b>Cumulative OCI - (Income)/Loss</b>	<b>-</b>	<b>-</b>	<b>57,018,316.00</b>	<b>59,042,845</b>

**l) Current/Non - Current Liability**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	18,225,300.00	15,214,653.50	14,016,744.00	11,727,498.00
Non - Current Liability	83,100,847.00	70,712,030.00	138,636,005.00	119,262,001.00
<b>Total</b>	<b>101,326,147.00</b>	<b>85,926,683.50</b>	<b>152,652,749.00</b>	<b>130,989,499</b>

**m) Expected Future Benefit Payments**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	19,027,772.00	15,884,565.00	14,633,910.00	12,243,867.00
Between 1-2 years	26,639,453.00	20,492,033.00	35,338,540.00	24,058,709.00
Between 3-5 years	22,282,298.00	24,142,910.00	33,220,723.00	29,755,263.00
From 6 to 10	43,527,194.00	68,393,079.00	76,356,594.00	73,008,208.00
<b>Total</b>	<b>111,476,717.00</b>	<b>128,912,587.00</b>	<b>159,549,767</b>	<b>139,066,047</b>

**n) Plan assets**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
	(% Invested)	(% Invested)	(% Invested)	(% Invested)
Government Securities	-	-	-	-
Corporate Bonds (including Public Sector bonds)	-	-	-	-
Mutual Funds	-	-	-	-
Deposits	-	-	-	-
Cash and bank balances	-	-	-	-
Retirement Fund	-	-	-	-
Others	100.00	100.00	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**o) Sensitivity Analysis**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Effect in Defined Benefit Obligation Due to 1% Increase in Discount Rate	(5,235,634)	(4,690,965.00)	(9,790,595)	(8,843,419.00)
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	5,878,189	5,169,916.00	11,085,124	10,059,226.00
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	6,423,035	5,666,181.00	11,904,723	10,779,663.00
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	(5,809,842)	(5,109,338.00)	(10,671,317)	(9,617,060.00)
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate	1,233,452	942,954.00	719,087	600,853.00
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate	(1,368,837)	(1,050,893.00)	(910,494)	(756,471.00)

**p) Assumptions**

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate	9.00%	9.00%
Escalation Rate (Rate of Increase in Compensation Levels)	6.00%	6.00%
Attrition Rate (Employee Turnover)	9.00%	9.00%
Mortality Rate During Employment	Nepali Assured Lives Mortality (2009)	Nepali Assured lives Mortality (2009)



Siddhartha Premier Insurance Ltd.

Notes to the Financial Statements

For The Year Ended Ashadh 31, 2081

(For The Year Ended July 15, 2024)

45 Fair Value Measurements

(i) Financial Instruments by Category & Hierarchy

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

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

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Investments</b>							
i) Investment in Equity Instruments							
Investment in Equity (Quoted)	1	-	1,409,354,247	-	-	2,261,149,340	-
Investment in Equity (Unquoted)	3	-	114,560,000	-	-	9,560,000	-
ii) Investment in Mutual Funds	1	-	66,124,217	-	-	46,905,988	-
iii) Investment in Preference Shares of Bank and Financial Institutions							
iv) Investment in Debentures	3	-	-	864,648,430	-	-	706,220,313
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3	-	-	-	-	-	5,000,000
vi) Fixed Deposits	3	-	-	6,851,500,000	-	-	6,276,900,000
vii) Others							
Loans							
Loan to Employees	3	-	-	26,443,217	-	-	-
Other Financial Assets	3	-	-	661,655,011	-	-	19,758,640
Cash and Cash Equivalents	3	-	-	139,485,561	-	-	622,434,791
<b>Total Financial Assets</b>			1,590,038,463	8,543,732,220		2,417,615,328	7,750,976,628
Borrowings							
Other Financial Liabilities	3	-	-	264,013,896	-	-	-
<b>Total Financial Liabilities</b>			-	264,013,896		-	296,897,820

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

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

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

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

(ii) Valuation Technique Used to Determine Fair Value

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

(iii) Valuation Process

The Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Valuation processes and results are reviewed at least once in a year.

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

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

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

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Investments</b>				
i) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
ii) Investment in Debentures	864,648,430.27	864,648,430.27	706,220,313.03	706,220,313.03
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	5,000,000.00	5,000,000.00
iv) Fixed Deposit	6,851,500,000.00	6,851,500,000.00	6,276,900,000.00	6,276,900,000.00
v) Others	-	-	-	-
Loans				
i) Loan to Employees	26,443,217.23	26,443,217.23	19,758,639.59	19,758,639.59
ii) Others	-	-	-	-
Other Financial Assets	661,655,011.48	661,655,011.48	622,434,791.02	622,434,791.02
<b>Total Financial Assets at Amortised Cost</b>	<b>8,404,246,658.98</b>	<b>8,404,246,658.98</b>	<b>7,630,313,743.64</b>	<b>7,630,313,743.64</b>
Borrowings				
i) Bond	-	-	-	-
ii) Debenture	-	-	-	-
iii) Term Loan - Bank and Financial Institution	-	-	-	-
iv) Bank Overdraft	-	-	-	-
v) Others	-	-	-	-
Other Financial Liabilities	264,013,895.91	264,013,895.91	296,897,819.51	296,897,819.51
<b>Total Financial Liabilities at Amortised Cost</b>	<b>264,013,895.91</b>	<b>264,013,895.91</b>	<b>296,897,819.51</b>	<b>296,897,819.51</b>

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

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**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**46 Insurance Risk**

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

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

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

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

**d) Product development:**

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

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

The significant risks arising under the Non-Life Insurance portfolio emanates from changes in the climate leading to natural disasters, behavioural trends of people due to changing life styles, the steady escalation of costs in respect of spares in the auto industries.

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

**bi Pricing:**

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

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

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

**d) Underwriting:**

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

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

**d) Reinsurance**

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

**e) Claims handling:**

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

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

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**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**Sensitivities**

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

Particulars	Changes in Assumptions	Current Year				Previous Year			
		Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax
Average Claim Cost	+ 10%	178,615,124.07	119,835,125.76	(119,835,125.76)	(83,884,588.03)	135,765,153.06	65,070,639.38	(65,070,639.38)	(45,549,447.57)
Average Number of Claims	+ 10%	178,615,124.07	119,835,125.76	(119,835,125.76)	(83,884,588.03)	135,765,153.06	65,070,639.38	(65,070,639.38)	(45,549,447.57)
Average Claim Cost	- 10%	(178,615,124.07)	(119,835,125.76)	119,835,125.76	83,884,588.03	(135,765,153.06)	(65,070,639.38)	65,070,639.38	45,549,447.57
Average Number of Claims	- 10%	(178,615,124.07)	(119,835,125.76)	119,835,125.76	83,884,588.03	(135,765,153.06)	(65,070,639.38)	65,070,639.38	45,549,447.57

**Claim development table**

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

**Gross outstanding claim provision**

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	1,920,834,857.81	1,920,834,857.81
One year later	-	-	-	-	1,063,084,157.59	-	1,063,084,157.59
Two year later	-	-	-	512,448,679.43	-	-	512,448,679.43
Three year later	-	-	841,021,760.34	-	-	-	841,021,760.34
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
<b>Current estimate of cumulative claims</b>	-	-	841,021,760.34	512,448,679.43	1,063,084,157.59	1,920,834,857.81	4,337,389,455.17
At end of incident year	-	-	-	-	-	994,735,981.14	994,735,981.14
One year later	-	-	-	-	777,006,129.02	-	777,006,129.02
Two year later	-	-	-	286,744,636.43	-	-	286,744,636.43
Three year later	-	-	83,583,451.75	-	-	-	83,583,451.75
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
<b>Cumulative payments to date</b>	-	-	83,583,451.75	286,744,636.43	777,006,129.02	994,735,981.14	2,142,070,198.34
<b>Gross outstanding claim provision</b>	-	-	757,438,308.59	225,704,043.00	286,078,028.57	926,098,876.67	2,195,319,256.83

