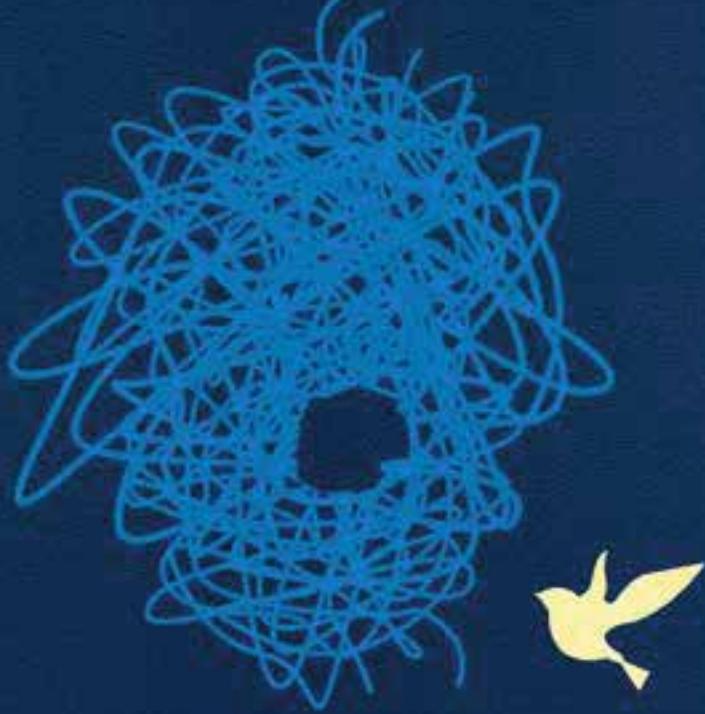


Celebrating
Years
32
OF TRUST & SECURITY



YOUR SAFETY NET
32 YEARS OF UNWAVERING
SERVICE

ANNUAL REPORT
2021/22



सिद्धार्थ प्रिमियर इन्स्योरेन्स लि.
Siddhartha Premier Insurance Ltd.

TRUST AND SECURITY



Siddhartha Premier Insurance Ltd.



**PROPERTY को CARE, WE'RE ALWAYS THERE,
चिन्ता छोडँ, COVERAGE ले समालूँ FAIR**

GET INSURED



SIDDHARTHA PREMIER PROPERTY INSURANCE

TABLE OF CONTENTS

03

About Annual General Meeting

३२ औ वार्षिक साधारण सभा बस्ने सम्बन्धी सूचना	3
प्रतिनिधि (Proxy) नियुक्त गर्ने फाराम	4

05

Vision, Mission and Objectives

Vision and Mission	6
Our Core Values	6
Overall Strategy and Objectives	7
SPIL's Core Value, Code of Conduct and Ethical Principle	8

09

SPIL's Organizational Structure

Company Profile	10
Chairman's Profile	18
Board of Directors' Profile	20
Organizational Chart	22
Information on Board of Director's Composition, Roles, Meetings, Attendance and Quorum	23
Information on composition, roles, meetings, attendance and quorum of Board level Committee	25

37

Business Model Framework

SPIL's Business Model	38
Description on Resources, Usages, Sustainable Competitive Edge and Value Creation	41
Major Sources of Capital of SPIL and their Interconnectedness	46
SPIL's Plan for Resource Usage, Major Programs and their Relation with the Capital Plan	49

51

Performance Evaluation and Key Performance Indicators

Comparative Disclosures of Financial Condition and Performance	52
Information of different Product, Insurance Policies and Enterprise-Wide Function of SPIL	55
SPIL's Key Performance Indicators (KPIs)	57

59

Strategic Plan and Development

SPIL's Strategic Outlook and Resource Allocation	60
SPIL's Strategic for Insurance Development, Insurance Product and Services	62
SPIL's Sustainability Strategy with Measureable Objectives	66
Review of Future Business Prospects	69
Effect of External Environment on SPIL's Business	70

72

Corporate Social Responsibility

SPIL's Staff Welfare Initiatives	73
SPIL's Contribution on the National Economy	76
Information on Actions taken by the Company to become more Sustainable and Contribute to a Sustainable Global Economy	80
SPIL's Initiatives for Environmental Conservation, Social Development and Sustainability	81
Disclosure in relation to Corporate Social Responsibilities	83

84

Corporate Governance and Compliance Report

Compliance Report	85
Non-Compliance Issues and Reasons for Non-Compliances	86
Effectiveness of Board of Directors	86
Report on Sub Committees' work Performed and the Major Achievements	88
Evaluation of the Board's Performance by itself and Manner and Process of Self-Evaluation	90
Management's Report	91
Major Policies and Practices	96

97

Risk Management & Internal Control

Risk Management Framework	98
Risk Based Capital and Solvency Position	100
Climate Risk Disclosures	101
Adequacy of Reinsurance Coverage	102
SPIL's Internal Control Framework	104
Effectiveness of Internal Control System	106
IT Systems, Controls & Cyber Security	107

Financial Statement and Related Disclosures

अध्यक्षको मन्तव्य	110
कार्यकारी प्रमुखको प्रतिवेदन	111
संचालक समितिको आर्थिक वर्ष २०८१/८२ को वार्षिक प्रतिवेदन	112
धितोपत्र दर्ता तथा निष्कासन नियमावली २०७३ को नियम २६ संग सम्बन्धित वार्षिक प्रतिवेदन	122
संस्थागत सुशासन सम्बन्धी वार्षिक अनुपालना प्रतिवेदन	124
CFO's Statement of Responsibility	131
Certificate of Actuary	132
Independent Auditors' Report	133
Statement of Financial Position	137
Statement of Profit or Loss and OCI	138
Statement of Changes in Equity	140
Statement of Cash Flows	142
Notes to the Financial Statements	145
Other Financial Disclosures	218
Disclosures on Quality of Assets and Capital Resources	228
Letter of Financial Approval from NIA	229
Reply to Letter of Financial Approval from NIA	230
Summary Variance Results of Unaudited (Q4) and & Audited Financial Statement	231
Comparative Statement of Solvency and NFRS based Financial Statement	234
Statement of Available Capital Resources	236
Solvency Calculation Sheet	237

Other Disclosures

Communication Mechanism and Stakeholder Interaction	239
Grievance Handing Mechanism of Insured, Investors and other Stakeholders	240
SPIL's Credit Rating Information	241
संशोधित प्रवन्ध पत्रको तीन महले	245
Branches & Sub-Banches Network	246

सिद्धार्थ प्रिमियर इन्स्योरेन्स लिमिटेडको बत्तिसौ वार्षिक साधारण सभा बस्ने सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरु,

मिति २०८२ साल पौष ०२ गते (१७ डिसेम्बर, २०२५) बुधवारका दिन बसेको सञ्चालक समितिको ४५ औ बैठकको निर्णयानुसार यस कम्पनीको ३२ औं (बत्तिसौ) वार्षिक साधारण सभा निम्न लिखित मिति, समय र स्थानमा निम्न विषयहरु उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरुको जानकारी तथा उपस्थितिका लागि हार्दिक अनुरोध छ ।

सभा हुने मिति, समय र स्थान :

मिति : २०८२ साल पौष २९ गते (तदनुसार १३ जनवरी, २०२६) मंगलवार

समय : बिहान ११:०० बजे

स्थान : रानी महल व्याडक्येट, ज्ञानेश्वर, काठमाण्डौ ।

छलफलका विषयहरु

क. सामान्य प्रस्ताव :

१. सञ्चालक समितिको तर्फवाट अध्यक्ष ज्यूद्वारा प्रस्तुत आर्थिक वर्ष २०८१/०८२ को वार्षिक प्रतिवेदन छलफल गरी पारित गर्ने ।
२. लेखापरीक्षकको प्रतिवेदन सहित आर्थिक वर्ष २०८१/०८२ को वासलात, नाफा-नोक्सान हिसाव तथा सोहि अवधिको नगद प्रवाह सहितको विवरण तथा सो सँग सम्बन्धित अनुसूचिहरु छलफल गरी पारित गर्ने ।
३. लेखापरीक्षण समितिले सिफारिस गरे बमोजिम आर्थिक वर्ष २०८२/०८३ को लागि लेखापरीक्षक नियुक्त गरी, निजको पारिश्रमिक निर्धारण गर्ने ।
४. सञ्चालक समितिले प्रस्ताव गरे बमोजिम हाल कायम रहेको चुक्ता पुँजी रु. २,८०,६५,४९,९००/- को २५ प्रतिशतले हुन आउने रकम रु. ७०,१६,३७,४७५/- नगद लाभांश (प्रस्तावित नगद लाभांशमा लाग्ने कर समेत) स्वीकृत गर्ने ।

ख. विशेष प्रस्ताव

१. कम्पनीको प्रवन्ध पत्रको दफा ३ मा रहेको उद्देश्य अन्तर्गत “(छ) सामुहिक लगानी कोष योजना सञ्चालन गर्ने, गराउने” व्यवस्था थप गर्ने ।
२. आर्थिक वर्ष २०८१/०८२ मा संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत आर्थिक सहयोग प्रदान गर्दा, कम्पनी ऐन २०६३ को दफा १०५ (१) (ग) ले निर्धारण गरेको सिमा भन्दा बढी भएको खर्च अनुमोदन गर्ने ।
३. संशोधित प्रवन्ध पत्र अभिलेख वा स्वीकृत गर्ने निकायवाट कुनै निर्देशन प्राप्त हुन आएमा सो अनुसार गर्न सञ्चालक समितिलाई अखित्यारी दिने ।

ग. विविध ।

सञ्चालक समितिको निर्णयानुसार
कम्पनी सञ्चिव

साधारण सभा सम्बन्धी थप जानकारी

१. वार्षिक साधारण सभा प्रयोजनका लागि मिति २०८२ साल पौष १८ गते शुक्रवार एक दिन शेयरधनी दर्ता पुस्तिका बन्द (Book Close) गरिनेछ ।
२. २०८२ साल पौष १७ गते विहिवार सम्म नेपाल स्टक एक्सचेन्ज लि.मा कारोबार भएका शेयरहरु साधारण सभा तथा नगद लाभांस प्रयोजनको लागि योग्य रहने छन् ।
३. साधारण सभामा भाग लिनको लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरुले प्रतिनिधि पत्र (प्रोक्सी) फारम भरी सभा शुरु हुनु भन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको मुख्य कार्यालय सिद्धार्थ प्रिमियर भवन, बबरमहलमा दर्ता गराई सक्नु पर्नेछ ।
४. साधारण सभामा भाग लिन आउनु हुने शेयरधनीहरुले शेयर प्रमाणपत्र वा अभौतिकिरण गरेको खाताको विवरण प्रस्तुत गरेर मात्र हाजिरी पुस्तिकामा उपस्थित जनाई सभामा सहभागि हुन अनुरोध गरिन्छ ।
५. आ.व. २०८१/०८२ को वार्षिक प्रतिवेदन तथा वित्तीय विवरण कम्पनीको वेवसाईड www.siddharthapremier@spil.com.np मा पनि राखिएको

प्रतिनिधि (Proxy) नियुक्त गर्ने निवेदन

श्री संचालक समिति,
सिद्धार्थ प्रिमियर इन्स्योरेन्स लिमिटेड
काठमाण्डौ ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

4

महाशय,

..... जिल्ला..... म.न.पा./उप म.न.पा/न.पा/ गा.पा. वडा नं.....
वस्ते म/हामी ले त्यस कम्पनीको शेयरधनीको हैसियतले संवत् २०८२ पौष २९ गते
मंगलबारका दिन हुने ३२ औं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन
तथा मतदान गर्नका लागि जिल्ला..... म.न.पा./उप म.न.पा/न.पा/गा.पा. वडा नं. वस्ते
श्री..... लाई मेरो र हाम्रो प्रतिनिधि (प्रोक्सी) मनोनित गरी पठाएका छु/छौं ।

प्रतिनिधिको

दस्तखत :

नाम :

निवेदक :

दस्तखत :

नाम:

ठेगाना :

शेयरधनी नं.

डिम्याट नं.

शेयर संख्या:

मिति:

नोट: यो निवेदन साधारण सभा शुरु हुनुभन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको रजिस्टर्ड कार्यालयमा पेश गरी सक्नु पर्नेछ ।

प्रवेश पत्र

शेयरधनीको नाम :
शेयर प्रमाणपत्र नं., डिम्याट नं. शेयर संख्या:
सिद्धार्थ प्रिमियर इन्स्योरेन्स लिमिटेडको मिति २०८२ पौष २९ गते मंगलबारका दिन हुने ३२ औं साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश-पत्र ।



कम्पनी सचिव

शेयरधनीको दस्तखत

(शेयरधनी आफैले खाली कोष्ठहरू भर्नुहोला । सभा कक्षमा प्रवेश गर्न यो प्रवेश पत्र अनिवार्य रूपमा लिई आउनु हुन अनुरोध छ ।



MISSION, VISION & OBJECTIVES

Mission

"To deliver insurance services promptly, with integrity and a desire to serve our esteemed stakeholders, while upholding a high quality of teamwork for excellence and continuous improvement."

Vision

"To become the first choice for non-life insurance by providing secure coverage."

6

OUR CORE VALUES

Integrity for Trustworthiness



This core value emphasizes the importance of honesty, transparency, and ethical behavior in all aspects of the company's operations. It means the company is committed to maintain the highest standards of integrity and it is trustworthy and reliable in its interactions with customers, partners, and esteemed stakeholders.

Teamwork for Excellence



This core value emphasizes the importance of collaboration and cooperation among employees in achieving the company's goals. It means that the company values teamwork and encourages employees to work together for achieving shared objectives.

Passion to Serve



This core value reflects the company's commitment to provide exceptional service to its customers. It means that the company's employees are passionate about serving customers and they are dedicated for providing the best possible experience.



Responsiveness



This core value highlights the company's commitment for being responsive to the need of the customers. It means that the company is quick to response customers queries and able to quickly adopt to changing market conditions and customers needs.

Constant Improvement



This core value reflects the company's commitment for continuous learning and growth. It means that the company is always looking for ways to improve its products, services, and processes and that it is open to new ideas and approaches for achieving success.

OVERALL STRATEGY & OBJECTIVES

Siddhartha Premier Insurance Limited (SPIL) pursues a forward-looking and resilient business strategy aimed at strengthening its market leadership, enhancing customer value, and ensuring long-term financial sustainability. The company's overall strategy and objectives are centered on the following key pillars:

Market Expansion and Inclusion

SPIL is committed to broadening its market presence by strategically expanding its branch and agent networks, with particular focus on rural and underserved regions to help narrow the existing protection gap. The company actively promotes insurance awareness and enhances accessibility across diverse demographic and geographic segments, ensuring that individuals, families, and businesses throughout the country can benefit from reliable and affordable insurance services.

Customer-Centric Service Excellence

SPIL places strong emphasis on customer-centric service excellence by strengthening customer engagement through efficient service delivery, transparent processes, and a hassle-free claims experience. The company continuously works to enhance service quality by incorporating customer feedback, improving support mechanisms, and ensuring that every interaction reflects responsiveness, reliability, and care.

Digital Transformation and Technological Advancement

SPIL is committed to accelerating digital transformation and technological advancement by enhancing operational efficiency through investments in SPIL-DIGI, mobile applications, chatbots, and end-to-end digital workflows. The company continues to promote automation, paperless operations, advanced data analytics, and strong cyber-security measures, enabling faster decision-making, improved customer experience, and greater operational resilience across its business processes.

ESG, Sustainability, and Climate Risk Management

SPIL integrates Environmental, Social, and Governance (ESG) principles into its corporate decision-making, ensuring that sustainability is embedded across all business operations. The company strengthens climate risk assessment frameworks and develops products that support climate resilience, while upholding responsible business practices to contribute to the long-term well-being of society and the environment.

Product Development and Innovation

SPIL is focused on continuous product development and innovation by creating customized and needbased insurance solutions tailored for SMEs, agriculture, health, travel, and emerging risks. The company also emphasizes the introduction of digital-first products and simplified insurance offerings, ensuring greater convenience, accessibility, and value for customers across diverse sectors.

Robust Risk Management and Regulatory Compliance

SPIL upholds robust risk management and regulatory compliance by maintaining strong underwriting discipline and adopting advanced actuarial and risk assessment tools. The company ensures full adherence to the guidelines of the Nepal Insurance Authority (NIA) and international reporting standards such as NFRS 17 to be adopted with effect from financial year 2082.83, reinforcing transparency and accountability in financial reporting. SPIL further strengthens its resilience by maintaining sound solvency, liquidity, and reinsurance arrangements, enabling the organization to effectively withstand unforeseen shocks and safeguard policyholder interests.

Human Capital Development

SPIL prioritizes human capital development by building a capable and motivated workforce through comprehensive training, leadership development, and a performance-driven culture. The company focuses on retaining and attracting skilled professionals to drive innovation, support business growth, and ensure excellence in customer service across all operations.

SPIL's CORE VALUES, CODE OF CONDUCT AND ETHICAL PRINCIPLES

CORE VALUES

SPIL's operations are guided by a strong set of core values that define its corporate culture and commitment to stakeholders:

Integrity:

SPIL conducts its business with honesty, transparency, and accountability in all dealings.

Customer Centricity:

SPIL always places customers at the heart of every decision, delivering exceptional service and value.

Innovation:

SPIL continuously strive for innovative products, processes, and solutions to meet evolving market needs.

Excellence:

The company always strive for high-quality performance in underwriting, claims management, and service delivery

Sustainability:

The company operates responsibly with focus on environmental stewardship, social responsibility, and long-term value creation.

Collaboration:

The company aim for fostering teamwork, open communication, and partnerships to achieve shared goals.

CODE OF CONDUCT

SPIL's Code of Conduct sets the standards of professional behavior and ethical practices expected of all employees, management, and directors:

Compliance with Laws:

The company adheres to all applicable laws, regulations, and internal policies, including guidelines set by the Nepal Insurance Authority (NIA).

Professionalism:

The employees maintain high standards of professionalism, competence, and diligence in performing duties.

Confidentiality:

SPIL ensures the protection of confidential information of the company, its clients, and business partners.

Conflict of Interest:

SPIL avoids situations where personal interests may conflict with the company's interests and requires disclosure of any potential conflicts.

Fair Dealing:

SPIL engages with clients, colleagues, and business partners in a fair, honest, and respectful manner.

ETHICAL PRINCIPLES

SPIL's ethical principles form the foundation of its corporate culture and decision-making:

Transparency:

SPIL ensures clarity and openness in all communication, reporting, and operations.

Accountability:

SPIL takes full responsibility for its decisions and actions, ensuring alignment with corporate goals and ethical standards.

Equity & Inclusion:

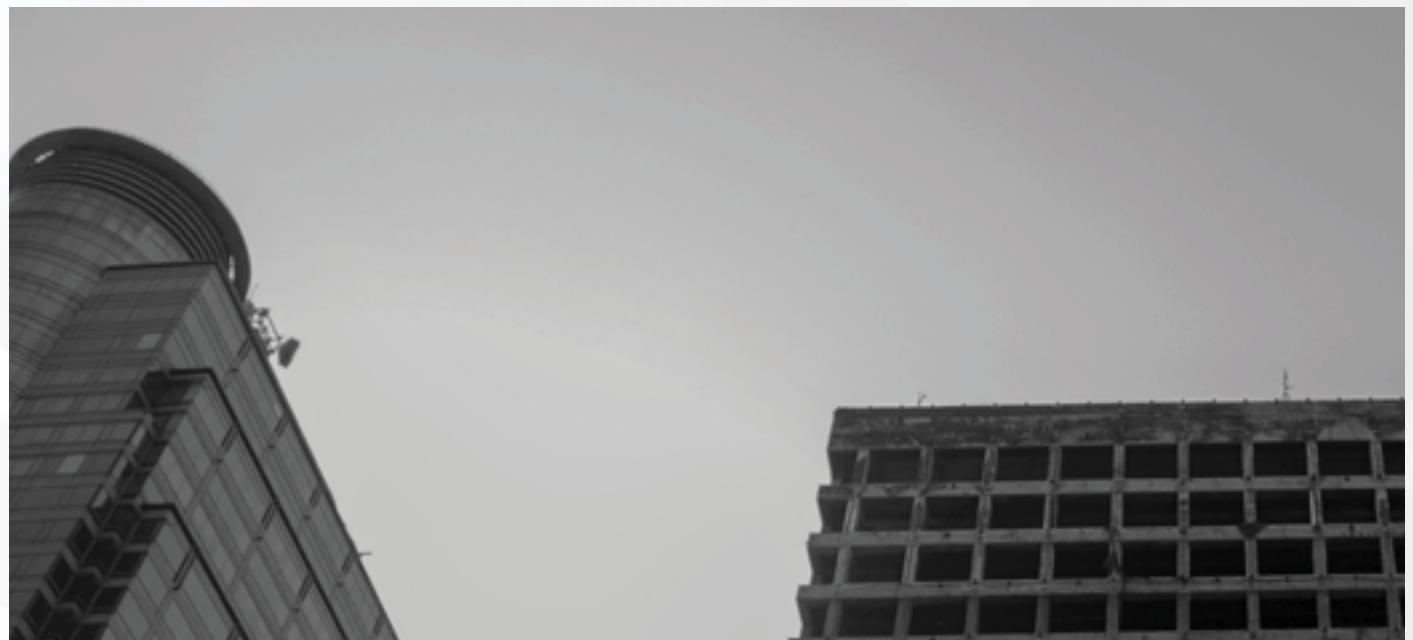
SPIL promotes fairness, diversity, and inclusivity within the workplace and in all interactions with stakeholders.

Sustainability & Social Responsibility:

SPIL is committed to responsible business practices that benefit society, the environment, and the economy.

Trust & Reliability:

SPIL builds and maintains trust with customers, employees, shareholders, and business partners



SPIL's ORGANIZATIONAL STRUCTURE



COMPANY PROFILE

Siddhartha Premier Insurance Limited (SPIL) rated "A" by ICRA Nepal and headquartered at Babarmahal (Hanumansthan), Kathmandu is the result of a successful merger between two nationally reputed insurers: Siddhartha Insurance Limited and Premier Insurance Co. (Nepal) Limited. The company is promoted by distinguished entrepreneurs, established business groups, and prominent industrialists.

With an employee base of 600+ professionals operating through a nationwide network of 124 offices and sub-offices, SPIL is committed to delivering comprehensive, one-stop non-life insurance solutions. The company underwrites a diverse portfolio of insurance products, including Property, Motor, Marine, Engineering, Aviation, Livestock & Crop, Micro, and Miscellaneous lines of business.

SPIL maintains a strong focus on customer centricity, striving to deliver exceptional service through efficient processes and hassle-free claim settlement. Over the past three decades, it has continually introduced innovative products, strengthened its risk management capabilities, and ensured reliable fund performance, thereby reinforcing its promise of Trust & Security for its policyholders.

Human capital remains SPIL's greatest strength. In an industry fundamentally driven by people, SPIL's dedicated workforce carries the responsibility of upholding the company's vision, mission, and core values, ensuring sustainable growth and long-term value creation for customers and stakeholders.

SPIL is supported by robust and highly rated reinsurance arrangements, enhancing its financial resilience and capacity to withstand unforeseen events. The company consistently prioritizes good corporate governance, sound risk management practices, and corporate social responsibility, enabling it to excel further and maintain its position as a leading player in Nepal's general insurance industry.

Company Identity

Registered Office:	Kathmandu, Nepal
Coporate Office:	Babarmahal, Kathmandu, Nepal
Company Registration No.:	062/048/49 (17th Feb 1992)
Nepal Insurance Authority Reg. No.:	06/51 (1st March 2023)
Permanent Account No.:	500060418
Core Business:	Non-life Insurance

ICRA (Nepal) Issuer Rating:

Summary of rating action

Facility	Rated Amount (NPR Million)	Rating Action
Issuer Rating	NA	[ICRANP-IR] A; assigned

Rating action

ICRA Nepal has assigned an issuer rating of [ICRANP-IR] A (pronounced ICRA NP Issuer Rating A) to Siddhartha Premier Insurance Limited (SPIL or the company). Issuers with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk. The rating is only an opinion on the general creditworthiness of the rated entity and not specific to any particular debt instrument.

MEET OUR BOARD OF DIRECTORS

11



▲
Mr. Rahul
Agrawal
Director

▲
Mr. Rajan
Krishna
Shrestha
Director

▲
Mr. Pawan
Kumar
Agrawal
Director

▲
Mr. Suresh Lal
Shrestha
Chairman

▲
Mr. Prabhu
Krishna
Shrestha
Director

▲
Mr. Sumit
Kumar
Kedia
Director

▲
Mrs. Hasana
Sharma
Independent
Director

Mr. Sudarshan Acharya

Company Secretary

MEET OUR BOARD OF
DIRECTORS

BOARD LEVEL COMMITTEES

- ▶ Claim Settlement & Reinsurance Committee
- ▶ Investment, Risk Management & Solvency Committee
- ▶ AML/CFT Committee
- ▶ Marketing Management Committee
- ▶ Human Resource Committee
- ▶ Audit Committee

12

SENIOR MANAGEMENT:



Mr. Birendra Bahadur Baidawar Chhetry

Chief Executive Officer



Mr. Deepak Kumar Dhoot

DCEO



Mr. Nawaraj Parajuli

DGM

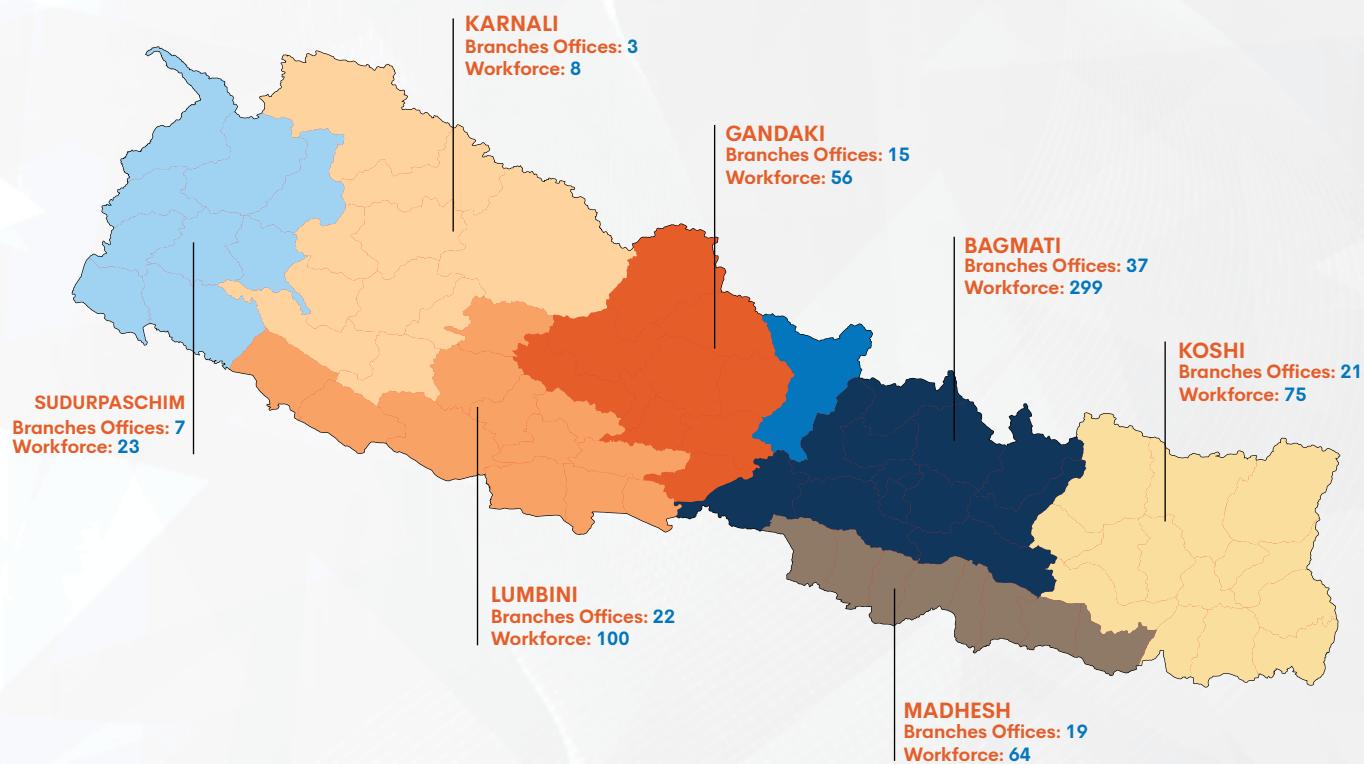


Mr. Ramji Dhakal

AGM

Network and Workforce

SPIL operates **124 branches and sub-branches** across all provinces of Nepal with a workforce of **600+ employees**, ensuring widespread service reach and accessibility.



13

Distribution Channels

 **280**
Marketing Staff

 **1**
Corporate Licensed Agents

 **200**
Individual Licensed Agents

Products and Services

14



SECURE YOUR LIFE TIME
INVESTMENT WITH THE
SPIL PROPERTY
INSURANCE



INSURANCE THAT
MOVES YOU, LIKE A PRO
ON THE GO WITH SPIL
MOTOR INSURANCE



PROTECT YOUR CARGO
AND NAVIGATE WITH
CONFIDENCE WITH SPIL
MARINE INSURANCE



TRAVEL THE WORLD
WITH CONFIDENCE OF
TRUST AND SECURITY
WITH SPIL TRAVEL
INSURANCE



BUILD THE CONFIDENCE
AND SECURE YOUR
PROJECT WITH SPIL
ENGINEERING
INSURANCE



FLY WITH TRUST AND
SECURITY OF SPIL
AVIATION INSURANCE



PROTECT YOUR CROPS
AND LIVESTOCK WITH
SPIL AGRICULTURAL AND
LIVESTOCK INSURANCE



SAVE YOUR MEDICAL
EXPENSES WITH SPIL
MEDI HEALTH
INSURANCE



GET GROUP PERSONAL
ACCIDENTAL INSURANCE
(GPA) BURGLARY, CASH IN
TRANSIT, PUBLIC LIABILITY
WITH SPIL MISCELLANEOUS
INSURANCE

Major Financial Highlights



Authorized Share Capital
NPR. 5 Billion



Paid-up Share Capital
NPR. 2.8 Billion



Shareholding Pattern
(Promoter : Public)
51% : 49%



Special Reserve
NPR. 2.5 Billion



Retained Earnings
NPR. 1 Billion



Catastrophe Reserve
NPR. 0.23 Billion



Total Investment (Fair Value)
NPR. 9 Billion



Gross Premium Collection
NPR. 4.31 Billion



Earning per Share (EPS)
NPR. 26.93 Billion



Net Worth per Share
274.38



Dividend per Share (DPS)
30% | 25% (Proposed)
(F.Y. 2080/81 & 2081/82)



Market Share
10%



Number of Policyholders
2,98,975



Solvency Margin Ratio
385.6%



Gross Technical Reserves
NPR. 5.63 Billion

Auditors and Professional Advisors

Appointed Actuary	Actuarial Analytics & Risk Consultant, Mumbai, India
Statutory Auditor	S.R Pandey & Co., Chartered Accountants
Internal Auditor	B.K Agrawal & Co., Chartered Accountants
NFRS-17 Consultants	Finsuratech Consulting Partners LLP, New Delhi, India
Information Systems Auditor	Eminence Ways Pvt. Ltd.
Registrar to Shares	NMB Capital Limited

16

Reinsurance Leaders

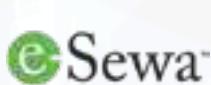


Best Meridian International Insurance Co.
(Proportional)



Hannover Re, Malaysia
(Non-Proportional)

Payment Partners



Technology and Innovation



Online platform for policy purchase and claim tracking
Mobile App and Chatbots for enhanced customer experience

Achievements and Recognition

Non-Life Insurance Company of the Year 2025 – 17th Corporate Business Award 2025

Best Account Presentation Award – ICAN Merit List

ISO 9001:2015 Certified Insurance Company



ISHWOK LAL

17th CORPORATE
BUSINESS AWARD
2025
CORPORATE BUSINESS
MAGAZINE

Certificate of Excellence

It is our Great Pleasure to Recognise Outstanding Achievement of

Siddhartha Premier Insurance Limited

with **Non-Life Insurance of the Year 2025**. We congratulate you for winning this prestigious Business Award. Wishing you continued success in further endeavour.

Manbir Rai
Hon. Minister of Defence

Pradip Paudel
Hon. Minister of Health
and Population

Bhawani Rana
Chief, Jury Member

Ujjwal Jung Parakram Shah
Chairman, Corporate Business Magazine



CHAIRMAN's PROFILE



Mr. Suresh Lal Shrestha is a distinguished business leader whose visionary outlook, strategic acumen, and unwavering commitment to excellence have made him a transformative force across multiple industries in Nepal. With a diverse leadership portfolio, he has consistently driven organizational growth, strengthened corporate governance, and contributed significantly to national economic development.

Mr. Shrestha serves as a Member (Director) of the ICTC Group of Companies, where he plays a key leadership role across several major entities, including ICTC Holding Company Pvt. Ltd., the Group's primary investment arm engaged in diversified strategic investments; ICTC Real Estate Pvt. Ltd., a rapidly expanding enterprise involved in multiple real estate development projects across Nepal; and Highland Distillery Pvt. Ltd., Avanish Distillery Pvt. Ltd., and United Liquors Pvt. Ltd., a prominent group of liquor manufacturing companies known for producing some of the country's highest-selling and most popular liquor brands.

Mr. Shrestha is also the Executive Director of Taragaon Regency Hotels Ltd, a leading 5-star deluxe hotel and one of Nepal's most successful enterprises in the tourism sector. Under Mr. Shrestha's leadership, the company has consistently ranked among the highest tax-paying and top foreign currency-earning entities in the hospitality industry.

He also serves as a Chairman of Upper Solu Hydro Electric Co. Ltd, a pioneering hydropower company and among the select few approved for exporting electricity from Nepal to India through the Nepal Electricity Authority (NEA). His stewardship supports Nepal's growing role in regional energy markets.

Mr. Shrestha is widely recognized as a catalyst for positive change, known for his ability to inspire teams, nurture innovation, and steer businesses toward long-term sustainability. His impressive track record and forward-looking leadership have earned him deep respect and admiration within the business community. His contributions across investment, real estate, manufacturing, hospitality, and energy demonstrate not only exceptional leadership but also a deep commitment to advancing Nepal's economic progress.

Mr. Suresh Lal Shrestha

Chairman

BOARD OF DIRECTORS' PROFILE

20



Mr. Rahul Agrawal

Director

Mr. Rahul Agrawal, a graduate of the University of North Carolina, serves as a Director of SPIL in the capacity of promoter shareholder and contributes to the company's governance as the Coordinator of the Investment, Risk Management and Solvency Committee, as well as a member of the Marketing Management Committee.

He is also a Director of the Siddhartha Group, a diversified business conglomerate with a strong presence in manufacturing (Arghakhachi Cement Industries, Bagmati Sugar Mills Pvt. Ltd., Fitrite Shoes, Shree Steels, Siddhartha Cement Udhayog, Siddhartha Oil Industries, Siddhartha Refinery and Solvent Industries Pvt. Ltd.), financial services (Siddhartha Bank, Siddhartha Capital, Sanima Reliance Life Insurance, Himalayan Bank, Prabhu Bank, Avasar Equity), hospitality (Hotel Kantipur, Temple Himalaya Hotel), energy (Mountain Energy, Upper Belephi Hydro, Super Hewa Hydro), and the automobile sector (Spark Automotives). He brings extensive cross-sector experience and strategic insight, which have significantly supported SPIL in advancing its mission, vision, and strategic objectives.

Mr. Pawan Kumar Agrawal

Director

Mr. Pawan Kumar Agrawal is an established businessman serving as a Director of the company in the capacity of promoter shareholder and as the Coordinator of the Insurance Claim Settlement Committee. He has extensive experience in electronics and various trade businesses and has previously served as a Director of Nepal Awas Finance Ltd. His expertise and leadership contribute significantly to the company's governance and strategic initiatives.

Mr. Rajan Krishna Shrestha

Director

Mr. Rajan Shrestha serves as a director of the company as a promoter shareholder and plays an active leadership role as the Coordinator of the Marketing Management Committee, while also contributing as a member of the Investment, Risk Management, and Solvency Committee. He is the Managing Director of Hama Iron & Steel Industries Pvt. Ltd., a prominent and rapidly growing company in Nepal's iron and steel sector known for innovation and strong market presence. His strategic leadership has supported organizational expansion, enhanced operational efficiency, and ensured the consistent delivery of high-quality products and services. His expertise, vision, and commitment to excellence continue to positively influence the organizations he is associated with, making him a respected figure in the business community.



Mrs. Hasana Sharma

Independent Director

Mrs. Hasana Sharma, holding a Master's degree in Public Administration (MPA) from Tribhuvan University, serves as an Independent Director of the company and Coordinator of the AML/CFT Committee.

She brings extensive public and financial sector experience, having served for around 37 years and was also the Acting Administrator of the Employee Provident Fund. She has also held key leadership positions in the banking sector, including Chairperson of Nepal SBI Bank, an Indo-Nepal joint venture, and as an Independent Director of Siddhartha Bank Limited and Nepal SBI Merchant Banking Limited. Additionally, she has served as a Director of Clean Energy Development Bank Limited and Merchant Banking and Finance Ltd., contributing her expertise in governance, compliance, and financial management.

Mr. Prabhu Krishna Shrestha

Director

Mr. Prabhu Krishna Shrestha is a prominent figure in the business and investment sectors, serving as a Director of the company in the capacity of public shareholder, as well as the Coordinator of the Human Resource Committee and a Member of the Insurance Claim Settlement and Reinsurance Committee.

He is also a Director of Beltron Investment Pvt. Ltd., where he is actively involved in the hydropower, banking, and insurance sectors. Mr. Shrestha's visionary leadership, strategic insight, and strong presence in the financial industry have significantly contributed to the company's growth, operational effectiveness, and long-term success.

Mr. Sumit Kumar Kedia

Director

Mr. Sumit Kedia, a graduate of D.A.V. College, Chandigarh, and an MBA holder from the Symbiosis Institute of Business Management, Pune, serves as a director of the company in the capacity of public shareholder. He contributes to the company's governance as the Coordinator of the Audit Committee and a Member of the Human Resource Committee.

Mr. Kedia brings extensive experience and strategic insight through his leadership roles as a Director of the Kedia Organization, one of Nepal's leading business conglomerates, and as the Managing Director of Sitaram Gokul Milks Pvt. Ltd., an ISO 22000:2005 certified company. He has also held notable industry positions, including Ex-President of Nepal Dairy Organizations Ltd., Board Member of the National Dairy Development Board, and Member of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), further enriching the expertise he contributes to the company.

ORGANIZATIONAL CHART



BOARD OF DIRECTORS (BOD)



INFORMATION ON BOARD OF DIRECTOR'S COMPOSITION, ROLES, MEETINGS, ATTENDANCE AND QUORUM

Composition of the Board

The Board of Directors (BOD) of Siddhartha Premier Insurance Ltd (SPIL) comprises 7 members as of the reporting date.

Representing Promoter Shareholder

Mr. Suresh Lal Shrestha	-	Chairman
Mr. Pawan Kumar Agrawal	-	Director
Mr. Rajan Krishna Shrestha	-	Director
Mr. Rahul Agrawal	-	Director

Representing Public Shareholder

Mr. Prabhu Krishna Shrestha	-	Director
Mr. Sumit Kumar Kedia	-	Director

Independent Director

Mrs. Hasana Sharma	-	Independent Director
---------------------------	---	----------------------

In accordance with the Company's Articles of Association and regulatory requirements, directors are appointed for a four-year term. The Board composition includes a female director, complying with the Companies Act, 2063 to promote gender diversity and inclusive governance.

Roles and Responsibilities

The Board is responsible for the overall governance of the Company in compliance with the Insurance Act, 2079, the Insurance Regulation, 2081, related rules and directives, the Memorandum and Articles of Association, and other applicable laws, except for matters that fall within the powers of the Annual General Meeting.

The Board is responsible for ensuring effective overall risk management of the Company, operating in the best interests of the general shareholders, upholding sound corporate governance practices, and refraining from involvement in the day-to-day management of the Company.

The major duties, responsibilities and power of the Board of the company consist of the following.

1. Approving and ensuring the implementation of all necessary policies, directives, and operating procedures in accordance with the Insurance Act and the rules framed thereunder, applicable regulations, directives and orders, the Memorandum of Association, the Articles of Association, and all other prevailing laws in force.
2. Formulating and approving necessary policies and programs relating to the Company's risk management, insurance underwriting, claims settlement, asset and liability management, budgeting, and other relevant areas.
3. Approving and ensuring the implementation of necessary policies and standards relating to insurance business operations in accordance with the directions of the Nepal Insurance Authority.
4. Ensuring that the Company's paid-up capital, insurance fund, and assets are maintained as prescribed by the Nepal Insurance Authority.
5. Monitoring and analyzing the strategies and policies adopted by management and providing direction to management where necessary.
6. Presenting the Annual Report of the Company and the Auditor's Report at the Annual General Meeting.
7. Performing, or directing management to perform, matters as instructed by the Nepal Insurance Authority from time to time.

Board Meetings

During the financial year 2081/82, the Board held 12 meetings. Meetings were conducted in both physical and virtual formats to facilitate full participation. The majority of the Board meetings were chaired by the Chairman, and in his absence, the meetings were chaired by the senior member of the Board. The meetings are conducted following the procedures as per Board of Directors roles and responsibilities and Meeting conducting procedures-2081 approved by Board which has been prepared consistent with the Insurance Act, 2079 and regulation, 2081.

In accordance with Section 52(1) of the Insurance Act, 2079, the Board meetings are conducted at regular intervals, ensuring that the interval between two meetings does not exceed two months. The Company has fully complied with the requirement to hold a minimum of six meetings per year. The Chairman convened the meetings at the designated place, date, and time, and all decisions were adopted through majority voting. Board minutes are recorded separately and duly signed by all directors in attendance. During the reporting period, no director recorded a dissenting view.

Attendance of Directors

Date	Meeting No.	Attending Member	Absent Member	Quorum
2024-08-15	27	6	1	85.71%
2024-09-12	28	7	0	100%
2024-10-08	29	7	0	100%
2024-11-29	30	6	1	85.71%
2024-12-05	31	7	0	100%
2025-01-13	32	7	0	100%
2025-02-03	33	6	1	85.71%
2025-02-05	34	6	1	85.71%
2025-03-27	35	6	1	85.71%
2025-06-10	36	7	0	100%
2025-06-11	37	7	0	100%
2025-06-22	38	4	3	57%

Quorum

As per the Articles of Association and Insurance Act, 2079 more than 50% of directors must be present for convening of Board Meetings. All meetings conducted during the year met the quorum requirements.

Additional Information

No conflicts of interest were reported among directors during the year.

1. In matters where a director had a related interest, they were not present during the discussion or decision-making.

INFORMATION ON COMPOSITION, ROLES, MEETINGS, ATTENDANCE AND QUORUM OF BOARD LEVEL COMMITTEES

Composition of the Claims Settlement & Reinsurance Committee

The Claim Settlement and Reinsurance committee of Siddhartha Premier Insurance Ltd (SPIL) comprises 4 members as of the reporting date.

Claim Settlement and Reinsurance Committee

i. Mr. Pawan Kumar Agrawal	- Director / Co-ordinator
ii. Mr. Prabhu Krishna Shrestha	- Director / Member
iii. Mr. Birendra Bahadur Baidwar Chhetry	- Chief Executive Officer / Member
iv. Mr. Nawaraj Parajuli	- Claims Head /Member Secretary

The Claims Settlement and Reinsurance Committee is constituted by the Board of Directors in compliance with the Insurers' Corporate Governance Directive, 2080 issued by the Nepal Insurance Authority, and in accordance with the company's internal Claim Settlement and Reinsurance Policy.

Roles and Responsibilities

The Committee is responsible for providing overall oversight of claim settlement and reinsurance activities in alignment with the company's internal Claim Settlement and Reinsurance Policy and the directives/circulars issued by the Nepal Insurance Authority.

The Committee is responsible for ensuring effective overall claim settlement and reinsurance management of the Company, acting in the best interests of the general shareholders and customers, upholding sound corporate governance practices, and refraining from involvement in the day-to-day operations of the Company.

The major duties, responsibilities and power of the committee of the company consist of the following.

1. Policy Oversight

- Ensure adherence to the company's Claim Settlement and Reinsurance Policy.
- Recommend revisions or updates to related policies, guidelines, and procedures.

2. Regulatory Compliance

- Monitor compliance with directives, circulars, and requirements issued by the Nepal Insurance Authority (NIA).
- Ensure claim settlement and reinsurance practices align with applicable laws and regulatory standards.

3. Claims Management Oversight

- Oversee the overall effectiveness, fairness, and timeliness of the claim settlement process.
- Review, approve and recommend to the board for high-value claims within the limit prescribed the board.
- Ensure claim assessments are conducted objectively and based on proper documentation and evidence.

4. Reinsurance Management Oversight

- Review the company's reinsurance policy of the company along with reinsurance arrangements, treaties, and retention strategies and forward to the board for approval.
- Monitor reinsurance coverage adequacy to ensure sufficient risk protection.

5. Strategic Advising

- Advise management on best practices in claims handling and reinsurance management.
- Provide inputs on strategic decisions impacting claims and reinsurance portfolios.

6. Reporting Responsibilities

- Submit periodic reports to the Board of Directors on claim settlement status, reinsurance performance, key risk observations, and compliance matters.
- Highlight significant issues requiring Board attention.

Claim Settlement and Reinsurance Meetings

During the financial year 2081/82, Claim Settlement and Reinsurance Committee held 19 meetings. Meetings were conducted in physical formats. The majority of the committee meetings were chaired by the Chairman of the committee, and in his absence, the meetings were chaired by the senior member of the Board. The meetings are conducted following the procedures as per Board of Directors roles and responsibilities and Meeting conducting procedures-2081 approved by Board which has been prepared consistent with the Insurance Act, 2079 and regulation, 2081.

The committee meeting is held as per the requirement and the meetings were convened at the designated place, date, and time, and all decisions were adopted through majority. Claims Settlement and Reinsurance Committee minutes are recorded separately and duly signed by all members in attendance. During the reporting period, no member recorded a dissenting view.

Attendance of Members

Date	Meeting No.	Attending Member	Absent Member	Quorum
08-08-2024	21	4	0	100%
10-09-2024	22	4	0	100%
04-10-2024	23	4	0	100%
29-10-2024	24	4	0	100%
18-11-2024	25	4	0	100%
17-12-2024	26	4	0	100%
01-01-2025	27	4	0	100%
13-01-2025	28	4	0	100%
13-01-2025	29	4	0	100%
11-02-2025	30	4	0	100%
12-02-2025	31	4	0	100%
06-03-2025	32	4	0	100%
10-03-2025	33	4	0	100%
21-03-2025	34	4	0	100%
10-04-2025	35	4	0	100%
13-04-2025	36	4	0	100%
08-06-2025	37	4	0	100%
02-07-2025	38	4	0	100%
09-07-2025	39	4	0	100%

Quorum

As per the Board of Directors roles and responsibilities and Meeting conducting procedures-2081, more than 50% of members must be present for convening of the committee meeting. All the meetings conducted during the year met the quorum requirements.

Additional Information

No conflicts of interest were reported among members of the committee during the year.

COMPOSITION OF THE INVESTMENT, RISK MANAGEMENT AND SOLVENCY COMMITTEE

The Investment, Risk Management & Solvency Committee of Siddhartha Premier Insurance Ltd (SPIL) comprises 4 members as of the reporting date.

Investment, Risk Management and Solvency Committee

i. Mr. Rahul Agrawal	- Director / Co-ordinator
ii. Mr. Rajan Krishna Shrestha	- Director / Member
iii. Mr. Birendra Bahadur Baidwar Chhetry	- Chief Executive Officer / Member
iv. Mr. Manoj Dhaurali	- Head Investment and Risk / Member Secretary

27

The Investment, Risk Management & Solvency Committee is constituted by the Board of Directors in compliance with the Insurers' Corporate Governance Directive, 2080 issued by Nepal Insurance Authority and functions as per the BOD approved Investment policy, 2080, Risk Management Policy, 2080, Climate Risk Policy 2081 complying with the relevant directives and circulars issued by Nepal Insurance Authority.

Roles and Responsibilities

The Investment, Risk Management & Solvency Committee is entrusted with providing comprehensive oversight of all key areas related to the Company's investment operations, risk management framework, and solvency position. This includes monitoring the effectiveness, prudence, and regulatory compliance of all investment activities; assessing and overseeing the identification, evaluation, and mitigation of financial, operational, market, climate-related, and emerging risks; and ensuring that the Company maintains a sound solvency position in accordance with applicable regulatory requirements.

The Committee ensures that all activities within these domains are carried out in full alignment with the Company's internal Investment Policy, Risk Management Policy, and Climate Risk Policy. It further ensures adherence to all directives, guidelines, and circulars issued by the Nepal Insurance Authority, thereby promoting strong governance, sustainable financial performance, and long-term institutional stability.

The major duties, responsibilities and power of the committee of the company consist of the following.

1. Formulation and Review of Policies

- Develop, recommend, and periodically review the Company's Investment, risk management climate risk and policies associated with solvency such as ORSA Policy.
- Ensure the policy complies with regulatory directives issued by the Nepal Insurance Authority.

2. Oversight of Activities

- Monitor the Company's overall investment portfolio and performance, Effectiveness of risk management system.
- Ensure investments are made in accordance with approved policies, risk appetite, and statutory limits, associated risks are timely identified and mitigated.

3. Risk Management and Solvency Monitoring

- Evaluate investment-related risks, including credit risk, market risk, liquidity risk, concentration risk, operational risks and all other risk as per risk management policy that the company may be exposed to.
- Review solvency positions, risk-based capital requirement and ensure that the factors that affects the solvency position are analyzed for further decision making.
- Ensure claim assessments are conducted objectively and based on proper documentation and evidence.

4. Approval and Recommendation of Investment Proposals

- Review and recommend major investment decisions, decisions pertaining to timely risk identification and mitigation to the Board.
- Ensure investments, risk management strategies contribute to the Company's financial stability and sustainability.

5. Compliance and Reporting

- a. Ensure compliance with the Nepal Insurance Authority's Investment, risk management, risk- based capital and solvency and climate risk Directives and circulars.
- b. Oversee accurate and timely reporting of investment, risk management and risk-based capital and solvency activities to the Board and regulators.

Investment, Risk Management and Solvency Committee Meeting

During the financial year 2081/82, Investment, Risk Management and Solvency Committee held 8 meetings. Meetings were conducted in physical. The majority of the committee meetings were chaired by the coordinator of the committee, and in his absence, the meetings were chaired by the senior member of the committee. The meetings are conducted following the procedures as per Board of Directors roles and responsibilities and Meeting conducting procedures-2081 approved by Board which has been prepared consistent with the Insurance Act, 2079 and regulation, 2081.

The committee is held as per the requirement and the coordinator of the committee convened the meetings at the designated place, date, and time, and all decisions were adopted through majority. The Investment, risk management and solvency committee minutes are recorded separately and duly signed by all members in attendance. During the reporting period, no member recorded a dissenting view.

Attendance of Members

Date	Meeting No.	Attending Member	Absent Member	Quorum
06-09-2024	14	4	0	100%
08-10-2024	15	4	0	100%
11-11-2024	16	4	0	100%
11-12-2024	17	4	0	100%
03-02-2025	18	4	0	100%
24-03-2025	19	4	0	100%
23-05-2025	20	4	0	100%
22-06-2025	21	4	0	100%

Quorum

As per the Board of Directors roles and responsibilities and Meeting conducting procedures-2081, more than 50% of members must be present for convening of the committee meeting. All the meetings conducted during the year met the quorum requirements.

Additional Information

No conflicts of interest were reported among members of the committee during the year.

COMPOSITION OF HUMAN RESOURCE COMMITTEE

The Human Resource Committee of Siddhartha Premier Insurance Ltd (SPIL) comprises 4 members as of the reporting date.

Human Resource Committee

i. Mr. Prabhu Krishna Shrestha	- Director / Co-ordinator
ii. Mr. Sumit Kumar Kedia	- Director / Member
iii. Mr. Birendra Bahadur Baidwar Chhetry	- Chief Executive Officer / Member
iv. Mr. Bharat Gopal Chandra Sunam	- HR Head / Member Secretary

The Claims Settlement and Reinsurance Committee is constituted by the Board of Directors in compliance with the Insurers' Corporate Governance Directive, 2080 issued by the Nepal Insurance Authority, and in accordance with the company's internal Claim Settlement and Reinsurance Policy.

Roles and Responsibilities

The Human Resource Committee is responsible for providing strategic oversight and guidance on the Company's human resource governance, ensuring that HR policies, practices, and systems support the Company's vision, mission, and long-term objectives. The Committee ensures fair, transparent, and compliant management of human capital in alignment with regulatory requirements and best corporate governance practices.

The major duties, responsibilities and power of the committee of the company consist of the following.

1. Policy Formulation & Compliance

- Formulate, review, and recommend HR policies (recruitment, promotion, compensation, performance management, training, discipline).
- Ensure the policy complies with regulatory directives issued by the Nepal Insurance Authority.

2. Oversight of Activities

- Provide strategic direction on HR planning, talent acquisition, and organizational development.
- Guide workforce optimization, restructuring, and long-term HR strategy.

3. Recruitment & Promotion

- Oversee recruitment, selection, promotion, recommendation for promotion Employees.
- Ensure fairness, transparency, and merit-based decision-making.

4. Compensation & Benefits

- Review and recommend remuneration packages, benefits and incentive schemes.
- Ensure compensation is competitive and aligned with company performance.

5. Performance Management

- Monitor the performance appraisal process to ensure fairness and objectivity.
- Oversee reward mechanisms and performance improvement initiatives.

6. Training, Development & Succession Planning

- Oversee employee training, capacity building, and professional development programs.
- Ensure effective succession planning for key positions and leadership continuity.

Human Resource Committee Meeting

During the financial year 2081/82, Human resource Committee held 7 meetings. Meetings were conducted in physical formats. The majority of the committee meetings were chaired by the Co-ordinator of the committee. The meetings are conducted following the procedures as per Board of Directors roles and responsibilities and Meeting conducting procedures-2081 approved by Board which has been prepared consistent with the Insurance Act, 2079 and regulation, 2081.

The committee is held as per the requirement and the coordinator of the committee convened the meetings at the designated place, date, and time, and all decisions were adopted through majority. The Human resource committee minutes are recorded separately and duly signed by all members in attendance. During the reporting period, no member recorded a dissenting view.

Attendance of Members

Date	Meeting No.	Attending Member	Absent Member	Quorum
05-09-2024	16	3	1	75%
27-09-2024	17	4	0	100%
09-12-2024	18	4	0	100%
06-01-2025	19	4	0	100%
25-03-2025	20	4	0	100%
05-06-2025	21	4	0	100%
02-07-2025	22	4	0	100%

Quorum

As per the Board of Directors roles and responsibilities and Meeting conducting procedures-2081, more than 50% of members must be present for convening of the committee meeting. All the meetings conducted during the year met the quorum requirements.

Additional Information

No conflicts of interest were reported among members of the committee during the year.

COMPOSITION OF ANTI-MONEY LAUNDERING COMMITTEE

The Anti-Money Laundering Committee of Siddhartha Premier Insurance Ltd (SPIL) comprises 5 members as of the reporting date.

Anti-Money Laundering Committee

i. Mrs. Hasana Sharma	- Director / Co-ordinator
ii. Mr. Prabhu Krishna Shrestha	- Director / Member
iii. Mr. Birendra Bahadur Baidwar Chhetry	- Chief Executive Officer / Member
iv. Mr. Manoj Dhaurali	- Head Compliance
v. Mr. Sudarshan Acharya	- AML/CFT Implementing Officer /Member Secretary

The Anti-Money Laundering Committee is a Board-level committee constituted by the Board of Directors in compliance with the Insurers' Corporate Governance Directive, 2080 and circular dated 2081.10.06 issued by Nepal Insurance Authority and functions as per the BOD approved AML/CFT policy and guidelines of the company.

Roles and Responsibilities

The AML Committee is responsible for providing strategic oversight and guidance on the Company's Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) framework. The Committee ensures that AML/CFT policies, procedures, and systems are aligned with the Company's vision, mission, and long-term objectives. It further oversees the timely detection and reporting of potential money-laundering and terrorist-financing activities and ensures that appropriate internal control mechanisms commensurate with the size of the organization and the nature, volume, and complexity of its transactions are in place to comply with applicable national and international AML/CFT standards and regulatory requirements.

The major duties, responsibilities and power of the committee of the company consist of the following.

1. Oversight & Governance

- Provide strategic oversight of the Company's AML/CFT framework.
- Ensure AML/CFT policies and controls align with regulatory requirements and risk profile.
- Promote a strong AML/CFT compliance culture across the Company.

2. Risk & Compliance

- Oversee identification, assessment, and mitigation of ML/TF risks.
- Monitor compliance with applicable national and international AML/CFT standards.
- Review high-risk transactions, suspicious activity reports, and compliance findings.

3. Controls & Reporting

- Ensure effective internal controls, systems, and resources for AML/CFT implementation.
- Oversee audits, inspections, and timely corrective actions.
- Report material AML/CFT matters to the Board of Directors.

4. Powers & Authority

- Recommend and approve AML/CFT policies and procedures.
- Require information, reports, and risk assessments from management.
- Direct corrective or disciplinary actions and escalate critical issues to the Board of regulators.

Anti-Money Laundering Committee Meeting

During the financial year 2081/82, AML/CFT Committee held 4 meetings. Meetings were conducted in physical formats. The majority of the committee meetings were chaired by the coordinator of the committee. The meetings are conducted following the procedures as per Board of Directors roles and responsibilities and Meeting conducting procedures-2081 approved by Board which has been prepared consistent with the Insurance Act, 2079 and regulation, 2081.

The committee is held as per the requirement and the coordinator of the committee convened the meetings at the designated place, date, and time, and all decisions were adopted through majority. The AML/CFT committee minutes are recorded separately and duly signed by all members in attendance. During the reporting period, no member recorded a dissenting view.

Attendance of Members

Date	Meeting No.	Attending Member	Absent Member	Quorum
04-10-2024	06	4	0	100%
11-02-2025	07	4	0	100%
13-04-2025	08	5	0	100%
17-06-2025	09	5	0	100%

Quorum

As per the Board of Directors roles and responsibilities and Meeting conducting procedures-2081, more than 50% of members must be present for convening of the committee meeting. All the meetings conducted during the year met the quorum requirements.

Additional Information

No conflicts of interest were reported among members of the committee during the year.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of Siddhartha Premier Insurance Ltd (SPIL) comprises 3 members as of the reporting date.

Audit Committee

i. Mr. Sumit Kumar Kedia	-	Director / Co-ordinator
ii. Mr. Pawan Kumar Agrawal	-	Director / Member
iii. Mrs. Hasana Sharma	-	Director / Member

The Audit Committee is a Board-level committee constituted by the Board of Directors in compliance with the Company's Act, 2063, Insurance Act, 2079 and Insurers' Corporate Governance Directive, 2080 issued by Nepal Insurance Authority and functions provisions contained in the Company's Act, 2063, Insurance Act and regulations.

Roles and Responsibilities

As per the **Insurance Act, 2079**, the Audit Committee is responsible for providing independent oversight of the insurer's financial reporting, internal control, and audit functions. The Committee ensures the integrity, accuracy, and transparency of financial statements and reviews the adequacy and effectiveness of internal control systems, risk management, and compliance mechanisms. It oversees the internal audit function, reviews audit plans and findings, and ensures timely implementation of corrective actions. The Committee also recommends the appointment, remuneration, and scope of work of external auditors, reviews their audit reports, and ensures auditor independence. In addition, the Committee monitors compliance with applicable laws, regulations, and directives issued by the Nepal Insurance Authority, thereby strengthening corporate governance, accountability, and financial discipline within the insurer.

The major duties, responsibilities and power of the committee of the company consist of the following.

1. Financial Reporting & Disclosure

- Review and ensure the accuracy, integrity, and transparency of financial statements.
- Oversee accounting policies, estimates, and significant financial judgments.
- Ensure timely and adequate financial disclosures in compliance with applicable standards and laws.

2. Internal Control & Risk Management

- Review the adequacy and effectiveness of internal control and risk management systems.
- Oversee financial, operational, and compliance controls of the Company.
- Monitor compliance with the Insurance Act, 2079, and directives issued by the Nepal Insurance Authority.

3. Internal Audit

- Approve internal audit plans, scope, and methodology.
- Review internal audit reports and ensure timely corrective actions on audit findings.
- Ensure the independence and effectiveness of the internal audit function.

4. External Audit

- Recommend the appointment and their remuneration.
- Review the scope, findings, and management responses to external audit reports.
- Ensure auditor independence and address significant audit issues.

5. Powers & Authority

- Call for any information, records, or explanations from management.
- Seek professional advice from internal or external experts, as necessary.
- Recommend corrective, disciplinary, or remedial actions to the Board.
- Report significant audit, control, or compliance matters directly to the Board of Directors.

Audit Committee Meeting

During the financial year 2081/82, Audit Committee held 8 meetings. Meetings were conducted in physical formats. The majority of the committee meetings were chaired by the coordinator of the committee. The meetings are conducted following the procedures as per Board of Directors roles and responsibilities and Meeting conducting procedures-2081 approved by Board which has been prepared consistent with the Insurance Act, 2079 and regulation, 2081.

The committee is held as per the requirement and the coordinator of the committee convened the meetings at the designated place, date, and time, and all decisions were adopted through majority. The Audit committee minutes are recorded separately and duly signed by all members in attendance. During the reporting period, no member recorded a dissenting view.

Attendance of Members

Date	Meeting No.	Attending Member	Absent Member	Quorum
5-09-2024	09	3	0	100%
06-10-2024	10	3	0	100%
05-12-2024	11	3	0	100%
03-02-2025	12	3	0	100%
12-03-2025	13	3	0	100%
11-06-2025	14	3	0	100%
17-06-2025	15	2	1	67%
13-07-2025	16	3	0	100%

Quorum

As per the Board of Directors roles and responsibilities and Meeting conducting procedures-2081, more than 50% of members must be present for convening of the committee meeting. All the Audit committee meetings conducted during the year met the quorum requirements.

Additional Information

No conflicts of interest were reported among members of the committee during the year.

COMPOSITION OF MARKETING MANAGEMENT COMMITTEE

The marketing management committee of Siddhartha Premier Insurance Ltd (SPIL) comprises 4 members as of the reporting date.

Marketing Management Committee

i. Mr. Rajan Krishna Shrestha	- Director / Co-ordinator
ii. Mr. Rahul Agrawal	- Director / Member
iii. Mr. Birendra Bahadur Baidwar Chhetry	- Chief Executive Officer / Member
iv. Mr. Ramji Dhakal	- Assistant General Manager / Member Secretary

The Marketing Management Committee is a Board-level committee constituted by the Board of Directors to ensure effective execution of the Company's business strategy and the smooth management of day-to-day operations. The Committee translates the Board's strategic directives into actionable operational business plans and oversees their consistent implementation across all provincial offices and branch networks.

Roles and Responsibilities

The marketing management committee is responsible for overseeing the effective execution of the company's business strategy and ensuring efficient day-to-day operations. It mainly implements the business strategies, annual plans and business promotion budgets approved by the board. It reviews business targets and achievements made by each marketing staffs, branch offices in a quarterly manner and provide strategic insights to the marketing personnels for achievement of company's yearly targets.

The major duties, responsibilities and power of the committee of the company consist of the following.

1. Implementing Board Strategy:

The marketing management committee execute the strategies, policies, business plans, and budgets approved by the Board of Directors.

2. Operational Decision-Making:

It advises management on decisions relating to underwriting, claims, marketing, reinsurance coordination, service delivery, and branch operations within the authority delegated by the Board.

3. Business Performance Oversight:

It reviews and monitors financial results, portfolio-wise business growth, profitability by line of business, and key performance indicators, and to initiate corrective actions where required.

4. Coordination and Control:

The committee ensures effective coordination among departments, provincial offices, and branch networks for smooth and efficient business operations.

5. Risk & Compliance Management:

It ensures that business activities are carried out within the approved risk appetite and in compliance with prevailing laws, regulations, directives, and internal policies.

6. Product and Market Development:

It evaluates and approves (within delegated limits) new products, pricing, distribution channels, and market expansion initiatives, necessary promotional and branding activities.

7. Resource Utilization Authority:

It oversees and decides on the optimal utilization of financial, human, and operational resources in line with approved plans.

8. Reporting:

It submits periodic reports on business performance, operational issues, and emerging risks to the Board of Directors and recommend matters requiring Board approval.

Marketing Management Committee Meeting

During the financial year 2081/82, marketing management Committee held 6 meetings. Meetings were conducted in physical formats. The majority of the committee meetings were chaired by the coordinator of the committee. The meetings are conducted following the procedures as per Board of Directors roles and responsibilities and Meeting conducting procedures-2081 approved by Board which has been prepared consistent with the Insurance Act, 2079 and regulation, 2081.

The committee is held as per the requirement and the coordinator of the committee convened the meetings at the designated place, date, and time, and all decisions were adopted through majority. The marketing management committee minutes are recorded separately and duly signed by all members in attendance. During the reporting period, no member recorded a dissenting view.

Attendance of Directors

Date	Meeting No.	Attending Member	Absent Member	Quorum
12-09-2024	06	4	0	100%
11-11-2024	07	4	0	100%
21-11-2024	08	4	0	100%
24-03-2025	09	4	0	100%
23-04-2025	10	3	1	67%
08-06-2025	11	4	0	100%

Quorum

As per the Board of Directors roles and responsibilities and Meeting conducting procedures-2081, more than 50% of members must be present for convening of the committee meeting. All the business management meetings conducted during the year met the quorum requirements.

Additional Information

No conflicts of interest were reported among members of the committee during the year.



BUSINESS MODEL FRAMEWORK



SPIl's BUSINESS MODEL

Vision

"To become the first choice for non-life insurance by providing secure coverage."

Mission

"To deliver insurance services promptly, with integrity and a desire to serve our esteemed stakeholders, while upholding a high quality of teamwork for excellence and continuous."

38

VALUE OFFERED

Offers financial security through a wide range of insurance products covering property, Motor, Marine, Engineering, Aviation, Agriculture, Miscellaneous catering to all socio-economic classes from affordable micro-insurance to large comprehensive policies.



CUSTOMER SEGMENTS

Addresses the needs of individuals, corporate clients, enterprises, SMEs.



COST STRUCTURE

Rs. 2.76 Billions of Claims Paid in FY 2081/82. The cost structure includes expenses related to underwriting, claims management, marketing, distribution, administrative operations, and reinsurance.



KEY ALLIANCES

Strategic partnerships with reinsurances, banks, hospitals, NGOs and INGOs.



MAJOR REVENUE STREAMS

Premium Income Rs. 4.31B, Reinsurance Commission Rs 0.5B and Investment Returns Rs. 0.48B



DISTRIBUTION CHANNELS

Network of 124 offices across nation, Bancassurance, Agents Internet and Mobile application: SPIl DIGI



RISK MANAGEMENT

Continuous cycle of risk identification, assessment, mitigation and monitoring.



