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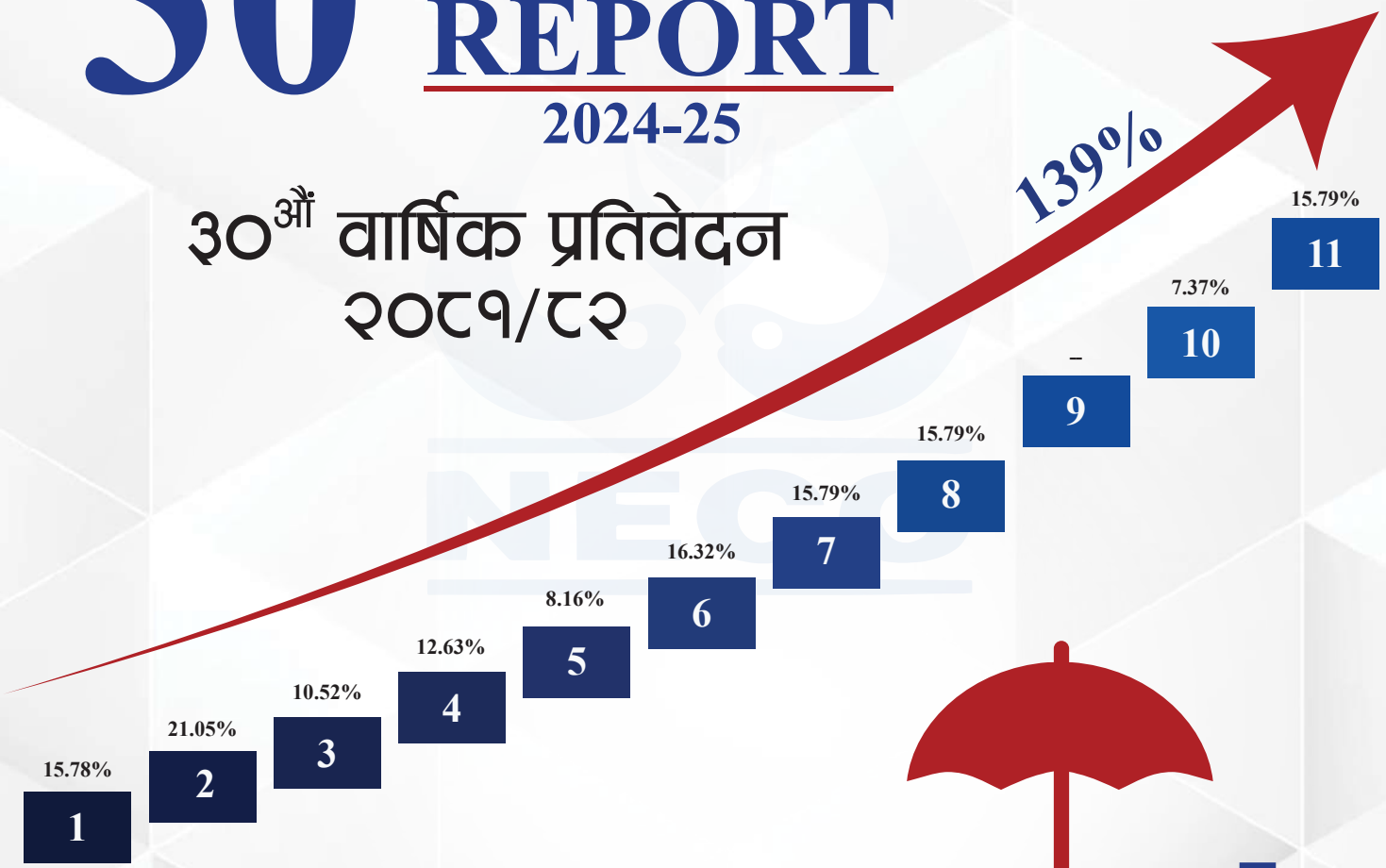
30th ANNUAL REPORT
2024-25

३०औं वार्षिक प्रतिवेदन
२०८१/८२



Board of DIRECTORS

Mr. Ramesh Kumar Niraula
Chairman

Mr. Niraula represents from promoter shareholders. He has academic qualification on Bachelors in Science & Bachelors in Law. He was board of director of Machhapuchchhre Bank, Century Commercial Bank and NDEP Development Bank.

Mr. Vinaya Raman Poudel
Director

Mr. Poudel represents from the promoter shareholder Rastriya Banijya Bank. He has academic qualification on Bachelors in Science and Chartered Accountancy from ICAI. He has long experience in Banking and now he serves as Deputy Executive Officer at Rastriya Banijya Bank.

Mr. Pratap Subedi
Director

Mr. Subedi represents from the promoter shareholder, ADBL. He has served as the Chairman of Fund Management Company and as director of Sana Kishan Laghubitta and Deprosc Laghubitta Bittiya Sanstha. He holds an MBA and B.Ed degree from TU. He has 30 years of experience in Nepal's banking sector, including around 5 years at NRB and 25 years at ADBL, where he currently serves as Senior DGM.

Mr. Bharat K. Adhikari
Director

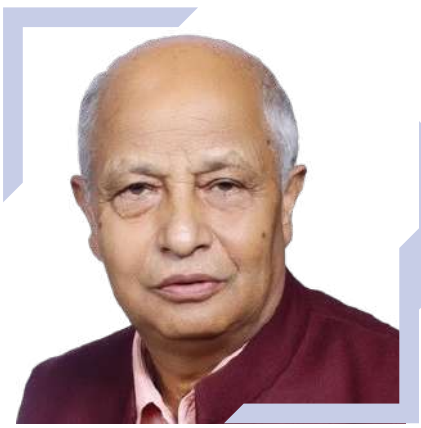
Mr. Adhikari represents from public shareholders. He has academic qualifications on Masters in Business Administration and Bachelors in Law. He serves in Social Organization.

Mr. Bhanu Bhakta Pokhrel
Director

Mr. Pokharel represents from the public shareholders. He has academic qualification on Bachelors in Law. He has long experience as legal practitioner. He is involved in various organizations as Legal advisor.

Dr. Neelima Shrestha
Director

Dr. Shrestha represents from public shareholders. She has academic qualifications on MBBS. She has experience as Administrative Officer and Medical Practitioner.



Mr. Mani Dev Bhattarai
Independent Director

Mr. Bhattarai holds a Master's degree in Economics. He served in the Ministry of Finance, Government of Nepal, for 29 years and retired as an Under Secretary. Later, he was appointed by the Government of Nepal as a Member of the Board of Directors of the Citizen Investment Trust.

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विषय–सूची

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नेको इन्सुरेन्स लिमिटेड

को

३०औं बार्षिक साधारण सभा बारे सूचना

शेयरधनी महानुभावहरु,

यस कम्पनीको संचालक समितिको मिति २०८२।१०।१५ गतेका दिन बसेको ४९८औं बैठकको निर्णय अनुसार कम्पनीको ३०औं बार्षिक साधारण सभा निम्न मिति, स्थान र समयमा बस्ने र उक्त साधारण सभामा निम्न बिषयहरु उपर छलफल गरी निर्णय गरिने भएकोले सम्पूर्ण शेयरधनी महानुभावहरुलाई जानकारी एवं उपस्थितिको लागि हार्दिक अनुरोध गरिन्छ।

सभा हुने मिति, स्थान र समय

मितिः २०८२ साल फाल्गुन ११ गते सोमवार (तदनुसार फेब्रुअरी २३, २०२६)
स्थानः लिसारा रिसेप्सन, नक्साल, काठमाडौं।
समयः विहान ११:०० बजे।

छलफलका विषयहरुः

(क) **सामान्य प्रस्ताव**

१. संचालक समितिको तर्फबाट अध्यक्षज्यूले पेश गर्नु हुने आ.व. २०८१।०८२ को वार्षिक प्रतिवेदन उपर छलफल गरि पारित गर्ने सम्बन्धमा।
२. आ.व. २०८१।०८२ को लेखापरीक्षण प्रतिवेदन सहितको सम्पूर्ण वित्तीय विवरणहरु उपर छलफल गरि पारित गर्ने सम्बन्धमा।
३. कम्पनी ऐनको दफा १११ बमोजिम आर्थिक वर्ष २०८२।०८३ का लागि लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक तोक्ने सम्बन्धमा।
४. संचालक समितिबाट प्रस्ताव गरे बमोजिम आ.ब. २०८१।०८२ को नाफा नोक्सान हिसाबबाट चुक्ता पूँजीको १२.७८९४% नगद लाभांश (कर प्रयोजनको लागि समेत) रु.३४,४२,३०,८३५। पारित गर्ने सम्बन्धमा।

(ख) **विशेष प्रस्ताव**

१. संचालक समितिबाट प्रस्ताव गरे बमोजिम आ.ब. २०८१।०८२ को नाफा नोक्सान हिसाबबाट रु.८,०७,४५,९७०। (३% अर्थात् प्रत्येक १०० कित्ता बराबर ३ कित्ता) बोनश शेयर जारी गर्ने सम्बन्धमा। (बोनश शेयर जारी गर्दा आउने खण्डित शेयरलाई पछि मिलान गर्ने गरी हिसाबमा राख्ने।)
२. निम्न विषयका सम्बन्धमा प्रवन्धपत्र तथा नियमावली संशोधन प्रस्ताव पारित गर्ने र उक्त संशोधनहरुमा नियामक निकायहरुबाट कुनै परिमार्जन गर्न सुझाव वा निर्देशन भएमा सो अनुसार आवश्यक परिमार्जन गर्ने सम्बन्धि सम्पूर्ण अख्तियारी संचालक समितिलाई प्रदान गर्ने सम्बन्धमा। (अ) विशेष प्रस्ताव नं. १ बमोजिम जारी गरिने बोनस शेयरको हदसम्म जारी पूँजी तथा चूक्ता पूँजी बृद्धि गर्ने सम्बन्धमा।

(ग) **विविध।**

साधारण सभा सम्बन्धी सामान्य जानकारी

१. ३०औं बार्षिक साधारण सभा प्रयोजनार्थ यहि मिति २०८२।१०।२५ गते १ दिन शेयर दाखिल खारेज बन्द (Book Close) रहनेछ। दाखिल खारेज बन्द मितिभन्दा अघिल्लो कारोवार दिनसम्म कायम शेयरधनीले बोनश शेयर प्राप्त गर्ने तथा सभामा भाग लिन पाउने छन्।

२. कम्पनीको संक्षिप्त आर्थिक विवरण यसैसाथ प्रकाशन गरिएको छ। संचालक समितिको प्रतिवेदन तथा वित्तीय विवरणहरु कम्पनीको वेभसाइट www.neco.com.np बाट हेर्न वा प्राप्त गर्न सक्नुहुनेछ।

३. सभामा भाग लिन र मतदान गर्नको लागि प्रतिनिधि नियुक्ति गर्न चाहने शेयरधनीहरुले सभा शुरु हुनुभन्दा ४८ घण्टा अगावै अर्थात् २०८२।११।०९ गते विहान ११ बजे भित्र कम्पनीको केन्द्रीय कार्यालय, बीमा भवन, ज्ञानेश्वर, काठमाडौंमा प्रोक्सी पत्र दर्ता गरी सक्नु पर्नेछ। एक भन्दा बढी प्रोक्सीको नाउँ उल्लेख गरेको प्रोक्सी रद्द हुनेछ।

४. प्रतिनिधि नियुक्ति गर्ने व्यक्ति, कम्पनी वा संगठित संस्था भएमा त्यस्तो नियुक्ति पत्रमा सो संस्था वा कम्पनीको छाप सहित अधिकृत व्यक्तिको दस्तखत भएको हुनुपर्छ। संस्थागत शेयरधनी बाहेक अरुले यसरी प्रनितिधि नियुक्ति दर्ता गर्दा कम्पनीको अर्को शेयरधनीलाई मात्र नियुक्ति गर्नु पर्नेछ।

५. संयुक्त रुपमा शेयर खरिद गरिएको अवस्थामा लगत किताबमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्(मतबाट प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले मात्र सभामा भाग लिन र मतदान गर्न पाउनेछ।

६. कुनै एक शेयरधनीले एक भन्दा बढी व्यक्तिलाई प्रतिनिधि नियुक्ति गरी पठाएकोमा जसको नियुक्ति पछिल्लो समय तथा मितिमा कम्पनीमा प्राप्त हुन्छ निजलाई मात्र प्रतिनिधिको हैसियतले सभामा भागलिन र मतदान गर्ने अधिकार हुनेछ।

७. सभामा भाग लिने र मतदान गर्ने व्यक्ति एउटै हुनु पर्नेछ। प्रत्येक शेयरधनीले आफूले लिएको प्रत्येक शेयरको एक मतको हिसाबले मत दिन पाउनेछ।