**Net outstanding claim provision**

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	1,127,573,613.35	1,127,573,613.35
One year later	-	-	-	-	404,142,509.54	-	404,142,509.54
Two year later	-	-	-	75,421,465.38	-	-	75,421,465.38
Three year later	-	-	33,480,708.53	-	-	-	33,480,708.53
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
<b>Current estimate of cumulative claims</b>	-	-	-	75,421,465.38	404,142,509.54	1,127,573,613.35	1,640,618,296.80
At end of incident year	-	-	-	-	-	617,874,245.76	617,874,245.76
One year later	-	-	-	-	325,799,778.64	-	325,799,778.64
Two year later	-	-	-	34,519,416.19	-	-	34,519,416.19
Three year later	-	-	9,027,351.30	-	-	-	9,027,351.30
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
<b>Cumulative payments to date</b>	-	-	9,027,351.30	34,519,416.19	325,799,778.64	617,874,245.76	987,220,791.89
<b>Net outstanding claim provision</b>	-	-	49,027,351.30	40,902,049.19	78,342,730.90	509,699,367.59	683,397,504.91

**Reserving**

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

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

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Property	466,719,707.82	227,045,547.78	239,674,159.84	503,334,608.29	395,572,548.70	107,762,059.59
Motor	928,383,303.83	282,781,161.93	645,602,141.88	887,391,874.29	288,465,608.88	598,926,265.41
Marine	60,053,227.71	31,008,433.91	29,044,993.81	77,303,493.98	54,072,343.06	23,231,150.92
Engineering	672,180,455.73	604,831,964.14	67,348,531.61	980,142,066.15	942,372,653.57	37,770,012.58
Micro	675,896,697.26	674,216,627.89	1,680,069.67	674,993,932.40	673,650,236.25	1,343,696.15
Aviation	28,531,560.89	23,285,280.83	5,246,280.06	43,219,866.30	38,554,085.00	4,665,781.30
Cattle and Crop	10,458,203.02	6,648,374.17	3,809,828.85	28,107,636.60	21,738,049.50	6,369,587.10
Miscellaneous	101,338,706.64	55,769,613.48	45,569,093.17	101,086,048.80	54,292,034.21	46,794,014.59
<b>Total</b>	<b>2,943,581,900.99</b>	<b>1,805,587,204.12</b>	<b>1,037,994,696.88</b>	<b>3,295,580,126.81</b>	<b>2,468,717,559.17</b>	<b>826,862,567.64</b>

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**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**47 Financial Risk**

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

**i) Credit Risk**

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

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

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

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

Particulars	Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision	
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses	Fixed Deposits	6,851,500,000.00	-	-	6,851,500,000.00
		Loan to Employees	26,443,217.23	-	-	26,443,217.23
		Insurance Receivables	486,962,587.38	-	126,187,976.26	360,774,611.12
		Other Assets	105,519,419.48	-	109,283.50	105,410,135.98
		Other Financial Assets	662,935,781.48	-	1,280,770.00	661,655,011.48
Cash and Cash Equivalents	139,557,662.81	72,101.96	-	139,485,560.85		
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life time expected credit losses	-	-	-	-	
Credit Risk has significantly increased and credit impaired		-	-	-	-	

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

Particulars	Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision	
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses	Fixed Deposits	6,276,900,000.00	-	-	6,276,900,000.00
		Loan to Employees	19,758,639.59	-	-	19,758,639.59
		Insurance Receivables	1,696,803,725.65	-	90,777,026.37	1,606,026,699.28
		Other Assets	86,645,688.53	-	109,283.50	86,536,405.03
		Other Financial Assets	623,715,561.02	-	1,280,770.00	622,434,791.02
Cash and Cash Equivalents	120,951,469.13	288,585.11	-	120,662,884.02		
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses	-	-	-	-	
Credit Risk has significantly increased and credit impaired		-	-	-	-	

**Reconciliation of Loss Allowance Provision**

Particulars	Measured at 12 months expected credit losses	Measured at life-time expected credit losses	
		Credit Risk has significantly increased and not credit impaired	Credit Risk has significantly increased and credit impaired
Loss Allowance on Ashadh 31, 2080			
Changes in loss allowances	92,456,264.98	-	-
Write-offs	35,410,349.89	-	-
Recoveries	(216,483.15)	-	-
Loss Allowance on Ashadh 31, 2081	127,690,331.72	-	-


**ii) Liquidity Risk**

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

**Maturity of Financial Liabilities:**

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

Particulars	Current Year			Previous Year	
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	Upto 1 Year	1 Year to 5 Year
Borrowings	-	-	-	-	-
Other Financial Liabilities	226,274,959.57	37,738,936.34	-	247,718,926.36	49,178,893.15
<b>Total Financial Liabilities</b>	<b>226,274,959.57</b>	<b>37,738,936.34</b>	<b>-</b>	<b>247,718,926.36</b>	<b>49,178,893.15</b>





**Siddhartha Premier Insurance Ltd.**  
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**iii) Market Risk**

**a1) Foreign Currency Risk Exposure**

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

**a2) Foreign Currency Risk - Sensitivity**

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

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

\* Holding all other variable constant

**b1) Interest Rate Risk**

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

The major interest rate risk that the Company is exposed to is the discount rate for determining insurance liabilities.

**b2) Interest Rate Sensitivity**

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

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

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*	4,237,012.09	3,198,200.76
Interest Rate - Decrease By 1%*	(4,237,012.09)	(3,198,200.76)

\* Holding all other Variable Constant

**c1) Equity Price Risk**

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

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

**c2) Sensitivity**

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

Particulars	Current Year	Previous Year
NEPSE - Increase By 1%*	11,130,269.24	16,923,307.30
NEPSE - Decrease By 1%*	(11,130,269.24)	(16,923,307.30)

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

**48) Operation Risk**

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

**49) Climate Related Risk**

Climate related risk is the risk arising due significant variation of average weather conditions witnessed at atmosphere, ocean and landmass. The climate related risks mainly classified into physical risk, transition risk and liability risk when not timely identified, assessed, integrated and mitigated. It would pose unprecedented challenges to the company on a scale not experienced before. The primary objectives of this policy is to guide the company on the following points:

- Utilize available metrological forecasts, climate data and claim history of the company to anticipate long term trends and extreme events.
- Transition towards low carbon and climate resilient operations and investments.
- Identifying the climate induced physical risks, transitional risks and liability risks.
- Institute effective climate risk management framework and procedures appropriate at different level and areas of risk exposures for minimizing, controlling & mitigating the consequent environmental and sustainability risk arisen therefrom.
- Reduce and mitigate the vulnerability due to climate change and promote climate resilience operations, increased adaptation to climate change for delivering of the insurance services in more viable, sustainable and effective manner.
- Developing of a strategic plan for climate change risk for proactively addressing the challenges and opportunities associated with the climate change.
- Promoting climate literacy and awareness among the stakeholders for necessary inputs for sustainably addressing the climate change risks.
- Duly considering the climate change risk in the decision making and devoting resources to determine the urgency and feasibility of addressing risks.