Siddhartha Premier Insurance is Nepal's leading non-life insurance player, formed after the successful merger of Siddhartha Insurance Limited and Premier Insurance Co. (Nepal) Limited. Headquartered in Babarmahal, Kathmandu, it has the support of Siddhartha Bank, a well-established Class A commercial bank, successful entrepreneurs, and eminent business houses. Committed to excellence, Siddhartha Premier Insurance's guiding principles of behavior are integrity, reliability, timely response, co-ordination, and relentless innovation. Motivated by the desire to assist its clients, the company strives to provide innovative and reliable insurance products that bring about financial protection and peace of mind for individuals and businesses.

Value Offered:

Siddhartha Premier Insurance Limited (SPIL) offers safe, customer-centric, and innovative non-life insurance solutions aimed at providing financial protection and peace of mind. The Company provides a comprehensive range of insurance products, including property, marine, motor, agriculture, aviation, engineering, and miscellaneous insurance, catering to both individuals and corporate clients. SPIL promotes financial inclusion by serving all socio-economic segments, from affordable micro-insurance to large and complex risk covers. Backed by a strong capital base and extensive industry expertise, the Company ensures timely claims settlement, personalized service, and tailored risk protection. Guided by its core values of integrity, prudence, and continuous improvement, SPIL stands as a trusted risk management partner, helping clients safeguard their assets and secure the future.

Customer Segments:

Siddhartha Premier Insurance Limited primarily targets the following customer segments:

- **Individuals:** Offering personal insurance products such as motor, home, travel, and health insurance.
- **Small and Medium-sized Enterprises (SMEs):** Providing comprehensive business insurance solutions, including property, liability, and professional indemnity coverage.
- **Corporate Clients:** Offering insurance packages for large organizations, including coverage for assets, liabilities, and specialized risks.

Through its extensive branch network across the country, the Company enhances risk diversification by avoiding concentration in any single geographic area. Recognizing the need to penetrate low-income segments to bridge the insurance protection gap, the Company aims to secure a leading position in the market by becoming the first-choice general insurance provider in Nepal.

Key Alliances:

To enhance service delivery and strengthen financial stability, Siddhartha Premier Insurance Limited has established strong strategic partnerships with key stakeholders. Collaborations with leading reinsurers ensure the Company's capacity to underwrite large and complex risks while providing comprehensive coverage. Partnerships with banks expand customer outreach through bancassurance channels, while alliances with hospitals and healthcare providers strengthen health insurance services by enabling cashless treatment and efficient claim settlements. Furthermore, partnerships with NGOs and INGOs promote financial inclusion by supporting micro-insurance and tailored products for low-income segments. Collectively, these strategic alliances reinforce the Company's commitment to delivering reliable, efficient, and customer-centric insurance solutions.

Cost Structure:

Siddhartha Premier Insurance Limited maintains a prudent and structured cost framework to ensure financial stability and deliver superior insurance services. In fiscal year 2081/82, the Company paid Rs. 2.76 billion in gross claims, reflecting its commitment to timely and fair settlements. Key cost components include underwriting and claims management, which ensure accurate risk assessment and efficient claims processing, as well as marketing and distribution expenses that enhance customer engagement and market reach. Administrative costs, including infrastructure, technology, and personnel, support seamless service delivery, while reinsurance premiums safeguard against large-scale risks. Through disciplined expense management, the Company promotes long-term sustainability and value creation for its stakeholders.

Revenue Streams:

Siddhartha Premier Insurance Limited sustains financial stability and long-term growth primarily through premium income, reinsurance commission income and investment returns. Premiums collected from a diverse range of non-life insurance products enable the Company to provide comprehensive risk coverage and honor claims promptly. In addition to underwriting profits, the Company strategically invests in a diversified portfolio including stocks, mutual funds, time deposits, and debentures to enhance returns and strengthen financial resilience. By balancing underwriting income with prudent investment management, Siddhartha Premier Insurance maintains a robust financial foundation, ensuring reliable service and innovative insurance solutions for its clients.

40

Distribution Channels:

Siddhartha Premier Insurance Limited serves a broad customer base across Nepal through a multi-channel distribution strategy. Its network of 124 offices ensures accessibility in both urban and rural areas, complemented by direct marketing and an agent network that provides personalized guidance to policyholders. Embracing digital transformation, the Company offers the SPIL DIGI mobile and web application, enabling customers to manage policies, pay premiums, and track claims easily. By integrating traditional and digital channels, Siddhartha Premier Insurance effectively meets diverse customer needs while enhancing the overall client experience.

Risk Management:

Siddhartha Premier Insurance Limited adopts a proactive and continuous approach to risk management to ensure financial stability and operational security. The Company implements a systematic cycle of risk identification, assessment, mitigation, and monitoring across all aspects of its operations. By proactively recognizing emerging risks, evaluating their potential impact, and implementing mitigation strategies, the Company safeguards its resources and protects clients. Upholding the highest standards of corporate governance and regulatory compliance, Siddhartha Premier Insurance strengthens its financial resilience, earns client trust, and effectively navigates market uncertainties.

DESCRIPTION OF RESOURCES, USAGE, SUSTAINABLE COMPETITIVE EDGE AND VALUE CREATION

Siddhartha Premier Insurance Limited (SPIL) continues to strengthen its position as a dynamic and customer focused non-life insurer in Nepal through the prudent management of its resources, strategic utilization of capabilities, and commitment to creating sustainable value for all stakeholders.

Resources

SPIL possesses a well-balanced combination of financial, human, technological, and intellectual resources that collectively form the foundation of its business operations and long-term sustainability. Its robust financial strength enables the company to meet obligations and pursue growth opportunities, while a skilled and motivated workforce drives innovation and service excellence. Advanced technological systems support efficiency, digital transformation, and customer-centric processes, and the company's accumulated knowledge and expertise enhance decision-making and strategic agility. Together, these resources enable SPIL to deliver consistent value, maintain competitiveness, and ensure sustainable growth in the evolving insurance landscape of Nepal.

Financial Resources:

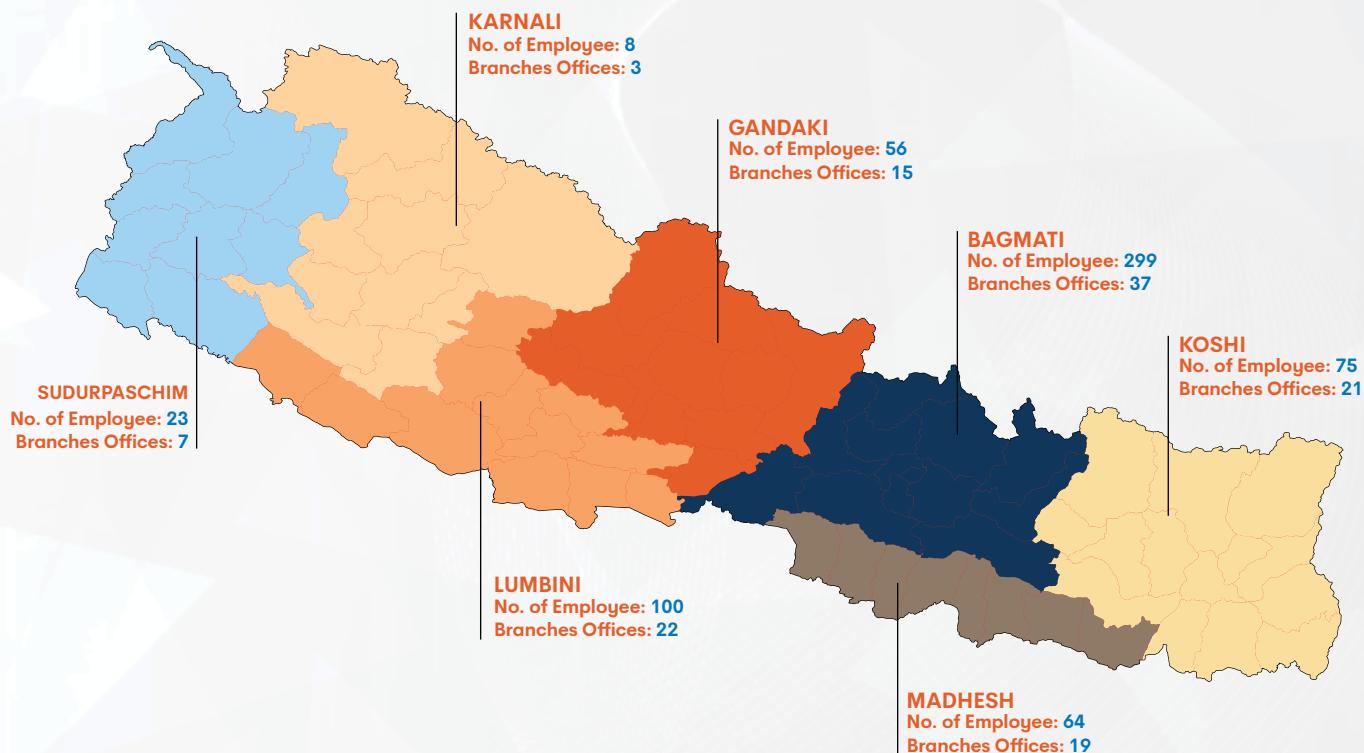
The Company maintains a strong capital base of Rs. 280 Million that exceeds the minimum mandatory capital requirement set by the Nepal Insurance Authority (NIA), reflecting its robust financial position and prudent capital management. It upholds an adequate solvency margin of 385.6 %, well above the regulatory minimum, ensuring its ability to meet policyholder obligations and absorb potential risks. Furthermore, SPIL has maintained a diversified investment portfolio amounting to Rs. 800 crores at cost (market value: Rs. 900 crores), fully compliant with NIA's investment regulations. The Company's reserves and retained earnings are managed efficiently to sustain financial stability, support strategic business expansion, and ensure timely settlement of future claim obligations.

Human Resources:

SPIL is guided by an experienced management team and a technically competent workforce that together drive the Company's growth and success. As of 16th July 2025, the Company employed over 625 personnel, including a significant proportion of Gen-Z staff, contributing fresh perspectives and digital-savvy skills that benefit all stakeholders. SPIL demonstrates a commitment to gender equality, maintaining a male-to-female ratio of 69:31, and ensures that all branches and sub-branches are adequately staffed to facilitate smooth operations. Regular training, skill development programs, and performance-based incentives are implemented to enhance productivity, motivation, and professionalism across all levels, strengthening the Company's human capital and operational effectiveness.

The Company's human capital management encompasses talent acquisition and recruitment, employee relations, performance management, training and development, compensation and benefits, HR compliance, employee engagement and retention, HR technology and analytics, and organizational development. In addition, the Company has an Employee Succession Policy, duly approved by the Board of Directors, which is designed to guide and support succession planning, ensuring alignment with the Company's mission, vision, and strategic objectives. This comprehensive approach strengthens workforce capability, fosters leadership continuity, and supports long-term organizational growth.

The Province-wise employee strength of the company as the end of the FY 2081-82 was as follows:



During the year, the Company conducted various training and development programs to enhance the technical competence, professionalism, and service quality of its employees and agents.

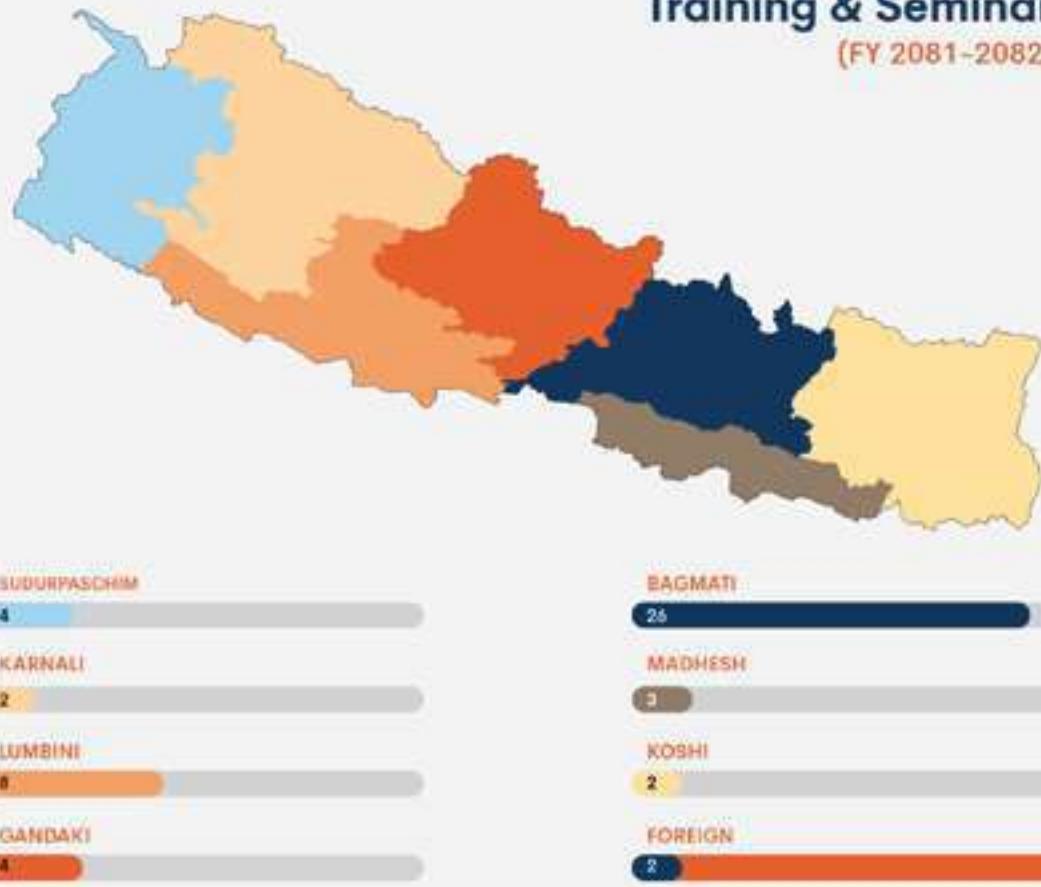
The major specific training initiatives undertaken during the year FY 2081-82 are summarized below

Training & Seminar (FY 2081-2082)



The province wise major specific training initiatives undertaken during the year FY 2081-82 are summarized below:

Training & Seminar (FY 2081-2082)



Technological Resources:

The Company has embraced digital transformation by implementing advanced core insurance systems that streamline underwriting, policy issuance, claims management, reinsurance management, and accounting and investment. Currently, SPIL uses the web-based software IENSURE as its core insurance system. To ensure continuous evolution of its digital capabilities, the Company has introduced an online portal for policy issuance and claims management, a chatbot to address customer queries, and mobile applications to provide remote access to insurance services. The integration of data analytics and IT-driven solutions further enhances operational efficiency, improves customer service, and strengthens risk assessment and management.

Physical and Organizational Resources

A well-distributed branch network and a strong corporate governance framework support accessibility, accountability, and transparency in operations. Strategic reinsurance partnerships with reputed international reinsurers further strengthen risk-bearing capacity and capital protection.

Intellectual Resources

SPIL's goodwill, established brand reputation, and adherence to ethical business practices are among its most valuable intangible assets. The Company's internal policies, underwriting guidelines, and compliance culture align with best industry practices, reinforcing its reputation for reliability and trustworthiness.

The Company operates through an 11-department structure, managing all offices under its seven provincial offices, with each department led by a responsible and capable Head of Department to ensure effective management and accountability across functions. The Internal Control and Audit Department monitors existing control activities, ensuring they are commensurate with the size and complexity of operations and fully aligned with approved company policies as well as regulatory directives issued by the Nepal Insurance Authority. This departmental framework represents a critical organizational resource, supporting operational efficiency, risk management, and regulatory compliance across the Company. The Company has implemented a series of internal policies to strengthen internal control practices, ensuring operational efficiency, regulatory compliance, and risk mitigation across all functions. These policies provide a structured framework for monitoring processes, safeguarding assets, and maintaining accountability, thereby supporting the Company's overall governance and sustainable growth objectives.

2. Resource Utilization

SPIL strategically allocates and utilizes its resources to optimize financial returns, enhance service delivery, and maintain operational excellence. Financial capital is deployed across underwriting and investment activities to ensure balanced risk-return outcomes. The Company leverages its human capital for efficient underwriting, prompt claims settlement, and quality customer support. Technological infrastructure is effectively utilized to automate processes, minimize operational costs, and improve data accuracy. Reinsurance arrangements are prudently managed to mitigate exposure and maintain portfolio quality.

3. Sustainable Competitive Edge

SPIL's sustainable competitive advantage is rooted in its customer-centric philosophy, disciplined risk management, operational efficiency, and continuous innovation. The Company's unwavering commitment to timely claims settlement, transparency, and service excellence has reinforced customer trust and loyalty, establishing a strong market reputation. By adopting digital tools and automation, SPIL has significantly enhanced productivity, streamlined processes, and reduced turnaround times, enabling more responsive and efficient service delivery.

In addition, strong governance practices, adherence to the Own Risk and Solvency Assessment (ORSA) framework, and the development of tailored insurance products demonstrate the Company's adaptability and proactive approach to evolving market needs. Supported by a skilled workforce and a corporate culture emphasizing integrity and accountability, SPIL maintains a lasting competitive edge, ensuring sustainable growth and resilience in Nepal's dynamic non-life insurance sector.

4. Value Creation

SPIL remains dedicated to creating long-term value for all stakeholders through sustainable and responsible business practices.

- For Policyholders:** The Company provides reliable insurance protection, efficient claim services, and innovative products that address emerging risks.

Claim settled and policies issued for last 3 years.

S.N.	Insurance Type	Insurance Policies Numbers			Insurance Claim Numbers		
		2081-82	2080-81	2079-80	2081-82	2080-81	2079-80
1	Property	70,712	76,116	47,557	776	365	423
2	Motor	167,801	166,778	111,456	6,843	6,264	7,104
3	Marine	35,414	31,775	25,741	327	350	350
4	Engineering	3,653	3,790	3,272	305	327	324
5	Micro	182	222	4,268	2	3	809
6	Aviation	9	3	2	-	1	-
7	Cattle and Crop	3,481	2,842	3,281	386	841	993
8	Miscellaneous	17,723	17,521	12,020	5,973	5,884	5,997
Total		298,975	299,047	207,597	14,612	14,035	16,000

- For Shareholders:** SPIL ensures consistent profitability, prudent capital management, and sustainable returns through sound financial performance.

Dividend distribution for the last 3 years.

S.N.	Financial Year	Bonus Share	Cash Dividend	Total Dividend
1	2081-82 (Proposed)	0	25	25
2	2080-81	0	30	30
3	2079-80	0	11	11

- For Employees:** A supportive and inclusive work culture fosters learning, professional growth, and job satisfaction.

Total Employees expenses for last 3 years.

Financial Year	2081-82	2080-81	2079-80
Employees Cost (Rs.)	638,827,760	595,686,271	595,686,271

- For Society:** Through corporate social responsibility initiatives, financial inclusion programs, and contribution to national insurance awareness, SPIL plays a constructive role in the economic development of Nepal.

CSR activities for last 3 years.

Financial Year	2081-82	2080-81	2079-80
CSR Expenses (Rs.)	8,415,000	-	-

- For Regulators:** The Company remains fully compliant with all **regulatory standards**, ensuring adherence to legal and supervisory requirements while promoting sound financial discipline. This commitment not only safeguards the Company's operations and protects policyholders but also contributes to the **overall stability and resilience of Nepal's insurance sector**, reinforcing trust among stakeholders and supporting sustainable growth in the industry.

Service for last 3 years.

Financial Year	2081-82	2080-81	2079-80
Service Fees (Rs.)	32,327,024	31,328,792	22,517,297

Through the prudent management and effective utilization of its resources, Siddhartha Premier Insurance Limited continues to enhance its operational capabilities, strengthen its financial foundation, and deliver sustained value to its stakeholders. Its strategic focus on innovation, governance, and customer satisfaction positions the Company for continued growth and resilience in Nepal's evolving non-life insurance industry.

MAJOR SOURCES OF CAPITAL OF SPIL AND THEIR INTERCONNECTEDNESS

1. Shareholders' Equity (Paid-up Capital)

The primary source of capital for Siddhartha Premier Insurance Limited (SPIL) is its paid-up equity capital, contributed by shareholders, which as at Ashad end, 2082 (16th July 2025), amounts to NPR 2.80 billion. This substantial capital base provides a strong financial foundation for the company, enabling it to undertake prudent risk-taking activities and enhance its underwriting capacity. The paid-up capital also strengthens the company's ability to employ effective risk financing mechanisms through well-structured reinsurance arrangements, thereby maintaining financial stability and protecting the company from potential large-scale losses.

It is to note that SPIL's paid-up capital represents 220 % of the Risk-Based Capital (RBC) and 660 % of the minimum capital requirement as computed under the Risk and Solvency Directive issued by the Nepal Insurance Authority (NIA). This demonstrates the company's robust capitalization and compliance with the regulatory solvency framework, ensuring adequate capital sufficiency to absorb underwriting, market risks and other risks affecting the company while supporting sustainable business growth.

2. Retained Earnings and Reserves

SPIL accumulates retained earnings from its annual profits after dividend distribution. These funds are reinvested in the business or allocated to statutory, contingency, and catastrophe reserves

- **Statutory reserves** are maintained in accordance with the requirements prescribed by the Nepal Insurance Authority (NIA) to ensure that future claim obligations are adequately met. The major component of this reserve is the Insurance Fund, which serves as a critical financial buffer for policyholder protection and claim sustainability. As of Ashad End, 2082 (16th July 2025), the Insurance Fund stands at NPR 2.5 billion, reflecting SPIL's strong commitment to maintaining regulatory compliance, financial prudence, and solvency strength.
- **Catastrophe reserves** are maintained to provide financial protection against major unforeseen or catastrophic losses. In compliance with the directive of the Nepal Insurance Authority (NIA), SPIL currently allocates 5% (50% of 10%) of its annual net profit before adjusting deferred tax expenses/income as per exemption given by NIA. As of the reporting date, the accumulated Catastrophe Reserve stands at approximately NPR 228 million (22.8 Crores). This reserve enhances the company's financial resilience and ensures its ability to absorb extraordinary losses without disrupting operational stability or policyholder obligations.
- **Revaluation or capital reserves** strengthen the capital base for long-term sustainability. The revaluation reserve of the company as at 16th July, 2025 amounts to NPR 382 million (38.2 crore).

3. Technical Provisions (Insurance Liabilities)

Although not "capital" in the accounting sense, technical provisions—including unearned premium reserves, outstanding claims reserves, and IBNR (Incurred But Not Reported) reserves, earthquake reserve—represent critical financial buffers. The gross technical provisions comprising of Unearned premium reserves, Outstanding claim reserves, INBR/IBNER reserves, earthquake reserve, MOBE till Asad End, 2082 (16th July, 2025) amounts to NPR 5.63 billion (563 crore).

- These reserves ensure claims-paying ability and maintain market confidence.
- They are closely linked to the company's capital adequacy, as insufficient provisioning can erode net worth.

4. Reinsurance Arrangements

Reinsurance acts as a risk-transfer and capital-relief mechanism.

- Through proportional and non-proportional treaties, SPIL cedes part of its underwriting risk to reinsurers.
- The proportional reinsurance treaty for the financial year 2081.82 is led by Best Meridian Insurance Company (BMI) rated as A- rating from AM Best with a stable outlook reflecting ability to meet its financial obligations, supported by favorable operating performance, strong financial stability and sound management.

- The non-proportional treaty for the financial year 2081.82 is led by Hannover Re (Malaysia) rated as AA- from Fitch Ratings indicating very strong financial rating.
- This reduces the company's net exposure to catastrophic losses and stabilizes capital requirements.
- Reinsurance commissions and recoveries also serve as a secondary source of liquidity.

5. Investment Income and Asset Portfolio

SPIL generates investment income from deploying its capital and reserves into various financial instruments within the limit and areas mandated by Nepal Insurance Authority. The various eligible categories of investments as per investment directive issued by NIA consist of:

- Government securities and treasury bills
- Fixed deposits with banks and financial institutions (A, B and C Class Bank and Financial Institutions)
- Corporate debentures or approved bonds issued by Nepal Rastra Bank licensed BFIs.
- Real estate, agriculture Production, Storage and Distribution House, Cold Store, Tourism Industry, Hydro-power, Solar Energy, Renewable Energy, Cable Car, Road, Electricity Distribution Lines, Education and Health Sector
- Equity Investments
- Mutual Funds
- Investment Company
- Approved Private Equity and Venture Capital Fund.

6. Human Resource Capital

Human Resource (HR) Capital is one of the most vital components of Siddhartha Premier Insurance Limited's (SPIL) overall capital framework. It encompasses the knowledge, skills, competencies, experience, and motivation of the company's workforce that collectively drive operational excellence and strategic growth. SPIL recognizes that its people are not merely employees, but strategic assets who contribute directly to innovation, service quality, and financial performance.

SPIL's human capital comprises a diverse pool of professionals, including underwriters, claim handlers, risk managers, accountants, IT specialists, marketers, and field agents. Each function contributes distinct expertise essential for maintaining business continuity, regulatory compliance, and customer satisfaction.

7. Manufactured Capital

Manufactured capital of Siddhartha Premier Insurance Ltd comprises of tangible capital that support an organization's operations, productivity, and service delivery. These are the tools, infrastructure, and technologies that enable businesses to produce and deliver value to stakeholders.

8. Social and Relationship Capital

SPIL's extensive branch (124 branches/sub-branches) and agent network of 201 ensures accessibility and trust among customers across Nepal. Modern office setups and service counters improve customer experience, reinforcing reputation and stakeholder confidence. The physical presence strengthens partnerships with agents, brokers, and corporate clients.

Interconnectedness of Capital

SPIL's value creation and financial resilience arise from the close interconnectedness of its financial and non-financial capitals. The paid-up capital, together with retained earnings and reserves, forms the core financial strength of the Company, enabling it to meet regulatory solvency requirements, support underwriting growth and absorb unexpected losses, while also providing the funding base for investments in assets, human resources and operational infrastructure. These financial resources underpin the adequacy of technical provisions, which represent SPIL's obligations to policyholders and are determined through prudent actuarial judgment, effective underwriting and robust claims management supported by skilled human capital and reliable manufactured capital such as IT systems and digital platforms. Reinsurance arrangements are closely linked to capital and technical provisions, as they transfer peak and catastrophe risks, reduce net liabilities, stabilize earnings and enhance capital efficiency, while strong social and relationship capital with reinsurers ensures continuity, favorable terms and timely recoveries.

Funds arising from capital, reserves and technical provisions are deployed through a diversified investment assets portfolio in compliance with regulatory limits, generating investment income that strengthens profitability, replenishes retained earnings and supports long-term capital adequacy. In turn, sustained investment income allows SPIL to continually invest in human resource development, technology, processes and service delivery, enhancing operational efficiency and risk management. Strong human and manufactured capital improve underwriting quality, claims settlement and customer experience, reinforcing trust among policyholders, regulators, investors and business partners, thereby strengthening social and relationship capital. This trust supports premium growth, stable cash flows and access to reinsurance and investment opportunities, completing a virtuous cycle in which each capital reinforces the others and collectively supports SPIL's sustainable performance and solvency.

SPIL's PLAN FOR RESOURCE USAGE, MAJOR PROGRAMS, AND THEIR RELATION WITH THE CAPITAL PLAN

Siddhartha Premier Insurance Limited (SPIL) has formulated a well-defined resource utilization and capital management plan designed to enhance operational efficiency, strengthen financial resilience, and support sustainable business growth. The Company's resource deployment strategy is closely aligned with its long-term strategic objectives, capital adequacy requirements, and risk management framework as prescribed by the Nepal Insurance Authority (NIA).

1. Plan for Resource Usage

SPIL's resource usage plan focuses on the optimal allocation of financial, human, technological, and organizational resources to ensure efficiency, profitability, and strategic alignment.

a. Financial Resources:

SPIL aims to utilize its financial resources in a balanced manner to achieve sustainable underwriting growth and stable investment returns. A significant portion of the Company's capital is allocated to underwriting quality risks, maintaining adequate reinsurance protection, and ensuring sufficient liquidity for claim obligations. Investment portfolios are managed prudently in compliance with NIA guidelines to generate stable income while preserving capital safety. The Company also plans to enhance its capital structure to support future expansion and meet the increasing solvency margin requirements.

b. Human Resources:

The Company places strong emphasis on capacity building and professional development. Through regular training programs, technical workshops, and leadership development initiatives, SPIL seeks to improve productivity, technical proficiency, and service delivery across all levels. Human resource planning is also aligned with digital transformation initiatives and expansion of branch networks.

c. Technological Resources:

A key area of focus is the continued digital transformation of core operations. SPIL plans to invest in upgraded core insurance systems, digital customer interfaces, and integrated management information systems (MIS). These initiatives are aimed to improve policy issuance, claims processing, customer engagement, and data-driven decision-making. Technology adoption is also viewed as a means to strengthen internal controls, risk assessment, and regulatory reporting efficiency.

d. Organizational and Physical Resources:

The Company intends to optimize its existing branch network while expanding its presence in high-potential markets across Nepal. Operational processes are being streamlined to reduce administrative costs and enhance service accessibility. Strengthening corporate governance and risk management frameworks remains an integral part of the organizational resource strategy.

2. Major Programs

To achieve its strategic and financial objectives, SPIL has initiated several major programs and projects:

- **Digital Transformation Program:** Implementation of a comprehensive digital platform covering underwriting, policy management, and claims to enhance efficiency and customer convenience.
- **Customer Service Excellence Program:** Introduction of faster claim settlement procedures, online feedback systems, and service quality monitoring.
- **Human Capital Enhancement Initiative:** Continuous training, performance-based evaluation, and introduction of incentive-driven culture to boost motivation and technical competence.
- **Product Development and Market Expansion:** Development of innovative insurance products such as microinsurance, health, and agriculture products tailored to evolving market demands.
- **Risk and Compliance Strengthening Program:** Reinforcement of the ORSA framework, NFRS-17 internal controls, and compliance monitoring to maintain financial discipline and resilience.
- **Brand Development and Awareness Campaigns:** Expansion of brand visibility through marketing initiatives, CSR activities, and stakeholder engagement.

These programs are designed to strengthen the Company's market presence, operational excellence, and risk management capabilities.

3. Resources and Program's Relation with the Capital Plan

All major programs and resource utilization strategies are directly linked to SPIL's capital plan, dividend payment and achieving financial sustainability goals. The capital plan focuses on maintaining adequate solvency margins, supporting business growth, and ensuring regulatory compliance.

- **Capital Allocation:** Investments in technology, human capital, and market expansion are funded through internal accruals and retained earnings, ensuring minimal strain on liquidity.
- **Solvency and Reserve Management:** The Company maintains sufficient technical reserves, catastrophe reserves, and reinsurance protection to safeguard policyholder interests and ensure regulatory compliance. The Financial year end 2081.82 solvency ratio calculated as per Risk based Capital and Solvency is arrived at 385.6 % against 318.8 % during the previous year end 2080.81 indicating adequate solvency ratio than the minimum prescribed by Nepal Insurance Authority (NIA).
- **Return Optimization:** The capital plan emphasizes optimizing returns through prudent underwriting, balanced investment portfolios, and efficient cost management.
- **Sustainable Growth:** Resource allocation decisions are made with a long-term perspective, ensuring that capital deployment enhances profitability while maintaining risk-adjusted stability.
- **Regulatory Alignment:** SPIL's capital planning fully adheres to NIA's capital adequacy and solvency requirements, ensuring financial soundness and regulatory compliance at all times.

SPIL's resource usage plan and major programs are strategically integrated with its capital management framework to promote sustainable growth, operational excellence, and value creation. Through prudent capital deployment, technological innovation, and continuous human resource development, the Company is well-positioned to enhance its competitiveness and deliver consistent returns to shareholders while maintaining a strong solvency position and regulatory compliance.

PERFORMANCE EVALUATION AND KEY PERFORMANCE INDICATORS



COMPARATIVE DISCLOSURE OF FINANCIAL CONDITION AND PERFORMANCE

The financial condition and performance of Siddhartha Premier Insurance Limited (SPIL) during the reporting period (FY 2081/82) are compared below with the previous financial year (FY 2080/81). The comparison highlights the Company's progress in key financial indicators, operational performance, and overall financial strength.

52

1. Financial Overview

SPIL has continued to demonstrate strong financial performance and operational resilience during FY 2081/82, supported by prudent underwriting, efficient investment management, and strengthened risk governance. The Company maintained a healthy solvency margin and stable liquidity position while continuing to expand its business portfolio and market presence.

2. Analysis of Financial Condition

SPIL's total assets increased by approximately 5.6% during FY 2081/82, primarily driven by improved financial performance including net premium receipts. The rise in technical reserves reflects the Company's commitment to maintaining adequate protection for future claims.

The investment portfolio remains well-diversified, with major allocations in fixed income securities, term deposits, and government bonds, ensuring safety, liquidity, and consistent returns.

Key Indicators	F.Y. 2081-82	F.Y. 2080-81	Change %	Reasons for Change
Paid-up Capital (NPR)	2,806,549,900	2,806,549,900	-	NA
Total Assets (NPR)	15,459,401,665	14,636,600,867	5.62	Growth driven by increased premium retention
Technical Reserve	5,637,344,030	4,957,990,911	13.70	Increase reflects higher retention and prudent reserving
Insurance Fund	2,500,000,000	2,500,000,000	-	No further contribution is required as it is 100% of Minimum capital required set by NIA.
Investment Portfolio	9,002,240,148	9,306,186,893	(3.27)	Due to decline in market value as well as increased claim and dividend payout
Gross Premium	4,310,269,825	4,177,172,210	3.19	Growth due to improved underwriting and branch
Net Premium Income	1,950,871,595	1,883,195,711	3.59	Increased retention and focus on core lines
Net Claims Paid	1,151,280,514	1,198,351,258	(3.93)	Due to improved claims management and higher recovery
Underwriting Profit/(Loss)	616,961,036	369,942,208	66.77	Result of improved pricing discipline and risk selection
Investment Income	487,734,296	734,199,543	(33.57)	Due to reduced income from investment
Net Profit After Tax (NPAT)	755,798,164	688,189,151	9.82	Due to improved U/W performance
Earnings per Share (EPS) –NPR	26.93	24.52	9.82	Due to increased net profit
Net Worth per Share –NPR	274.38	276.63	(0.82)	Due to increased cash outflow
Solvency Margin (%)	385.60	318.80	20.95	Indicates strong financial soundness and compliance with NIA norms

3. Analysis of Financial Performance

The Company recorded a **3.19% growth in gross premium income**, attributed to expanded distribution channels, focused marketing, and improved retention ratios. Despite increased claim payouts due to portfolio growth, SPIL maintained strong underwriting profitability, supported by efficient risk assessment and reinsurance arrangements.

Net profit increased by **9.82%**, reflecting operational efficiency moderated by investment yield and increased retention ratio. The combined ratio remained within acceptable levels, indicating effective cost and claim management.

4. Capital Adequacy and Solvency

SPIL has maintained a **solvency margin of 385.6%** as against 318.8% during the previous financial year end, which is well above the regulatory minimum set by the Nepal Insurance Authority. The strong capital position provides the Company with a solid foundation to support business growth and absorb potential shocks. The capital plan aligns with the Company's strategic objective to strengthen its financial base and enhance stakeholder confidence.

5. Liquidity and Reserve Position

The liquidity position of SPIL remained robust throughout the year, ensuring timely claim settlements and operational funding. Adequate technical reserves, catastrophe reserves (5% i.e. 50% of 10%) of net premium as per NIA directive), and unexpired risk reserves were maintained to cover future contingencies. Investment in highly liquid instruments provides flexibility to meet short-term obligations.

6. Future Outlook

Going forward, Siddhartha Premier Insurance Limited (SPIL) remains committed to achieving sustainable growth through disciplined underwriting, market diversification, technological advancement, and prudent capital management. The Company's strategic focus is centered on strengthening its financial base, improving operational efficiency, and delivering long-term value to all stakeholders while maintaining full compliance with regulatory standards prescribed by the Nepal Insurance Authority (NIA).

SPIL recognizes that the evolving landscape of Nepal's non-life insurance industry is characterized by increasing competition, emerging risks, and rapid digital transformation. In response, the Company intends to reinforce its core underwriting discipline by adopting data- driven risk assessment tools, revising pricing strategies for portfolios other than tariff based, and ensuring prudent reinsurance arrangements that balance growth with stability. A stronger focus will be placed on profitable lines of business, effective claim control, and continuous monitoring of underwriting performance to ensure quality portfolio growth rather than mere volume expansion.

Market diversification remains a key strategic pillar. The Company plans to expand its presence in underinsured and emerging markets across Nepal through branch network optimization and partnerships with local intermediaries. By offering a mix of conventional and innovative insurance products, such as micro-insurance, health, and agricultural covers, SPIL aims to deepen insurance penetration and reach new customer segments, including small enterprises and rural populations. Enhanced marketing initiatives, brand strengthening, and customer awareness campaigns will support these efforts.

On the **technological front**, SPIL will continue investing in digital platforms to streamline operations and enhance customer experience. The implementation of a modern core insurance system, online policy issuance, automated claims processing, and mobile-enabled customer interfaces will ensure speed, transparency, and service convenience. The Company also intends to leverage analytics and management information systems (MIS) for real-time performance tracking, improved decision-making, and early identification of operational or market risks. Cybersecurity measures and data governance frameworks will be strengthened to safeguard customer data and operational integrity.

The **capital utilization strategy** of SPIL will focus on aligning resource deployment with business growth and solvency objectives. The Company will ensure that capital is efficiently allocated between underwriting, reinsurance, and investments to achieve optimal risk-return balance. Retained earnings will be reinvested to reinforce the capital base, enhance solvency margins, and meet future regulatory requirements. By maintaining a robust solvency ratio above the prescribed limit, SPIL aims to preserve financial soundness and stakeholder confidence even under adverse market conditions.

In addition, the Company seeks to enhance **shareholder value** through consistent profitability, efficient expense management, and stable dividend returns. Emphasis will be placed on strengthening governance, transparency, and internal control systems to ensure sustainable performance and corporate accountability. Employee capacity building will continue to be a priority, with targeted training programs, leadership development, and performance-based incentives fostering a culture of excellence and integrity.

Looking ahead, SPIL envisions becoming one of the most trusted, innovative, and resilient non-life insurers in Nepal. Through prudent management, customer-centric services, and strategic capital utilization, the Company is well-positioned to navigate emerging challenges, seize growth opportunities, and contribute positively to the development of Nepal's insurance sector and the broader economy.

At nutshell, the financial comparison demonstrates that SPIL achieved **significant growth and stability** in FY 2081/82 relative to the previous fiscal year. The Company's improved financial performance, strong capital base, and prudent risk management practices position it well for continued success and resilience in Nepal's competitive non-life insurance market.

INFORMATION OF DIFFERENT PRODUCTS, INSURANCE POLICIES AND ENTERPRISE-WIDE FUNCTIONS OF SPIL

A. Company Insurance products/Insurance Policies:

Siddhartha Premier Insurance Limited (SPIL) offers safe, customer-centric, and innovative non-life insurance solutions aimed at providing financial protection with trust and security. The Company provides a comprehensive range of insurance products, including property, marine, motor, agriculture, aviation, engineering, and miscellaneous insurance, catering to both individuals and corporate clients covering all socio-economic segments. The Company's various offerings, along with the number of policies, gross earned premium income, gross claim settlements, and segment-wise results for the financial year 2081/82, are summarized below.

F.Y. 2081-82

S.N.	Our Products	Product Coverage	No. of Policies	Gross Earned Premium (Rs. in lakh)	Gross Claims Settlements (Rs in Lakh)	Segment Results (Rs in Lakh)
1	Property Insurance	Coverage for residential, commercial, and industrial properties against fire and natural disasters.	70,712	15,250	11,127	4,512
2	Motor Insurance	Comprehensive and third-party motor insurance protecting vehicles against accidents, theft, and damages.	167,801	14,420	9,684	1,912
3	Marine Insurance	Coverage for cargo, ships, and freight, including inland and overseas transit risks.	35,414	2,639	1,054	2,255
4	Engineering Insurance	Insurance for construction projects, machinery, and equipment to protect against operational risks.	3,653	5,309	2,527	1,573
5	Micro Insurance	Coverage against micro-insurance products	182	6	6	6
6	Agriculture Insurance	Crop and livestock insurance to support farmers and mitigate agricultural risks.	9	592	239	96
7	Aviation Insurance	Coverage for aircraft, passenger liabilities, and airport operations.	3,481	159	-	(27)
8	Miscellaneous Insurance	Liability insurance, professional indemnity, travel insurance, and other specialized policies.	17,723	159	3,003	719
	Total		298,975	42,853	27,640	11,047

B. Enterprise-wide functions of the company:

Siddhartha Premier Insurance Limited operates through a robust enterprise framework with specialized departments that ensure efficient service delivery, regulatory compliance, and financial stability. Underwriting and Claims manage risk assessment and timely settlements, while AML enforces regulatory compliance. Human Resources, Administration, Accounting, Finance, and Risk Management ensure smooth operations and financial resilience. Agriculture, Sales & Marketing, and Corporate Marketing drive product development, customer outreach, and brand visibility, supported by a widespread branch network and provincial offices across Nepal. Information Technology manages digital platforms like SPIL DIGI, enabling seamless policy management and claims tracking. Together, these departments deliver innovative, reliable, and customer-centric insurance solutions while fostering sustainable growth.

S.N.	Department	Enterprise-Wide Function
1	Underwriting Department	Evaluates and assesses insurance risks, determines policy terms and pricing, and ensures proper risk selection.
2	Claims Department	Manages claims processing, investigations, and settlements to ensure timely and fair compensation to policyholders.
3	AML (Anti-Money Laundering) Department	Monitors transactions, ensures compliance with AML/CFT regulations, and prevents financial crimes.
4	Human Resource Department	Manages recruitment, training, performance appraisal, employee welfare, and organizational development.

5	Accounting & Finance Department	Oversees financial reporting, budgeting, investment management, and ensures overall financial stability.
6	Agriculture Department	Develops and manages agricultural insurance products, including crop and livestock coverage, promoting financial inclusion for farmers.
7	Sales & Marketing Department	Drives customer acquisition, manages distribution channels, bancassurance, and promotional campaigns to expand market reach.
8	Risk Management & Compliance Department	Identifies, evaluates, and mitigates operational, financial, and strategic risks while ensuring regulatory compliance.
9	Administration & Internal Control Department	Provides administrative support, manages infrastructure, office operations, and maintains internal control systems.
10	Corporate Marketing Department	Enhances brand visibility, corporate communications, and strategic marketing initiatives.
11	Information Technology Department	Implements digital solutions, manages IT infrastructure, supports SPIL DIGI platform, and ensures cybersecurity.

SPIL'S KEY PERFORMANCE INDICATORS (KPIs)

The performance of Siddhartha Premier Insurance Limited (SPIL) is evaluated using a balanced set of financial and non-financial indicators that reflect the Company's operational efficiency, financial soundness, risk management capability, and value creation. These KPIs are aligned with the Company's strategic objectives, regulatory framework, and market positioning in Nepal's non-life insurance industry.

1. Financial Performance Indicators

Particulars	Indicators	Definition / purpose	Performance Insight
Gross Written Premium (GWP)	431 Cr.	Total premium generated from all lines of business before reinsurance.	Indicates business growth, underwriting capacity, and market expansion.
Net Premium Earned (NPE)	212 Cr.	Premium retained by SPIL after reinsurance and adjustments for unearned premium.	Reflects core underwriting performance and risk retention strategy.
Underwriting Profit / (Loss)	62 Cr.	Difference between earned premiums and total underwriting expenses including claims.	Measures efficiency in risk selection, pricing, and claims management.
Claims Ratio (Loss Ratio)	59.01 %	Net claims incurred ÷ Net premiums earned.	Evaluates claims cost management and underwriting quality. A lower ratio indicates better profitability.
Expense Ratio	2.55%	Management and operating expenses ÷ Net premiums earned.	Reflects operational efficiency and cost control.
Combined Ratio	61.57%	Claims Ratio + Expense Ratio.	Key profitability indicator; a ratio below 100% denotes underwriting profit.
Investment Income	49 Cr.	Returns generated from investment portfolios.	Indicates financial prudence, portfolio quality, and income diversification.
Net Profit After Tax (NPAT)	76 Cr.	Total profit after all expenses and taxes.	Represents bottom-line profitability and financial sustainability.
Earnings per Share (EPS)	26.93	NPAT ÷ Number of outstanding shares.	Measures return to shareholders and profitability per share.
Return on Equity (ROE)	9.90%	NPAT ÷ Average Shareholders' equity.	Indicates how efficiently SPIL uses its capital to generate profit.
Return on Assets (ROA)	5.02%	NPAT ÷ Average Total assets.	Measures asset utilization efficiency and overall financial performance.
Solvency Margin	385.6%	Ratio of available solvency capital to required solvency capital (per NIA norms).	Reflects financial strength, regulatory compliance, and ability to absorb risk.
Liquidity Ratio	1.08	Current assets ÷ Current liabilities.	Indicates the company's ability to meet short-term obligations and claim payments.

2. Operational and Business Indicators

Particulars	Indicators	Definition / Purpose	Performance Insight
Policy Growth Rate	(0.02%)	Year-on-year increase in number of policies issued.	Demonstrates market penetration and customer acquisition effectiveness.
Customer Retention Rate	31.12%	Percentage of policy renewals compared to previous year.	Reflects customer satisfaction and brand loyalty.
Claims Settlement Turnaround Time (TAT)	62 Days	Average time taken to settle a claim.	Measures service quality and operational efficiency.
Reinsurance Recovery Ratio	66.84%	Reinsurance recoveries ÷ Gross claims.	Indicates effectiveness of reinsurance arrangements.
Product Mix Ratio	36:32:13:19	Proportion of premium contribution from different lines of business (Property:Motor:Engineering:Others).	Shows diversification and risk concentration.
Distribution Channel Efficiency	70:30	Share of premium sourced from various channels (Agents:Direct).	Reflects strength and reach of sales network.
Expense per Policy	Rs. 2963	Operating expenses ÷ Total number of policies issued.	Measures cost efficiency per unit of business.

3. Capital and Risk Management Indicators

Particulars	Indicators	Definition / Purpose	Performance Insight
Catastrophe Reserve Ratio	11.68%	Catastrophe reserve ÷ Net written premium.	Ensures financial preparedness against unforeseen large losses.
Retention Ratio	49.56%	Net premium ÷ Gross written premium.	Measures the proportion of risk retained in-house versus ceded to reinsurers.
Investment to Technical Reserve (Net) Ratio	460%	Total investments ÷ Technical reserves (Net)	Indicates adequacy of investments to back policyholder liabilities.
Asset Quality Ratio	58.23%	Performing assets ÷ Total assets.	Reflects soundness of asset portfolio and investment prudence.

4. Non-Financial and Strategic Indicators

Particulars	Indicators	Definition / Purpose	Performance Insight
Employee Productivity Ratio	Rs. 80 Lakhs	Gross premium ÷ Number of employees.	Evaluates workforce efficiency and performance.
Training and Development Hours	1.43 Hrs	Average hours of training per employee annually.	Reflects investment in human capital and capacity building.
Corporate Social Responsibility (CSR) Spending	1.05%	CSR expenditure ÷ NPAT before adjusting deferred tax expenses/income.	Demonstrates commitment to social welfare and sustainability.

The financial performance indicators, operational and business indicators, capital management and risk indicators and non-financial and strategic indicators collectively demonstrate the Company's commitment to **profitable growth, operational efficiency, risk control, and stakeholder value creation**. In recent years, SPIL has maintained healthy growth in gross premiums, improved underwriting profitability, and strengthened its solvency margin. The strategic emphasis on technology, human capital development, and sound capital management continues to position the Company as a stable and progressive player in Nepal's non-life insurance market.

STRATEGIC PLAN AND DEVELOPMENT



SPIL'S STRATEGIC OUTLOOK AND RESOURCE ALLOCATION

Siddhartha Premier Insurance Limited (SPIL) has formulated a multi-horizon strategic plan to ensure sustainable growth, operational efficiency, and long-term value creation. The strategies are classified into short-term (1 year), medium-term (2–3 years), and long-term (4–5 years and beyond) horizons, with clearly defined resource allocation priorities.

SPIL's short-term, medium-term, and long-term strategies are carefully aligned with resource allocation priorities to ensure financial stability, operational efficiency, and sustainable growth. By strategically deploying financial, human, technological, and organizational resources, SPIL aims to enhance underwriting performance, expand market reach, optimize capital utilization, and maintain its position as a leading and resilient non-life insurer in Nepal.

Time Horizon	Objectives	Strategic Focus	Key Initiatives	Resources Allocation
Short-Term Strategies (1 Year)	<p>Strengthen core underwriting and operational efficiency.</p> <p>Improve customer service and claim settlement timelines.</p> <p>Optimize liquidity and capital utilization to meet immediate business and regulatory requirements.</p>	Strengthen core operations and ensure stability.	<p>Tightening underwriting guidelines and enhancing risk assessment processes.</p> <p>Implementing faster claims settlement procedures and customer feedback mechanisms.</p> <p>Increasing digital adoption for policy issuance, premium collection, and reporting under NFRS-17.</p> <p>Cost rationalization and operational efficiency improvements.</p>	<p>Financial Resources: Allocate working capital for operational efficiency, digital tools, and process automation.</p> <p>Human Resources: Training staff in underwriting, claims processing, and customer service excellence.</p> <p>Technological Resources: Deploy upgraded IT solutions for digital service delivery and MIS reporting.</p> <p>Organizational Resources: Strengthen compliance, risk monitoring, and internal control mechanisms.</p>
Medium-Term Strategies (2–3 Years)	<p>Expand market reach and diversify product portfolio.</p> <p>Strengthen risk management and solvency position.</p> <p>Build brand recognition and customer loyalty.</p>	Business expansion and digital transformation.	<p>Launch new insurance products tailored to emerging market segments (microinsurance, health, agriculture).</p> <p>Expand branch network and distribution channels, including digital partnerships and intermediaries.</p> <p>Enhance reinsurance and capital management frameworks to optimize risk transfer and solvency.</p> <p>Full adoption of ORSA and Risk-Based Solvency Guidelines.</p> <p>Develop targeted marketing campaigns and customer retention programs.</p>	<p>Financial Resources: Investment in market expansion, product development, and promotional campaigns.</p> <p>Human Resources: Hiring and capacity-building in sales, marketing, actuarial, and underwriting teams.</p> <p>Technological Resources: Develop integrated digital platforms for multi-channel service delivery and customer engagement.</p> <p>Organizational Resources: Strengthen corporate governance, risk management, and compliance infrastructure.</p>

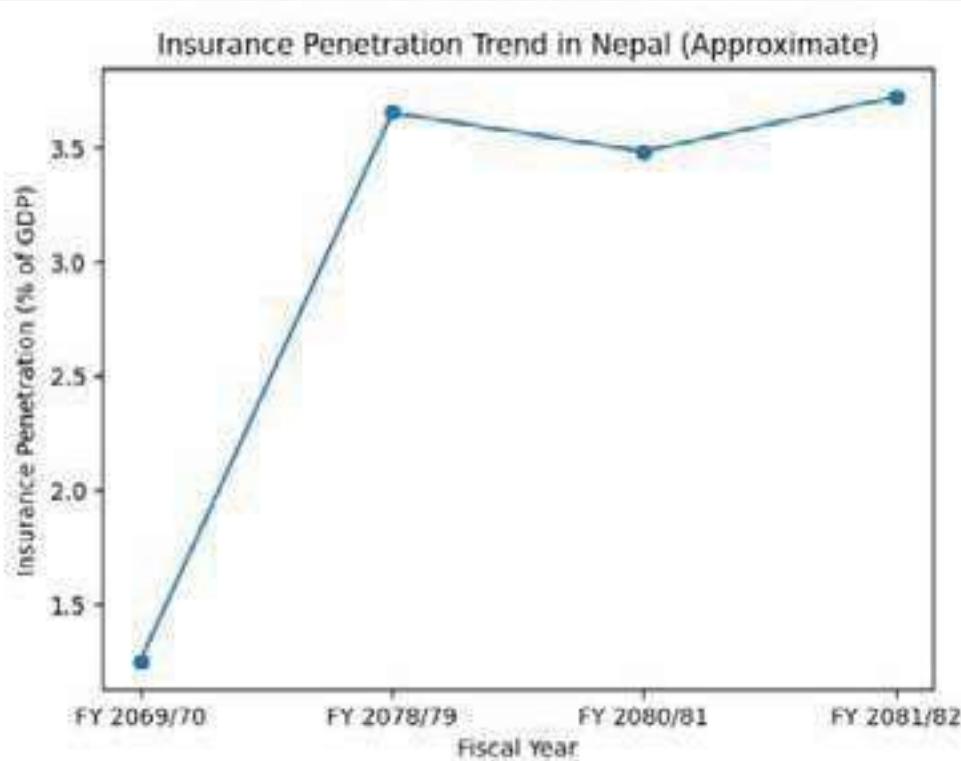
Long-Term Strategies (4–5 Years and Beyond)	<p>Achieve sustainable growth and industry leadership in the Nepalese non-life insurance sector.</p> <p>Foster innovation, operational excellence, and financial resilience.</p> <p>Contribute to national insurance penetration, social welfare, and economic development.</p>	<p>Sustainable growth and market leadership.</p>	<p>Implement advanced analytics and AI-driven risk modeling for predictive underwriting and portfolio optimization.</p> <p>Build strong succession pipeline and human capital.</p> <p>Explore strategic partnerships, alliances, and potential regional expansion opportunities.</p> <p>Strengthen climate risk and ESG initiatives.</p> <p>Strengthen CSR initiatives and sustainability programs aligned with corporate values.</p> <p>Establish SPIL as a trusted, innovative, and customer-centric brand in Nepal.</p>	<p>Financial Resources: Long-term investment in technology, brand building, and strategic partnerships.</p> <p>Human Resources: Develop leadership pipeline, specialized technical teams, and an innovation-focused workforce.</p> <p>Technological Resources: Integrate AI, machine learning, and advanced data analytics to improve decision-making and operational efficiency.</p> <p>Organizational Resources: Institutionalize enterprise-wide risk management, governance, and sustainability frameworks.</p>
--	---	--	--	---

SPIL's STRATEGY FOR INSURANCE DEVELOPMENT, INSURANCE PRODUCTS AND SERVICES

Siddhartha Premier Insurance Limited (SPIL) is committed to promoting sustainable insurance development in Nepal through innovative products, efficient service delivery, and enhanced customer engagement. The Company's strategy focuses on strengthening market penetration, meeting emerging customer needs, and enhancing the overall value proposition of its insurance offerings.

1. Insurance Development Strategy

SPIL aims to contribute to the growth and development of the non-life insurance sector in Nepal by involving with all the stakeholders. As published by Nepal Insurance Authority in its Second Strategic Plan 2023-2027, the total insurance penetration (Gross premium to GDP), in the mid July 2013 is 1.25% of which 0.83% is contributed by Life insurance industry and 0.42% contributed by general Insurance industry. By mid-July 2022, the total insurance penetration has witnessed a growth to 3.66% (2.86% life Insurance) and 0.81% general Insurance). In the financial year 2081.82, the insurance penetration has reached to 3.72% of which life insurance accounts for 2.98% and 0.74% contributed by general insurance.



Siddhartha Premier Insurance is fully committed to developing resilient internal plans and programs in alignment with the National Insurance Policy of the Government of Nepal and the annual insurance policies and programs issued by the Nepal Insurance Authority, guided by the following insurance development strategies.

Market Expansion: Expanding insurance reach remains a priority for strengthening national resilience and improving insurance penetration across Nepal. SPIL is committed to advancing inclusive insurance and microinsurance by promoting affordable products tailored for low-income populations, farmers, migrant workers, and informal sector workers, including subsidized premium options for climate-vulnerable groups. In parallel, the Company supports the expansion and enforcement of mandatory insurance, ensuring stronger compliance with existing compulsories such as vehicle, insurance of government insurable assets, and public liability insurance, while advocating for the introduction of new compulsory products, including natural catastrophe insurance, school insurance, and SME package insurance to enhance risk protection.

Furthermore, SPIL emphasizes awareness and financial literacy, contributing to national insurance awareness campaigns, advocating for the integration of insurance concepts in school curricula, and collaborating with local governments to drive community-level insurance promotion. Through these initiatives, SPIL aims to meaningfully expand market reach and strengthen insurance penetration across the country. Extending insurance coverage to underserved and unserved regions, including rural areas and small enterprises.

Insurance Awareness and Education: SPIL believes that the Insurance awareness and education are essential for improving risk understanding and strengthening the culture of protection across Nepal. SPIL is committed to conducting targeted awareness campaigns aimed at educating individuals, businesses, and communities about the importance of insurance, the financial security it provides, and its role in effective risk management. These initiatives focus on simplifying insurance concepts, enhancing access to information, and addressing misconceptions that often hinder insurance adoption. By engaging through digital platforms, community outreach programs, and partnerships with local authorities and industry stakeholders, SPIL aims to empower the public to make informed financial decisions and actively participate in risk-mitigation practices.

Collaboration with Stakeholders: Collaboration with key stakeholders is vital for expanding insurance access and enhancing sector-wide impact. SPIL actively partners with industry associations, government agencies, including local authorities, and financial institutions to create a more coordinated and effective insurance ecosystem. Through these partnerships, the Company works to harmonize regulatory initiatives, strengthen distribution networks, and promote policies that support wider insurance penetration. Joint programs with local governments help integrate insurance into community-level planning, while collaboration with banks, cooperatives, and microfinance institutions facilitates broader outreach to underserved populations. By fostering strong, multi-stakeholder engagement, SPIL aims to drive sustainable market development and improve risk protection across the country.

Support for Microinsurance and Inclusive Insurance: SPIL is committed to advancing microinsurance and inclusive insurance as a means of promoting financial inclusion and strengthening social protection for vulnerable groups. The Company develops tailored, affordable insurance products designed to meet the unique needs of low-income households, informal-sector workers, small farmers, and migrant families who often lack access to formal risk-mitigation tools. These products are structured to offer essential protection at accessible premiums, ensuring that even the most economically disadvantaged populations can benefit from insurance security. By collaborating with local governments, cooperatives, MFIs, and community-based organizations, SPIL aims to expand outreach, enhance affordability, and deliver meaningful financial resilience to underserved communities.

Risk Culture Promotion: The Company actively fosters a strong risk-aware culture by encouraging individuals, businesses, and communities to adopt risk-conscious behaviors. Through advisory services, workshops, and community outreach programs, policyholders and the general public are educated on identifying, assessing, and mitigating potential risks. This proactive approach not only strengthens overall risk management practices but also enhances trust in insurance products, empowering people to make informed decisions and promoting long-term financial resilience.

Resource Allocation: Financial resources are directed towards marketing campaigns, community outreach programs, and capacity-building initiatives, while human and technical resources are leveraged to design suitable risk awareness programs and distribution strategies.

2. Insurance Product Strategy

SPIL focuses on offering innovative, diversified, and customer-centric insurance products to meet the evolving needs of its clients:

Product Diversification: Siddhartha Premier Insurance (SPIL) is actively expanding its product portfolio beyond traditional lines such as fire, motor, and marine insurance to cater to evolving market needs. The company has introduced a range of new products including health, personal accident, agriculture, and liability insurance. Notable additions to SPIL's offerings include inbound travel insurance and professional indemnity insurance for contractors' risks, reflecting the company's commitment to providing comprehensive and tailored insurance solutions to its clients.

Customized Solutions: SPIL emphasizes customized solutions by designing products that cater to the specific needs of individuals and corporate clients. Through bundled packages and specialized coverage for high-risk sectors, the company now offers tailored health insurance plans, corporate liability packages, and project-specific coverage for contractors and high-value assets, ensuring clients receive protection precisely aligned with their unique risk profiles."

Microinsurance Offerings: Siddhartha Premier Insurance (SPIL) is committed to promoting financial inclusion by providing affordable and accessible insurance solutions for low-income households and small businesses. These microinsurance products are designed to offer essential protection against risks such as health emergencies, property damage, and business interruptions, enabling vulnerable segments of society to safeguard their livelihoods and build resilience against unforeseen events.

Periodic Product Review: Siddhartha Premier Insurance (SPIL) conducts regular reviews and updates of its insurance products to ensure they remain aligned with evolving market trends, regulatory requirements, and emerging risks. This proactive approach enables the company to enhance product relevance, maintain compliance, and continuously meet the changing needs of clients, while also strengthening its competitive position in the insurance market.

Technology-Enabled Products: Siddhartha Premier Insurance (SPIL) leverages digital platforms to enhance customer convenience and streamline insurance processes, including online policy purchase, renewal, and product customization. The company has introduced innovative digital solutions such as SPIL DIGI, SPIL Mobile Wallet, and SPIL Chatbot, providing clients with easy access to services, real-time support, and seamless interaction with the company's offerings, thereby strengthening customer engagement and operational efficiency.

Resource Allocation: Investments are made in product research and development, actuarial analysis, digital tools, and marketing campaigns to ensure products are competitive, profitable, and accessible to target customers.

3. Insurance Services Strategy

Siddhartha Premier Insurance (SPIL) is committed to delivering efficient, transparent, and high-quality insurance services to enhance customer satisfaction and foster loyalty. The company focuses on clear communication, prompt claims settlement, and responsive support, ensuring that clients' needs are addressed effectively and consistently. By adopting best practices, leveraging technology, and maintaining a customer-centric approach, SPIL aims to build lasting trust and strengthen relationships with policyholders across all segments.

Customer-Centric Service: Siddhartha Premier Insurance (SPIL) focuses on streamlining policy issuance, renewal, and claim settlement processes to minimize turnaround time and enhance the overall customer experience. The company has established a dedicated unit within the Insurance Underwriting Department to ensure timely communication of insurance renewal notices through message alerts, email notifications, and telephonic follow-ups. These initiatives help clients stay informed, facilitate seamless policy management, and reinforce SPIL's commitment to efficient and customer-centric service delivery.

Policy Renewal Statistics: Policy Renewal Statistics reflect the company's ability to retain existing policyholders by renewing insurance policies upon expiry. These statistics are a key indicator of customer satisfaction, service quality, pricing competitiveness, and underwriting discipline.

S.N.	Portfolio	FY 2081-82			FY 2080-81			FY 2079-80	
		Renew Policy	Total	Renew%	Renew Policy	Total	Renew%	Renew Policy	Total
1	Property	41,513	70,712	55	28,929	76,116	37	49,150	77,647
2	Motor	46,452	167,801	28	38,998	166,778	20	40,296	194,122
3	Marine	-	35414	-	-	31,775	-	4	34,521
4	Miscellaneous	4,462	17,723	25	5,297	17,521	29	5,438	18,448
5	Engineering	628	3,653	17	647	3,790	15	888	4,316
6	Microinsurance	-	182	-	62	222	1	2,082	4,268
7	Aviation	-	9	-	-	3	-	-	2
8	Agriculture	14	3,481	0	90	2,842	2	30	5,642
	Total	93,069	298,975	31	74,023	299,047	22	97,888	338,966

Claims Excellence: Siddhartha Premier Insurance (SPIL) is dedicated to prompt, fair, and transparent claims handling, underpinned by robust verification, loss assessment, and anti-fraud mechanisms. The company's commitment to excellence is reflected in the timely settlement of recent flood claims and the payment of claims arising from the Gen-Z protest, demonstrating SPIL's ability to deliver reliable and customer-focused claims services even in challenging circumstances.

The 3 years data on claim settlement in amount and number are presented below.

S.N.	Portfolio	FY 2081-82		FY 2080-81		FY 2079-80	
		Count	Amounts (Rs.)	Count	Amounts (Rs.)	Count	Amounts (Rs.)
1	Property	776	1,112,708,635	365	441,312,550	423	128,973,366
2	Motor	6843	968,421,520	6264	927,387,607	7104	855,008,715
3	Marine	327	105,438,885	350	85,921,827	350	19,166,364
4	Engineering	305	252,651,865	327	411,711,278	324	16,898,456
5	Microinsurance	2	591,320	3	248,246	809	45,539,753
6	Aviation	-	-	1	30,488	-	-
7	Agriculture	386	23,901,389	841	38,752,751	993	10,446,920
8	Miscellaneous	5973	300,313,198	5884	232,784,720	5997	135,017,484
	Total	14,612	2,764,026,812	14,035	2,138,149,467	16,000	1,211,051,056

Digital Service Delivery: Siddhartha Premier Insurance (SPIL) leverages online platforms, mobile applications, and automated systems to provide seamless policy management, premium payment, and claims tracking. The company has introduced a digital platform for policy issuance and claim settlement, mobile applications for premium calculation, and a chatbot to assist clients with inquiries related to insurance products and claim services. These technology-driven initiatives enhance convenience, improve operational efficiency, and ensure a faster, more transparent experience for policyholders.

After-Sales Support: Siddhartha Premier Insurance (SPIL) emphasizes building strong and lasting customer relationships through proactive advisory services. The company guides clients on the appropriate design of insurance coverage, maintains regular communication via personal visits and telephonic conversations, and ensures effective grievance redress mechanisms. These initiatives foster trust, enhance client satisfaction, and reinforce SPIL's commitment to delivering responsive and client-focused insurance services.

After-Sales Support: Siddhartha Premier Insurance (SPIL) emphasizes building strong and lasting customer relationships through proactive advisory services. The company guides clients on the appropriate design of insurance coverage, maintains regular communication via personal visits and telephonic conversations, and ensures effective grievance redress mechanisms. These initiatives foster trust, enhance client satisfaction, and reinforce SPIL's commitment to delivering responsive and client-focused insurance services.

Training and Capacity Building: Siddhartha Premier Insurance Limited (SPIL) remains committed to continuously enhancing the skills, professionalism, and technical expertise of its employees and agents to ensure high standards of service delivery. In line with this commitment, the Company allocates 2 percent of its last year's total employee cost to a dedicated Training and Development Fund. During the fiscal year, the Fund amounted to NPR 11,913,925.42, of which NPR 10,027,827.37 was utilized for various capacity-building initiatives. The remaining balance of NPR 1,886,098.05 has been retained under the Employee Capacity Development Fund. The Fund supports a wide range of technical and non-technical training programs, workshops, and seminars for employees, enabling them to remain well-equipped to deliver efficient, knowledgeable, and client-focused insurance services.

Resource Allocation: Financial and human resources are directed towards technology upgrades, service infrastructure, training programs, and customer engagement initiatives. Investment in digital tools and process automation ensures faster, more reliable, and scalable service delivery.

Through its strategic focus on insurance development, innovative products, and superior service delivery, SPIL seeks to enhance insurance awareness, market penetration, and customer satisfaction. By effectively allocating financial, human, and technological resources, the Company aims to position itself as a trusted, innovative, and customer-centric insurer, contributing to the growth and modernization of Nepal's non-life insurance sector.

SPIl's SUSTAINABILITY STRATEGY WITH MEASURABLE OBJECTIVES

Siddhartha Premier Insurance Limited (SPIl) is committed to integrating sustainability into its core business strategy to ensure long-term value creation for all stakeholders. SPIl's sustainability approach encompasses environmental responsibility, social development, and strong governance practices (ESG), while maintaining financial stability and operational excellence.

The Company's sustainability strategy focuses on embedding responsible practices across operations, products, and stakeholder engagement, ensuring that SPIl contributes positively and proactively to society and the environment while sustaining business growth as society supports the company throughout its journey. By actively engaging in societal development, the company reinforces its commitment to creating shared value, fostering social well-being, and promoting inclusive growth alongside its business success.

1. Environmental Sustainability

Objective:

Siddhartha Premier Insurance (SPIl) is dedicated to minimizing the environmental impact of its business operations while actively promoting climate risk awareness. Through sustainable practices, energy efficiency, carbon footprint monitoring, and the development of climate-focused insurance products, SPIl seeks to reduce its ecological footprint and help clients and communities understand, prepare for, and mitigate the financial and social consequences of climate-related risks.