८. कुनै शेयरधनीलाई कुनै जिज्ञासा भएमा साधारण सभा हुनुभन्दा ७ दिन अगावै कम्पनी सचिव मार्फत संचालक समितिका अध्यक्ष समक्ष लिखित प्रस्ताव पेश गर्नु पर्नेछ। तर यसलाई सभामा छलफल र पारित हुने विषयका रुपमा समावेश गर्ने वा नगर्ने अधिकार संचालक समितिका अध्यक्षमा निहित रहनेछ।

९. साधारण सभा सम्बन्धी अन्य जानकारी कम्पनीको केन्द्रीय कार्यालय, बीमा भवन, ज्ञानेश्वर, काठमाडौंबाट प्राप्त गर्न सकिनेछ।

१०. सभा सम्बन्धी अन्य काम कारवाही कम्पनी ऐन, २०६३ बमोजिम हुनेछ।

संचालक समितिको आज्ञाले
कम्पनी सचिव

Mr. Ramesh Kumar Niraula
Chairman

अध्यक्षको मन्तव्य

यस नेको इन्सुरेन्स लिमिटेडको ३०औं बार्षिक साधारण सभामा पाल्नु भएका सम्पूर्ण शेयरधनी महानुभावहरु, नियामक निकायका प्रतिनिधिहरु, अतिथि तथा पत्रकार महानुभावहरुमा कम्पनी तथा मेरो व्यक्तिगत तर्फबाट हार्दिक स्वागत गर्दै संचालक समितिको तर्फबाट यस सभा समक्ष आर्थिक बर्ष २०८१।०८२ को बार्षिक प्रतिवेदन प्रस्तुत गर्ने अनुमति चाहन्छु। यस अवसरमा विगत बर्षहरुमा भैं यहाँहरुबाट कम्पनीको समग्र विकासका निम्ति अमूल्य राय, सुझाव तथा मार्ग निर्देशन सहित प्रस्तुत प्रतिवेदन अनुमोदन गर्नु हुनेछ भन्ने विश्वास लिएको छु।

कम्पनीको ३०औं बार्षिक साधारण सभा निर्धारित समय भित्र गर्न प्रयास गर्दा गर्दै पनि विविध कारणले केही ढिलाई हुन गएको र आगामी बर्ष निर्धारित समय भित्रै बार्षिक साधारण सभा गर्न हरसम्भव प्रयाश गरिने जानकारी गराउँदछु।

शेयरधनी महानुभावहरु,

कम्पनीले विगत ३० बर्षदेखि अविच्छिन्न ग्राहकवर्गहरुमा गुणस्तरिय सेवा प्रदान गर्दै आफ्नै मौलिक पहिचान कायम राख्दै आएको व्यहोरा शेयरधनी महानुभावहरुमा अवगत नै छ। नेपालको निर्जीवन बीमा क्षेत्रमा यस कम्पनीले द्रुततर सफलता हासिल गरेको पनि यहाँहरुमा जानकारी नै छ। कम्पनीले नयाँ एवं मौलिक प्रोडक्ट (बीमालेख) हरु जारी गर्दै बीमा क्षेत्रमा नयाँ आयाम थपेको पनि जानकारी गराउन चाहन्छु। कम्पनीले शेयरधनीहरुलाई लगानीको उचित प्रतिफल उपलब्ध गराउन सक्षम भएको, शाखा कार्यालयहरुको संख्या बृद्धि भै १०८ शाखा/उपशाखाहरुबाट सेवा प्रवाह हुँदै आएको, ६०० भन्दा बढी ब्यक्तिलाई प्रत्यक्ष रोजगारीको अवसर प्रदान गर्न सक्षम भएको, देशको राजश्वमा उल्लेखनीय योगदान पुऱ्याएको, समाज प्रतिको उत्तरदायित्व निर्वाह गरिएको, कम्पनीको आफ्नै भवन होस् भन्ने शेयरधनी महानुभावहरुको सदिच्छा बमोजिम विगत ५ बर्षदेखि आफ्नै भवनमा केन्द्रीय कार्यालय रहेको, हेटौंडामा भवन निर्माण कार्य सम्पन्न भै सकेको, बुटवलमा निर्माणाधिन रहेको जस्ता उपलब्धीहरुको जानकारी गराउँन पाउँदा हामीले गौरवान्वित महसुस गरेका छौं। यस बर्ष पनि शेयरधनी महानुभावहरुलाई नगद लाभांश र बोनश शेयर गरी १५.७८९.४% प्रतिफलको प्रस्ताव गरेका छौं। कम्पनीको चुक्ता पूँजी हाल रु.२,६९,१५,३२,३२८।- रहेकोमा प्रस्तावित बोनश शेयर जारी भए पश्चात रु.२,७७,२२,७८,२९८।- कायम हुने ब्यहोरा समेत अनुरोध छ।

गत बार्षिक साधारण सभामा शेयरधनी महानुभावहरुले कम्पनीको शेयर हिसाव सम्बन्धमा जिज्ञासा राख्नु भएकोमा शेयर अडिट गर्ने प्रतिवद्धता ब्यक्त गरिएको थियो। सो अनुसार शेयर अडिट कार्य सम्पन्न गरिएको ब्यहोरा समेत जानकारी गराउँदछौं।

नियामकले तोकेको न्यूनतम चुक्ता पूँजी कायम भै सकेको, आर्थिक मन्दिको निरन्तरताले गर्दा लगानीमा प्रतिफल नगन्य हुन गएकोले मुनाफाको लागि बीमा प्रिमियममा मात्र भर पर्नु पर्ने स्थिति रहेको साथै हालैको जेन्जी विद्रोह, बेमौसमी बर्षाको कारणबाट भएका क्षतिको कारण आगामी बर्ष मुनाफामा प्रभाव पर्ने अवस्था देखिएको छ।

ब्यवसाय विस्तारको लागि शाखा विस्तार गर्दै लगिएको तथा अपेक्षाकृत ब्यवसाय गर्न नसकेका शाखाहरुलाई मर्ज गर्दै जाने नीति समेत लिइएको छ। कम्पनीले अमेरिकन इन्सुरेन्स ग्रुप (AIG) सँगको साझेदारीलाई निरन्तरता दिएको छ। गत आर्थिक बर्षको तुलनामा समिक्षा बर्ष २०८१।०८२ मा विभिन्न प्रतिकुलताको बाबजुद पनि बीमाशुल्क आर्जनमा करिब ५% प्रतिशत बृद्धि गर्न सफल भएका छौं।

गत केही बर्षदेखि आर्थिक मन्दिको निरन्तरताका साथै समय-समयका प्राकृतिक विपत्ती एवं अन्य मानव सृजित घटनाको कारण आगामी केही बर्ष बीमा उद्योगले त्यसको असर भोग्नु पर्ने बाध्यता रहेको छ। यी यस्ता घटनाका बाबजुद शेयरधनी महानुभावहरुको सहयोग, ब्यवस्थापन तथा जनशक्तिको उच्चतम परिश्रमबाट निर्जीवन बीमा क्षेत्रमा यस कम्पनीलाई अग्रपंतीमा राख्न प्रयाशरत रहेका छौं।

शेयरधनी महानुभावहरु, ग्राहक वर्ग तथा शुभचिन्तकहरुले गर्नु भएको निरन्तर सहयोग र समर्थनका लागि हार्दिक कृतज्ञता ज्ञापन गर्दछु। साथै, कम्पनीको प्रगति तथा समृद्धिमा निरन्तर सहयोग र मार्गदर्शन प्रदान गर्नु हुने नेपाल बीमा प्राधिकरण, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्स्चेन्ज लि. प्रति हार्दिक कृतज्ञता ज्ञापन गर्दै भविष्यमा पनि यहाँहरुको निरन्तर सहयोग पाइरहने विश्वास लिएका छौं।

कम्पनीको निरन्तर प्रगतिका लागि क्रियाशिल भई कडा परिश्रमका साथ ग्राहकवर्गको सेवामा संलग्न हाम्रा सम्पूर्ण कर्मचारीहरुको परिश्रमको कदर गर्दै धन्यबाद दिन चाहन्छु।

समिक्षा अवधिको वित्तीय विवरण तथा अन्य आवश्यक विषयहरु बार्षिक प्रतिवेदनमा प्रस्तुत गरिएको छ।

धन्यवाद।

रमेश कुमार निरौला
अध्यक्ष

फाल्गुन ११, २०८२

Ashok Kumar Khadka
Chief Executive Officer

प्रमुख कार्यकारी अधिकृतको
प्रतिवद्धता एवं स्वागत मन्तब्य

यस ३०औं बार्षिक साधारण सभाका अध्यक्षज्यू,

संचालक ज्यूहरु, अतिथि ज्यूहरु एवं शेयरधनी महानुभावहरु,

नेको इन्सुरेन्स लिमिटेडको गरिमायम ३०औं बार्षिक साधारण सभामा हार्दिक स्वागत अभिवादन गर्दछु।

विगत ३० बर्षदेखि निरन्तर देशको बीमा बजार सेवा पुऱ्याउदै आएको यस कम्पनीले नयाँ ब्यवस्थापनका साथ विगत ११ बर्षदेखि निरन्तर प्रगति पथमा लम्किदै हरेक सूचकांकमा नेपालका अग्रणी बीमा कम्पनीहरु मध्येको स्थानमा उभ्याउन सफल रहेको ब्यहोरा यहाँहरुमा बिदितै छ र अग्रस्थान कायम राख्न प्रयाशरत रहेका छौं।

तत्कालिन नियामकबाट निर्धारित पूँजी पुयाउन नसकि मर्जरमा जान लागेको संस्थामा नयाँ लगानीकर्ता तथा नयाँ व्यवस्थापन समूहको रुपमा हामी विगत ११ वर्ष अघि यस संस्थामा आवद्ध भएका हौं। एक दशक कार्यकाल व्यतित गर्दै गर्दा १३ वटा शाखाबाट १०८ वटा शाखा कार्यालय देश भरि नै खोल्न, ९२ जना कर्मचारीबाट करिब ६०० जना कर्मचारीहरुलाइ रोजगारी दिन हामी सक्षम भएका छौं। व्यापारमा १०औं गुणा फड्को मारेका छौं भने लगानीकर्ताहरुलाई कुल गुणात्मक २६५% लाभांश वितरण गर्न सफल भएका छौं। उक्त कार्यकालमा हाल सम्म लाभाँश निम्न बमोजिम रहेको छः

क्र.सं.	आर्थिक बर्ष	लाभांश (%)	गुणात्मक लाभांश (%)
१	२०७१/०७२	१५।७८	१५।७८
२	२०७२/०७३	२१।०५	४०।१५
३	२०७३/०७४	१०।५२	५४।९०
४	२०७४/०७५	१२।६३	७४।४६
५	२०७५/०७६	८।१६	८८।६९
६	२०७६/०७७	१६।३२	११९।४९
७	२०७७/०७८	१५।७९	१५४।१५
८	२०७८/०७९	१५।७९	१९४।२८
९	२०७९/०८०	०।००	१९४।२८
१०	२०८०/०८१	७।३७	२१५।९६
११	२०८१/०८२	१५।७९	२६५।८५
जम्मा		१३९।२०	२६५।८५

म, प्रमुख कार्यकारी अधिकृतमा नियुक्ति भए पश्चात यस कम्पनीले (कम्पनीहरु मर्जर नभए सम्म) लगातार नाफामा अग्रस्थान हासिल गरेको छ। साथै अहिलेको अवस्थामा पनि यस कम्पनी एक्लैले नाफाको आधारमा दोश्रो स्थान कायम गर्न सफल भएको छ। संस्थाको प्रमुखको हैसियतमा मेरो हाल सम्मको कार्यकालमा कम्पनीले लगानीकर्ताहरुलाई कुल ७१% लाभाँश वितरण गर्न सफल भएकोमा म लगायत सम्पूर्ण नेको परिवार गौरवान्वित महसुस गरेका छौं। विगतमा कम्पनीका प्रतिद्वन्दी तथा संस्था प्रति नकारात्मक मनस्थिति भएका केही तत्वहरुबाट संस्थालाई असर पार्ने प्रयास भएता पनि त्यस्ता प्रयासहरुलाई विफल पार्दै तथा त्यस तर्फ आगामी दिनमा अझ सचेत भई दृढताका साथ अघि बढ्ने प्रतिवद्धता गर्दछु। प्रमुख कार्यकारी अधिकृत मल्टि डायमेन्शनल र संस्था प्रति वफादार हुनु पर्दछ भन्ने मेरो मान्यता रहेको र सो मान्यतामा आगामी दिनमा पनि मेरा कदमहरु किन्चित डगमगाउने छैनन् भन्ने पनि प्रतिवद्धता व्यक्त गर्दछु।