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**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
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**50 Capital Management**

The Company's objectives when managing Capital are to

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

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

**Regulatory minimum paid up capital**

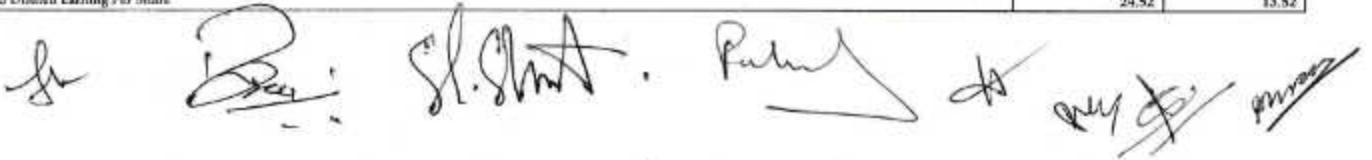
Non-Life insurance companies were required by the Directive issued by Nepal Insurance Authority to attain a stipulated minimum paid up capital of NPR 2.5 billion by mid-July 2023. As on the reporting date, the company's paid up capital is NPR 2,80,65,49,900/-

**Dividend**

Particulars	Current Year	Previous Year
<b>(i) Dividends recognised</b>		
Final dividend for the year ended Ashadh 31, 2080 of NPR 11.00 per share including Tax on Dividend (Ashadh 31, 2079 - NPR 15.00 per share including Tax on Dividend) per fully paid share	308,720,489.00	184,152,720.00
	308,720,489.00	184,152,720.00
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, for the year ended Ashadh 31, 2081, the directors have recommended the payment of a final cash dividend of NPR 30.00 per share including Tax on Dividend per fully paid equity share (Ashadh 31, 2080 - NPR 11.00 per share including Tax on Dividend). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	841,964,970.00	308,720,489.00
	841,964,970.00	308,720,489.00

**51 Earnings Per Share**

Particulars	Current Year	Previous Year
<b>Profit For the Year</b>	688,189,151.39	379,319,504.52
Less: Dividend on Preference Shares	-	-
<b>Adjusted profit attributable to ordinary share holders</b>	688,189,151.39	379,319,504.52
Add: Interest savings on Convertible Bonds	-	-
<b>Profit For the Year used for Calculating Diluted Earning per Share</b>	688,189,151.39	379,319,504.52
<b>Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share</b>	28,065,499.00	28,065,499.00
Adjustments for calculation of Diluted Earning per Share:		
i) Dilutive Shares	-	-
ii) Options	-	-
iii) Convertible Bonds	-	-
<b>Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share</b>	28,065,499.00	28,065,499.00
Nominal Value of Equity Shares	100.00	100.00
<b>Basic Earning Per Share</b>	24.52	13.52
<b>Diluted Earning Per Share</b>	24.52	13.52
Proposed Bonus Share	-	-
<b>Weighted Average Number of Equity Shares Outstanding During the Year for Restated Earning Per Share</b>	28,065,499.00	28,065,499.00
<b>Restated Basic Earning Per Share</b>	24.52	13.52
<b>Restated Diluted Earning Per Share</b>	24.52	13.52





**Siddhartha Premier Insurance Ltd.**  
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**(For The Year Ended July 15, 2020)**

**52 Operating Segment**

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

Segment asset is disclosed below based on total of all asset for each business segment.

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

Business Segments of the Company's are:

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

**a) Segmental Information for the year ended Ashadh 31, 2020 (July 15, 2020)**

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
<b>Income:</b>										
Gross Earned Premiums	1,290,207,889.84	1,455,218,388.50	307,090,022.15	588,973,782.30	6,305,150.62	26,181,609.78	79,386,660.77	490,661,620.43	-	4,192,037,968.99
Premiums Ceded	(523,545,289.32)	(480,428,206.51)	(267,264,298.92)	(494,431,827.86)	(1,200,500.79)	(23,668,004.34)	(65,666,432.43)	(313,863,442.29)	-	(2,567,966,002.17)
<b>Net Earned Premiums</b>	<b>456,612,200.12</b>	<b>1,012,790,575.39</b>	<b>59,825,723.23</b>	<b>94,541,954.44</b>	<b>5,094,649.83</b>	<b>3,513,605.44</b>	<b>13,720,228.34</b>	<b>176,798,178.14</b>	<b>-</b>	<b>1,844,071,966.81</b>
Commission Income	282,018,796.67	301,966,675.75	17,880,173.00	49,817,199.66	215,476.97	246,033.76	13,759,487.20	52,603,773.54	-	859,620,926.17
Other Direct Income	-	29,868,249.27	-	-	-	-	-	552,344.19	-	30,420,593.46
Income from Investments and Loans	247,803,723.85	250,320,991.77	36,970,435.38	107,093,076.70	18,478.29	6,205,048.04	10,158,375.50	73,226,354.17	-	774,775,542.92
<b>Net Gains/(Losses) on Fair Value Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Realized Gains/(Losses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Income	-	-	-	-	-	-	-	-	-	-
<b>Total Segmental Income</b>	<b>986,246,710.66</b>	<b>1,394,075,590.28</b>	<b>144,713,601.82</b>	<b>251,667,230.60</b>	<b>5,429,665.19</b>	<b>10,334,707.44</b>	<b>43,876,604.04</b>	<b>325,160,449.85</b>	<b>-</b>	<b>3,188,314,128.06</b>
<b>Expenses:</b>										
Gross Claims Paid	441,313,549.51	927,367,607.39	45,921,826.71	411,711,238.19	244,246.10	30,488.00	16,702,750.78	232,784,719.28	-	2,128,149,446.51
Claims Ceded	(317,730,285.60)	(252,620,812.90)	(137,771,976.71)	(348,363,510.37)	(45,891.24)	(15,244.00)	(31,193,645.54)	(123,650,811.82)	-	(1,350,430,339.20)
<b>Gross Change in Contract Liabilities</b>	<b>(16,414,003.67)</b>	<b>(40,913,420.51)</b>	<b>(17,250,266.27)</b>	<b>(167,962,170.45)</b>	<b>902,708.18</b>	<b>(14,480,705.41)</b>	<b>(17,449,435.50)</b>	<b>272,467.84</b>	<b>-</b>	<b>(1,350,430,339.20)</b>
Change in Contract Liabilities Ceded to Branches	198,577,000.93	3,698,460.95	23,363,789.15	337,540,680.43	(766,391.63)	15,266,804.17	15,088,675.23	(1,477,579.25)	-	763,130,355.05
<b>Net Claims Paid</b>	<b>255,494,864.14</b>	<b>722,045,470.89</b>	<b>33,364,292.89</b>	<b>52,987,253.60</b>	<b>338,760.47</b>	<b>599,712.75</b>	<b>4,199,344.59</b>	<b>107,928,966.76</b>	<b>-</b>	<b>1,385,351,207.56</b>
Commission Expense	11,918,032.07	9,698,045.20	2,598,570.58	4,895,801.23	181,360.30	-	2,500,160.15	8,156,793.33	-	37,972,612.06
Service Fees	6,242,751.14	6,340,379.45	953,258.45	832,528.27	2,720.40	45,763.16	72,829.25	1,634,158.13	-	14,124,290.47
Other Direct Expenses	(9,220.91)	(3,902,570.07)	(101.01)	(1,022.31)	-	-	-	772.90	-	(1,831,170.48)
Employee Benefits Expenses	203,904,186.45	303,103,887.68	29,942,037.80	86,850,474.19	71,787.28	5,506,080.81	8,212,807.35	61,035,258.18	-	985,696,270.86
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	18,663,271.68	48,412,121.67	10,135,828.97	21,697,520.27	26,535.54	1,881,553.05	2,817,233.56	20,860,770.83	-	203,597,277.64
Fire and Theft Cost	-	-	-	-	-	-	-	-	-	-
<b>Total Segmental Expenses</b>	<b>541,245,817.41</b>	<b>1,024,705,611.30</b>	<b>87,491,686.25</b>	<b>125,195,893.40</b>	<b>819,239.29</b>	<b>8,027,644.99</b>	<b>15,569,123.77</b>	<b>196,917,212.09</b>	<b>-</b>	<b>2,064,272,379.56</b>
<b>Total Segmental Results</b>	<b>445,000,893.25</b>	<b>369,369,978.98</b>	<b>57,221,915.57</b>	<b>126,471,337.20</b>	<b>4,610,425.90</b>	<b>2,307,062.45</b>	<b>28,307,480.27</b>	<b>128,243,237.76</b>	<b>-</b>	<b>1,844,071,966.81</b>
<b>Segment Assets</b>	<b>725,679,866.47</b>	<b>625,679,607.78</b>	<b>(74,810,832.50)</b>	<b>935,612,138.33</b>	<b>474,057,427.43</b>	<b>25,438,506.10</b>	<b>45,439,277.59</b>	<b>170,855,464.68</b>	<b>-</b>	<b>3,199,126,173.81</b>
<b>Segment Liabilities</b>	<b>1,435,495,232.21</b>	<b>1,786,293,610.92</b>	<b>107,258,099.63</b>	<b>1,130,391,569.68</b>	<b>675,944,534.63</b>	<b>45,059,880.98</b>	<b>45,417,608.15</b>	<b>365,770,875.87</b>	<b>-</b>	<b>5,862,518,073.33</b>