Key Initiatives and Measurable Targets:

Green Operations: Siddhartha Premier Insurance (SPIl) is committed to promoting environmentally sustainable practices by reducing paper usage by 10% within the next three years. This initiative will be achieved through the adoption of digital policy issuance through SPIl-DIGI, encouragement for e-documentation, and paperless workflows across all operational processes. By leveraging technology to minimize resource consumption, SPIl aims to lower its environmental footprint, enhance operational efficiency, and demonstrate its commitment to sustainable business practices complying the Climate risk policy, 2081 approved by Board.

Energy Efficiency: Siddhartha Premier Insurance (SPIl) is committed to reducing electricity consumption in its offices and branches by 10% over the next five years. This goal will be achieved through the adoption of LED lighting, energy-efficient equipment, and optimized operational practices. By implementing these measures, SPIl aims to lower energy costs, minimize its environmental impact, and demonstrate its commitment to sustainable and responsible business operations.

Climate Risk Insurance Products: Siddhartha Premier Insurance (SPIl) is committed to developing and promoting insurance solutions that address climate-related risks. The company focuses on products tailored for sectors vulnerable to environmental hazards, including agriculture, flood-prone areas, and disaster coverage. SPIl also incorporates parametric insurance solutions, which provide rapid payouts based on predefined triggers such as rainfall levels or wind speeds, ensuring timely financial support to clients. By offering specialized and innovative climate risk insurance, SPIl helps clients mitigate losses from adverse weather events and natural disasters, while supporting resilience and sustainable development in affected communities and industries.

Carbon Footprint Monitoring: Siddhartha Premier Insurance (SPIl) is committed to monitoring and reducing its operational carbon footprint by establishing a baseline measurement and targeting a 2% annual reduction in emissions. Key initiatives include promoting the use of electric vehicles in line with the Staff Vehicle financing scheme-2080 within the company fleet and installing solar lighting at office premises. These measures not only contribute to environmental sustainability but also support SPIl's broader commitment to responsible and eco-friendly business operations.

2. Social Sustainability

Objective:

The company aims to enhance financial inclusion, customer welfare, and community development by expanding access to insurance services, empowering customers through education, and investing in initiatives that uplift underserved populations. Through targeted programs, responsible business practices, and strategic community engagement, the company seeks to create long-term positive impact, strengthen social resilience, and contribute to sustainable national development.

Key Initiatives and Measurable Targets:

Financial Inclusion: The company aims to expand insurance accessibility by increasing coverage among underserved populations—particularly rural communities and low-income groups—to 7% of total policyholders within the next three years. This will be achieved through simplified products, affordable premiums, and targeted awareness campaigns, partnerships with local institutions, and digital distribution channels that enhance reach and reduce access barriers. Strengthening financial inclusion not only supports social protection but also contributes to broader economic resilience and sustainable market growth.

Customer Education: The company is committed to enhancing insurance literacy by conducting at least 10 community-based awareness programs annually, reaching a minimum of 1,000 beneficiaries. These initiatives will focus on educating individuals and families about the importance of insurance, available products, risk management practices, and claim procedures. By empowering communities with knowledge, the company aims to build trust, promote informed decision-making, and support greater insurance penetration across diverse population groups.

Corporate Social Responsibility (CSR): The company will allocate a minimum of 2% of its annual net profit before adjusting deferred tax expenses/income to CSR initiatives, with a focused commitment to education, health, insurance of deprived community, disaster relief and other areas in-line with directives issued by Nepal Insurance Authority. These efforts aim to uplift vulnerable communities, enhance access to essential services, and provide timely support during emergencies. By investing in socially impactful programs, the company reinforces its responsibility toward society and contributes to long-term community well-being and resilience. The company has contributed amounting NPR. 84,15,000 during the financial year 2081/82 towards corporate social responsibility.

Employee Welfare: The company is dedicated to fostering a positive and supportive work environment by maintaining an employee satisfaction score of at least 80%. This will be achieved through continuous training opportunities, structured career development programs, and meaningful engagement initiatives that promote collaboration, motivation, and professional growth. By prioritizing employee well-being and development, the company aims to build a committed, high-performing workforce that drives organizational excellence.

3. Governance and Ethical Sustainability

Objective:

Ensure strong governance, transparency, and ethical conduct throughout the organization.

Key Initiatives and Measurable Targets:

Regulatory Compliance and Risk Management: The company is committed to achieving 100% compliance with the Insurance Act, 2079; Insurance Regulation, 2081; directives and circulars issued by the Nepal Insurance Authority (NIA); and all other applicable laws of the land. It has fully adhered to the Risk-Based Capital and Solvency Directive issued by NIA, achieving a solvency ratio of 3.85 times compared to 3.18 times in the previous year. The company is also making the necessary internal arrangements to comply with the Own Risk and Solvency Assessment (ORSA) directive. The implementation of the Risk Management Policy, 2080 has strengthened the company's ability to identify potential risks early and manage them effectively. This commitment to compliance ensures strong governance, robust risk management, and operational discipline across all functions. By maintaining strict adherence to regulatory requirements and proactively managing risks, the company reinforces stakeholder confidence, safeguards policyholder interests, and supports long-term institutional sustainability.

Corporate Governance: The company conducts its internal audit through an independent auditor on a quarterly basis and submits the audit findings to the Internal Audit Committee. In addition, an annual labor audit is carried out to ensure full compliance with applicable labor laws. The Compliance Department prepares a comprehensive compliance report covering all regulatory requirements, including the Insurers' Corporate Governance Directive issued by the Nepal Insurance Authority, and submits it to both the Board of Directors and the Authority. Furthermore, all departmental activities are cross-checked by the Internal Control Department to verify adherence to good corporate governance practices across the organization.

4. Strategic Integration and Resource Allocation

To achieve these sustainability objectives, SPIL strategically allocates resources across its enterprise:

Financial Resources: The company allocates adequate financial resources to support its strategic priorities, including digital transformation, CSR initiatives, and the development of climate-risk insurance products. These investments enable the organization to enhance technological capabilities, strengthen community engagement, and build innovative solutions that address emerging climate-related risks. By ensuring sufficient and well-planned funding, the company promotes sustainable growth, operational efficiency, and long-term value creation for all stakeholders.

Human Resources: The company places strong emphasis on developing its workforce by providing training in sustainability practices, ethical conduct, and community engagement. These initiatives enhance employees' awareness, skills, and sense of responsibility, enabling them to contribute effectively to the company's sustainability goals and societal commitments. By fostering a knowledgeable and ethically driven workforce, the company strengthens its organizational culture and supports long-term responsible growth.

Technological Resources: The company invests in advanced digital platforms, paperless operations, and data analytics to support effective monitoring and management of Environmental, Social, and Governance (ESG) initiatives. These technological investments enhance operational efficiency, improve data-driven decision-making, and enable real-time tracking of sustainability performance. By leveraging technology, the company strengthens its ESG capabilities, drives innovation, and ensures transparent reporting to stakeholders.

Organizational Resources: The company integrates sustainability goals into its strategic planning, performance metrics, and reporting frameworks, ensuring that environmental, social, and governance considerations are embedded in every aspect of operations. This approach aligns organizational objectives with long-term sustainability priorities, promotes accountability, and facilitates transparent reporting. By embedding sustainability into its core processes, the company fosters a culture of responsible growth and strengthens its capacity to deliver lasting value to stakeholders.

5. Monitoring and Evaluation

SPIL employs a structured monitoring framework to track progress toward sustainability objectives:

- Establishing **Key Performance Indicators (KPIs)** for each sustainability pillar.
- Conducting **quarterly reviews** to measure achievement against targets.
- Reporting outcomes annually in the **Integrated Annual Report** to maintain transparency and accountability.

SPIL's sustainability strategy ensures that environmental, social, and governance considerations are integrated into business operations and decision-making. By setting measurable objectives, allocating dedicated resources, and monitoring progress, SPIL aims to achieve long-term financial resilience, social impact, and responsible growth, positioning itself as a sustainable and trusted leader in Nepal's non-life insurance sector.

REVIEW OF FUTURE BUSINESS PROSPECTS

Siddhartha Premier Insurance Limited (SPIL) continues to maintain a strong position in Nepal's non-life insurance sector, underpinned by prudent risk management, diversified products, and a customer-centric approach. Looking ahead, the Company is well-positioned to leverage growth opportunities while navigating the challenges and evolving dynamics of the insurance industry.

1. Market Outlook

The Nepalese non-life insurance market is expected to experience steady growth due to increasing awareness of insurance benefits, rising economic activity, and greater regulatory oversight. Urbanization, infrastructure development, and growth in small and medium enterprises (SMEs) provide opportunities for SPIL to expand its market share. Additionally, emerging risks such as climate change, natural disasters, and technological disruption are creating demand for innovative insurance products, including disaster, cyber, and health insurance coverage.

2. Strategic Opportunities

SPIL's future business prospects are anchored in several strategic opportunities:

Market Expansion: SPIL currently operates an extensive network of over 125 branches and sub-branches across Nepal, positioning itself to play a pivotal role in expanding insurance coverage nationwide as a strategic opportunity. Despite the steady growth of general insurance's contribution to GDP, penetration in underserved and rural areas remains limited, leaving a significant protection gap. To bridge this gap, SPIL aims to strategically leverage its branch network, collaborate with brokers, and harness digital platforms, ensuring accessible, inclusive, and customer-centric insurance solutions that strengthen financial security across all segments of society.

Product Innovation: Development of new insurance products that address emerging risks, including agriculture, health, microinsurance, and cyber insurance.

Digital Transformation: Adoption of advanced digital platforms for policy issuance, premium collection, and claims processing to enhance efficiency, customer convenience, and data analytics capability.

Partnerships and Alliances: Collaborations with banks, microfinance institutions, and corporate clients to increase distribution channels and improve product accessibility.

Sustainable and Inclusive Insurance: Promotion of financial inclusion through affordable and tailored insurance solutions targeting low-income segments.

3. Financial & Operational Prospects

SPIL aims to sustain profitable growth while maintaining financial stability:

Underwriting Growth: Focus on profitable lines of business with disciplined risk assessment and improved underwriting standards.

Investment Strategy: Prudent investment management to generate stable returns and support liquidity requirements.

Solvency and Capital Adequacy: Maintaining a strong solvency position above regulatory requirements to absorb unforeseen risks and support business expansion.

Operational Efficiency: Continuous process improvement, automation, and employee capacity building to reduce costs and enhance service quality.

4. Risk Management Considerations

SPIL recognizes that the future business environment involves both opportunities and risks. Key risks include regulatory changes, market volatility, climate-related events, and evolving customer expectations. The Company's **Own Risk and Solvency Assessment (ORSA)** framework, robust reinsurance arrangements, and enterprise-wide risk management systems are central to mitigating these risks and ensuring sustainable growth.

EFFECT OF EXTERNAL ENVIRONMENT ON SPIL'S BUSINESS

Siddhartha Premier Insurance Limited (SPIL) operates in a dynamic and evolving external environment, where macroeconomic trends, regulatory policies, technological advancements, socio-political developments, and market competition significantly influence its business operations, financial performance, and strategic direction. Understanding and responding to these external factors is essential for sustainable growth and value creation.

1. Regulatory and Legal Environment

The Nepal Insurance Authority (NIA) provides the regulatory framework within which SPIL operates. Regulatory changes, including solvency margin requirements, technical reserve norms, reinsurance guidelines, and reporting standards, directly affect the Company's capital planning, underwriting policies, and product design. Compliance with evolving legal frameworks and prudential regulations requires ongoing investment in risk management, corporate governance, and reporting systems. Non-compliance or delays in adaptation could expose SPIL to penalties, reputational risk, or operational constraints.

2. Economic Environment

Nepal's macroeconomic factors, such as GDP growth, inflation, interest rates, and household income levels, significantly influence demand for insurance products. Economic expansion supports higher premium collection, while periods of slowdown or inflationary pressure can reduce discretionary spending on insurance and impact investment returns. Currency fluctuations and changes in the interest rate environment also affect SPIL's investment portfolio performance and liquidity management.

3. Technological Environment

Rapid technological advancements are reshaping customer expectations and operational practices in the insurance industry. Digital platforms, data analytics, automation, and mobile technology enable SPIL to improve underwriting efficiency, claims processing, and customer engagement. Conversely, failure to adopt technological innovations or cyber risks associated with digital operations can hinder competitiveness and operational security. Continuous investment in IT infrastructure, cybersecurity, and data analytics is therefore critical.

4. Competitive Environment

SPIL operates in a competitive non-life insurance market characterized by multiple private and state-owned insurers. Market competition affects premium pricing, product differentiation, service quality, and distribution strategies. The entry of new players and innovative product offerings by competitors can influence SPIL's market share and profitability. Strategic initiatives such as product innovation, service excellence, and customer relationship management are vital to maintain a competitive edge.

5. Social and Demographic Environment

Shifts in population demographics, urbanization, literacy rates, and social awareness directly impact insurance demand. Growing awareness of risk management, rising middle-class income, and changes in lifestyle preferences increase demand for diversified insurance products. Additionally, societal expectations regarding corporate social responsibility (CSR), sustainability, and ethical business practices influence SPIL's reputation and brand perception.

6. Political and Environmental Factors

Political stability, government policies, and national development priorities shape infrastructure growth, investment opportunities, and business confidence, which indirectly influence SPIL's insurance business. Environmental factors, including climate change, natural disasters, and increased frequency of catastrophic events, increase claims exposure and drive demand for insurance products such as property, agriculture, and disaster coverage. SPIL's risk assessment, reinsurance arrangements, and disaster management initiatives must align with these environmental realities.

7. Implications of SPIL's Business Strategy

The external environment shapes SPIL's strategic planning, risk management, and operational priorities. The Company responds proactively by:

- Monitoring regulatory and economic trends to ensure compliance and optimize capital utilization.
- Investing in digital transformation and innovative technology solutions to improve efficiency and customer experience.
- Developing diversified, customer-focused insurance products to meet emerging market needs.
- Strengthening risk management and reinsurance frameworks to mitigate exposure to environmental and operational risks.
- Engaging in CSR and sustainability initiatives to enhance corporate reputation and social impact.

SPIL's business performance and strategic growth are closely influenced by the external environment. By continuously analyzing external factors, adapting its strategies, and proactively managing risks, the Company aims to maintain resilience, enhance competitiveness, and achieve sustainable growth in Nepal's non-life insurance market.

CORPORATE SOCIAL RESPONSIBILITY



SPIl's STAFF WELFARE INITIATIVES

Siddhartha Premier Insurance Limited (SPIl) recognizes that its employees are the cornerstone of its success. The Company has been providing a supportive, safe, and motivating work environment that promotes professional growth, personal well-being, and job satisfaction. SPIl's staff welfare initiatives are designed to attract, retain, and develop talent while fostering a culture of engagement, inclusivity, and excellence.

The company is currently operating with BOD and Nepal Insurance Authority Approved Employees Services and Conditions bylaws, 2081 which explicitly governs all the benefits and obligations of the employees. The company has implemented its own BOD approved Succession Policy which aims to ensure business continuity, leadership stability, and organizational resilience with the objective to identify, develop, and prepare internal talent for key leadership and critical roles, thereby minimizing operational disruptions and maintaining strategic direction.

Central to our philosophy are the 3Ps.

People-driven : Placing employees at the heart of decision-making, engagement, and organizational development.

Process-oriented: Upholding fairness, compliance, and consistency through robust systems and policies.

Performance-committed: Cultivating a results-driven culture focused on accountability and continuous improvement.

1. Health and Well-Being Programs

Medical and Health Insurance: SPIl provides subsidized comprehensive health coverage for employees and eligible dependents, including hospitalization, outpatient care and preventive health check-ups. The company has incurred premium expenses of NPR 14.83 Lakhs under Accidental Insurance Coverage with minimum of Rs. 15 lakhs for each employee depending upon the position they held safeguarding them for possible financial risks.

Wellness Programs: Regular wellness campaigns, health awareness sessions, and fitness initiatives encourage employees to maintain a healthy lifestyle. During the financial year 2081/82, the company organized Comprehensive Health Check-up Camp at SPIl Head Office premises, where a total of 250 employees participated and similar health check-up was also conducted at Provincial level. Our ongoing initiatives include regular health awareness sessions, fitness promotion campaigns, and preventive health monitoring activities for the wellness of our employees working all over Nepal.

Mental Health Support: Recognizing that mental well-being is essential to productivity, SPIl provides employees with access to counseling services, stress-management workshops, emotional-intelligence sessions, and work-life balance programs aimed at strengthening resilience and emotional stability. As part of these initiatives, emotional well-being training sessions were conducted, in which approximately 40 employees actively participated and engaged in activities designed to help them regulate their mental state.

2. Professional Development and Training

Continuous Learning: To continuously strengthen organizational capability, SPIl invested in a structured learning and development framework comprising technical/functional training, behavioral soft-skills workshops, regulatory compliance sessions, and managerial development programs. In FY 81/82, the company conducted 51 training sessions, reaching more than 300 employees across the country through both physical and virtual platforms. These efforts significantly contributed to building a highly skilled and future-ready technical workforce.

Leadership Development: SPIl continued its commitment to building a strong and future-ready leadership team by investing in comprehensive leadership development initiatives throughout FY 81/82. Recognizing that effective leadership is fundamental to driving organizational performance, the Company emphasized programs that strengthen strategic thinking, decision-making, people management, and operational excellence.

During the year, SPIl advanced its leadership development framework through a series of mentorship and coaching programs designed to guide emerging leaders in navigating complex business environments. The Company also enhanced leadership competencies by introducing structured learning modules that focus on communication excellence, conflict resolution, performance management, accountability, and ethical leadership. These initiatives were closely aligned with SPIl's Succession Policy, ensuring that high-potential employees have clear and structured pathways for career progression and leadership growth.

In FY 81/82, a total of four specialized leadership development trainings were conducted. These programs engaged seven senior executives, including Heads of Departments, Deputy Heads, and Provincial Deputy Heads. The sessions provided intensive, hands-on learning experiences aimed at strengthening their leadership capabilities, improving cross-functional collaboration, and enhancing their ability to deliver exceptional service across all operational regions.

These efforts reflect SPIL's ongoing investment in leadership excellence and its commitment to building a resilient management structure capable of supporting the Company's long-term strategic goals.

Certification Support: SPIL remains committed to developing a highly skilled and globally informed workforce by encouraging employees to pursue relevant professional certifications in areas such as insurance, finance, information technology, and risk management. To support this objective, the Company provides financial assistance, study leave, and access to expert resources, ensuring that employees can successfully complete certifications that elevate both individual competencies and organizational capability.

In FY 2081/82, 16 employees received opportunities for international exposure, enabling them to participate in specialized trainings, seminars, and certification-oriented programs. These learning initiatives provided valuable insights into emerging industry trends, regulatory developments, and global best practices, reinforcing SPIL's emphasis on continuous professional development.

As part of this effort, senior executives visited Dubai and Singapore to attend prominent reinsurance conferences. These international forums offered high-level exposure to global reinsurance markets, advanced risk-transfer mechanisms, and strategic networking with international partners.

Additionally, several Deputy Heads of Departments were nominated for an intensive two-week practical training program in Mumbai and Kolkata, where they engaged with industry practitioners, gained hands-on experience, and enhanced their understanding of operational excellence within large-scale insurance environments.

These initiatives reflect SPIL's ongoing commitment to fostering a knowledgeable, professionally certified, and globally competitive workforce capable of driving innovation and supporting the Company's long-term strategic ambitions.

3. Employee Engagement and Recognition

Performance-Based Incentives: During FY 2081/82, SPIL implemented a range of performance-linked rewards, including bonus payouts and formal recognition ceremonies that celebrated employees who demonstrated outstanding dedication and results. Quarterly cash incentives were provided to marketing employees, acknowledging their exemplary performance in driving business growth and achieving sales targets.

In addition, non-marketing employees received cash awards in recognition of their significant efforts in premium collection and operational support. These rewards not only highlighted their contribution to strengthening the Company's financial performance but also reinforced the importance of teamwork, accountability, and service excellence across all departments.

Employee Appreciation Programs: SPIL places strong emphasis on fostering a positive and engaging workplace culture by organizing regular appreciation activities and celebratory events. These initiatives are designed to strengthen interpersonal relationships, boost employee morale, and create an environment where employees feel valued, connected, and motivated.

Throughout FY 2081/82, the Company conducted monthly engagement programs that celebrated cultural diversity and promoted team bonding. Major festival-based events were organized, including Ethnic Dress Day during Dashain, Dar program for female employees during the Teej festival, Mehendi celebrations in the month of Shrawan, and a vibrant Rangoli competition during Tihar. These celebrations helped reinforce cultural identity while nurturing a sense of unity across the workforce.

In addition, SPIL facilitated province-wise annual refreshment programs, providing employees with opportunities to connect informally, reflect on their achievements, and participate in recreational and team team-building activities. The Company also honored long-serving or departing senior employees through farewell ceremonies, recognizing their contributions and strengthening the culture of appreciation.

Open Communication Channels: An inclusive environment is promoted through an open-door policy, regular "Coffee with CEO" interactions, and dedicated platforms for feedback and suggestions, building organizational transparency and trust.

4. Work-Life Balance Initiatives

Flexible Working Arrangements: SPIL is committed to promoting a healthy work-life balance by offering flexible working arrangements that support employee well-being while ensuring operational efficiency. The Company provides flexibility through adjustable working hours, remote work options where feasible, and compassionate leave provisions to address personal or family-related needs. In FY 2081/82, SPIL further strengthened its flexibility practices by implementing and encouraging work-from-home arrangements during holidays, weekends, and situations involving national emergencies. This approach ensured uninterrupted business operations while enabling employees to maintain personal safety and manage their responsibilities effectively. The adaptability demonstrated during these periods reflects SPIL's dedication to building a resilient and employee-centric workplace. These flexible work policies have contributed to improved employee satisfaction, enhanced productivity, and a more supportive organizational culture.

Paid Leave Benefits: A comprehensive leave policy includes annual, sick, maternity/paternity, and special emergency leaves, allowing employees to manage personal needs without undue pressure.

Employee Recreation: Company employees have been sent to participate at Futsal Tournament, In-door Cricket tournament and recreational competitions help reduce stress and strengthen collaborative relationships.

5. Safety and Occupational Health

Safe Work Environment: A dedicated Health and Safety Committee ensures workplace safety monitoring, branch-wide compliance, and safety awareness initiatives and yearly HR Audit has been conducted to report on the working environment.

Emergency Preparedness: Readiness is maintained through regular fire drills, first-aid training, clear emergency protocols, and routine office safety audits.

Workplace Ergonomics: Readiness is maintained through regular fire drills, first-aid training, clear emergency protocols, and routine office safety audits.

6. Employee Welfare Support Programs

Financial Assistance Programs: Programs are in place to provide support during personal emergencies, educational needs, and through advance salary schemes.

Retirement and Provident Funds: SPIL places strong emphasis on the long-term financial well-being of its employees by maintaining structured and compliant retirement and post-employment benefit schemes. The Company regularly contributes to the Provident Fund (PF) and Social Security Fund (SSF) in accordance with statutory requirements, while also maintaining provisions for Gratuity and a Leave Fund as per the prevailing employee by-laws. These contributions and provisions are designed to support employees' financial security during retirement and at the time of separation, ensuring alignment with both regulatory standards and the Company's commitment to employee welfare.

Inclusive Workplace Policies: Diversity and inclusion are promoted through equal opportunity policies, gender-sensitive initiatives, inclusive recruitment, and respect for cultural diversity. SPIL's staff welfare initiatives reflect the Company's commitment to nurturing a motivated, skilled, and healthy workforce. By investing in employee well-being, professional growth, and engagement, SPIL fosters a positive organizational culture that enhances productivity, loyalty, and long-term value creation for both employees and stakeholders.

SPIl's CONTRIBUTION TO THE NATIONAL ECONOMY

Siddhartha Premier Insurance Limited (SPIl) plays a vital role in strengthening Nepal's financial sector and supporting economic growth through its comprehensive insurance operations, risk management solutions, and investment activities. As a leading non-life insurance provider, SPIl contributes to the national economy by promoting financial stability, mobilizing resources, and fostering socio-economic development.

1. Mobilization of Financial Resources

Premium Collection and Capital Formation: Through the collection of insurance premiums, SPIl mobilizes significant financial resources, which are partially invested in productive sectors, thereby supporting economic activity. A significant portion of the premium collected is utilized to obtain reinsurance support which increases the company underwriting capacity and helps maintain financial stability and solvency enabling the Company to meet its claim obligations in a timely manner. The remaining portion of the retained premium is invested in eligible investment instruments in accordance with the Investment Directives issued by the regulator and the Company's internal Investment Policy. The gross earned premium, premium ceded and net earned premium of the company for the financial year 2081.82 is summarized as under.

Particulars	Gross Earned Premiums (Rs.)		Premiums Ceded (Rs.)		Net Earned Premiums (Rs.)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	1,524,974,792	1,280,207,689	970,479,935	823,595,489	554,494,856	456,612,200
Motor	1,441,956,984	1,493,208,580	532,062,378	480,428,206	909,894,605	1,012,780,373
Marine	263,895,242	307,093,032	(14,207,129)	247,664,098	278,102,372	59,428,933
Engineering	530,879,154	588,973,782	381,345,631	494,416,827	149,533,523	94,556,954
Micro	554,635	6,365,150	(12,343)	1,239,500	566,978	5,125,649
Aviation	15,894,216	36,141,609	7,706,695	33,068,004	8,187,520	3,073,605
Cattle and Crop	59,225,278	79,385,603	49,554,943	63,668,432	9,670,334	15,717,171
Miscellaneous	447,946,825	400,661,620	234,393,068	203,883,442	213,553,756	196,778,178
Total	4,285,327,128	4,192,037,068	2,161,323,181	2,347,964,002	2,124,003,947	1,844,073,066

Investment in Securities and Infrastructure: SPIl invests in government bonds, financial instruments, and infrastructure projects, providing long-term capital to support national development priorities. The details of Investments made (at cost) by the company as at the financial year end, 2081.82 along with the limit prescribed by Nepal Insurance Authority through Investment directives is summarized as under.

S.N	Sectors of Investment	Investment Limit	Actual Total Investment (Rs.)	% of Total Investment	Allowable Investment (Rs.)	Surplus Available Limit (Rs)
1	Investment in Nepal Government, Provincial Government, Local Government or NRB's National Saving Certificates/Debentures or Nepal Government Guaranteed Saving Certificates or Debentures	Min. 20% of TI	-	-	NA	-
2	Fixed Deposits with A class Commercial Banks & Nepal Infrastructure Development Bank Limited	Min. 30% of TI	5,617,000,000	70	NA	-
3	Investment in Fixed Deposits with B class Financial Institutions Licensed by NRB	Max. 10% of TI	705,500,000	9	799,389,029	93,889,029
4	Investment in Fixed Deposits with C class Bank and Financial Institutions Licensed by NRB.	Max. 5% of TI	72,500,000	1	399,694,515	327,194,515
5	Investment in Non-Convertible Preference Shares, Bonds, Debentures Licensed by NRB	Max. 20% of TI	868,495,430	11	1,598,778,059	730,282,628
6	Investment in Bonds, Debentures of the Listed Company Licensed SEBON	Max. 20% of TI	-		1,598,778,059	1,598,778,059
7	Investment in Shares of the Listed Company Licensed by SEBON	Max. 10% of TI	540,665,180	7	799,389,029	258,723,849

8	Investment in CIT and Mutual Funds Units	Max. 5% of TI	77,169,684	1	399,694,515	322,524,831
9	Real Estate Business	Max. 10% of TI	-	-	799,389,029	799,389,029
10	Investment in Agriculture production and Distribution, Cold Store, Tourism Industry, Hydropower, Solar Energy, Renewable Energy, Cable Car, Road, Electricity Distribution lines, Education & Health Sector.	Max. 10% of TI	-	-	799,389,029	799,389,029
11	Investment Company	Max. 5% of TI	105,000,000	1	399,694,515	294,694,515
12	Approved private Equity Fund and Venture Capital Fund Subject to approval from NIA (Max Limit for One Specific Fund 1% of Investment)	Max. 1.5% of TI		-	119,908,354	119,908,354
13	Other Investment (Does not fall in any of the category above)		-	-	-	-
13A	Investment in Insurance Institute of Nepal		9,560,000	-	-	-
Grand Total			7,995,890,294	100		

Note: TI=Total Investment

Support for Corporate and SME Growth: By underwriting commercial insurance, Siddhartha Premier Insurance Limited (SPIL) supports business continuity and promotes entrepreneurship, especially among small and medium enterprises (SMEs). The company classifies premiums based on risk exposure for each line of business, segregating them into SME/retail and corporate categories. For the property line of business, policies with a sum insured of Rs. 5 Crores or less are classified as SME/retail, while for other lines of business, a sum insured of Rs. 1 Crore or less is considered SME/retail. Policies exceeding these thresholds are classified as corporate.

2. Risk Mitigation and Economic Stability

Protection Against Losses: SPIL mitigates financial risks for individuals, businesses, and institutions by providing insurance coverage for property, motor, marine, engineering, aviation, agriculture, micro and miscellaneous insurance. The total amount of claims paid and the number of claims settled during the financial year under different insurance portfolios are presented below.

S.N	Particulars	Gross Claims Paid			
		Current Year No of Claims	Current Year Amount (Rs.)	Previous Year No of Claims	Previous Year Amount (Rs.)
1	Property	776	1,112,708,635	364	441,312,550
2	Motor	6,843	968,421,520	6,264	927,387,607
3	Marine	327	105,438,885	350	85,921,827
4	Engineering	305	252,651,865	327	411,711,278
5	Micro	2	591,320	3	248,246
6	Aviation	-	-	1	30,488
7	Cattle and Crop	386	23,901,389	841	38,752,751
8	Miscellaneous	5,973	300,313,198	5884	232,784,720
Total		14,612	2,764,026,812	14,034	2,138,149,467

Disaster and Climate Risk Management: Through property, agriculture, and disaster insurance products, SPIL reduces the economic impact of natural disasters, contributing to faster recovery and resilience. The company now has its own board approved climate risk policy for addressing the climate risks under physical risks, transitional risk and liability risks wherein the company utilizes available meteorological forecasts, climate data, and the Company's claim history to anticipate long-term climate trends and potential extreme events for progressively transitioning towards low-carbon and climate-resilient operations and investments to enhance long-term sustainability.

Enhancing Confidence in Business Environment: By safeguarding assets and investments, Siddhartha Premier Insurance Limited (SPIL) fosters entrepreneurship and supports business investment, thereby enhancing economic resilience and contributing to overall financial stability in the country.

3. Employment and Human Capital Development

Job Creation: SPIL provides direct employment opportunities across its corporate office, branches, and distribution network, supporting livelihoods and income generation. Currently, the company is operating with 125 branch offices spread across all over Nepal, 7 provincial offices and employs 625 plus employees.

Skill Development: For the financial year 2081/82, the Company set aside 2% of the total employee expenses of the previous financial year 2080/81 towards employee training and development. Out of this allocation, an amount of Rs. 11,913,925 was utilized during the year, while the remaining balance of Rs. 1,886,098 has been retained under the Employee Capacity Development Fund. The unutilized balance will be carried forward and utilized for employee training, professional development, and capacity-building initiatives in the financial year 2082/83, together with the amount to be set aside for that year, with the objective of developing a skilled workforce in the financial services sector.

Entrepreneurial Support: Through agents, brokers, Surveyors and intermediaries, SPIL creates indirect employment opportunities across Nepal. Currently, the company has 201 active business agents comprising both the single-tied agent and corporate agents, 220 surveyors working for the company.

4. Contribution to Government Revenue

Tax Contributions: SPIL contributes to national revenue through corporate income tax, withholding tax, VAT, and other statutory payments. The summarized data on tax contribution in the financial year 2081.82 is given as under.

Particulars	Amount (Rs)
Income Tax paid in 2081.82	31,55,55,165
VAT paid 2081.82	43,56,74,245
Withholding tax paid 2081.82	4,59,95,406
Total	797,224,816

Regulatory Contributions: Payments to the Nepal Insurance Authority towards service fees for the financial year 2081.82 is Rs. 3,23,27,024.

5. Promotion of Financial Inclusion

Access to Insurance Services: SPIL extends insurance coverage to underserved populations, rural communities, and low-income groups, fostering financial inclusion and social protection. The geographical coverage of the branch offices all over Nepal is shown province-wise which is expected to cover underserved populations, rural communities and low-income groups.

Microinsurance and Community Programs: By offering affordable and tailored insurance products, Siddhartha Premier Insurance Limited (SPIL) enables households and small businesses to effectively manage financial and operational risks. Insurance protection safeguards livelihoods against unforeseen losses, helping policyholders recover more quickly from adverse events. This risk transfer mechanism reduces vulnerability to income shocks and asset depletion, particularly among economically sensitive groups. By enhancing financial security and resilience, SPIL contributes to poverty reduction and supports inclusive and sustainable economic development.

6. Corporate Social Responsibility and Sustainable Development

CSR Initiatives: Siddhartha Premier Insurance Limited (SPIL) actively supports initiatives in education, healthcare, disaster relief, and community development, thereby contributing to human capital development and overall social welfare. In line with regulatory requirements, the Company sets aside 1% of the net profit before adjusting deferred tax expenses/income each year towards Corporate Social Responsibility (CSR) activities. During the financial year, SPIL contributed Rs. 8,415,000 towards CSR initiatives, while a balance of Rs. 23,832,441 remains available in the CSR fund for contribution to designated priority areas. A summary of the CSR contributions is presented below.

Social Projects	Contribution Amount (Rs)
Contribution to Prime Minister Disasters relief fund	51,00,000
Contribution to Kathmandu Institute of Child Health	25,00,000
Contribution to United Community Hospital (Kapilvastu)	4,65,000
National Childhood Cancer Alliance	3,50,000
Total	84,15,000

Environmental Awareness and Climate Resilience: Initiatives in environmental protection and climate-risk insurance play a vital role in safeguarding communities and economic assets from ecological threats. By promoting insurance coverage against climate-induced risks such as floods, landslides, and extreme weather events, these initiatives enhance financial resilience and recovery capacity. Environmental protection efforts help reduce the frequency and severity of losses by preserving natural ecosystems and promoting sustainable practices. Together, these measures support long-term economic stability by minimizing disruption to livelihoods, infrastructure, and investments. Such initiatives also contribute to broader climate adaptation and sustainable development objectives.

Through its insurance operations, investment activities, employment generation, and community engagement, SPIL contributes significantly to Nepal's economic growth and stability. The Company not only protects individuals and businesses from financial risks but also mobilizes capital, fosters entrepreneurship, supports government revenue, and promotes financial inclusion. By integrating sustainable and inclusive business practices, SPIL continues to play a pivotal role in advancing the national economy while creating value for its stakeholders.



INFORMATION ON ACTIONS TAKEN BY THE COMPANY TO BECOME MORE SUSTAINABLE AND CONTRIBUTE TO A SUSTAINABLE GLOBAL ECONOMY.

Siddhartha Premier Insurance Limited (SPIL) recognizes sustainability as an integral part of its long-term business strategy and risk management framework. Through responsible governance, digital transformation, climate risk integration, financial inclusion, and stakeholder engagement, the Company contributes to sustainable economic development in line with the United Nations Sustainable Development Goals (SDGs) & National Insurance Policy.

80

1. Climate Risk Integration and Sustainable Risk Governance

SPIL has initiated the integration of climate-related risks into its enterprise risk management framework through the development and implementation of a Climate Risk Policy 2081 and Own Risk and Solvency Assessment (ORSA) in line with directives issued by the Nepal Insurance Authority. The Company utilizes meteorological data, historical claims experience, and scenario-based assessments to identify physical, transition, and liability risks arising from climate change. By embedding climate considerations into underwriting, reserving, and investment, SPIL enhances its resilience to climate-induced losses and supports the stability of the insurance sector, contributing to sustainable economic infrastructure.

2. Digital Transformation and Environmental Footprint Reduction

SPIL has undertaken significant digitalization initiatives through platforms such as SPIL-DIGI, enabling online policy issuance, premium payment, and digital claim processing. The adoption of digital communication channels, including electronic documentation and digital newsletters, has substantially reduced paper consumption and reliance on physical travel. These initiatives promote resource efficiency, lower carbon emissions, and encourage environmentally responsible consumption patterns while improving operational efficiency and customer experience.

3. Financial Inclusion and Economic Resilience

Through its extensive network of branches and provincial offices across Nepal, SPIL expands access to insurance services for individuals, households, and businesses, including those in semi-urban and underserved regions. Insurance protection supports income stability, asset protection, and post-disaster recovery, thereby strengthening economic resilience. By leveraging digital platforms and simplified service delivery, SPIL further reduces geographic and administrative barriers, contributing to inclusive economic growth.

4. Corporate Governance, Ethics, and Institutional Sustainability

SPIL maintains strong corporate governance practices through Board-level committees, transparent decision-making, regulatory compliance, and internal control mechanisms. The Company's governance framework emphasizes ethical conduct, accountability, risk oversight, and long-term value creation for stakeholders. Strong institutional governance supports financial system integrity and builds trust among policyholders, investors, regulators, and employees—key pillars of a sustainable economy.

5. Social Responsibility and Stakeholder Engagement

SPIL undertakes corporate social responsibility (CSR) initiatives aimed at social welfare, disaster support, community development, and awareness programs consistent with the provisions regarding corporate social responsibility issued by Nepal Insurance Authority. These initiatives enhance social resilience and reinforce the Company's role as a responsible corporate citizen. Collaboration with regulators, industry associations, and community stakeholders further strengthens partnerships that contribute to shared sustainability outcomes.

Through these actions and initiatives, SPIL contributes to a sustainable economy by promoting climate resilience, responsible resource use, inclusive financial protection, institutional stability, and social well-being. While sustainability practices are progressively evolving, SPIL's alignment with national regulatory expectations and global SDG principles demonstrates its commitment to long-term value creation for both society and the financial sector.

SPIL's INITIATIVES FOR ENVIRONMENTAL CONSERVATION, SOCIAL DEVELOPMENT AND SUSTAINABILITY

Siddhartha Premier Insurance Limited (SPIL) is committed to sustainable business practices that contribute positively to the environment, society, and economy. The Company implements a range of direct and indirect initiatives that reinforce its commitment to corporate responsibility, ESG principles, and long-term stakeholder value creation.

1. Environmental Conservation Initiatives

81

Direct Initiatives:

Paperless Operations: In an effort to promote environmental conservation, the Company has implemented digital policy issuance in line with the NIA's Digital Policy Issuance Directive through the SPIL DIGI online platform. This initiative promotes electronic documentation and facilitates end-to-end online policy servicing. Additionally, the transition towards online claims processing significantly reduces paper consumption while improving operational efficiency and customer convenience.

Energy Efficiency: The Company has adopted LED lighting, energy-efficient equipment, and optimized energy usage across its offices and branch network to minimize electricity consumption and reduce its overall environmental footprint. These initiatives enhance operational efficiency while supporting the Company's commitment to sustainable and responsible business practices.

Waste Management: The Company ensures proper disposal and recycling of office waste, including electronic waste, in strict adherence to applicable environmental guidelines and regulatory standards. By segregating waste streams and engaging authorized recyclers for e-waste management, the Company minimizes environmental harm, promotes responsible resource use, and reinforces its commitment to sustainable and environmentally compliant operations.

Green Awareness Programs: The Company actively educates employees and key stakeholders on environmental protection and sustainable practices through awareness programs, internal communications, and capacity-building initiatives. By promoting responsible resource use, energy conservation, and environmentally conscious behavior, the Company fosters a sustainability-oriented culture that supports long-term environmental stewardship and responsible business operations.

Indirect Initiatives:

Climate-Risk Insurance Products: The Company offers insurance coverage for natural disasters, agriculture, and property risks comprising of flood, earthquake, and storms cover thereby indirectly supporting environmental resilience and community recovery against climate-related events. In addition, the introduction of parametric insurance products enables faster and more transparent payouts based on predefined environmental triggers, such as rainfall or seismic activity, enhancing risk transfer mechanisms and strengthening climate adaptation for individuals, businesses, and the broader economy.

Investment in Sustainable Projects: The Company prioritizes funds to government bonds, infrastructure projects, and socially responsible investment instruments that contribute to long-term economic stability and sustainable development. In line with its commitment to environmental responsibility, the Company has also invested in INFRA Green Bonds, supporting environmentally sustainable infrastructure and reinforcing the integration of sustainability considerations within its investment strategy.

Encouraging Responsible Client Practices: The Company is in the process of drafting structured strategies to advise clients and business partners on effective risk mitigation measures that help reduce environmental impact. These initiatives are intended to integrate environmental considerations into risk management practices, promote climate-resilient decision-making, and support the adoption of sustainable operational approaches across the value chain.

2. Social Development Initiatives

Direct Initiatives:

Corporate Social Responsibility (CSR) Programs: The Company actively supports education, healthcare, disaster relief, and community development initiatives within local communities as part of its corporate social responsibility commitments. During the year, the Company invested NPR 8,515,000 in NIA-approved sectors in the financial year 2081.82, contributing to social welfare, human capital development, and community resilience.

Employee Welfare: Believing that employees are the key to its success, the Company places strong emphasis on health and wellness programs, continuous skill development, and robust workplace safety initiatives. These efforts are designed to enhance employees' quality of life, improve productivity, and foster a safe, motivated, and engaged workforce that supports the Company's long-term growth.

Financial Inclusion Programs: The Company provides affordable insurance and microinsurance products tailored to low-income households and underserved populations through its extensive branch network and wide agent distribution system. By enhancing accessibility and financial inclusion, these initiatives help protect vulnerable communities against unforeseen risks, foster gap protection, and contribute to broader social and economic resilience.

Indirect Initiatives:

Market Education and Awareness: The Company conducts comprehensive insurance literacy programs to educate communities on risk management and financial protection. These initiatives include quarterly visits and active engagement with municipalities, Village Development Committee (VDC) officials, and other relevant local authorities, as well as the use of workshops, seminars, and awareness campaigns to ensure communities are well-informed about insurance products and their benefits.

Employment Generation: The Company supports livelihoods by providing opportunities for agents, brokers, and intermediaries. Through its extensive network of agents and surveyors, the Company strengthens the insurance distribution ecosystem, promotes economic participation, and contributes to community development.

Capacity Building: The Company implements training and mentoring programs funded through allocations for employee capacity development, which indirectly enhance human capital within the financial services sector. These initiatives build skills, knowledge, and expertise, contributing to a more competent workforce and supporting the overall growth and professionalism of the industry.

3. Sustainability Initiatives

Direct Initiatives:

Governance and Compliance: The Company implements ORSA frameworks, Risk-Based Capital approaches, NFRS-17 compliance, and other applicable regulatory requirements, alongside transparent reporting practices, to ensure sustainable and resilient business operations. These measures strengthen risk management, enhance financial stability, promote accountability, and ensure adherence to industry regulations, supporting long-term organizational growth and stakeholder confidence.

Digital Transformation: The Company leverages technology to streamline operations, reduce resource consumption, and enhance overall efficiency. Through platforms like SPIL DIGI, interactive chatbots, and mobile applications, the Company facilitates digital policy issuance, customer support, and online service delivery, minimizing manual processes and promoting a more sustainable, customer-centric approach.

Ethical Business Practices: The Company upholds high standards of transparency, implements robust anti-fraud measures, and adheres to strong corporate governance practices to achieve its short-, medium- and long-term objectives. These efforts ensure ethical operations, protect stakeholder interests, and foster trust, accountability, and integrity across all levels of the organization.

Indirect Initiatives:

Long-Term Investment in National Development: The Company supports economic growth by investing in infrastructure, government bonds, and socially responsible projects in accordance with the Investment Directive issued by NIA. Consistent with the objectives outlined in the Company's Investment Policy, it also ensures sufficient liquidity to prevent asset-liability mismatches, effectively balancing long-term developmental contributions with prudent financial management.

Encouraging Sustainable Practices Among Stakeholders: The Company promotes climate-conscious and socially responsible behavior through its advisory services and tailored insurance solutions. These initiatives are aligned

with the objectives of the Company's Climate Risk Policy, supporting sustainable practices, enhancing resilience to climate-related risks, and fostering responsible decision-making among clients and stakeholders.

Contribution to Resilient Financial System: The Company enhances national financial stability by mitigating risks faced by businesses, individuals, and institutions through effective risk acceptance and company risk financing. Utilizing appropriate reinsurance mechanisms, the Company distributes and manages risk efficiently, ensuring financial resilience and supporting the broader stability of the national economy.

SPIL's initiatives demonstrate a holistic approach to sustainability that balances environmental conservation, social development, and economic responsibility. Through both direct actions—such as CSR programs, digitalization, and employee welfare—and indirect contributions—including sustainable investments, risk advisory, and financial inclusion—the Company fosters long-term resilience, stakeholder trust, and sustainable growth.

DISCLOSURE IN RELATION TO CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 45 of the Insurer's Corporate Governance Regulation, 2080, the company is required to allocate 1% of its net profit before adjusting deferred tax expenses/income annually to the CSR Fund for contributions towards corporate social responsibility initiatives. Accordingly, the company has established a CSR Fund and set aside the requisite amount. As of the reporting date, after contributing Rs. 84,15,000 across various sectors, the Fund has a remaining balance of Rs. 2,38,32,441, with certain commitments yet to be fulfilled. The company is in the final stages of preparing comprehensive CSR guidelines to ensure that annual CSR plans and programs are well-structured and systematically implemented. The in-process CSR guidelines include the following focus areas.

- A. Social Projects include initiatives in education, health, natural disaster relief, enhancement of income-generating capabilities for socially disadvantaged groups, insurance literacy, customer protection programs, and provision of insurance for underprivileged communities.
- B. Direct contributions towards insurance and education for marginalized communities
- C. Payment of insurance premiums to provide insurance coverage for marginalized populations affected by natural disasters, in accordance with the Government of Nepal's Poverty Alleviation Policy.
- D. Expenses related to child-care management for the company's employees
- E. Contributions towards activities related to natural disaster relief, civil disturbances, civil protests, or other events, including loss reinstatement, reconstruction, financial revival, and relief efforts, fund established by Nepal Government.

During the financial year 2081/82, the company has contributed the following amounts to the respective sectors:

Social Projects	Contribution Amount (Rs)
Contribution to Prime Minister Disasters relief fund	51,00,000
Contribution to Kathmandu Institute of Child Health	25,00,000
Contribution to United Community Hos pital (Kapilvastu)	4,65,000
National Childhood Cancer Alliance	3,50,000
Total	84,15,000

CORPORATE GOVERNANCE & COMPLIANCE REPORT



Compliance Report

The Compliance Department prepares a quarterly compliance report that outlines the Company's compliance status and instances of non-compliance, if any, with applicable laws, regulations, directives, guidelines, and circulars issued by the Nepal Insurance Authority, along with adherence to the Company's internal policies and procedures. The report is intended to provide assurance to regulators, enable the Board of Directors and management to discharge their duties with due care and oversight, identify and manage compliance risks at an early stage, strengthen corporate governance practices, build stakeholder confidence, and support informed decision-making. Overall, the compliance report demonstrates the Company's regulatory readiness and confirms that it operates in a controlled, compliant, and accountable manner to all stakeholders.

The compliance report, prepared and signed by the Head of Compliance, is placed before the Board of Directors for detailed discussion and review and, thereafter, submitted to the Nepal Insurance Authority within 30 days from the end of each quarter. During the financial year, the Compliance Department prepared and submitted four quarterly compliance reports to the Board and subsequently to the Nepal Insurance Authority within the stipulated timeframe. A summarized version of the compliance status is presented below.

S.N.	Particulars	Compliance Status
1	Insurance Act, 2079	Fully Complied
2	Insurance Regulation, 2081	Fully Complied
3	Investment Directive for General Insurers (With Amendment)	Fully Complied
4	Insurer's Corporate Governance, 2080	Fully Complied
5	Insurer's Financial Directive, 2080 (With Amendment)	Fully Complied
6	Claim Settlement Directive	Mostly Complied
7	Marine Insurance Directive	Fully Complied
8	Agent Training Directive, 2072	Fully Complied
9	Motor Insurance Directive, 2073	Fully Complied
10	Property Directive, 2080 (With Amendment)	Fully Complied
11	Risk Based and Solvency Directive, 2081	Fully Complied
12	AML/CFT Directive, 2081 (With Amendment)	Mostly Complied
13	Risk Based Internal Audit Directive, 2079	Fully Complied
14	IRMIS Guidelines, 2080	Fully Complied
15	Reinsurance Directive, 2080	Fully Complied
16	Risk Management Guideline, 2076	Fully Complied
17	Digital Policy Issuance Guideline, 2081	Fully Complied
18	Mobile Insurance Directive, 2076	Fully Complied
19	Directive for Insurers regarding Promoter Share, 2077	Fully Complied
20	IT Guidelines for Insurer, 2076	Fully Complied
21	Accidental Insurance Directive, 2078	Fully Complied
22	Guideline Related to Actuary Appointment for Insurers, 2081	Fully Complied
23	Earmarking of Fixed Deposit Guideline, 2081	Mostly Complied
24	Branch Operating Guidelines, 2079	Mostly Complied
25	Agriculture, Livestock and Herbs Directive	Fully Complied

NON-COMPLIANCE ISSUES AND REASONS FOR NON-COMPLIANCES

The Company is striving to comply with all applicable laws, regulations, directives, guidelines, circulars, and internal policies. However, frequent amendments to regulatory directives, guidelines, and circulars, interpretation gaps, human error and capacity constraints, system and technology limitations, operational complexity, and external dependencies are the main factors attributable to instances of non-compliance as depicted below.

S.N.	Particulars	Reason
1	Section 75 of Insurance Act, 2079: An insurer must provide micro-insurance to low income and marginalized community.	The company has been offering micro insurance products but the scale of acceptable is very low due to lower participation.
2	Section 123, Insurer must pay the claim within the stipulated time frame from the date of intimation of loss.	Despite the claim is lodged, all the documents substantiating the claims are not submitted timely.
3	Section 11(1) Employees by-laws should be approved from NIA before Implementation.	The preparation of employee's by-laws during the year 2081.82 was in progress and filed to NIA for approval within the Asad End, 2082 and approval was obtaining the first quarter of financial year 2082.83 and now it has been implemented.
4	AML/CFT Internal Policy and Procedures	AML/CFT directive was reissued by NIA despite the company had the AML/CFT policy and procedure prepared in accordance with the earlier directive. The Policy and procedure is now being revised based on the new directive issued on AML/CFT.
5	Section 12(3) Claim Settlement Directive: Decentralization of Claim payment Authority to Provincial Offices, Branch Offices and Sub-Branch Offices	The Company has adopted central payment system where real-time claim payment is done but claim settlement authority within certain limit is assigned to Provincial and Branch Offices.
6	Section 3(4) of Branch Operation Directive: Decentralization of Power to Branch Offices	Company has decentralized powers to Branches offices and the capacity of branches being reviewed for decentralization of more powers as per directive.

EFFECTIVENESS OF BOARD OF DIRECTORS

1. Composition and Independence of the Board

The Board of Directors comprises a balanced mix of promoter, public, and independent directors with diverse expertise in insurance, finance, risk management, law, strategy, and governance. This diversity enables informed decision-making. Independent Directors play a critical role in ensuring objectivity, safeguarding stakeholder interests, and strengthening Board independence.

2. Board Responsibilities and Strategic Oversight

During the year, the Board effectively discharged its core responsibilities, including:

- Setting the Company's strategic direction and approving key business plans and budgets.
- Overseeing financial performance, Investment diversification, capital adequacy and solvency position, efficient claim payments enhancing the committee's claim approval limit thereby enabling the company to pay all the claims pertaining to heavy rainfall that occurred during the year 2081.82.
- Ensuring compliance with applicable laws, regulations, and directives issued by the Nepal Insurance Authority
- Approving and monitoring key policies, including underwriting, reinsurance, investment, risk management, Employees service and conditions, compliance policies.
- Overseeing environmental, social, and governance (ESG) and sustainability initiatives

The Board actively reviewed management performance against approved objectives and ensured alignment between strategy, risk appetite, and operational execution.

3. Effectiveness of the Board and Its Committees

The Board functioned effectively through regular meetings, structured agendas, and timely circulation of information. During the reporting period, the Board met as required under the prevailing legal and regulatory framework, with active participation from all Directors. The Board also engaged with management and employees on matters related to departmental performance and other key areas, fostering knowledge sharing and the exchange of experience across the organization.

The Board Committees—namely the Audit Committee, Claim Settlement and Reinsurance Committee, Investment, Risk Management & Solvency Committee, Business Management Committee, AML/CFT Committee, Human Resource Committee and operated effectively within their defined terms of reference. These committees provided focused oversight on specialized matters and submitted regular reports and recommendations to the Board for deliberation and approval.

87

4. Board Performance Evaluation

A structured self-evaluation of the Board, its committees, and individual directors was conducted during the year. The evaluation covered areas such as:

- Board composition and skills mix
- Quality of deliberations and decision-making
- Effectiveness of committee oversight
- Adequacy and timeliness of information provided to the Board
- Oversight of strategy, risk management, and compliance
- Timeliness of Board and Committee meetings.

The results of the evaluation indicate that the Board has been operating effectively, with high levels of engagement, accountability, and collective responsibility. Identified areas for further improvement are being addressed through targeted actions, including training and enhanced information flow. The effectiveness of the Board is reflected by the consistent dividend payout marking highest in the non-life insurance sector after merger.

5. Risk Management and Internal Control Oversight

The Board maintained strong oversight over the Company's risk management framework and internal control systems. Through the Investment and Risk Management Committee and Audit Committee, the Board ensured that key risks—including underwriting, market, credit, operational, liquidity, and compliance risks—were identified, assessed, and managed within the approved risk appetite.

The Board also reviewed the Company's solvency position, including Risk-Based Capital (RBC) and Minimum Capital Requirement (MCR), as well as the preparedness and roadmap for implementing the Own Risk and Solvency Assessment (ORSA). The Board confirmed that the Company is ready for the full-fledged implementation of the Nepal Financial Reporting Standard-17 (NFRS-17).

6. Compliance and Ethical Governance

The Board received and reviewed quarterly compliance reports, internal audit reports, and regulatory correspondence. Based on these reviews, the Board is satisfied that the Company has generally complied with applicable laws, regulations, directives, and internal policies, and that appropriate corrective actions have been taken where gaps were identified.

The Board continues to foster a strong culture of integrity, transparency, and ethical conduct across the organization, supported by an effective Code of Conduct and a robust whistleblowing mechanism. Notable contributions during the financial year 2081/82 include the Board's active role in supporting the national economy and implementing Corporate Social Responsibility (CSR) initiatives.

7. Engagement with Stakeholders

The Board recognizes the importance of effective stakeholder engagement. During the year, the Board ensured transparent communication with shareholders, policyholders, regulators, employees, and other stakeholders through timely disclosures, annual reporting, and regulatory submissions.

8. Capacity Building and Continuous Improvement

The Board places strong emphasis on continuous strategic improvement and the adoption of the latest technologies to enhance service delivery. Directors actively participated in orientation programs covering regulatory developments, insurance market trends, risk management, and governance best practices. The Board remains committed to strengthening its effectiveness through ongoing capacity-building initiatives.

9. Conclusion

In conclusion, the Board of Directors is satisfied that it has effectively discharged its responsibilities during the year, as reflected in key performance indicators such as the claim settlement ratio, solvency ratio, dividend payout ratio, earnings per share, net worth per share, investment performance, ROA, and ROE. The Board affirms that it has provided sound leadership and oversight and remains confident in management's ability to execute the approved strategy while adhering to the established governance and risk management frameworks.

The Board remains committed to acting in the best interests of all stakeholders and to enhancing governance, performance, and sustainability of Siddhartha Premier Insurance Limited in the years ahead.

REPORT ON SUB-COMMITTEES' WORK PERFORMED AND THE MAJOR ACHIEVEMENTS

Investment, Risk Management and Solvency Committee

Periodic Review of Investment Portfolio: Regular and periodic reviews of the investment composition were conducted to ensure compliance with the limits prescribed by directives issued by the Nepal Insurance Authority. The reviews focused on maintaining adequate liquidity to meet liabilities on a timely basis while ensuring appropriate portfolio diversification and an optimal balance of risk and return across various investment classes.

Review of Solvency Margin and Risk-Based Capital: The Committee undertook a detailed review and deliberation on the Company's solvency margin, including its Risk-Based Capital (RBC) position. This encompassed an assessment of Available Capital Resources, Minimum Capital Requirement, and available diversification benefits. The Committee directed management to ensure full-fledged implementation of the Risk-Based Capital framework starting from fiscal year 2083/84.

Recommendation of Climate Risk Policy: The Committee recommended to the Board of Directors the approval of the "Climate Risk Policy, 2081", prepared in alignment with the Climate Risk Directive issued by the Nepal Insurance Authority. The policy aims to enable phased adoption of climate-resilient operations, supported by appropriate plans, programs, and strategic initiatives.

Recommendation of ORSA Action Plan: The Committee recommended to the Board of Directors the approval and implementation of the Own Risk and Solvency Assessment (ORSA) Action Plan, in line with regulatory requirements and the Company's risk management framework.

Climate-Resilient Investment: The Committee approved the Company's investment in NIFRA Green Power Bond 2088/89, reflecting the Company's commitment to climate-resilient and sustainable investment practices.

Review of Risk Management Reports: Risk reports prepared in accordance with the Company's Risk Management Policy were reviewed, focusing on identifying, assessing, and mitigating the various risks to which the Company is exposed.

Business Management Committee

Review and Recommendation of Business Plan: The Committee held detailed deliberations on the management-prepared portfolio-wise business targets and overall business plan and recommended the approval of the Business Plan for F.Y. 2081/82 to the Board of Directors.

Recommendation of Inbound Travel Insurance Policy: The Committee recommended to the Board of Directors the approval of the SPIL Inbound Travel Insurance Policy, in line with the Company's mission to provide appropriate insurance coverage to inbound travelers requiring such protection.

Review of Business Performance and Industry Growth: Regular and periodic comparative analyses were conducted on portfolio-wise business achievements against approved targets, along with a review of premium growth trends in the general insurance industry.

Recommendation of Sponsorship: The Committee recommended to the Board of Directors the approval of sponsorship for the SBL-Nepal Premium League, Season II, as part of the Company's branding and market visibility strategy.

Approval of Branding and Sales Promotion Initiatives: The Committee approved the branding and sales promotion budget and programs for F.Y. 2081/82, including the selection of appropriate advertising and promotional tools such as podcasts, digital reels, and other media platforms.

Initiatives for Corporate Rebranding: The Committee initiated and guided necessary and appropriate measures for the Company's rebranding under the name "SPIL", aimed at strengthening brand identity and market recognition.

Anti-Money laundering Committee

89

Periodic Review of AML/CFT Functions: Regular and periodic reviews were conducted of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) related functions and activities, with particular focus on premium collections, claims lodged and claims payments to ensure compliance with applicable laws and regulatory requirements.

Directions on Effective Implementation of AML/CFT Framework: The Committee provided necessary directions for the effective implementation of the Company's AML/CFT policies and procedures, including initiatives to update and strengthen the AML/CFT framework in line with the prevailing AML/CFT Act, Rules and Regulations, and directives and circulars issued by the Nepal Insurance Authority.

Regulatory Reporting to FIU and NIA: The Committee reviewed and ensured timely submission of threshold transaction reports, including high-, medium-, and low-risk transaction reports, as well as Suspicious Transaction Reports (STRs), to the Financial Information Unit (FIU) and the Nepal Insurance Authority, as required by regulatory provisions.

Claims settlement and Reinsurance Committee

Review of Claim Settlement Authority: Regular and periodic reviews were conducted on the claim settlement authority exercised by Management and the Claim Committee. Based on prevailing circumstances, the Committee recommended revisions to the claim approval limits to the Board of Directors, as deemed necessary.

Recommendation of Reinsurance Strategy: The Committee recommended to the Board of Directors the approval of the Reinsurance Strategy for F.Y. 2081/82, ensuring adequate risk transfer, capital protection, and compliance with regulatory requirements.

Directions on Reinsurance Recoveries and Compliance: The Committee issued instructions for the timely recovery of reinsurance receivables and emphasized the effective implementation of internal policies, along with strict adherence to directives and circulars issued by the Nepal Insurance Authority relating to claims and reinsurance matters.

Claims Approved During the Financial Year: During the financial year, the Claim Committee approved 78 claims amounting to Rs. 52.44 crores, while 12 claims aggregating Rs. 83.70 crores were referred to the Board of Directors for approval.

Human Resource Committee

Drafting of Employees' Bylaws: The Committee actively participated in the drafting of new Employees' Bylaws of the Company, designed to comprehensively cover and address the rights, responsibilities, and service conditions of all employees.

Employee Promotion and Appointment: The Committee approved employee promotions as recommended by Management and, where required, recommended eligible employee promotions to the Board of Directors. The Committee also reviewed proposals for new employee appointments and recommended such appointments to the Board of Directors for approval.

Revision of Salary Scale: The Committee recommended to the Board of Directors the revision of the employees' salary scale, with implementation of the revised pay structure effective from 1st Shrawan, 2082.

Employee Training and Development: The Committee recommended to the Board of Directors the participation of employees in training programs, seminars, and conferences held abroad, in line with the Company's capacity-building and human capital development objectives.

Implementation of Succession Policy: The Committee recommended to the Board of Directors the implementation of the Company's Succession Policy, aimed at ensuring leadership continuity and long-term organizational stability.

Audit Committee

Review of Internal Audit Reports: The Committee conducted quarterly discussions on Internal Audit Reports and issued necessary instructions to Management for the timely and effective implementation of the recommendations made by the Internal Auditor.

Quarterly Review of Financial Statements: The Committee carried out quarterly analyses of the Company's financial statements to ensure that they are free from material misstatements and errors and are prepared in accordance with applicable accounting standards and regulatory requirements.

Review of Internal Control System: The Committee reviewed the adequacy and effectiveness of the internal control system and departmental activities to ensure consistency with policies and procedures approved by the Board of Directors.

Recommendation for Appointment of NFRS-17 Consultants: The Committee recommended to the Board of Directors the appointment of NFRS-17 consultants to facilitate the timely and effective implementation of NFRS-17 starting from F.Y. 2082/83.

Recommendation for Appointment of Auditors: The Committee recommended to the Board of Directors the appointment of both Internal and External Auditors for the F.Y. 2082/83, in line with statutory and regulatory requirements.

EVALUATION OF THE BOARD'S PERFORMANCE BY ITSELF AND MANNER AND PROCESS OF SELF-EVALUATION

Siddhartha Premier Insurance Limited (SPIL) conducts an annual self-evaluation of the Board's performance. The evaluation is carried out by the Board itself through a structured self-assessment process based on predefined criteria. The assessment covers the effectiveness of the Board as a whole, its committees, and individual directors, including aspects such as strategic oversight, governance practices, risk management, compliance, and decision-making effectiveness. The outcomes of the self-evaluation are reviewed by the Board, and necessary measures are undertaken to enhance Board effectiveness and strengthen corporate governance.

The evaluation is carried out using self-assessment questionnaires and performance review discussions. The results are consolidated and reviewed by the Board, and the key observations are discussed in Board meetings. Based on the outcomes of the evaluation, appropriate action plans are formulated to address identified gaps and to enhance the overall effectiveness of the Board and its governance framework.

Following are the key areas of evaluation of board performance:

- strategic oversight and guidance,
- corporate governance practices,
- risk management and internal controls,
- regulatory compliance, and
- effectiveness of Board deliberations and decision-making.

MANAGEMENT'S REPORT

1. Overview of the financial Performance

The company is performing consistently in achieving its broad mission, vision and objectives in the best interest of its stakeholders. The financial results including revenue, net income and key financial metrics reflecting the performance of the company in the financial year 2081-82 is given as under.

a. Financial Results

During the financial year 2081/82, the Company collected gross premium of Rs. 4,310 million, of which approximately 99% comprised direct premium, with the remaining 1% portion attributable to premiums from reinsurance accepted. The Company's major source of income was net earned premium, which accounted for 66.66% of total income, followed by investment income at 17.41% and commission income contributing 15.93%. During the year, the Company ceded premiums amounting to Rs. 2,161 million, representing 50.44% of the gross earned premium of Rs. 4,192 million, and reflecting a prudent reinsurance strategy aimed at managing underwriting risk and capital protection. The composition of the Company's total income for the financial year 2081/82 is presented below.

Income	Current Year (Rs.)	Previous Year (Rs.)
Gross Earned Premiums	4,285,327,129	4,192,037,069
Premiums Ceded	(2,161,323,182)	(2,347,964,002)
Net Earned Premiums	2,124,003,947	1,844,073,067
Commission Income	507,459,320	559,620,926
Other Direct Income	29,236,003	30,420,594
Income from Investments & Loans	487,734,296	734,199,543
Net Gains/ (Losses) on Fair Value Changes	3,197,495	5,701,670
Net Realised Gains/ (Losses)	20,651,594	(153,422,571)
Other Income	13,892,742	16,266,203
Total Income	3,186,175,397	3,036,859,432

As at the reporting date, investments constituted 63.58% of the Company's total asset base, with the investment portfolio reaching Rs. 9,306 million. This was followed by reinsurance assets, which accounted for 19.39% of total assets, underscoring the Company's focus on asset diversification, liquidity management, and solvency support.

b. Financial Performance

The financial performance of the company for the financial year 2081-82 is given as under.

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Net Earned Premiums	2,124,003,947	1,844,073,067
Total Income	3,186,175,397	3,036,859,432
Net Claims Incurred	1,151,280,514.21	1,198,351,257.56
Total Expenses	2,113,635,454.46	2,160,855,982.78
Profit Before Tax	1,072,539,942.59	876,003,449.39
Income Tax Expense	316,741,779.05	187,814,298.00
Net Profit/ (Loss) For The Year	755,798,163.54	688,189,151.40

c. Key Financial Metrics

The Key financial metrics of the company calculated as per Nepal Insurance Authority circular as at 16thJuly, 2025 is given as under:

S.N.	Particular	Indicators	2081/82	2080/81
1	Net worth	NPR	7,700,476,857.80	7,763,842,211.74
2	Net Profit	NPR	755,798,163.54	688,189,151.39
3	Number of Shares	No.s	28,065,499	28,065,499
4	Earning per Shares (EPS)	NPR	26.93	24.52
5	Book value per shares	NPR	274.38	276.63
6	Dividend per Shares (DPS)	NPR	25.00	30.00
7	Market Price per Shares (MPPS)	NPR	840.35	859.90
8	Price Earnings Ratio (PE Ratio)	Ratio	31.21	35.07
9	Change in Equity	%	(0.82)	2.61
10	Return on Equity	%	9.90	8.98
11	Market Share	%	9.81	10.31
12	Solvency Margin	%	385.60	318.80
13	Retention Ratio	%	49.56	43.99
14	RI Commission Income/Premium Ceded	%	21.44	22.49
15	Management Expense Ratio	%	21.29	21.37
16	Employee Expense per Employee	NPR	1,127,674.77	1,043,250.91
17	Commission Ratio	%	0.78	0.90
18	Employee Expenses To Total Expenses (Excluding Claims & Benefits)	%	69.87	65.40
19	Expense Ratio	%	2.55	3.53
20	Loss Ratio	%	59.01	63.63
21	Combined Ratio	%	61.57	67.17

2. Operational Highlights

The Company provides a comprehensive range of non-life insurance services through a nationwide network of over 124 branches. The comparative Gross Written Premium (GWP) and Gross Claims Paid for the financial year 2081/82(16 July 2025) are presented below.