कम्पनीको ब्यवस्थापन आफ्ना ग्राहकहरुलाई सेवाबाट सन्तुष्ट राख्दै शेयरधनीहरुलाई उचित प्रतिफल उपलब्ध गराउन हरदम प्रयाशरत रहेको छ। विश्वब्यापी आर्थिक मन्दीले गर्दा थपिएको चुनौति लगायतका बाबजुद कम्पनीलाई बीमा बजारमा स्थायी रुपमा स्थापित गराई राख्न सजगताका साथ अघि बढी रहेका छौं। कम्पनीको शेयर पूँजी तथा विभिन्न कोषहरुको रकमहरुको बैंकको मुद्दती खाताबाट नगन्य मात्र प्रतिफल प्राप्त हुने, शेयरबजारबाट पनि राम्रो प्रतिफल प्राप्त नभै रहेको कारण वास्तविक क्षेत्र तर्फ दीर्घकालिन लगानी बढाउन कम्पनी प्रयाशरत रहेको छ। कम्पनीले गर्ने लगानीबाट प्राप्त हुने अति न्यून प्रतिफल र अप्रत्याशित घटनाहरुमा आउने दावीको कारण मुनाफा बढाउन मुश्किल परिरहेको छ।

कम्पनीका शेयरधनी महानुभावहरु, ग्राहक वर्ग तथा शुभचिन्तकहरुले गर्नु भएको निरन्तर समर्थन र सहयोगका साथै नेपाल बीमा प्राधिकरण लगायत नियामक निकायहरुको सल्लाह, सुझावको लागि हार्दिक आभार प्रकट गर्दै सहकर्मी कर्मचारीहरुको लगन र परिश्रमको लागि धन्यवाद ज्ञापन सहित ग्राहकहरु समक्ष समय सापेक्ष गुणस्तरीय सेवा सहित उपस्थित हुने प्रणका साथ पुनः यहाँ उपस्थित सम्पूर्णमा हार्दिक स्वागत गर्दै आफ्नो मन्तब्य टुंग्याउँछु।

स्वागतम्। स्वागतम्॥ स्वागतम्॥।

धन्यवाद।

अशोक कुमार खड्का
प्रमुख कार्यकारी अधिकृत

व्यवस्थापन समूह

बायाँ बाट दायाँ क्रमशः सपना श्रेष्ठ, शिवि शाह, विशाल कुमार थापा, पवन थापा, गणेश लम्साल, विष्णु प्रसाद धिताल, एलिन डली

पछाडीः कृष्ण कुमार बर्तौला, रमेश बहादुर थापा, बिज्जु रिसाल, कञ्चन श्रेष्ठ, हिम बहादुर के.सी., निरज डाँगी, दिपकराज ओझा, हंसमान डंगोल, भुवन महत, मिनराज श्रेष्ठ, भेषराज बजगाईं, विजय राज घिमिरे, विशाल लेप्चा

नेको इन्सुरेन्स लिमिटेडको ३०औं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्षद्वारा प्रस्तुत वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरु,

नेको इन्सुरेन्स लिमिटेडको ३०औं वार्षिक साधारण सभामा पाल्नुभएका आदरणीय शेयरधनी तथा आमन्त्रीत महानुभावहरुलाई हार्दिक स्वागत गर्दै कम्पनी ऐन, २०६३ को दफा १०९ बमोजिम तयार भएको कम्पनीको आर्थिक वर्ष २०८१।०८२ को वार्षिक प्रतिवेदन तथा आर्थिक विवरणहरु यहाँहरु समक्ष प्रस्तुत गरेको छु।

(क) **विगत बर्षको कारोवारको सिंहावलोकन :**

कम्पनीले आर्थिक वर्ष २०८०।०८१ र समिक्षा वर्षमा गरेको व्यवसाय अनुसार आर्जन भएको बीमा शुल्क निम्नानुसार रहेको व्यहोरा अवगत गराउदछौं।

बीमा व्यवसाय	आ.व.०८०।०८१ को बीमा शुल्क	आ.व.०८१।०८२ को बीमा शुल्क	फरक (प्रतिशत)
सम्पत्ती बीमा	९९५,३४७,१३०	१,०६५,७८५,७०५	७.०८%
सामुद्रीक बीमा	९३,५७६,८९०	११४,६२७,८७९	२२.५०%
मोटर बीमा	१,१८२,८३०,२५१	१,२२७,२२३,५२४	३.७५%
इन्जीनियरिङ्ग बीमा	४६,१३८,९३३१	४५०,७८४,९६२	-२.१५%
हवाई बीमा	-	-	-
विविध बीमा	२३५,३०१,१६९	२८२,१२२,२२५	१९.९०%
पशुपंछी तथा बाली बीमा	१५९,०१४,८६२	१२५,८५९,१७२	-२०.८५%
लघु वीमा	१३,६२३,०८५	१५,४८२,४४३	१३.६५%
जम्मा	३,१४१,०८२,७२१	३,२८१,८८५,९१०	४.५१%

समग्रमा कम्पनीले आर्थिक वर्ष २०८०।०८१ को तुलनामा यस वर्ष मा रु. १४१,४८८,०९३/- अर्थात ४.५१ प्रतिशतले बीमा शुल्क बृद्धि गरेको छ।

कम्पनीले समिक्षा वर्षमा जम्मा रु. ५८२,५९५,३९८.६०/- लगानी थप गरी लगानीबाट जम्मा रु २८६,४९३,६४२।- आम्दानी गरेको छ।

गत आर्थिक वर्षमा कम्पनीको खुद नाफा रु. ५९०,५०२,८६१।- रहेकोमा यस आर्थिक वर्षमा खुद नाफा रु ५७८,८४५,०८४।- रहेको व्यहोरा अवगत गराउदछौं।

(ख) **राष्ट्रिय तथा अन्तर्राष्ट्रिय स्थितिबाट कम्पनीको कारोवारलाई परेको असर :**

देशमा हालै भएको जेन्जी विद्रोह, रुस-युक्रेन युद्ध, मध्यपूर्वमा देखिएका द्वन्द्व, तथा विश्वव्यापी आपूर्ति शृंखलामा देखिएको अस्थिरता जस्ता चुनौतीपूर्ण अवस्थाबीच पनि विगतको तुलनामा अन्तर्राष्ट्रिय बजारमा केही स्थायित्व आएको छ। विश्व बैंक तथा अन्तर्राष्ट्रिय मुद्रा कोषले विकासशील मुलुकहरूमा आर्थिक वृद्धिदर क्रमशः सुधार हुने अनुमान गरेका छन्। राष्ट्र बैंकले लचिलो मौद्रिक नीति अपनाउनुका साथै ब्याजदरमा केही सहजता ल्याएको कारण निजी क्षेत्रले केही गति लिएको देखिएको छ। साथै, मुलुकमा क्रमिक रुपमा पुँजीगत खर्चको कार्यान्वयनमा सुधार, उपभोग्य वस्तुहरूको आयात नियन्त्रणमा लचिलोपन, तथा पर्यटन तथा रेमिट्यान्स क्षेत्रको प्रवाहमा भएको वृद्धिले समग्र आर्थिक गतिविधिमा गति थपेको छ।

यस्ता परिवर्तित आर्थिक परिवेशमा कम्पनीले आफ्ना सेवा विस्तार रणनीतिहरूलाई प्रभावकारी रुपमा कार्यान्वयन गर्दै बीमा व्यवसायमा ४.५१ प्रतिशतको वृद्धि हासिल गर्न सफल भएको छ। व्यवसाय वृद्धिसँगै कम्पनीले जोखिम व्यवस्थापनमा अझ सशक्तता ल्याउँदै पुनर्बीमाका शर्तहरूलाई कम्पनीको दीर्घकालीन हितमा सुनिश्चित गर्न रणनीतिक समझदारीहरू कार्यान्वयन गर्दै आएको छ। साथै, कम्पनीले नवीन सेवा सुविधा, प्रविधिको प्रयोग, बीमितको पहुँचमा सहजता, र दाबी भुक्तानी प्रक्रियामा पारदर्शिता कायम गर्दै व्यवसाय विस्तारका प्रयासलाई थप तीव्रता दिएको छ।

(ग) **प्रतिवेदनको मिति सम्म चालु बर्षको उपलब्धी र भविष्यको सम्बन्धमा संचालक समितिको धारणा :**

कम्पनीले चालु आ.व. २०८२।०८३ को पौष सम्ममा रु.१,८०२,८५१,५६८।- बीमाशुल्क आर्जन गरेको छ । सोही अवधिमा आ.व. २०८१।०८२ मा रु १,६६५,१२३,०२०।- को बीमाशुल्क आर्जन भएको थियो । यसर्थ बीमाशुल्क आर्जनमा चालु आ.व. मा ८.२७ प्रतिशतले बृद्धि भएको देखिन्छ। चालु आर्थिक वर्षको दोस्रो त्रैमासिक देखी मुनाफा सकारात्मक भएको र आ.व.को अन्त्य सम्ममा ३० करोड भन्दा माथि खुद मुनाफा हुने अनुमान रहेको छ।

आफ्ना ग्राहक प्रति सेवा उन्मुख भई र सम्बन्धित निकायबाट पहिचान गरिएको थप व्यवसायिक संभावनाका विषयहरुलाई विस्तार गर्दै व्यवसाय अभिबृद्धि गर्ने तर्फ उन्मुख भई व्यवसाय प्रवर्द्धन गर्ने नीति कायमै रहेको छ। यस बाहेक कर्मचारीको दक्षता बृद्धि गर्न तालिमको व्यवस्थालाई निरन्तरता दिदै आवश्यकता अनुसार थप कार्यक्षेत्रहरु विस्तार गर्दै लाने कम्पनीको नीति कायमै रहेको छ।

(घ) **औद्योगिक वा व्यावसायिक सम्बन्ध :**

कम्पनीले विभिन्न व्यवसाय, उद्योग तथा कलकारखानाहरु संग दिर्घकालिन प्रतिफलमुलक व्यवसायिक सम्बन्ध अभिबृद्धि गर्ने नीतिलाई निरन्तरता दिएको छ। विद्यमान तथा संभाव्य ग्राहकहरुसंग घनिष्ठता बढाई बीमा व्यवसाय बृद्धि गर्ने कम्पनीको लक्ष्य अनुरुप कार्यक्रम अगाडी बढाइरहेको छ। कम्पनीको ग्राहकमूखि सेवा तथा छिटो दावी भूक्तानीको व्यवस्थाले गर्दा नै औद्योगिक तथा व्यवसाय संगको सम्बन्ध गाढा हुन पुगेको व्यहोरा यहाँहरुलाई अवगत नै छ। बीमा क्षेत्रसंग सम्बन्धित सबै निकायहरुसंग पनि कम्पनीको सुमधुर सम्बन्ध रहेको छ।

(ङ) **संचालक समितिमा भएको हेरफेर र सोको कारण :**

समिक्षा आ.व. २०८१।०८२ मा कम्पनीको स्वतन्त्र संचालकमा श्री मणिदेव भट्टराई नियुक्ति हुनु भएको र अन्य हेरफेर भएको छैन।

हाल संचालक समिति निम्न बमोजिम रहेको छ।

क्र.सं	संचालकहरुको नाम
१	श्री रमेश कुमार निरौला, अध्यक्ष
२	श्री विनयरमण पौडेल, संचालक
३	श्री प्रताप सुवेदी, संचालक
४	श्री भरत कुमार अधिकारी, संचालक
५	श्री भानुभक्त पोखरेल, संचालक
६	डा. निलिमा श्रेष्ठ, संचालक
७	श्री मणिदेव भट्टराई, स्वतन्त्र संचालक

(च) **कारोवारलाई असर पार्ने मुख्य कुराहरु :**

देशको विद्यमान समग्र आर्थिक अवस्था र तीब्र प्रतिस्पर्धाले बीमा व्यवसायमा असर पारिरहेको छ। यस्ता विषयको सुधारले बीमा व्यवसाय अभिबृद्धिमा महत्वपूर्ण भूमिका निर्वाह गर्दछ।

(छ) **लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर संचालक समितिको प्रतिकृया :**

लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत छैन।

(ज) **लाभांश बाडफाड गर्न सिफारिस गरिएको रकम :**

कम्पनीको संचालक समितिद्वारा आ.व. २०८१/०८२ को संचित नाफाबाट चुक्ता पुँजीको १५.७८९४% लाभांश बाडफाड गर्ने प्रस्ताव गरिएको छ।

(झ) **शेयर जफत सम्बन्धमा :**

समिक्षा वर्षमा शेयर जफत भएको छैन ।

(ञ) **कम्पनीको सहायक कम्पनी र कारोबार :**

कम्पनीको सहायक कम्पनी छैन ।

(ट) **कम्पनी तथा सहायक कम्पनीको कारोवार सम्बन्धमा :**

कम्पनीको कुनै सहायक कम्पनी छैन ।

(ठ) **आधारभूत शेयरधनीहरुले उपलब्ध गराएको जानकारी :**

केही नभएको ।

(ड) **संचालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा संलग्न :**

कम्पनीको संचालकहरु तथा पदाधिकारीहरुको शेयर स्वामित्व विवरण निम्न बमोजिम रहेको छः

क्र.सं.	संचालकहरुको नाम	प्रतिनिधित्व गरेको संस्थाको नाम	शेयर संख्या
१	श्री रमेश कुमार निरौला, अध्यक्ष	संस्थापक शेयरधनी	५२,४०६
२	श्री विनयरमण पौडेल, संचालक	राष्ट्रिय वाणिज्य बैंक	३,७७३,१७३
३	श्री प्रताप सुवेदी, संचालक	कृषि विकास बैंक	८४०,०२७
४	श्री भरत कुमार अधिकारी, संचालक	पद्मोदय प्रा.लि., (सर्वसाधारण शेयरधनी)	८६२
५	श्री भानुभक्त पोखरेल, संचालक	सर्वसाधारण शेयरधनी	५५५
६	डा. निलिमा श्रेष्ठ, संचालक	तराई भिलेज इनभेष्टमेन्ट प्रा.लि., (सर्वसाधारण शेयरधनी)	६२५
७	श्री मणिदेव भट्टराई, स्वतन्त्र संचालक		-