**b) Segmental Information for the year ended Ashadh 31, 2020 (July 15, 2020)**

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
<b>Income:</b>										
Gross Earned Premiums	695,691,533.13	1,062,328,085.00	104,535,215.72	566,441,712.21	8,444,723.06	180,963,070.32	34,769,115.45	268,573,529.06	-	2,961,965,874.54
Premiums Ceded	(475,694,367.88)	(409,405,373.89)	(53,254,814.06)	(520,687,884.87)	(1,094,063.05)	(78,517,117.16)	(44,001,253.37)	(181,394,250.53)	-	(1,824,568,734.04)
<b>Net Earned Premiums</b>	<b>220,017,165.25</b>	<b>652,922,711.11</b>	<b>51,280,401.66</b>	<b>85,753,827.34</b>	<b>7,350,660.01</b>	<b>102,445,953.16</b>	<b>30,767,862.08</b>	<b>187,179,278.53</b>	<b>-</b>	<b>1,137,397,140.49</b>
Commission Income	147,007,136.64	38,380,825.55	27,563,447.25	91,624,851.29	191,281.30	3,900,195.61	5,037,662.95	36,012,677.95	-	309,718,228.32
Other Direct Income	-	10,174,240.33	-	-	-	-	-	-	-	10,174,240.33
Income from Investments and Loans	69,740,346.56	386,042,221.89	22,540,313.71	94,677,869.71	1,087,211.44	40,731,796.95	6,189,746.70	42,421,875.24	-	825,097,035.19
<b>Net Gains/(Losses) on Fair Value Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Realized Gains/(Losses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Income	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>436,764,587.45</b>	<b>1,077,370,030.35</b>	<b>73,823,715.37</b>	<b>177,428,687.34</b>	<b>7,541,941.31</b>	<b>146,177,750.11</b>	<b>36,957,618.78</b>	<b>263,211,956.48</b>	<b>-</b>	<b>1,999,804,516.71</b>
<b>Expenses:</b>										
Gross Claims Paid	333,679,609.45	742,126,654.91	76,737,037.03	1,071,869,171.00	94,298,781.60	-	24,438,277.58	141,736,820.82	-	2,384,946,142.39
Claims Ceded	(251,498,558.01)	(190,821,770.58)	(45,826,760.51)	(1,054,763,114.12)	(75,446,302.08)	-	-	(19,530,621.87)	-	(2,211,206,127.16)
<b>Gross Change in Contract Liabilities</b>	<b>(81,761,049.44)</b>	<b>(151,294,884.37)</b>	<b>(30,913,271.52)</b>	<b>(217,103,056.88)</b>	<b>(19,847,483.52)</b>	<b>-</b>	<b>2,791,729.39</b>	<b>(161,907,442.74)</b>	<b>-</b>	<b>(1,000,000,000.00)</b>
Change in Contract Liabilities Ceded to Branches	46,463,459.14	33,669,283.48	4,152,323.97	1,216,813,526.18	(200,636,483.72)	(11,201,510.06)	430,942,826.22	(5,752,161.82)	-	(1,609,922,618.61)
<b>Net Claims Paid</b>	<b>47,297,550.31</b>	<b>418,456,871.43</b>	<b>35,114,767.56</b>	<b>855,032,647.28</b>	<b>173,662,298.08</b>	<b>-</b>	<b>24,146,548.36</b>	<b>156,175,181.64</b>	<b>-</b>	<b>1,394,071,966.81</b>
Commission Expense	22,131,627.59	8,071,252.52	1,315,656.14	6,359,172.91	284,224.41	583,353.54	2,299,717.26	4,662,435.07	-	36,087,921.42
Service Fees	1,772,733.90	5,909,960.26	423,142.71	459,336.77	74,166.82	36,425.98	81,150.51	1,019,113.59	-	9,779,076.83
Other Direct Expenses	4,433.50	10,951,308.33	-	2,762.14	-	-	-	707,028.00	-	11,732,944.32
Employee Benefits Expenses	22,916,802.71	144,725,819.12	17,505,101.26	73,652,084.08	1,623,602.91	36,691,880.47	4,815,155.63	33,001,017.43	-	301,678,045.65
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	27,528,129.37	51,348,750.49	6,210,772.91	26,131,523.71	179,082.76	13,728,427.23	1,708,406.93	11,758,690.03	-	138,941,691.56
Fire and Theft Cost	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>187,969,712.81</b>	<b>847,771,934.81</b>	<b>81,899,868.84</b>	<b>127,612,656.51</b>	<b>26,865,062.86</b>	<b>17,025,609.45</b>	<b>16,516,969.83</b>	<b>128,170,418.70</b>	<b>-</b>	<b>1,238,886,971.80</b>
<b>Total Segmental Results</b>	<b>248,794,874.64</b>	<b>229,598,095.54</b>	<b>(8,076,153.47)</b>	<b>(50,183,969.17)</b>	<b>4,676,338.46</b>	<b>129,152,140.66</b>	<b>20,440,648.95</b>	<b>139,041,537.78</b>	<b>-</b>	<b>1,844,071,966.81</b>
<b>Segment Assets</b>	<b>911,757,465.61</b>	<b>619,329,260.13</b>	<b>149,223,428.23</b>	<b>1,308,152,369.66</b>	<b>729,380,777.37</b>	<b>44,201,638.55</b>	<b>78,277,624.47</b>	<b>143,866,819.39</b>	<b>-</b>	<b>3,661,588,728.18</b>
<b>Segment Liabilities</b>	<b>1,682,901,713.03</b>	<b>2,009,565,456.44</b>	<b>298,258,099.63</b>	<b>1,770,354,128.54</b>	<b>602,775,676.60</b>	<b>160,940,034.47</b>	<b>128,066,868.57</b>	<b>384,413,984.52</b>	<b>-</b>	<b>7,133,172,181.18</b>

*[Handwritten signatures and stamps are present at the bottom of the page, including a circular stamp for 'Siddhartha Premier Insurance Ltd.' and a rectangular stamp for 'S.R. PANDEY & CO.']*

**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**c) Reconciliation of Segment Profit with Statement of Profit or Loss**

Particulars	Current Year	Previous Year
<b>Segment Profit</b>		
Add: Net Gains/ (Losses) on Fair Value Changes	1,104,141,756.90	760,047,849.93
Add: Net Booked Gains/ (Losses)	5,201,670.00	6,835,300.00
Add: Other Income	(153,422,870.87)	-
Less: Depreciation and Amortization	16,388,302.88	10,991,803.33
Less: Impairment Losses	(87,072,156.71)	(35,407,345.50)
Less: Finance Cost	(33,811,366.44)	(34,215,360.99)
<b>Profit Before Tax</b>	<b>114,196,700.25</b>	<b>(3,000,887.93)</b>
<b>d) Reconciliation of Assets</b>	<b>876,005,448.39</b>	<b>697,122,955.12</b>