Particulars	Gross Written Premium (Rs.)	Gross Claims Paid (Rs.)
Property	1,544,805,302	1,112,708,635
Motor	1,386,098,834	968,421,520
Marine	269,764,114	105,438,885
Engineering	574,891,914	252,651,865
Micro	656,285	591,320
Aviation	13,774,652	-
Cattle and Crop	54,700,824	23,901,389
Miscellaneous	465,577,900	300,313,198
Total	4,310,269,825	2,764,026,812

The Company continues to strive to provide high-quality insurance services by introducing new insurance products tailored to the evolving needs of customers and by maintaining a strong focus on timely and hassle-free claims settlement. During the year, the Company settled **14,612** claims amounting to **Rs. 276 crores**, reflecting its commitment to efficient claims management and customer service.

The Company has maintained its investment portfolio in full compliance with the investment directives issued by the Nepal Insurance Authority (NIA) and in accordance with its approved Investment Policy. The liquidity ratio of the Company stood at 1.08%, calculated as per NIA regulations. The key investment-related ratios are enumerated below.

S.N.	Particular	Indicators	2081/82	2080/81
1	Long term Investments to Total Investments	%	28.96	26.38
2	Short term Investments to Total Investments	%	71.04	73.62
3	Total Investment & Loan to Gross Insurance Contract Liabilities	%	160.21	188.23
4	Investment in Shares to Total Assets	%	10.73	10.41
5	Investment in Unlisted Shares to Total Assets	%	0.74	0.78

3. Market and Industry Conditions

The non-life insurance market in Nepal comprises 14 companies and has been experiencing steady growth, driven by increasing awareness of insurance products, economic development, and regulatory reforms. Growth has been largely supported by rising demand for motor, health, property, and travel insurance.

Although smaller than both the life insurance market and global non-life insurance markets, the sector has maintained a healthy growth trajectory, with increasing penetration in urban and rural areas. This growth is attributable to economic development, regulatory support, awareness campaigns, and responses to natural disasters. Currently, the non-life insurance industry grows at an approximate rate of 11 % and contributes around 2.5% of the country's Gross Domestic Product (GDP).

Despite these opportunities, the industry continues to face several challenges, including relatively low insurance penetration in rural and semi-urban areas due to limited awareness and accessibility, a hardening reinsurance market, the prevalence of fraudulent claims, intense competition arising from similar product offerings, and limited disposable income among certain population segments, which constrains insurance affordability.

In response, non-life insurers are increasingly adopting digital tools to streamline operations, enhance customer experience, and expand market reach. Siddhartha Premier Insurance Limited (SPIL) remains at the forefront of the industry's digital transformation, leveraging technology to improve operational efficiency, strengthen customer engagement, and deliver accessible insurance solutions across diverse market segments.

4. Risk Management

The company has established a robust risk management framework and ensuring its effective implementation across all operations. Through structured procedures for identifying, assessing, and quantifying current and future material risks, the company seeks to mitigate exposures and manage risks appropriately. An integrated and proactive risk culture is being fostered, emphasizing risk awareness, ownership, timely reporting, and the inclusion of risk considerations in decision-making, thereby supporting smooth, sound, and prudent operations. The company also ensures compliance with relevant regulatory and legal requirements by adopting prudent practices. These initiatives collectively aim to promote sustainable business growth, maintain financial stability, and achieve the company's strategic objectives. The establishment of the Internal Control Department and Risk Management Department, along with clearly defined reporting relationships, are among the key initiatives undertaken to strengthen the company's risk management framework.

5. Strategic Initiatives and Future Outlook

The company continues to strengthen its market presence through digital innovation, customized product offerings, and expansion into underserved regions. By leveraging technology, partnerships, and data-driven solutions, it aims to enhance customer engagement, operational efficiency, and risk management. Looking ahead, the company is committed to sustainable growth by promoting insurance literacy, addressing climate-related risks, and developing products that meet evolving customer needs, positioning itself for long-term resilience and industry leadership. The following key areas have been identified for further exploration to accelerate the company's progress toward achieving its strategic objectives and desired goals.

a. Technology and Digital Innovation

The company is investing in technology to enhance distribution channels, improve customer engagement, and streamline claims processing. Through its mobile app and online platform, SPIL DIGI, customers can purchase policies and process claims remotely. AI and Robotic Process Automation (RPA) are being explored to improve risk assessment, fraud detection, and operational efficiency.

b. Market Expansion and Product Development

With a strong focus on underserved rural markets, the Company is strengthening outreach through collaborations with cooperatives, microfinance institutions, government-led programs, and digital platforms to enhance insurance accessibility. Tailored products for SMEs, agriculture, and microinsurance, complemented by expanded health and travel insurance offerings, form the cornerstone of the Company's strategy to accelerate market penetration and broaden insurance coverage.

c. Risk Management and Governance

Regulatory compliance and corporate governance remain central to sustainable growth. The company has followed risk-based audit approach and adherence to capital adequacy requirements ensure timely risk management and operational resilience.

d. Climate and Sustainability Initiatives

The company is addressing climate-related risks by developing products that enhance disaster resilience and promote environmental sustainability, in line with its Climate Risk Policy.

6. Corporate Governance

The company has been performing its activities duly adhering to the corporate governance directives issued by Nepal Insurance Authority by ensuring that the company meets the regulatory requirements by adopting best practices and foster a culture of transparency and accountability which are essential in building trust with stakeholders and contribute to the sustainable growth of the company.

The company has implemented various policies that are essential for effective internal control system. The company has a dedicated department entrusted for internal control and compliance for monitoring the effectiveness of internal control system and compliance activities in the company apart from all other departments as mandated by non-life corporate governance directive and other directives issued by Nepal Insurance Authority. The compliance review and internal audit are done in quarterly basis in order to oversee the governance system in the company. The management views corporate governance is an integral part of the activities of the company.

A corporate governance unit has been set up consisting of the following high-level employees which are entrusted with overseeing the governance on quarterly basis.

- Yogesh Krishna Shrestha-Dy. Chief Executive Officer-Coordinator
- Manoj Dhaurali-Chief Risk Officer-Member
- Sudarshan Acharya-Information Officer.

7. Liquidity and Capital Resources

The company has been managing its liquidity position quite effectively by ensuring that the company has sufficient liquid assets to timely serve its liability, particularly associated timely claims payments. The investment of the company in fixed deposits of bank and financial institution consists of 80% i.e NPR 640 crores of total investment of Rs. 800 Crores at cost.

The maturity profile of the fixed deposit maintained at bank and financial institutions as at 16th July, 2025 is given as under indicating that the company has adequate liquid assets to discharge its liabilities.

Maturity	0-1 Months	2-3 Months	3-6 Months	6-12 Months	12-24 Months	Total
FDs (in crores)	25.85	86.00	408.75	118.90	-	639.5

The company has complied with the investment directives for non-life insurance company issued by Nepal Insurance Authority and has invested its investible surplus in fixed deposits of banks and financial institutions ensuring that the company's investment in Fixed Deposit maturing within the period of 2 years is not less than gross claims outstanding as at 16th July, 2025 which is Rs. 2,842,951,129.

The capital resources of the company comprise mainly of paid-up share capital, special reserves, and retained earnings. The capital resources are maintained as prescribed by Nepal Insurance Authority and its approved risk-based capital for financial year 2081-82 is arrived at Rs. 492,01,05,377 and solvency ratio 385.6%.

8. Segment performance

In order to better understand and manage each class and sub-class of business, the company currently analyzes the performances of the following distinct classes of business it underwrites in quarterly, semi-annually and annually basis.

Segmental analysis has helped the company in identifying the growth opportunities, optimizing resources and improving overall profitability. The company is brainstorming further to segment the performance of the company in additional ways such as on the basis of demography, geography, distribution channels, Industry etc. It is worthwhile to note that the company is operating through the length and breadth of the nation through 126 plus branch networks and around 600 plus number of employees.

The segmental performance of the company on the basis of collection of premiums under different broad class of business it underwrites shows healthy growth with vast opportunities to excel as evidenced by low non-life insurance penetration compared to global insurance non-life insurance penetration. The table below shows the growth of premium with respect to previous financial year.

Particulars	Gross Earned Premiums 2081-82 (Rs.)	Gross Earned Premiums 2080-81 (Rs.)	% Growth
Property	1,524,974,792	1,280,207,689	19.12
Motor	1,441,956,984	1,493,208,580	(3.43)
Marine	263,895,242	307,093,032	(14.07)
Engineering	530,879,155	588,973,782	(9.86)
Micro	554,635	6,365,151	(91.29)
Aviation	15,894,216	36,141,610	(56.02)
Cattle and Crop	59,225,278	79,385,604	(25.40)
Miscellaneous	447,946,826	400,661,620	11.80
Total	4,285,327,129	4,192,037,069	2.23

The segmental result is very promising as all the class of business except Aviation are operating profitably as evidenced from the following table for the financial year 2081-82.

Particulars	Total Income (Rs.)	Total Expenses (Rs.)	Segment Result (Rs.)
Property	793,061,057	516,667,518	276,393,538
Motor	1,025,821,429	991,474,164	34,347,265
Marine	315,335,832	120,358,259	194,977,573
Engineering	238,544,946	146,251,988	92,292,957
Micro	641,079	77,834	563,245
Aviation	8,308,888	12,549,970	(4,241,083)
Agriculture	20,264,493	16,837,826	3,426,668
Miscellaneous	258,721,547	239,520,675	19,200,873
Total	2,660,699,271	2,043,738,234	616,961,036

9. Acknowledgement

The Management expresses sincere gratitude to Board of Directors, shareholders, policyholders, business partners, employees, regulators, and all stakeholders for their continued trust, cooperation, and support. The Company remains committed to delivering sustainable value and strengthening its position as a trusted non-life insurer in Nepal.

Chief Executive Officer

MAJOR POLICIES AND PRACTICES

Siddhartha Premier Insurance Limited (SPIL) has established a comprehensive framework of policies to ensure sound governance, effective risk management, regulatory compliance, and efficient operations across all levels of the organization. These policies provide clear guidance for strategic decision-making, underwriting and investment activities, claims management, use of technology, internal controls, and human resource management, while also addressing emerging areas such as climate risk and digitalization. By aligning its policies with regulatory requirements and best industry practices, SPIL promotes transparency, accountability, operational efficiency, and long-term sustainability, thereby safeguarding the interests of policyholders, shareholders, employees, and other stakeholders.

The company has the practice of periodically reviewing and revising each policy to incorporate necessary regulatory changes, align with evolving market requirements, and reflect best industry practices. The list of policies and practices are listed below.

S.N.	Policies	Purpose of Policies
1	Investment Policy, 2081	SPIL invests funds prudently in government securities, corporate bonds, infrastructure projects, and other approved instruments, aiming to balance risk, liquidity, and returns while complying with regulatory guidelines.
2	Claim Settlement Policy, 2079	Provides a structured process for assessing, verifying, and settling claims promptly, ensuring fairness, transparency, and customer satisfaction, while mitigating fraud and operational risk.
3	Reinsurance Policy, 2079	Defines the framework for transferring risks to reinsurers, including proportional and non-proportional arrangements and catastrophic coverage, to protect the company's solvency and manage large exposures.
3.1.	Reinsurance Niti for F.Y 2081.82	The Reinsurance Niti for Fiscal Year 2081/82 outlines SPIL's prudent and compliant approach to risk transfer, protecting capital, ensuring underwriting stability, and supporting business continuity and stakeholder interests.
4	Risk Management Policy, 2080	Outlines the identification, assessment, monitoring, and mitigation of financial, operational, strategic, and catastrophic risks, ensuring enterprise-wide risk governance and compliance with regulatory standards.
5	Information Technology Policy, 2080	Covers IT infrastructure, cyber-security, data protection, system access, and digital solutions, ensuring secure, efficient, and reliable operations across all business functions.
6	Underwriting Policy, 2079	Sets criteria for risk acceptance, pricing, and portfolio management across different lines of business, maintaining a balance between business growth and risk exposure.
6.1	Underwriting Philosophy	The purpose of the underwriting philosophy of Siddhartha Premier Insurance Limited (SPIL) is to provide a clear framework for evaluating and accepting risks in a consistent and responsible manner. It supports informed underwriting decisions, balances growth with risk control, ensures appropriate pricing and coverage terms, and contributes to the Company's long-term financial stability while meeting regulatory and policyholder expectations.
7	Climate Risk Policy, 2081	Supports environmentally sustainable initiatives, climate-resilient insurance products, and mitigation of ecological risks, aligning business operations with social and environmental responsibility.
8	Risk-Based Internal Audit Policy, 2080	Focuses on auditing areas of highest risk and operational significance, enhancing internal controls, ensuring regulatory compliance, and promoting accountability and efficiency.
9	Succession Policy	Defines processes for leadership continuity, talent development, and key position succession to ensure business stability and organizational resilience.
10	Digital Policy Issuance Policy, 2080	Facilitates online issuance, renewal, and management of insurance policies, improving operational efficiency, customer convenience, and transparency.
11	Financial Bylaws, 2080	Regulate financial management, accounting practices, budgeting, and fund utilization to maintain fiscal discipline, transparency, and compliance with statutory and regulatory requirements.
12	Board of Directors roles and responsibilities and meeting conducting procedures, 2081	Explains the roles and responsibilities of BOD and BOD level committees along with the structured process of conducting meetings.
13	Employees Bylaws, 2082	Outline employment terms, conduct, rights, benefits, performance evaluation, and workplace policies, ensuring a structured, fair, and motivating work environment.



RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK

The company view risks management system as an integral part of its daily operations intended for identification, assessment and prioritization of risks for which the company applies the resources (People, Process & Technology) in a coordinated and economical manner in minimizing, monitoring and controlling the possibility of surprises or to reduce the frequency and severity of impact caused by unforeseeable events or risks the company is or might be exposed to.

In order to manage the risks that the company faces, both internal and external, has prepared and implemented its risk management policy which guides and expected to guide the company in management of risks timely. The company has a dedicated department and risk management committee chaired by board members, Chief Executive officer and head of risk department to look after the risks for attainment of the following objectives.

- A. Establish a risk management framework of the company and to ensure companywide implementation.
- B. Ensure that the company's current and future material risk exposures are mitigated and managed appropriately by following the structured procedures and process of identification, assessment, quantification etc.
- C. Develop an integrated, proactive and desired risk culture (comprising of awareness of risk, willingness to raise risks, ownership of risk and inclusion of risk in decision making) for smooth, sound and prudent operation of the company's activities.
- D. Ensure that relevant regulatory and legal requirements if any are met through adoption of prudent practices.
- E. Ensure sustainable business growth with financial stability in achievement of the objectives of the company.

The following the major categories of risks the company regularly manages in discharge its day-to-day activities.

I. Insurance Risk

- a. Underwriting Risks
- b. Claims handling
- c. Reinsurance
- d. Reserving
- e. Pricing
- f. Product Development

II. Credit Risk

III. Liquidity Risk

IV. Market Risk

V. Operational Risk

- a. Legal and compliance Risk
- b. Information Technology Risk

VI. Environmental and Social Risk

The risk management governance structure of the company is depicted as under.



The risk management process adopted by the company to address the risks associated the company's fundamental business actions undertaken at all the departments, provincial offices, branches/sub-branches emanating from internal and external sources consist of the following stages/steps:

- A. Establishing the Context
- B. Risk Assessment
 - I. Risk Identification
 - II. Risk Analysis/quantification
 - III. Risk Evaluation
- C. Risk Treatment/Mitigation Plan
- D. Monitoring, Review & Reporting
- E. Communication and Consultation

99

Risk Assessment, Measurement, Monitoring and Reporting

The company has adopted qualitative, quantitative and risk prioritization tools in assessment and measurement of risk the company faces for risk mitigation and control. Risk tolerances are defined by the BOD from time to time and risks are appropriately and timely handled either by avoiding, reducing and transfer. The company has entered the reinsurance treaties at the beginning of the financial year so as to safeguard from risks the company has accepted by issuing insurance policies under different portfolio. The company's net retention of the insurance policies issued under different lines are determined based on company's capacity to assume risk taking into consideration the net-worth and other factors consistent with the directives issued by Nepal Insurance Authority.

Siddhartha Premier Insurance Ltd. (SPIL) has incorporated the Lines of Defense in its risk management framework to ensure effective risk identification, management, and oversight across the Company. The framework comprises: business and operational management as the first line of defense; risk management and compliance functions as the second line; internal audit and control department as the third line; and the Risk Management Committee as the fourth line, providing oversight and governance over the risk management process.

The Risk Management Department prepares a quarterly Risk Register that clearly documents each risk, including its ID, date, business area, description, affected stakeholders, likelihood, impact, and overall score. Risks are rated as High, Medium, or Low, and a risk matrix is constructed by multiplying the likelihood and impact scores, providing a visual tool for prioritization and informed decision-making.

Risk reporting is an integral part of the Company's risk management process and is critical for effective monitoring. The results of risk assessments and risk reports are regularly and continuously presented to the Board of Directors and the Risk Management Committee, ensuring that risks are identified early and proactively managed.

The Company has calculated its solvency position as at 16 July 2025 in accordance with the Risk-Based Capital Directive, 2022 issued by the Nepal Insurance Authority. The Company has also initiated the drafting of its Own Risk and Solvency Assessment (ORSA) Policy, along with the Climate Risk Policy, 2081 effectively implemented in line with the Climate Risk Directive, 2078, as an integral part of its risk management framework.

RISK BASED CAPITAL AND SOLVENCY POSITION

The total risk-based capital requirement for Siddhartha Premier Insurance Ltd. as on Ashad 32, 2082 is Rs. 1,276.03 million, representing the aggregate capital required to support the Company's exposure to various quantifiable risks in accordance with the prevailing regulatory framework. The break-up of the Risk-Based Capital gives insight into the various risk components of the RBC requirement for the Company.

Market Risk accounts for the biggest part of the RBC requirement, contributing 54% or Rs. 694.78 million. This is a measure of the sensitivity of the Company's operations to interest rates, spreads, stock prices, foreign exchange rates, and asset concentration risks in the context of the Company's investment portfolio. The dominant weight of market risk also signifies the business model of the company which consists of a large investment portfolio.

The **non-life insurance risk** accounts for 50% (Rs. 639.34 million) of the total RBC. This particular component takes into consideration the inherent risks that are involved in underwriting activities and the risk from catastrophic events. The amount of capital required for non-life insurance risk indicates the sensitivity of the company to the uncertainty in the claims experience. This highlights the importance of sound underwriting and claims handling practices along with appropriate reinsurance arrangements.

Counter-party default risk contributes 15% (Rs. 196.19 million) to the total RBC requirement. It exists due to the possibility of default by reinsurers, intermediaries, and financial counter parties with which the Company does business with. Although significant, its proportion, even otherwise, indicates a reasonably diverse counter party risk profile maintained by the Company.

Operational risk accounts for 9% (Rs. 116.00 million) of the overall RBC requirement. This can be attributed to the potential impact of loss emanating from inadequate or failed internal processes, systems, and personnel, as well as external events. The fact that operational risk makes a lower contribution suggests that operational risk does not form a significant component in the overall capital requirements but still requires attention through internal control processes.

The **diversification benefit** is -29% of the total RBC, resulting in a net reduction of -370.29 million in the total capital requirement of the Company. This aptly captures the impact of imperfect correlation of various categories of risks, whereby the total capital requirement is less than the sum of various individual risks. The diversification benefit has resulted in an improvement in the solvency position of the Company.

In summary, the Company's RBC profile is primarily driven by market risk, non-life insurance risk, counter-party default risk and operational risk, with diversification benefits providing meaningful capital relief. The overall capital position of Siddhartha Premier Insurance Ltd. remains supported by a balanced risk profile and ongoing focus on risk management, underwriting discipline, and investment oversight.

The **total available capital resources** of Siddhartha Premier Insurance Ltd. amount to Rs. 4,920.11 million. This is against a Risk-Based Capital (RBC) requirement of Rs. 1,276.03 million. This results in a solvency surplus of Rs. 3,644.07 million. The Company's solvency ratio stands at 385.6%, which is significantly higher than Supervisory Target Capital Level set by the RBC and Solvency Directive, 2025. This shows that the Company has a strong capital buffer and can absorb negative changes from its risk exposures.

The strong solvency ratio indicates that the Company's available capital is more than enough to support its risk profile. The surplus over the regulatory limit reassures us about the Company's financial strength and reflects careful capital management. The Company's paid-up capital of Rs. 2,806.55 million also supports this solvency position by making up a significant part of the available capital.

The **Minimum Capital Requirement (MCR)** is defined as one-third of the RBC requirement and amounts to Rs. 425.34 million. MCR serves as the ultimate safety net for the protection of policyholder interests. The Company's Tier 1 capital alone, totaling Rs. 4,920.11 million, is enough to cover the MCR completely, without depending on Tier 2 capital. As a result, the Company has an MCR surplus of Rs. 4,494.76 million. The MCR ratio of 1,156.7% shows a very strong capital position compared to the minimum required level.

Overall, both the solvency ratio and the MCR ratio show that Siddhartha Premier Insurance Ltd. is in a solid financial position, with capital levels that greatly exceed regulatory requirements. This strong capital adequacy improves policyholder protection and provides a stable foundation for the Company's ongoing operations and future growth.

CLIMATE RISK DISCLOSURE

1. Policy and Governance

SPIL recognizes climate change as a material risk that can affect both the insurance business and the broader economy. The Company has implemented a Climate Risk Policy, 2081 approved by the Board of Directors to identify, assess, manage, and disclose climate-related risks. Oversight of climate risk management is integrated into the Risk Management Committee and reported regularly to the Board.

2. Identification and Assessment of Climate Risks

SPIL categorizes climate risks into:

Physical Risks: SPIL classifies potential losses arising from natural disasters—such as floods, earthquakes, landslides, and extreme weather events—as physical risks. To effectively mitigate these risks, the Company systematically analyzes historical loss data based on both frequency and severity, enabling improved risk assessment, informed underwriting decisions, and the implementation of appropriate risk mitigation and reinsurance strategies.

Transition Risks: SPIL classifies financial impacts arising from changes in regulations, policies, or market preferences aimed at reducing carbon emissions, potentially affecting underwriting, investments, and asset valuations into transitional risks. The Company has been monitoring such transition risks to adapt its risk management and business strategies accordingly.

Liability Risks: SPIL classifies climate related insurance claims under liability insurance policies and direct legal claims against insurers for failing to manage climate risks into liability risks.

The Company employs actuarial models, historical data analysis, and risk mapping to quantify and assess potential climate-related exposures. The Company identifies climate change-related risks that may impact its operations, particularly in areas such as pricing, underwriting, claims, reserving, reinsurance, investments, capital structure, human resources, and physical infrastructure. These risks are assessed across business lines, industries, economic sectors, and geographical locations, including their interaction with and impact on the Company's conventional risk exposures.

3. Risk Mitigation and Management

SPIL adopts a multi-pronged approach to mitigate climate risks:

- **Underwriting Strategy:** Inclusion of climate risk considerations in property, fire, and catastrophe insurance lines.
- **Reinsurance Programs:** Transfer of high-risk exposures to reinsurers to limit potential losses from extreme events.
- **Investment Policy:** Prioritization of environmentally sustainable and socially responsible investment opportunities, including government bonds, infrastructure projects, and green finance instruments.
- **Operational Measures:** Implementation of business continuity planning, disaster preparedness, and IT infrastructure resilience to address climate-induced operational disruptions.

4. Disclosure and Reporting

SPIL is preparing the disclosure and reporting framework of climate risk exposures and mitigation measures in line with regulatory requirements, including Nepal Insurance Authority (NIA) guidelines, and voluntary sustainability frameworks where applicable. The Company has disclosure shall be related to:

- Key climate-related risks and potential financial impacts.
- Measures taken to manage or transfer climate-related risks.
- Investment strategies aligned with sustainability and climate-conscious objectives.

5. Future Outlook

SPIL is committed to continuous enhancement of climate risk management, including:

- Adoption of advanced climate modeling and scenario analysis.
- Integration of climate risk considerations into overall risk management (RM).
- Enhanced reporting and stakeholder engagement on climate-related disclosures.

SPIL systematically integrates climate risk considerations into its underwriting, investment, and operational practices, demonstrating a commitment to financial resilience, policyholder protection, and sustainable business growth while contributing to national efforts on climate change mitigation and adaptation.

ADEQUACY OF REINSURANCE COVERAGE

Siddhartha Premier Insurance Limited (SPIL) follows a prudent and well-structured reinsurance policy to manage underwriting risks and protect its financial strength. The Company places reinsurance arrangements with financially sound and reputable reinsurers in compliance with prevailing regulatory requirements. The reinsurance program is designed to limit exposure to large and catastrophic losses, maintain adequate risk retention levels, and ensure business continuity.

The Company arranges both treaty and facultative reinsurance covers. Treaty reinsurance is obtained for defined classes of business to provide automatic and continuous risk sharing within agreed limits. The treaty arrangements for reinsurance management includes the following.

- **Proportional Coverage:** Property Surplus Treaty, Marine Surplus Treaty, Engineering Surplus Treaty, Medical-Quota Share and Surplus Treaty
- **Non-proportional Coverage:** Property XOL and CATXL treaty, Motor working XOL

Facultative reinsurance is arranged on a case-by-case basis for large or specialized risks that exceed treaty retention or require specific underwriting considerations. The reinsurance policy is reviewed periodically by management to ensure alignment with the Company's risk profile, business strategy, and regulatory guidelines.

There are other types of reinsurance coverage by the company which are mentioned below.

- **Pool Arrangement:** RSMDST for Property, Engineering, Miscellaneous and Motor lines of business, Agriculture Quota Share, Motor Third Party-Market Sharing
- **Mandatory Cession:** Domestic Reinsurer's Viz. Nepal Re and Himalayan Re.

Adequacy of Reinsurance Coverage (Including Catastrophic Reinsurance)

Qualitative Disclosure

The Company maintains an adequate and comprehensive reinsurance program to manage its underwriting risk exposure, including exposure arising from catastrophic events. The reinsurance arrangements are structured to ensure that the Company's net risk retention remains within its risk appetite and financial capacity. Catastrophic reinsurance protection is obtained to mitigate the impact of low-frequency, high-severity events such as earthquakes, floods, fires, and other natural or man-made catastrophes.

The adequacy of reinsurance coverage is assessed through periodic reviews of the Company's risk profile, portfolio mix, loss experience, probable maximum loss (PML) estimates, and regulatory requirements. Reinsurance programs are placed with financially sound and reputable reinsurers to ensure timely recovery of claims. Management regularly evaluates the effectiveness of the reinsurance arrangements and makes necessary adjustments to support business growth, capital protection, and solvency stability.

Quantitative Disclosure

The Company has structured its reinsurance program to provide sufficient coverage for both normal underwriting risks and catastrophic losses. Retention limits, treaty capacities, and catastrophic cover limits are determined based on underwriting capacity, capital base, historical loss trends, and exposure analysis.

Catastrophic reinsurance coverage is designed to protect the Company against losses exceeding its retention limits up to the maximum limits specified in the reinsurance treaties. As at the reporting date, the reinsurance arrangements are considered adequate to cover potential catastrophic losses within reasonable stress scenarios, and the Company's net exposure to a single catastrophic event remains within regulatory and internally approved limits.

Reinsurance recoverable arising from ceded premiums and claims are monitored regularly, and no material concentration risk with respect to reinsurers has been identified.

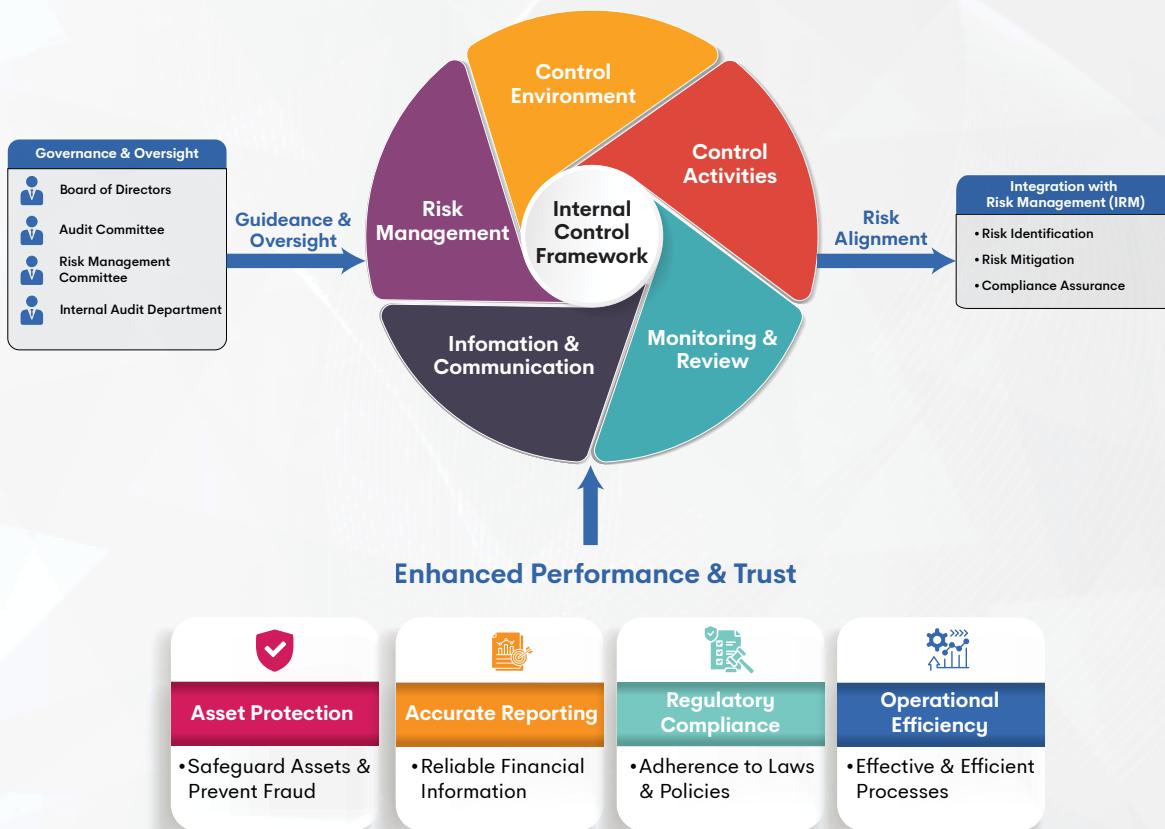
Reinsurance Partnerships:

The Company maintains strategic reinsurance partnerships with reputable national and international reinsurers to effectively manage underwriting risks, enhance capacity, and protect its financial stability. These partnerships support the Company in mitigating large and catastrophic losses while ensuring compliance with regulatory requirements.

The list of the major brokers/reinsurers of the company are provided below.

S.N	Reinsurers/Brokers	Entity Type
1	Active Capital Reinsurance Ltd. (Active Capital Re)	Foreign
2	Asian Reinsurance Corporation (Asian Re)	Foreign
3	Best Meridian International Reinsurance Company	Foreign
4	CICA Re	Foreign
5	General Insurance Corporation of India Limited (GIC Re)	Foreign
6	GIC-Bhutan Reinsurance Company Limited	Foreign
7	Hannover Re	Foreign
8	Himalayan Reinsurance Limited	Domestic
9	J.B. Boda & Co. Pte. Ltd., Singapore (JBBoda)	Foreign
10	J.B. Boda & Co. Pvt. Ltd., Mumbai (JBBoda)	Foreign
11	Kenya Reinsurance Corporation Limited	Foreign
12	Nepal Reinsurance Company Limited	Domestic
13	New India Assurance Company Limited	Foreign
14	Pioneer Insurance & Reinsurance Brokers Pvt. Ltd., Mumbai	Foreign
15	Protection Reinsurance Brokers W.L.L.. Bahrain (Protection Re)	Foreign
16	Shridhar Insurance Brokers Pvt. Ltd., New Delhi	Foreign
17	Societe Tunisienne de Reassurance	Foreign
18	Symbo Insurance Brokers Pte. Ltd., Singapore	Foreign

SPIL's INTERNAL CONTROL FRAMEWORK



1. Objective of Internal Control Framework

The Internal Control Framework of SPIL is designed to ensure:

1. Protection of company assets against loss, fraud, and misuse.
2. Accuracy and reliability of financial reporting and operational information.
3. Compliance with relevant laws, regulations, directives/circulars and company's internal policies.
4. Efficient and effective operations aligned with organizational objectives.

2. Components of Internal Control

SPIL follows a structured framework, aligned with COSO principles, comprising the following key components:

a. Control Environment

1. Establishes the foundation for internal controls through ethical values, integrity, and competence.
2. Defined organizational structure with clear reporting lines and delegated authorities.
3. Board of Directors and senior management actively promote accountability, transparency, and ethical behavior.

b. Risk Assessment

1. Periodic identification, evaluation, and prioritization of risks that may impact operations, financial reporting, and regulatory compliance is performed by Risk Management Department.
2. Assessment covers all functional divisions prioritizing underwriting, claims management, investments, reinsurance, and operational risks consistent with the risk management policy of the company.
3. Dynamic risk assessment ensures emerging risks (e.g., climate, cyber, regulatory) are addressed promptly.

c. Control Activities

Policies and procedures implemented across all business processes to mitigate risks consistent with the approved Standard Operating Procedures.

Examples include:

- Segregation of duties under each departmental activity.
- Authorization and approval processes for each departmental activity.
- IT access controls and system security measures.
- Reconciliation and verification of inter-departmental functions and activity.

d. Information & Communication

1. Robust channels for timely and accurate flow of information across all levels.
2. Internal communication includes management reporting, operational dashboards, and compliance updates.
3. External communication ensures transparency with regulators, auditors, policyholders, and stakeholders.

e. Monitoring & Review

1. Continuous monitoring of internal control effectiveness through internal audits, management reviews, and compliance checks.
2. Periodic evaluation of control weaknesses with corrective action plans.
3. Internal Audit Department reports directly to the Audit Committee, ensuring independence and accountability.

3. Governance and Oversight

Board of Directors: Overall responsibility for internal controls and risk management.

Audit Committee: Monitors internal controls, compliance, and financial reporting.

Risk Management Committee: Assesses and monitors operational, investment and other relevant risks to which the company may be exposed to.

Internal Audit Department: Conducts regular audits, testing of controls, and evaluates process efficiency.

4. Integration with Risk Management

1. Internal controls are closely aligned with SPIL's Risk Management framework.
2. Risks identified during risk assessment are mitigated through control activities.
3. Helps maintain solvency, regulatory compliance, and stakeholder confidence.

EFFECTIVENESS OF INTERNAL CONTROL SYSTEM

SPIL has a dedicated department, namely the Internal Control Department, for providing reasonable assurance that the company's operations are efficient, financial reporting is reliable, and compliance with laws and regulations is maintained. The company measures the effectiveness of its internal control system based on the following criteria:

1. Risk Management and Mitigation

Internal control department checks the effectiveness of internal control system in identifying, evaluating, and mitigating the operational, financial, compliance and other relevant risks associated with the various functional departments and ensures if the risk exposure is within the company's defined risk appetite.

2. Reliability of Financial Reporting

Internal control department ensures accuracy, completeness, and timeliness of financial statements published quarterly and yearly detecting and preventing the errors, fraud and misstatements if any.

3. Operational Efficiency

Internal control department helps to streamline processes, reduce redundancies, and improve financial and non-financial resource utilization by promoting adherence to company policies and standard operating procedures.

4. Regulatory Compliance

It ensures adherence to Nepal Insurance Authority (NIA) guidelines, Companies Act, and other applicable laws which mitigates the risks arising from legal or regulatory breaches if not complied resulting into penalties from noncompliance.

5. Monitoring and Continuous Improvement

The department regularly monitors branch offices, departmental work procedures following the risk-based approach through internal audits, risk reviews thereby identifying the lapses against the standard and correctly prompting for necessary actions ensuring continual improvement.

6. Governance Support

It provides the management, audit Committee as well as Board of Directors the assurance on the effectiveness of operations and reliability of reporting for facilitating informed decision making and good corporate governance.

Hence, based on the above functions of the Internal Control Department and its structured reporting framework to management, the Audit Committee, and the Board of Directors, the functioning of the Internal Control Department is assessed to be effective, appropriate, and commensurate with the size and nature of the Company's operations. The internal control system consistently achieves its objectives of safeguarding assets, ensuring reliable financial and operational reporting, promoting operational efficiency, and ensuring compliance with applicable laws and regulations. The overall effectiveness of the Company's internal control system is highly dependent on strong management oversight, well-defined policies and procedures, competent and trained personnel, and a robust system of continuous monitoring and review.

IT SYSTEMS, CONTROLS & CYBER SECURITY

1. IT Governance and Policy Framework

SPIL has established a comprehensive IT Governance and Policy Framework to effectively mitigate technology-related risks and ensure secure, reliable, and efficient IT operations. The framework comprises well-defined IT policies and procedures covering key areas such as physical security, network security, password management, access controls, and incident response management, enabling the Company to protect its information assets, maintain system integrity, and ensure timely response to IT-related incidents.

2. Digital Transformation Initiatives

SPIL has undertaken significant digital transformation initiatives through the implementation of advanced digital platforms such as SPIL Digi with Claims Client Portal and online policy purchase portal. These initiatives have enhanced operational efficiency by streamlining internal processes while significantly improving customer experience by offering seamless, user-friendly, and convenient self-service solutions for policy and claims-related services.

3. Secure Data Center Infrastructure

SPIL has maintained a secure and scalable in-house Data Center at its Head Office, designed to support reliable and uninterrupted IT operations. The Data Center is equipped with controlled physical and environmental conditions, redundant power supply and cooling systems, and robust secure access controls, ensuring the protection, availability, and resilience of critical IT infrastructure.



4. Disaster Recovery and Business Continuity

SPIL has established a well-defined and effectively managed Disaster Recovery (DR) framework as part of its business continuity planning. A dedicated DR site is in place to ensure timely restoration of critical IT systems and operations in the event of natural disasters, cyber incidents, or other unforeseen disruptions, thereby minimizing downtime and ensuring continuity of essential business services.

5. Data Backup and Recovery Management

SPIL follows robust Data Backup and Recovery Management practices by securely storing data backups at geographically dispersed locations to safeguard against data loss and system failures. In addition, the Company conducts regular disaster recovery drills to validate the confidentiality, integrity, and availability (CIA) of data, ensuring readiness and reliability of systems during disasters or unforeseen events.

6. Cyber Security Controls

SPIL has implemented robust Cyber Security Controls to protect its IT systems and data from evolving cyber threats. These controls include the deployment of advanced firewalls, intrusion detection and prevention systems, and endpoint protection solutions, along with the use of encryption technologies, multi-factor authentication (MFA), marker-checker controls, and secure access mechanisms to prevent unauthorized access and ensure data security.

7. Cybersecurity Awareness and Training

SPIL places strong emphasis on Cybersecurity Awareness and Training by conducting regular training and awareness programs for employees. These initiatives focus on equipping staff with the knowledge and skills to identify, prevent, and respond to potential cyber threats, fostering a security-conscious culture across the organization.

8. Information Security Audits and VAPT

SPIL conducts periodic Information Security (IS) audits and performs regular Vulnerability Assessment and Penetration Testing (VAPT) to identify potential security gaps and vulnerabilities within its IT systems. These measures ensure that security controls remain effective, up-to-date, and capable of protecting the organization against emerging cyber threats.

9. Regulatory Compliance

SPIL ensures full regulatory compliance with the Insurer IT Guidelines, 2076, issued by the Nepal Insurance Authority. Audit findings are carefully reviewed, and timely corrective actions are implemented to maintain adherence to regulatory requirements and strengthen the company's IT governance framework.

10. Continuous Improvement and Resilience

SPIL is committed to continuous improvement and resilience by regularly enhancing IT systems and controls based on audit outcomes and emerging risks. This proactive approach ensures the Company maintains a secure, resilient, and reliable IT environment, capable of supporting ongoing operations and safeguarding critical business assets.



FINANCIAL STATEMENTS & RELATED DISCLOSURES



अध्यक्षको मन्तव्य

यस बत्तिसौ वार्षिक साधारण सभामा शेयरधनी महानुभावहरूलाई स्वागत गर्न पाउँदा म अत्यन्त हर्षित भएको छु । नेपाली वीमा वजारमा आफ्नो छुटै पहिचान बनाई वीमितहरूको आकांक्षा अनुरूप वीमा सेवा प्रदान गर्न कम्पनी सफल भएको छु भने ग्राहकमुखि व्यवहार एवं कार्यशैलि, समयमा नै सरलकृत तरिकावाट दावी भुक्तानी गर्ने अभ्यासको कारण कम्पनी प्रति वीमितहरूको अटुट विश्वास अभिवृद्धि भै रहेको अनुभुति गरेको छु । नविन प्रविधि प्रयोग गरी सेवाको गुणस्तरीयतालाई कायम गर्दै उत्कृष्ट सेवा प्रवाह गर्न निरन्तर प्रयासरत रहेका छौ । गुणस्तरीय वीमा सेवा प्रवाह गर्ने र उच्चतम प्रतिफल दिने लक्ष्यलाई साकार गराउन पाउँदा मलाई सन्तोष लागेको छु ।

आफ्नो काम कारबाहिलाई परिणाम मुखि बनाई, आर्थिक क्षेत्रमा देखिएका कावु वाहिरको परिस्थितिको वावजुद पनि व्यवसायिक निष्ठाका साथ कम्पनीलाई समृद्ध बनाउने दिशामा निरन्तर लागि परेका छौं । अहिलेको मुख्य चुनौति भनेको जलवायु परि वर्तनको कारण सृजित मौसमजन्य घटना एवम् प्रकृतिक विपत्तिले निम्त्याउने सम्भावित जोखिम रहेको छु । २०८२ भाद्र २३ र २४ गतेको जेन-जी आन्दोलनको क्रममा भएको आगजनी तथा तोडफोडको कारण सरकारी तथा व्यक्तिगत सम्पत्ति, राष्ट्रिय सम्पदामा अकल्पनिय क्षति भएको छु । ठूलो मात्रामा भौतिक सम्पत्ति क्षतिले निर्जिवन वीमा कम्पनीको वित्तीय सन्तुलनलाई दिर्घकालिन छ्यासर पार्ने देखिएको छु भने मुलुकको आर्थिक, वित्तीय एवम् व्यवसायिक क्षेत्रलाई नकारात्मक प्रभाव पार्ने हुदा यसको असर निर्जिवन वीमा व्यवसायमा समेत पर्ने देखिन्छ । यस घटनाको कारण क्षती भई यस कम्पनीमा वीमा दावी परे का सम्पत्तिको दावी फर्द्धयौट र भुक्तानी कार्यलाई महत्वका साथ सम्पादन गर्दै आएका छौं ।

आर्थिक क्षेत्रको महत्वपूर्ण गन्तव्यको रूपमा रहि विशिष्टिकृत व्यवसायको रूपमा स्थापित वीमा मानिसको लागि अपरिहार्य जस्तो भई सकेको छु । केहि समय अगाडीको भन्दा वीमाको क्षेत्र र दायरा वृद्धि भएको देखिएको छु । वीमा आफ्नै लागि हो भन्ने चेतनाको अभिवृद्धि गराई, वीमालाई आर्थिक र वित्तीय सुरक्षाको अभिन्न अङ्गको रूपमा वीमालाई स्थापित गर्न सकियो भने निश्चय पनि यस व्यवसायले अपेक्षाकृत गति लिनेछ भन्ने विश्वास लिएको छु । व्यवसायिक पहिचानका साथमा स्तरीय वीमा सेवा प्रदान गर्न कम्पनी अनवरत कृयाशिल रहेको छु । हाल सम्म कम्पनीले हासिल गरेको व्यवसायिक उपलब्धिहरूलाई संस्थागत गर्दै, चुनौति एवम् सम्भावनाहरूलाई अवसरको रूपमा लिएर कम्पनीलाई व्यावसायिक रूपमा सशक्त एवम् प्रतिस्पर्दि बनाई व्यवसायको विकास एवम् विस्तार गरी कम्पनीमा आवद्व सबै पक्षलाई सकारात्मक हुने गरी कार्य सम्पादन गर्ने हाम्रो सार्थक प्रयास रहने नै छु ।

धन्यवाद,

सुरेशलाल श्रेष्ठ
अध्यक्ष



कार्यकारी प्रमुखको प्रतिवद्धता

कम्पनीको बत्तिसौ वार्षिक साधारण सभामा उपस्थित हुनु भएका आदरणीय शेयरधनी महानुभावहरूलाई हार्दिक स्वागत तथा अभिवादन गर्न चाहन्छु । कम्पनीलाई अबल वनाउन हामीलाई सधै अमुल्य राय सुभाव प्रदान गरी उत्प्रेरित गर्नु हुने शेयरधनी महानुभावहरु प्रति आभार व्यक्त गर्दछु । आगामी दिनहरूमा कम्पनीलाई थप उचाईमा पुऱ्याउने हाम्रो लक्ष्यमा यहाहरूवाट निरन्तर रचनात्मक सहयोग पाई रहने अपेक्षा गरेको छु । यसै गरी सञ्चालक समितिको मार्गदर्शन तथा व्यवस्थापनको उत्कृष्ट कार्य सम्पादनलाई नै निर्दिष्ट व्यवसायिक लक्ष्य प्राप्त गर्ने महत्व पूर्ण कडिको रूपमा लिएको छु । वजारको अवश्यकता अनुरूप उपलब्ध स्रोत साधन र जनशक्तिको अधिकतम परिचालन गरी कम्पनीलाई अभ व्यावसायिक एवम् प्रतिस्पर्धि वनाउदै उत्कृष्ट निर्जिवन वीमा कम्पनीमा रूपान्तरित गर्ने दिशा तर्फ अभ कृयाशिलताका साथ सम्पुर्ण ध्यान केन्द्रित गरी कार्य सम्पादन गर्दै आएका छौ ।

पछिल्लो समयमा विश्वव्यापी रूपमा देखिएको जलवायु परिवर्तन र त्यसको कारण मौसमजन्य घटना र प्रकृतिक विपत्ति निर्जिवन वीमा व्यवसायको लागि चुनौति पूर्ण जोखिमको रूपमा देखापर्न थालेकोछ । भविष्यमा आउन सक्ने यस्ता जोखिम र यसले पार्न सक्ने प्रभावको उचित व्यवस्थापनको लागि निश्चित योजनाको साथ कार्य गर्नु पर्ने चुनौती थिएको छ । २०८२ भाद्र २३ र २४ गतेको जेन-जी आन्दोलनको क्रममा यस कम्पनीमा वीमा रहि क्षती भएका सम्पत्तिको दावी फर्द्धयौट र भुक्तानी कार्यलाई महत्वका साथ सम्पादन गर्दै आएका छौ । नविन प्रविधिको उपयोग, सेवाको गुणस्तरीयता, पारदर्शिता एवम् सुशासनलाई प्रभावकारी रूपमा अबलम्बन गरी कम्पनीलाई आर्थिक रूपमा सबल र सक्षम वनाई राख्न ईमान्दारी पूर्वक लक्ष्य अनुरूप कार्य गर्दै जाने छौ भन्ने विश्वास दिलाउन चाहन्छु ।

वीमा कोष तथा चुक्ता पुँजीको वर्तमान अवस्थाको विश्लेषण गरी जोखिम धारण क्षमतामा अभिवृद्धि गर्दै लगेका छौ । आ.व. २०८१/०८२ को वित्तीय स्वस्थ्यता अनुपात ३८५.६ प्रतिशत रहेको र जोखिममा आधारित पुँजीकोष १ अर्व २७ करोड रहेको हुदा कम्पनीको जोखिम धारण क्षमता तथा पुँजीकोष पर्याप्त रहेको हुदा सो सम्बन्धमा आवश्यक रणनीति तथा लक्ष्य निर्धारण गरी अगाडी बढ्ने नीति लिएका छौ । जोखिममा आधारित पुँजी कोष सम्बन्धी निर्देशिकाको अधिनमा रहि आ.व. २०८३/०८४ बाट सो निर्देशिकामा रहेका व्यवस्थाहरु पूर्ण रूपमा कार्यान्वयन गर्न आवश्यक व्यवस्था मिलाएका छौ भन्ने आ.व. २०८२/०८३ को वित्तीय विवरण NFRS-17 को आधारमा तयार गर्न आवश्यक गृहकार्य अगाडी बढाएका छौ ।

प्रचलित ऐन कानुन तथा नेपाल वीमा प्राधिकरण एवम् अन्य सम्बद्ध निकायहरूद्वारा जारी निर्देशनहरूको पूर्ण पालना गरी, संस्थागत सुशासनको मूल मान्यतालाई आत्मसात गर्दै गुणस्तरीय वीमा सेवा प्रवाह गर्दै आएका छौ । नेपाली वीमा वजारमा कम्पनीले प्राप्त गरेको ख्याति र साखलाई सदा उच्च बनाई, वीमा सचेतना सम्बन्धी कार्यक्रम मार्फत जनस्तर सम्म वीमाको पहुच पुऱ्याई गुणस्तरीय, विश्वासिलो एवम् समय सापेक्ष वीमा सेवा प्रवाह गर्न निरन्तर कृयाशिल रहने प्रतिवद्धता जाहेर गर्न चाहन्छु ।

बीरेन्द्र बैदवार क्षेत्री
प्रमुख कार्यकारी अधिकृत

सिद्धार्थ प्रिमियर इन्स्योरेन्स लिमिटेडको

३२ औं वार्षिक साधारण सभामा सञ्चालक समितिका तर्फबाट

अध्यक्ष श्री सुरेश लाल श्रेष्ठद्वारा प्रस्तुत वार्षिक प्रतिवेदन

112

आदरणीय शेयरधनी महानुभावहरु ,

सिद्धार्थ प्रिमियर इन्स्योरेन्स लिमिटेडको ३२ औं वार्षिक साधारण सभामा उपस्थित हुनु भएका आदरणीय शेयरधनी महानुभावहरुमा सञ्चालक समितिको तर्फबाट हार्दिक स्वागत तथा अभिवादन गर्दछु ।

आर्थिक वर्ष २०८१/०८२ को वार्षिक प्रतिवेदन सञ्चालक समितिको तर्फबाट यस गरिमामय सभा समक्ष प्रस्तुत गर्ने पाउँदा म अत्यन्त हर्षित भएको छु । यस अवधिमा कम्पनीको समग्र वित्तीय परिसूचाङ्गहरु सकारात्मक तथा उत्साहप्रद नै रहेको छ । हाल सम्म प्राप्त गरेको उपलब्धिहरु संस्थागत गर्दै अभ उपलब्धि हासिल गर्ने तर्फ हाम्रो सार्थक प्रयास रहने नै छ । व्यवसाय प्रवर्धन एवम् परिणाममुखी निश्चित कार्य योजनाका साथ व्यवसाय विस्तारमा निरन्तर लागि रहेका छौ । आगामी दिनहरुमा आर्थिक रूपमा कम्पनीलाई सबल र व्यवसायिक रूपमा अभ सशक्त प्रतिस्पर्धी बनाई व्यवसायिक निष्ठाका साथ कार्य सम्पादन गर्दै जाने विश्वास पनि दिलाउन चाहन्छु । यस वार्षिक साधारण सभामा आर्थिक वर्ष २०८१/०८२ को वार्षिक प्रतिवेदन तथा लेखापरीक्षण प्रतिवेदन सहितको वासलात, नाफा नोक्सान हिसाव तथा नगद प्रवाह विवरण तथा यससँग सम्बन्धित अनुसूचीहरुको साथै चालु आर्थिक वर्ष २०८२/०८३ मा कम्पनीले हासिल गरेको उपलब्धि तथा भावी योजनाहरु समेत समावेश गरी कम्पनी ऐन २०८३ को दफा १०९ को अधिनमा रही तयार पारिएको यो प्रतिवेदन सञ्चालक समितिका तर्फबाट यहाहरु समक्ष प्रस्तुत गर्दछु ।

(क) विगत वर्षको कारोबारको सिंहावलोकन :

सन्तुलित र दिगो रूपमा व्यवसाय वृद्धि गर्दै लानुपर्छ भन्ने हाम्रो मान्यता अनुरूप स्रोत र साधनको समुचित परिचालन गर्दै आएका छौ । कावु बाहिरको प्रतिकुल परिस्थितिका बावजुद कम्पनीले अगालेको निश्चित कार्य दिशा र समस्याहरुको उचित व्यवस्थापनको कारण कम्पनीको वित्तीय परिसूचाङ्गकहरु सकारात्मक एवम् प्रगति उन्मुख नै रहेको छ । हाम्रो मुख्य उद्देश्य दक्ष कर्मचारीहरुद्वारा वीमितलाई उत्कृष्ट र विश्वासिलो वीमा सेवा प्रदान गर्नु रहेको छ । वीमा व्यवसायलाई गुणस्तरीय एवम् पारदर्शी वनाई, सहज र समय सापेक्ष वीमा सेवा प्रदान गर्ने व्यवसायिक निष्ठा र अभ्यासको कारण वीमितहरुको विश्वास जित्न सफल भएको अनुभूति गरेका छौ । वीमाको पहुँच र क्षेत्र विस्तारका लागि लक्ष्य सहितको परिणाममुखी कार्य सम्पादन गर्ने तर्फ कम्पनीको व्यवस्थापन निरन्तर लागि परेको छ । आगामी दिनहरुमा अभ व्यवस्थित तवरले व्यवसायको प्रवर्द्धन, विकास र विस्तार गरी कम्पनीमा आवद्ध सबै पक्षलाई सुखद र सकारात्मक हुने गरी व्यवसायिक उपलब्धि हासिल गरिने कुरामा आश्वस्त पार्न चाहन्छौ । आर्थिक वर्ष २०८१/०८२ मा कम्पनीले संकलन गरेको वीमाशुल्क सम्बन्धी तुलनात्मक विवरण निम्न अनुसार रहेको छ :

बीमाशुल्क आम्दानीको विवरण :

(रु. हजारमा)

क्र.सं.	बीमा व्यवसाय	आ.व. २०८०/०८१	आ.व. २०८१/०८२	बृद्धि (%)
१.	सम्पत्ति बीमा तर्फ	१४,०८,७९१	१५,४४,८०५	९.६५
२.	सामुद्रिक बीमा तर्फ	२,०९,९६५	२,६९,७६४	२८.४८
३.	मोटर बीमा तर्फ	१४,२४,२९६	१३,८६,०९९	(२.६८)
४.	इंजिनियरिङ बीमा तर्फ	६,०९,२९८	५,७४,८९२	(५.६५)
५.	विविध बीमा तर्फ	४,२७,९९५	४,६५,५७८	८.७८
६.	हवाई बीमा तर्फ	३८,६०३	१३,७७५	(६४.३२)
७.	पशुपत्न्य तथा वाली बीमा	५७,८०९	५४,७०९	(५.३६)
८.	लघु बीमा तर्फ	५०३	६५६	३०.३७
	जम्मा	४१,७७१७२	४३,१०,२७०	३.१९

आर्थिक वर्ष २०८०/०८१ को तुलनामा आ.व. २०८१/०८२ मा बीमा शुल्क आर्जनमा ३.१९ प्रतिशतले बृद्धि भई कुल रु.४ अर्व ३१ करोड २ लाख ७० हजार बीमाशुल्क आर्जन भएको छ ।

कम्पनीको वित्तीय स्थितिको संक्षिप्त विवरण :

(रु.हजारमा)

क्र.सं.	विवरण	आ.व. २०८०/०८१	आ.व. २०८१/०८२	बृद्धि (%)
१.	बीमा शुल्क आर्जन	४१,९२,०३७	४२,८५,३२७	२.२३
२.	पूनर्वीमा कमिशन आम्दानी	५,७४,४२०	५,०४,७३५	(१२.१३)
३.	खुद धारण	१८,४४,०७३	२१,२४,००४	१५.१८
४.	कुल दावी भुक्तानी	२१,३८,१४९	२६,४४,०२७	२९.२७
५.	लगानी	९३,०६,१८७	९०,०२,२४०	(३.२७)
६.	व्यवस्थापन खर्च	७,९९,२९४	८,४२,६४४	५.४२
७.	व्याज तथा अन्य आम्दानी	७,५०,७६६	५,०९,६२७	(३३.१६)
८.	कर व्यवस्था पछिको खुद नाफा	६,८८,१८९	७५५७९८	९.८२

आर्थिक वर्ष २०८०/८१ मा रु. २ अर्व १३ करोड ८१ लाख ४९ हजार दावी कुल भुक्तानी गरिएकोमा, आर्थिक वर्ष २०८१/८२ मा रु. २ अर्व ७६ करोड ४० लाख २७ हजार बीमा दावी भुक्तानी गरिएको छ । आ.व. २०८०/८१ को तुलनामा आ.व. २०८१/८२ मा २९.२७ प्रतिशत बढी बीमा दावी भुक्तानी भएको छ ।

(ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई परेको असर :

मुलुकमा विद्यमान राजनैतिक वातावरणको कारण समग्र राष्ट्रिय गतिविधि प्रभावित भई रहेको सन्दर्भमा बिमा क्षेत्र पनि यसबाट अछुतो रहन सक्ने अवस्था हुदैन । आर्थिक क्षेत्रले आशातीत र उत्साहजनक रूपमा उपलब्ध हासिल गर्न नसकेको अवस्था, वैक तथा वित्तीय संस्थाको कर्जा प्रवाहमा आएको कमी, विद्युतीय सवारी साधन खरिद कर्जामा भएको नीतिगत परिवर्तन, अन्तर्राष्ट्रिय परिवेसमा देखिएका छन्द एवम् वस्तु तथा सेवाको मुल्यमा भएको बृद्धि समेतका कारण बीमा व्यवसाय पनि प्रभावित भएको छ । यसै गरी मौसमजन्य घटना र प्राकृतिक विपत्तिले निम्त्याएको परिणामले पनि कारोबारलाई असर पारेको छ भने विश्वव्यापी रूपमा देखिएका आर्थिक र वित्तीय समस्या, परिवर्तनशील आर्थिक वातावरण, जलवायु परिवर्तनको कारण सृजित विपत्ति, प्रविधिको क्षेत्रमा भएको प्रगति, ग्राहकको प्राथमिकताले बीमा व्यवसायलाई असर पारेको छ ।

(ग) प्रतिवेदन तयार भएको भिति सम्म चालु वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कार्यको सम्बन्धमा सञ्चालक समितिको धारणा :

चालु आ.व. २०८२/८३ को मंसिर मसान्त सम्म संकलन भएको बीमा शुल्कको तुलनात्मक विवरण निम्न अनुसार रहेको छ ।

(र. हजारमा)

क्र.सं.	बीमा व्यवसाय	आ.व. २०८२/८३ (५ महिनाको अवधिमा)	आ.व. २०८१/८२ (५ महिनाको अवधिमा)
१.	अग्नि बीमा तर्फ	५,९७,६६०	६,२१,५०४
२.	सामुन्द्रिक बीमा तर्फ	१२,३११	१,१५,९२४
३.	मोटर बीमा तर्फ	७,४४,२४७	६,२५,५१९
४.	ईंजिनियरिङ बीमा तर्फ	१,६६,४७२	१,७१,३४४
५.	लघु र कृषि बीमा तर्फ	२१,०२५	२१,८१३
६.	विविध बीमा तर्फ (हवाई समेत)	२,१३,७३८	२,१२,४८१
	जम्मा	१,८६५,४५३	१,७६६,५८५

आर्थिक वर्ष २०८१/८२ को मंसिर मसान्त सम्म रु. १ अर्व ७६ करोड ८५ लाख ८५ हजार बीमा शुल्क आर्जन भएकोमा, चालु आर्थिक वर्ष २०८२/८३ को सोही अवधिमा रु. १ अर्व ८६ करोड ५४ लाख ५३ हजार बीमा शुल्क संकलन भएको छ । यो बीमाशुल्क आर्जन अधिल्लो आर्थिक वर्षको सोहि अवधिको तुलनामा ५.८५ प्रतिशतले बढी रहेको छ । चालु आर्थिक वर्षमा कम्पनीले आर्जन गरेको बीमा शुल्क वृद्धिदर गत आर्थिक वर्षको तुलनामा उत्साहजनक रहेपनि यसैमा सन्तोष मान्ने अवस्था छैन । लगानीमा आएको संकुचन नयाँ लगानीको क्षेत्र नहुनु र न्यून बैड्डिंग व्याजदरका कारण लगानीवाट हुने आयमा समेत कमि आउनु र वाढीपहिरो तथा जेनजी आन्दोलनबाट सम्पत्तिमा भएको क्षतिको दावी भुक्तानीमा परेको दवावको कारण लगानीलाई समेत असर पार्ने देखिएको छ । व्यवसायिक प्रतिस्पर्धालाई दृष्टिगत गरी नयाँ प्रविधिको उपयोग सहित परिणाममुखी कार्यसम्पादन गर्न सकियो भने निश्चय पनि लक्ष्य अनुरूप व्यवसायिक उपलब्धि हासिल गर्न सकिन्दू भन्ने सञ्चालक समितिको धारणा रहेको छ ।

(घ) औद्योगिक तथा व्यवसायीक सम्बन्ध :

कम्पनीले औद्योगिक तथा व्यवसायिक सम्बन्धलाई उच्च महत्व दिई आएको छ । बीमा व्यवसायको विस्तार एवम् विकाशका लागि उद्योगी, व्यवसायी तथा व्यवसायिक प्रतिष्ठान, संघ, संस्था एंव ग्राहक वर्गहरूसँगको व्यवसायिक सम्बन्धले व्यवसायिक कृयाकलाप सञ्चालन गर्न टेवा पुग्नुका साथै व्यवसाय प्रवर्द्धनमा मद्दत पुऱ्याउनेछ । बीमितको आकांक्षा अनुरूप स्तरीय बीमा सेवा प्रवाह गर्दै आएको कारण कम्पनीको औद्योगिक तथा व्यवसायिक प्रतिष्ठानहरूसँगको व्यवसायिक सम्बन्ध सन्तोषजनक नै रहेको अनुभूति गरेका छौं । औद्योगिक तथा व्यवसायिक सम्बन्धलाई अभिवृद्धि गर्दै, बीमा सेवाको दायरालाई फराकिलो पार्दै निर्दिष्ट लक्ष्यका साथ स्तरीय बीमा सेवा प्रवाह गर्ने तर्फ निरन्तर प्रयासरत रहेका छौं ।

(ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :

आर्थिक वर्ष २०८१/८२ मा सञ्चालक समितिमा हेरफेर भएको छैन ।

(च) कारोबारलाई असर पार्ने मुख्य कुराहरु :

सामान्य रूपमा हेर्दा आर्थिक, राजनैतिक, सामाजिक कारणले बीमा कारोबारलाई असर गर्ने भए तापनि

पछिल्लो समयमा जलवायु परिवर्तनको कारण मौसमजन्य घटना र प्राकृतिक विपत्तिको कारण भविष्यमा आउन सक्ने जोखिम र त्यसको व्यवस्थापनको लागि निश्चित योजनाको साथ कार्य गर्न निर्जीवन बीमा व्यवसायको लागि अहिलेको मुख्य चुनौती रहेको छ। यस्ता जोखिमहरूको समुचित व्यवस्थापनको लागि एउटा कम्पनीको प्रयासले मात्र पर्याप्त नहुने हुदा राष्ट्रिय स्तरमा नै छलफल गरी आवश्यक नीति तर्जुमा गर्न पर्ने अवस्था रहेको छ। राष्ट्रिय रूपमा वित्तीय स्रोतको न्यून परिचालन, विकास निर्माण क्षेत्रमा लक्ष्य अनुसार खर्च हुन नसक्नु, आर्थिक तथा वित्तीय कृयाकलापले आशातित गति लिन नसक्नु आदि बीमा कारोबारलाई असर पार्ने प्रमुख कारक तत्वको रूपमा रहेका छन्। यसै गरी प्रविधिको विकास संगसरै बीमाका नयाँ अवधारणाहरू अंगीकार गर्दै जोखिमहरूको पहिचान गरी वदलिदो परिवेस अनुरूप बीमा सेवाको विकास र विस्तार गर्न पनि मुख्य चुनौति र कारोबारलाई असर पार्ने मुख्य कुराहरू रहेका छन्।

(छ) लेखापरीक्षण प्रतिवेदनको कैफियत उपर सञ्चालक समितिको प्रतिकृया :

कम्पनीको नियमित काम कारबाही एवम् कारोबारको सिलसिलामा मानवीय कमी कमजोरी तथा त्रुटिहरू वाहेक अन्य नकारात्मक किसिमका कैफियतहरू लेखा परीक्षणमा देखिएको छैन। लेखापरीक्षण प्रतिवेदनहरू उपर लेखारीक्षण समितिको वैठकमा विस्तृत रूपमा नियमित छलफल हुने गरेको छ। लेखारीक्षण समितिको निर्णय माईन्यूट सञ्चालक समितिको वैठकमा पेस भई सो उपर छलफल हुने गरेको छ। प्रतिवेदनमा औल्याईएका कैफियतहरू गम्भीर प्रकृतिका नभए तापनि काम कारबाहिका सन्दर्भमा भएका त्रुटि, कमी कमजोरी प्रति सञ्चालक समिति सदैव सजग रहेको छ, तथा आगामी दिनमा यस्ता त्रुटिहरू पुनः नदोहरिने गरी कार्य सम्पादन गर्न एवम् लेखापरीक्षकबाट प्राप्त सुभावहरूको समेत कार्यान्वयन गर्न व्यवस्थापनलाई निर्देशन दिइएको छ।

(ज) लांभाश बाँडफाड गर्न सिफारिस गरिएको रकम :

हाल कायम रहेको चुक्ता पुँजी रु.२ अर्व ८० करोड ६५ लाख ४९ हजार ९ रुपैयाको २५ प्रतिशतले हुन आउने रकम रु.७० करोड १६ लाख ३७ हजार ४ सय ७५ रुपैया नगद लाभांश (नगद लाभांशमा लाग्ने कर समेत) प्रस्ताव गरी, स्वीकृतिको लागि यसै वार्षिक साधारण सभामा प्रस्ताव प्रस्तुत गरिएको छ।

(भ) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मुल्य त्यस्तो शेयर जफत हुनु भन्दा अगावै सो वापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर विक्री गरी कम्पनीले प्राप्त गरेको रकम जफत भएको शेयर वापत रकम फिर्ता गरेको भए सो को विवरण :

यस आर्थिक वर्षमा कुनै शेयर जफत गरिएको छैन।

(न) कम्पनी र यसको सहायक कम्पनीको कारोबार प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन :

कम्पनीले आर्थिक वर्षमा गरेको कारोबार सम्बन्धी वित्तीय विवरणमा उल्लेख गरिएको छ, भने यस कम्पनीको कुनै सहायक कम्पनी रहेको छैन।

(ट) कम्पनी र यसका सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :

कम्पनीले आर्थिक वर्षमा गरेको कारोबारको विवरण सञ्चालक समितिको वार्षिक प्रतिवेदनको बुंदा नं. “क” मा उल्लेख गरिएको छ।

(ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी :

यस अवधिमा आधारभूत शेयरधनीहरूले कम्पनीलाई कुनै पनि जानकारी उपलब्ध गराएको छैन ।

(ड) विगत आर्थिक वर्षमा कम्पनीका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरुवाट कम्पनीलाई प्राप्त जानकारी :

गत आर्थिक वर्षमा कम्पनीका संचालकहरूको स्वामित्वमा रहेको शेयर सम्बन्धी विवरण निम्न अनुसार रहेको छ । निजहरु शेयर कारोबारमा संलग्न भएको जानकारी प्राप्त भएको छैन ।