क्र.सं	पदाधिकारीहरुको नाम	पद	शेयर संख्या
१.	श्री अशोक कुमार खड्का	प्रमुख कार्यकारी अधिकृत	-
२.	श्री गणेश लम्साल	नायब प्रमुख कार्यकारी अधिकृत	-
३	श्री पवन थापा	नायब प्रमुख कार्यकारी अधिकृत	-
४.	श्री रमेश बहादुर थापा	सहायक प्रमुख कार्यकारी अधिकृत	१६,६४७
५	श्री बिशाल कुमार थापा	सहायक महाप्रबन्धक	-
६.	श्री विष्णु प्रसाद धिताल	मुख्य प्रबन्धक	३६४

(ढ) **कम्पनीसंग सम्बन्धीत संझौताहरुमा कुनै संचालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारी :**

छैन

(ण) **आफनो शेयर आफै खरिद गरेको सम्बन्धमा :**

छैन ।

(त) **आन्तरिक नियन्त्रण प्रणाली भए नभएको विवरण :**

आन्तरिक नियन्त्रण एवं अन्य कुराहरुको उच्चस्तरबाट रेखदेख, नियन्त्रण, पुनरावलोकनका साथै कम्पनीको काम कारवाहीलाई सरल, चुस्त, दुरुस्त तथा न्यून जोखिमयुक्त बनाउने क्रममा लेखापरीक्षण समिति, कर्मचारी व्यवस्थापन समिति, दावी भुक्तानी समिति, लगानी समिति र जोखिम व्यवस्थापन समिति गठन गरी उक्त समितिले प्रभावकारी रुपमा आफनो कार्य सम्पादन गर्दै आइरहेको छ।

(थ) **विगत आर्थिक बर्षको कूल व्यवस्थापन खर्चको विवरण :**

आर्थिक वर्ष २०८१।०८२ को व्यवस्थापन खर्च रु. ७५४,२७१,०१७ ।- रहेको छ।

(द) **लेखापरीक्षण समितिका सदस्यहरुको नामावली, निजहरुले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :**

समिक्षा आ.व. २०८१।०८२ मा लेखापरीक्षण समितिमा देहाय बमोजिमका सदस्य रहेका थिए:

१.	श्री भरत कुमार अधिकारी, संचालक	संयोजक
२.	श्री विनयरमण पौडेल, संचालक	सदस्य
३.	श्री प्रताप सुबेदी, संचालक	सदस्य

लेखापरीक्षण समितिका संयोजक र सदस्यलाई रु.१०,०००। प्रति बैठक भत्ता प्रदान गरिएको छ। यसका अलावा अन्य कुनै पारिश्रमिक तथा सुविधा दिएको छैन। लेखापरीक्षण समितिले लेखा तथा वित्तिय विवरणहरु पुनरावलोकन, त्यस विषयहरुमा उल्लेखित तथ्यको सत्यता एकिन, आन्तरिक वित्तिय नियन्त्रण प्रणालीको पुनरावलोकन, आन्तरिक लेखापरीक्षण सम्बन्धी सुपरिवेक्षण तथा पुनरावलोकन एवं कम्पनी ऐन २०६३ को दफा १६५ मा उल्लेखित अन्य कार्यहरु समेत गरी सो सम्बन्धमा संचालक समिति समक्ष सुझाव एवं सिफारिस दिने गरिएको छ।

(ध) **संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठीत संस्थाले कम्पनीलाई बुझाउनु पर्ने रकम :**

छैन।

(न) **संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरुलाई भूक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधा :**

संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुखलाई आर्थिक बर्ष २०८१।०८२ मा कम्पनीबाट भूक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको विवरण निम्न बमोजिम रहेकोछः

	पारिश्रमिक	वैठक भत्ता	जम्मा
संचालकहरुलाई भएको भुक्तानी	-	२७००,०००।००	२७००,०००।००
प्रमुख कार्यकारी अधिकृतलाई भएको भुक्तानी	१७,६१६,५६३।००	-	१७,६१६,५६३।००

(प) **शेयरधनीहरुले बुझिलिन बाकी रहेको लाभांशको रकम :**

यस कम्पनीका शेयरधनीहरुले लाभांश बुझिलिन बाँकी रहेको छैन।

(फ) **दफा १४१ बमोजिम सम्पत्ति खरिद वा विक्री :**

कम्पनीले आर्थिक वर्ष २०८१।०८२ मा सम्पत्ति खरिद रु ७४,२३२,१३०।०० गरेको छ भने विक्री रु ३,६८८,०२०।०० गरेको छ।

(ब) **दफा १७५ बमोजिम सम्बद्ध कम्पनी वीच भएको कारोवार :**

छैन।

(भ) **अन्य आवश्यक कुराहरु :**

(अ) **लेखापरीक्षकको नियुक्ति सिफारिस :**

कम्पनी ऐनको दफा १११ बमोजिम आर्थिक वर्ष २०८२।०८३ का लागि लेखापरीक्षण समितिबाट सिफारिस भए बमोजिम लेखापरीक्षक श्री आर.एस.एम.ए. एण्ड एसोसिएट्स, चार्टड एकाउन्टेण्टस् नियुक्तिको लागि योग्य हुनुभएकोले उहाँलाई नै कर लेखापरीक्षण शुल्क र विस्तृत लेखापरीक्षण प्रतिवेदन शुल्क समेत गरि लेखापरिक्षण शुल्क बापत गत वर्ष बमोजिम कै पारिश्रमिक जम्मा रु.४,४१,०००। (चार लाख एकचालीस हजार मात्र) (मु.अ.कर बाहेक) प्रदान गर्ने गरी लेखापरीक्षक नियुक्त गर्न सिफारिस गरेको छ। सोको अनुमोदनका लागि प्रस्तुत गरिएको छ।

(आ) **सम्पत्ति शुद्धिकरण सम्वन्धमा :**

सम्पत्ति शुद्धिकरण सम्वन्धी ऐन, नियम तथा निर्देशन अनुसार कम्पनीले सम्बन्धित वित्तिय जानकारी इकाई समक्ष विवरण पेश गर्ने गरेको छ।

(इ) **बाली तथा पशुपंछी बीमा, लघु बीमा निर्देशन सम्बन्धमा :**

नेपाल बीमा प्राधिकरण (पहिले बीमा समिति) बाट जारी भएको बाली तथा पशुपंछि बीमा निर्देशन एवं लघु बीमा सम्बन्धी निर्देशनलाई अंगिकार गरी त्यसबाट कम्पनीले अझ बढी व्यवसाय बृद्धि हुने अपेक्षा राखिएको छ ।

मितिः २०८२।१०।१५

संचालक समितिको तर्फबाट

रमेश कुमार निरौला
अध्यक्ष

Neco Insurance Limited

Director's Disclosure as per

Insurer's Financial Statement Directive. 2080

A. Information Related to Neco Insurance Limited

Neco Insurance Limited (herein after referred to as the 'Company') is a public Limited Company, incorporated on 01/09/2051 and operated as Non-Life insurance company after obtaining license on 17/02/2053 under the Insurance Act 2049. The registered office of the Company is located at Gyaneshwor Kathmandu.

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. The Company principally issues the following types Non-Life Insurance Contracts:

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

B. Disclosure on Matters approved by Board of Directors

1. Neco Insurance Limited is paying applicable Taxes, Service Charges, along with any fines and penalties, if any regularly.
2. Share Structure

   51% of the total shares are allocated to the Promoters (40% held by Nepali Institutions and 11% held by Nepali Citizens) and remaining 49% to general Public. The shares are listed in Nepal Stock Exchange.
3. Neco Insurance Limited has solvency ratio of 506% as on Ashad end, 2082.
4. Recognization of Assets
   a. The company has recognized assets in SOFP as per the Accounting policies adopted by the company and has not been overstated than its Fair Value.
   b. Measurement Basis of Assets recognized in SOFP

      Freehold land is recognized and carried at historical cost.

      Plant, Property and Equipment's (except Freehold land) have been recognized at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The Company has not used revaluation Model for subsequent Measurement of its PPE.

      Goodwill and Intangible Assets have been recognized at cost less accumulated amortization and impairment loss, if any.

      Property that is held for rental income or for capital appreciaiton or both, is classified as investment property. Investment properties are Measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation.

      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 acquisation 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. Subsequent Measurement of Financial Assets shall be as:

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 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.

5. We declare that the company has Made investment in line with the Investment Directives issued by Nepal Insurance Authority and deviation of the guidelines in respect of Fixed Deposit with B Class Banks has been communicated with Nepal Insurance Authority and we are in process to rectify the deviation by Making the investment within the limit prescribed.

6. Details of Claims

   During the period, the company has settled 10903 Claims and 9672 (including Covid) and 4652 (excluding Covid) Claims are outstanding as on Ashad End, 2082. The outstanding claims shall be settled in 2082/83 to the extent possible.

7. We declare that the company has complied with the provisions of Insurance Act, 2079, Insurance Regulations 2049, Company Act, 2063, NFRS and other applicable laws and regulations.

8. We declare that appropriate accounting policies has been consistently adopted.

9. We declare that the Financial Statement as at reporting date presents the Financial Position and Financial Performance of the company true and Fairly.

10. We declare that adequate and appropriate Measures and Internal Control system has been placed to safeguard the assets and to identify and Mitigate the losses due to fraud, embezzlements or irregularities.

11. We declare that the Financial Statements have been prepared on Going concern basis.

12. We declare that the Internal Control System placed in the company commensurate with the size, nature and volume of the company.

13. We declare that the company has not entered into any transactions contrary to Insurance Act, 2079 , Insurance Regulation, Companies Act, 2063 and related regulations abd directions with any person, firm, company and directors or with any entity in which the directors has interest

14. No any penalties have been levied by Nepal Insurance Authority for the Year ending Ashad, 2082.

15. Other Disclosure - No other Disclosures to be Made

VISION MISSION & OBJECTIVES

VISION AND MISSION:

Neco Insurance Ltd. is guided by a clear Vision and Mission that define its core purpose and long-term strategic aspirations. The company's Vision is "To be the industry leader by building customer satisfaction through fairness, transparency, and quick response." This Vision captures Neco Insurance's ambition to set the benchmark in Nepal's non-life insurance sector by consistently exceeding customer expectations and upholding integrity in every transaction.

Its Mission is "To provide services beyond expectation with a will to go the extra Mile. In the process, continue to upgrade technology, human resources, and reinsurance protection." This Mission reflects the company's unwavering commitment to delivering exceptional service, while continuously strengthening its operational capabilities and risk resilience.

OVERALL STRATEGY AND OBJECTIVES:

Anchored in its Vision "To be the industry leader by building customer satisfaction through fairness, transparency, and quick response" and its Mission "To provide services beyond expectation with a will to go the extra Mile, while continuously upgrading technology, human resources, and reinsurance protection," Neco Insurance Ltd. has formulated a focused and forward-looking strategic framework.

The company's overarching goal is to be the first and final choice of customers in every business segment across the country. This goal drives its strategic priorities and underscores its commitment to delivering exceptional service and innovative insurance solutions nationwide.

For the fiscal year 2081/82, Neco Insurance set forth a series of strategic objectives aimed at:

- Achieving sustainable and profitable business growth
- Strengthening its position as a Market leader in non-life insurance
- Enhancing customer satisfaction and service excellence
- Advancing digital transformation and operational efficiency
- Optimizing reinsurance protection and claims responsiveness
- Investing in talent development and capacity building

CORE VALUES, CODE OF CONDUCT AND ETHICAL PRINCIPLES:

At the heart of Neco Insurance Ltd.'s operations lie its unwavering core values, ethical principles, and a robust Code of Conduct that collectively support its Vision and Mission. These foundational elements shape the organization's culture, guide decision-making, and define how the company engages with its customers, employees, partners, and regulators.

Neco Insurance is driven by the philosophy "to be the leading company with service above par, upheld by integrity, excellence, and professionalism." In line with this, the company embraces the following core values:

Neco Insurance is driven by the philosophy "to be the leading company with service above par, upheld by integrity, excellence, and professionalism." In line with this, the company embraces the following core values:

- Integrity & Ethics
- Excellence
- Professionalism
- Our People
- Corporate Social Responsibility (CSR)

Throughout FY 2081/82, Neco Insurance conducted training programs, internal awareness campaigns, and policy refreshers to reinforce these values and ethical guidelines. This commitment to principled conduct continues to foster a culture of accountability, respect, and trust, helping the company Meet its strategic objectives while building strong, transparent relationships with all stakeholders.