Particulars	Current Year	Previous Year
<b>Segment Assets</b>		
Goodwill & Intangible Assets	-	-
Property and Equipment	3,199,239,374.80	5,001,508,726.18
Investment Properties	12,735,133.96	11,784,651.58
Deferred Tax Assets	746,513,752.49	830,327,831.01
Investment in Subsidiaries	308,263,687.27	203,139,260.27
Investment in Associates	-	-
Investments	-	-
Loans	-	-
Current Tax Assets	9,306,186,833.41	9,405,755,441.05
Other Assets	26,443,217.23	19,758,639.90
Other Financial Assets	129,677,017.65	94,500,478.58
Cash and Cash Equivalents	109,410,125.84	80,536,405.03
<b>Total Assets</b>	<b>130,485,560.85</b>	<b>120,842,894.02</b>
<b>e) Reconciliation of Liabilities</b>	<b>14,638,000,696.73</b>	<b>10,426,631,340.73</b>

Particulars	Current Year	Previous Year
<b>Segment Liabilities</b>		
Provisions	-	-
Deferred Tax Liabilities	5,582,515,021.73	7,333,172,181.18
Current Tax Liabilities	253,976,890.00	378,404,068.63
Other Financial Liabilities	202,071,412.95	386,777,181.81
Other Liabilities	-	-
<b>Total Liabilities</b>	<b>264,013,895.91</b>	<b>286,897,819.51</b>
<b>Total Assets</b>	<b>130,485,560.85</b>	<b>120,842,894.02</b>
<b>Total Liabilities</b>	<b>6,872,788,684.98</b>	<b>8,669,028,005.18</b>

for Bijay Rajendra to for Amarna for 2081



**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**53 Related Party Disclosure**  
**(a) Identify Related Parties**

**Holding Company:** None

**Subsidiaries:** None

**Associates:** None

**Fellow Subsidiaries:** None

**Key Management Personnel:** BOD/CEO/DCFO/DGM/AGM

**(b) Key Management Personnel Compensation:**

Particulars	Current Year	Previous Year
Short-term employee benefits	35,049,169.68	25,479,979.88
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>35,049,169.68</b>	<b>25,479,979.88</b>

**Payment to Chief Executive Officer (CEO)**

Particulars	Current Year	Previous Year
Annual salary and allowances	9,261,000.00	6,760,600.00
Performance based allowances	-	-
i) Employee Bonus	3,175,577.00	1,942,148.56
ii) Benefits as per prevailing provisions	2,130,030.00	-
iii) Incentives	-	-
Insurance related benefits	-	-
i) Life Insurance	-	-
ii) Accident Insurance	-	-
iii) Health Insurance (including family members)	-	-
<b>Total</b>	<b>14,566,607.00</b>	<b>8,702,748.56</b>

*for [Signature]* *Rahul* *[Signature]* *[Signature]* *[Signature]* *[Signature]*



Siddhartha Premier Insurance Ltd.

Notes to the Financial Statements  
For The Year Ended Ashadh 31, 2081  
(For The Year Ended July 15, 2024)

(c) Related Party Transactions:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
<b>Premium Earned</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Commission Income</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Rental Income</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Interest Income</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Sale of Property, Plant &amp; Equipment</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Purchase of Property, Plant &amp; Equipment</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Premium Paid</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Commission Expenses</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Dividend</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Meeting Fees</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Allowances to Directors</b>						
Current Year	-	-	-	-	4,794,000.00	4,794,000.00
Previous Year	-	-	-	-	4,611,900.00	4,611,900.00
<b>Others</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-

(d) Related Party Balances:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
<b>Receivables including Reinsurance Receivables</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Other Receivables</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Payables including Reinsurance Payables</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
<b>Other Payables</b>						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-

*for P. P. Paul*

*for J. R. Prasad*

*for J. R. Prasad*





**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**54 Leases**

**(a) Leases as Lessee**

**(i) Operating Leases:**

The Company has various operating leases ranging from 3 months to 1 years for ..... Non-cancellable periods range from 1 month to 3 months. The leases are renewable by mutual consent and contain escalation clause. Rental expenses for operating leases recognised in the Statement of Profit and Loss for the year is NPR. 70,48,723.56 (Ashadh 31, 2080: NPR 13,29,079.33 ).

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

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

**(ii) Finance Lease:**

The Company holds assets under finance leases. Future minimum lease payments and lease liability at the end of the year is given below:

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	33,394,796	32,711,255
ii) Later than 1 year and not later than 5 years	115,377,919	97,941,460
iii) Later than 5 years	63,961,116	53,231,137
<b>Total Future Minimum Lease Payments</b>	<b>212,733,832</b>	<b>183,883,852</b>
Less: Effect of Discounting	60,525,889	54,333,570
<b>Finance lease liability recognised</b>	<b>152,207,943</b>	<b>129,550,281</b>

**(b) Leases as Lessor**

**(i) Operating Lease:**

The Company has leased out certain office spaces that are renewable on a periodic basis. Rental income received during the year in respect of operating lease is NPR 1,24,30,504.15. (Ashadh 31, 2080/ July 16, 2023: NPR 64,73,617.60). Details of assets given on operating lease as at year end are as below.

1. First floor of office building located at Naxal has been rented to Nepal Life Insurance Co., Third Floor to Sanima Bank Limited, Fifth Floor to Insurance Institute of Nepal covering 50 % of total space of building.
2. Ground Floor & Second floor of the building located at Babarmaha has been rented to Shivam Cement Ltd. covering 29 % of total space of the building.

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

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

**(ii) Finance Lease:**

The Company has given assets under finance leases. At the year end receivables under finance lease agreements fall due as follows:

Particulars	Current Year			Previous Year		
	Gross Investment	Unearned Finance Income	Net Investment	Gross Investment	Unearned Finance Income	Net Investment
i) Not Later than 1 year	-	-	-	-	-	-
ii) Later than 1 year and not later than 5 years	-	-	-	-	-	-
iii) Later than 5 years	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

*(Handwritten signatures and initials)*



**Siddhartha Premier Insurance Ltd.**  
**Notes to the Financial Statements**  
**For The Year Ended Ashadh 31, 2081**  
**(For The Year Ended July 15, 2024)**

**55 Capital Commitments**

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

Particulars	Current Year	Previous Year
Intangible Assets	-	-
Property and Equipment	80,350,000.00	-
Investment Properties	-	-
<b>Total</b>	<b>80,350,000.00</b>	<b>-</b>

The company has paid an advance of Rs. 2,50,00,000.00 to Mrs. Pramila Khadka for Purchase of Land Property on 11-07-2024.

**56 Contingent Liabilities**

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as debts		
a) Income Tax	48,492,941.00	81,249,284.89
b) Indirect Taxes	1,052,906.00	779,993.00
c) Other	-	585,796.00
<b>Total</b>	<b>49,545,847.00</b>	<b>82,615,073.89</b>

**57 Events occurring after Balance Sheet**

There is no any significant event after balance sheet date having material effect.

**58 Assets Pledged as Security**

The carrying amount of assets pledged as security are:

Particulars	Current Year	Previous Year
Reinsurance Receivables	-	-
Investments in equity	-	-
Fixed Deposits	-	-
Property and Equipment	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**59 Corporate Social Responsibility**

This is the statutory reserve under Section 39 of Insurance Act 2079. The company is required to appropriate an amount equivalent to 1% of net profit towards CSR fund annually.