क्र.स.	सञ्चालकको नाम	पद	शेयर संख्या
१.	श्री सुरेशलाल श्रेष्ठ	अध्यक्ष	९,१७,०९७
२.	श्री पवन कुमार अग्रवाल	संचालक	३,९३,८०४
३.	श्री राजन कृष्ण श्रेष्ठ	संचालक	२१,२६५
४.	श्री राहुल अग्रवाल	संचालक	४,७७,३३८
५.	श्री सुमित कुमार केडिया	संचालक	१,६१,९७५
६.	श्री प्रभु कृष्ण श्रेष्ठ	संचालक	८,८०,४२०
७.	श्री हसना शर्मा (स्वतन्त्र विज्ञ)	संचालक	नभएको

(३) कम्पनीसंग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजका आफन्तको व्यक्तिगत स्वार्थ सम्बन्धी जानकारीको व्यहोरा :

यस प्रकारको कुनै पनि जानकारी प्राप्त भएको छैन ।

(४) कम्पनीले आफ्नो शेयर आफै खरिद गरिएको भए त्यसरी आफ्नो शेयर आफै खरिद गर्नको कारण, त्यस्तो शेयरको संख्या र अंकित मुल्य तथा त्यसरी शेयर खरिद गरे वापत कम्पनीले भुक्तानी गरेको रकम :

कम्पनीले आफ्नो शेयर आफै खरिद गरेको छैन ।

(५) आन्तरिक नियन्त्रण व्यवस्था :

कम्पनी सञ्चालन एवम् दैनिक व्यावसायिक कारोबारको सन्दर्भमा आउन सक्ने जोखिमहरूको उचित व्यवस्थापन एवम् न्यूनीकरणको लागि आन्तरिक नियन्त्रण प्रणाली अभ सशक्त एवम् प्रभावकारी बनाउदै लगिएको छ । सम्भावित जोखिमहरूको पहिचान गर्ने र त्यसको व्यवस्थापन एवम् न्युनीकरण गर्नको लागि आन्तरिक लेखा परीक्षक तथा आन्तरिक नियन्त्रण विभाग र परिपालना अधिकृतले सक्रियता पूर्वक कार्य सम्पादन गर्दै आएको छ । लेखापरीक्षण समितिले सम्भावित जोखिमहरू न्यूनीकरणको लागि आवश्यक निर्देशन गर्ने तथा निर्णय कार्यान्वयनको अवस्था वारे निरन्तर अनुगमन एवम् विश्लेषण गर्ने गरिएको र अन्य विषयगत समितिहरूले समेत कम्पनीको काम कारबाहीको सम्बन्धमा आवश्यक सुपरीवेक्षण र अनुगमन गर्दै आएको छ । कम्पनीको संगठनात्मक संरचनामा समयानकूल परिवर्तन गर्दै आन्तरिक नियन्त्रण प्रणालीलाई प्रभावकारी बनाउन सम्बन्धित विभागीय प्रमुखहरु एवम् परिपालना अधिकृतलाई थप जवाफदेही बनाईएको छ ।

(थ) आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण वित्तीय विवरणको अनुसुची ५ मा उल्लेख गरिएको छ ।

(द) लेखापरीक्षण समितिका पदाधिकारीहरुको नाम, निजहरुको काम, कर्तव्य र सुविधा:

क) लेखापरीक्षण समिति :

श्री सुमित कुमार केडिया, सञ्चालक	- संयोजक
श्री पवन कुमार अग्रवाल, सञ्चालक	- सदस्य
श्री हसना शर्मा, स्वतन्त्र सञ्चालक	- सदस्य

लेखापरीक्षण समितिले बीमा ऐन २०७९ को दफा ८५ (३) तथा कम्पनी ऐन २०६३ को दफा १६५ अन्तर्गत रहेर कार्य सम्पादन गर्दै आएको छ । लेखापरीक्षण समितिका संयोजक तथा सदस्यहरुलाई प्रति वैठक रु.१८,०००/- प्रदान गर्ने गरिएको छ । वैठक भत्ता वाहेक अन्य कुनै प्रकारको सुविधा प्रदान गर्ने गरिएको छैन ।

(ध) संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजका आफन्तले कम्पनीलाई बुझाउन बाँकी भएको रकम : छैन ।

(न) संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरुलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

संचालकहरुलाई संचालक समितिको वैठक भत्ता वापत रु.१७,३३,०००/- तथा अन्य समितिको वैठक भत्ता बापत रु.३०,९९,०००/- भुक्तानी गरिएको छ । कार्यकारी प्रमुखलाई पारिश्रमिक, भत्ता तथा सुविधा वापत रु.१,४८,४९,८४/- तथा अन्य पदाधिकारीहरुलाई पारिश्रमिक, भत्ता तथा सुविधा वापत रु.१,८०,२२,८६/- भुक्तानी गरिएको छ ।

(प) शेयरधनीहरुले बुझिलिन बाँकी रहेको लाभांश रकम :

साविक प्रिमियर इन्स्योरेन्स क. (नेपाल) लि.ले आर्थिक वर्ष २०६६/६७ मा प्रदान गरिएको नगद लाभांस मध्ये रु. १६,७१,९३९.८१ तथा आर्थिक वर्ष २०७६/७७ मा प्रदान गरिएको नगद लाभांस मध्ये रु. ७३,६७,१०८.९६ यसैगरी साविक सिद्धार्थ इन्स्योरेन्स लि.ले आर्थिक वर्ष २०७६/७७ मा प्रदान गरिएको नगद लाभांस मध्ये रु. ४,५८,८१.२७ र मर्जर पश्चात आर्थिक वर्ष २०७९/८० मा प्रदान गरिएको नगद लाभांस मध्ये रु. १,३६,०५,६४.३२ तथा आर्थिक वर्ष २०८०/८१ मा प्रदान गरिएको नगद लाभांस मध्ये रु. ४,२०,०९,४५.२९ गरी जम्मा रु. ६,५१,०४,९५.७७ शेयरधनीहरुले बुझिलिन बाँकी रहेको छ ।

(फ) दफा १७५ बमोजिम सम्पत्ति खरिद वा विक्री गरेको कुराको विवरण :

यस बमोजिम सम्पत्ति खरिद वा विक्री गरेको छैन ।

(ब) दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरण :

यस कम्पनीको कुनै सम्बद्ध कम्पनी रहेको छैन ।

(भ) ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने कुनै अन्य कुरा :

प्रतिवेदनमा खुलाउनु पर्ने कुनै अन्य कुरा बाँकी नभएको ।

(म) कम्पनी निर्देशिका २०७२ को निर्देशन द६ बमोजिमको उद्घोष :

बीमा ऐन २०७९, बीमा नियमावली २०८१, कम्पनी ऐन २०८३, बीमको संस्थागत सुशासन सम्बन्धी निर्देशिका २०८० र नेपाल बीमा प्राधिकरणवाट जारी निर्देशनहरूको पूर्ण परिपालना भएको छ ।

(न) अन्य :

(१) समितिहरु :

कम्पनीको काम कारबाहीहरूलाई छिटो छरितो एवम् प्रभावकारी रूपमा सम्पादन गर्ने लक्ष्यका साथ निम्नानुसारको समितिहरु गठन गरिएको छ । गठित समितिहरूले सञ्चालक समितिले प्रत्यायोजित अधिकारहरु अन्तर्गत रहेर कार्य सम्पादन गर्दै आएको छ ।

क) मानव संसाधन समिति :

श्री प्रभु कृष्ण श्रेष्ठ, सञ्चालक	- संयोजक
श्री सुमित कुमार केडिय, सञ्चालक	- सदस्य
श्री प्रमुख कार्यकारी अधिकृत	- पदेन सदस्य
श्री विभागीय प्रमुख, मानव संसाधन विभाग	- सदस्य सचिव

ख) लगानी, जोखिम व्यवस्थापन तथा वित्तीय स्वास्थ्यता(सोल्बैन्सी) समिति :

श्री राहुल अग्रवाल, सञ्चालक	- संयोजक
श्री राजन कृष्ण श्रेष्ठ, सञ्चालक	- सदस्य
श्री प्रमुख कार्यकारी अधिकृत	- पदेन सदस्य
श्री विभागीय प्रमुख, लगानी तथा जोखिम व्यवस्थापन विभाग	- सदस्य सचिव

ग) बीमा दावी भुक्तानी समिति :

श्री पवन कुमार अग्रवाल, सञ्चालक	- संयोजक
श्री प्रभु कृष्ण श्रेष्ठ, सञ्चालक	- सदस्य
श्री प्रमुख कार्यकारी अधिकृत	- पदेन सदस्य
श्री विभागीय प्रमुख, दावी विभाग	- सदस्य सचिव

घ) सम्पति शुद्धीकरण निवारण समिति :

श्री हसना शर्मा, सञ्चालक	- संयोजक
श्री प्रभु कृष्ण श्रेष्ठ सञ्चालक	- सदस्य
श्री प्रमुख कार्यकारी अधिकृत	- पदेन सदस्य

सम्पति शुद्धीकरण, आतङ्कारी कार्य तथा आमविनासकारी हातहतियार निर्माण वा विस्तारमा हुने

वित्तीय लगानी निवारण सम्बन्धी निर्देशन २०८२ (१५) ३ बमोजिम नियुक्त कार्यान्वयन अधिकारी

- सदस्य सचिव

उ) बजार व्यवस्थापन समिति :

श्री राजन कृष्ण श्रेष्ठ, सञ्चालक	- संयोजक
श्री राहुल अग्रवाल, सञ्चालक	- सदस्य
श्री प्रमुख कार्यकारी अधिकृत	- पदेन सदस्य
श्री विभागीय प्रमुख, बजार व्यवस्थापन विभाग	- सदस्य सचिव

(२) **राजश्वमा योगदान :** कम्पनीले आर्थिक वर्ष २०८१/०८२ मा आय कर, मूल्य अभिवृद्धि कर तथा स्रोतमा लाग्ने कर समेत गरी जम्मा रु. ७९,७२,२४,८१८/- ठूला करदाता कार्यालयमा दाखिल गरी मुलुकको राजस्व संकलनमा योगदान पुऱ्याएको छ ।

(३) **व्यवसाय विस्तार :** आम नागरिकलाई सर्व सुलभ रूपमा वीमा सेवा प्रवाह गर्न ग्रामीण एवम् नगर उन्मुख क्षेत्रमा वीमाको पहुँच विस्तार गर्ने नीति अवलम्बन गरिएको छ । मुलुकभरका सातै प्रदेशमा कम्पनीको उपस्थिति रहेको छ भने प्रदेश कार्यालय, शाखा तथा उप-शाखा र एक्सटेन्सन काउन्टर गरी १२७ कार्यालयहरुवाट गुणस्तरीय वीमा सेवा प्रवाह गर्दै आएका छौं भने औचित्य र आवश्यकताको आधारमा सम्भाव्यता अध्ययन गरी थप शाखा तथा उप-शाखा सञ्चालन गर्ने नीति लिएका छौं ।

(४) **वीमा दावी :** विद्युतीय माध्यमबाट निश्चित रकम सम्मको वीमा दावी फछ्यौट गरी छोटो समयमा नै दावी रकम भुक्तानी गर्न SPIL DIGI प्रयोगमा ल्याए पश्चात दावी फछ्यौट गर्न थप मद्दत पुगेको छ । वीमा दावी फछ्यौट प्रकृयालाई सरल र सहज बनाई समयमा नै दावी रकम भुक्तानी गर्ने कार्य उच्च महत्वका सम्पादन गर्दै आएका छौं । २०८१ आश्विन महिनाको १२ र १३ गतेको अविरल वर्षाको कारण क्षति भएका सम्पत्तिको अधिकांस दावी फछ्यौट गरी रु. १ अर्ब १६ करोड १४ लाख ९२ हजार भुक्तानी गरेका छौं । २०८२ भाद्र २३ र २४ गतेको जेन-जी आन्दोलनको क्रममा भएको आगजनी लगायतको कारण यस कम्पनीमा वीमा भएको सम्पत्तिहरुमा पुग्न गएको क्षती वापतको दावी फछ्यौट कार्यलाई तदारुकताका साथ सम्पन्न गर्न व्यवस्थापन क्रियाशील रहेको छ । यस आन्दोलनको क्रममा भएको क्षति वापत करिव ५ अर्ब भन्दा वढी दावी परेकोमा हाल सम्म रु. १ अर्ब ८४ करोड ६० लाख ३७ हजार ३१५ (अग्रिम भुक्तानी समेत गरी) भुक्तानी गरि सकेका छौं । यस्तै २०८२ असोज १८ गते परेको अविरल वर्षाको कारण भएको क्षतिको पनि प्राथमिकताको साथ दावी फछ्यौट गर्दै आएको छ ।

(५) **चुक्ता पुँजी र नेटवर्थ :** आर्थिक वर्ष २०८१/०८२ मा कम्पनीको चुक्ता पुँजी २,८०,६५,४९,९००/- रहेको छ । २०८१ असार मसान्तमा कम्पनीको नेटवर्थ रु. ७,७६,३८,४२,२११/- रहेकोमा, २०८२ असार मसान्तमा नेटवर्थमा ०.८२ प्रतिशतले कमी भई रु. ७,७०,०४,७६,८५८/- रहेको छ ।

(६) **नँया वीमा योजना :** आम नागरिकहरुलाई लक्षित गरी वीमाका नविन एवम मौलिक योजना वीमा प्राधिकरणबाट स्वीकृत गराई कार्यान्वयन गर्न सधै प्रयासरत रहेका छौं । यस क्रममा आर्थिक वर्ष २०८१/०८२ मा SPIL INBOUND TRAVEL वीमालेख नेपाल वीमा प्राधिकरणबाट स्वीकृत भई कार्यान्वयनमा ल्याएका छौं ।

(७) **कर्मचारी व्यवस्थापन एवम् तालिम :** कम्पनीमा कार्यरत कर्मचारीहरुलाई पेशागत क्षमता र व्यवसायिक दक्षता अभिवृद्धि गर्न विषयगत तालिमहरुमा सहभागी गराउने नीति लिएका छौं । वीमा सम्बन्धी विज्ञहरुलाई आमन्त्रण गरी आन्तरिक रूपमा वीमा सम्बन्धी तालिम दिई आएका छौं भने आवश्यकता र औचित्यका आधारमा कर्मचारीहरुलाई वैदेशिक तालिममा समेत सहभागी गराउने नीति अनुरूप आर्थिक वर्ष २०८१/०८२ मा भारतमा ८ र नेपालका विभिन्न संस्थामा ३७१ जना कर्मचारीहरुलाई तालिममा सहभागी गराईएको थियो । नेपाल वीमा प्राधिकरणले निर्दिष्ट गरे अनुरूपको वजेट रकम विनियोजन गरी कर्मचारीहरुलाई स्वदेशी तथा वैदेशिक तालिममा सहभागी गराई प्रशिक्षित गर्दै लिगिने छ ।

य) संस्थागत सामाजिक उत्तरदायित्य :

- १) आर्थिक वर्ष २०८१/०८२ मा प्रा.डा. भगवान कोईरालाको सकृयतामा वालवालिकाको लागि विशिष्ट स्वास्थ्य सेवा प्रदान गर्ने लक्ष्यका साथ स्थापित Kathmandu Institute of Child Health द्वारा बुढानिलकण्ठ ७ मा निर्माणाधीन वाल अस्पताललाई नगद रु.२५ लाख सहयोग प्रदान गरिएको थियो ।
- २) मिति २०८१ आश्विन ११ र १२ गते नेपालको पूर्वी र मध्य भागमा परेको अविरल वर्षाको कारण प्रभावित जनसमुदायलाई सहयोग गर्ने प्रधानमन्त्री दैवी प्रकोप राहत कोषमा रु.५१ लाख प्रदान गरिएको थियो ।
- ३) युनाईटेड सामुदायिक अस्पताल, कपिलवस्तुलाई रु.४,८०,०००/- मुल्य पर्ने Digital X-ray Printer (DR Machine) Double size एक थान हस्तान्तरण गरी, संस्थागत सामाजिक उत्तरदायित्व सम्बन्धी जिम्मेवारी वोधका साथ दायित्व निर्वाह गर्दै आएका छौं ।

र) भावी योजना र कार्यक्रम :

- १) वीमाको पहुँच र दायरा अभिवृद्धि गर्नको लागि विगत वर्षमा भै यस वर्षमा पनि वीमा सम्बन्धी सचेतना कार्यक्रम सञ्चालन गरिने छ ।
- २) वीमा दावी फर्क्यौट गरी भुक्तानी कार्य अभ रहने वनाउन प्रकृयागत प्रणालीलाई सरलीकृत गर्दै लगिनेछ । दावी भुक्तानी कार्यलाई भन्नक्ट रहित तरिकावाट सम्पन्न गर्न प्रविधि मैत्री प्रणालीको विकास गर्ने तर्फ हाम्रो निरन्तर प्रयास रहनेछ ।
- ३) कम्पनीको काम कारवाही पारदर्शी रूपमा सम्पन्न गर्ने कम्पनीको नीति अनुरूप आवश्यक सूचना एवम् तथ्याङ्कहरु निर्दिष्ट समय सीमा भित्र प्रवाह गर्ने कार्यलाई अभ व्यवस्थित गर्दै लगिनेछ । कम्पनीको क्रियाकलाप सम्बन्धमा सरोकारवालालाई आवश्यक सूचना, जानकारी सुचना अधिकारी मार्फत प्रवाह गर्ने गरिएको छ भने आवश्यक सूचना प्रवाह गर्ने कार्यलाई अभ प्रभावकारी वनाउदै लगिनेछ ।
- ४) कम्पनीमा कार्यरत कर्मचारीहरुको कार्यदक्षता र क्षमता अभिवृद्धिको लागि आवश्यक तालिमको लागि नेपाल वीमा प्राधिकरणको निर्देशन अनुरूप वजेटको व्यवस्था गरी कर्मचारीहरुलाई विषयगत स्वदेशी तथा वैदेशिक तालिममा सहभागी गराइने गरिएको र सो कार्यलाई निरन्तरता दिई कर्मचारीको व्यवसायिक क्षमता अभिवृद्धि गर्दै लगिने छ ।
- ५) सम्पत्ति शुद्धीकरण,आतङ्ककारी कार्य तथा आम विनाशकारी हातहतियार निर्माण वा विस्तारमा हुने वित्तीय लगानी निवारण सम्बन्धी निर्देशन २०८२ लागू भएको सन्दर्भमा, सम्पत्ति शुद्धीकरण तथा निवारण ऐन २०८४, सम्पत्ति शुद्धीकरण, निवारण नियमावली २०८१, सम्पत्ति शुद्धीकरण,आतङ्ककारी कार्य तथा आम विनाशकारी हातहतियार निर्माण वा विस्तारमा हुने वित्तीय लगानी निवारण सम्बन्धी निर्देशन २०८२ अनुरूप निर्जीवन वीमा कम्पनीले गर्न पर्ने काम कारवाहीहरु जिम्मेवार पूर्ण तरिकावाट सम्पन्न गर्दै लगिनेछ । ऐ.निर्देशनको निर्देशन नं ३ बमोजिम नीति तथा कार्यक्रम तर्जुमा गरी यथाशक्य छिटो सञ्चालक समितिवाट नीति तथा कार्यक्रम स्वीकृत गरी कार्यान्वयनमा ल्याईनेछ ।
- ६) वीमा ऐन २०७९ तथा नियमावली २०८१ जारी भई लागू भए पश्चात जिम्मेवारी र कर्तव्य थपिएको अनुभूतिका साथ प्रचलित ऐन तथा कानून, नेपाल वीमा प्राधिकरणद्वारा जारी निर्देशनहरुको पूर्ण परिपालना गरी संस्थागत सुसाशन कायम गर्न कम्पनी प्रतिवदू रहने छ ।

धन्यवाद ज्ञापन

कम्पनीको प्रगति तथा सम्बृद्धिका लागि सञ्चालक समिति तथा व्यवस्थापनलाई अमूल्य सुझाव दिई कम्पनीलाई वर्तमान अवस्था सम्म ल्याई पुऱ्याउन आ-आफ्नो क्षेत्रवाट निरन्तर सहयोग पुर्याउनु हुने शेयरधनी महानुभावहरु, बीमितहरु, नियामक निकाय नेपाल बीमा प्राधिकरण, पुनर्बीमा कम्पनीहरु, बीमा कम्पनीहरु, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सेन्ज लि., सि.डि.एस.एण्ड क्लियरिङ्ग लि. शेयर रजिष्ट्रार एनएमबी क्यापिटल लि. लगायतका निकाय एवम पदाधिकारीहरु प्रति आभार व्यक्त गर्न चाहन्छौं ।

कम्पनीको उन्नति र प्रगतिका लागि क्रियाशील उच्च व्यवस्थापकीय नेतृत्व तथा सम्पूर्ण कर्मचारीहरुको आफ्नो जिम्मेवारी प्रतिको प्रतिवद्धता र समर्पणको उच्च मूल्याङ्कन गर्दै, भविष्यमा पनि रचनात्मक कार्य सम्पादन मार्फत कम्पनीलाई अब्बल बनाउन निरन्तर कृयाशील रहनु हुनेछ भन्ने विश्वास लिएका छौं ।

धन्यवाद

सञ्चालक समितिको तर्फवाट

सुमित कुमार केडिया

(सञ्चालक)

सुरेश लाल श्रेष्ठ

(अध्यक्ष)

संम्वत २०८२ साल पौष महिना २९ गते मङ्गलवार

धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को अनुसूची १५

(नियम २६ उप-नियम (२) सँग सम्बन्धित वार्षिक प्रतिवेदन)

१. सञ्चालक समितिको प्रतिवेदन : कम्पनीको वार्षिक प्रतिवेदन २०८१/०८२ मा संलग्न गरिएको छ ।
२. लेखापरीक्षकको प्रतिवेदन : कम्पनीको वार्षिक प्रतिवेदन २०८१/०८२ मा संलग्न गरिएको छ ।
३. लेखापरीक्षण भएको वित्तीय विवरण : कम्पनीको वार्षिक प्रतिवेदन २०८१/०८२ मा संलग्न गरिएको छ ।
४. कानूनी कारबाही सम्बन्धी विवरण :

क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको जानकारी प्राप्त भएको छैन ।

ख) संगठित संस्थाको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालक विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए : यस्तो प्रकारको कुनै विवरण प्राप्त भएको छैन ।

ग) कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए : यस्तो प्रकार को कुनै विवरण प्राप्त भएको छैन ।

५. संगठित संस्थाको शेयर कारोबार तथा प्रगति विश्लेषण :

क) आर्थिक गतिविधिमा सुस्तता, धितोपत्र सम्बन्धमा बैंकवाट प्रवाह गरिने कर्जा सम्बन्धी नीतिगत परिवर्तनले धितोपत्र वजारलाई प्रत्यक्ष प्रभाव पार्ने गर्दछ । आर्थिक तथा वित्तीय क्षेत्रमा अपेक्षित सुधार भएमा कम्पनीको शेयर कारोबारले अभ्य छलाङ्ग मार्न सक्नेमा विश्वस्त छौ । व्यवसायिक उतार चढावले कम्पनीको शेयर मुल्यमा समेत असर गर्न स्वभाविक नै हो । समग्र अर्थतन्त्रले निश्चित गति लिन सके शेयर वजार विश्वास योग्य लगानीको क्षेत्र वन्न सक्ने कुरामा दुईमत रहन सक्दैन । दिगो आर्थिक विकासवाट मात्र पूँजी वजारले गति लिने भएकोले सोहि आधारमा कम्पनीको शेयरले उचित प्रतिफल दिन सक्छ भन्ने हाम्रो विश्लेषण रहेको छ ।

ख) गत आर्थिक वर्ष २०८१/०८२ को प्रत्येक त्रैमासिक अवधिमा कम्पनीको शेयरको अधिकतम, न्यूनतम र अन्तिम मुल्य साथै कुल कारोबार शेयर संख्या र कारोबार दिन :

विवरण	आश्वन मसान्त २०८१	पौष मसान्त २०८१	चैत्र मसान्त २०८१	आषाढ मसान्त २०८२
अधिकतम मुल्य	१०७६	९९५	९८०.४०	८७८
न्यूनतम मुल्य	८२०	७७८	७९९.९०	७८९.९०
अन्तिम मुल्य	८७२.३०	८९४	८३७.५८	८४०.३५
कारोबार दिन	५७	५५	५६	८३

कारोवार संख्या	१६९४८	५२१४	८१४८	५४४३
----------------	-------	------	------	------

(६) समस्या र चुनौती :

मुलुकको वित्तीय अस्थिरता र विद्यमान राजनैतिक वातावरणले आर्थिक कृयाकलापमा नकारात्मक असर पारिरहेको छ । विभिन्न अप्रत्यासित घटनाहरूले आर्थिक क्षेत्रलाई समेत प्रभाव पार्ने हुँदा औद्योगिक, व्यवसायीक तथा विकास निर्माणका क्षेत्र आशातीत रूपमा गतिलिन सक्दैन । जसका कारण लगानीको लागि वातावरण अनुकुल नबन्ने र भैसकेको लगानीले पनि उचित प्रतिफल प्रदान गर्न चुनौती पूर्ण रहन्छ । यसवाट निर्जीवन वीमा व्यवसाय पनि अछुतो रहन सक्ने अवस्था रहदैन । यस्ता समस्याहरूको सामना गर्दै व्यवसायलाई दिगो र विश्वासिलो वनाई प्रतिफल योग्य वनाउने तर्फ हाम्रो ध्यान सदा केन्द्रित रहदै आएको छ ।

(७) संस्थागत सुशासन :

संस्थागत सुशासनको मूलभुत मान्यताहरूलाई आत्मासात गरेर प्रचलित ऐन कानुन, नेपाल धितोपत्र वोर्ड, नेपाल वीमा प्राधिकरण तथा अन्य सम्बद्ध निकायहरूद्वारा जारी निर्देशन एवम् कम्पनीको आन्तरिक नीति नियम परिपालना गरी आफ्नो व्यवसाय सञ्चालन गर्दै आएको छौं । आफ्नो काम कारबाहीलाई पारदर्शी वनाउन शेयरधनीहरूलाई कम्पनीको कृयाकलापको सम्बन्धमा सुसूचित गर्न वित्तीय विवरण, सुचना तथा प्रतिवेदन तोकिएको समय सीमा भित्र सम्बन्धित निकायमा पेश गर्नको साथै सार्वजनिक रूपमा दैनिक पत्रिका एवम् कम्पनीको वेव साईटमा समेत प्रकाशित गर्दै आएका छौं ।

संस्थागत सुशासन सम्बन्धी वार्षिक अनुपालन प्रतिवेदन

(श्री नेपाल धितोपत्र बोर्डबाट जारी सूचीकृत संगठित संस्थाहरुको संस्थागत सुशासन सम्बन्धी निर्देशिका, २०७४ बमोजिम)

सुचीकृत संगठित संस्थाको नाम	सिद्धार्थ प्रिमियर इन्स्योरेन्स लिमिटेड
ठेगाना	बबरमहल, का.म.पा.११
इमेल	siddharthapremier@spil.com.np
वेबसाइट	www.spil.com.np
फो.नं.	०१-५७०५७६६, ५७०७१९०, ५७०५४४७
प्रतिवेदन पेश गरिएको आ.व.	आ.व. २०८१.८२

१. संचालक समिति सम्बन्धी विवरण

(क) संचालक समितिको अध्यक्षको नाम तथा नियुक्ति मिति : श्री सुरेश लाल श्रेष्ठ, (नियुक्ति मिति : २०८० फाल्गुण, ३० गते)

(ख) संस्थाको शेयर संरचना सम्बन्धी विवरण (संस्थापक, सर्वसाधारण तथा अन्य) :

क्र.सं.	शेयरधनी	यस बर्ष		गत बर्ष	
		साधारण शेयर संख्या	स्वामित्व %	साधारण शेयर संख्या	स्वामित्व %
१	संस्थापक				
क)	नेपाली संगठित संस्थाहरु	१३,४९,७८०	४.८१	७,५९,१५६	२.७०
ख)	नेपाली नागरिक	१,२९,६३,६२४	४६.१९	१,३५,५४,२४८	४८.३०
ग)	विदेशी	-	-	-	-
	जम्मा	१,४३,१३,४०४	५१	१,४३,१३,४०४	५१
२	सर्वसाधारण				
क)	नेपाली नागरिक	८८,४२,२८०	३१.५१	९४,५१,०७३	३३.६८
ख)	अन्य (संगठित संस्था)	४९,०९,८१५	९७.४९	४३,०९,०२२	९५.३२
	कुल जम्मा	२,८०,६५,४९९	१००	२,८०,६५,४९९	१००

(ग) संचालक समिति सम्बन्धी विवरण :

क्र.सं.	संचालकको नाम	प्रतिनिधित्व भएको समूह	शेयर संख्या	नियुक्ति भएको मिति	पद तथा गो पनियता लिएको मिति	संचालक नियुक्ति भएको विधि
१	श्री सुरेश लाल श्रेष्ठ	संस्थापक	९,१७,०९७	२०८०।१।१।३०	२०८०।१।२।०६	साधारण सभा
२	श्री पवन कुमार अग्रवाल	संस्थापक	३,९३,८०४	२०८०।१।१।३०	२०८०।१।२।३०	साधारण सभा
३	श्री राजन कृष्ण श्रेष्ठ	संस्थापक	२१,२६५	२०८०।१।१।३०	२०८०।१।२।३०	साधारण सभा
४	श्री राहुल अग्रवाल	संस्थापक	४,७७,३३८	२०८०।१।१।३०	२०८०।१।२।३०	साधारण सभा
५	श्री प्रभु कृष्ण श्रेष्ठ	सर्वसाधारण	८,८०,४२०	२०८०।१।१।३०	२०८०।१।२।३०	साधारण सभा
६	श्री सुमित कुमार केडिया	सर्वसाधारण	१,६१,९७५	२०८०।१।१।३०	२०८०।१।२।३०	साधारण सभा
७	श्री हसना शर्मा	स्वतन्त्र	-	२०८०।१।२।३०	२०८१।०।१।३०	संचालक समिति

(घ) संचालक समितिको बैठक :

- संचालक समितिको बैठक संचालक सम्बन्धी विवरण :

क्र.सं.	यस आ.व. मा बसेको संचालक समितिको बैठकको मिति	उपस्थित संचालकको संख्या	बैठको निर्णयमा भिन्न मत र आखी हस्ताक्षर गर्ने संचालकको संख्या	गत आ.व. बसेको बैठकको मिति
१	२०८१०४।३१	६	-	२०८०।०४।१६
२	२०८१०५।२७	७	-	२०८०।०५।१५
३	२०८१०६।२२	७	-	२०८०।०६।१९
४	२०८१०८।१४	६	-	२०८०।०८।१६
५	२०८१०८।२०	७	-	२०८०।०८।१५
६	२०८१०९।२९	७	-	२०८०।०९।२१
७	२०८१।१०।२१	६	-	२०८०।१०।११
८	२०८१।१०।२३	६	-	२०८०।१०।१९
९	२०८१।१२।१४	६	-	२०८०।११।२१
१०	२०८२।०२।२७	७	-	२०८०।१०।२९
११	२०८२।०२।२८	७	-	२०८०।१।२३
१२	२०८२।०३।०८	४	-	२०८०।१।२०५
१३			-	२०८०।१।२३०
१४			-	२०८१।०।३०
१५			-	२०८१।०।३१
१६			-	२०८१।०।३०

- कुनै संचालक समितिको बैठक आवश्यक गणपुरक संख्या नपुगी स्थगित भएको भए सोको विवरण : नभएको
- संचालक समितिको बैठक सम्बन्धी अन्य विवरण :

संचालक समितिको बैठकमा संचालक वा वैकल्पिक संचालक उपस्थित भए नभएको (नभएको अवस्थामा बैठकको मिति सहित कारण खुलाउने) :	उपस्थित नभएको
संचालक समितिको बैठकमा उपस्थित संचालकहरु, छलफल भएको विषय र तत्सम्बन्धमा भएको निर्णय विवरण (माईन्युट)को छुट्टै अभिलेख राखे नराखेको :	राखिएको
संचालक समितिको दुई लगातार बसेको बैठकको अधिकतम अन्तर (दिनमा) :	७४ दिन
संचालक समितिको बैठक भत्ता निर्धारण सम्बन्धमा बसेको वार्षिक साधारण सभाको मिति :	२०८१।१।१५ विहिबार
संचालक समितिको प्रति बैठक भत्ता रु.	संचालक समिति अध्यक्ष - रु २०,००० संचालक समिति सदस्य - रु ९८,०००
आ.व. को संचालक समितिको कुल बैठक खर्च रु.	९८,९७,८२७.९५

२. सञ्चालकको आचरण सम्बन्धी तथा अन्य विवरण :

- सञ्चालकको आचरण सम्बन्धमा सम्बन्धित संस्थाको आचार संहिता भए/नभएको : नभएको
- एकाघर परिवारको एक भन्दा बढी सञ्चालक भए सो सम्बन्धी विवरण : नभएको
- सञ्चालकहरुको वार्षिक रूपमा सिकाई तथा पूर्नताजगी कार्यक्रम सम्बन्धी विवरण : नभएको
- प्रत्येक सञ्चालकले आफू सञ्चालकको पदमा नियुक्त वा मनोनयन भएको पन्थ दिनभित्र देहायका कुराको लिखित जानकारी गराएको/नगराएको र नगराएको भए सोको विवरण:

संस्थासंग निज वा निजको एकाधरको परिवारको कुनै सदस्यले कुनै किसिमको करार गरेको वा गर्न लागेको भए सो को विवरण,

निज वा निजको एकाधरको परिवारको कुनै सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिएको शेयर वा डिबेन्चरको विवरण,

निज अन्य कुनै सङ्गठित संस्थाको आधारभुत शेयरधनी वा सञ्चालक रहेको भए त्यसको विवरण,

निजको एकाधरको परिवारको कुनै सदस्य संस्थामा पदाधिकारी वा कर्मचारीको हैसियतमा काम गरिरहको भए सोको विवरण ।

सञ्चालकले उस्तै प्रकृतिको उद्देश्य भएको सुचिकृत संस्थाको सञ्चालक, तलवी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य गरेको भए सोको विवरण:

सञ्चालकहरूलाई नियमन निकाय तथा अन्य निकायहरूबाट कुनै कारबाही गरिएको भए सोको विवरण:

कम्पनी ऐन, २०६३
को दफा ९२ बमो
जिम जानकारी
गराइएको

३. संस्थाको जोखिम व्यवस्थापन तथा आन्तरिक नियन्त्रण प्रणाली सम्बन्धी विवरण

(क) जोखिम व्यवस्थापनको लागि कुनै समिति गठन भए/नभएको गठन नभएको भए सोको कारण: भएको

(ख) जोखिम व्यवस्थापन समिति सम्बन्धी जानकारी:

(अ) समितिको संरचना (संयोजक तथा सदस्यहरूको नाम तथा पद)

नाम	पद
श्री राहुल अग्रवाल	संयोजक
श्री राजन कृष्ण श्रेष्ठ	सदस्य
श्री वीरेन्द्र बैदवार क्षेत्री	सदस्य
श्री मनोज धौराली	सदस्य सचिव

(आ) समितिको बैठक संख्या : ८

(इ) समितिको कार्य सम्बन्धी छोटो विवरण :

(१) कम्पनीको विद्यमान जोखिम व्यवस्थापन सम्बन्धी निर्देशिकाको पर्याप्तता एवं उपयुक्तता विश्लेषण गरी व्यवसायिक गतिविधिमा निहित जोखिमको स्तरको आधारमा संभावित जोखिमको पहिचान, मुल्यांकन, नियन्त्रण तथा अनुगमनलाई थप प्रभावकारी बनाउन जोखिम व्यवस्थापन सम्बन्धी नीति तथा रणनीतिलाई समयानुकूल तथा समय सापेक्ष बनाई लागू गर्न संचालक समिति समक्ष सिफारिस गर्ने,

(२) जोखिम व्यवस्थापन प्रतिवेदनको आधारमा संचालक समितिलाई आवश्यक सुझाव पेश गर्ने,

(३) नेपाल बीमा प्राधिकरणबाट जारी जोखिममा आधारित पूँजीकोष सम्बन्धी विवरण अनुरूप कम्पनीको विभिन्न गतिविधिसंग सम्बन्धित जोखिमहरूको भारलाई विश्लेषण गरी निर्धारित कम्पनीको जोखिममा आधारित पूँजीकोष तथा कम्पनीको सोभ्लेन्सी मार्जिन निर्धारित सीमा भित्र रहने गरी आवश्यक रणनीति तयार गर्न संचालक समिति समक्ष राय सुझाव सिफारिस गर्ने एवं व्यवस्पनलाई आवश्यक निर्देशन दिने ।

(४) कम्पनीले धारण गर्न सक्ने अधिकतम जोखिमका सम्बन्धमा नियमित रूपमा छलफल तथा विश्लेषण गरी संचालक समिति समक्ष राय सुझाव सिफारिस गर्ने,

(ग) आन्तरिक नियन्त्रण कार्यविधि भए/नभएको: भएको

(घ) आन्तरिक नियन्त्रण प्रणालीको लागि कुनै समिति गठन भए/नभएको गठन नभएको भए सोको कारण :

कम्पनीमा संचालक समिति तथा सो अन्तर्गत लगानी, जोखिम व्यवस्थापन तथा सोल्पेन्सी समिति, दावी तथा पुनर्बीमा समिति, लेखापरीक्षण समिति, मानव संसाधन समिति, सम्पत्ति शुद्धिकरण तथा निवारण समिति र बजार व्यवस्थापन समिति रहेको छ ।

(ङ) आन्तरिक नियन्त्रण प्रणाली समिति सम्बन्धी विवरणः

(अ) समितिको संरचना (संयोजक तथा सदस्यहरुको नाम तथा पद)

क्र.सं.	समितिको नाम	संयोजक	सदस्य
१	लगानी, जोखिम व्यवस्थापन तथा सोल्पेन्सी समिति	श्री राहुल अग्रवाल	श्री राजन कृष्ण श्रेष्ठ श्री वीरेन्द्र बैदवार क्षेत्री श्री मनोज धौराली
२	दावी तथा पुनर्बीमा समिति	श्री पवन कुमार अग्रवाल	श्री प्रभु कृष्ण श्रेष्ठ श्री वीरेन्द्र बैदवार क्षेत्री श्री नवराज पराजुली
३	लेखापरीक्षण समिति	श्री सुमित कुमार केडिया	श्री पवन कुमार अग्रवाल श्री हसना शर्मा
४	मानव संसाधन समिति	श्री प्रभु कृष्ण श्रेष्ठ	श्री सुमित कुमार केडिया श्री वीरेन्द्र बैदवार क्षेत्री श्री भरत गोपाल सुनाम
५	सम्पत्ति शुद्धिकरण तथा निवारण समिति	श्री हसना शर्मा	श्री प्रभु कृष्ण श्रेष्ठ श्री वीरेन्द्र बैदवार क्षेत्री श्री मनोज धौराली श्री सुबोध कर्माचार्य
६	बजार व्यवस्थापन समिति	श्री राजन कृष्ण श्रेष्ठ	श्री राहुल अग्रवाल श्री वीरेन्द्र बैदवार क्षेत्री श्री रामजी ढकाल

(आ) समितिको बैठक संख्या

क्र.सं.	समितिको नाम	बैठक संख्या
१	लगानी, जोखिम व्यवस्थापन तथा सोल्पेन्सी समिति	८
२	दावी तथा पुनर्बीमा समिति	१९
३	लेखापरीक्षण समिति	०८
४	मानव संसाधन समिति	०७
५	सम्पत्ति शुद्धिकरण तथा निवारण समिति	०४
६	बजार व्यवस्थापन समिति	०६

(इ) समितिको कार्य सम्बन्धी छोटो विवरण : वार्षिक प्रतिवेदनमा संलग्न गरिएको ।

(च) आर्थिक प्रशासन विनियमावली भए/नभएको : भएको

४. सूचना तथा जानकारी प्रवाह सम्बन्धी विवरण

(क) संस्थाले सार्वजनिक गरेको सूचना तथा जानकारी प्रवाहको विवरण

विषय	माध्यम	सार्वजनिक गरेको मिति
वार्षिक साधारण सभा	राष्ट्रिय स्तरको दैनिक पत्रिका	३१ औ वार्षिक साधारण सभा २०८१, फाल्गुण १५
विशेष साधारण सभाको सूचना	राष्ट्रिय स्तरको दैनिक पत्रिका	नभएको
वार्षिक प्रतिवेदन	वेवसाइट	२०८१, फाल्गुण ११ गते,
त्रैमासिक प्रतिवेदन	राष्ट्रिय स्तरको दैनिक पत्रिका	पहिलो त्रैमास: २०८१, कार्तिक ३०, शुक्रबार दोश्रो त्रैमास: २०८१, माघ २९, मंगलबार तेश्रो त्रैमास: २०८२, बैशाख ३०, मंगलबार चौथो त्रैमास: २०८२, साउन २८, बुधबार
धितोपत्रको मुल्यमा प्रभाव पार्ने मुल्य संवेदनशील सूचना	नभएको	नभएको
अन्य (सूचनाको हक सम्बन्धी सूचना)	राष्ट्रिय स्तरको दैनिक पत्रिका	पहिलो त्रैमास: २०८१, कार्तिक ३०, शुक्रबार, दोश्रो त्रैमास: २०८१, माघ २९, मंगलबार तेश्रो त्रैमास: २०८२, बैशाख ३०, मंगलबार चौथो त्रैमास: २०८२, साउन २७, मंगलबार

(ख) सूचना सार्वजनिक नगरेको वा अन्य कारणले धितोपत्र बोर्ड तथा अन्य निकायबाट कारवाहिमा परेको भए सो सम्बन्धी जानकारी : नपरेको

(ग) पछिल्लो वार्षिक तथा विशेष साधारण सभा सन्पन्न भएको मिति : २०८१, फाल्गुण १५ गते वार्षिक साधारण सभा ।

५. संस्थागत संरचना र कर्मचारी सम्बन्धी विवरण

(क) कर्मचारीहरुको संरचना, पदपूर्ति, वृति विकाश, तालिम, तलव, भत्ता तथा अन्य सुविधा, हाजिर र विदा, आचारसंहिता लगायतका कुराहरु समेटिएको कर्मचारी सेवा शर्त विनियमावली/व्यवस्था भए नभएको:

(ख) सांगठनिक संरचना संलग्न गर्ने : वार्षिक वित्तीय प्रतिवेदनमा संलग्न गरिएको

(ग) उच्च व्यवस्थापन तहका कर्मचारीहरुको नाम, शैक्षिक योग्यता तथा अनुभव सम्बन्धी विवरण :

क्र.सं.	कर्मचारीको नाम	पद	शैक्षिक योग्यता	अनुभव
१	श्री वीरेन्द्र वैदवार क्षेत्री	प्रमुख कार्यकारी अधिकृत	इ.एम बी.ए	३१
२	श्री योगेश कृष्ण श्रेष्ठ	उप-प्रमुख कार्यकारी अधिकृत	एम बी.ए	३१
३	श्री दिपक कुमार धूत	नायव महाप्रबन्धक	एम बी.ए	३०
४	श्री नवराज पराजुली	सहायक-महाप्रबन्धक	बि.एल	२३
५	रामजी ढकाल	सहायक-महाप्रबन्धक	एम.पि.ए	२४

(घ) कर्मचारी सम्बन्धी अन्य विवरण :

संरचना अनुसार कर्मचारी पदपूर्ति गर्ने गरे/नगरेको :	गरेको
नयाँ कर्मचारीहरुको पदपूर्ति गर्दा अपनाएको प्रकृया :	विभिन्न संचार माध्यमबाट आवेदन माग गरी आन्तर्वार्ता समेत लिई आवश्यक्ता अनुसार Head Hunting मार्फत विनियावलीमा भएको व्यवस्थानुसार पदपूर्ति गर्ने गरेको
व्यवस्थापन स्तरका कर्मचारीको संख्या:	५२
कुल कर्मचारीको संख्या:	६२५
कर्मचारीहरुको सक्षमतानुसार भए/नभएको :	भएको
आ. व. २०८१।८२ मा कर्मचारीहरुलाई दिइएको तालिम संख्या तथा सम्मिलित कर्मचारीको संख्या:	तालिम संख्या: ३७ कर्मचारी संख्या: २६२
आ. व. को कर्मचारी तालिम खर्च रु :	१,००,२७,८२७।३७
कुल खर्चमा कर्मचारी खर्चको प्रतिशत :	६६.३८ %
कुल कर्मचारी खर्चमा कर्मचारी तालीम खर्चको प्रतिशत :	१.६८ %

६. संस्थाको लेखा तथा लेखापरीक्षण सम्बन्धी विवरण :

(क) लेखासम्बन्धी विवरण

संस्थाको पछिल्लो आ. व. को वित्तीय विवरण NFRS अनुसार तयार गरे/ नगरेको, नगरेको भए सोको कारण :	NFRS बमोजिम तयार पारेको
संचालक समितिबाट पछिल्लो वित्तीय विवरण स्वीकृत भएको मिति:	२०८१।८।२५
त्रैमासिक वित्तीय विवरण प्रकाशन गरेको मिति :	पहिलो त्रैमास: २०८१, कार्तिक ३०, शक्वार दोश्रो त्रैमास: २०८१, माघ २९, मंगलवार तेस्रो त्रैमास: २०८२, बैशाख ३०, मंगलवार चौथो त्रैमास: २०८२, साउन २८, बुधवार
अन्तिम लेखापरीक्षण सम्पन्न भएको मिति :	२०८१।१०।२१
साधारण सभाबाट वित्तीय विवरण स्वीकृत भएको मिति :	आ.व. २०८०।८।१ को वित्तीय विवरण २०८१, फाल्गुण १५ गते
संस्थाको आन्तरिक लेखापरीक्षण सम्बन्धी विवरण :	
(अ) आन्तरिक रूपमा लेखापरीक्षण गर्ने गरिएको वा वाट्य विज्ञ नियुक्त गर्ने गरिएको	वाट्य विज्ञ नियुक्त गर्ने गरिएको
(आ) वाट्य विज्ञ नियुक्त गरिएको भए सोको विवरण	B.K Agrawal & Co. Chartered Accountants, Kathmandu.

(इ) आन्तरिक लेखापरीक्षण किए अवधिको गर्ने गरिएको (त्रैमासिक, चौमासिक वा अर्धवार्षिक)

त्रैमासिक अवधि

(ख) लेखापरीक्षण समितिसम्बन्धी विवरण

संयोजक तथा सदस्यहरूको नाम, पद तथा योग्यता :	श्री सुमित कुमार केडिया, संयोजक श्री पवन कुमार अग्रवाल, सदस्य श्री हसना शर्मा, सदस्य
बैठक बसेको मिति तथा उपस्थित सदस्य संख्या :	तालिका १ बमोजिम
प्रति बैठक भत्ता रु. :	रु १८,००० प्रति बैठक
लेखापरीक्षण समितिले आफ्नो काम कारबाहीको प्रतिवेदन संचालक समितिमा पेश गरेको मिति :	२०८२०८०८०८

तालिका १ बमोजिम

बैठक बसेको मिति	उपस्थित सदस्य संख्या
२०८१०८०३०	३
२०८१०८०२०	३
२०८१०८०२०	३
२०८११०८०२१	३
२०८११११०२८	३
२०८२०८०८०१	३
२०८२०८०८०३	२
२०८२०८०८०९	३

७. अन्य विवरण

संस्थाले सञ्चालक तथा निजको एकाधरका परिवारको वित्तीय स्वार्थ भएको व्यक्ति, बैड तथा वित्तीय संस्थाबाट ऋण वा सापटी वा अन्य कुनै रूपमा रकम लिए/ नलिएको	नलिएको
प्रचलित कानून बमोजिम कम्पनीको सञ्चालक, शेयरधनी, कर्मचारी, सल्लाहकार, परामर्शदाताको हैसियतमा पाउने सुविधा वा लाभ बाहेक सुचिकृत सङ्गठित संस्थाको वित्तीय स्वार्थ भएको कुनै व्यक्ति, फर्म, कम्पनी, कर्मचारी, सल्लाहकार वा परामर्शदाताले संस्थाको कुनै सम्पति कुनै किसिमले भोगचलन गरे/ नगरेको	नगरेको
नियमकारी निकायले इजाजतपत्र जारी गर्दा तोकेको शर्तहरूको पालना भए/ नभएको	भएको
नियमकारी निकायले संस्थाको नियमन निरीक्षण वा सुपरीवेक्षण गर्दा संस्थालाई दिइएको निर्देशन पालना भए/ नभएको	भएको
संस्था वा सञ्चालक विरुद्ध अदालतमा कुनै मुद्दा चलिरहेको भए सोको विवरण	नभएको

परिपालन अधिकृतको नाम : मनोज धौराली

लेखा परीक्षको नाम : सुदर्शन राज पाण्डे

पद : मुख्य प्रबन्धक

पद : वरिष्ठ साभेदार, एस.आर.पाण्डे एण्ड कम्पनी

मिति : २०८२०८०९०१

संस्थाको छाप :

प्रतिवेदन सञ्चालक समितिबाट स्वीकृत मिति : २०८२०८०९०२

लेखापरीक्षक संस्थाको छाप :

CHIEF FINANCIAL OFFICER'S STATEMENT OF RESPONSIBILITY

The Financial Statements of the Company as at 16 July 2025 have been prepared and presented in compliance with the Nepal Financial Reporting Standards (NFRS) issued by the Institute of Chartered Accountants of Nepal (ICAN), the Companies Act, 2063, and the Insurance Act, 2079. The formats used in preparing the Financial Statements, as well as the disclosures included therein, adhere to the formats prescribed by the relevant regulators, NIA and comply with the disclosure requirements of the Nepal Accounting Standards. We confirm that, to the best of our knowledge, the Financial Statements, Significant Accounting Policies, and other financial information related to the accompanying schedules included in this Annual Report fairly present, in all material respects, the financial position, results of operations, and cash flows of the Company for the year under review.

131

We confirm that the Company has sufficient resources to continue its operations and has therefore prepared these Financial Statements on a going concern basis. The Board of Directors is responsible for ensuring that management fulfills its financial reporting obligations. As Chief Financial Officer, I am responsible for establishing and maintaining appropriate accounting policies, procedures, and internal controls over financial reporting. Management has implemented a system of internal controls designed to provide reasonable assurance that the Financial Statements are accurate and complete in all material respects. We believe these controls ensure that the financial records are reliable, support the preparation of the Financial Statements, and safeguard the Company's assets. In addition, the Company's Internal Audit function conducts periodic reviews to confirm that internal controls and procedures are consistently applied.

The Board of Directors has established an Audit Committee, chaired by a Public Director. The Audit Committee has reviewed the internal audit function, audit follow-up reports, and the Financial Statements. The Financial Statements have been audited on behalf of the shareholders by S.R. Pandey & Co., Chartered Accountants, in accordance with the provisions of Section 111 of the Companies Act, 2063. The Independent Auditor has full and unrestricted access to the Audit Committee and may meet with the Committee either in the presence or absence of management.

To the best of our knowledge, we confirm that:

1. There are no material non-compliances except as disclosed in the Notes to the Financial Statements.
2. The Company has complied with all applicable laws, rules, regulations, and guidelines, except as disclosed in the Notes to the Financial Statements.
3. Reserving and solvency guidelines have been duly complied with.
4. The equity capital meets the minimum capital requirements prescribed under the applicable regulations.

Padam Bahadur Thapa
Chief Financial Officer
11 December, 2025



23rd December 2025

132
To,

Siddhartha Premier Insurance Limited,
4th Floor, Siddhartha Insurance Bhawan,
Babarmahal, Kathmandu, Nepal

Re: Adequacy of the Estimated Actuarial Liability as on July 2025

Dear Sir,

We have performed the actuarial valuation of insurance liabilities for Siddhartha Premier Insurance as on July 2025, including Incurred But Not (Enough) Reported (IBNR & IBNER), Premium Deficiency, Earthquake Reserve, and Margin Over Best Estimate. In addition, we have valued employee benefit liabilities, including gratuity and sick leave scheme liabilities. The data required for the valuation was provided by the Company's management, and the assumptions and other necessary information were discussed and agreed with the Company.

The valuation has been carried out in compliance with the applicable regulatory guidelines and directives, as well as relevant actuarial and accounting standards. Based on the data, assumptions, and information provided by the Company, we confirm that the actuarial reserves estimated as on 16 July 2025 are adequate. Further details on the data, methodologies, and assumptions are provided in the respective valuation reports.

Warm Regards,

YOGITA ARORA
Digitally signed
by YOGITA
ARORA
Date: 2025.12.23
16:37:17 +05'30'

Yogita Arora
Fellow, Institute of Actuaries of India
Certificate of Practice Number: 792/032
Place: Delhi, India
Date: 23rd December 2025

Actuarial Analytics & Risk Consultants

Expertise – Efficiency – Integrity – Add Value – Best Practice
www.aarconsultants.in | yogitarora@aarconsultants.in | Ph.: +91 - 9873712406

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 financial statements of **Siddhartha Premier Insurance Limited** (hereafter referred to as "the Company") which comprise the Statement of Financial Position as at Ashadh 32, 2082 (July 16, 2025), 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the company, as at Ashadh 32, 2082 (July 16, 2025), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ICAN's Handbook of The Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context 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
Revenue Recognition The Company has reported gross premium of NRs. 4,285.33 million in the Profit or Loss account in its annual financial statements (from 1 st Shrawan 2081 to 32 nd Ashadh 2082) as per terms and conditions of underwriting of insurance included reinsurance accepted.	Insurer issues insurance policies in compliance with directives on insurance tariffs issued by Nepal Insurance Authority. Insurance Act 2079 allows insurance coverage only on receipt of insurance premium. We have checked the appropriateness of underwriting process, booking of premium income and reinsurance accepted and tested the implemented control. We find that data used for calculation of Gross change in unearned premium by the Company appointed Actuary is appropriate and complete.

Page 1 of 4

S.R. Pandey & Co., Chartered Accountants is an independent member firm of HLB International.

 HLB International is a global network of independent advisory and accounting firms.



	<p>Based on our audit procedures, we were able to satisfy ourselves that the booking of gross premium is acceptable.</p>
<p><u>Measurement of Gross Insurance Contract Liabilities</u></p> <p>In the financial statements of the Company, provision for Gross Insurance Contract Liabilities amounting to NRs. 5,637.34 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>

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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



136
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: 2082/08/25
UDIN: 251212CA00031tP7VE


Sudarshan Raj Pandey, FCA
Senior Partner



Siddhartha Premier Insurance Ltd.

Statement of Financial Position

As At Ashadh 32, 2082 (July 16, 2025)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	13,564,242.82	12,705,133.96
Property and Equipment	5	812,471,495.91	746,503,752.89
Investment Properties	6	352,161,559.27	309,393,869.27
Deferred Tax Assets	7	-	-
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	9,002,240,148.33	9,306,186,893.41
Loans	11	29,461,146.24	26,443,217.23
Reinsurance Assets	12	3,681,824,464.44	2,838,364,762.69
Current Tax Assets	21	166,406,264.89	129,677,917.85
Insurance Receivables	13	401,284,795.03	360,774,611.12
Other Assets	14	319,176,156.41	105,410,135.98
Other Financial Assets	15	653,490,140.75	661,655,011.47
Cash and Cash Equivalents	16	27,321,251.26	139,485,560.85
Total Assets		15,459,401,665.35	14,636,600,866.73
Equity & Liabilities			
Equity			
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)	227,854,842.19	188,242,128.34
Retained Earnings	17(f)	998,706,315.22	1,100,436,658.91
Other Equity	17(g)	1,166,889,865.39	1,168,137,589.49
Total Equity		7,700,476,857.80	7,763,842,211.74
Liabilities			
Provisions	18	351,111,638.46	253,978,896.00
Gross Insurance Contract Liabilities	19	5,637,344,030.28	4,957,990,910.66
Deferred Tax Liabilities	7	321,680,547.65	262,071,412.95
Insurance Payables	20	640,896,222.45	624,524,161.07
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	509,596,600.57	510,179,378.39
Other Financial Liabilities	24	298,295,768.14	264,013,895.91
Total Liabilities		7,758,924,807.55	6,872,758,654.98
Total Equity and Liabilities		15,459,401,665.35	14,636,600,866.73

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

Sudarshan Raj Pandey, FCA

Senior Partner

Rajan Krishna Shrestha

Director

Prabhu Krishna Shrestha

Director

Sumit Kumar Kedia

Director

S. R. Pandey & Co.

Chartered Accountants

Hasana Sharma

Director

Birendra Bahadur Baidawar Chhetri

Chief Executive Officer

Padam Bahadur Thapa

Chief Financial Officer

Date: 2082/08/25

Place: Kathmandu

Siddhartha Premier Insurance Ltd.

Statement of Profit or Loss

For The Year Ended Ashadh 32, 2082 (For The Year Ended July 16, 2025)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	4,285,327,128.74	4,192,037,068.99
Premiums Ceded	26	(2,161,323,181.54)	(2,347,964,002.17)
Net Earned Premiums		2,124,003,947.21	1,844,073,066.82
Commission Income	27	507,459,320.14	559,620,926.17
Other Direct Income	28	29,236,003.25	30,420,593.96
Income from Investments & Loans	29	487,734,296.18	734,199,542.92
Net Gains/ (Losses) on Fair Value Changes	30	3,197,495.00	5,701,670.00
Net Realised Gains/ (Losses)	31	20,651,593.60	(153,422,570.57)
Other Income	32	13,892,741.67	16,266,202.88
Total Income		3,186,175,397.05	3,036,859,432.17
Expenses:			
Gross Claims Paid	33	2,764,026,811.63	2,138,149,466.52
Claims Ceded	33	(1,621,772,067.68)	(1,150,930,338.20)
Gross Change in Contract Liabilities	34	654,410,423.57	(351,998,225.82)
Change in Contract Liabilities Ceded to Reinsurers	34	(645,384,653.32)	563,130,355.05
Net Claims Incurred		1,151,280,514.21	1,198,351,257.56
Commission Expenses	35	33,474,541.11	37,572,612.06
Service Fees	36	14,631,536.77	14,124,290.47
Other Direct Expenses	37	1,707,318.30	14,830,170.68
Employee Benefits Expenses	38	638,827,759.79	595,696,270.96
Depreciation and Amortization Expenses	39	43,252,620.25	47,072,336.71
Impairment Losses	40	11,374,036.79	35,411,566.44
Other Operating Expenses	41	203,816,564.05	203,597,777.64
Finance Cost	42	15,270,563.19	14,199,700.27
Total Expenses		2,113,635,454.46	2,160,855,982.78
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		1,072,539,942.59	876,003,449.39
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		1,072,539,942.59	876,003,449.39
Income Tax Expense	43	316,741,779.05	187,814,298.00
Net Profit/(Loss) For The Year		755,798,163.54	688,189,151.40
Earning Per Share	51		
Basic EPS		26.93	24.52
Diluted EPS		26.93	24.52

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

Sudarshan Raj Pandey, FCA

Senior Partner

Rajan Krishna Shrestha

Director

Prabhu Krishna Shrestha

Director

Sumit Kumar Kedia

Director

S. R. Pandey & Co.

Chartered Accountants

Hasana Sharma

Director

Birendra Bahadur Baidawar Chhetri

Chief Executive Officer

Padam Bahadur Thapa

Chief Financial Officer

Date: 2082/08/25

Place: Kathmandu

Siddhartha Premier Insurance Ltd.

Statement of Comprehensive Income

For The Year Ended Ashadh 32, 2082 (For The Year Ended July 16, 2025)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/ (Loss) For The Year		755,798,163.54	688,189,151.40
Other Comprehensive Income			
a) Items that are or may be Reclassified to Profit or Loss			
Changes in Fair Value of FVOCI Debt Instruments		-	-
Cash Flow Hedge - Effective Portion of Changes in Fair Value		-	-
Exchange differences on translation of Foreign Operation		-	-
Share of other comprehensive income of associates accounted for using the equity method		-	-
Income Tax Relating to Above Items		-	-
Reclassified to Profit or Loss		-	-
b) Items that will not be Reclassified to Profit or Loss			
Changes in fair value of FVOCI Equity Instruments		89,509,545.90	(846,844,062.75)
Revaluation of Property and Equipment/ Intangible Assets		10,921,466.11	13,921,186.31
Re-measurement of Post-Employment Benefit Obligations		(43,463,242.00)	2,024,529.00
Share of other comprehensive income of associates accounted for using the equity method		-	-
Income Tax Relating to Above Items		(17,090,330.87)	249,269,504.23
Total Other Comprehensive Income For the Year, Net of Tax		39,877,439.13	(581,628,843.21)
Total Comprehensive Income For the Year, Net of Tax		795,675,602.67	106,560,308.19

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

Sudarshan Raj Pandey, FCA

Senior Partner

Rajan Krishna Shrestha

Director

Prabhu Krishna Shrestha

Director

Sumit Kumar Kedia

Director

S. R. Pandey & Co.

Chartered Accountants

Hasana Sharma

Director

Birendra Bahadur Baidawar Chhetri

Chief Executive Officer

Padam Bahadur Thapa

Chief Financial Officer

Date: 2082/08/25

Place: Kathmandu

Siddhartha Premier Insurance Ltd.
Statement of Changes In Equity
For the Year Ended Ashad 2082

Fig. in NPR

Particulars	" Ordinary Share Capital "	Preference Shares	Share Application Money Pending Allotment	" Share Premium "	Retained Earnings	" Revaluation Reserves "	Special Reserves	Capital Reserves	Catastrophe Reserves	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as at Shrawan 1, 2080	2,806,549,900.00	-	-	475,935.00	457,734,321.71	364,803,787.64	2,500,000,000.00	-	(37,634,531.21)	14,203,379.4	-	1,234,573,059.87	(41,329,960.80)	80,962,228.20	10,984,084.00	7,566,603,336.56
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Balance as at Shrawan 1, 2080	2,806,549,900.00	-	-	475,935.00	457,734,321.71	364,803,787.64	2,500,000,000.00	-	(37,634,531.21)	14,203,379.4	-	1,234,573,059.87	(41,329,960.80)	80,962,228.20	10,984,084.00	7,566,603,336.56
Profit/(Loss) For the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	688,189,151.39
Other Comprehensive Income for the Year Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Changes in Fair Value of FVOCI Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Gains/(Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Exchange differences on translation of Foreign Operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Changes in fair value of FVOCI Equity Instruments	-	-	-	-	-	-	-	-	-	-	-	(193,391,787.94)	-	-	-	(193,391,787.94)
v) Revaluation of Property and Equipment/Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,744,830.41
vi) Re-measurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,417,170.30
Transfer to Reserves/Funds	-	-	-	-	(36,765,173.21)	-	-	-	-	-	-	-	-	-	-	1,417,170.30
Transfer of Deferred Tax Reserves	-	-	-	-	(75,436,264.63)	-	-	-	-	-	-	-	-	-	-	9,744,830.41
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Employee Capacity Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(301,060,562.00)
iv) Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,659,927.00)
v) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at Ashad 31, 2081	2,806,549,900.00	-	-	475,935.00	1,100,436,658.91	374,554,618.05	2,500,000,000.00	-	188,242,128.34	24,324,891.17	-	641,788,215.94	(39,912,820.50)	156,398,592.83	10,984,084.00	7,763,842,211.74

Particulars	" Ordinary Share Capital "	Preference Shares	Share Application Money Pending Allotment	" Share Premium "	Retained Earnings	" Revaluation Reserves "	Special Reserves	Capital Reserves	Catastrophe Reserves	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total	
Balance as at Sharwan 1, 2081	2,806,549,900.00	-	-	-	475,935.00	1,100,436,658.91	374,554,618.05	2,500,000,000.00	-	188,242,128.34	24,324,899.17	-	641,788,215.94	(39,912,820.50)	10,984,084.00	7,763,842,211.74	
Profit/loss Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restated Balance as at Sharwan 1, 2081	2,806,549,900.00	-	-	-	475,935.00	1,100,436,658.91	374,554,618.05	2,500,000,000.00	-	188,242,128.34	24,324,899.17	-	641,788,215.94	(39,912,820.50)	10,984,084.00	7,763,842,211.74	
Profit/Loss For the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	755,798,163.54	
Other Comprehensive Income for the Year, i.e. Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
i) Charges in Fair Value of FVOCI Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ii) Gains/ (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
iii) Exchange differences on translation of Foreign Operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
iv) Changes in fair value of FVOCI Equity Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,593,991.56	
v) Revaluation of Property and Equipment/Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,645,026.27	
vi) Re-measurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30,424,269.40)	
Transfer to Reserves/ Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer of Deferred Tax Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,518,803.83)	
Transfer of Depreciation on Revaluation of Property, Plant Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer on Disposal of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,598,295.91)	
Share Insurance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to Employee Capacity Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Utilisation of CSR Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,415,000.00)	
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
i) Bonus Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(820,518,544.83)	
iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,446,425.18)	
iv) Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
v) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at Ashadh 32, 2082	2,806,549,900.00	-	-	-	475,935.00	998,706,315.22	382,199,644.33	2,500,000,000.00	-	227,854,842.19	23,832,441.93	-	704,444,897.96	(70,337,089.90)	113,879,789.00	12,870,182.05	7,700,476,857.80

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

Suresh Lal Shrestha
Chairman

Rajan Krishna Shrestha
Director

Pawan Kumar Agrawal
Director

Prabhu Krishna Shrestha
Director

Hasana Sharma
Director

Sumit Kumar Kedia
Director

Rahul Agrawal
Director

Birendra Bahadur Baidawar Chhetri
Chief Executive Officer

Sumit Kumar Kedia
Director

Sudarshan Raj Pandey, FCA
Senior Partner

S. R. Pandey & Co.
Chartered Accountants

Padam Bahadur Thapa
Chief Financial Officer

As per our attached report of even date

Siddhartha Premier Insurance Ltd.