ORGANIZATIONAL STRUCTURE

INSURER'S PROFILE:

Established on 16th December 1994 (1st Poush, 2051 B.S.), Neco Insurance Ltd. is a leading non-life insurance company in Nepal, operating under a license from the Nepal Insurance Authority. With nearly three decades of presence in the industry, the company has earned a strong reputation for expertise, stability, and innovative service delivery.

Neco Insurance serves clients through a robust network of 106 branches and subbranches and service outlets nationwide, reaching both urban and rural populations. It provides a comprehensive portfolio of general insurance products across categories such as property, Motor, engineering, agriculture, Marine, aviation, and Miscellaneous lines.

Neco Insurance is a publicly listed company with a paid-up capital of as of now NPR 2,691,532,328, and a balanced shareholding structure of 51% promoters and 49% public ownership. Its Major institutional investors include Rastriya Banijya Bank, Citizen Investment Trust, Agriculture Development Bank Ltd, Mahato Group and other reputed entities.

The company has a workforce of over 572, led by experienced professionals including its CEO, Mr. Ashok Kumar Khadka, who has over three decades of experience in banking and insurance.

Neco Insurance's strategic alliances with global reinsurers—such as AIG, GIC Re, New India Assurance, and Sirius International (UK)—strengthen its underwriting capacity and risk resilience. It has also pioneered customer-centric innovations like "Spot Payment" claim settlement, and continues to focus on digital transformation, including Mobile app deployment and automation through DMS and BPM systems.

Backed by sound financials, technological advancement, and a customer-first philosophy, Neco Insurance remains committed to being the first and final choice for clients across all business segments in Nepal.

ORGANIZATIONAL AND GROUP STRUCTURE:

Neco Insurance Ltd. has a well-defined organizational structure that promotes efficiency, accountability, and effective governance. At the top is the Board of Directors, supported by Board Committees such as the Audit Committee, Investment, Risk Management and Solvency Committee, HR Facilitation Committee, AML Committee, Claim and Reinsurance Committee and ORSA Committee which provide strategic oversight and specialized guidance.

The Chief Executive Officer (CEO) serves as the head of executive Management and reports directly to the Board of Directors. Assisting the CEO, the Deputy Chief Executive Officer (DCEO) is responsible for overseeing critical operational functions and ensuring effective coordination across departments

Under the CEO and DCEO, the company is structured into several functional departments, including:

- Underwriting Department
- Reinsurance Department
- Claims Department
- Finance Department
- Business Development Department
- Human Resource Department
- Information Technology Department
- General Service Department
- Agriculture and Livestock Department
- Internal control, compliance and Risk Management
- Branch coordination Department

Each department is led by a department head or chief, ensuring specialization and strong internal controls. The Company Secretary plays a key role in regulatory compliance and board governance.

At the operational level, regional and branch offices are Managed under a zonal and branch-based reporting system, which helps ensure local responsiveness and service consistency.

The approved organizational chart, as attached in the annual report, visually represents the reporting hierarchy from the Board to executive Management, and down to operational branches

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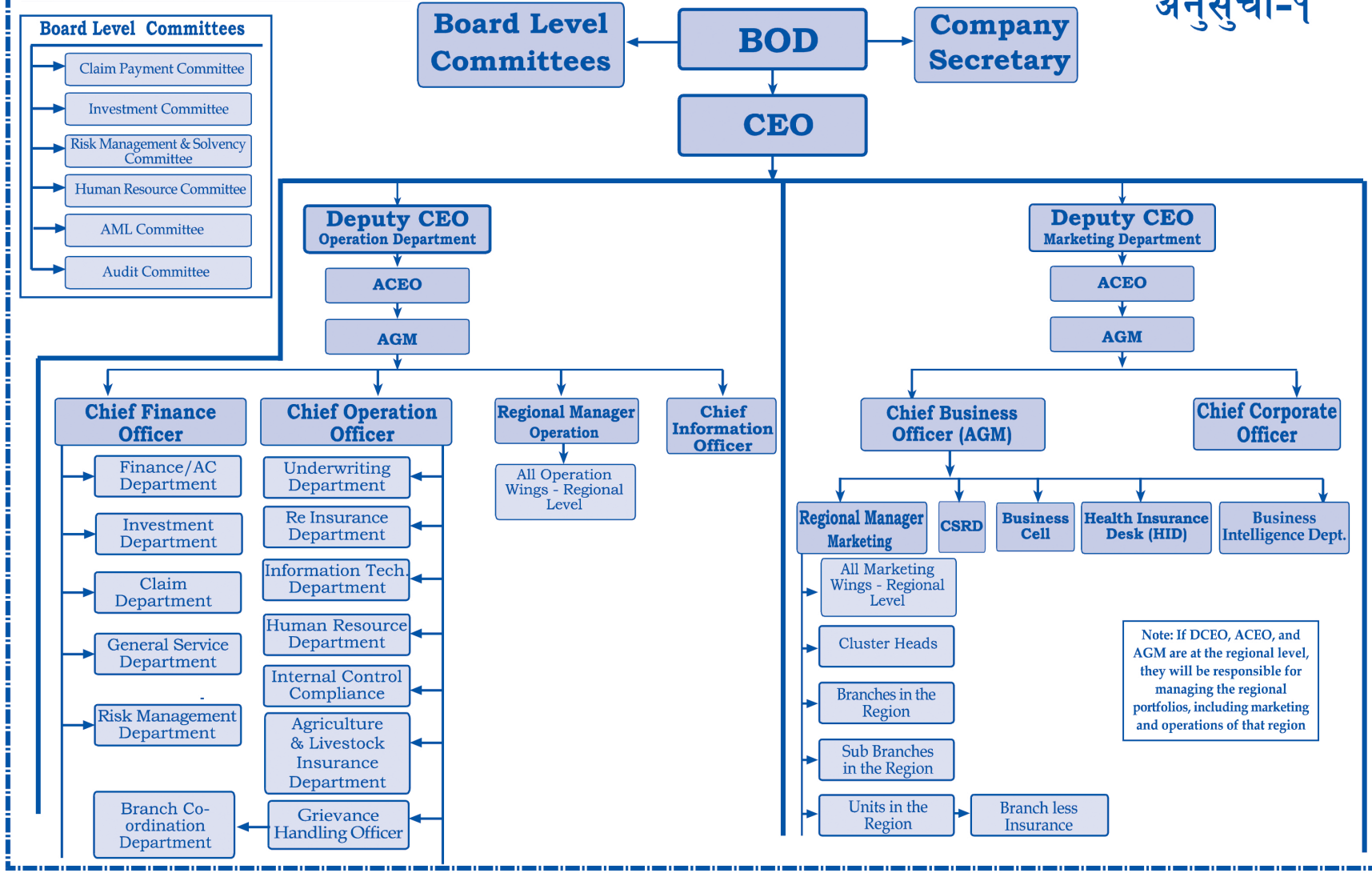
NECO INSURANCE LTD.

ORGANIZATION STRUCTURE

Annexure-1
अनुसुची-१



BOARD COMPOSITION, ROLES, MEETINGS AND ATTENDANCE:

The composition of the Board of Neco Insurance complies with all regulatory requirements in terms of number and representation of independent directors. The roles within the Board are well-defined – the Chairman leads the Board, the Board committees' chairpersons head their respective committees, and the Company Secretary assists the Board in governance and compliance Matters. Each director is aware of his or her fiduciary duties and contributions to the company's strategy and oversight. During FY 2081/82, the Board convened regularly to discharge its responsibilities, holding a total of 20 Meetings. The schedule of Meetings was pre-planned, and additional special Meetings were called as needed for urgent Matters. All Meetings had the requisite quorum as per the Company's Articles and regulatory norms. The Minutes of each Meeting detail the deliberations and resolutions passed, covering key Matters such as approval of financial results, review of risk Management, and strategic investments. This active engagement and high attendance reflect the Board's commitment to effective governance and oversight.

The role and terms of reference of the board of directors is as follows:

1. All functions to be performed and all powers to be exercised by the company, other than those to be performed by the general Meeting of shareholders, shall be performed and exercised by the Board, subject to this Act, laws in force and the Memorandum of association and articles of association.
2. It shall be the duty of directors to operate the company in the interest of insured or public shareholders by Managing and Mitigating overall risks, Maintaining proper corporate governance, and guaranteeing that there will be no obstruction in the company's day-to-day operation.
3. The other functions, duties and powers of the board of directors shall be:

- For systematic performance of the operation of the company in a well-managed Manner, to prepare and implement necessary rules, regulations, work plans, directives, etc. under the insurance act, relevant laws or Nepal Insurance Authority directives,
- To prevent risks or risky situations in the operation of the company and to prepare guidelines for risk Management, claim payment, Management of assets and liabilities, internal control system budget and other necessary Matters as per policies and strategies of the insurance company,
- To prepare policies for all activities to be performed by the company and to supervise the daily operations to Manage the company efficiently,
- To Maintain the capital, capital fund or other Moveable and immovable assets as prescribed by the Nepal Insurance Authority,
- To regularly Monitor the policies adopted by the company, analyze them and provide necessary directions to the Management of the company,
- To present the audited financial report to the general Meeting and
- To perform other functions as directed by the Nepal Insurance Authority from time to time.

BOARD COMMITTEES – COMPOSITION AND ACTIVITIES:

1. Audit Committee

Role & Responsibility:

Oversees financial reporting, internal controls, audit processes, and compliance with regulatory requirements.

Meetings Held: 10

MEMBERS

1. Bharat Kumar Adhikari
2. Vinaya Raman Poudel
3. Pratap Subedi

2. Human Resource Committee

Role & Responsibility:

Handles HR policies, recruitment, performance evaluations, and employee welfare initiatives.

Meetings Held: 6

MEMBERS

1. Ramesh Kumar Niraula
2. Dr. Neelima Shrestha
3. Ashok Kumar Khadka
4. HR Head

3. Anti-Money Laundering (AML) Committee

Role & Responsibility:

Ensures compliance with AML regulations, Monitors high-risk transactions, and formulates internal AML controls and training.

Meetings Held: 4

MEMBERS

1. Mani Dev Bhattarai
2. Vinaya Raman Poudel
3. Him Bahadur K.C.
4. ICD Head

4. Claim Committee

Role & Responsibility:

Reviews and approves large or disputed claims, ensures timely settlement, and Monitors claim trends and ratios.

Meetings Held: 36

MEMBERS

1. Bhanu Bhakta pokharel
2. Mani Dev Bhattarai
3. Ashok Kumar Khadka
4. Claim Head

5. Investment Committee

Role & Responsibility:

Formulates investment strategies, evaluates investment proposals, Monitors returns, and ensures compliance with regulatory investment limits.

Meetings Held: 2

MEMBERS

1. Vinaya Raman Poudel
2. Bhanu Bhakta Pokharel
3. Ashok Kumar Khadka
4. Finance Head

6. Risk Management and Solvency Committee

Role & Responsibility:

Identifies, assesses, and Monitors key risks, ensures solvency compliance, and oversees ORSA (Own Risk and Solvency Assessment) processes.

Meetings Held: 3

MEMBERS

1. Bharat Kumar Adhikari
2. Pratap Subedi
3. Ashok Kumar Khadka
4. ICD Head

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NECO INSURANCE LTD.

Secure Your Dreams with

Student International Health Plus Benefit

7 Benefits :

- Tuition Fee Protection — Up to USD 50,000
- Living Cost — Up to USD 2,500
- Hospital Bills Covered — Up to USD 25,000
- Personal Accident Cover — Up to USD 25,000
- Funeral Travel Assistance — Up to USD 2,000
- Loan EMI Support — Up to NPR 150,000
- Personal Accident Cover of Parents — Up to USD 50,000

AIG

WE ARE THE SOLE NETWORK PARTNER FOR NEPAL

01-4542263, 9820115354, 9820115352
student@neco.com.np
https://is.neco.com.np/student

BUSINESS MODEL

BUSINESS MODEL DESCRIPTION:

Neco Insurance operates on a traditional insurance business Model tailored to Modern needs, whereby it provides risk coverage to policyholders in exchange for premium payments and Manages those risks through pooling and Mitigation strategies. The company's business Model is centered on underwriting a diverse portfolio of non-life insurance risks – such as Motor, property, Marine, engineering, agriculture, and Miscellaneous lines – and spreading those risks across a broad base of customers and geographies. By collecting premiums from Many insured clients, Neco Insurance creates a pool of funds used to pay claims for the few who encounter covered losses. The company invests the premium funds prudently until claims or refunds are due, generating investment income which contributes to overall profitability.

Through this business Model, Neco Insurance adds value by providing financial protection and peace of Mind to customers, while aiming to achieve a sustainable profit Margin for shareholders.