The position of reserve at the end of reporting period is as follows:

Particulars	Current Year	Previous Year
Opening Balance	14,203,379.74	3,503,593.00
Transferred During the year	10,121,519.43	4,510,948.34
Utilized During the year	-	-
Transferred from SIL	-	6,188,838.40
<b>Closing Balance</b>	<b>24,324,899.17</b>	<b>14,203,379.74</b>

**60 Miscellaneous**

(i) All amounts are in Nepalese Rupees unless otherwise stated.

(ii) All figures are in the Nearest Rupee & Rounded off.

**61 Others**

61.1 Previous year's figures have been regrouped or rearranged whenever necessary.

61.2 Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless that are material.

**61.3 Reclassification of Previous Year Figure:**

i) Margin Over Best Estimate (Margin for Adverse Deviation) for previous year has been presented as Net of Reinsurance Assets in Gross Contract Liabilities due to change in format. Impact of Same is presented below:-

Heading	Current Year	Last Year	Effect
Gross Margin Over Best Estimate (Previously, Margin For Adverse Deviation)	10,622,593.95	29,780,560.90	(19,157,966.95)
Reinsurance Assets on Above	-	19,157,966.95	(19,157,966.95)
Gross Change in Contract Liabilities	(1,669,922,618.60)	(1,650,764,651.65)	(19,157,966.95)
Change in Contract Liabilities Ceded to Reinsurers	1,523,422,006.95	1,504,264,040.00	19,157,966.95
Segmental Assets	16,426,631,341.73	16,445,789,308.67	(19,157,966.94)



**Siddhartha Premier Insurance Ltd.**

**Notes to the Financial Statements  
For The Year Ended Ashadh 31, 2081  
(For The Year Ended July 15, 2024)**

ii) Stale and Cancelled Cheque amounting Rs. 1,17,55,883.18 which was included in sundry creditor in last year has been reclassified to stale and cancelled cheque heading in Current Year. Impact of the same is presented below:-

Reclassification Item	Current Year	Last Year	Effect
Stale and Cancelled Cheque	31,566,306.82	19,810,423.64	11,755,883.18
Sundry Creditors	68,068,630.24	79,824,513.42	(11,755,883.18)

iii) Rental Income which is presented under Sch-32: other income in last year has been reclassified to Sch-29 :Investment Income in current year

Reclassification Item	Current Year	Last Year	Effect
Investment Income: Rental Income	6,473,617.60	-	6,473,617.60
Other Income: Rental Income	-	6,473,617.60	(6,473,617.60)

iv) Dividend Income which was classified to Dividend Income from Financial Assets measured at FVTPL in last year has been reclassified into Dividend Income from Financial Assets measured at FVTOCI in current year.

Reclassification Item	Current Year	Last Year	Effect
Dividend Income from Financial Assets Measured at FVTOCI	4,822,775.65	-	4,822,775.65
Dividend Income from Financial Assets Measured at FVTPL	-	4,822,775.65	(4,822,775.65)

*for B. B. Patel*

*Pradeep*  
*[Signature]*



Siddhartha Premier Insurance Ltd.  
Major Financial Indicator

S.N.	Particular	Indicator	Fiscal Year					
			2080/81	2079/80	2078/79	2077/78	2076/77	
<b>A</b>	<b>Equity:</b>							
1	Net worth	NPR	7,763,842,211.74	7,566,603,336.56	3,463,254,725.29	3,279,865,717.90	2,900,736,242.00	
2	Net Profit	NPR	688,189,151.39	379,319,504.52	321,439,549.00	334,892,174.65	369,944,043.65	
3	Number of Shares	No.s	28,065,899	28,065,499.00	12,276,848	10,745,600	10,745,600	
4	Earning per Shares (EPS)	NPR	24.52	13.52	26.18	31.17	32.13	
5	Book value per shares	NPR	276.63	269.61	282.10	305.23	282.72	
6	Dividend per Shares (DPS)	NPR	-	11.00	15.00	15.00	11.05	
7	Market Price per Shares (MPPS)	NPR	859.90	877.00	576.00	1,170.00	616.00	
8	Price Earning Ratio (PE Ratio)	Ratio	35.07	42.62	22.00	37.54	19.17	
9	Change in Equity	%	2.61	1.18	0.06	0.31	0.18	
10	Return on Equity	%	8.98	18.81	18.13	14.02	13.99	
11	Affiliate Ratio	%	-	-	-	-	-	
12	Capital to Total Net Assets Ratio	%	26.15	37.09	35.45	32.76	42.97	
13	Capital to Technical Reserve Ratio	%	132.41	150.13	149.81	122.29	122.68	
14	Market Share	%	10.31	11.01	12.97	13.22	12.93	
15	Solvency Margin	%	318.80	699.00	295.00	704.00	475.00	
<b>B</b>	<b>Income:</b>							
16	Net Earning Ratio	%	37.32	33.98	44.71	48.52	52.10	
17	Gross Earned Premium Growth Rate	%	42.54	51.74	5.44	6.41	6.15	
18	Direct Premium Growth Rate	%						
	Property	%	86.50	79.86	22.54	25.27	6.16	
	Motor	%	58.83	25.26	0.31	8.34	(14.92)	
	Marine	%	48.90	49.00	24.63	49.06	(32.96)	
	Engineering	%	22.45	25.03	14.92	(16.06)	73.15	
	Micro	%	(95.32)	22.43	(84.07)	96.14	100.00	
	Aviation	%	(64.63)	(47.83)	50.27	517.65	(7.36)	
	Cattle and Crop	%	10.19	101.50	29.75	(32.81)	(4.69)	
	Miscellaneous	%	79.41	33.73	23.57	(5.73)	(11.48)	
19	Retention Ratio	%	43.99	37.96	37.09	37.55	41.88	
20	Net Reinsurance inflow/outflow	Amount in Cr.	(56.86)	75.63	(38.79)	1.01	(14.50)	
21	RI Commission Income/Premium Ceded	%	22.49	20.26	19.30	19.83	21.62	
22	Gross Earned Premium to Equity	%	54.69	53.33	57.48	63.59	73.27	
23	Net Premium Earned to Equity	%	65.71	55.35	58.56	64.23	66.08	
24	Gross Earned Premium to Total Assets	%	26.99	17.88	19.18	20.12	54.00	
25	Gross Premium to Equity	%	53.80	36.80	61.13	58.04	67.61	
26	Net Profit to Gross Premium	%	16.42	12.90	16.59	18.22	20.43	
27	Yield on Investment and Loan	%	9.13	7.25	6.78	9.01	13.45	
<b>C</b>	<b>Expenses:</b>							
28	Reinsurance Ratio	%	56.01	62.04	62.91	62.45	38.12	
29	Management Expense Ratio	%	21.37	19.65	18.11	17.83	15.71	
30	Regulatory Expense Ratio	%	2.55	2.95	1.98	1.76	1.28	
31	Employee Expense per Employee	NPR	1,043,250.91	658,164.78	759,120.53	721,830.99	594,036.86	
32	Commission Ratio	%	0.90	1.23	1.36	1.46	1.53	
33	Employee Expenses To Total Expenses(Excluding Claims & Benefits)	%	65.40	63.97	68.78	66.52	69.99	
34	Expense Ratio	%	3.55	5.16	5.84	4.96	5.90	
35	Loss Ratio	%	63.63	58.29	54.89	55.28	57.40	
36	Combined Ratio	%	67.17	76.93	71.66	73.72	73.19	
<b>D</b>	<b>Assets:</b>							
37	Increment in Investment	%	(1.06)	120.44	4.67	32.44	2.95	
38	Increment in Loan	%	33.83	22.23	3.19	(37.31)	(3.24)	
39	Liquidity Ratio	%	9.97	4.70	70.30	37.68	101.58	
40	Return on Assets	%	4.43	5.32	9.40	5.91	7.80	
41	Long term Investments to Total Investments	%	26.38	33.27	34.06	40.85	30.62	
42	Short term Investments to Total Investments	%	73.62	66.73	63.94	59.15	69.38	
43	Total Investment & Loan to Gross Insurance Contract Liabilities	%	188.23	176.37	98.07	84.54	82.82	
44	Re(Insurer) Receivable to Total Assets	%	2.46	9.77	3.27	5.08	4.12	
45	Investment in Shares to Total Assets	%	10.41	14.42	13.44	17.18	12.54	
46	Investment in Unlisted Shares to Total Assets	%	0.78	0.06	0.01	0.01	0.01	
<b>E</b>	<b>Liabilities:</b>							
47	Increment in Gross Insurance Contract Liabilities	%	(6.89)	22.36	(9.77)	29.19	20.74	
48	Gross Technical Provision to Gross Earned Premium	%	118.27	181.71	225.35	263.35	231.02	
49	Gross Technical Provision to Total Equity	%	63.86	70.63	126.11	147.58	149.83	
50	Outstanding Claim Number to Number of Paid Claim	No.s	85.98	68.30	113.86	114.71	108.68	
51	No. of Outstanding Claims No. of Intimated Claim	%	23.10	23.41	29.55	36.59	51.75	
52	Total Number of Inforce Insurance Policies	No.s	299,047.00	207,597.00	156,735.00	152,456.00	142,457.00	
53	Total Number Renewed Insurance Policy/ Last Year's Total Number of In Force Policies	%	35.66	27.89	27.62	24.56	5.27	
<b>F</b>	<b>Others:</b>							
54	Number of Offices	No.s	125.00	125.00	63.00	63.00	67.00	
55	Number of Agents	No.s	199.00	232.00	143.00	158.00	316.00	
56	Number of Employees	No.s	547.00	595.00	518.00	302.00	313.00	
57	Number of Surveyor	No.s	269.00	289.00	141.00	104.00	103.00	
58	Employee Expenses To Number of Employees	NPR	1,043,250.91	658,164.78	759,120.53	721,830.99	594,036.86	