Statement of Cash Flows

For the Year Ended Ashad 2082

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	4,310,269,824.79	4,177,172,210.45
Reinsurance Commission Received	504,735,208.07	574,419,815.11
Claim Recovery Received from Reinsurers	1,570,900,155.03	2,360,771,476.47
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	-	-
Other Direct Income Received	29,236,003.25	30,420,593.96
Others - Other Income	3,272,403.52	1,025,998.66
Cash Paid		
Gross Claims Paid	(2,963,836,247.95)	(2,124,921,206.48)
Reinsurance Premium Paid	(2,343,026,168.60)	(3,477,770,524.12)
Commission Paid	(40,274,134.46)	(31,455,185.29)
Service Fees Paid	(36,926,884.80)	(20,276,720.93)
Employee Benefits Expenses Paid	(607,417,225.37)	(628,988,917.88)
Other Management Expenses Paid	(163,877,555.36)	(238,466,114.12)
Other Direct Expenses Paid	(1,707,318.30)	(14,830,170.68)
Others - Other Expenses	(8,945,754.22)	(592,004.32)
Income Tax Paid	(310,420,568.11)	(659,698,446.82)
Net Cash Flow From Operating Activities [1]	(58,018,262.51)	(53,189,195.99)
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets	(1,524,850.00)	(1,591,615.04)
Proceeds From Sale of Intangible Assets	-	-
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Acquisitions of Property, Plant & Equipment	(115,577,384.24)	(20,510,744.32)
Proceeds From Sale of Property, Plant & Equipment	7,926,297.36	19,693,270.75
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	(125,794,342.87)	(160,279,675.88)
Proceeds from Sale of Equity Instruments	83,313,958.35	578,964,309.43
Purchase of Mutual Funds	(10,000,000.00)	(27,500,000.00)
Proceeds from Sale of Mutual Funds	5,274,282.57	6,695,678.01
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	(20,000,000.00)	(171,492,882.76)
Proceeds from Sale of Debentures	16,153,000.00	13,064,765.52
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	-	5,000,000.00
Investments in Deposits	(11,229,000,005.00)	(5,019,500,000.00)
Maturity of Deposits	11,685,500,005.00	4,444,900,000.00
Loans Paid	(16,393,763.34)	(19,746,119.53)
Proceeds from Loans	12,370,263.36	9,376,696.92
Rental Income Received	14,562,738.30	12,727,901.57
Proceeds from Finance Lease	-	-
Interest Income Received	470,135,141.83	705,418,467.84
Dividend Received	10,873,581.60	5,512,309.31
Others	-	-
Total Cash Flow From Investing Activities [2]	787,818,922.92	380,732,361.83

Particulars	Current Year	Previous Year
Cash Flow From Financing Activities		
Interest Paid	-	-
Proceeds From Borrowings	-	-
Repayment of Borrowings	-	-
Payment of Finance Lease	-	-
Proceeds From Issue of Share Capital	-	-
Share Issuance Cost Paid	-	-
Dividend Paid	(820,518,544.83)	(301,060,562.00)
Dividend Distribution Tax Paid	(21,446,425.18)	(7,659,927.00)
Others	-	-
Total Cash Flow From Financing Activities [3]	(841,964,970.00)	(308,720,489.00)
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	(112,164,309.59)	18,822,676.83
Cash & Cash Equivalents At Beginning of The Year/Period	139,485,560.85	120,662,884.02
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	-
Cash & Cash Equivalents At End of The Year/Period	27,321,251.26	139,485,560.85
Components of Cash & Cash Equivalents		
Cash In Hand	-	20,000.00
Cheques In Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Balance With Banks	27,321,251.26	139,465,560.85

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

Sudarshan Raj Pandey, FCA

Senior Partner

Rajan Krishna Shrestha

Director

Prabhu Krishna Shrestha

Director

Sumit Kumar Kedia

Director

S. R. Pandey & Co.

Chartered Accountants

Hasana Sharma

Director

Birendra Bahadur Baidawar Chhetri

Chief Executive Officer

Padam Bahadur Thapa

Chief Financial Officer

Date: 2082/08/25

Place: Kathmandu

Siddhartha Premier Insurance Ltd.

Statement of Distributable Profit or Loss

For the Year Ended Ashad 2082

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	1,100,436,658.91	457,734,321.71
Transfer from OCI reserves to retained earning in current year	(8,297,224.96)	399,399,056.00
Net profit or (loss) as per statement of profit or loss	755,798,163.54	688,189,151.40
Appropriations:		
i) Transfer to Insurance Fund	-	-
ii) Transfer to Special Reserve	-	-
iii) Transfer to Catastrophe Reserve	(39,915,848.37)	(50,607,597.14)
iv) Transfer to Capital Reserve	-	-
v) Transfer to CSR reserve	(7,983,169.67)	(10,121,519.43)
vi) Transfer to/from Regulatory Reserve	-	-
vii) Transfer to Fair Value Reserve	-	-
viii) Transfer of Deferred Tax Reserve	42,518,803.83	(75,436,264.63)
ix) Transfer to OCI reserves due to change in classification	-	-
x) Others: Transfer to Employee Capacity Development Fund	(1,886,098.05)	-
Deductions:	-	
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	(123,003,761.30)	(120,765,514.80)
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	-	-
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	(841,964,970.00)	(308,720,489.00)
xiv) Deduction as per Sec 17 of Financial directive	-	-
xiv) Deduction as per Sec 18 of Financial directive	-	-
xv) Others	-	-
Adjusted Retained Earnings	875,702,553.92	979,671,144.11
Add: Transfer from Share Premium Account	-	-
Less: Amount apportioned for Assigned capital	-	-
Less: Deduction as per sec 15(1) Of Financial directive	-	-
Total Distributable Profit/(loss)	875,702,553.92	979,671,144.11

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

Sudarshan Raj Pandey, FCA

Senior Partner

Rajan Krishna Shrestha

Director

Prabhu Krishna Shrestha

Director

Sumit Kumar Kedia

Director

S. R. Pandey & Co.

Chartered Accountants

Hasana Sharma

Director

Birendra Bahadur Baidawar Chhetri

Chief Executive Officer

Padam Bahadur Thapa

Chief Financial Officer

Date: 2082/08/25

Place: Kathmandu

Siddhartha Premier Insurance Limited

Notes to the Financial Statements

For the year ended Ashadh 32, 2082 (July 16th, 2025)

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 21st 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 3rd 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 1st Shrawan 2081 to 32nd Ashadh 2082 with the corresponding previous year from 1st Shrawan 2080 to 31st Ashadh 2081. These financial statements have been approved by the Board of Directors on 25th Mangsir, 2082 (11th December, 2025)

(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 25th Mangsir, 2082 (11th December, 2025)

(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.

146
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.

(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 carve outs provided by the ASB.

(j) Presentation of financial statements

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

(k) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by 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 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:

Siddhartha Premier Insurance Limited	Useful Life (In Years) for SLM
Notes to the Financial Statements	-
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.

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

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

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

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.

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.

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 re-insurer. 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 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 2081/82.

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.

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)/IncurredButNotEnoughReported (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.

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.

- 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 rata 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.

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.

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 are substantially ready for their intended use or sale.

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

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

(q) Cash Flow Statement

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

(r) Leases

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

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

(s) Income Taxes

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

i) Current Tax

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

ii) Deferred Tax

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

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

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

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.

iii) Contingent Assets

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

(u) Functional Currency & Foreign Currency Transactions

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

(v) Earnings Per Share

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.

Siddhartha Premier Insurance Ltd.

Notes to the Financial Statements

For The Year Ended Ashadh 32, 2082 (For The Year Ended July 16, 2025)

Fig. in NPR

4 Goodwill & Intangible Assets

Particulars	Softwares	Goodwill	Others	Total
Gross carrying amount				
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	-	-	-	-
Transfer from SIL	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
As at Shrawan 1, 2081	5,366,225.39	10,984,084.00	-	16,350,309.39
Additions during the year				-
Acquisition	1,524,850.00			1,524,850.00
Internal Development				-
Business Combination				-
Disposals during the year				-
Revaluation/Adjustment				-
Balance as at Ashadh 32, 2082	6,891,075.39	10,984,084.00	-	17,875,159.39
Accumulated amortization and impairment				
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	-	-	-	-
As at Shrawan 1, 2081	3,645,175.43	-	-	3,645,175.43
Additions during the year	665,741.14			665,741.14
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh 32, 2082	4,310,916.57	-	-	4,310,916.57
Capital Work-In-Progress				
As at Shrawan 1, 2080	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
As at Shrawan 1, 2081	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as at Ashadh 32, 2082	-	-	-	-
Net Carrying Amount				
As at Shrawan 1, 2081	1,721,049.96	10,984,084.00	-	12,705,133.96
As at Ashadh 32, 2082	2,580,158.82	10,984,084.00	-	13,564,242.82

Siddhartha Premier Insurance Ltd.

Notes to the Financial Statements

For The Year Ended Ashadh 32, 2082, (For The Year Ended July 16, 2025)

5 Property and Equipment

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Gross carrying amount									
As at Shrawan 1, 2080	439,329,200	210,717,171	9,984,814	45,612,376	35,789,622	9,141,526	42,507,098	12,727,613	805,809,421.46
Additions during the year									
Acquisition	-	-	867,267	249,132	1,446,379	17,918,668		29,298	20,510,744.32
Capitalisation	-	-	-	-	-	-	-	-	-
Transfer from SIL	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	(24,562,568)	-	-	(24,562,568.24)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	9,237,850	4,683,336	-	-	-	-	-	-	13,921,186.31
Transfer/ adjustments	(64,719,200)	(35,883,700)	(9,984,814)	9,984,814	-	-	-	-	(100,552,900.00)
As at Shrawan 1, 2081	383,847,850.00	179,566,807.67	-	56,464,458.15	36,038,753.96	10,587,905.12	35,863,197.67	12,756,911.27	715,125,883.85
Additions during the year									
Acquisition	104,899,410.00	5,733,500.00	-	3,416,309.65	1,009,573.24	217,774.54	30,716.81	270,100.00	115,577,384.24
Capitalisation									-
Transfer from SIL									
Disposals during the year							(6,572,021.29)		(6,572,021.29)
Write-offs during the year									-
Revaluation during the year	4,161,631.67	6,759,834.44							10,921,466.11
Transfer/ adjustments	(28,675,721.67)	(10,894,473.33)							(39,570,195.00)
Balance as at Ashadh 32, 2082	464,233,170.00	181,165,668.78	-	59,880,767.80	37,048,327.20	10,805,679.66	29,321,893.19	13,027,011.27	795,482,517.90
Accumulated depreciation and impairment									
As at Shrawan 1, 2080	14,011,671.36	887,601.09	21,135,049.98	23,335,680.12	5,307,502.73	15,309,587.82	11,228,297.21	91,215,390.30	
Additions during the year	-	3,694,856.31	-	6,237,760.53	3,477,083.58	1,284,218.15	3,281,571.94	1,136,352.27	19,121,842.77
Disposals during the year	-	-					(12,557,862.90)		(12,557,862.90)
Write-offs during the year	-	-		-	-	-	-	-	-
Impairment during the year	-	-		-	-	-	-	-	-

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Transfer/ adjustments	-	-	(887,601.09)	887,601.09	-	-	-	-	-
As at Shrawan 1, 2081	-	17,706,527.67	-	28,260,411.59	26,812,763.70	6,601,720.88	6,033,296.86	12,364,649.47	97,779,370.18
Additions during the year	-	4,060,461.10	-	6,222,851.05	3,119,193.57	1,188,156.78	2,723,324.43	65,965.82	17,379,952.75
Disposals during the year								(2,260,907.07)	(2,260,907.07)
Write-offs during the year									-
Impairment during the year	1,084,410.00								1,084,410.00
Transfer/ adjustments									-
Balance as at Ashadh 32, 2082	1,084,410.00	21,766,988.77	-	34,483,262.64	29,931,957.27	7,789,877.66	6,495,714.22	12,430,615.29	113,982,825.85
Capital Work-In-Progress									-
As at Shrawan 1, 2080	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
As at Shrawan 1, 2081	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Balance as at Ashadh 32, 2082	-	-	-	-	-	-	-	-	-
Net Carrying Amount									-
As at Shrawan 1, 2081	383,847,850.00	161,860,280.00	-	28,204,046.56	9,225,990.26	3,986,184.24	29,829,900.82	392,261.80	617,346,513.67
As at Ashadh 32, 2082	463,148,760.00	159,398,680.00	-	25,397,505.16	7,116,369.93	3,015,802.00	22,826,178.98	596,395.98	681,499,692.05
Right-of-Use Assets (after Implementation of NFRS 16)									-
Gross carrying amount									-
As at Shrawan 1, 2080	-	150,994,510	-	-	-	-	-	-	150,994,509.90
Additions during the year	-	49,650,722.93	-	-	-	-	-	-	49,650,722.93
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Transfer from SLL	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	(9,107,922)	-	-	-	-	-	-	(9,107,922,28)
As at Shrawan 1, 2081	-	191,537,310.55	-	-	-	-	-	-	191,537,310.55
Additions during the year		27,012,580.12							27,012,580.12
Disposals during the year									-
Write-offs during the year									-
Revaluation during the year									-
Transfer from SLL									-
Transfer/Adjustment									-
Balance as at Ashadh 32, 2082	-	218,558,801.55	-	-	-	-	-	-	218,558,801.55
Accumulated depreciation									
As at Shrawan 1, 2080	-	35,060,710.05	-	-	-	-	-	-	35,060,710
Additions during the year	-	27,319,361.28	-	-	-	-	-	-	27,319,361
Disposals during the year		-		-	-	-	-	-	-
Write-offs during the year		-		-	-	-	-	-	-
Impairment during the year		-		-	-	-	-	-	-
Transfer/Adjustments		-		-	-	-	-	-	-
As at Shrawan 1, 2081	-	62,380,071.33	-	-	-	-	-	-	62,380,071.33
Additions during the year		25,206,926.36							25,206,926.36
Disposals during the year									-
Write-offs during the year									-
Impairment during the year									-
Transfer/Adjustments									-
Balance as at Ashadh 32, 2082	-	87,586,997.69	-	-	-	-	-	-	87,586,997.69
Net Carrying Amount									
As at Shrawan 1, 2081	-	129,157,239.22	-	-	-	-	-	-	129,157,239.22
Balance as at Ashadh 32, 2082	-	130,971,803.86	-	-	-	-	-	-	130,971,803.86
Grand Total									
As on Ashadh 31, 2081	383,847,850.00	291,017,519.22	28,204,046.56	9,225,990.26	3,986,184.24	29,829,900.82	392,261.80	746,503,752.89	
As on Ashadh 32, 2082	463,148,760.00	290,370,483.86	25,397,505.16	7,116,369.93	3,015,802.00	22,826,178.98	596,395.98	812,471,495.91	

Siddhartha Premier Insurance Ltd.

Notes to the Financial Statements

For The Year Ended Ashadh 32, 2082, (For The Year Ended July 16, 2025)

Fig. in NPR

6 Investment Properties

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 2080	142,982,800.00	60,156,499.27	203,139,299.27
Additions during the year	-	-	-
Disposals during the year	-	-	-
Net changes in Fair Value	5,065,150.00	636,520.00	5,701,670.00
Transfer from SIL			-
Transfer/Adjustments	64,719,200.00	35,833,700.00	100,552,900.00
As at Shrawan 1, 2081	212,767,150.00	96,626,719.27	309,393,869.27
Additions during the year	28,675,721.67	10,894,473.33	39,570,195.00
Disposals during the year			-
Net changes in Fair Value	2,724,368.33	473,126.67	3,197,495.00
Transfer from SIL			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2082	244,167,240.00	107,994,319.27	352,161,559.27
Capital work-in-progress			
As at Shrawan 1, 2080	-	-	-
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
As at Shrawan 1, 2081	-	-	-
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Balance as at Ashadh 32, 2082	-	-	-
Net Carrying Amount			
As at Shrawan 1, 2081	212,767,150.00	96,626,719.27	309,393,869.27
As at Ashadh 32, 2082	244,167,240.00	107,994,319.27	352,161,559.27

(i) Amounts recognised in profit or loss

Particulars	Current Year	Previous Year
Rental income	14,733,431.54	12,430,504.15
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that didn't generated rental income	-	-
Profit from investment properties before depreciation	14,733,431.54	12,430,504.15
Depreciation	-	-
Profit from investment properties	14,733,431.54	12,430,504.15

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land	244,167,240.00	212,767,150.00
Building	107,994,319.27	96,626,719.27
Total	352,161,559.27	309,393,869.27

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:

- 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,
- 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 does not have any contractual obligations relating to investment properties.

7 Deferred Tax Assets/ (Liabilities)

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Goodwill & Intangible Assets	515,665.23		515,665.23	426,749.77		-
Property and Equipment	(25,729,262.07)	(163,799,847.57)	(189,529,109.64)	(23,832,470.57)	(160,523,407.74)	(184,355,878.31)
Financial Assets at FVTPL	(52,715,897.70)		(52,715,897.70)	(51,756,649.20)		(51,756,649.20)
Financial Assets at FVTOCI	-	(301,904,956.18)	(301,904,956.18)	-	(275,052,092.55)	(275,052,092.55)
Provision for Leave	35,893,151.10		35,893,151.10	30,397,844.10		30,397,844.10
Provision for Gratuity	33,991,988.70	30,144,467.10	64,136,455.80	28,690,330.20	17,105,494.50	45,795,824.70
Impairment Loss on Financial Assets	41,381,927.55		41,381,927.55	38,273,408.93		38,273,408.93
Impairment Loss on Other Assets	-		-	21,630.59		21,630.59
Unearned Premiums Reserve	(20,081,009.61)		(20,081,009.61)	42,010,078.62		42,010,078.62
Premium Deficiency Reserve	6,479,631.41		6,479,631.41	-	-	-
IBNR and IBNER Claims	33,558,409.51		33,558,409.51	44,900,801.18		44,900,801.18
Margin Over Best Estimates	27,888,463.69		27,888,463.69	29,551,316.90		29,551,316.90
Carry forward of unused tax losses	-		-	-	-	-
Changes in tax rate			-	-	-	-
- Lease Liability	8,256,409.39		8,256,409.39	6,915,211.18		6,915,211.18
- Lease Receivable	(775,018.63)		(775,018.63)	(723,810.66)		(723,810.66)
- Earthquake Premium Reserve	25,215,330.43		25,215,330.43	11,524,151.79		11,524,151.79
Total	113,879,789.00	(435,560,336.65)	(321,680,547.65)	156,398,592.83	(418,470,005.78)	(262,071,412.95)

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, 2081	156,398,592.83	(418,470,005.78)	(262,071,412.95)	80,962,328.20	(667,739,510.02)	(586,777,181.81)
Charged/(Credited) to Statement of Profit or Loss	(42,518,803.83)		(42,518,803.83)	75,436,264.63		75,436,264.63
Charged/(Credited) to Other Comprehensive Income		(17,090,330.87)	(17,090,330.87)	-	249,269,504.23	249,269,504.23
Balance as at Ashadh 32, 2082	113,879,789.00	(435,560,336.65)	(321,680,547.65)	156,398,592.83	(418,470,005.78)	(262,071,412.95)

8 Investments in Subsidiaries

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

Investment in Quoted Subsidiaries

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

Investment in Unquoted Subsidiaries

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

Information Relating to Subsidiaries

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

9 Investments in Associates

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

Investment in Quoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) 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	-	-	-	-	-	-
Total	-	-	-	-	-	-

Investment in Unquoted Associates

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

Information Relating to Associates

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

10 Investments

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost		
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures	868,495,430.27	864,648,430.27
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		-
iv) Fixed Deposit of "A" Class Financial Institutions	5,617,000,000.00	5,895,500,000.00
v) Fixed Deposit of Infrastructure Banks		-
vi) Fixed Deposits in "B" Class Financial Institutions	705,500,000.00	794,000,000.00
vii) Fixed Deposits in "C" Class Financial Institutions	72,500,000.00	162,000,000.00
viii) Others		-
Less: Impairment Losses		-
Investments measured at FVTOCI		
i) Investment in Equity Instruments (Quoted)	1,544,712,650.63	1,409,354,246.52
ii) Investment in Equity Instruments (Unquoted)	114,560,000.00	114,560,000.00
iii) Investment in Mutual Funds	79,472,067.43	66,124,216.62
iv) Investment in Debentures	-	-
v) Others	-	-
Investments measured at FVTPL		
i) Investment in Equity Instruments	-	-
ii) Investment in Equity Instruments (Quoted)	-	-
iii) Investment in Mutual Funds	-	-
iv) Investment in Debentures	-	-
v) Others	-	-
Total	9,002,240,148.33	9,306,186,893.41

a) Details of Impairment Losses

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

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 Debentures	-	-

Particulars	Current Year	Previous Year
Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
Fixed Deposit with "A" Class Financial Institutions	5,617,000,000.00	5,895,500,000.00
Fixed Deposit with Infrastructure Bank	-	-
Fixed Deposits with "B" Class Financial Institutions	705,500,000.00	794,000,000.00
Fixed Deposits with "C" Class Financial Institutions	72,500,000.00	162,000,000.00
Others	-	-
Total	6,395,000,000.00	6,851,500,000.00

c) Information relating to investment in equity instruments

Particulars	Unit	Cost	Current Year		Previous Year	
			Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)						
Share in Public Equity Share						
Agricultural Development Bank Limited	21,221.00	354.83	7,529,849.67	6,942,025.73	3,425,043.49	2,585,436.00
Arun Kabeli Power Limited	10,105.00	265.03	2,678,090.60	2,657,311.85	522,162.00	389,425.00
Arun Valley Hydropower Development Company Limited	3,500.00	216.27	756,952.12	1,020,915.00	1,846,682.01	1,474,791.00
Asian Life Insurance Company Limited	1,171.00	835.25	978,075.15	583,579.56	978,075.15	729,533.00
Chhimek Laghubitta Bittiya Sanstha Limited	10,283.00	1,180.80	12,142,137.43	10,652,982.34	10,524,371.80	7,347,600.00
Chilime Hydro power Company Limited	92,400.00	336.98	31,136,714.75	49,290,780.00	34,219,619.52	43,012,500.00
Citizen Investment Trust	2,247.00	1,850.01	4,156,968.36	4,439,442.84	3,511,316.78	3,465,990.00
Citizens Bank International Limited	35,047.00	283.52	9,936,515.63	8,000,529.16	7,727,008.07	4,661,608.50
Everest Bank Limited	2,200.00	640.93	1,410,044.43	1,543,432.00	646,398.84	679,840.00
First Microfinance Development Bank Limited	5,718.00	684.75	3,915,428.88	4,569,139.44	3,915,428.88	3,893,958.00
Garima Bikas Bank Limited	23,338.00	379.49	8,856,532.95	9,997,065.68	9,428,441.58	9,571,275.40
Global IME Bank Limited	10,082.00	239.25	2,412,132.76	2,616,984.74	2,989,355.44	2,336,226.00
Himalayan Bank Limited	9,325.00	266.11	2,481,483.16	2,212,822.50	2,481,483.16	1,904,165.00
Himalayan Distillery Limited	2,746.00	1,525.55	4,189,170.93	3,395,538.84	3,284,252.74	2,460,752.00
Himalayan Life Insurance Limited	3,413.00	596.65	2,036,369.16	1,389,466.43	1,604,860.66	934,881.00
Jyoti Bikash Bank Limited	14,742.00	466.10	6,871,263.44	5,182,402.68	6,871,263.44	4,628,988.00
Kumari Bank Limited	18,500.00	223.78	4,139,904.90	4,065,745.00	913,941.03	1,327,968.00
Life Insurance Corporation Nepal Limited	1,885.00	1,022.48	1,927,372.91	1,676,198.55	3,573,822.62	2,700,564.00
Mahalaxmi Bikas Bank Limited	10,156.00	343.97	3,493,319.02	4,180,920.52	3,493,319.02	3,574,912.00
Mero Microfinance Laghubitta Bittiya Sanstha Limited	2,805.00	1,066.60	2,991,805.63	2,374,516.65	2,991,805.63	1,963,500.00
Muktinath Bikas Bank Limited	24,000.00	400.31	9,607,556.89	9,742,080.00	7,862,602.37	7,262,196.00
National Life Insurance Company Limited	3,550.00	774.61	2,749,871.96	2,213,709.00	2,024,854.33	1,435,735.00
Nepal Bank Limited	11,853.00	304.15	3,605,049.53	3,454,438.32	3,051,329.50	2,216,511.00
Nepal Infrastructure Bank Limited	10,000.00	353.53	3,535,324.31	2,816,300.00	1,524,992.74	770,640.00
Nepal Investment Mega Bank Limited	7,900.00	209.51	1,655,096.87	1,825,058.00	2,421,888.56	2,024,156.00
Nepal Life Insurance Company Limited	6,580.00	1,203.11	7,916,434.40	5,086,142.60	5,178,165.18	1,825,431.00
Nepal SBI Bank Limited	96,016.00	439.19	42,169,729.51	42,245,119.68	50,032,902.41	35,997,344.00
NIC Asia Bank Limited	25,342.00	560.21	14,196,771.15	10,644,907.10	5,113,282.73	3,253,974.40
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	6,364.00	1,026.29	6,531,290.84	4,892,070.44	6,531,291.52	4,530,531.60
NMB Bank Limited	-	-	-	-	1,751,238.49	1,839,702.00
NMB Laghubitta Bittiya Sanstha Limited	2,281.00	1,001.40	2,284,197.41	1,699,641.53	2,284,197.41	1,733,560.00
Prabhu Bank Limited	30,000.00	261.47	7,844,045.12	6,656,700.00	4,888,414.80	2,817,604.40
Prime Commercial Bank Limited	55,724.00	281.83	15,704,838.21	15,397,098.44	10,339,057.35	8,101,023.20
Rasuwagadhi Hydropower Company Limited	-	-	-	-	98,785.67	88,500.00
RSDC Laghubitta Bittiya Sanstha Limited	325.00	606.98	197,269.24	227,886.75	197,269.24	224,900.00
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	5,814.00	912.54	5,305,485.18	5,141,959.74	5,305,485.18	4,414,482.70
Sanima Bank Limited	25,218.00	280.27	7,067,744.07	9,450,949.86	11,148,867.45	10,667,007.00
Sanima Mai Hydropower Limited	300.00	464.15	139,245.13	188,073.00	2,602,602.81	1,786,788.50
Sanjen Jalavidhyut Company Limited	-	-	-	-	97,882.38	85,110.00

Particulars	Unit	Cost	Current Year		Previous Year	
			Cost	Fair Value	Cost	Fair Value
Shivam Cements Limited	10,173.00	744.55	7,574,259.46	5,442,961.92	2,391,931.32	975,466.60
Standard Chartered Bank Nepal Limited	-	-	-	-	765,147.15	1,071,560.00
Suryajyoti Life Insurance Company Limited	8,359.00	591.75	4,946,442.42	3,733,881.71	4,264,974.62	3,011,449.50
Swabalamban Laghubitta Bittiya Sanstha Limited	2,631.00	944.94	2,486,150.11	2,319,068.64	2,486,150.11	2,164,820.00
Universal Power Company Limited	-	-	-	-	1,628,253.23	883,550.70
Machhapuchchhre Bank Ltd	15,000.00	258.93	3,883,998.32	3,891,150.00	1,227,399.32	1,300,000.00
Nabil Bank Ltd.	5,620.00	482.21	2,710,035.78	3,042,499.40	2,710,035.78	2,944,880.00
Kamana Sewa Bikash Bank Ltd	26,215.00	372.82	9,773,442.31	13,125,588.35	7,541,628.06	8,320,000.00
Lumbini Bikash Bank Ltd	5,997.00	416.85	2,499,832.18	2,882,697.93	1,447,397.97	1,561,000.20
Grameen Bikas Laghubitta Bittiya Sanstha Ltd	-	-	-	-	1,637,457.11	1,622,000.00
Api Power Company Limited	2,000.00	193.97	387,936.18	591,840.00	267,517.63	286,500.00
United Idi Mardi & RB Hydropower Ltd	4,000.00	515.63	2,062,525.21	2,446,760.00	418,764.69	430,000.00
Himalayan Reinsurance Limited.	11,000.00	918.03	10,098,360.39	10,150,580.00	4,664,596.92	4,199,200.00
Ghalemdi Hydro Limited	5,985.00	264.04	1,580,258.35	1,489,127.85	-	-
Green Ventures Limited	2,715.00	460.23	1,249,529.55	1,309,444.50	-	-
Ngadi Power Limited	5,500.00	359.89	1,979,413.05	2,192,685.00	-	-
National Hydro Power Company Limited	10,000.00	244.64	2,446,442.17	2,138,300.00	-	-
Sahas Urja Limited	16,500.00	566.49	9,347,020.89	10,560,660.00	-	-
Vision Lumbini Urja Company Limited	3,000.00	598.52	1,795,561.01	1,836,210.00	-	-
Citizen Life Insurance Company Limited	15.00	553.16	8,297.33	7,113.60	-	-
IME Life Insurance Company Limited	2,724.00	514.63	1,401,854.09	1,258,542.48	-	-
Reliable Nepal Life Insurance Company Limited	2,496.00	510.88	1,275,162.88	1,189,793.28	-	-
Nepal Reinsurance Company Limited	1,000.00	1,269.40	1,269,403.28	1,260,110.00	-	-
Total	733,081		313,326,007	319,342,949	258,855,016	219,489,537
Shares in Promoter Equity Share						
Central Finance Limited	188,016	79.78	15,000,000.00	31,586,688.00	15,000,000.00	31,586,688.00
Citizen Investment Trust	781,083	42.32	33,053,238.26	560,036,511.00	33,053,238.26	523,398,528.00
Nepal Investment Mega Bank Limited	15,660	328.32	5,141,478.59	2,630,880.00	5,141,478.59	2,175,174.00
Nepal Reinsurance Company Limited	2,171,935	74.50	161,816,800.00	610,313,735.00	161,816,800.00	610,313,454.00
NMB Bank Limited	99,061	46.04	4,561,000.00	12,184,503.00	4,561,000.00	11,193,893.00
Suryajyoti Life Insurance Company Limited	35,173	220.81	7,766,656.64	8,617,385.00	7,766,656.65	11,196,972.82
Total	3,290,928		227,339,173	1,225,369,702	227,339,174	1,189,864,710
Investment in Equity Instruments (Unquoted)						
Shares in Promoter Equity Share						
Insurance Institute of Nepal Limited	95,600	100.00	9,560,000.00	9,560,000.00	9,560,000.00	9,560,000.00
Alpha Capital Limited (Promoter)	778,190	134.93	105,000,000.00	105,000,000.00	105,000,000.00	105,000,000.00
Total	873,790.00		114,560,000.00	114,560,000.00	114,560,000.00	114,560,000.00
Shares in Mutual Fund						
Citizens Mutual Fund-1	-	-	-	-	2,000,000.00	1,928,000.00
Kumari Dhanabridhi Yojana	150,000	10.00	1,500,000.00	1,507,500.00	1,500,000.00	1,450,500.00
Laxmi Unnati Kosh	300,000	10.00	3,000,000.00	3,117,000.00	3,000,000.00	2,700,000.00
Mega Mutual Fund -1	400,000	10.00	4,000,000.00	3,832,000.00	4,000,000.00	3,088,000.00
Nabil Balanced Fund - 2	250,000	10.00	2,500,000.00	2,527,500.00	2,500,000.00	2,250,000.00
Nabil Balanced Fund III	33,340	10.00	333,400.00	333,066.60	333,400.00	260,052.00
Nabil Flexi Cap Fund	50,000	10.00	500,000.00	583,500.00	500,000.00	532,000.00
NIBL Samriddhi Fund - 2	150,000	10.00	1,500,000.00	1,324,500.00	1,500,000.00	1,237,500.00
NIC ASIA Balanced Fund	170,000	12.00	2,040,043.24	1,660,900.00	2,040,043.24	1,632,000.00
NIC Asia Flexi Cap Fund	400,000	10.00	4,000,000.00	4,060,000.00	4,000,000.00	3,700,000.00
NIC Asia Growth Fund	-	-	-	-	1,237,643.05	1,073,160.00
NIC Asia Select-30	100,000	10.00	1,000,000.00	929,000.00	1,000,000.00	960,000.00
NMB 50	265,000	11.51	3,049,074.19	2,832,850.83	3,049,073.36	2,660,600.00
NMB Hybrid Fund L- 1	-	-	-	-	-	-
NMB Sulav Investment Fund - II	500,000	10.00	5,000,000.00	5,645,000.00	5,000,000.00	5,030,000.00
Sanima Equity Fund	-	-	-	-	2,036,639.52	1,484,654.62
Sanima Growth Fund	50,000	10.00	500,000.00	516,000.00	500,000.00	507,000.00
Sanima Large Cap Fund	250,000	10.00	2,500,000.00	2,557,500.00	2,500,000.00	2,322,500.00
Siddhartha Equity Fund	475,000	10.00	4,750,000.00	4,887,750.00	4,750,000.00	3,985,250.00

Particulars	Unit	Cost	Current Year		Previous Year	
			Cost	Fair Value	Cost	Fair Value
Siddhartha Investment Growth Scheme-2	200,000	10.00	2,000,000.00	2,100,000.00	2,000,000.00	1,898,000.00
Sunrise First Mutual Fund	100,000	14.97	1,497,166.23	1,068,000.00	1,497,166.23	1,035,000.00
Himalayan 80-20 (HBL8020)	2,000,000	10.00	20,000,000.00	23,200,000.00	20,000,000.00	19,980,000.00
Laxmi Value Fund-II (LVF2)	250,000	10.00	2,500,000.00	2,530,000.00	2,500,000.00	2,310,000.00
NIC Asia Growth Fund-2 (NAGF2)	500,000	10.00	5,000,000.00	4,760,000.00	5,000,000.00	4,100,000.00
Garima Samriddhi Yojana	250,000	10.00	2,500,000.00	2,487,500.00	-	-
NMB Hybrid Fund L- II	500,000	10.00	5,000,000.00	4,530,000.00	-	-
Reliable Samriddhi Yojana	250,000	10.00	2,500,000.00	2,482,500.00	-	-
Total	7,593,340.00		77,169,683.66	79,472,067.43	72,443,965.40	66,124,216.62
Grand Total	12,491,139.00		732,394,863.81	1,738,744,718.06	673,198,154.79	1,590,038,463.14

d) The Company has earmarked investments amounting to NPR. 3,74,20,00,000/- to Nepal Insurance Authority.

11 Loans

Particulars	Current Year	Previous Year
Loans at Amortised Cost		
Loan to Employees	29,461,146.24	26,443,217.23
Others	-	-
Less: Impairment Losses	-	-
Total	29,461,146.24	26,443,217.23

a) Expected recovery period within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees	9,325,873.07	9,406,806.52
Others	-	-
Total	9,325,873.07	9,406,806.52

12 Reinsurance Assets

Particulars	Current Year	Previous Year
Reinsurance Assets on:		
Unearned Premium Reserve	1,130,852,607.01	932,777,558.56
Unexpired Risk Reserve	2,539,624.60	-
Earthquake Premium Reserves	-	-
Incurred But Not Reported (IBNR)	311,361,615.86	327,298,906.98
Incurred But Not Enough Reported (IBNER)	34,595,735.10	36,366,545.22
Outstanding Claims	2,202,474,881.88	1,541,921,751.92
Others:	-	-
Less: Impairment Losses	-	-
Total	3,681,824,464.44	2,838,364,762.69

13 Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurers	435,685,300.33	335,558,338.11
Receivable from Other Insurance Companies	102,149,199.71	151,404,249.27
Others	-	-
Less: Impairment Losses	(136,549,705.01)	(126,187,976.26)
Total	401,284,795.03	360,774,611.12

a) Expected recovery period within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurers	435,685,300.33	335,558,338.11
Receivable from Other Insurance Companies	102,149,199.71	151,404,249.27
Others - Receivable from Covid Claim	-	-
Total	537,834,500.04	486,962,587.38

14 Other Assets

171

Particulars	Current Year	Previous Year
Capital Advances	-	26,682,133.98
Prepaid Expenses	871,257.69	805,479.14
Claim Advance	260,076,132.54	40,263,236.32
Advance To Suppliers	12,460,445.95	1,665,343.51
Staff Advances	13,333,745.28	13,052,801.51
VAT Receivable	-	-
Printing and Stationery Stock	-	-
Stamp Stock	62,500.00	592,195.00
Deferred Expenses	-	-
Deferred Re-Insurance Commission Expenses	137,829.99	196,516.70
Deferred Agent Commission Expenses	21,998,712.09	13,093,161.16
Lease Receivable	2,583,395.43	2,412,702.19
Others - Prepaid Staff Loan	7,761,420.94	6,755,849.97
Less: Impairment Losses	(109,283.50)	(109,283.50)
Total	319,176,156.41	105,410,135.98

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

Particulars	Current Year	Previous Year
Capital Advances	-	26,682,133.98
Prepaid Expenses	871,257.69	805,479.14
Claim Advance	260,076,132.54	40,263,236.32
Advance To Suppliers	12,460,445.95	1,665,343.51
Staff Advances	13,333,745.28	13,052,801.51
VAT Receivable	-	-
Printing and Stationery Stock	-	-
Stamp Stock	62,500.00	592,195.00
Deferred Expenses	-	-
Deferred Re-Insurance Commission Expenses	137,829.99	196,516.70
Deferred Agent Commission Expenses	21,998,712.09	13,093,161.16
Lease Receivable	-	-
Others - Prepaid Staff Loan	-	-
Total	308,940,623.54	96,350,867.32

15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits	5,562,845.37	5,593,569.16
Accrued Interest	36,329,500.65	44,337,359.44
Other Receivables	-	-
Other Deposits	-	-
Sundry Debtors	42,743,024.93	89,201,281.70
Other - Leave Fund	146,523,120.32	131,513,972.72
- Gratuity Fund	180,742,030.59	149,419,209.57
- Receivable from Covid Claim	242,870,388.89	242,870,388.88
Less: Impairment Losses	(1,280,770.00)	(1,280,770.00)
Total	653,490,140.75	661,655,011.47

a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits	-	-
Accrued Interest	36,329,500.65	44,337,359.44
Other Receivables	-	-
Other Deposits	-	-
Sundry Debtors	42,743,024.93	89,201,281.70
Other - Leave Fund	-	-
- Gratuity Fund	-	-
- Receivable from Covid Claim	-	-
Total	79,072,525.58	133,538,641.14

16 Cash and Cash Equivalents

Particulars	Current Year	Previous Year
Cash In Hand	-	20,000.00
Cheques In Hand	-	-
Bank Balances		
i) Balance with "A" Class Financial Institutions	23,577,585.41	116,974,137.22
ii) Balance with Infrastructure Banks	-	-
iii) Balance with "B" Class Financial Institutions	3,052,115.78	19,357,857.53
iv) Balance with "C" Class Financial Institutions	691,550.07	3,205,668.06
Less: Impairment Losses	-	(72,101.96)
Deposit with initial maturity upto 3 months	-	-
Others	-	-
Less: Impairment Losses	-	-
Total	27,321,251.26	139,485,560.85

17 (a) Share Capital

Particulars	Current Year	Previous Year
Ordinary Shares		
As at Shrawan 1, 2081	2,806,549,900.00	2,806,549,900.00
Additions during the year		
i) Bonus Share Issue	-	-
ii) Share Issue	-	-
Balance as at Ashadh 32, 2082	2,806,549,900.00	2,806,549,900.00
Convertible Preference Shares (Equity Component Only)		
As at Shrawan 1, 2081	-	-
Additions during the year	-	-
Balance as at Ashadh 32, 2082	-	-
Irredeemable Preference Shares (Equity Component Only)		
As at Shrawan 1, 2081	-	-
Additions during the year	-	-
Balance as at Ashadh 32, 2082	-	-
Total	2,806,549,900.00	2,806,549,900.00

(i) Ordinary Shares

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

(ii) Preference Share Capital

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

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions	1,349,780	759,156	4.81	2.70
Nepali Citizens	12,963,624	13,554,248	46.19	48.30
Foreigner	-	-		

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Others				
Total (A)	14,313,404	14,313,404	51.00	51.00
Other than Promoters				
General Public	8,842,280	9,451,073	31.51	33.68
Others - Nepali Organized Institutions	4,909,815	4,301,022	17.49	15.32
Total (B)	13,752,095	13,752,095	49.00	49.00
Total (A+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:

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Ram Lal Shrestha	1,729,920	1,729,920	6.16	6.16
Siddhartha Bank Limited	1,614,112	2,115,019	5.75	7.54
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	878,695	887,294	3.13	3.16
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	298,335	299,881	1.06	1.07
Bharat Kumar Todi	298,334	298,334	1.06	1.06
Bijay Krishna Shrestha	296,437	292,737	1.06	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, 2081	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	-	-
Balance as at Ashadh 32, 2082	475,935.00	475,935.00

17 (d) Special Reserves

Particulars	Current Year	Previous Year
As at Shrawan 1, 2081	2,500,000,000.00	2,500,000,000.00
Additions		-
Utilizations	-	-
Balance as at Ashadh 32, 2082	2,500,000,000.00	2,500,000,000.00

17 (e) Catastrophe Reserves

Particulars	Current Year	Previous Year
As at Shrawan 1, 2081	188,242,128.34	137,634,531.21
Additions	39,612,713.84	50,607,597.14
Utilizations	-	-
Balance as at Ashadh 32, 2082	227,854,842.19	188,242,128.34

17 (f) Retained Earnings

Particulars	Current Year	Previous Year
As at Shrawan 1, 2081	1,100,436,658.91	457,734,321.71
Net Profit or Loss	755,798,163.54	688,189,151.39
Items of OCI recognised directly in retained earnings		
Re measurement of Post-Employment Benefit Obligations	-	-
Transfer to reserves	-	-
Revaluation Reserves	-	-
Special Reserves	-	-
Capital Reserves	-	-
Catastrophe Reserves	(39,915,848.37)	(50,607,597.14)
Corporate Social Responsibility (CSR) Reserves	(7,983,169.67)	(10,121,519.43)
Insurance Fund including Insurance Reserves	-	-
Fair Value Reserves	-	-
Actuarial Reserves	-	-
Deferred Tax Reserves	42,518,803.83	(75,436,264.63)
Regulatory Reserves	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	(8,297,224.96)	399,399,056.00
Transaction costs on issue of shares	-	-
Issuance of Bonus Shares	-	-
Dividend Paid	(820,518,544.83)	(301,060,562.00)
Dividend Distribution Tax	(21,446,425.18)	(7,659,927.00)
Others: Employee Capacity Development Fund	(1,886,098.05)	-
Balance as at Ashadh 32, 2082	998,706,315.22	1,100,436,658.91

17 (g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves	382,199,644.33	374,554,618.05
Capital Reserves	-	-
Corporate Social Responsibility (CSR) Reserves	23,832,441.94	24,324,899.17
Insurance Fund including Insurance Reserves	-	-
Fair Value Reserves	704,444,897.97	641,788,215.94
Actuarial Reserves	(70,337,089.90)	(39,912,820.50)
Deferred Tax Reserve	113,879,789.00	156,398,592.83
Other Reserves	12,870,182.05	10,984,084.00
Total	1,166,889,865.39	1,168,137,589.49

18 Provisions

Particulars	Current Year	Previous Year
Provisions for employee benefits		
i) Provision for Leave	137,323,452.46	101,326,147.00
ii) Provision for Gratuity	213,788,186.00	152,652,749.00
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	-	-
Total	351,111,638.46	253,978,896.00

(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	101,326,147.00	25,410,368.88	(7,092,679.00)	-	-	119,643,836.88
ii) Provision for Gratuity	152,652,749.00	66,140,075.00	(5,004,638.00)	-	-	213,788,186.00
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	-	-
Total	-	-

19 Gross Insurance Contract Liabilities

Particulars	Current Year	Previous Year
Unearned Premium Reserve	2,039,351,705.71	2,014,409,009.66
Unearned Risk Reserve	24,138,395.96	-
Earthquake Premium Reserve	84,051,101.45	38,413,839.30
Margin over Best Estimates	92,961,545.64	98,504,389.67
Incurred But not Reported(IBNR)	498,501,137.68	550,209,973.68
Incurred But not enough Reported(IBNER)	55,389,015.30	61,134,441.52
Outstanding Claims	2,842,951,128.54	2,195,319,256.83
Others :	-	-
Total	5,637,344,030.28	4,957,990,910.66

19.1 a) Gross Insurance Contract Liability

Particulars	Line of Business						Total
	Property	Motor	Marine	Engineering	Micro	Aviation	
As at Shrawan 1, 2081							
Unearned Premium Reserve	739,181,052.26	707,585,685.46	25,145,497.80	324,482,428.82	11,679.96	8,163,004.25	31,867,018.48
Unearned Risk Reserve	-	-	-	-	-	-	-
Earthquake Premium Reserve	15,264,349.34	15,532,919.40	2,752,128.20	3,244,413.85	4,996.79	90,586.72	218,487.75
Margin over Best Estimates	27,137,557.14	51,870,924.66	2,091,047.84	10,164,075.95	80,423.64	253,242.96	536,121.73
Incurred but not Reported (IBNR)	71,653,819.63	272,192,088.97	18,142,461.11	127,532,799.00	2,790,105.42	14,802,751.08	5,095,702.38
Incurred but not enough Reported (IBNER)	7,961,535.51	30,243,565.44	2,015,829.01	14,170,311.00	310,011.71	1,644,750.12	566,189.15
Outstanding Claims	344,702,446.00	558,543,805.33	35,051,761.55	517,068,895.95	672,711,160.00	11,740,230.00	4,041,700.00
Others	-	-	-	-	-	-	-
Total Balance As at Shrawan 1, 2081	1,205,900,759.89	1,635,968,989.26	85,198,725.51	996,662,924.57	675,908,377.52	36,694,565.14	42,325,219.50
Changes during the year							
Unearned Premium Reserve	(19,830,509.75)	55,858,150.34	(5,868,871.27)	(44,012,759.20)	(101,649.70)	2,119,563.66	4,524,454.21
Unearned Risk Reserve	-	-	-	-	-	-	(17,631,074.33)
Earthquake Premium Reserve	(17,519,191.66)	(18,811,305.49)	(3,455,283.69)	(3,300,436.10)	(6,921.24)	(86,038.47)	(216,615.16)
Margin over Best Estimates	981,877.11	4,830,861.13	(481,541.28)	2,885,109.57	22,576.14	(479,380.00)	(257,311.29)
Incurred but not Reported (IBNR)	(1,109,782.21)	72,293,405.37	1,517,060.82	8,084,989.13	1,791,761.73	497,956.63	(946,070.86)
Incurred but not enough Reported (IBNR)	(123,309.13)	8,032,600.60	168,562.31	898,332.13	199,084.64	55,328.51	(105,118.98)
Outstanding Claims	(367,476,549.00)	5,349,276.74	(48,032,428.45)	(239,504,434.00)	961,160.00	(5,611,623.00)	2,320,700.00
Others	-	-	-	-	-	-	-
Total changes during the year	(405,077,464.65)	127,552,988.69	(56,152,501.56)	(274,949,198.48)	2,866,011.56	(3,504,192.66)	5,320,037.92
							(75,408,800.45)
							(679,353,119.62)

Particulars	Line of Business					Total
	Property	Motor	Marine	Engineering	Micro	
As at Ashadh 32, 2082						
Unearned Premium Reserve	759,011,562.01	651,727,535.12	31,014,369.07	368,495,188.02	113,329.66	6,043,440.59
Unearned Risk Reserve	-	-	-	-	-	27,342,564.27
Earthquake Premium Reserve	32,783,541.00	34,344,224.89	6,207,411.89	6,544,849.95	11,918.03	176,625.19
Margin over Best Estimates	26,155,680.03	47,040,063.53	2,572,589.12	7,278,966.38	57,847.50	732,622.96
Incurred but not Reported(IBNR)	72,763,601.84	199,898,683.60	16,625,400.29	119,447,809.87	998,343.69	14,304,794.45
Incurred but not enough Reported(IBNR)	8,084,844.65	22,210,964.84	1,847,266.70	13,271,978.87	110,927.08	1,589,421.61
Outstanding Claims	712,178,995.00	553,194,528.59	83,084,190.00	756,573,329.95	671,750,000.00	17,351,853.00
Others	-	-	-	-	-	-
Total Balance As at Ashadh 32, 2082	1,610,978,224.53	1,508,416,000.57	141,351,227.07	1,271,612,123.05	673,042,365.95	40,198,757.80
19.1 b) Reinsurance Assets						
Particulars	Line of Business					Total
	Property	Motor	Marine	Engineering	Micro	
As at Shrawan 1, 2081						
Unearned Premium Reserve	403,034,482.63	263,898,409.48	(117,459,600.78)	268,998,818.89	(173,573.15)	5,143,446.83
Unearned Risk Reserve	-	-	-	-	-	27,011,735.22
Earthquake Premium Reserve	-	-	-	-	-	82,323,839.43
Incurred but not Reported(IBNR)	48,495,772.50	104,957,276.41	11,058,005.46	116,595,725.64	2,056,921.10	14,163,811.05
Incurred but not enough Reported(IBNR)	5,388,419.17	11,661,919.60	1,228,667.27	12,955,080.63	228,546.79	1,573,756.78
Outstanding Claims	173,161,356.12	166,161,965.92	18,721,961.17	475,281,157.87	671,931,160.00	7,547,713.00
Others	-	-	-	-	-	-
Premium Deficiency Reserve	-	-	-	-	-	-
Total Balance As at Shrawan 1, 2081	630,080,030.42	546,679,571.41	(86,450,966.87)	873,830,783.03	674,043,054.74	28,428,727.67
						33,660,109.39
						138,093,452.91
						2,838,364,762.68

Particulars	Line of Business						Total
	Property	Motor	Marine	Engineering	Micro	Aviation	
Changes during the year							
Unearned Premium Reserve	(9,647,688.43)	(13,290,835.18)	130,403,079.69	83,531,745.99	207,212.42	332,058.52	(4,481,459.84)
Unearned Risk Reserve	-	(15,537,585.36)	-	-	-	-	18,077,209.96
Earthquake Premium Reserve	-	-	-	-	-	-	-
Incurred but not Reported (IBNR)	1,081,327.53	(1,318,159.47)	(6,947,211.93)	(10,605,932.87)	(2,028,111.11)	(7,227,784.70)	496,772.90
Incurred but not enough Reported (IBNR)	120,147.50	(146,462.16)	(771,912.44)	(1,178,436.99)	(225,345.68)	(803,087.19)	55,196.99
Outstanding Claims	407,291,585.92	(30,156,087.66)	44,896,455.27	239,420,483.79	(181,160.00)	3,907,136.10	(1,888,304.00)
Others	-	-	-	-	-	-	-
Total changes during the year	398,845,372.52	(60,449,129.82)	167,570,410.58	311,167,859.92	(2,227,404.37)	(3,791,677.27)	(5,817,793.95)
As at Ashadh 32, 2082							
Unearned Premium Reserve	393,386,794.20	250,607,574.30	12,943,478.90	352,530,564.88	33,639.27	5,475,505.35	22,530,275.39
Unearned Risk Reserve	-	(15,537,585.36)	-	-	-	-	18,077,209.96
Earthquake Premium Reserve	-	-	-	-	-	-	-
Incurred but not Reported (IBNR)	49,577,100.03	103,639,116.94	4,110,793.53	105,989,792.76	28,809.99	6,936,026.35	3,500,042.45
Incurred but not enough Reported (IBNR)	5,508,566.67	11,515,457.44	456,754.84	11,776,643.64	3,201.11	770,669.59	388,893.61
Outstanding Claims	580,452,942.04	136,005,878.26	63,608,416.44	714,701,641.66	671,750,000.00	11,454,849.10	1,423,104.00
Others	-	-	-	-	-	-	-
Total Balance As at Ashadh 32, 2082	1,028,925,402.94	486,230,441.59	81,119,443.71	1,184,998,642.95	671,815,650.37	24,637,050.39	27,842,315.44
							176,255,517.06
							3,681,824,464.44

19.2 Disclosure of Outstanding claim

S. N.	Type of insurance	Outstanding claim for claims intimated during the year (A)	Unclaimed Fund			" 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	Total Unclaimed Fund (B)		
1	Property	673,831,995.00	25,332,000.00	8,415,000.00	4,600,000.00	38,347,000.00	712,178,995.00
2	Motor	439,793,106.83	80,420,370.44	17,860,721.00	15,120,330.32	113,401,421.76	553,194,528.59
3	Marine	68,928,645.00	4,155,545.00	10,000,000.00	-	14,155,545.00	83,084,190.00
4	Engineering	437,522,105.00	72,197,948.00	83,706,653.00	163,146,623.95	319,051,224.95	756,573,329.95
5	Micro	-	-	671,750,000.00	671,750,000.00	671,750,000.00	671,750,000.00
6	Aviation	30,000.00	-	3,352,240.00	13,969,613.00	17,321,853.00	17,351,853.00
7	Cattle and Crop	1,721,000.00	-	-	-	1,721,000.00	1,423,104.00
8	Miscellaneous	18,718,207.00	21,516,025.00	60,000.00	6,803,000.00	28,379,025.00	47,097,232.00
Total		1,640,545,058.83	203,621,888.44	123,394,614.00	875,389,567.27	1,202,406,069.71	2,842,951,128.54
						2,202,474,881.88	640,476,246.66

20. Insurance Payables

Particulars	Current Year	Previous Year
Payable to Reinsurers	456,262,018.17	479,333,098.14
Payable to Other Insurance Companies	14,303,283.90	13,081,252.24
Portfolio Withdrawal Premium	93,056,837.50	91,245,068.45
Outstanding Withdrawal Claims	77,274,082.88	40,864,742.24
Others	-	-
Total	640,896,222.45	624,524,161.07

Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurers	456,262,018.17	479,333,098.14
Payable to Other Insurance Companies	14,303,283.90	13,081,252.24
Portfolio Withdrawal Premium	93,056,837.50	91,245,068.45
Outstanding Withdrawal Claims	77,274,082.88	40,864,742.24
Others	-	-
Total	640,896,222.45	624,524,161.07

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

Particulars	Current Year	Previous Year
Income Tax Liabilities	(2,615,664,603.79)	(2,341,972,382.81)
Income Tax Assets	2,782,070,868.68	2,471,650,300.66
Total	166,406,264.89	129,677,917.85

22. Borrowings

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

Payable within 12 months:

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

23. Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable	12,004,919.77	6,365,248.02
VAT Payable	42,636,989.49	44,082,615.16
Deposit Premium	29,820,165.61	12,154,155.61
Deferred Commission Income	254,184,886.48	256,908,998.53
Insurance Service Fee Payable	9,033,443.54	31,328,791.57
Lease Liability	158,493,168.49	152,207,943.17
Deferred Income	-	-
Others - Expense Payable	3,423,027.19	7,131,626.33
Total	509,596,600.57	510,179,378.39

Payable within 12 months:

Particulars	Current Year	Previous Year
TDS Payable	12,004,919.77	6,365,248.02
VAT Payable	42,636,989.49	44,082,615.16
Deposit Premium	-	-
Deferred Commission Income	254,184,886.48	256,908,998.53
Insurance Service Fee Payable	9,033,443.54	31,328,791.57
Lease Liability	33,457,939.45	33,394,796.23
Deferred Income	-	-
Others - Expense Payable	3,423,027.19	7,131,626.33
Total	354,741,205.92	379,212,075.84

24. Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Payable to Agent	14,853,161.39	12,805,890.53
Payable to Surveyor	35,900,301.02	15,896,841.12
Refundable Share Application Money	-	-
Payable to Insured	20,014,818.30	20,137,571.90
Sundry Creditors	50,873,026.19	59,349,689.28
Retention and deposits	704,034.75	307,794.75
Short-term employee benefits payable	-	-
i) Salary Payable	829,014.26	613,332.38
ii) Bonus Payable	119,171,104.73	97,333,716.60
iii) Other employee benefit payable	14,388,808.59	19,446,132.99
Audit Fee Payable	923,437.50	238,384.77
Dividend Payable	453,400.00	453,400.00
Others - Stale & Cancelled Cheque	40,184,661.41	37,431,141.59
Total	298,295,768.14	264,013,895.91

Payable within 12 months:

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Payable to Agent	14,853,161.39	12,805,890.53
Payable to Surveyor	35,900,301.02	15,896,841.12
Refundable Share Application Money	-	-
Payable to Insured	20,014,818.30	20,137,571.90
Sundry Creditors	50,873,026.19	59,349,689.28
Retention and deposits	-	-
Short-term employee benefits payable	-	-
i) Salary Payable	829,014.26	613,332.38
ii) Bonus Payable	119,171,104.73	97,333,716.60
iii) Other employee benefit payable	14,388,808.59	19,446,132.99
Audit Fee Payable	923,437.50	238,384.77
Dividend Payable	453,400.00	453,400.00
Others - Stale & Cancelled Cheque	-	-
Total	257,407,071.98	226,274,959.57

25 Gross Earned Premiums

Particulars	Direct Premiums		Premiums on Reinsurance 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	1,542,542,702.67	1,406,226,755.25	2,262,599.19	2,563,989.06	(19,830,509.75)	(128,583,054.88)	1,524,974,792.11	1,280,207,689.43
Motor	1,357,749,100.35	1,306,099,143.37	28,349,733.33	118,117,146.96	55,858,150.34	68,992,290.17	1,441,956,984.02	1,493,208,580.50
Marine	269,764,113.66	209,978,776.71	-	(13,468.40)	(5,868,871.27)	97,127,723.84	263,895,242.39	307,093,032.15
Engineering	571,872,632.80	609,161,566.55	3,019,281.37	136,312.01	(44,012,759.20)	(20,324,096.25)	530,879,154.97	588,973,782.31
Micro	656,285.08	503,390.50	-	-	(101,649.70)	5,861,760.12	554,635.38	6,365,150.62
Aviation	4,900,333.46	38,603,012.47	8,874,318.93	-	2,119,563.66	(2,461,402.69)	15,894,216.05	36,141,609.78
Cattle and Crop	54,700,823.88	57,800,990.80	-	-	4,524,454.21	21,584,612.97	59,225,278.09	79,385,603.77
Miscellaneous	465,577,900.07	427,891,542.47	-	103,052.70	(17,631,074.33)	(27,332,974.74)	447,946,825.74	400,661,620.43
Total	4,267,763,891.97	4,056,265,178.12	42,505,932.82	120,907,032.33	(24,942,696.05)	14,864,858.54	4,285,327,128.74	4,192,037,068.99

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	765,527,386.32	928,573,367.44	724,172,552.89	429,416,818.78	52,842,763.46	48,236,569.03	1,542,542,702.67	1,406,226,755.25
Motor	742,355,032.80	728,154,752.07	615,228,541.63	577,944,391.30	165,525.92	-	1,357,749,100.35	1,306,099,143.37
Marine	192,651,320.07	162,212,146.25	77,112,793.59	47,766,630.46	-	-	269,764,113.66	209,978,776.71
Engineering	267,144,575.34	216,283,667.01	279,331,556.54	345,773,038.10	25,396,500.92	47,104,861.44	571,872,632.80	609,161,566.55
Micro	656,285.08	353,494.50	-	149,896.00	-	-	656,285.08	503,390.50
Aviation	-	3,230,653.50	4,900,333.46	35,372,358.97	-	-	4,900,333.46	38,603,012.47
Cattle and Crop	53,946,173.38	57,509,419.80	754,650.50	291,571.00	-	-	54,700,823.88	57,800,990.80
Miscellaneous	292,833,330.07	289,255,642.83	164,622,874.90	132,962,894.65	8,121,695.10	5,673,004.99	465,577,900.07	427,891,542.47
Total	2,315,114,103.06	2,385,573,143.40	1,866,123,303.51	1,569,677,599.26	86,526,485.40	101,014,435.46	4,267,763,891.97	4,056,265,178.12

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	960,832,247.53	843,131,289.30	9,647,688.43	(19,535,799.98)	970,479,935.96	823,595,489.32
Motor	518,771,543.79	552,166,226.41	13,290,835.18	(71,738,019.90)	532,062,378.97	480,428,206.51
Marine	116,195,949.91	82,864,129.65	(130,403,079.69)	164,799,969.27	(14,207,129.78)	247,664,098.92
Engineering	464,877,377.61	498,330,658.69	(83,531,745.99)	(3,913,830.83)	381,345,631.62	494,416,827.86
Micro	194,869.03	132,884.28	(207,212.42)	1,106,616.42	(12,343.39)	1,239,500.70
Aviation	8,038,754.46	32,563,897.63	(332,058.52)	504,106.51	7,706,695.94	33,068,004.14
Cattle and Crop	45,073,483.40	48,090,424.28	4,481,459.84	15,578,008.15	49,554,943.24	63,668,432.43
Miscellaneous	245,414,004.25	236,696,988.78	(11,020,935.28)	(32,813,546.49)	234,393,068.97	203,883,442.29
Total	2,359,398,229.98	2,293,976,499.02	(198,075,048.44)	53,987,503.15	2,161,323,181.54	2,347,964,002.17

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	1,524,974,792.11	1,280,207,689.43	970,479,935.96	823,595,489.32	554,494,856.14	456,612,200.11
Motor	1,441,956,984.02	1,493,208,580.50	532,062,378.97	480,428,206.51	909,894,605.05	1,012,780,373.99
Marine	263,895,242.39	307,093,032.15	(14,207,129.78)	247,664,098.92	278,102,372.17	59,428,933.23
Engineering	530,879,154.97	588,973,782.31	381,345,631.62	494,416,827.86	149,533,523.35	94,556,954.45
Micro	554,635.38	6,365,150.62	(12,343.39)	1,239,500.70	566,978.77	5,125,649.92
Aviation	15,894,216.05	36,141,609.78	7,706,695.94	33,068,004.14	8,187,520.11	3,073,605.64
Cattle and Crop	59,225,278.09	79,385,603.77	49,554,943.24	63,668,432.43	9,670,334.85	15,717,171.34
Miscellaneous	447,946,825.74	400,661,620.43	234,393,068.97	203,883,442.29	213,553,756.77	196,778,178.14
Total	4,285,327,128.74	4,192,037,068.99	2,161,323,181.54	2,347,964,002.17	2,124,003,947.21	1,844,073,066.82

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	230,288,226.31	256,436,544.92	20,382,704.82	(26,746,372.60)	(12,104,730.49)	22,328,614.35	238,566,200.64	252,018,786.67
Motor	86,501,261.58	105,494,019.20	9,005,317.71	(15,413,623.63)	(8,103,676.42)	11,019,580.18	87,402,902.87	101,099,975.75
Marine	39,494,989.06	28,098,247.69	(1,159,248.59)	17,604,645.27	(1,102,281.03)	2,177,280.04	37,233,459.44	47,880,173.00
Engineering	105,962,541.31	82,524,539.34	(23,025,293.29)	1,440,467.82	6,074,174.43	5,852,192.30	89,011,422.45	89,817,199.46
Micro	79,072.05	44,234.20	(12,762.82)	157,732.38	7,790.94	13,510.39	74,100.17	215,476.97
Aviation		254,408.12	121,367.73	(8,354.36)	-	-	121,367.73	246,053.76
Cattle and Crop	9,522,310.04	9,932,522.27	716,234.48	4,703,106.31	355,613.80	1,103,858.62	10,594,158.32	15,739,487.20
Miscellaneous	49,208,799.80	45,597,673.23	(3,304,207.97)	3,463,509.85	(1,448,883.31)	3,542,590.26	44,455,708.52	52,603,773.34
Total	521,057,200.15	528,382,188.97	2,724,112.07	(14,798,888.94)	(16,321,992.08)	46,037,626.14	507,459,320.14	559,620,926.17

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	28,523,921.24	29,868,249.77			28,523,921.24	29,868,249.77
Marine	-	-	-	-	-	-
Engineering		-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation		-	-	-	-	-
Cattle and Crop			-	-	-	-
Miscellaneous	712,082.01	552,344.19	-	-	712,082.01	552,344.19
Total	29,236,003.25	30,420,593.96	-	-	29,236,003.25	30,420,593.96

29 Income from Investment & Loans

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Measured at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions	293,473,033.89	506,472,555.99
ii) Fixed Deposit with Infrastructure Bank	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	42,231,688.16	77,987,386.79
iv) Fixed Deposit with "C" Class Financial Institutions	7,689,750.66	20,785,259.73
v) Debentures	89,651,490.53	88,460,835.57
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	86,750.00
vii) Bank Deposits other than Fixed Deposit	3,314,370.02	2,899,381.42
viii) Employee Loan	149,600.78	257,602.96
ix) Other Interest Income- Interest on Gratuity & Leave Fund	25,617,349.00	19,306,957.00
Financial Assets Measured at FVTOCI	-	-
i) Interest Income on Debentures	-	-
ii) Dividend Income	10,873,581.60	5,512,309.31
iii) Other Interest Income	-	-
Financial Assets Measured at FVTPL		
i) Interest Income on Debentures	-	-
ii) Dividend Income	-	-
iii) Other Interest Income	-	-
Rental Income	14,733,431.54	12,430,504.15
Others	-	-
Total	487,734,296.18	734,199,542.92

30 Net Gains/ (Losses) on Fair Value Changes

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments	-	-
ii) Mutual Fund	-	-
iii) Others	-	-
Changes in Fair Value on Investment Properties	3,197,495.00	5,701,670.00
Changes in Fair Value on Hedged Items in Fair Value Hedges	-	-
Changes in Fair Value on Hedging Instruments in Fair Value Hedges	-	-
Others	-	-
Total	3,197,495.00	5,701,670.00

31 Net Realised Gains/ (Losses)

Particulars	Current Year	Previous Year
Realised Gains/(Losses) on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments	20,651,593.60	(153,422,570.57)
ii) Mutual Fund	-	-
iii) Debentures	-	-
iv) Others	-	-
Realised Gains/(Losses) on Derecognition of Financial Assets at Amortised Costs		-
i) Debentures	-	-
ii) Bonds	-	-
iii) Others	-	-
Total	20,651,593.60	(153,422,570.57)

32 Other Income

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Cost		
i) Employee Loan	-	-
ii) Bonds	-	-
iii) Others	-	-
Foreign Exchange Income	2,008,451.19	-
Interest Income from Finance Lease	-	-
Profit from disposal of Property and Equipment	3,615,183.14	7,688,565.41
Amortization of Deferred Income	-	-
Stamp Income	-	-
Others - Miscellaneous Income	1,191,850.37	1,025,998.66
- Interest Income on Staff Loan	7,077,256.97	6,211,041.50
- Prior Period Income	-	1,340,597.31
Total	13,892,741.67	16,266,202.88

33 Gross Claims Paid and Claims Ceded

Particulars	Gross Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	1,112,708,635.04	441,312,549.51	(892,663,703.05)	(317,730,285.60)	220,044,931.99	123,582,263.91
Motor	968,421,519.66	927,387,607.39	(238,463,730.71)	(252,020,012.97)	729,957,788.95	675,367,594.42
Marine	105,438,884.56	85,921,826.71	(54,376,506.76)	(37,771,976.71)	51,062,377.80	48,149,850.00
Engineering	252,651,865.44	411,711,278.19	(226,626,649.78)	(388,502,510.57)	26,025,215.66	23,208,767.62
Micro	591,320.00	248,246.19	(118,264.00)	(45,851.24)	473,056.00	202,394.95
Aviation	-	30,488.00	-	(15,244.00)	-	15,244.00
Cattle and Crop	23,901,389.38	38,752,750.78	(19,758,883.82)	(31,193,645.54)	4,142,505.56	7,559,105.24
Miscellaneous	300,313,197.55	232,784,719.75	(189,764,329.56)	(123,650,811.57)	110,548,867.99	109,133,908.18
Total	2,764,026,811.63	2,138,149,466.52	(1,621,772,067.68)	(1,150,930,338.20)	1,142,254,743.95	987,219,128.32

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	1,064,430,583.00	420,366,822.20	48,278,052.04	20,945,727.31	1,112,708,635.04	441,312,549.51
Motor	938,136,719.50	893,836,627.30	30,284,800.16	33,550,980.09	968,421,519.66	927,387,607.39
Marine	97,436,860.00	78,794,916.00	8,002,024.56	7,126,910.71	105,438,884.56	85,921,826.71
Engineering	220,061,528.00	388,231,685.25	32,590,337.44	23,479,592.94	252,651,865.44	411,711,278.19
Micro	541,000.00	200,990.00	50,320.00	47,256.19	591,320.00	248,246.19
Aviation	-	30,488.00	-	-	-	30,488.00
Cattle and Crop	23,471,316.28	38,481,838.88	430,073.10	270,911.90	23,901,389.38	38,752,750.78
Miscellaneous	299,850,570.55	232,199,192.65	462,627.00	585,527.10	300,313,197.55	232,784,719.75
Total	2,643,928,577.33	2,052,142,560.28	120,098,234.30	86,006,906.24	2,764,026,811.63	2,138,149,466.52