RESOURCES, COMPETITIVE EDGE AND VALUE CREATION:

Neco Insurance Ltd. leverages a well-balanced portfolio of strategic resources—both tangible and intangible—to deliver value to stakeholders and sustain a resilient, growth-oriented business Model in Nepal's dynamic non-life insurance sector. These resources include financial capital, human capital, an extensive distribution network, a strong brand reputation and a growing emphasis on digital transformation.

- **Financial Capital**

  The company's financial foundation—comprising shareholders' equity and retained earnings—provides critical solvency support and underwriting capacity. This capital strength enables the company to Manage large and diverse risk portfolios, Maintain regulatory compliance, and confidently Meet policyholder liabilities.

- **Human Capital**

  Neco Insurance places high strategic importance on its workforce. Skilled underwriters, experienced claims professionals, dynamic Marketing agents, and support personnel form the backbone of the company's operations. Regular investments in employee development—through structured training, certifications, and performance-based growth opportunities—ensure service excellence and institutional knowledge retention.

- **Distribution Network**

With over 108 branches and service outlets nationwide, Neco Insurance Maintains one of the largest physical footprints among non-life insurers in Nepal. This widespread distribution network, complemented by a robust network of licensed agents and brokers, ensures deep Market penetration and customer accessibility in both urban and remote regions.

- **Brand Reputation**

Founded in 1994, Neco Insurance has cultivated a reputation for reliability, responsiveness, and ethical business conduct. Its long-standing Market presence, strong reinsurance partnerships, and consistent claims servicing performance have positioned it as a trusted name in the industry—supporting client retention and stakeholder confidence.

- **Digital Transformation**

Recognizing the evolving digital landscape, Neco Insurance has embarked on a structured digital transformation journey. The company Made significant progress on Multiple digital initiatives:

- **Launch of a Dedicated Mobile Application:** The new Mobile app enables policyholders to access policy documents, submit claims, Make premium payments, and receive real-time updates. This enhances customer convenience and supports a Mobile-first engagement strategy.

- **Ongoing Implementation of Document Management System (DMS):**

  The DMS initiative is currently underway and aims to digitize documentation workflows across departments. Once operational, it will enable centralized document storage, faster retrieval, improved compliance, and reduced reliance on physical paperwork.

- **Development of Business Process Management (BPM) System:**

  BPM implementation is in progress to automate and streamline core insurance operations—such as underwriting, policy issuance, and claims processing. The system is expected to bring greater process standardization, accountability, and real-time workflow tracking.

These technology-driven initiatives are foundational to Neco Insurance's long-term digital roadmap. By building a More agile, paperless, and customer-centric operating Model, the company is positioning itself to compete effectively in a fast-evolving insurance Market.

MAJOR SOURCES OF CAPITAL AND INTERCONNECTEDNESS:

Neco Insurance Ltd. Maintains a robust and prudent capital structure, predominantly composed of equity capital, internally accumulated reserves, and policy-related liabilities. This structure reflects the company's financial discipline and long-term commitment to solvency, stability, and sustainable growth, with negligible reliance on external debt financing.

As of now, the company's paid-up share capital stands at NPR 2,691,532,328, following a FY 2080.81 bonus share issue.

In addition to its equity base, Neco Insurance has built significant internal reserves over the years. The company's special reserves total NPR 2,313,656,924, consisting of statutory allocations and discretionary reserves set aside from retained earnings. Regular contributions to these reserves from operating profits further reinforce the company's capital base.

The company's gross insurance contract liabilities, amounting to NPR 3,539,178,399, also represent an important component of its financial framework. These liabilities primarily comprise unearned premium reserves (UPR) and claims reserves. While these are future obligations to policyholders, they also serve as a temporary source of investable funds until they are earned or paid. This Mechanism enhances liquidity and enables the company to generate returns from premium inflows before the occurrence of claim events.

Although not accounted for as capital, reinsurance arrangements act as supplemental risk capital by transferring portions of high-risk exposures to reinsurers. This significantly increases the company's effective risk-bearing capacity, enabling it to Manage large or catastrophic claims while Maintaining capital adequacy and business continuity. Reinsurance thereby complements the company's capital structure by Mitigating retained risk and supporting the stability of the underwriting portfolio.

In summary, Neco Insurance's capital structure is well-diversified, conservatively Managed, and strategically aligned with both its business goals and regulatory expectations. The integration of shareholder equity, retained reserves, gross contract liabilities, and reinsurance protection ensures the company's ongoing ability to fulfill its obligations, pursue growth opportunities, and deliver value to stakeholders.

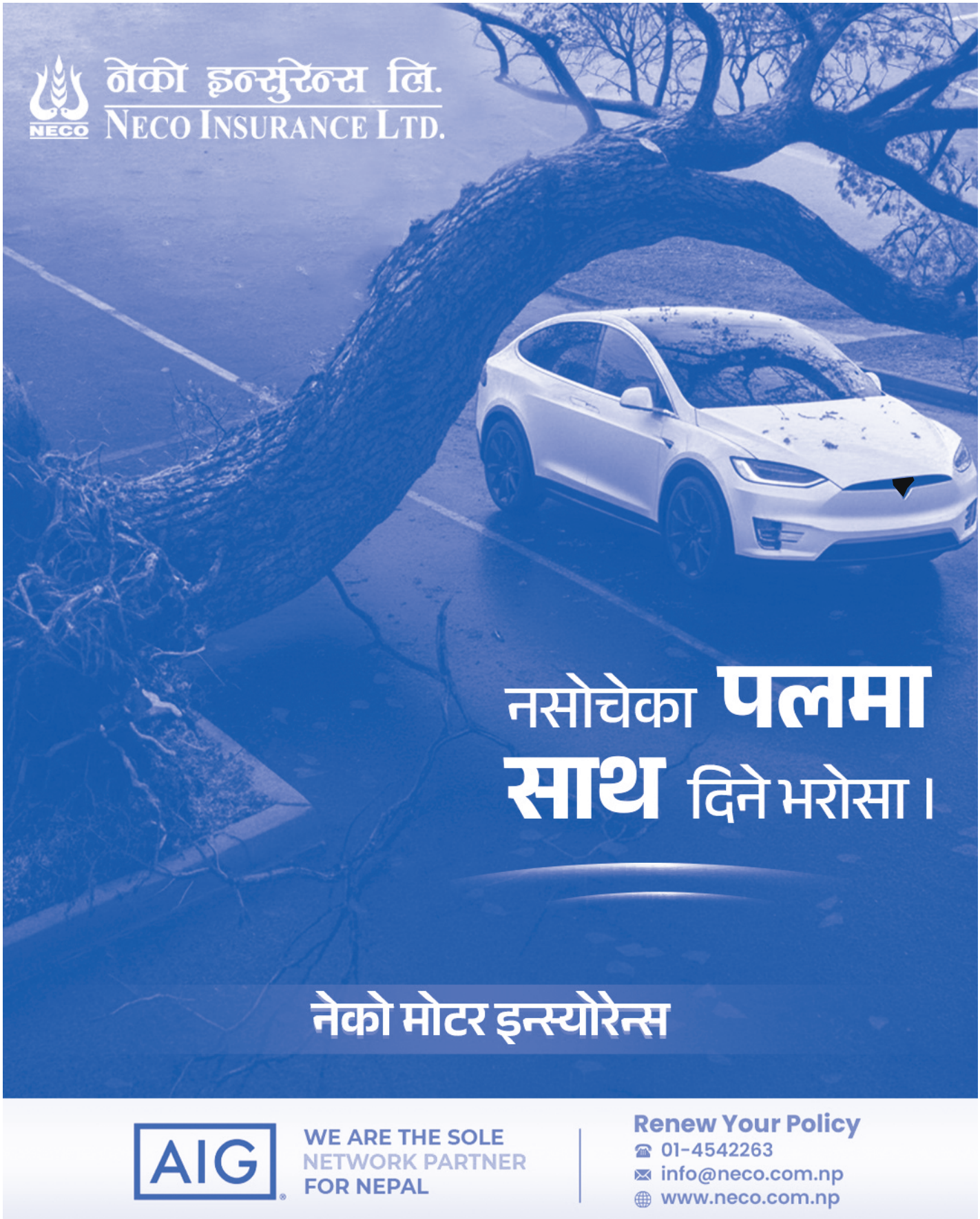
RESOURCE UTILIZATION AND ALIGNMENT WITH CAPITAL PLAN:

During FY 2081/82, Neco Insurance strategically deployed its capital to drive business expansion, operational Modernization, and infrastructure development. The company continued its distribution expansion by establishing new branch offices and invested significantly in improving underwriting and claim processing systems. Human capital development was also prioritized, with notable investments in staff training and recruitment to reinforce service excellence and support growth.

Despite these sizable capital outlays, Neco Insurance Maintained a strong solvency position. As of year-end, the Risk-Based Capital (RBC) solvency ratio stood at approximately 506%, significantly exceeding both the regulatory requirement and the company's internal benchmark of 130%. This demonstrates the company's strong capital buffer and sound risk Management practices.

Capital adequacy was further supported by prudent initiatives such as increased provisioning for catastrophic risks (e.g., earthquake) and an optimized reinsurance strategy that helped stabilize risk exposure.

In conclusion, Neco Insurance effectively balanced growth and financial discipline in FY 2081/82, channeling capital into long-term value-building initiatives while upholding exceptional solvency and readiness for future expansion.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PERFORMANCE EVALUATION & KEY PERFORMANCE INDICATORS

COMPARATIVE FINANCIAL PERFORMANCE:

Neco Insurance delivered Moderate top-line growth in FY 2081/82, alongside a resilient balance sheet, though profitability declined versus the prior year.

Table 1 below summarizes key financial Metrics and their year-over-year changes:

Key Metric	FY 2080/81	FY 2081/82
Gross Written Premium	3.14 billion	3.28 billion
Net Profit after Tax	NPR 591 Million	NPR 579 Million
Loss Ratio	61%	55%
Expense Ratio	18%	4.4%
Total Assets	NPR 9.66 billion	NPR 11.034 billion
Shareholders' Equity (Net Worth)	NPR 5.15 billion	NPR 6.310 billion

PRODUCT PORTFOLIO AND OPERATIONAL HIGHLIGHTS:

Neco Insurance Ltd. Maintains a well-diversified non-life insurance portfolio with a strategic concentration in the Motor and Property segments. In FY 2081/82, the company underwrote a total of 291,897 policies, generating gross written premiums of NPR 3.28 billion and net written premiums of NPR 1.79 billion.

Motor insurance remained the dominant product line, contributing 57.21% of total policies and accounting for 37.39% of gross written premiums and 51.51% of net written premiums. This reflects the company's strong presence in the vehicle insurance Market, driven by robust renewal rates (estimated between 70–80%) and steady new business from increasing vehicle sales.

Property insurance, comprising fire, engineering, and allied risks, was the second-largest line of business. It contributed 22.95% of the policy count, 32.47% of gross written premium, and 29.95% of net written premium. The company's emphasis on underwriting discipline and risk-based pricing in this segment helped Maintain profitability despite exposure to catastrophe risks.

The Engineering class, although accounting for just 1.75% of total policies, contributed a notable 13.74% to gross written premiums. This reflects the high-value nature of engineering risks. However, due to significant reinsurance outlays, its net written premium share stands at 5.44%.

The Marine segment (cargo and transit insurance) Made up 9.32% of total policies, 3.49% of gross premium, and 4.30% of net premium. While a relatively smaller contributor, this line continues to offer diversification to the portfolio.

Miscellaneous insurance – including health, personal accident, and liability – accounted for 4.98% of policies, 8.60% of gross written premium, and 6.65% of net written premium. Group health policies showed Modest growth, though the segment remains small in absolute terms.

Other segments such as Micro, Cattle and Crop, though accounting for a smaller proportion of premiums (combined net premium share of just over 2%), are important from a financial inclusion and regulatory compliance perspective.

Particulars	No. of Policies	%	Gross Written Premium	%	Net Written Premium	%
Property	66,988	22.95%	1,065,785,705	32.47%	535,829,539.83	29.95%
Motor	167,007	57.21%	1,227,223,524	37.39%	921,763,526.63	51.51%
Marine	27,208	9.32%	114,627,879	3.49%	76,908,401.56	4.30%
Engineering	5,120	1.75%	450,784,962	13.74%	97,369,730.24	5.44%
Micro	5,857	2.01%	15,482,443	0.47%	14,158,162.92	0.79%
Cattle and Crop	5,188	1.78%	1,065,785,705	3.83%	24,411,973.95	1.36%
Miscellaneous	14,529	4.98%	1,227,223,524	8.60%	118,917,291.83	6.65%
Total	291,897.00	100%	3,281,885,910.53	100%	1,789,358,626.96	100.00%

KEY PERFORMANCE INDICATORS (KPIS):

Neco Insurance tracks several key performance indicators to evaluate financial health, underwriting efficacy, and shareholder value. The FY 2081/82 results for Major KPIs, along with comparisons to the previous year, are as follows:

Neco Insurance demonstrated overall financial resilience in FY 2081/82, though certain areas indicate a need for strategic focus and operational tightening.