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**Siddhartha Premier Insurance Limited**  
Statement of Sum Assured

N.	Insurance Types	Existing Insurance Policies Numbers		Insured Amount against Existing Insurance Policies (In Lakhs)		Insured Risk Ceded to Re-Insurer (In Lakhs)		Net Insured Risk Retained by Insurer (In Lakhs)	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Property	76,116	47,557	6,710,676	4,178,812	2,927,147	2,449,219	3,783,529	1,729,594
2	Motor	166,778	111,456	892,853	521,904	243,649	108,583	649,204	413,321
3	Marine	31,775	25,741	1,337,992	988,191	558,278	676,777	779,714	311,414
4	Engineering	3,790	3,272	2,167,794	2,410,300	1,934,298	2,202,295	233,496	208,005
5	Micro	222	4,268	2,388	49,952	382	9,988	2,006	39,964
6	Aviation	3	2	36,859	57,210	36,500	54,962	359	248
7	Cattle and Crop	2,842	3,281	13,096	12,900	10,896	10,320	2,200	2,580
8	Miscellaneous	17,521	12,020	2,207,011	973,885	443,759	405,962	1,763,252	567,923
	<b>Total</b>	<b>299,047</b>	<b>207,597</b>	<b>13,368,669</b>	<b>9,193,154</b>	<b>6,154,909</b>	<b>5,920,105</b>	<b>7,213,760</b>	<b>3,273,049</b>








# Siddhartha Premier Insurance Limited

## Notes to the Financial Statements

For the year ended Ashadh 31, 2081 (July 15<sup>th</sup>, 2024)

### 1. Reporting Entity

Siddhartha Premier Insurance Limited (herein after referred to as the 'Company') is a public limited company, incorporated on 13th February, 1992 and operated as Non-Life Insurance Company after obtaining license on 21<sup>st</sup> April, 1994 under the Insurance Act, 2049.

The registered office of the Company is located at Babarmahal, Kathmandu. The Company's share is listed on 3<sup>rd</sup> May, 1995.

Premier Insurance acquired Siddhartha Insurance Limited based on the Memorandum of Understanding (MoU) for the acquisition signed on 2079/03/29. Prior approval (Letter of Intent) from Nepal Insurance Authority was obtained on 2079/03/29 and acquisition was approved by the Annual General Meeting of both the institutions held on 2079/09/29.

The final approval of the acquisition was obtained from Nepal Insurance Authority on 2079/10/17. Accordingly, on obtaining approval, joint operation was started from 2079/11/17 under "Siddhartha Premier Insurance Company (Nepal) Limited" (herein after referred to as SPIL). SPIL obtained new license from Nepal Insurance Authority on 2079/11/14 under Insurance Act, 2079.

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

### 2. Basis of Preparation

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

#### (a) Reporting Period and approval of financial statements

The Company reporting period is from 1<sup>st</sup> Shrawan 2080 to 31<sup>st</sup> Ashadh 2081 with the corresponding previous year from 1<sup>st</sup> Shrawan 2079 to 31<sup>st</sup> Ashadh 2080. These financial statements have been approved by the Board of Directors of 21<sup>st</sup> Magh, 2081.

#### (b) Statement of Compliance

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

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

The financial statements are approved for issue by the Company's Board of Directors on 21.10.2081.

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**(c) Basis of Measurement**

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

- i. Certain Financial Assets and Liabilities which are required to be measured at fair value
- ii. Defined Employee Benefits
- iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Risk Based Capital and Solvency Note.

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

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

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

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

**(d) Use of Estimates**

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

**(e) Functional and Presentation Currency**

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

**(f) Going Concern**

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

**(g) Change in Accounting Policies**

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

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**(h) Recent Accounting Pronouncements**

**Accounting standards issued and effective**

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

**Accounting standards issued and non-effective**

**(i) NFRS 17 " Insurance Contracts"Carve-outs**

The Company has not applied any carveouts provided by the ASB.

**(j) Presentation of financial statements**

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

**(k) Offsetting**

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

**(l) Materiality and Aggregation**

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

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

**3. Significant Accounting Policies**

**(a) Property and Equipment**

**i) Recognition**

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

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

**ii) Revaluation**

After recognition as an assets, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does

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not materially differ from its carrying amount as at the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers.

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

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

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

**iii) Depreciation**

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

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

Useful Life of Property and Equipment based on SLM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Land	-
Buildings	50
Leasehold Improvement	Lease Period
Furniture & Fixture	10
Computers and IT Equipment	8
Officer Equipment	8
Vehicles	12
Other Assets	12

**iv) Derecognition**

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

**v) Impairment of Assets**

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

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**vi) Capital Work-In-Progress**

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

**(b) Goodwill & Intangible Assets**

**i) Recognition**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Goodwill on business combination is recognized on the acquisition date at the excess of (a) over (b) below:

(a) The aggregate of:

1. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value
2. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and
3. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

Accordingly, as per the standard goodwill has been recognized for the excess of the value derived as per (a) over (b)

**ii) Amortization**

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow for the entity.

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

Useful Life of Intangible Assets based on SLM is categorized as stated below:

List of Assets Categories	Useful Life (In Years) for SLM
Software	5
Licenses	License Period
Others	-

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**iii) Derecognition**

An Intangible Asset is derecognized when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

**iv) Impairment of Assets**

The Company assesses at each reporting date as to whether there is any indication that Intangible Assets may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognized in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

**(c) Investment Properties**

**Fair Value Model**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market condition at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise, including the corresponding tax effect.

The fair value of investment property is determined by an external, independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category by property being valued.