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	385,246,954.89	(36,614,900.67)	(408,493,060.96)	168,527,000.92	(23,246,106.06)	131,912,100.25
Motor	(71,694,838.35)	40,991,429.51	47,158,294.65	5,684,446.95	(24,536,543.71)	46,675,876.47
Marine	50,283,630.29	(17,250,266.27)	(37,167,330.90)	23,063,709.15	13,116,299.39	5,813,442.89
Engineering	230,936,439.28	(307,962,170.40)	(227,636,113.93)	337,540,689.43	3,300,325.35	29,578,519.03
Micro	(2,967,661.26)	902,765.16	2,434,616.79	(566,391.64)	(533,044.48)	336,373.52
Aviation	5,623,756.32	(14,688,305.41)	4,123,735.79	15,268,804.17	9,747,492.11	580,498.75
Cattle and Crop	(795,583.71)	(17,649,435.58)	1,336,334.11	15,089,675.33	540,750.40	(2,559,760.25)
Miscellaneous	57,777,726.12	272,657.84	(27,141,128.87)	(1,477,579.27)	30,636,597.25	(1,204,921.42)
Total	654,410,423.57	(351,998,225.82)	(645,384,653.32)	563,130,355.05	9,025,770.26	211,132,129.24

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	17,329,607.37	11,830,564.51	257,737.68	234,922.67	(4,123,775.65)	(147,455.11)	13,463,569.40	11,918,032.07
Motor	10,472,419.09	8,115,884.42		-	(2,115,081.92)	1,582,200.91	8,357,337.17	9,698,085.33
Marine	2,495,442.77	1,787,100.16		(2,020.26)	(205,666.49)	813,690.65	2,289,776.28	2,598,770.55
Engineering	4,964,397.99	3,338,201.00	218,712.00	19,443.11	(1,493,994.67)	1,631,757.62	3,689,115.32	4,989,401.73
Micro	11,284.83	12,878.63		-	(1,493.02)	168,490.57	9,791.81	181,369.20
Aviation	-	-		-	-	-	-	-
Cattle and Crop	-	-		-	-	2,530,160.15	-	2,530,160.15
Miscellaneous	6,571,803.59	5,458,855.70		15,457.90	(906,852.46)	182,479.43	5,664,951.13	5,656,793.03
Total	41,844,955.64	30,543,484.42	476,449.68	267,803.42	(8,846,864.21)	6,761,324.22	33,474,541.11	37,572,612.06

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	11,586,039.76	10,565,930.58	(7,206,242.01)	(6,323,199.44)	4,379,797.75	4,242,731.14
Motor	10,395,741.25	10,681,622.18	(3,890,786.57)	(4,141,246.73)	6,504,954.68	6,540,375.45
Marine	2,023,230.85	1,574,739.81	(871,469.61)	(621,480.96)	1,151,761.24	953,258.85
Engineering	4,311,689.36	4,569,734.09	(3,486,580.37)	(3,737,408.82)	825,108.99	832,325.27
Micro	4,922.14	3,775.43	(1,461.52)	(996.63)	3,460.62	2,778.80
Aviation	103,309.89	289,522.59	(60,290.66)	(244,229.21)	43,019.23	45,293.38
Cattle and Crop	410,256.18	433,507.43	(338,051.10)	(360,678.18)	72,205.08	72,829.25
Miscellaneous	3,491,834.25	3,209,959.46	(1,840,605.07)	(1,775,261.13)	1,651,229.18	1,434,698.33
Total	32,327,023.68	31,328,791.57	(17,695,486.91)	(17,204,501.10)	14,631,536.77	14,124,290.47

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	20,701.10	19,229.91	-	-	20,701.10	19,229.91
Motor	212,623.00	13,902,570.07	-	-	212,623.00	13,902,570.07
Marine	-	(101.01)	-	-	-	(101.01)
Engineering	22,644.61	1,022.34	-	-	22,644.61	1,022.34
Micro	(3,731.61)		-	-	(3,731.61)	-
Aviation	66,557.38		-	-	66,557.38	-
Cattle and Crop	1,388,523.82	906,676.47	-	-	1,388,523.82	906,676.47
Miscellaneous	-	772.90	-	-	-	772.90
Total	1,707,318.30	14,830,170.68	-	-	1,707,318.30	14,830,170.68

38 Employee Benefits Expenses

Particulars	Current Year	Previous Year
Salaries	265,291,666.77	256,351,517.36
Allowances	79,863,534.09	72,771,150.21
Festival Allowances	27,452,522.31	27,139,257.11
Defined Benefit Plans:		
i) Gratuity	29,797,102.72	27,288,053.00
ii) Others - Leave	29,978,900.00	22,929,539.00
Defined Contribution Plans:		
i) Provident Fund	26,529,165.76	25,630,419.68
ii) Others-Gratuity	8,504,791.71	8,363,133.68
Leave Encashment	21,378,696.23	15,898,390.98
Termination Benefits	-	-
Training Expenses	10,027,827.37	11,339,191.94
Uniform Expenses	-	-
Medical Expenses	2,780,212.28	14,808,538.98
Insurance Expenses	1,631,746.82	2,327,102.68
Staff Welfare Expenses	9,343,232.03	7,305,218.24
Others-Interest Expenses on Staff Loan	7,077,256.97	6,211,041.50
Sub - Total	519,656,655.06	498,362,554.36
Employees Bonus	119,171,104.73	97,333,716.60
Total	638,827,759.79	595,696,270.96

39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of goodwill & Intangible Assets (Refer Note. 4)	665,741.14	631,132.66
Depreciation on Property and Equipment (Refer Note 5)	42,586,879.11	46,441,204.05
Depreciation on Investment Properties (Refer Note 6)	-	-
Total	43,252,620.25	47,072,336.71

40 Impairment Losses

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties and Intangible Assets		
i) Property and Equipment	1,084,410.00	-
ii) Investment Properties	-	-
iii) Intangible Assets	-	-
Impairment Losses on Financial Assets		
i) Investment	-	-
ii) Loans	-	-
iii) Other Financial Assets	-	-
iv) Cash and Cash Equivalent	(72,101.96)	1,214.25
v) Others	-	-
Impairment Losses on Other Assets		
i) Reinsurance Assets	-	-
ii) Insurance Receivables	10,361,728.75	35,410,352.19
iii) Lease Receivables	-	-
iv) Others	-	-
Total	11,374,036.79	35,411,566.44

41 Other Operating Expenses

Particulars	Current Year	Previous Year
Rent Expenses	668,350.15	7,048,723.56
Electricity and Water	7,669,812.65	7,459,149.80
Repair & Maintenance:		
i) Building	2,052,668.99	426,719.50
ii) Vehicle	711,176.18	1,125,703.25
iii) Office Equipments	4,290,167.13	5,223,319.50
iv) Others	2,124,268.03	1,656,995.35
Telephone & Communication	12,074,718.87	14,168,670.00
Printing & Stationary	11,337,507.53	11,443,375.30
Office Consumable Expenses	11,086,720.31	9,605,677.95
Travelling Expenses:		
i) Domestic	1,457,687.60	2,668,215.74
ii) Foreign	1,721,421.53	3,280,073.30
Transportation & Fuel Expenses	19,440,019.26	18,827,481.78
Agent Training	31,425.00	50,624.00
Other Agent Expenses	60,080.00	6,000.00
Insurance Premium	1,119,519.46	1,632,969.54
Security & Outsourcing Expenses	28,664,424.02	30,795,219.76
Legal and Consulting Expenses	4,193,781.72	2,066,335.00
Newspapers, Books and Periodicals	96,996.12	157,057.84
Advertisement & Promotion Expenses	13,474,058.08	3,425,342.50
Business Promotion	55,887,529.57	44,077,240.78
Guest Entertainment	385,914.89	428,438.98
Gift and Donations	143,865.00	345,308.00
Board Meeting Fees and Expenses:		
i) Meeting Allowances	1,733,000.00	2,064,000.00
ii) Other Allowances	164,827.95	324,513.71
Other Committee/ Sub-committee Expenses:	-	-
i) Meeting Allowances	3,099,000.00	2,730,000.00
ii) Other Allowances	143,770.50	104,742.01
General Meeting Expenses	488,299.91	528,011.99
Actuarial Service Fee	976,000.00	800,750.00
Other Actuarial Expenses	-	-
Audit Related Expenses:		
i) Statutory Audit	700,000.00	700,000.00
ii) Tax Audit	50,000.00	50,000.00
iii) Long Form Audit Report	-	-
iv) Other Fees	275,000.00	239,655.00
v) Internal Audit	750,000.00	500,000.00
vi) Others - Audit Expenses	775,719.68	1,075,358.24
Bank Charges	1,931,558.78	2,211,013.23
Fee and Charges	5,144,549.34	9,753,618.14
Postage Charges	3,201,376.00	2,976,274.00
Foreign Exchange Losses	-	8,106,080.40
Fine & Penalty	-	210,187.00
Others - Miscellaneous Expenses	1,645,811.61	1,258,301.27
- VAT Expenses	2,859,736.13	2,970,765.22
- Wages & Other Service Expenses	-	4,500.00
- Share Listing/RTS Expenses	780,465.00	922,110.00
- Portfolio Management Fee	405,337.06	149,256.00
Total	203,816,564.05	203,597,777.64

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	15,270,563.19	14,199,700.27
Interest expenses - Overdraft Loan	-	-
Others	-	-
Total	15,270,563.19	14,199,700.27

43 Income Tax Expense

a) Income Tax Expense

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year	273,692,221.00	232,751,292.00
ii) Income Tax Relating to Prior Periods	530,754.22	30,499,270.62
Deferred Tax For The Year		
i) Originating and reversal of temporary differences	42,518,803.83	(75,436,264.62)
ii) Changes in tax rate	-	-
iii) Recognition of previously unrecognised tax losses	-	-
iv) Write-down or reversal	-	-
v) Others : Reversal of Deferred Tax liabilities on disposal of Share	-	-
Income Tax Expense	316,741,779.05	187,814,298.00

b) Reconciliation of Taxable Profit & Accounting Profit

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	1,072,539,942.59	876,003,449.39
Applicable Tax Rate	30%	30%
Tax at the applicable rate on Accounting Profit	321,761,982.78	262,801,034.82
Add: Tax effect of expenses that are not deductible for tax purpose		
i) Agent commission	-	-
ii) Defined benefit plan expenses	17,932,800.82	15,065,277.60
iii) Portion of bonus on tax exempt dividend	326,207.45	165,369.28
iv) Repairs & maintenance	2,753,484.10	2,529,821.28
v) Depreciation as per Books	12,975,786.08	14,121,701.01
vi) Donation	-	-
vii) Fine & Penalty	-	63,056.10
viii) Provision for loss on Doubtful Debt	3,412,211.04	10,623,469.93
ix) Share related Expenses	-	-
x) Rent Amortization Expenses	-	-
xi) Finance cost of Rent Amortization Expenses	4,581,168.96	4,259,910.08
xii) Insurance contract liabilities-claim	7,165,565.17	45,579,199.46

Particulars	Current Year	Previous Year
Less: Tax effect on exempt income and additional deduction		
i) Insurance contract liabilities- Premium	(62,091,088.23)	(97,681,334.67)
ii) Reinsurance commission income	-	-
iii) Dividend income	(3,262,074.45)	(1,653,692.35)
iv) Gain/Loss on sale of assets	(1,084,554.94)	(2,306,569.62)
v) Reinsurance commission expense	-	-
vi) Repairs & Maintenance	(1,694,279.73)	(1,129,487.24)
vii) Depreciation as per Books	(7,521,556.64)	(5,464,957.79)
viii) Rent Amortization Income	-	-
Less: Adjustments to Current Tax for Prior Periods		
i) Premium on government bond	-	-
Add/ (Less): Others		
i) Change in FV of Investment Property	(959,248.50)	(1,710,501.00)
ii) Rent Expenses	(10,818,843.61)	(9,625,451.70)
iii) Gratuity and Leave Paid	(3,629,195.10)	(2,392,158.00)
iv) Actuarial Return on Plan Assets	(3,506,640.30)	(650,197.50)
v) Deffered Rent Income	(51,207.97)	89,219.23
v) Prior Period Expense(Income)	-	67,583.08
vi) Tax on disposal of Shares	(2,598,295.91)	
Income Tax Expense	273,692,221.00	232,751,292.00
Effective Tax Rate	25.52	26.57

Siddhartha Premier Insurance Ltd.

Notes to the Financial Statements

For The Year Ended Ashadh 32, 2082, (For The Year Ended July 16, 2025)

Fig.in NPR

44 Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashadh 32,2082 (July 16, 2025) the company has recognised an amount of NPR. 35,033,957.47 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	13,907,656.00	12,759,317.00	16,716,882.00	15,336,589.00
Past service cost			-	-
Net interest cost (a-b)	3,901,624.00	195,149.00	(367,508.00)	2,619,580.00
a. Interest expense on defined benefit obligation (DBO)	8,800,183.00	7,622,912.00	13,080,221.00	11,951,464.00
b. Interest (income) on plan assets	(12,169,620.00)	(9,975,072.00)	(13,447,729.00)	(9,331,884.00)
c. Actuarial (gain)/ loss due to financial assumption changes in DBO	7,271,061.00	2,547,309.00		
Defined benefit cost included in Statement of Profit or Loss	17,809,280.00	12,954,466.00	16,349,374.00	17,956,169.00

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	-	-	36,342,972.00	(3,450,336.00)
c. Return on plan assets (greater)/ less than discount rate	-	-	7,120,270.00	1,425,807.00
Total actuarial (gain)/ loss included in OCI	-	-	43,463,242	(2,024,529)

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	17,809,280.00	12,954,466.00	16,349,374.00	17,956,169.00
Re-measurements effects recognised in OCI	-	-	43,463,242	(2,024,529.00)
Total cost recognised in Comprehensive Income	17,809,280.00	12,954,466.00	59,812,616.00	15,931,640

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	101,326,147.00	85,926,683.80	152,652,749.00	130,989,499.00
Service cost	13,907,656.00	12,759,317.00	16,716,882.00	15,336,589.00
Interest cost	8,800,183.00	7,622,911.00	13,080,221.00	11,951,464.00
Benefit payments from plan assets	(7,092,679.00)	(6,788,558.00)	(5,004,638.00)	(2,174,467.00)
Actuarial (gain)/ loss - financial assumptions	2,702,530.00	1,805,793.00		-
Actuarial (gain)/ Loss - experience		-	36,342,972.00	(3,450,336.00)
Defined Benefit Obligation As At Year End	119,643,837.00	101,326,147.00	213,788,186.00	152,652,749

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	131,513,972.00	110,834,146.00	149,419,209.00	103,687,599.00
Expected return on plan assets	12,169,620.00	9,975,073.00	13,447,729.00	9,331,884.00
Employer contributions	14,500,737.00	17,245,664.00	30,000,000.00	40,000,000.00
Participant contributions		-		
Benefit payments from plan assets	(7,092,679.00)	(5,799,393.00)	(5,004,638.00)	(2,174,467.00)
Transfer in/ transfer out				
Actuarial gain/ (loss) on plan assets	(4,568,531.00)	(741,518.00)	(7,120,270.00)	(1,425,807.00)
Fair value of Plan Assets At End of Year	146,523,120.00	131,513,972.00	180,742,031.00	149,419,209

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	119,643,837.00	101,326,147.00	213,788,186	152,652,749
Fair Value of Plan Assets	(146,523,120.00)	(131,513,972.00)	(180,742,031)	(149,419,209)
Liability/(Asset) Recognised in Statement of Financial Position	(26,879,283.00)	(30,187,825.00)	33,046,155.00	3,233,540

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	14,839,345.00	(17,428,509.00)	23,872,201	17,789,322.00

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	(30,187,825.00)	(24,907,462.00)	3,233,540.00	27,301,900.00
Defined benefit cost included in Statement of Profit or Loss	17,809,280.00	12,954,466.00	16,349,374.00	17,956,169.00
Total re-measurements included in OCI	-	-	43,463,242.00	(2,024,529.00)
Acquisition/ divestment	-	-	-	-
Employer contributions	(14,500,737.00)	(18,234,829.00)	(30,000,000.00)	(40,000,000.00)
Net defined benefit liability/(asset)	(26,879,283.00)	(30,187,825.00)	33,046,155.00	3,233,540

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	-	-	57,018,316.00	59,042,845.00
Total re-measurements included in OCI	-	-	43,463,242.00	(2,024,529.00)
Cumulative OCI - (Income)/Loss	-	-	100,481,558.00	57,018,316

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		14,016,744.00
Non - Current Liability	(26,879,283.00)	83,100,847.00	33,046,155.00	138,636,005.00
Total	(26,879,283.00)	101,326,147.00	33,046,155.00	152,652,749

m) Expected Future Benefit Payments

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	14,532,912.00	19,027,772.00	20,905,459.00	14,633,910.00
Between 1-2 years	14,664,560.00	26,639,453.00	25,595,057.00	35,338,540.00
Between 3-5 years	35,978,424.00	22,282,298.00	61,111,245.00	33,220,723.00
From 6 to 10	47,864,729.00	43,527,194.00	90,561,563.00	76,356,594.00
Total	113,040,625.00	111,476,717.00	198,173,324	159,549,767

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
Total	100.00	100.00	100.00	100.00

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	(7,811,610.00)	(5,235,634.00)	(14,510,539)	(9,790,595.00)
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	8,924,762.00	5,878,189.00	16,556,892	11,085,124.00
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	8,924,762.00	6,423,035.00	16,556,892	11,904,723.00
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	(7,950,822.00)	(5,809,842.00)	(14,769,276)	(10,671,317.00)
"Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate	607,284.00	1,233,452.00	(646,908)	719,087.00
"Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate	(681,189.00)	(1,368,837.00)	608,546	(910,494.00)

p) Assumptions

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate	7.00%	9.00%
Escalation Rate (Rate of Increase in Compensation Levels)	6.00%	6.00%
Attrition Rate (Employee Turnover)	7.00%	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 32, 2082, (For The Year Ended July 16, 2025)

Fig.in NPR

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."

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
Investments							
i) Investment in Equity Instruments							
Investment in Equity (Quoted)	1	-	1,544,712,651			1,409,354,247	-
Investment in Equity (Unquoted)	3	-	114,560,000			114,560,000	-
ii) Investment in Mutual Funds	1	-	79,472,067	-	-	66,124,217	-
iii) Investment in Preference Shares of Bank and Financial Institutions		-	-	-	-	-	-
iv) Investment in Debentures	3	-	-	868,495,430	-	-	864,648,430
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3	-	-	-	-	-	-
vi) Fixed Deposits	3	-	-	6,395,000,000	-	-	6,851,500,000
vii) Others		-	-	-	-	-	-
Loans	3	-	-	29,461,146	-	-	26,443,217
Other Financial Assets	3	-	-	653,490,141	-	-	661,655,011
Cash and Cash Equivalents	3	-	-	27,321,251	-	-	139,485,561
Total Financial Assets		-	1,738,744,718	7,973,767,969	-	1,590,038,463	8,543,732,220
Borrowings				-			-
Other Financial Liabilities	3	-	-	298,295,768	-	-	264,013,896
Total Financial Liabilities		-	-	298,295,768	-	-	264,013,896

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:

- Discount rate is arrived at considering the internal and external factors.
- 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"
Investments				
i) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
ii) Investment in Debentures	868,495,430.27	868,495,430.27	864,648,430.27	864,648,430.27
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-
iv) Fixed Deposit	6,395,000,000.00	6,395,000,000.00	6,851,500,000.00	6,851,500,000.00
v) Others	-	-	-	-
Loans				
i) Loan to Employees	29,461,146.24	29,461,146.24	26,443,217.23	26,443,217.23
ii) Others	-	-	-	-
Other Financial Assets	653,490,140.75	653,490,140.75	661,655,011.47	661,655,011.47
Total Financial Assets at Amortised Cost	7,946,446,717.26	7,946,446,717.26	8,404,246,658.97	8,404,246,658.97
Borrowings				
i) Bond	-	-	-	-
ii) Debenture	-	-	-	-
iii) Term Loan - Bank and Financial Institution	-	-	-	-
iv) Bank Overdraft	-	-	-	-
v) Others	-	-	-	-
Other Financial Liabilities	298,295,768.14	298,295,768.14	264,013,895.91	264,013,895.91
Total Financial Liabilities at Amortised Cost	298,295,768.14	298,295,768.14	264,013,895.91	264,013,895.91

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.

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"

a) Product development:

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

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

The 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."

b) Pricing:

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

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

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

c) Underwriting:

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

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

d) Reinsurance

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

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 adjustors working throughout.
- iii) The service of a qualified independent actuary is obtained annually to assess the adequacy of reserves made in relation to Incurred But Not Reported (IBNR) and
- iv) Incurred But Not Enough Reported (IBNER) claims.
- v) Post-underwriting reviews are conducted to ensure that set guidelines have been observed.
- vi) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers"

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

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

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
Average Claim Cost	"+" 10%	341,843,723.52	115,128,051.42	(115,128,051.42)	(80,589,635.99)	178,615,124.07	119,835,125.76	(119,835,125.76)
Average Number of Claims	"+" 10%	341,843,723.52	115,128,051.42	(115,128,051.42)	(80,589,635.99)	178,615,124.07	119,835,125.76	(119,835,125.76)
Average Claim Cost	"-" 10%	(341,843,723.52)	(115,128,051.42)	115,128,051.42	80,589,635.99	(178,615,124.07)	(119,835,125.76)	(119,835,125.76)
Average Number of Claims	"-" 10%	(341,843,723.52)	(115,128,051.42)	115,128,051.42	80,589,635.99	(178,615,124.07)	(119,835,125.76)	(119,835,125.76)

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						3,756,773,190.87	3,756,773,190.87
One year later					693,284,778.48		693,284,778.48
Two year later				236,696,641.16			236,696,641.16
Three year later			196,465,676.00				196,465,676.00
Four year later		630,018,108.38					630,018,108.38
More than Four years	93,739,545.27						93,739,545.27
Current estimate of cumulative claims	93,739,545.27	630,018,108.38	196,465,676.00	236,696,641.16	693,284,778.48	3,756,773,190.87	5,606,977,940.16
At end of incident year						2,116,228,132.04	2,116,228,132.04
One year later					489,662,890.04		489,662,890.04
Two year later				113,302,027.16			113,302,027.16
Three year later			34,905,705.00				34,905,705.00
Four year later		8,207,870.38					8,207,870.38
More than Four years	1,720,187.00						1,720,187.00
Cumulative payments to date	1,720,187.00	8,207,870.38	34,905,705.00	113,302,027.16	489,662,890.04	2,116,228,132.04	2,764,026,811.62
Gross outstanding claim provision	92,019,358.27	621,810,238.00	161,559,971.00	123,394,614.00	203,621,888.44	1,640,545,058.83	2,842,951,128.54

Net outstanding claim provision

Year of incident	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year					1,309,133,902.69	1,309,133,902.69
One year later			377,774,324.31			377,774,324.31
Two year later		48,553,068.05				48,553,068.05
Three year later	25,709,178.30					25,709,178.30
Four year later	6,146,626.42					6,146,626.42
More than Four years	13,029,052.69					13,029,052.69
Current estimate of cumulative claims	13,029,052.69	6,146,626.42	25,709,178.30	48,553,068.05	377,774,324.31	1,309,133,902.69
At end of incident year					787,206,171.23	787,206,171.23
One year later			302,465,882.38			302,465,882.38
Two year later			29,180,343.02			29,180,343.02
Three year later	18,168,610.35					18,168,610.35
Four year later	1,489,331.62					1,489,331.62
More than Four years	1,364,567.20					1,364,567.20
Cumulative payments to date	1,364,567.20	1,489,331.62	18,168,610.35	29,180,343.02	302,465,882.38	787,206,171.23
Net outstanding claim provision	11,664,485.49	4,657,294.80	75,405,67.95	19,377,725.03	75,308,441.93	521,927,731.46
						640,476,246.66
f) Reserving						

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

Particulars	Current Year			Previous Year	
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets
Property	851,966,662.52	635,538,608.74	216,428,053.78	466,719,707.62	227,045,547.78
Motor	856,688,465.45	235,622,867.28	621,065,598.17	928,383,303.80	282,781,161.93
Marine	110,336,858.00	68,175,964.81	42,160,893.20	60,053,227.71	31,008,633.91
Engineering	903,116,935.02	832,468,078.06	70,648,856.96	672,180,495.75	604,831,964.14
Micro	672,929,036.30	671,782,011.10	1,147,025.19	675,896,697.56	674,216,627.89
Aviation	34,155,317.21	19,161,545.04	14,993,772.16	28,531,560.89	23,285,280.83
Cattle and Crop	9,662,617.31	5,312,040.05	4,350,577.25	10,458,201.02	6,648,374.17
Miscellaneous	159,136,432.76	82,910,742.34	76,225,690.42	101,358,706.64	55,769,613.48
Total	3,597,992,324.57	2,550,971,857.44	1,047,020,467.13	2,943,581,900.99	1,037,994,696.88

Siddhartha Premier Insurance Ltd.

Notes to the Financial Statements

For The Year Ended Ashadh 32, 2082, (For The Year Ended July 16, 2025)

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 32, 2082

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	6,395,000,000.00	-	-	6,395,000,000.00
		Loan to Employees	29,461,146.24	-	-	29,461,146.24
		Insurance Receivables	537,834,500.04	-	136,549,705.01	401,284,795.03
		Other Assets	319,285,439.91	-	109,283.50	319,176,156.41
		Other Financial Assets	654,770,910.75	-	1,280,770.00	653,490,140.75
		Cash and Cash Equivalents	27,321,251.26	-	-	27,321,251.26
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, 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	662,935,781.47	-	1,280,770.00	661,655,011.47
		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		-	-	-	-	-

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 Shrawan 01, 2081	127,650,131.72	-	-
Changes in loss allowances	10,361,728.75	-	-
Write-offs	-	-	-
Recoveries	(72,101.96)	-	-
Loss Allowance on Ashadh 32, 2082	137,939,758.51	-	-

ii) Liquidity Risk

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

Maturity of Financial Liabilities:

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

Particulars	Current Year			Previous Year		
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	Upto 1 Year	1 Year to 5 Year	More than 5 Year
Borrowings	-	-	-	-	-	-
Other Financial Liabilities	257,407,071.98	40,888,696.16	-	226,274,959.57	37,738,936.34	-
Total Financial Liabilities	257,407,071.98	40,888,696.16	-	226,274,959.57	37,738,936.34	-

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. The Company has no significant concentration of currency risk. The amount with reinsurer is settled in Nepali Rupee. "

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
USD sensitivity				
NPR/ USD - Increases by 10% *	-	-	-	-
NPR/ USD - Decreases by 10% *	-	-	-	-
Currency A sensitivity				

NPR/ USD - Increases by 10% *	-	-	-	-
NPR/ USD - Decreases by 10% *	-	-	-	-

* Holding all other variable constant

b1) Interest Rate Risk

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

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%*	2,426,961.90	4,257,012.09
Interest Rate - Decrease By 1%*	(2,426,961.90)	(4,257,012.09)

* 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."

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

Particulars	Current Year	Previous Year
NEPSE - Increase By 1%*	12,171,213.03	11,130,269.24
NEPSE - Decrease By 1%*	(12,171,213.03)	(11,130,269.24)

* 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 refers to the risks arising from significant variations in average weather conditions observed across the atmosphere, oceans, and landmass. The Company classifies climate-related risks into three main categories—physical risks, transition risks, and liability risks—and accordingly assesses its exposures. The Company's Climate Risk Policy, 2081, guides the timely identification, assessment, integration, and mitigation of climate risks stemming from these categories. Climate-related risks have the potential to disrupt business operations, financial performance, and strategic planning. Ultimately, such risks could pose unprecedented challenges to the Company on a scale not previously experienced. The company has been undertaking the following climate resilience framework and adaptation initiatives for management of climate risk.

- a) The company utilizes available meteorological forecasts, climate data, and the Company's claim history to anticipate long-term climate trends and potential extreme events.
- b) The Company is progressively transitioning towards low-carbon and climate-resilient operations and investments to enhance long-term sustainability.
- c) The company continuously identifies climate-induced physical, transition, and liability risks to strengthen its overall risk awareness and preparedness.
- d) An effective climate risk management framework, along with appropriate procedures across different levels of risk exposure, has been instituted to minimize, control, and mitigate environmental and sustainability risks.
- e) The Company is committed to reducing climate-related vulnerabilities and promoting climate-resilient operations to ensure more viable, sustainable, and effective delivery of insurance services.
- f) A strategic plan is being developed to proactively address the emerging challenges and potential opportunities arising from climate change.
- g) The company also promotes climate literacy and awareness among stakeholders to encourage informed engagement and support sustainable climate risk management.
- h) In all key decisions, the Company duly considers climate-related risks and allocates necessary resources to assess the urgency and feasibility of addressing those risks.

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
(i) Dividends recognised		
Final dividend for the year ended Ashadh 31, 2081 of NPR 30.00 per share including Tax on Dividend (Ashadh 31, 2080 - NPR 11.00 per share including Tax on Dividend) per fully paid share	841,964,970.00	308,720,489.00
	841,964,970.00	308,720,489.00
(ii) Dividends not recognised at the end of the reporting period		
"In addition to the above dividends, since the year ended Ashad 32, 2082, the directors have recommended the payment of a final dividend of NPR 25.00 per share including Tax on Dividend per fully paid equity share (Ashadh 31, 2081 - NPR 30.00 per share including Tax on Dividend). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting."	701,637,475.00	841,964,970.00
	701,637,475.00	841,964,970.00

51 Earnings Per Share

Particulars	Current Year	Previous Year
Profit For the Year	755,798,163.54	688,189,151.40
Less: Dividend on Preference Shares	-	-
Adjusted profit attributable to ordinary share holders	755,798,163.54	688,189,151.40
Add: Interest savings on Convertible Bonds	-	-
Profit For the Year used for Calculating Diluted Earning per Share	755,798,163.54	688,189,151.40
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	28,065,499.00	28,065,499.00
Adjustments for calculation of Diluted Earning per Share:		
i) Dilutive Shares	-	-
ii) Options	-	-
iii) Convertible Bonds	-	-
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share	28,065,499.00	28,065,499.00
Nominal Value of Equity Shares	100.00	100.00
Basic Earning Per Share	26.93	24.52
Diluted Earning Per Share	26.93	24.52
Proposed Bonus Share	-	
Weighted Average Number of Equity Shares Outstanding During the Year for Restated Earning Per Share	28,065,499.00	28,065,499.00
Restated Basic Earning Per Share	26.93	24.52
Restated Diluted Earning Per Share	26.93	24.52

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 32, 2082 (July 16, 2025)

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination ¹	Total
Income:										
Gross Earned Premiums	1,524,974,792.11	1,441,956,984.02	263,895,242.39	530,879,154.97	554,635.38	15,894,216.05	59,225,278.09	447,946,825.74	-	4,285,327,128.74
Premiums Ceded	(970,479,935.96)	(532,062,378.97)	14,207,129.78	(381,345,631.62)	12,343.39	(7,706,695.94)	(49,554,943.24)	(234,393,068.97)	-	(2,161,323,181.54)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	554,494,856.14	909,894,605.05	278,102,372.17	149,533,523.35	566,978.77	8,187,520.11	9,670,334.85	213,553,756.77	-	2,124,003,947.21
Commission Income	238,566,200.64	87,402,902.87	37,233,459.44	85,011,422.45	74,100.17	121,367.73	10,594,158.32	44,455,708.52	-	507,459,320.14
Other Direct Income	-	28,523,921.24	-	-	-	-	-	712,082.01	-	29,236,003.25
Income from Investments and Loans	174,804,491.89	156,845,851.09	30,525,515.91	65,052,656.69	74,262.81	1,558,689.05	6,189,744.24	52,683,084.50	-	487,734,296.18
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	967,865,548.67	1,182,667,280.25	345,861,347.51	303,597,602.49	715,341.74	9,867,576.89	26,454,227.41	311,404,631.81	-	3,148,433,566.78
Expenses:										
Gross Claims Paid	1,112,708,635.04	968,421,519.66	105,438,884.56	252,651,865.44	591,320.00	-	23,901,389.38	300,313,197.55	-	2,764,026,811.63
Claims Ceded	(892,663,703.05)	(238,483,730.71)	(54,376,506.76)	(226,626,649.78)	(118,264.00)	-	(19,758,883.82)	(189,764,329.56)	-	(1,621,772,067.68)
Gross Change in Contract Liabilities	385,246,954.89	(71,694,838.35)	50,283,630.29	230,936,439.28	(2,967,661.26)	5,623,756.32	(795,583.71)	57,777,726.12	-	654,410,423.57
Change in Contract Liabilities Ceded to Reinsurers	(408,493,060.96)	47,158,294.65	(37,167,330.90)	(227,636,113.93)	2,434,616.79	4,123,735.79	1,336,334.11	(27,141,128.87)	-	(645,384,653.32)
Net Claims Paid	196,798,825.93	705,421,245.24	64,178,677.19	29,325,541.01	(59,988.48)	9,747,492.11	4,683,255.96	141,185,465.24	-	1,151,280,514.21
Commission Expenses	13,463,569.40	8,357,337.17	2,289,776.28	3,689,115.32	9,791.81	-	5,664,951.13	-	-	33,474,541.11
Service Fees	4,379,797.75	6,504,954.68	1,151,761.24	825,108.99	3,460.62	43,019.23	72,205.08	1,651,229.18	-	14,631,536.77
Other Direct Expenses	20,701.10	212,623.00	-	22,644.61	(3,731.61)	66,557.38	1,388,523.82	-	-	1,707,318.30
Employee Benefits Expenses	228,956,550.38	205,434,566.46	39,981,906.33	85,205,086.59	97,268.42	2,041,549.76	8,107,242.98	69,003,588.87	-	638,827,759.79
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	73,048,073.91	65,543,437.70	12,756,137.55	27,184,491.79	31,033.27	651,351.87	2,586,597.69	22,015,440.27	-	203,816,564.05
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenses	516,667,518.47	991,474,164.25	120,358,258.58	146,251,988.31	77,834.03	12,549,970.35	16,837,825.53	239,520,674.69	-	2,043,738,234.23
Total Segmental Results	451,198,030.20	191,193,115.99	225,503,088.93	157,345,614.18	637,507.71	(2,682,393.46)	9,616,411.88	71,883,957.11	-	1,104,695,332.55
Segment Assets	1,249,802,539.90	545,234,953.51	94,574,149.09	1,241,074,234.90	671,844,913.14	24,637,050.39	32,731,374.64	223,210,043.90	-	4,083,109,259.48
Segment Liabilities	1,871,974,333.63	1,649,332,747.27	172,914,167.32	1,397,889,303.15	673,095,299.29	42,382,368.56	49,248,737.96	421,403,295.54	-	6,278,240,252.73

b) Segmental Information for the year ended Ashadh 31, 2081 (July 15, 2024)

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	1,280,207,689.43	1,493,208,580.50	307,093,032.15	588,973,782.31	6,365,150.62	36,141,609.78	79,385,603.77	400,661,620.43	-	4,192,037,068.99
Premiums Ceded	(823,595,489.32)	(480,428,206.51)	(247,664,098.92)	(494,416,827.86)	(1,239,500.70)	(33,068,004.14)	(63,668,432.43)	(203,883,442.29)	-	(2,347,984,002.17)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	456,612,200.11	1,012,780,373.99	59,428,933.23	94,556,954.45	5,125,649.92	3,073,605.64	15,717,171.34	196,778,178.14	-	1,844,073,066.82
Commission Income	252,018,786.67	101,099,975.75	47,880,1173.00	89,817,199.46	215,476.97	246,053.76	15,739,487.20	52,603,773.34	-	559,620,926.17
Other Direct Income	-	29,868,249.77	-	-	-	-	-	552,344.19	-	30,420,593.96
Income from Investments and Loans	247,615,723.85	250,326,990.77	36,904,495.58	107,093,076.70	88,478.29	6,785,048.04	10,159,375.50	75,226,354.17	-	734,199,542.92
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Income	956,246,710.64	1,394,075,590.28	144,213,601.92	291,467,230.62	5,429,605.19	10,104,707.44	41,616,034.04	325,160,649.85	-	3,168,314,129.86
Expenses:										
Gross Claims Paid	441,312,549.51	927,387,607.39	85,921,826.71	411,711,278.19	248,246.19	30,488.00	38,752,750.78	232,784,719.75	-	2,138,149,466.52
Claims Ceded	(317,730,285.80)	(252,020,012.97)	(37,771,976.71)	(388,502,510.57)	(45,851.24)	(15,244.00)	(31,193,645.54)	(123,650,811.57)	-	(1,150,930,338.20)
Gross Change in Contract Liabilities	(36,614,900.67)	40,991,429.51	(17,250,266.27)	(307,962,170.40)	902,765.16	(14,688,305.41)	(17,649,435.58)	272,657.84	-	(351,988,225.82)
Change in Contract Liabilities Ceded to Reinsurers	168,527,000.92	5,684,446.95	23,063,709.15	337,540,689.43	(566,391.64)	15,268,804.17	15,089,675.33	(1,477,579.27)	-	563,130,355.05
Net Claims Paid	255,494,364.16	722,043,470.89	53,963,292.89	52,787,286.65	538,768.47	595,742.75	4,999,344.99	107,928,986.76	-	1,198,351,257.56
Commission Expenses	11,918,032.07	9,698,085.33	2,598,770.55	4,989,401.73	181,369.20	-	2,530,160.15	5,656,793.03	-	37,572,612.06
Service Fees	4,242,731.14	6,540,375.45	953,238.85	832,325.27	2,778.80	45,293.38	72,829.25	1,434,698.33	-	14,124,290.47
Other Direct Expenses	19,229,91	13,902,570.07	(101.01)	1,022,34	-	-	906,676.47	772.90	-	14,830,170.68
Employee Benefits Expenses	200,904,188.45	203,103,987.68	29,942,637.00	86,890,474.20	71,787.28	5,505,080.81	8,242,857.35	61,035,258.18	-	595,696,270.96
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	68,665,271.68	69,417,121.67	10,233,829.97	29,697,529.27	24,535.54	1,881,533.05	2,817,253.56	20,860,702.89	-	203,597,777.64
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Expenses	541,243,817.41	1,024,705,611.10	97,691,688.25	175,198,039.46	819,239.29	8,027,649.99	19,569,121.77	196,917,212.09	-	2,064,172,379.36
Total Segment Results	415,002,893.23	369,369,979.18	46,521,913.57	116,269,191.16	4,610,365.90	2,077,057.45	22,046,912.27	128,243,437.75	-	1,104,141,750.50
Segment Assets	729,676,866.49	625,678,637.78	(74,610,832.20)	995,612,125.93	674,057,427.43	28,433,506.10	43,438,177.59	176,853,464.69	-	3,199,139,373.81
Segment Liabilities	1,435,439,232.21	1,786,293,610.92	107,758,089.60	1,132,331,069.68	675,944,554.63	45,559,930.96	55,417,608.15	343,770,975.57	-	5,682,515,071.73

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

Particulars	Current Year	Previous Year
Segmental Profit	1,104,695,332.55	1,104,141,750.50
Add: Net Gains/ (Losses) on Fair Value Changes	3,197,495.00	5,701,670.00
Add: Net Realised Gains/ (Losses)	20,651,593.60	(153,422,570.57)
Add: Other Income	13,892,741.67	16,266,202.88
Less: Depreciation and Amortization	(43,252,620.25)	(47,072,336.71)
Less: Impairment Losses	(11,374,036.79)	(35,411,566.44)
Less: Finance Cost	(15,270,563.19)	(14,199,700.27)
Profit Before Tax	1,072,539,942.59	876,003,449.39

d) Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets	4,083,109,259.48	3,199,139,373.81
Goodwill & Intangible Assets	13,564,242.82	12,705,133.96
Property and Equipment	812,471,495.91	746,503,752.89
Investment Properties	352,161,559.27	309,393,869.27
Deferred Tax Assets	-	-
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	9,002,240,148.33	9,306,186,893.41
Loans	29,461,146.24	26,443,217.23
Current Tax Assets	166,406,264.89	129,677,917.85
Other Assets	319,176,156.41	105,410,135.98
Other Financial Assets	653,490,140.75	661,655,011.47
Cash and Cash Equivalents	27,321,251.26	139,485,560.85
Total Assets	15,459,401,665.35	14,636,600,866.73

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	6,278,240,252.73	5,582,515,071.73
Provisions	351,111,638.46	253,978,896.00
Deferred Tax Liabilities	321,680,547.65	262,071,412.95
Current Tax Liabilities	-	-
Other Financial Liabilities	298,295,768.14	264,013,895.91
Other Liabilities	509,596,600.57	510,179,378.39
Total Liabilities	7,758,924,807.55	6,872,758,654.98

53 Related Party Disclosure

(a) Identify Related Parties

Holding Company: None

Subsidiaries: None

Associates: None

Fellow Subsidiaries: None

Key Management Personnel: BOD/CEO/DCEO/DGM/AGM

(b) Key Management Personnel Compensation:

Particulars	Current Year	Previous Year
Short-term employee benefits	32,864,706.26	35,049,169.68
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total	32,864,706.26	35,049,169.68

Payment to Chief Executive Officer (CEO)

Particulars	Current Year	Previous Year
Annual salary and allowances	9,724,050.00	9,261,000.00
Performance based allowances	-	-
i) Employee Bonus	2,881,262.09	3,175,577.00
ii) Benefits as per prevailing provisions	2,236,531.50	2,130,030.00
iii) Incentives	-	-
Insurance related benefits		
i) Life Insurance	-	-
ii) Accident Insurance	-	-
iii) Health Insurance (including family members)	-	-
Total	14,841,843.59	14,566,607.00

(c) Related Party Transactions:

Particulars	"Holding Company"	Subsidiaries	Associates	"Fellow Subsidiaries"	Key Managerial Personnel	Total
Premium Earned						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Commission Income						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Rental Income						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Interest Income						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Sale of Property, Plant & Equipment						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Purchase of Property, Plant & Equipment						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Premium Paid						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Commission Expenses						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Dividend						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Meeting Fees						
Current Year	-	-	-	-	4,832,000.00	4,832,000
Previous Year	-	-	-	-	4,794,000.00	4,794,000
Allowances to Directors						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Others						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-

(d) Related Party Balances:

Particulars	"Holding Company"	Subsidiaries	Associates	"Fellow Subsidiaries"	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Other Receivables						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Payables including Reinsurance Payables						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-
Other Payables						
Current Year	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-

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. 668,350.15 (Ashadh 31, 2081: NPR 70,48,723.56)."

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	33,457,939	33,394,796
ii) Later than 1 year and not later than 5 years	106,189,495	115,377,919
iii) Later than 5 years	59,776,966	63,961,116
Total Future Minimum Lease Payments	199,424,401	212,733,832
Less: Effect of Discounting	40,931,232	60,525,889
Finance lease liability recognised	158,493,169	152,207,943

(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 1,47,33,431.54. (Ashadh 31, 2081/ July 15, 2024: NPR 1,24,30,504.15). 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 Babarmahal has been rented to Shivam Cement Ltd. and First Floor to Nepal News Network Pvt Ltd. covering 36 % 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	-	-	-	-	-	-
Total	-	-	-	-	-	-

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
Investment Properties	-	-
Total	-	80,350,000

56 Contingent Liabilities

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as debts		
a) Income Tax	48,492,941.00	48,492,941.00
b) Indirect Taxes	1,052,906.00	1,052,906.00
c) Other	-	
Total	49,545,847.00	49,545,847.00

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	-	-
Total	-	-

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	24,324,899.17	14,203,379.74
Transferred During the year	7,922,542.77	10,121,519.43
Utilized During the year	(8,415,000.00)	-
Closing Balance	23,832,441.94	24,324,899.17

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 During the fiscal year 2082/83, Gen-Z protests on bhadra 23 and 24 led to significant insurance claims. A gross claim of NPR 5,537,009,492 was received upto 30 November, 2025(post-reporting period), classified as a non-adjusting event under NAS-10. The net retention after reinsurance recoveries amounts to NPR. 635,316,693 with no adjustment to the financial statements as these conditions arose after reporting date.

Siddhartha Premier Insurance Ltd.

Major Financial Indicator

For The Year Ended Ashadh 32, 2082, (For The Year Ended July 16, 2025)

S.N.	Particular	Indicators	Fiscal Year				
			2081/82	2080/81	2079/80	2078/79	2077/78
A. Equity:							
1	Net worth	NPR	7,700,476,857.80	7,763,842,211.74	7,566,603,336.56	3,463,254,725.29	3,279,865,717.90
2	Net Profit	NPR	755,798,163.54	688,189,151.39	379,319,504.52	321,439,949.00	334,892,174.65
3	Number of Shares	No.s	28,065,499	28,065,499	28,065,499.00	12,276,848	10,745,600
4	Earning per Shares (EPS)	NPR	26.93	24.52	13.52	26.18	31.17
5	Book value per shares	NPR	274.38	276.63	269.61	282.10	305.23
6	Dividend per Shares (DPS)	NPR	25.00	30.00	11.00	15.00	15.00
7	Market Price per Shares (MPPS)	NPR	840.35	859.90	877.00	576.00	1,170.00
8	Price Earning Ratio (PE Ratio)	Ratio	31.21	35.07	42.62	22.00	37.54
9	Change in Equity	%	(0.82)	2.61	1.18	0.06	0.31
10	Return on Equity	%	9.90	8.98	18.81	18.13	14.02
11	Affiliate Ratio	%	-	-	-	-	-
12	Capital to Total Net Assets Ratio	%	36.45	36.15	37.09	35.45	32.76
13	Capital to Technical Reserve Ratio	%	143.52	132.41	150.13	149.81	122.29
14	Market Share	%	9.81	10.31	11.01	12.97	13.22
15	Solvency Margin	%	385.60	318.80	699.00	295.00	704.00
B. Income:							
16	Net Earning Ratio	%	35.58	37.32	33.98	44.71	48.52
17	Gross Earned Premium Growth Rate	%	2.23	42.54	51.74	5.44	8.41
18	Direct Premium Growth Rate	%					
	Property	%	9.69	86.50	79.86	22.54	25.27
	Motor	%	3.95	58.83	25.26	0.31	8.34
	Marine	%	28.47	48.90	49.00	24.63	49.06
	Engineering	%	(6.12)	22.45	25.03	14.92	(16.06)
	Micro	%	30.37	(95.32)	22.43	(84.07)	96.14
	Aviation	%	(87.31)	(64.63)	(47.83)	50.27	517.65
	Cattle and Crop	%	(5.36)	10.19	101.50	29.75	(32.81)
	Miscellaneous	%	8.81	79.41	33.73	23.57	(5.73)
19	Retention Ratio	%	49.56	43.99	37.96	37.09	37.55
20	Net Reinsurance inflow/ (outflow)	Amount in Cr.	(23.29)	(56.86)	75.63	(38.79)	1.01
21	RI Commission Income/ Premium Ceded	%	21.44	22.49	20.26	19.30	19.33
22	Gross Earned Premium to Equity	%	55.42	54.69	53.33	57.48	63.59
23	Net Premium Earned to Equity	%	75.68	65.71	55.35	58.56	64.23
24	Gross Earned Premium to Total Assets	%	28.48	26.99	17.88	19.18	20.12
25	Gross Premium to Equity	%	55.97	53.80	36.80	61.13	58.04
26	Net Profit to Gross Premium	%	17.64	16.42	12.90	16.59	18.22
27	Yield on Investment and Loan	%	5.93	9.13	7.25	6.78	9.01
C. Expenses:							
28	Reinsurance Ratio	%	50.44	56.01	62.04	62.91	62.45
29	Management Expense Ratio	%	21.29	21.37	19.65	18.11	17.83
30	Regulatory Expense Ratio	%	3.58	2.55	2.95	1.98	1.76

S.N.	Particular	Indicators	Fiscal Year				
			2081/82	2080/81	2079/80	2078/79	2077/78
31	Employee Expense per Employee	NPR	1,127,674.77	1,043,250.91	658,164.78	759,120.53	721,830.99
32	Commission Ratio	%	0.78	0.90	1.23	1.36	1.46
33	Employee Expenses To Total Expenses(Excluding Claims & Benefits)	%	69.87	65.40	63.97	68.78	66.52
34	Expense Ratio	%	2.55	3.53	5.16	5.84	4.96
35	Loss Ratio	%	59.01	63.63	58.29	54.89	55.28
36	Combined Ratio	%	61.57	67.17	76.93	71.66	73.72
D. Assets:							
37	Increment in Investment	%	(3.27)	(1.06)	120.44	4.67	32.44
38	Increment in Loan	%	11.41	33.83	22.23	3.19	(37.31)
39	Liquidity Ratio	%	1.89	9.97	4.70	70.30	37.68
40	Return on Assets	%	5.02	4.43	5.32	9.40	5.91
41	Long term Investments to Total Investments	%	28.96	26.38	33.27	34.06	40.85
42	Short term Investments to Total Investments	%	71.04	73.62	66.73	65.94	59.15
43	Total Investment & Loan to Gross Insurance Contract Liabilities	%	160.21	188.23	176.37	98.07	84.54
44	Re(Insurer) Receivable to Total Assets	%	2.60	2.46	9.77	3.22	5.08
45	Investment in Shares to Total Assets	%	10.73	10.41	14.42	13.44	17.18
46	Investment in Unlisted Shares to Total Assets	%	0.74	0.78	0.06	0.01	0.01
E. Liabilities:							
47	Increment in Gross Insurance Contract Liabilities	%	13.70	(6.89)	22.36	(9.77)	29.19
48	Gross Technical Provision to Gross Earned Premium	%	131.55	118.27	181.71	225.35	263.35
49	Gross Technical Provision to Total Equity	%	73.21	63.86	70.63	126.11	147.58
50	Outstanding Claim Number to Number of Paid Claim	%	78.68	85.98	68.30	113.86	114.71
51	No. of Outstanding Claim/ No. of Intimated Claim	%	20.63	23.10	23.41	29.55	56.59
52	Total Number of Inforce Insurance Policies	No.s	298,975.00	299,047.00	207,597.00	156,735.00	152,456.00
53	Total Number Renewed Insurance Policy/ Last Year's Total Number of In Force Policies	%	31.12	35.66	27.89	27.62	24.56
F. Others:							
54	Number of Offices	No.s	124.00	125.00	125.00	63.00	63.00
55	Number of Agents	No.s	201.00	199.00	232.00	143.00	155.00
56	Number of Employees	No.s	538.00	547.00	595.00	318.00	302.00
57	Number of Surveyor	No.s	220.00	269.00	289.00	141.00	104.00
58	Employee Expenses To Number of Employees	NPR	1,127,674.77	1,043,250.91	658164.78	759120.53	721830.99

Siddhartha Premier Insurance Ltd.

Statement of Sum Insured

For The Year Ended Ashadh 32, 2082, (For The Year Ended July 16, 2025)

S.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	70,712	76,116	6,750,805	6,710,676	2,771,788	2,927,147	3,979,017	3,783,529
2	Motor	167,801	166,778	1,026,391	892,853	130,962	243,649	895,429	649,204
3	Marine	35,414	31,775	1,638,528	1,337,992	731,379	558,278	907,149	779,714
4	Engineering	3,653	3,790	2,365,327	2,167,794	2,095,325	1,934,298	270,002	233,496
5	Micro	182	222	4,391	2,388	527	382	3,864	2,006
6	Aviation	9	3	9,787	36,859	9,187	36,500	600	359
7	Cattle and Crop	3,481	2,842	12,675	13,096	10,444	10,896	2,231	2,200
8	Miscellaneous	17,723	17,521	2,080,199	2,207,011	337,423	443,759	1,742,776	1,763,252
	Total	298,975	299,047	13,888,103	13,368,669	6,087,035	6,154,909	7,801,068	7,213,760

Siddhartha Premier Insurance Ltd.

Minimum Disclosure in Management Report

(Year Ended Upto Ashadh 32, 2082)

A Information related to Non Life Insurer

1	Date of establishment	: 13th February 1992 (2048.11.01 B.S.)
2	Insurer licence date	: 21st April 1994 (2051.01.08 B.S.)
3	Insurance business type, nature	: Non Life Insurance Company for Property, Marine, Motor, Cattle & Crops, Micro, Engineering, Miscellaneous, Aviation
4	Date of commencement of business	: 12th May 1994 (2051.01.29 B.S.)
5	Other matters which insurer wish to include	: There are 124 branches all over the Nepal.

217

B Insurer's Board of Directors shall approve following matters

- 1 Tax, service charges, fine and penalties to be paid under laws & regulation whether paid or not
Tax, service charges are paid to the concerned authority
- 2 Share structure of the insurer, changes if any in line with prevailing laws & regulation
There is no change in share structure of the company and the share holding of promoter and public stands 51 % and 49% respectively.
- 3 Whether solvency ratio as prescribed by Nepal Insurance Authority is maintained or not
Solvency ratio as prescribed by Beema Samiti is maintained.
- 4 a) Statement regarding assets that financial amount contained in SOFP are not overstated than it's fair value.
The assets of the company that financial amount contained in SOFP are not overstated.
b) Measurement basis of the assets recognized in financial statements.
The measurement basis of the assets recognized in financial statements are mentioned in the Notes to the Financial Statements.
- 5 Declaration on investment made by insurer that are in line with prevailing laws. If not reason to be disclosed.
Investment made by insurer are in line with prevailing laws except government bonds. In case government bonds, it is less than prescribed limit due to non availability of government bonds in the market.
- 6 Number of claim settled within the year and outstanding claim number and time frame to settle the outstanding claim.
14612 number of claim file are settled and 11497 number of claim(including Covid) file are still outstanding within the year and the claim outstanding file shall be settled within 21 days upon receiving survey report
- 7 Declaration on compliance with the provision of Insurance Act 2079, Insurance Regulation, Company Act 2063, NFRSs and other prevailing laws & regulation to which insurer shall adhere to and any non compliance with reasons thereof.
The company has made compliance with such legal and regulatory provision.
- 8 Declaration that the appropriate accounting policy has been consistently adopted.
The appropriate accounting policy has been consistently adopted based on Nepal Financial Reporting Standards (NFRS).
- 9 Declaration on Financial Statements as at Reporting Date that the insurer's Financial Position and Financial Performance are presented true & fairly.
The company's Financial Position and Financial Performance as on date are presented true & fair.
- 10 Declaration that Board of Directors have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.
The company has implemented adequate and appropriate provision like physical verification of assets on regular interval to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.
- 11 Declaration that Financial Statements have been prepared based on going concern basis.
The company has prepared Financial Statement based on going concern basis.
- 12 Declaration that the internal control system is commensurate with the size, nature & volume of the insurer's business.
The internal control system of the company is effective & adequate based on volume of the business.
- 13 Declaration that the insurer has not conducted any transactions contrary to Insurance Act, 2079, Insurance Regulation, Companies Act, 2063, related regulations and directions with any person, firm, company and insurer's director or with any entity in which insurer's director has interest.
The company has not conducted any such transactions.
- 14 Disclosure on any penalties, levied by Nepal Insurance Authority for the particular financial year.
No Penalty is levied by Nepal Insurance Authority in current year.
- 15 Other disclosure which is deemed appropriate by Board of Directors/Management
The company has maintained all reseve & fund as per the provision of Insurance Act and Rules. The company's shares have been listed in Nepal Stock Exchange Ltd and market price per share as on 32/03/2082 was Rs. 840.35

OTHER FINANCIAL DISCLOSURES

SIDDHARTHA PREMIER INSURANCE LTD. COMPARATIVE FINANCIAL HIGHLIGHTS

S.N.	Particulars	FY 2081-82	FY 2080-81	Change
	Result for the year	(In Lakhs)	(In Lakhs)	%
1	Total Income	31,862	30,369	4.92
2	Gross Earned Premiums	42,853	41,920	2.23
3	Net Earned Premiums	21,240	18,441	15.18
4	Commission Income	5,075	5,596	(9.32)
5	Income from Investments & Loans	4,877	7,342	(33.57)
6	Total Expenses	21,136	21,609	(2.19)
7	Net Claims Incurred	11,513	11,984	(3.93)
8	Commission Expenses	335	376	(10.91)
9	Employee Benefits Expenses	6,388	5,957	7.24
10	Other Operating Expenses	2,038	2,036	0.11
11	Profit Before Tax	10,725	8,760	22.44
12	Net Profit/ (Loss) For The Year	7,558	6,882	9.82
	Position at end of the Year			
1	Total Assets	154,594	146,366	5.62
2	Property and Equipment	8,125	7,465	8.84
3	Investment Properties	3,522	3,094	13.82
4	Investments	90,022	93,062	(3.27)
5	Total Equity	77,005	77,638	(0.82)
6	Share Capital	28,065	28,065	-
7	Special Reserves	25,000	25,000	-
8	Retained Earnings	9,987	11,004	(9.24)
9	Other Equity	11,669	11,681	(0.11)
10	Total Liabilities	77,589	68,728	12.89

HORIZONTAL ANALYSIS

Particulars	2024-25 Vs 2023-24 Change in Value	2024-25 Vs 2023-24 Change in Percentage (%)	2023-24 Vs 2022-23 Change in Value	2023-24 Vs 2022-23 Change in Percentage (%)
Assets				
Goodwill & Intangible Assets	859,109	6.76	960,482	8.18
Property and Equipment	65,967,743	8.84	(84,024,078)	(10.12)
Investment Properties	42,767,690	13.82	106,254,570	52.31
Deferred Tax Assets	-	-	-	-
Investment in Subsidiaries	-	-	-	-
Investment in Associates	-	-	-	-
Investments	(303,946,745)	(3.27)	(99,548,748)	(1.06)
Loans	3,017,929	11.41	6,684,578	33.83
Reinsurance Assets	843,459,702	29.72	(617,117,858)	(17.86)
Current Tax Assets	36,728,347	28.32	65,095,439	100.79
Insurance Receivables	40,510,184	11.23	(1,245,251,488)	(77.54)
Other Assets	213,766,020	202.79	18,873,731	21.81
Other Financial Assets	(8,164,871)	(1.23)	39,220,220	6.30
Cash and Cash Equivalents	(112,164,310)	(80.41)	18,822,677	15.60
Total Assets	822,800,799	5.62	(1,790,030,475)	(10.90)
Equity & Liabilities				
Equity				
Share Capital	-	-	-	-
Share Application Money Pending Allotment	-	-	-	-
Share Premium	-	-	-	-
Special Reserves	-	-	-	-
Catastrophe Reserves	39,612,714	21.04	50,607,597	36.77
Retained Earnings	(101,730,344)	(9.24)	642,702,337	140.41
Other Equity	(1,247,724)	(0.11)	(496,071,059)	(29.81)
Total Equity	(63,365,354)	(0.82)	197,238,875	2.61
Liabilities				
Provisions	97,132,742	38.24	(124,425,153)	(32.88)
Gross Insurance Contract Liabilities	679,353,120	13.70	(366,863,084)	(6.89)
Deferred Tax Liabilities	59,609,135	22.75	(324,705,769)	(55.34)
Insurance Payables	16,372,061	2.62	(1,183,794,025)	(65.46)
Current Tax Liabilities	-	-	-	-
Borrowings	-	-	-	-
Other Liabilities	(582,778)	(0.11)	45,402,604	9.77
Other Financial Liabilities	34,281,872	12.98	(32,883,924)	(11.08)
Total Liabilities	886,166,153	12.89	(1,987,269,350)	(22.43)
Total Equity and Liabilities	822,800,799	5.62	(1,790,030,475)	(10.90)

HORIZONTAL ANALYSIS

Particulars	2024-25 Vs 2023-24 Change in Value	2024-25 Vs 2023-24 Change in Percentage (%)	2023-24 Vs 2022-23 Change in Value	2023-24 Vs 2022-23 Change in Percentage (%)
Income:				
Gross Earned Premiums	93,290,060	2.23	1,251,071,994	42.54
Premiums Ceded	186,640,821	(7.95)	(523,375,278)	28.68
Net Earned Premiums	279,930,880	15.18	727,696,716	65.18
Commission Income	(52,161,606)	(9.32)	189,902,698	51.36
Other Direct Income	(1,184,591)	(3.89)	20,111,428	195.08
Income from Investments & Loans	(246,465,247)	(33.57)	230,798,471	45.85
Net Gains/ (Losses) on Fair Value Changes	(2,504,175)	(43.92)	(1,114,231)	(16.35)
Net Realised Gains/ (Losses)	174,074,164	(113.46)	(153,422,571)	-
Other Income	(2,373,461)	(14.59)	5,274,400	47.98
Total Income	149,315,965	4.92	1,019,246,911	50.52
Expenses:				
Gross Claims Paid	625,877,345	29.27	(870,266,716)	(28.93)
Claims Ceded	(470,841,729)	40.91	1,060,278,839	(47.95)
Gross Change in Contract Liabilities	1,006,408,649	(285.91)	1,317,924,393	(78.92)
Change in Contract Liabilities Ceded to Reinsurers	(1,208,515,008)	(214.61)	(960,291,652)	(63.04)
Net Claims Incurred	(47,070,743)	(3.93)	547,644,864	84.16
Commission Expenses	(4,098,071)	(10.91)	1,484,690	4.11
Service Fees	507,246	3.59	4,344,314	44.42
Other Direct Expenses	(13,122,852)	(88.49)	3,097,226	26.40
Employee Benefits Expenses	43,131,489	7.24	204,088,228	52.12
Depreciation and Amortization Expenses	(3,819,716)	(8.11)	8,664,991	22.56
Impairment Losses	(24,037,530)	(67.88)	1,196,206	3.50
Other Operating Expenses	218,786	0.11	64,656,086	46.53
Finance Cost	1,070,863	7.54	5,189,812	57.60
Total Expenses	(47,220,528)	(2.19)	840,366,417	63.64
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	19,653,6493	22.44	178,880,494	25.66
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-
Profit Before Tax	196,536,493	22.44	178,880,494	25.66
Income Tax Expense	128,927,481	68.65	(129,989,153)	(40.90)
Net Profit/ (Loss) For The Year	67,609,012	9.82	308,869,647	81.43
Earning Per Share				
Basic EPS	2	9.82	11.00	81.43
Diluted EPS	2	9.82	11.00	81.43

VERTICAL ANALYSIS

Particulars	2024-25 Vs 2022-23 Change in Percentage (%)	2023-24 Vs 2022-23 Change in Percentage (%)
Assets		
Goodwill & Intangible Assets	0.15	0.08
Property and Equipment	(0.02)	(0.10)
Investment Properties	0.73	0.52
Deferred Tax Assets	-	-
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investments	(0.04)	(0.01)
Loans	0.49	0.34
Reinsurance Assets	0.07	(0.18)
Current Tax Assets	1.58	1.01
Insurance Receivables	(0.75)	(0.78)
Other Assets	2.69	0.22
Other Financial Assets	0.05	0.06
Cash and Cash Equivalents	(0.77)	0.16
Total Assets	(0.06)	(0.11)
Equity & Liabilities		
Equity		
Share Capital	-	-
Share Application Money Pending Allotment	-	-
Share Premium	-	-
Special Reserves	-	-
Catastrophe Reserves	0.66	0.37
Retained Earnings	1.18	1.40
Other Equity	(0.30)	(0.30)
Total Equity	0.02	0.03
Liabilities		
Provisions	(0.07)	(0.33)
Gross Insurance Contract Liabilities	0.06	(0.07)
Deferred Tax Liabilities	(0.45)	(0.55)
Insurance Payables	(0.65)	(0.65)
Current Tax Liabilities	-	-
Borrowings	-	-
Other Liabilities	0.10	0.10
Other Financial Liabilities	0.00	(0.11)
Total Liabilities	(0.12)	(0.22)
Total Equity and Liabilities	(0.06)	(0.11)

VERTICAL ANALYSIS

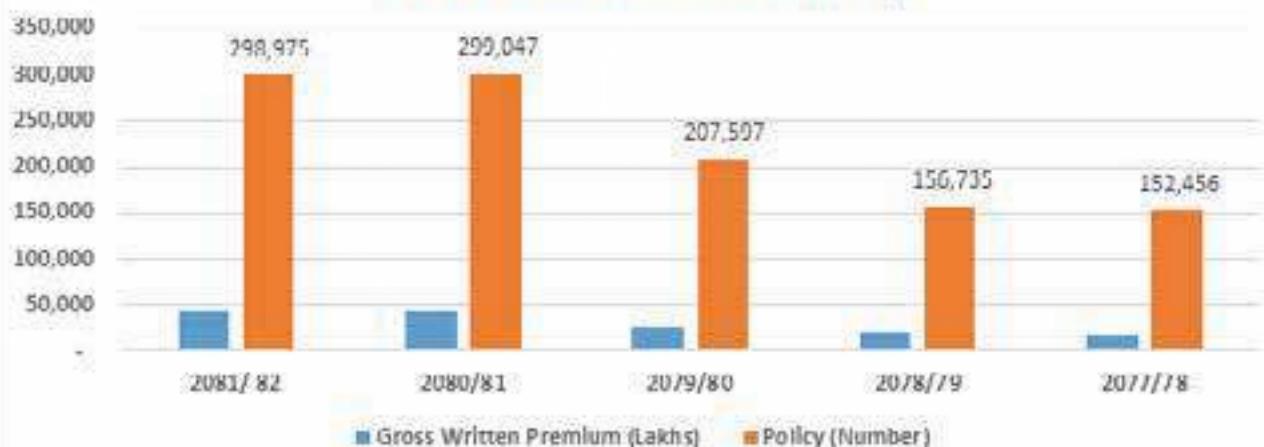
Particulars	2024-25 Vs 2022-23 Change in Percentage (%)	2023-24 Vs 2022-23 Change in Percentage (%)
Income:		
Gross Earned Premiums	0.46	0.43
Premiums Ceded	0.18	0.29
Net Earned Premiums	0.90	0.65
Commission Income	0.37	0.51
Other Direct Income	1.84	1.95
Income from Investments & Loans	(0.03)	0.46
Net Gains/ (Losses) on Fair Value Changes	(0.53)	(0.16)
Net Realised Gains/ (Losses)	-	-
Other Income	0.26	0.48
Total Income	0.58	0.51
Expenses:		
Gross Claims Paid	(0.08)	(0.29)
Claims Ceded	(0.27)	(0.48)
Gross Change in Contract Liabilities	(1.39)	(0.79)
Change in Contract Liabilities Ceded to Reinsurers	(1.42)	(0.63)
Net Claims Incurred	0.77	0.84
Commission Expenses	(0.07)	0.04
Service Fees	0.50	0.44
Other Direct Expenses	(0.85)	0.26
Employee Benefits Expenses	0.63	0.52
Depreciation and Amortization Expenses	0.13	0.23
Impairment Losses	(0.67)	0.03
Other Operating Expenses	0.47	0.47
Finance Cost	0.69	0.58
Total Expenses	0.60	0.64
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	0.54	0.26
Share of Net Profit of Associates accounted using Equity Method	-	-
Profit Before Tax	0.54	0.26
Income Tax Expense	-	(0.41)
Net Profit/ (Loss) For The Year	0.99	0.81
Earning Per Share		
Basic EPS	0.99	0.81
Diluted EPS	0.99	0.81

VALUE ADDED STATEMENT

A Value Added Statement (VAS) is a financial statement that shows the wealth created by an organization during an accounting period and how that wealth is distributed among various stakeholders. Unlike the Profit and Loss Account, which focuses mainly on profit for shareholders, the Value Added Statement highlights the company's overall economic contribution to society.