1. **Financial Strength and Solvency:**

   The company Maintained a strong capital base, with net worth rising to NPR 6.31 billion (up 22.56.% YoY), and a solvency Margin of 506%, significantly exceeding regulatory requirements. Liquidity remains robust at 509%, and capital adequacy ratios indicate continued financial stability.

2. **Profitability:**

   Net profit declined slightly to NPR 578.85 Million from NPR 590.5 Million in the previous year, primarily impacting EPS (NPR 23.01) and ROE (9.17%). Return on assets also dropped slightly to 5.25% (from 6%) in the previous year. Nevertheless, profitability ratios remain healthy in absolute terms.

3. **Underwriting Efficiency:**

   Underwriting performance improved, reflected in a lower combined ratio of 59.8% (from 88%). Loss and expense ratios are under control.

4. **Investment and Asset Growth:**

   Investments grew significantly by NPR 582.6 Million. The investment portfolio is weighted towards short-term assets (74%), with a allocation to equity (11% of net assets). Return on investment declines significantly to 4% from 9% in previous year due to the effect of declining interest rate in interest bearing investment specially fixed deposits investment.

5. **Operational Efficiency:**

   The company expanded its workforce to 572 employees and opened 2 new branches, now totaling 108 offices. Management expenses slightly increased to 25% of gross premium.

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- Loan EMI Support — Up to NPR 150,000

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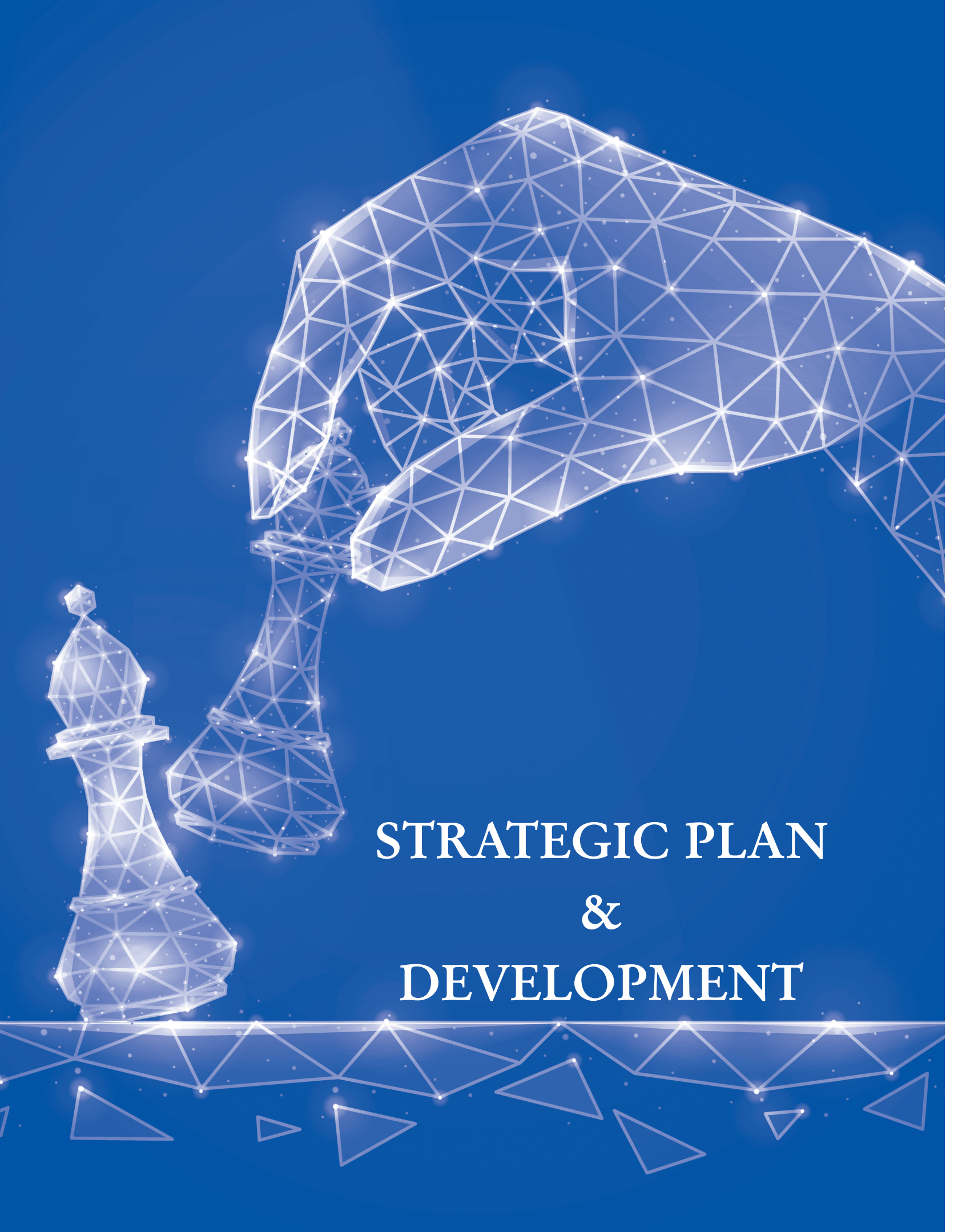

STRATEGIC PLAN & DEVELOPMENT

SHORT, MEDIUM AND LONG-TERM STRATEGIES OF THE ORGANIZATION AND RESOURCE ALLOCATION FOR ACHIEVING THEM

Neco Insurance Limited has adopted a phased strategic approach to ensure sustained growth and operational excellence:

- **Short-Term Strategies (1 year):**

  Focused on enhancing operational efficiency through digitization of core insurance processes, improving claim turnaround times, and strengthening customer retention through targeted renewal campaigns. Resources were allocated toward technology upgrades, employee training, and Marketing automation.

- **Medium-Term Strategies (2–3 years):**

  Emphasis on regional Market expansion through branch proliferation and alternate distribution channels. Strategic investments are planned in health insurance and Micro-insurance to capture untapped segments. Resources include capital allocations for IT infrastructure and partnerships with reinsurers.

- **Long-Term Strategies (4–5 years):**

  Building on nearly three decades of operational experience and consistent growth in net worth, branch outreach, and product diversity, Neco Insurance aims to position itself among the top-tier digital non-life insurers in Nepal within the next 4 to 5 years. The strategic focus will be on sustainable expansion, regulatory readiness, and technology-enabled transformation, while Maintaining financial discipline and service excellence.

- Digital Leadership with Practical Implementation
- Product Innovation Rooted in Market Realities
- Solvency Strength and NFRS 17 Alignment
- Human Capital and Strategic Partnerships
- Balanced Growth with Measurable Targets

INSURER'S STRATEGY FOR INSURANCE DEVELOPMENT, INSURANCE PRODUCTS, AND INSURANCE SERVICES

Neco Insurance follows a structured strategy to develop its insurance offerings and enhance service quality:

- **Insurance Development:**

  The company introduced bundled products, digitized proposals and renewal processes, and tailored SME/Group solutions. Innovation in policy formats and simplified onboarding processes helped broaden access, especially in semi-urban Markets.

- **Product Strategy:**

  Core focus remained on Motor, Property, and Engineering lines. Simultaneously, niche offerings in health, liability, and agriculture were refined and launched. The company has also developed special schemes for SMEs and retail clients.

- **Service Delivery:**

  Service channels were strengthened via centralized call centers, WhatsApp claims assistance, and Mobile-friendly customer portals. Claims settlement times improved due to process automation.

INSURER'S SUSTAINABILITY STRATEGY WITH MEASURABLE OBJECTIVES

Sustainability lies at the core of Neco Insurance's long-term strategy:

- **ESG Integration:**

  Focus on reducing paper use, increasing gender inclusivity in recruitment, and contributing to community health through CSR initiatives.

- **Climate Risk and Resilience:**

  Initiated studies and reinsurance arrangements to Manage climate-related risks and natural catastrophe exposures. The company is committed to offering climate-resilient products (e.g., weather-based crop insurance).

  - **Measurable Objectives:**
  - **Increase non-paper policy issue**
  - **Improve claim settlement ratio**
  - **Maintain solvency Margin**

INSURER'S REVIEW OF THE FUTURE BUSINESS PROSPECTS

- **Market Opportunities:**

  Rising awareness of insurance post-COVID, regulatory push for Mandatory insurance lines, and growing urban vehicle sales offer growth potential in Motor, health, and liability lines.

- **Competitive Advantage:**

  Neco's robust financials, wide distribution network, strong reinsurance partnerships, and efficient claims processes provide a competitive edge.

- **Challenges and Risks:**

  Increasing price competition, regulatory compliance costs (e.g., NFRS 17), and Macroeconomic uncertainty due to inflation and global instability require careful planning.

EFFECT OF EXTERNAL ENVIRONMENT ON INSURER'S BUSINESS

Neco Insurance's operations were influenced by Multiple external factors:

- **Regulatory Landscape:**

  Compliance with enhanced solvency norms, digital reporting, and IFRS adoption (NFRS 17) necessitated resource allocation and system upgrades.

- **Economic Environment:**

  Slower GDP growth and increased cost of living dampened discretionary spending, affecting new policy sales in some segments. However, Motor insurance growth remained stable.

- **Climate and Natural Hazards:**

  Increased frequency of climate events impacted claim ratios, especially in property and agriculture-related segments, requiring dynamic risk Modeling and reinsurance adjustments.

CORPORATE RESPONSIBILITY

INSURER INITATIVE FOR STAFF WELFARE

At Neco Insurance Limited, the well-being of employees is a strategic priority, reflecting the company's belief that a healthy, Motivated, and empowered workforce is central to long-term organizational success. The Management recognizes that job satisfaction, Mental wellness, and professional fulfillment are critical drivers of productivity and performance. Accordingly, the company has cultivated a workplace culture rooted in Mutual respect, inclusivity, and continuous growth.

To promote holistic well-being and support employees in both their personal and professional journeys, Neco Insurance has implemented a range of staff-focused initiatives:

- Comprehensive health and accidental insurance for employees.
- Regular in-house and external training programs to build technical and Managerial competencies.
- Safety and wellness programs promote Mental and physical health.
- Special leave provisions and flexible work arrangements to ensure work-life balance.

These initiatives reflect the company's belief that employee satisfaction and productivity are deeply intertwined.

INSURER CONTRIBUTION TO NATIONAL ECONOMY

Neco Insurance plays a significant role in Nepal's economic landscape through:

- Timely tax contributions to the national exchequer.
- Extensive risk coverage to individuals, SMEs, and large corporates across the country.
- Job creation through a network of over 108 branches.
- Facilitating access to insurance in underserved regions, thereby enhancing financial inclusion.

Additionally, the company contributes to economic resilience by offering insurance products that Mitigate risks in sectors like agriculture, transportation, and industry.

SUSTAINABILITY AND CONTRIBUTION TO GLOBAL SUSTAINABILITY GOALS

Neco Insurance recognizes that long-term business success is intertwined with sustainable practices and contributing to a More sustainable global economy. During FY 2081/82, the company undertook several initiatives to Make its operations More environmentally and socially sustainable, thereby aligning global sustainability goals and standards. Neco significantly reduced paper usage by shifting to digital documentation and electronic record-keeping for policies and claims. Policyholders are now encouraged to receive e-policies and e-statements, which have cut down on paper printing. Internally, approvals and communications Moved to a paperless system (using email and an intranet portal), contributing to conservation of resources. The company also invested in energy-efficient office equipment and lighting, reducing electricity consumption

CORPORATE SOCIAL RESPONSIBILITY (CSR) DISCLOSURES

In line with Section 45 of the Insurance Act and guidelines of the Nepal Insurance Authority, Neco Insurance Limited has adhered the provision of the act and guidelines by allocating 1% of its net profit of each financial year to a dedicated Corporate Social Responsibility (CSR) fund . During the FY 2081/82, the company has incurred the total CSR expenditure of NPR 3,641,268.00 . This fund was utilized to support diverse social causes across health, education and community welfare. These efforts reflect the company's long-term commitment to societal well-being, equity, and inclusive development.

Below is a detailed summary of the CSR activities undertaken during the year:

1. Health Sector Contribution
   - Donation to the Kathmandu Institute of Child Health

     The financial assistance of NPR 1,500,000 was extended to the Kathmandu Institute of Child Health to support the enhancement of Medical infrastructure and healthcare services.
   - Ambulance

2. Education and Cultural Preservation

- Support to Eight Community school located in Gauradaha Munciplaity jhapa , Koshi Province Nepal A contribution of NPR 7,50,460 was extended to provide the 805 new set of uniform to the community school students.
- Distribution of school related Materials such as books, stationary items to underprivileged students of NPR 43,000.
- Support to Maitidevi United Club of NPR 53,000 for Organizing Cultural program in association with Maitidevi United Club for the preservation of traditional art and culture.