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

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

**(d) Cash & Cash Equivalent**

Cash & Cash Equivalents includes Cash in Hand, Cheque in Hand, Bank Balances and short term deposits with a maturity of three months or less.

**(e) Financial Assets**

**i) Initial Recognition & Measurement**

Financial Assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Assets at initial recognition.

When Financial Assets are recognized initially, they are measured at Fair Value, plus, in the case of Financial Assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried at Fair Value through Profit or Loss are expensed in the Statement of Profit or Loss.

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**ii) Subsequent Measurement**

**a) Financial Assets carried at Amortized Cost (AC)**

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is achieved is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income in these financial assets is measured using effective interest rate method.

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

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

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

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

**iii) De-Recognition**

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

**iv) Impairment of Financial Assets**

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

**(f) Financial Liabilities**

**i) Initial Recognition & Measurement**

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition.

All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

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*[Circular stamp: P. R. SHARMA & CO., Kathmandu]*

**ii) Subsequent Measurement**

After initial recognition, Financial Liabilities are subsequently measured at amortized cost using the Effective Interest Method.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair Value due to short maturity of these instruments.

**iii) De-Recognition**

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

**(g) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(h) Reinsurance Assets**

Reinsurance assets are the assets which are created against insurance contract liabilities of the amount which are recoverable from the reinsurer. These assets are created for the reinsurer's share of insurance contract liabilities.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after the initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract, and the event has a reliably measurable impact on the amount that the company will receive from the reinsurer. If a reinsurance asset is impaired, the company reduce the carrying amount accordingly and is recognized in statement of profit or loss.

**(i) Equity**

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

**(j) Reserves and Funds**

**i) Share Application Money Pending Allotment:**

The company has no such share application money pending allotment as on reporting date.

**ii) Share Premium:**

Amount received by company in excess of face value on issue of share capital is recognized as Share Premium. The amount in share premium is allowed for distribution subject to provisions of company act & regulatory requirement.

Share premium on business combination has been disclosed in the financial statement.

**iii) Catastrophe Reserve:**

As per Clause 10(19) of the Merger and Acquisition Act, 2075, after a merger and acquisition, the newly established insurer may be allowed an exemption of up to 50% for a period of three years regarding the amount to be allocated

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to the Catastrophic Reserve. Therefore, 5% of the net profit, after allocation to the Special Reserve Account and the reserve transferred to Retained Earnings, has been allocated to the Catastrophic Reserve.

**iv) Fair Value Reserve:**

The Company has policy of creating fair value reserve equal to the amount of fair value gain recognized in statement of other comprehensive income at net of tax as per Section 19 of Financial Statement Directive, 2080.

**v) Regulatory Reserves:**

There are no regulatory reserve created for the period.

**v) Actuarial Reserves:**

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

**vi) Revaluation Reserves:**

Reserve created against revaluation gain on property, plant & equipment & intangible assets, other than the reversal of earlier revaluation losses charged to profit or loss.

**vii) Special Reserve:**

As the special reserve is equal to prescribed paid-up capital as per the Financial Statement Directive, 2080, so no additional amount has been transferred to the special reserve in the FY 2080/81.

**viii) Other Reserves:**

Reserves other than above reserves have been included in other reserves which are as follows:

- **Deferred Tax Reserve:**

The Company has created deferred tax reserve as per the Regulator's Directive.

- **Capital Reserve:**

Capital Reserve has been created against goodwill on acquisition of Siddhartha Insurance Limited.

- **Corporate Social Responsibility Reserve:**

1% of the Net Profit is transferred to Corporate Social Responsibility Reserve in compliance with Regulator's Directives.

**(k) Insurance Contract Liabilities**

**i) Unearned Premium Reserve (UPR)**

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

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

Unearned premium reserves are the difference between written premiums for all contracts on the balance sheet at the valuation date and earned premiums. Further, Net UPR has been taken higher of 50% of Net Premium and UPR provided by Valuation Note by Actuary.

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**ii) Premium Deficiency Reserves (PDR) / Unexpired Risk Reserve (URR)**

The URR, which is the provision for unexpired risks also termed as premium deficiency reserve, measures the amount needed to cover the expected future claims and expenses that may arise from the unexpired portion of the policy.

**iii) Outstanding claims provisions**

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

**iv) Incurred But Not Reported (IBNR)/ Incurred But Not Enough Reported (IBNER)**

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

The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions .

Incurred but not (enough) reported claims (IBN(E)R) is reflected upto-date and credible information and realistic assumptions based on the insurer's experience study, where available, related to expenses, claims escalation, discounting, development factors and and reinsurance and non reinsurance recoveries. Further, Net IBNR/IBNER has been taken higher of %15 of Net Outstanding Claim and IBNR/IBNER provided by Valuation Note by Actuary.

**v)Margin Over Best Estimate (MOBE)**

The Company has established appropriate levels of MOBE on the line of business to reflect the value of the inherent uncertainty in the cashflows related to insurance obligations.

The MOBE for the company has been calculated as ten percent of net technical provision for the 'Engineering' and 'Cattle & Crops' line of business. For rest of the lines of business, the MOBE has been calculated as five percent of the net technical provisions.

**vi)Earthquake Reserve**

Earthquake reserve is the accumulation of earthquake premiums and is calculated as 15% of net accumulation of earthquake premiums (Earthquake Premium Reserve (EPR))

**(I) Employee Benefits**

**i) Short Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the Statement of Financial Position.

**ii) Post-Employment Benefits**

**- Defined Contribution Plan**

The Company pays Provident Fund contributions to publicly administered Provident Funds/Social Security Fund as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expenses when they are due.

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**- Defined Benefit Plan**

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

**iii) Long Term Employee Benefits**

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

**iv) Termination**

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

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

**(m) Revenue Recognition**

**i) Gross Premium**

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

**ii) Unearned Premium Reserves**

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

**iii) Premiums on Reinsurance Accepted**

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

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**iv) Reinsurance Premium**

Direct Reinsurance premiums comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks- attaching contracts and over the term of the reinsurance contract for losses occurring contracts. Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

**v) Commission Income**

Commission Income is recognized on accrual basis. If the income is for future periods, then they are deferred and recognized over those future periods.

**vi) Investment Income**

Interest income is recognized in the statement of profit or loss as it accrues and is calculated by using the Effective Interest Rate (EIR) method. Fees and commission that are an integral part of the effective yield of the financial asset are recognized as an adjustment to the EIR of the instrument.

**vii) Net realized gains and losses**

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

**(n) Claims and Expenses**

**i) Gross Claims**

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

Reserves for Incurred But Not Reported Claims (IBNR) and Reserve for Incurred But Not Enough Reported Claim (IBNER) are calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin over best estimate (previously known as Margin for Adverse Deviation).

**ii) Reinsurance Claims**

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

**(o) Product Classification**

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

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

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

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

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

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

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

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

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

viii) Miscellaneous Portfolio - All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.

**(p) Borrowing Costs**

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

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

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

**(q) Cash Flow Statement**

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

**(r) Leases**

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

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

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**(s) Income Taxes**

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

**i) Current Tax**

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

**ii) Deferred Tax**

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

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

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

Current tax and deferred tax shall be recognized outside profit or loss if the tax relates to items that are recognized, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognized, in the same or a different period:

- (a) In other comprehensive income, shall be recognized in other comprehensive income.
- (b) Directly in equity, shall be recognized directly in equity.

**(t) Provisions, Contingent Liabilities & Contingent Assets**

**i) Provisions**

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

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

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

**ii) Contingent Liabilities**

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

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**iii) Contingent Assets**

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

**(u) Functional Currency & Foreign Currency Transactions**

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

**(v) Earnings Per Share**

Basic Earnings per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Numbers of equity shares outstanding during the Financial Year.

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

**(w) Operating Segment**

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

Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

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