S.N.	Particulars	FY 2081-82		FY 2080-81		Changes in FY 2081-82	
		Amounts	%	Amounts	%	Amounts	%
A	Gross Direct Premium	4,267,763,891.97	72.61	4,056,265,178.12	69.33	211,498,713.85	5.21
B	Accepted Insurance Premium	42,505,932.82	0.72	120,907,032.33	2.07	(78,401,099.51)	(64.84)
C	VAT and Stamp Duty	504,944,340.21	8.59	480,738,974.06	8.22	24,205,366.15	5.04
D	Reinsurance Commission Earned	507,459,320.14	8.63	559,620,926.17	9.57	(52,161,606.03)	(9.32)
E	Other Direct Income	29,236,003.25	0.50	30,420,593.96	0.52	(1,184,590.71)	(3.89)
F	Investment Income including Gain/ (Loss) on Share	487,734,296.18	8.30	734,199,542.92	12.55	(246,465,246.74)	(33.57)
G	Other Income	37,741,830.27	0.64	(131,454,697.69)	(2.25)	169,196,527.96	(128.71)
	Total Value Added During The year	5,877,385,614.84	100.00	5,850,697,549.87	100.00	26,688,064.97	0.46
A	Employee Expenses						
1	Salary and Allowances	345,155,200.86	54.03	329,122,667.57	55.25	16,032,533.29	4.87
2	Festival Expenses	27,452,522.31	4.30	27,139,257.11	4.56	313,265.20	1.15
3	Training Expenses	10,027,827.37	1.57	11,339,191.94	1.90	(1,311,364.57)	(11.56)
4	Other Expenses	137,021,104.52	21.45	130,761,437.74	21.95	6,259,666.78	4.79
5	Bonus	119,171,104.73	18.65	97,333,716.60	16.34	21,837,388.13	22.44
	Sub Total	638,827,759.79	100.00	595,696,270.96	100.00	43,131,488.83	21.68
B	Management Expenses						
1	Changes in Unearned Premium Reserve	(173,132,352.40)	(4.83)	39,122,644.62	1.02	(212,254,997.01)	(542.54)
2	Reinsurance Cost	2,359,398,229.98	65.76	2,293,976,499.02	60.01	65,421,730.96	2.85
3	Net Claim Incurred	1,151,280,514.21	32.09	1,198,351,257.56	31.35	(47,070,743.35)	(3.93)
4	Management Expenses	203,816,564.05	5.68	203,597,777.64	5.33	218,786.41	0.11
5	Commission Expenses	33,474,541.11	0.93	37,572,612.06	0.98	(4,098,070.95)	(10.91)
6	Other Direct Expenses	1,707,318.30	0.05	14,830,170.68	0.39	(13,122,852.38)	(88.49)
7	Provision	11,374,036.79	0.32	35,411,566.44	0.93	(24,037,529.65)	(67.88)
	Sub Total	3,587,918,852.04	100.00	3,822,862,528.01	100.00	(234,943,675.97)	(6.15)
C	Government						
1	Service Fees	14,631,536.77	1.75	14,124,290.47	2.07	507,246.30	3.59
2	Corporate Tax Paid	316,741,779.05	37.87	187,814,298.00	27.51	128,927,481.05	68.65
3	VAT and Stamp Duty	504,944,340.21	60.38	480,738,974.06	70.42	24,205,366.15	5.04
	Sub Total	836,317,656.03	100.00	682,677,562.53	100.00	153,640,093.50	22.51
D	Provider to Capital						
1	Dividend to shareholders	-	-	-	-	-	-
2	Retained Earning	740,234,626.32	97.98	575,987,713.56	97.59	164,246,912.76	28.52
3	Finance Cost	15,270,563.19	2.02	14,199,700.27	2.41	1,070,862.92	7.54
	Sub Total	755,505,189.51	100.00	590,187,413.83	100.00	164,246,912.76	27.83
E	Company for Expansion and Growth						
1	Depreciation	43,252,620.25	73.54	47,072,336.71	29.55	(3,819,716.46)	(8.11)
2	Other Reserves	15,563,537.22	26.46	112,201,437.83	70.45	(96,637,900.61)	(86.13)
	Sub Total	58,816,157.47	100.00	159,273,774.55	100.00	(100,457,617.07)	(63.07)
	Grand Total (A+B+C+D+E)	5,877,385,614.84		5,850,697,549.87		25,617,202.05	0.44

Gross Written Premium & Policy



Gross Claim Paid & RI Claim Recovery



Net Profit to Gross Premium & Management Expense Ratio



Ri Ceeded & RI Commission Income



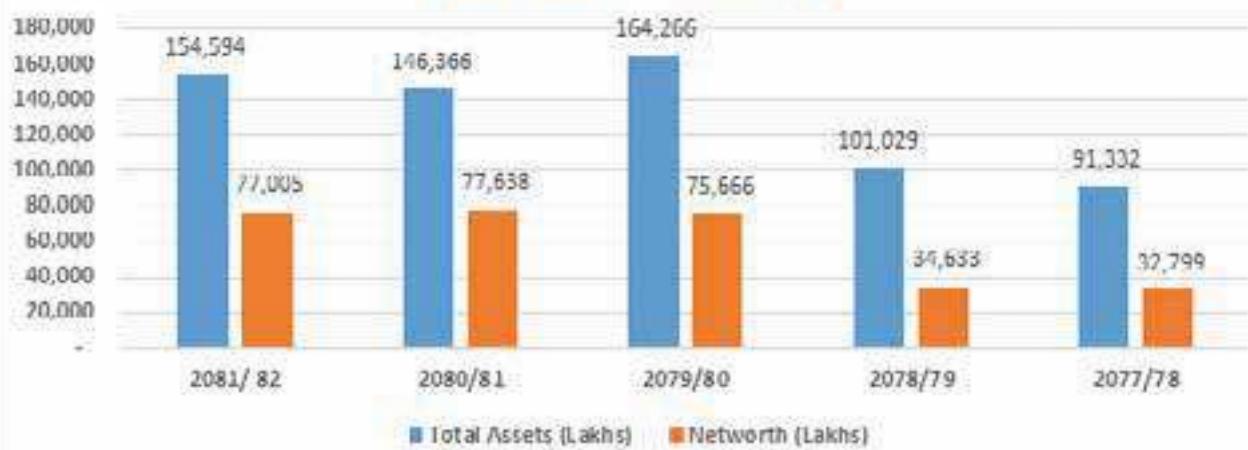
Investment & Investment Income



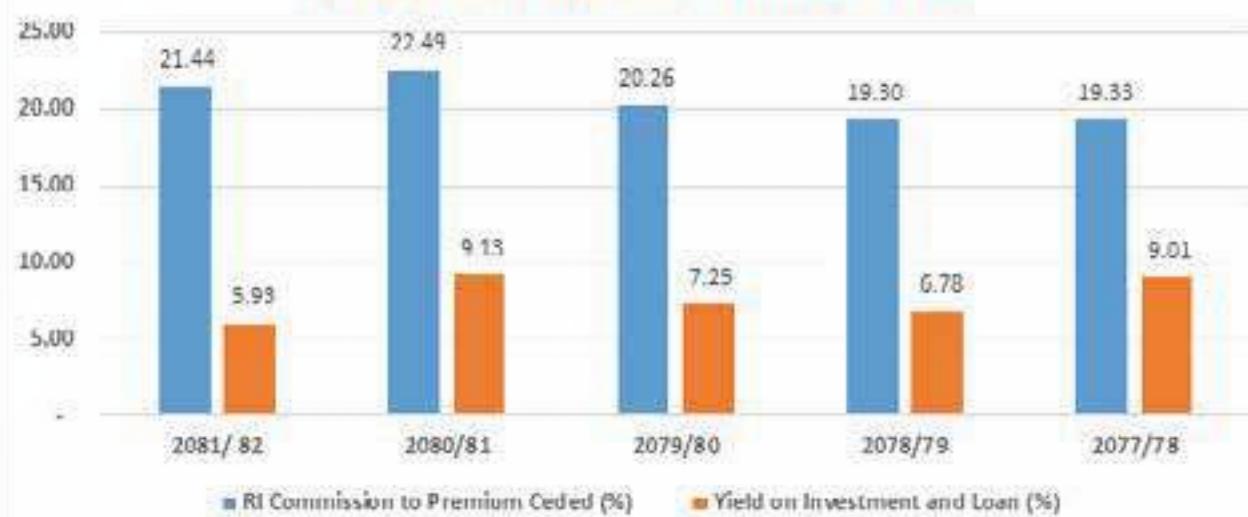
RI Commission to Premium Ceeded & Yield on Investment/Loan



Total Assets & Networth



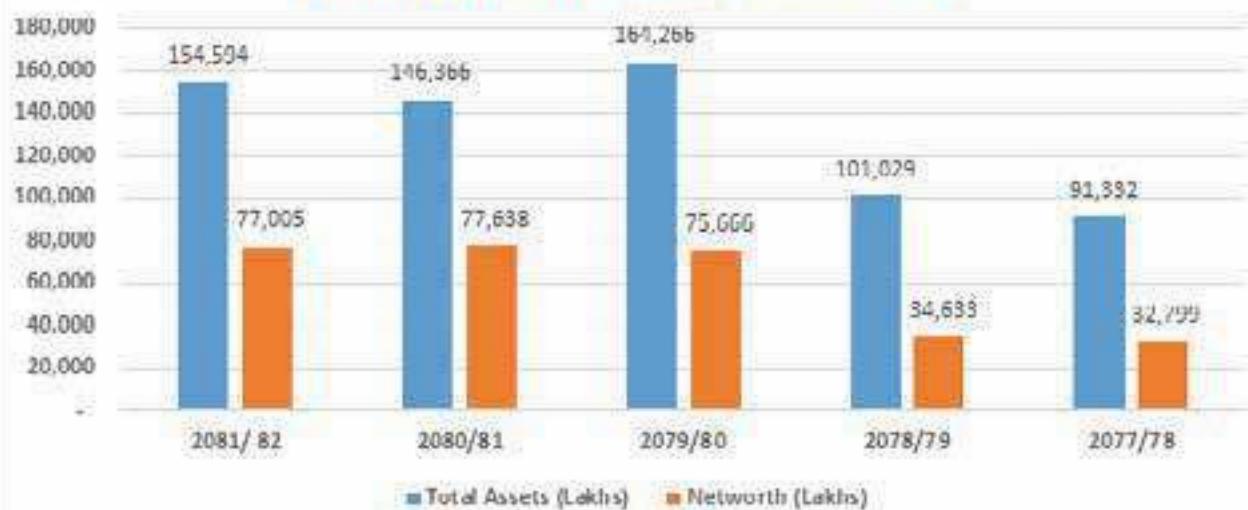
Management Expenses & Profit After Tax



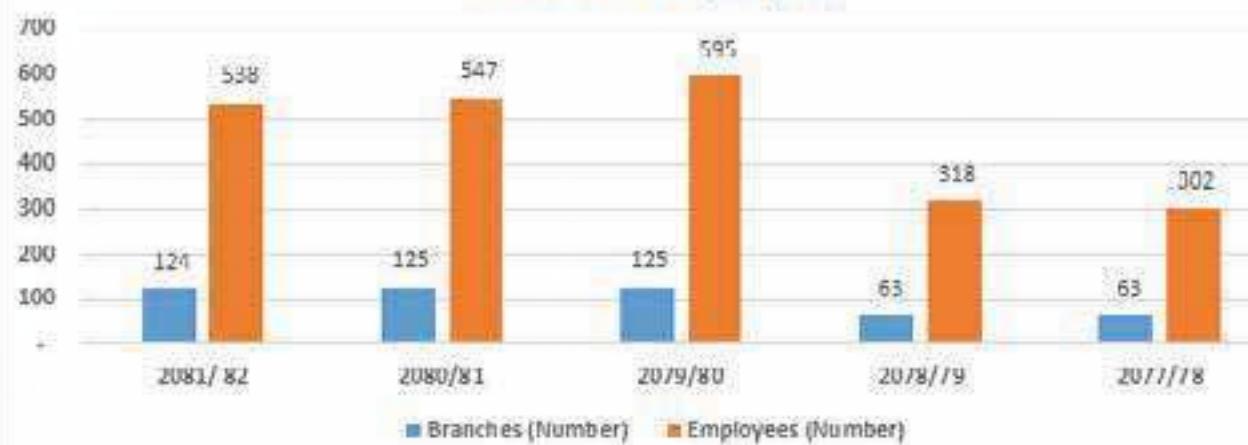
Return on Assets & Return on Equity



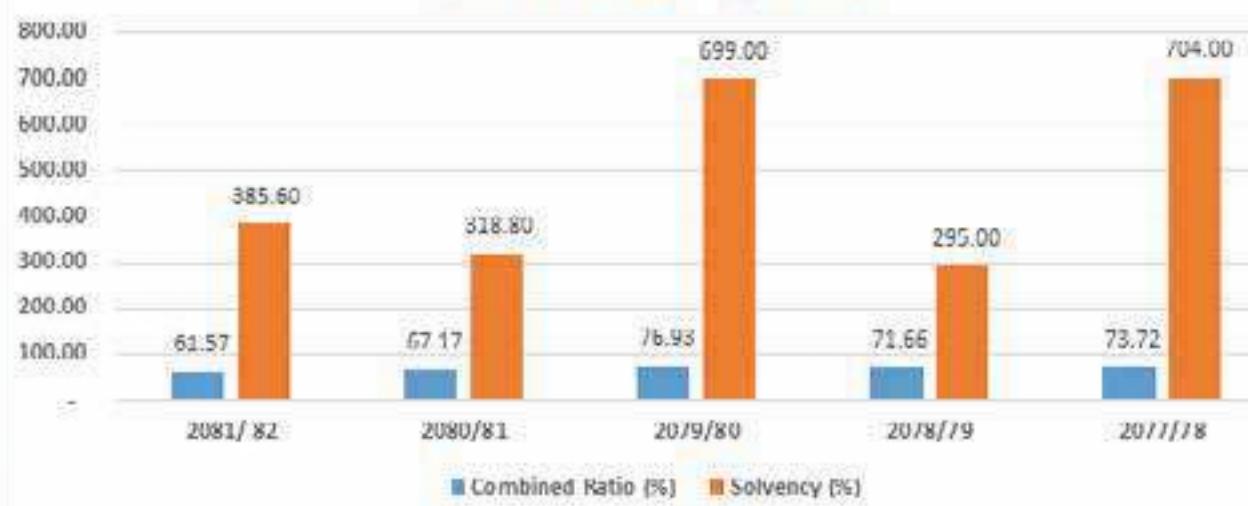
Earning Per Share & Dividend Per Share



Branches & Employees



Combined Ratio & Solvency



DISCLOSURE ON QUALITY OF ASSETS AND CAPITAL RESOURCES

Quality of Assets

Quality of Assets

Siddhartha Premier Insurance Limited (SPIL) maintains a prudent and conservative approach to asset and investment management with the objective of capital preservation, liquidity management, and sustainable returns. The Company's assets are primarily invested in high-quality and low-risk instruments, including government securities, fixed deposits with licensed financial institutions, and other investments permitted under prevailing regulatory guidelines. The investment portfolio is diversified to reduce concentration risk and exposure to market volatility.

The quality of assets is monitored on an ongoing basis through internal controls and periodic reviews, which include assessment of credit risk, market risk, and liquidity risk. Any impairment or decline in asset quality is identified in a timely manner and provided for in accordance with applicable accounting standards and regulatory requirements. As at the reporting date, the Company did not identify any material deterioration in the quality of its asset portfolio.

The composition of the assets of the company are presented as below:

Assets	Current Year	Previous Year
Goodwill & Intangible Assets	13,564,242.82	12,705,133.96
Property and Equipment	812,471,495.91	746,503,752.89
Investment Properties	352,161,559.27	309,393,869.27
Investments	9,002,240,148.33	9,306,186,893.41
Loans	29,461,146.24	26,443,217.23
Reinsurance Assets	3,681,824,464.44	2,838,364,762.69
Current Tax Assets	166,406,264.89	129,677,917.85
Insurance Receivables	401,284,795.03	360,774,611.12
Other Assets	319,176,156.41	105,410,135.98
Other Financial Assets	653,490,140.75	661,655,011.47
Cash and Cash Equivalents	27,321,251.26	139,485,560.85
Total Assets	15,459,401,665.35	14,636,600,866.73

Capital

Resources

SPIL maintains adequate capital resources to support its underwriting activities, operational requirements, and strategic growth objectives. The Company's capital base comprises paid-up share capital, statutory and general reserves, and retained earnings. Capital adequacy is managed in compliance with the solvency and capital requirements prescribed by the regulator. The Company regularly monitors its capital position through internal assessments and stress considerations to ensure its ability to absorb potential losses arising from underwriting, investment, and operational risks. As at the reporting date, SPIL's capital resources were adequate, and the solvency margin was maintained above the minimum level required by the regulator.

The composition of the capital resources of the company are presented as below:

Equity	Current Year	Previous Year
Share Capital	2,806,549,900.00	2,806,549,900.00
Share Premium	475,935.00	475,935.00
Special Reserves	2,500,000,000.00	2,500,000,000.00
Catastrophe Reserves	227,854,842.19	88,242,128.34
Retained Earnings	998,706,315.22	1,100,436,658.91
Other Equity	1,166,889,865.39	1,168,137,589.49
Total Equity	7,700,476,857.80	7,763,842,211.73



नेपाल बीमा प्राधिकरण

NEPAL INSURANCE AUTHORITY

वि.वि.शा. : ९४ (२०८२/०८३) च.नं. ३३७४

मिति: २०८२/०८/२९



श्री सिद्धार्थ प्रिमियर इन्स्योरेन्स लिमिटेड,
बबरमहल, काठमाडौं।



विषय: आ.व. २०८१/८२ को वित्तीय विवरणको संशान स्वीकृति बारे।

तहाँको मिति २०८२/०८/२६ (च.नं. २७१३/२०८२/८३) को पत्र साथ प्राधिकरणमा पेश भएको आ.व. २०८१/८२ को वित्तीय विवरण सम्बन्धमा लेखिएँछ ।

उपरोक्त सम्बन्धमा बीमक श्री सिद्धार्थ प्रिमियर इन्स्योरेन्स लिमिटेडबाट पेश भएको आ.व. २०८१/८२ को वित्तीय विवरण तथा अन्य कागजातहरु अध्ययन गर्दा बीमा ऐन, २०७९ को दफा ३८, ३९, ४० र ४१ तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ११ बमोजिम बीमा कोष, अनिवार्य जगेद्वा कोष, महाविपति कोष र दावी भुक्तानी कोष तथा जगेडा कोष कायम गरेको देखिएकोले तहाँको आ.व. २०८१/८२ को वार्षिक वित्तीय विवरणलाई बीमा ऐन, २०७९ को दफा ८७ को उपदाफा (८) तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ७, ८ र ९ बमोजिम वार्षिक प्रतिवेदनमा समावेश गर्ने, साधारण सभामा पेश गर्न तथा प्रकाशित गर्न देहायको निर्देशन, शर्त तथा आदेश सहित स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउदछौं ।

शर्तहरु:

- बीमकको जोखिमाङ्कन तथा दावी भुक्तानी प्रक्रियालाई थप प्रभावकारी गराउने ।
- बीमकले पूनर्बीमा सैंग सम्बन्धित सेनादेना हिसाब राफमाफ गर्ने ।
- बीमकले NFRS-17 Insurance Contracts लागु गर्ने आवश्यक तयारी गर्ने ।
- बीमकले जोखिम व्यवस्थापन प्रक्रियालाई थप प्रभावकारी बनाउनुहुन ।
- बीमकको आर्थिक वर्षको चौथो त्रैमासिक अवधिको त्रैमासिक वित्तीय विवरण र वार्षिक वित्तीय विवरणको Statement of Financial Position, Statement of Profit or loss तथा Statement of Other Comprehensive Income विवरणको विभिन्न रिपोर्टहरूमा दश प्रतिशत भन्दा बढी रकमले फरक भएको देखिएकोले आगामी दिनमा सो कैफियतलाई सुधार गर्ने ।
- बीमकले वार्षिक प्रतिवेदन तयार गर्दा मिति २०८१/०९/१३ गते प्राधिकरणबाट जारी परिपत्र (ने.बी.प्रा. १५ (२०८१/०८२) च.नं. २०४०- वि.वि.शा. १) बमोजिमका बुँदाहरु समावेश गर्ने ।
- बीमकको लेखापरीक्षकहरूसे डाल्याएका कैफियतहरु सुधार गर्न तथा त्वस्ता कैफियतहरु पुनः दोहोरिन नदिन आवश्यक व्यवस्था गर्ने ।
- बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६०(साठी) दिन भित्र साधारण सभा गर्ने ।

(सन्तान शाकार्ह)
चार्टर्ड एकाउन्टेन्ट

कम्पनीको आर्थिक वर्ष २०८१/८२ को वित्तीय विवरण ३२ औं वार्षिक साधारण सभा प्रयोजनको लागि प्रकाशन गर्न नेपाल बीमा प्राधिकरणबाट ससर्त स्वीकृति प्रदान गर्दा उल्लेख गरिएका शर्तहरूको सम्बन्धमा व्यवस्थापनको तर्फबाट देहाय बमोजिमको प्रत्युत्तर रहेको व्यहोरा अनुरोध गर्दछौं ।

१. बीमको जोखिमाङ्गन तथा दावी भूत्तानी प्रक्रियालाई थप प्रभावकारी गराउने ।

कम्पनीको जोखिमाङ्गन तथा दावी भूत्तानी प्रकृया प्रभावकारी गराउन विस्तृत Underwriting Manual तथा Claim Manual बनाई लागू गरेको व्यहोरा जानकारीको लागि अनुरोध गर्दछौं ।

२. बीमकले पुनर्बीमा संग सम्बन्धित लेनादेना हिसाब राफसाफ गराउने ।

अन्य बीमक तथा पुनर्बीमकसंगको लेनादेना हिसाब राफसाफ गर्न आवश्यक गृहकार्य भइरहेको व्यहोरा जानकारीको लागि अनुरोध गर्दछौं ।

३. बीमकले NFRS-17 Insurance Contracts लागू गर्न आवश्यक तयारी गर्ने ।

NFRS-17 Insurance Contracts लागू गर्न भारतको Finsuritech Consulting Partners LLP सँग सहकार्य भइसकेको व्यहोरा जानकारीको लागि अनुरोध गर्दछौं ।

४. बीमकले जोखिम व्यवस्थापन प्रक्रियालाई थप प्रभावकारी बनाउनुहुन ।

प्राधिकरणबाट जारी भएको जोखिम व्यवस्थापन सम्बन्धी मार्गदर्शन बमोजिम जोखिम व्यवस्थापन सम्बन्धी कार्य गर्न बीमकको जोखिम व्यवस्थापन नीति तयार गरी कार्यान्वयन गरिसकिएको व्यहोरा जानकारीको लागि अनुरोध गर्दछौं ।

५. बीमकको आर्थिक वर्षको चौथै त्रैमासिक अवधिको त्रैमासिक वित्तल्य विवरण र वार्षिक वित्तीय विवरणको Statement of Financial Position, Statement of Profit or Loss तथा Statement of Other Comprehensive Income विवरणको विभिन्न शिर्षकहरूमा दश प्रतिशत भन्दा बढी रकमले फरक भएको देखिएकोले आगामी दिनमा सो कैफियतलाई सुधार गर्ने ।

आर्थिक वर्षको चौथो त्रैमासिक अवधिको त्रैमासिक वित्तीय विवरण र वार्षिक वित्तीय विवरणको Statement of Financial Position, Statement of Profit or Loss तथा Statement of Other Comprehensive Income विवरणको विभिन्न शिर्षकहरूमा दश प्रतिशत भन्दा बढी रकमले फरक भएको देखिएकोमा आगामी वर्षदेखि सो फरक हुन नदिने वा न्युन गरिने प्रतिबद्धता व्यक्त गर्दछौं ।

६. बीमकले वार्षिक प्रतिवेदन तयार गर्दा मिति २०८१-०७-१३ गते प्रबिधिकरणबाट जारी परिपत्र (ने.बी.प्रा. ९५-२०८१/८२ च.नं. २०४० (वि.वि.शा.१)) बमोजिम बुंदाहरु समाबेश गर्ने ।

यस आर्थिक वर्षको वार्षिक प्रतिवेदन तयार गर्दा मिति २०८१-०७-१३ गते प्रबिधिकरणबाट जारी परिपत्र (ने.बी.प्रा. ९५-२०८१/८२ च.नं. २०४० (वि.वि.शा.१)) बमोजिम बुंदाहरु समाबेश गरिनेछ ।

७. बीमकको लेखापरीक्षकहरूले औलयाएका कैफियतहरु सुधार गर्न तथा त्यस्ता कैफियतहरु पूनः दोहोरिन नदिन आवश्यक व्यवस्था गर्ने ।

लेखापरीक्षण समितिलाई प्रभावकारी बनाई आन्तरिक नियन्त्रण प्रणाली सुदृढ बनाउदै लेखापरीक्षकहरूले औलयाएका कैफियतहरु सुधार गर्ने र सो कैफियतहरु पूनः नदोहोरिन आवश्यक संयन्त्र तयार गर्ने व्यहोरा जानकारीको लागि अनुरोध गर्दछौं ।

८. बीमकले प्राबिधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६० (साठी) दिन भित्र साधारण सभा गर्ने ।

कम्पनीले मिति २०८२/०९/२९ गतेका दिन साधारण सभाको लागि तय गरेको व्यहोरा जानकारीको लागि अनुरोध गर्दछौं ।

SIDDHARTHA PREMIER INSURANCE LTD.
VARIANCE RESULTS OF UNAUDITED (Q4) & AUDITED FINANCIAL STATEMENT
Statement of Financial Position
As At Ashadh 32, 2082 (July 16, 2025)

Particulars	Unaudited	Audited	Variance %	Remarks
Assets				
Goodwill & Intangible Assets	13,564,242.82	13,564,242.82	-	
Property and Equipment	811,818,954.18	812,471,495.91	(0.08)	
Investment Properties	352,161,559.27	352,161,559.27	-	
Deferred Tax Assets	-	-	-	
Investment in Subsidiaries	-	-	-	
Investment in Associates	-	-	-	
Investments	9,002,240,148.33	9,002,240,148.33	(0.00)	
Loans	29,461,146.24	29,461,146.24	-	
Reinsurance Assets	3,742,994,332.71	3,681,824,464.44	1.66	
Current Tax Assets	152,082,346.89	166,406,264.89	(8.61)	
Insurance Receivables	402,764,238.97	401,284,795.03	0.37	
Other Assets	316,642,648.39	319,176,156.41	(0.79)	
Other Financial Assets	655,901,253.66	653,490,140.75	0.37	
Cash and Cash Equivalents	18,026,161.47	27,321,251.26	(34.02)	Reconciliation process was not completed at the time of Q4 Report
Total Assets	15,497,657,032.93	15,459,401,665.35	0.25	
Equity & Liabilities				
Equity				
Share Capital	2,806,549,900.00	2,806,549,900.00	-	
Share Application Money Pending Allotment	-	-	-	
Share Premium	475,935.00	475,935.00	-	
Special Reserves	2,500,000,000.00	2,500,000,000.00	-	
Catastrophe Reserves	224,365,431.55	227,854,842.189	(1.53)	
Retained Earnings	955,088,644.49	998,706,315.225	(4.37)	
Other Equity	1,219,219,349.03	1,166,889,865.392	4.48	
Total Equity	7,705,699,260.08	7,700,476,857.81	0.07	
Liabilities				
Provisions	328,972,739.62	351,111,638.46	(6.31)	
Gross Insurance Contract Liabilities	5,752,084,325.29	5,637,344,030.28	2.04	
Deferred Tax Liabilities	310,230,325.83	321,680,547.65	(3.56)	
Insurance Payables	606,640,338.61	640,896,222.45	(5.34)	
Current Tax Liabilities	-	-	-	
Borrowings	-	-	-	
Other Liabilities	515,294,036.85	509,596,600.57	1.12	
Other Financial Liabilities	278,736,006.64	298,295,768.14	(6.56)	
Total Liabilities	7,791,957,772.85	7,758,924,807.55	0.43	
Total Equity and Liabilities	15,497,657,032.93	15,459,401,665.35	0.25	

SIDDHARTHA PREMIER INSURANCE LTD.
VARIANCE RESULTS OF UNAUDITED (Q4) & AUDITED FINANCIAL STATEMENT
Statement of Financial Position
As At Ashadh 32, 2082 (July 16, 2025)

Particulars	Unaudited	Audited	Variance %	Remarks
Income:				
Gross Earned Premiums	4,169,543,922.06	4,285,327,128.74	(2.70)	
Premiums Ceded	(2,111,912,083.22)	(2,161,323,181.54)	(2.29)	
Net Earned Premiums	2,057,631,838.84	2,124,003,947.21	(3.12)	
Commission Income	519,248,344.07	507,459,320.14	2.32	
Other Direct Income	26,858,167.23	29,236,003.25	(8.13)	
Income from Investments & Loans	475,940,064.14	487,734,296.18	(2.42)	
Net Gains/ (Losses) on Fair Value Changes	3,197,495.00	3,197,495.00	-	
Net Realised Gains/ (Losses)	2,705,250.57	20,651,593.60	(86.90)	Profit & loss on share from OCI was not fully booked at the time of Q4 report
Other Income	13,778,019.32	13,892,741.67	(0.83)	
Total Income	3,099,359,179.16	3,186,175,397.05	(2.72)	
Expenses:				
Gross Claims Paid	2,764,026,811.63	2,764,026,811.63	-	
Claims Ceded	(1,624,151,906.17)	(1,621,772,067.68)	0.15	
Gross Change in Contract Liabilities	653,367,511.90	654,410,423.57	(0.16)	
Change in Contract Liabilities Ceded to Reinsurers	(658,272,603.94)	(645,384,653.32)	2.00	
Net Claims Incurred	1,134,969,813.42	1,151,280,514.21	(1.42)	
Commission Expenses	34,795,666.37	33,474,541.11	3.95	
Service Fees	14,536,286.85	14,631,536.77	(0.65)	
Other Direct Expenses	1,700,662.73	1,707,318.30	(0.39)	
Employee Benefits Expenses	640,415,228.68	638,827,759.79	0.25	
Depreciation and Amortization Expenses	43,371,822.97	43,252,620.25	0.28	
Impairment Losses	1,012,308.04	11,374,036.79	(91.10)	Impairment of Reinsurance Receivable was not recorded at the time of Q4 Report
Other Operating Expenses	202,288,832.11	203,816,564.05	(0.75)	
Finance Cost	15,245,274.99	15,270,563.19	(0.17)	
Total Expenses	2,088,335,896.15	2,113,635,454.46	(1.20)	
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	1,011,023,283.01	1,072,539,942.59	(5.74)	
Share of Net Profit of Associates accounted using Equity Method	-	-	-	
Profit Before Tax	1,011,023,283.01	1,072,539,942.59	(5.74)	
Income Tax Expense	297,842,575.41	316,741,779.05	(5.97)	
Net Profit/ (Loss) For The Year	713,180,707.59	755,798,163.54	(5.64)	
Earning Per Share				
Basic EPS	26.93	25.41	5.98	
Diluted EPS	26.93	25.41	5.98	

SIDDHARTHA PREMIER INSURANCE LTD.
VARIANCE RESULTS OF UNAUDITED (Q4) & AUDITED FINANCIAL STATEMENT
Statement of Financial Position
As At Ashadh 32, 2082 (July 16, 2025)

Particulars	Audited	Unaudited	Variance %	Remarks
Net Profit/ (Loss) For The Year	755,798,163.54	713,180,707.59	5.98	
Other Comprehensive Income				
a) Items that are or may be Reclassified to Profit or Loss				
Changes in Fair Value of FVOCI Debt Instruments	-	-	-	
Cash Flow Hedge – Effective Portion of Changes in Fair Value	-	-	-	
Exchange differences on translation of Foreign Operation	-	-	-	
Share of other comprehensive income of associates accounted for using the equity method	-	-	-	
Income Tax Relating to Above Items	-	-	-	
Reclassified to Profit or Loss	-	-	-	
b) Items that will not be Reclassified to Profit or Loss			-	
Changes in fair value of FVOCI Equity Instruments	89,509,545.90	89,509,545.76	0.00	
Revaluation of Property and Equipment/ Intangible Assets	10,921,466.11	10,921,466.11	-	
Re-measurement of Post-Employment Benefit Obligations	(43,463,242.00)	-	100.00	Actuary Valuation of gratuity and leave was not completed at the time Q4 report
Share of other comprehensive income of associates accounted for using the equity method	-	-	-	
Income Tax Relating to Above Items	(17,090,330.87)	(30,129,303.56)	(43.28)	
Total Other Comprehensive Income For the Year, Net of Tax	39,877,439.13	70,301,708.30	(43.28)	
Total Comprehensive Income For the Year, Net of Tax	795,675,602.67	783,482,415.90	1.56	

SIDDHARTHA PREMIER INSURANCE LTD.
COMPARATIVE STATEMENT OF SOLVENCY AND NFRS BASED
FINANCIAL STATEMENT
As At Ashadh 32, 2082 (July 16, 2025)

Particulars	Financial Statement	Solvency Balancesheet
Assets		
Goodwill	10,984,084	
Deferred acquisition costs	-	
Intangible assets	2,580,159	
Deferred tax assets	-	
Pension benefit surplus	-	-
Property, plant & equipment held for own use	812,471,496	656,102,187
Investments (other than replicating unit portion index/unit-linked contracts)	9,383,862,854	9,461,295,574
Investments in properties (other than for own use)	352,161,559	352,161,559
Investment in subsidiaries	-	-
Investment in associates	-	-
Equities	1,659,272,651	1,659,272,651
Equities – listed in stock exchange licensed by SEBON	1,544,712,651	1,544,712,651
Equities – listed in stock exchange other than licensed by SEBON	-	-
Equities – unlisted	114,560,000	114,560,000
Bonds	868,495,430	998,051,424
Government Bonds	-	-
Corporate Bonds	868,495,430	998,051,424
Fixed-income bonds with no option	868,495,430	998,051,424
Floating rate notes	-	-
Other bonds with embedded interest rate derivatives	-	-
Structured notes	-	-
Collateralised securities	-	-
Collective Investments Undertakings	79,472,067	79,472,067
Derivatives	-	-
Deposits other than cash equivalents	6,395,000,000	6,340,488,668
Other investments	-	-
Loans and mortgages	29,461,146	31,849,205
Loans on policies	-	-
Other loans with collateral or guarantees	-	-
Other loans without collateral or guarantees	29,461,146	31,849,205
Assets replicating the unit portion of index/unit-linked contracts	-	-
Reinsurance recoverables from:	4,083,109,259	3,552,460,809
Non-life technical reserves (after risk correction)	3,681,824,464	3,168,129,402
Life excluding index-linked and unit-linked technical reserves (after risk correction)	-	-
Life index-linked and unit-linked technical reserves (after risk correction)	-	-
Deposits to cedants (related to accepted reinsurance)	-	-
Reinsurance receivables	401,284,795	384,331,407
Current tax assets (net)	166,406,265	166,406,265
Insurance, coinsurance and intermediaries receivables	-	-
Receivables from insurers other than coinsurance	-	-
Receivables from coinsurance/pools	-	-
Receivables from intermediaries	-	-
Own shares (held directly)	-	-
Amounts due in respect own equity items called up but not yet paid in	-	-
Cash and cash equivalents	27,321,251	27,321,251
Any other assets, not elsewhere shown	972,666,297	949,658,497
Total assets	15,459,401,665	14,813,244,584

LIABILITIES (WITHOUT transitionals)		
Technical provisions - non-life	5,637,344,030	5,669,975,106
Best Estimate Direct Insurance (excluding Earthquake reserves)	5,441,751,964	5,441,751,964
Best estimate Direct Insurance Earthquake reserves	83,965,982	83,965,982
Margin over best estimate Direct insurance	92,524,841	125,117,957
Best estimate Accepted reinsurance (excluding Earthquake reserves)	18,579,419	18,579,419
Best estimate Accepted Earthquake reserves	85,119	85,119
Margin over best estimate Accepted reinsurance	436,705	474,664
Technical provisions - life (excluding index-linked and unit-linked)	-	-
Best Estimate Direct insurance participating life insurance	-	-
Best Estimate Direct insurance non-participating life insurance	-	-
Margin over best estimate Direct insurance	-	-
Best estimate Accepted reinsurance	-	-
Margin over best estimate Accepted reinsurance	-	-
Technical provisions - index-linked and unit-linked life insurance contracts	-	-
Technical provisions calculated as a whole (unit reserves)	-	-
Best Estimate (non unit reserves)	-	-
Margin over best estimate	-	-
Other technical provisions	-	-
Reinsurance deposits and payables	640,896,222	640,896,222
Deposits from reinsurers	-	-
Reinsurance payables	640,896,222	640,896,222
Insurance, coinsurance and intermediaries payables	-	-
Payables to insurers other than coinsurance	-	-
Payables to coinsurance/pools	-	-
Payables to intermediaries	-	-
Other payables (not related to insurance or reinsurance)	-	-
Debts owed to credit institutions	-	-
Other financing debts	-	-
Qualified as Tier 1 Available Capital Resources	-	-
Qualified as Tier 2 Available Capital Resources	-	-
Not qualified as Available Capital Resources	-	-
Derivatives	-	-
Current tax liabilities	-	-
Provisions other than technical provisions	-	-
Contingent liabilities	-	-
Pension benefit obligations	351,111,638	351,111,638
Deferred tax liabilities	321,680,548	321,680,548
Any other liabilities, not elsewhere shown	807,892,369	807,892,369
Total liabilities	7,758,924,808	7,791,555,883
Excess of assets over liabilities		7,021,688,700
EQUITY		
Share capital	2,806,549,900	
Share application money pending allotment	-	
Share premium	475,935	
Special reserves	2,500,000,000	
Catastrophe reserves	227,854,842	
Retained earnings	998,706,315	
Other equity	1,166,889,865	
Revaluation reserves	382,199,644	
Capital reserves	-	
Corporate Social Responsibility Reserves (CSR)	23,832,442	
Insurance Fund	-	
Fair Value Reserves	704,444,898	
Actuarial reserves	(70,337,090)	
Deferred Tax Reserves	113,879,789	
Other reserves	12,870,182	
Total Equity	7,700,476,858	

SIDDHARTHA PREMIER INSURANCE LTD.

Statement of Available Capital As At Ashadh 32, 2082 (July 16, 2025)

TIER 1 CAPITAL		
Particulars		Amount (Rs.)
Excess of assets over liability as per Solvency Balance Sheet		7,021,688,700
Add: Paid-in (paid-up) subordinated debts qualified as tier 1 Available Capital Resources		-
Less: Revaluation reserve		382,199,644
Less: CSR Reserve		23,832,442
Less: Fair value reserve		704,444,898
Less: Actuarial reserve		-
Less: Excess of deferred tax reserve shown in equity of 02.01 BS over deferred tax assets as per Financial Statement		113,879,789
Less: Assets pledged by the insurer when the facility guaranteed is not in the liability side of the solvency balance sheet		-
Less: Credit Facilities granted by the insurer and secured by its own shares when the facility is not in the liability side		-
Less: Direct and indirect investments, reciprocal cross holdings, arranged either directly or indirectly between financial institutions		1,523,996
Less: Assets not valued at nil whose valuation in the solvency balance sheet should not increase the Available Capital Resources		875,702,554
Less: Deduction as per para 66(6) of Risk-Based Capital and Solvency Directive if not valued at nil in solvency balance sheet		-
Less: Deduction as per para 66(7) of Risk-Based Capital and Solvency Directive if not valued at nil in solvency balance sheet		-
Less: Embedded profit if already included in surplus i.e. excess of assets over liability as per 02.01 BS		-
Total Tier 1 Capital Before Limits		4,920,105,377
Tier 1 Paid-in subordinated debt before limit		-
Reduction to limit subordinated debt up to 30% Tier 1		-
Tier 1 Paid-in subordinated debt after deduction of the limit		-
Exceptional increase para (65)(6) Annexure V of RBC Directive - only previous NIA approval		-
TOTAL TIER 1 CAPITAL AFTER LIMITS		4,920,105,377
TIER 2 CAPITAL		
Particulars		Amount (Rs.)
Cumulative irredeemable preference shares qualified as tier 2 Available Capital Resources		-
Irredeemable subordinated debts qualified as tier 2 Available Capital Resources		-
Other capital resources qualified as Tier 2, including unpaid preference shares, unpaid subordinated debt, letters of credit, guarantees and mutual member calls		-
Future profits embedded in the valuation of technical provisions (reserves)		-
TOTAL TIER 2 CAPITAL BEFORE LIMITS		-
Before limits - Future profits embedded in technical reserves		-
After limits - Future profits embedded in technical reserves		-
Recalculated Tier 2 after limits to Future profits embedded in technical reserves		-
Tier 2 Capital After Limit 40% of RBC		-
Available Capital Resources		
Total tier 1 capital after limits		4,920,105,377
Total tier 2 capital after limits		-
Total Solvency Available Capital Resources		4,920,105,377

SIDDHARTHA PREMIER INSURANCE LTD.

Solvency Calculation Sheet
As At Ashadh 32, 2082 (July 16, 2025)

237

Risk Based Capital		
Risk	Capital Requirement (Rs)	Percentage of Total RBC
Market Risk	694,784,717	54%
Counter-party Default Risk	196,192,617	15%
Non-Life Insurance Risk	639,340,095	50%
Diversification Benefits	(370,289,590)	-29%
Operational Risk	116,002,784	9%
Total Risk Based Capital	1,276,030,624	100%
Solvency Ratio and Minimum Capital Requirement (MCR) Ratio		
Total Solvency Available Capital Resources	4,920,105,377	
Risk Based Capital Requirement	1,276,030,624	
Solvency Surplus/Deficit	3,644,074,753	
Solvency Ratio	385.6%	
Minimum Capital Requirement (MCR) - 1/3 of RBC		425,343,541
Tier 1 Covering MCR	4,920,105,377	
Tier 2 Covering MCR	-	
MCR Surplus/Deficit	4,494,761,836	
MCR Ratio	1156.7%	

OTHER DISCLOSURES



COMMUNICATION MECHANISM AND STAKEHOLDER INTERACTION

Siddhartha Premier Insurance Limited (SPIL) is committed to maintaining transparent, timely, and effective communication with all stakeholders, including policyholders, shareholders, employees, regulatory authorities, and the public. To ensure smooth and efficient information flow, the company has established robust communication mechanisms supported by dedicated Information Officers and specialized teams. These channels foster trust, accountability, and active engagement, ensuring stakeholders are well-informed about the company's operations, policies, and initiatives.

239

1. Channels of Communication:

- **Investor and Shareholder Communication:** SPIL provides regular and timely updates on financial performance, annual and quarterly reports, dividend declarations, and key corporate developments through annual reports, press releases on major claims and their status, official notices, quarterly company's publication named SPIL LENS, the company's website, social media viz. tiktok, facebook, Instagram.
- **Policyholder Communication:** Policyholders are kept informed about policy terms, claim procedures, premium reminders through e-mail and sms alerts, and new product offerings via SMS alerts, emails, newsletters, websites and in-person assistance at branches.
- **Employee Communication:** Internal communication channels, including intranet, email circulars, staff meetings, departmental head meetings and training sessions, ensure employees are informed about company policies, operational updates, and professional development opportunities.
- **Regulatory Communication:** SPIL ensures timely submission of statutory reports, regulatory filings, and compliance updates to the Insurance Board of Nepal and other relevant authorities. Each department heads are made responsible for their respective regulatory filings.
- **Public and Community Engagement:** Information regarding corporate social responsibility initiatives, community projects, and environmental programs is communicated through press releases, social media, and the company website to enhance public awareness and social accountability.

2. Stakeholder Feedback and Engagement:

- SPIL actively encourages feedback from all stakeholder groups through suggestion boxes, customer service centers, helplines, and online portals. Company's information officer is only the source of dissemination of information who collects information from the respect departmental heads.
- Periodic surveys and stakeholder meetings are conducted to understand concerns, expectations, and satisfaction levels, which inform strategic decision-making and service improvements. The board and management consider it one of the major sources of information for framing of strategic plans to move forward.

3. Information Flow and Governance:

- The Board of Directors and relevant committees ensure that critical information is shared promptly with stakeholders while maintaining confidentiality and compliance with legal requirements.
- An established hierarchy of communication ensures that information flows efficiently from operational units to management, and from management to external stakeholders, ensuring clarity, accuracy, and consistency.

Through these communication mechanisms, SPIL fosters transparency, strengthens stakeholder relationships, and reinforces its commitment to responsible corporate governance.

GRIEVANCE HANDLING MECHANISM OF INSURED, INVESTORS AND OTHER STAKEHOLDERS

Siddhartha Premier Insurance Limited (SPIL) is committed to providing prompt and effective resolution of grievances raised by policyholders, investors, and other stakeholders. The company has established a structured grievance handling framework to ensure transparency, accountability, and stakeholder satisfaction.

1. Policyholders / Insured:

- SPIL provides multiple channels for policyholders to lodge complaints, including branch offices, customer service helplines, email, and online portals viz. SPIL DIGI.
- Complaints related to claims, policy servicing, premium payments, or product information are acknowledged promptly and resolved within the stipulated timelines as per the citizen's charter of the company.
- The company maintains a dedicated Customer Relations Team to monitor, track, and ensure timely resolution of all policyholder grievances headed by Information Head of the company.

2. Investors / Shareholders:

- Investors can submit grievances regarding shareholder services, dividends, or disclosures through official communication channels such as email, investor helpdesk, or the company's registered office.
- A dedicated Information Officer ensures that all queries and complaints are addressed promptly in accordance with regulatory requirements.

3. Other Stakeholders:

- Complaints from regulatory authorities, vendors, community members, or the general public are received through formal letters, emails, or helplines.
- The company ensures that such grievances are escalated to the appropriate department and resolved efficiently.

4. Monitoring and Reporting:

- SPIL maintains a centralized grievance register to track complaints, monitor resolution timelines, and identify recurring issues.
- Regular reports on grievance trends and resolutions are presented to senior management and the Board to improve services and strengthen stakeholder trust.

Through this structured grievance handling mechanism, SPIL demonstrates its commitment to stakeholder satisfaction, transparency, and responsible corporate governance.

Siddhartha Premier Insurance Limited: [ICRANP-IR] A assigned

April 02, 2025

241

Summary of rating action

Facility	Rated Amount (NPR Million)	Rating Action
Issuer Rating	NA	[ICRANP-IR] A; assigned

Rating action

ICRA Nepal has assigned an issuer rating of [ICRANP-IR] A (pronounced ICRA NP Issuer Rating A) to Siddhartha Premier Insurance Limited (SPIL or the company). Issuers with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk. The rating is only an opinion on the general creditworthiness of the rated entity and not specific to any particular debt instrument.

Rationale

The assigned rating factors in the long operational track record of the erstwhile pre-merger entities of the company viz. Premier Insurance Company (Nepal) Limited (PIC; operating since 1994) and Siddhartha Insurance Limited (SIL; operating since 2006), that has merged to form SPIL in March 2023. The merger has augmented the company's net worth base, which currently remains the largest among private sector players, thus enhancing its risk bearing capacity. Additionally, the company's asset base, operational scale and market share now remains one of the largest in the general insurance industry and the improved scale of economies is likely to contribute to operational efficiency as well. Further, the rating also factors in the company's healthy solvency of 3.19 times (compared to the regulatory minimum of 1.3 times) as of mid-July 2024, which offers adequate cushion for risk absorption and provides headroom for business growth prospects given the current low market penetration of the general insurance sector in Nepal. The company's adequate reinsurance arrangements and its experienced management team also remain among the rating positives.

However, the rating remains constrained by the significant rise in claims for SPIL in H1FY2025, induced by the impact of flood-related claims of September end 2024 (total lodged claims related to this event was NPR 2,651 million, out of which NPR 172 million had been settled as of March 06, 2025 and NPR 235 million had been provided as advances, pending final settlement). The final quantum of settlement of these claims and its recoverability from the reinsurers will have a bearing on the profitability for FY2025. However, ICRA Nepal expects nominal impact to the company's balance sheet, out of this event, considering its adequate catastrophic reinsurance arrangements. Further, the rating also remains constrained by the degrowth in business volume post-merger in terms of gross premium earnings (GPE) and net premium earnings (NPE) in FY2024. Although this was partly on account of the impact of the slowdown in overall economy, the company's ability to generate post-merger synergy, in terms of business growth/market share, remains to be seen. The increased claims ratio along with the decline in net premium earnings and net commission income has also increased the combined ratio and moderated the company's underwriting performance in FY2024 and H1FY2025. The rating also remains constrained by high sectoral concentration in the motor segment (~36% of GPE and ~55% of NPE in FY2024); any regulatory changes affecting the motor portfolio may impact the business profile. The weakening of deposit rates in recent periods have also subdued the investment earnings and diluted the company's return indicators in H1FY2025. Given the short track record of post-merger operations, SPIL's ability to improve the underwriting profitability will remain a monitorable. Going forward, the company's ability to generate post-merger synergy, enhance the operational scale and improve underwriting performance will remain a key rating sensitivity. Further, the company's ability to prevent profitability erosion amid weak interest rate environment will also remain a monitorable.

Key rating drivers

Credit strengths

Established track record and post-merger growth in financial strength – SPIL was formed by the merger of two entities viz., PIC (operating since 1994) and SIL (operating since 2006). The merger has enhanced the capitalisation and asset base and improved the market share and post-merger; SPIL is among the largest players in the general insurance industry (largest in terms of net worth among private sector players). Also, its seasoned and experienced management team with long industry experience, has been factored as a major rating positive.

Adequate solvency and liquidity profile – The company's regulatory solvency ratio as of mid-July 2024 (based on risk-based capital approach) stood at 3.19 times, against the regulatory minimum of 1.3 times. The adequate solvency offers healthy cushion to absorb risks and also provides adequate room for business growth. Further, SPIL's liquidity position remains adequate as reflected in liquid assets to net insurance contract liabilities (gross contract insurance liabilities less reinsurance assets) ratio of ~4.6 times as of mid-July 2024.

Satisfactory reinsurance arrangements – SPIL has maintained adequate reinsurance arrangement including catastrophic coverage, which is likely to support the company's ability to pay claims and solvency during regular as well as catastrophic events. Given its catastrophic cover in reinsurance arrangements for property insurance, the loss per event (from events like the massive flood in September 2024) for property damage is capped within NPR 50 million (total retention relating to the event anticipated by management at ~NPR 130 million, including the retention in motor segment). The credit profile of the counterparty reinsurer also remains strong (Best Meridian Insurance Company¹ as lead reinsurer for proportional treaties and Hannover Re² for non-proportional/catastrophic coverage), providing comfort.

Credit challenges

Recent moderation in underwriting performance – The company's underwriting performance has moderated post-merger in FY2024 (mainly owing to increased combined ratio), which has further declined in H1FY2025 amid the impact of flood related claims, leading to a decline in underwriting surplus. SPIL reported decline in GPE and NPE by ~16% and ~5% respectively in FY2024 and for H1FY2025, the growth has been nominal at ~1-2% vis-à-vis H1FY2024 levels, thereby leading to some moderation in market share compared to the stand-alone operations. Further, the increase in claims ratio and decrease in net commission income has also increased the combined ratio (~84% in FY2024 and further to 99% in H1FY2025) and impacted the company's underwriting performance. The claims in H1FY2025, relating to the flood event of September 2024, has been a major drag to the operating profitability for this period. Additionally, the declining yield on investments, declining net commission incomes and steadily increasing risk retention also remains a concern for the incremental profitability.

Sectoral concentration and exposure to regulatory risks – The motor portfolio remains a major business segment for SPIL (~36% of GPE and ~55% of NPE in FY2024) with relatively high-risk retention ratio (~68% in FY2024) vis-à-vis other segments (~44% on an average for all segments). However, the granularity of this portfolio and low risk exposure per policy, provides comfort. Nonetheless, the claims in the segment related to flash flood in September 2024 had total retention of ~NPR 62 million (~NPR 29 million settled and ~NPR 33 million outstanding as of March 06, 2025), which will impact the underwriting performance for FY2025. Additionally, the industry's exposure to regulatory risks is reflected in frequent changes in the regulatory environment, especially those related to tariff and risk cover. Furthermore, other provisions like mandatory cession, licensing of new players, etc., also affects the operating environment. While the regulatory changes are likely to eventually lead to strengthening of the overall sector over the long term, these could potentially impact the financial profile of all players over the short to medium term.

Competitive landscape and industry fragmentation – The recent mergers of the general insurance companies have yielded larger players which could affect the industry dynamics. At the same time, the industry continues to be fragmented due to the presence of 14 players (despite recent consolidation). While the low penetration of the insurance industry in the Nepalese market offers growth potential for all players, SPIL's ability to garner post-merger synergy (in terms of business growth and share in industry's net premium) and compete with other established and large-scale players in the fragmented industry will determine its long-term growth and financial profile.

Analytical approach: For arriving at the rating, ICRA Nepal has applied its rating methodology as indicated below.

Link to the applicable criteria:

[Issuer Rating Methodology](#)

Company Profile

Siddhartha Premier Insurance Limited [SPIL] is a general insurance company formed through the merger of Siddhartha Insurance Limited (SIL; operating since April 2006) and Premier Insurance Company (Nepal) Limited (PIC; operating since

¹ Rated Financial Strength Rating A- (Excellent); Outlook – negative; assigned by AM Best

1994) in March 2023. Its head office is located in Babarmahal, Kathmandu. As of mid-July 2024, the company's major shareholders included Siddhartha Bank Limited (~7.5% stake), Mr. Ram Lal Shrestha (~6.2%), Mr. Bal Krishna Shrestha (~3.5%), among others. SPIL has promoter: public shareholding ratio of 51:49.

As of mid-January 2025, the company was in operation through a network of 128 branches. SPIL reported profit after tax (PAT) of NPR 688 million in FY2024 over an asset base of NPR 11,798 million as of mid-July 2024, compared to PAT of NPR 660 million (excluding net profit of NPR 272 million of SIL up to February 28, 2023, prior to merger, which was directly transferred to retained earnings) over an asset base of NPR 12,971 million as of mid-July 2023. Further, the company reported net profit of NPR 225 million in H1FY2025 over an asset base of 12,531 million as of mid-January 2025.

Key Financial Indicators

Amounts in NPR Million	FY2021*	FY2022*	FY2023*	FY2024	H1 FY2025
	Audited	Audited	Audited	Audited	Prov.
	PIC+SIL	PIC+SIL	PIC+SIL	SPIL	SPIL
Gross premium earned (GPE)	4,045	4,415	5,003	4,192	1,542
Net premium earned (NPE)	1,580	1,710	1,939	1,844	804
Premium retention (NPE/GPE)	39%	39%	39%	44%	52%
Claims ratio (Net claims incurred/NPE)- A	60%	64%	62%	65%	77%
Management expense ratio (Management expense/NPE)-B	49%	47%	48%	47%	46%
Commission expense ratio (Commission expense/NPE)-C	-33%	-35%	-29%	-28%	-25%
Combined ratio (A+B+C)	75%	77%	82%	84%	99%
Underwriting surplus	389	395	353	292	12
Investment earnings	420	525	725	734	274
Average yield on investments	6.0%	6.2%	7.6%	7.5%	5.5%
Profit after tax (PAT)	526	674	660	688	225
Return on equity	9.2%	10.8%	8.7%	8.9%	5.6%
Return on assets	6.4%	6.8%	5.8%	5.9%	4.0%

Source: Company data

*combined numbers of PIC and SIL in the pre-merger years as well.

For further details please contact:

Analyst Contacts:

Mr. Rajib Maharjan (Tel No. +977-1-4519910/20)
rajib@icranepal.com

Mr. Bipin Timilsina (Tel No. +977-1-4519910/20)
bipin@icranepal.com

Relationship Contacts:

Ms. Barsha Shrestha (Tel. No. +977-1-4519910/20)
barsha@icranepal.com

About ICRA Nepal Limited:

ICRA Nepal Limited, the first credit rating agency of Nepal, is a subsidiary of ICRA Limited (ICRA) of India. It was licensed by the Securities Board of Nepal (SEBON) on October 3, 2012. ICRA Nepal is supported by ICRA Limited through a technical support services agreement, which envisages ICRA helping ICRA Nepal in areas such as the rating process and methodologies, analytical software, research, training, and technical and analytical skill augmentation.

Our parent company, ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment information and credit rating agency. Today, ICRA and its subsidiaries together form the ICRA Group of Companies.

For more information, visit www.icranepal.com

ICRA Nepal Limited,

Sunrise Bizz Park, 6th Floor, Dillibazar, Kathmandu, Nepal.

Phone: +977-1-4519910/20

Email: info@icranepal.com

Web: www.icranepal.com

All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA Nepal.

ICRA Nepal ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. The ICRA Nepal ratings are subject to a process of surveillance which may lead to a revision in ratings. Please visit our website (www.icranepal.com) or contact ICRA Nepal office for the latest information on ICRA Nepal ratings outstanding. All information contained herein has been obtained by ICRA Nepal from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA Nepal in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion and ICRA Nepal shall not be liable for any losses incurred by users from any use of this publication or its contents.

सिद्धार्थ प्रिमियर इन्स्योरेन्स लिमिटेडको

संशोधित प्रवन्ध पत्रको तीन महले

245

दफा	हालको व्यवस्था	दफा	संशोधित व्यवस्था	संशोधन गर्ने कारण
३.	<p><u>कम्पनी संस्थापनाको उद्देश्य निम्न वमोजिम हुनेछ :</u></p> <p>(छ) नभएको ।</p>	३.	<p><u>कम्पनीको उद्देश्य निम्न वमोजिम हुनेछ :</u></p> <p>(छ) सामुहिक लगानी कोष योजना सञ्चालन गर्ने, गराउने ।</p>	लगानी विविधिरणको लागि

S.N	District	Branch	Contact No.	Email Address
Koshi				
1	Morang	Birat Chowk	021-547178	brc-b@spil.com.np
2	Morang	Biratnagar	021-450240	brt-a@spil.com.np
3	Jhapa	Birtamod	023-532848, 535864, 536684	btm@spil.com.np
4	Jhapa	Chandragadhi	023-452098	chg@spil.com.np
5	Jhapa	Damak	023-576065, 576052	dmk-a@spil.com.np
6	Dhankuta	Dhankuta	026-520384	dnk@spil.com.np
7	Sunsari	Dharan	025-532599, 537599	drn@spil.com.np
8	Sunsari	Duhabi	025-540354	dub@spil.com.np
9	Udayapur	Gaighat	035-422280	ggt@spil.com.np
10	Illam	Illam	027-520276, 521652	ilm-b@spil.com.np
11	Sunsari	Inaruwa	025-566039, 564039	inr@spil.com.np
12	Sunsari	Itahari	025-585566, 588322, 585566	itr@spil.com.np
13	Sunsari	Jhumka, Sunsari	025-590434	jmk@spil.com.np
14	Udayapur	Katari	9852836234	ktr@spil.com.np
15	Sankhu-wasabha	Khadbari	029-561180	kdb@spil.com.np
16	Morang	Pathari	021-555022	pth@spil.com.np
17	Panchthar	Phidim	024-520264	pdm@spil.com.np
18	Jhapa	Surunga	023-590346	srg@spil.com.np
19	Morang	Urlabari	021-540635	ulb@spil.com.np
Madesh				
1	Sarlahi	Barathawa	9851365190	bht@spil.com.np
2	Mahottari	Bardibas	044-550619, 550725	bdb-b@spil.com.np
3	Parsa	Birgunj	051-529769	brg@spil.com.np
4	Rautahat	Chapur	055-540336, 540251	cpr@spil.com.np
5	Rautahat	Garuda	055-590052	grd@spil.com.np
6	Mahottari	Gaushala	9845665021	gsl@spil.com.np
7	Siraha	Golbazar	033-540655	gbz@spil.com.np
8	Sarlahi	Hariwan	046-530279, 530597	hwn@spil.com.np
9	Dhanusa	Janakpur	041-590434	jnk-a@spil.com.np
10	Bara	Jeetpur Simara	053- 412260	jpr@spil.com.np
11	Bara	Kalaia	053-551834	kly-a@spil.com.np
12	Bara	Kohalbi	9864133153	khb@spil.com.np
13	Dhanusha	Kshireshwor	9851365176	ksh@spil.com.np
14	Siraha	Lahan	033-564240, 565224	lhn-a@spil.com.np
15	Sarlahi	Lalbandi	046-501405	lbd@spil.com.np
16	Siraha	Mirchaiya	033-550125	mch@spil.com.np
17	Bara	Nijagadh	053-540498	ngh@spil.com.np
18	Saptari	Rajbiraj	031-531808, 532838	raj@spil.com.np
19	Parsa	Shreepur	051-591811	spr@spil.com.np
Bagmati				
1	Kathmandu	Chabhal	01-441939, 4491940	chb@spil.com.np
2	Lalitpur	Ekantakuna Counter	9851171441	cek@spil.com.np
3	Lalitpur	Ekantakuna Nakkhu	014513442	eku@spil.com.np
4	Bhaktapur	Gathaghar	01-6634309, 6634194	bkt@spil.com.np
5	Lalitpur	Gwarko	01 5201650	gko@spil.com.np
6	Kathmandu	Jorpati	01-4916939	jpt@spil.com.np

S.N	District	Branch	Contact No.	Email Address
7	Kathmandu	Kalimati	01-4288465,428846	kmt@spil.com.np
8	Kathmandu	Kathmandu(New road)	01-5329617, 5363045	knr@spil.com.np
9	Kathmandu	Kirtipur	01- 4330076, 433076	ktp-a@spil.com.np
10	Kathmandu	Kumaripati	015426557	ptn@spil.com.np
11	Kathmandu	Naxal	01-4513543	ktm-b@spil.com.np
12	Kathmandu	Pepsicola	01-4539353, 4518094	pcl@spil.com.np
13	Lalitpur	Pulchowk	01-5447968, 5447969	ltp@spil.com.np
14	Kathmandu	Samakhushi	01-4960306, 4965582	sks@spil.com.np
15	Kathmandu	Satungal	01-5108520	sgl@spil.com.np
16	Kathmandu	Satungal Counter 1	9849020000	csg@spil.com.np
17	Kathmandu	Satungal Counter 2	9846721065	csg@spil.com.np
18	Bhaktapur	Suryabinayak	016610551	sbn@spil.com.np
19	Kathmandu	Swayambhu	01-5247356	swa@spil.com.np
20	Kathmandu	Swayambhu Counter	9851228470	csw@spil.com.np
21	Kathmandu	Thapathali	014266975	tpl@spil.com.np
22	Kathmandu	Uttardhoka	01-4431281, 4431282	kmd@spil.com.np
23	Kavre	Banepa	011-662156, 664161	bnp-a@spil.com.np
24	Nuwakot	Battar	010-561897	btr@spil.com.np
25	Chitwan	Bhandara	9845793521	bhd@spil.com.np
26	Chitwan	Chanauli	056-591897	cli@spil.com.np
27	Dolakha	Charikot	049-421439	dlk@spil.com.np
28	Dhading	Dhading Besi	010-521259	dhg-a@spil.com.np
29	Dhadhing	Galchi	9860597076/ 9851365398	gch@spil.com.np
30	Chitwan	Hakim Chowk	056-595680	hkm@spil.com.np
31	Makwanpur	Hetauda	057-524434, 526890	htd-a@spil.com.np
32	Chitwan	Kholesimal	056-494403	ksm@spil.com.np
33	Ramechhap	Manthali	048-540581	rmc@spil.com.np
34	Chitwan	Narayangadh(Lions chowk)	056-490620, 490122	nrg@spil.com.np
35	Chitwan	Narayanghat	056-490122, 490122	ngt@spil.com.np
36	Chitwan	Parsa Bazar	056-583339, 582710	psa@spil.com.np
37	Sindhuli	Sindhuli(Stall Bazar)	047-521220	snd@spil.com.np
38	Chitwan	Tandi	056-593326	tnd@spil.com.np

Gandaki

1	Kaski	Bagar	061-550792	bgr@spil.com.np
2	Baglung	Baglung	068-520104	bag@spil.com.np
3	Lamjung	Besisahar	066-521098, 521025	bsh-a@spil.com.np
4	Devchuli	Daldale	078-575347	dld@spil.com.np
5	Tanahun	Damauli	065-565529, 564425	dml-b@spil.com.np
6	Tanahun	Dulegauda	065-414230	dlg@spil.com.np
7	Nawalpur	Gaindakot	078-501333	gkt@spil.com.np
8	Gorkha	Gorkha(Haramtari)	064-420443, 420569	gkh@spil.com.np
9	Nawalparasi	Kawasoti	078 541065, 540689	kst@spil.com.np
10	Parbat	Kushma	067-421310	kus@spil.com.np
11	Manang	Manang	066-440187	mng@spil.com.np
12	Kaski	Pokhara	061583453, 543181, 582120	pkr@spil.com.np
13	Kaski	Pokhara(Buddhachowk)	061-584100	bck@spil.com.np
14	Kaski	Taalchowk	061564646, 561217	tck@spil.com.np
15	Syangja	Waling	063-441719	wlg-b@spil.com.np

S.N	District	Branch	Contact No.	Email Address
Lumbini				
1	Nawalparasi	Bardaghat	078-580835	bdg@spil.com.np
2	Rupandehi	Bhairahawa	071-575306, 574308, 573180	bhw-a@spil.com.np
3	Pyuthan	Bijuwar	086-460058	bjw@spil.com.np
4	Rupandehi	Butwal	071-437955/56	btl-a@spil.com.np
5	Rupandehi	Butwal(Traffic Chowk)	071-531480	tcb@spil.com.np
6	Kapilvastu	Chandrauta	076-540700	cht@spil.com.np
7	Dang	Ghorahi	082-563137	dng@spil.com.np
8	Bardiya	Guleriya	9848221375	gya@spil.com.np
9	Kapilvastu	Jeetpur(Kapilvastu)	076-550456	jtp@spil.com.np
10	Rupandehi	Khaireni	071-577367	krn@spil.com.np
11	Banke	Kohalpur	081-540182	klp@spil.com.np
12	Dang	Lamahi	082-540857	lmh@spil.com.np
13	Rupandehi	Manigram	071-561840	mgm-a@spil.com.np
14	Rupandehi	Murgiya	071-044315	mga@spil.com.np
15	Banke	Nepalgunj	081-535156/57	npj@spil.com.np
16	Nawalparasi	Ramgram	078-520305	psi@spil.com.np
17	Argakhanchi	Sandikharka	077-420781	akh@spil.com.np
18	Nawalparasi	Sunawal	078-570398	snl@spil.com.np
19	Gulmi	Tamghash	079-520642	tmg@spil.com.np
20	Palpa	Tansen	075-520229	plp-a@spil.com.np
21	Kapilvastu	Taulihawa	076-560060	tlh@spil.com.np
22	Dang	Tulsipur	082-522524	tlp@spil.com.np
Karnali				
1	Surkhet	Chhinchu	9848344411	chi@spil.com.np
2	Surkhet	Surkhet	083-525097, 521540	skt-b@spil.com.np
3	Surkhet	Surkhet Counter	9848356156	
Sudurpaschim				
1	Kailali	Attariya	091-550260, 550294	att@spil.com.np
2	Kailali	Dhangadhi	091-526069	dhi@spil.com.np
3	Doti	Dipayal	9848606218	dip@spil.com.np
4	Kanchanpur	Jhalari	099-590165	jli@spil.com.np
5	Kailali	Lamki	9858491066	lmk@spil.com.np
6	Kanchanpur	Mahendranagar	099-523126, 521773	mhn-a@spil.com.np
7	Kailali	Tikapur	091-560789, 560640	tkp-b@spil.com.np

Notes

249

SPIL Activity 2081-82



SPIL
Siddhartha Premier Insurance Limited

Coffee with CEO

Life at
Siddhartha Premier





Celebrating
Years
32nd
OF TRUST & SECURITY



सिद्धार्थ प्रिमियर इन्स्योरेन्स लि
Siddhartha Premier Insurance Ltd.

TRUST AND SECURITY

Siddhartha Premier Bhawan, Babarmahal (Hanumanthan), Kathmandu, Nepal

Tel: +977-1-5705766, 5707190, 5705447

E: siddharthapremier@spil.com.np | W: www.siddharthapremier.com.np