3. Health Sector

- Providing Sanitary Pad Dispenser Machine.NPR 41,815.
- Promoting Health Care and Preventive Health NPR 619,514
- Health Campaign of NPR 250,000.

4. Community Wellbeing

- Provided No Parking Board to the Traffic Police Division.
- Provided assistance to Manav Sewa Ashram, Hetauda.
- Installing CCTV Cameras at Tulsipur.

Conclusion and Strategic Alignment

These CSR initiatives reflect Neco Insurance's Multi-dimensional approach to social responsibility, aligning with Sustainable Development Goals (SDGs) such as:

- Good Health and Well-being
- Quality Education
- Sustainable Cities and Communities
- Responsible Consumption and Production

All programs were carried out in coordination with local authorities and stakeholders. Transparent execution, documentation, and community feedback Mechanisms were Maintained throughout the fiscal year.

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CORPORATE GOVERNANCE & COMPLIANCE

Message from the CHAIRMAN

All esteemed shareholders, board representatives, distinguished guests, representatives from Regulators and Media Houses attending the 30th Annual General Meeting of Neco Insurance Limited.

On behalf of the company and personally, I extend My heartfelt greetings and warm welcome. On behalf of the Company's Board, I now seek your approval to present the Annual Report for fiscal year 2081/82 at this Meeting. On this significant occasion, I am confident you will review and endorse the comprehensive report detailing the company's holistic development including our achievements, feedback, and strategic guidance—over recent years.

Although we have Made every effort to conduct this 30th Annual General Meeting within the stipulated timeframe, certain technical constraints have caused a Minor delay. We assure you that next year's Annual General Meeting will be held strictly within the legally Mandated period.

Honorable Shareholders,

For the past 30 years, Neco Insurance Limited has consistently delivered quality service to its valued customers while establishing and strengthening its own ethical identity. You are well aware that our company has demonstrated remarkable success and sustained profitability within Nepal's non-life insurance sector.

I am pleased to inform you that the company has introduced new and innovative products, thereby expanding its contribution to the non-life insurance segment. During this period, we have:

- Successfully delivered appropriate investment returns to our shareholders
- Expanded our operational network to 108 branches/ sub-branches providing nationwide service coverage
- Created employment opportunities for around 600 individuals
- Made significant contributions to the national economy
- Fulfilled our social responsibilities through Meaningful initiatives
- Realized your long-cherished aspiration by operating from our own central office building for the past five years
- Completed construction of our building in Hetauda
- Initiated construction of a facility in Butwal

We remain deeply grateful for your continued trust and support.

This year as well, we are pleased to announce a dividend distribution of 15.7894% along with bonus shares to our shareholders. The company's paid-up capital currently stands at NPR 2,69,15,32,328. Following the issuance of bonus shares approved today, the capital will increase to NPR 2,77,22,78,298, for which we also seek your endorsement.

At last year's AGM, shareholders had requested an audit of share records. Accordingly, we have successfully completed the share audit process and hereby inform you of its conclusion.

Despite fulfilling the Minimum capital requirements set by regulators, the company currently faces a situation where investment returns remain unrealized due to prevailing economic recession, forcing us to rely primarily on insurance premiums for profit generation. Furthermore, given ongoing political tensions such as the Zen-Z Movement followed by early election and untimely flood, we anticipate potential adverse impacts on profitability in the coming fiscal year.

As part of our operational optimization strategy, we have decided to close branches that have consistently underperformed and failed to Meet expectations. Additionally, we have established a strategic partnership with American International Group (AIG) to enhance our technical capabilities and global standards. Reflecting these improvements, our various operational efficiencies have enabled us to increase premium income by approximately 5% in the current fiscal year 2081/82 compared to the previous year.

In recent years, economic instability coupled with periodic natural disasters and other human-induced crises has created challenges that the insurance industry will likely continue facing in the coming years. Nevertheless, with your continued support, strong Management, and the resilience of our human resources, we remain committed to Maintaining Neco Insurance Limited's leadership position in the national insurance sector.

We extend our deepest gratitude to our shareholders, customer community, and all supporters for your unwavering trust and cooperation. We also express sincere appreciation to Nepal Insurance Authority, the Office of the Company Registrar, Securities Board of Nepal, and Nepal Stock Exchange Ltd. for their continuous guidance and regulatory support which we hope to receive in the years ahead as well.

Finally, I offer My heartfelt thanks to our proactive Management team and all employees who have contributed tirelessly to the company's sustained growth and operational excellence.

The detailed financial statements and other required information are included in the Annual Report.

Thank you.

Ramesh Kumar Niraula
Chairman

Falgun 11, 2082

Commitment of the CEO

Respected Chairman of this 30th Annual General Meeting,

Esteemed Board Members, Distinguished Guests, and Shareholders,

On the occasion of our company's 30th Annual General Meeting, I extend My heartfelt greetings and congratulations.

For the past 30 years, our company has continuously served the national insurance Market. Over the last 11 years, particularly with new Management, we have progressed steadily, expanding from 13 branches to 108 branches nationwide, growing our workforce from 92 employees to approximately 600, and increasing our business volume to tenfold. We have successfully established our position among Nepal's leading insurance companies and continue to strengthen our Market presence.

With support from our investors and a new Management team that joined 11 years ago, we have achieved remarkable results:

- Expanded operations from 13 to 108 branches across the country
- Increased staff from 92 to approximately 600 employees
- Grown business volume 10 times
- Distributed a cumulative 265.85% dividend to shareholders

Financial Performance Summary (Fiscal Years 2071/72 – 2081/82):

FY	Dividend (%)	Cumulative Dividend (%)
2071/72	15.78	15.78
2072/73	21.05	40.15
2073/74	10.52	54.90
2074/75	12.63	74.46
2075/76	8.16	88.69
2076/77	16.32	119.49
2077/78	15.79	154.15
2078/79	15.79	194.28
2079/80	0.00	194.28
2080/81	7.37	215.96
2081/82	15.79	265.85
Total	**139.20**	**265.85**

Even after My appointment as CEO, the company has Maintained consistent profitability—remaining among the top two profitable insurance companies in Nepal. During My tenure, we have successfully distributed 71% dividends to shareholders, for which I express gratitude on behalf of My entire family.

Despite facing negative perceptions and challenges in the past, we have overcome them successfully and remain committed to Moving forward with greater determination. I reaffirm My dedication to continue serving as CEO with full responsibility and will not deviate from this commitment.

Our company continues to prioritize customer satisfaction while delivering appropriate returns to shareholders. Despite global economic uncertainties and challenges faced by Many international insurance firms, we have successfully localized our operations and progressed with public trust. Rather than relying solely on returns from share Market investments (which have been unstable), we are strategically increasing long-term investments in real economic sectors to enhance sustainable profitability and Minimize risks from Market volatility.

In closing, I extend My deepest gratitude to our esteemed shareholders, customer community, dedicated employees, Nepal Insurance Authority, and all regulatory bodies for their continuous support and guidance. I pledge to continue serving you all with quality service and dedication.

With profound respect and gratitude,

Ashok Kumar Khadka
Chief Executive Officer

COMPLIANCE REPORT:

During FY 2081/82, Neco Insurance Ltd. Maintained robust compliance with all applicable regulatory, financial, and governance standards as prescribed by the Nepal Insurance Authority (NIA), the Companies Act, and other relevant laws. The company continued to institutionalize a strong culture of compliance, ethics, and transparency through effective oversight Mechanisms and periodic evaluations.

- Regulatory Compliance and Statutory Reporting

  The company ensured timely submission of all statutory reports and disclosures, including solvency returns, investment compliance reports, actuarial valuations. No regulatory penalties or non-compliance notices were issued by the NIA or other statutory bodies during the reporting period, reflecting a fully compliant operational framework.

- Internal Control and Risk Oversight

  Neco Insurance reinforced its internal control environment through periodic internal audits, which were presented to the Audit Committee and Board with appropriate follow-up actions. Risk oversight was further strengthened through active engagement of the Risk Management Committee and the implementation of the Own Risk and Solvency Assessment (ORSA) process in line with regulatory expectations.

- Board and Committee Governance

  The Board of Directors discharged its duties diligently and convened the required number of Meetings as per the law. All Mandated sub-committees—Audit Committee, Risk Management Committee, Investment Committee, and HR/Remuneration Committee—were fully functional .

- Implementation of NFRS and ORSA

  The company has Made substantial progress in transitioning to Nepal Financial Reporting Standards (NFRS) and initiated the ORSA framework. A formal ORSA Committee was established and convened Multiple Meetings to assess internal risk exposure and align capital requirements with the company's strategic plan.

- Code of Conduct and Ethics Compliance

  All employees and board Members adhered to the company's Code of Conduct, with no breaches reported. Training on compliance topics such as anti-money laundering (AML), insider trading restrictions, and corporate ethics was conducted to strengthen internal awareness.

- Disclosure and Transparency

  Disclosures relating to board remuneration, related-party transactions, compliance declarations, and committee compositions were Made in accordance with prevailing regulations. The company followed the best practices in transparency and corporate governance reporting.

- No Significant Infractions

  There were no cases of financial Misreporting, regulatory breaches, or litigation with Material impact recorded during the fiscal year.

NON-COMPLIANCE ISSUES AND REMEDIAL ACTIONS:

During the reporting year, the company strived to achieve full compliance with all applicable regulatory requirements. No significant or Material instances of non-compliance were identified. However, the company received a partial compliance notification concerning its Anti-Money Laundering (AML) framework. Specifically, the Mechanism for identifying Politically Exposed Persons (PEPs) and blacklisted individuals is yet to be fully developed and operationalized. Additionally, enhanced due diligence procedures for high-risk individuals have not been comprehensively implemented. These Matters are currently under active review, with discussions ongoing at both Management and board levels to ensure full alignment with regulatory expectations in the near term.

WORK PERFORMED AND MAJOR ACHIEVEMENT OF SUBCOMMITTEES:

Neco Insurance Ltd. has constituted several specialized sub-committees under the Board to strengthen governance, improve risk oversight, enhance transparency, and ensure regulatory compliance. These committees play an instrumental role in shaping the strategic direction of the company by guiding critical functions such as audit, investment, risk Management, claims, HR, and anti-money laundering. The committees actively convened throughout the fiscal year and delivered Measurable outcomes aligned with the company's objectives and regulatory requirements.

Work Performed and Major Achievements

Audit Committee

- Reviewed quarterly and annual financial statements for accuracy and compliance with the prevailing standards.
- Monitored internal control systems and recommended improvements based on audit findings.
- Ensured timely implementation of statutory and internal audit recommendations.
- Strengthened transparency in financial disclosures and reporting processes.

Human Resource Committee

- Supervised key HR processes including performance evaluations, promotions, and recruitment.
- Updated HR policies to align with current industry standards and labor laws.
- Facilitated training and development initiatives to boost employee capability and Morale.
- Supported succession planning and organizational development efforts.

Anti-Money Laundering (AML) Committee

- Oversaw the enhancement of AML/CFT frameworks in line with regulatory expectations.
- Conducted risk-based assessments and Monitored high-risk transactions.
- Ensured company-wide AML training and awareness sessions.
- Improved internal systems for suspicious transaction reporting and compliance Monitoring.

Claim Committee

- Evaluated high-value and complex claims ensuring fairness and timeliness in settlement.
- Strengthening claims vetting processes to Minimize fraud risk.
- Monitored provisioning practices in line with actuarial and regulatory requirements.
- Achieved reduced claim turnaround time through process optimization.

Investment Committee

- Formulated and reviewed investment strategies consistent with the company's risk appetite.
- Evaluated performance of existing investment portfolios and recommended rebalancing.
- Supported diversification across asset classes to ensure stable and risk-adjusted returns.
- Ensured compliance with regulatory investment limits and reporting.

Risk Management and Solvency Committee

- Conducted regular reviews of enterprise-wide risk exposures including underwriting, credit, and operational risks.
- Oversaw Maintenance of a robust solvency Margin and capital adequacy.
- Reviewed and recommended enhancements in reinsurance strategies and catastrophe preparedness.
- Implemented risk stress testing and scenario analysis to support decision-making.

MAJOR POLICIES AND PRACTICES:

Driving Compliance, Discipline, and Strategic Execution Across the Organization

Neco Insurance Ltd. operates with a robust set of internal policies and standard operating practices that guide all aspects of its business—from underwriting and investment to operations, Marketing, and branch governance. These policies are reviewed periodically to ensure regulatory alignment, operational consistency, and stakeholder value creation.

- **Underwriting Policy**

  Establishes criteria for risk acceptance, pricing authority, and product-specific underwriting terms. Reviewed annually in line with regulatory updates and portfolio performance.

- **Reinsurance Policy**

  Defines retention structures and reinsurer selection (based on global credit ratings). Treaty and facultative arrangements ensure risk diversification and solvency protection. Maintained in compliance with NIA directives.

- **Investment Policy**

  Guides the deployment of insurance reserves and equity capital. Prioritizes capital preservation and liquidity. Allocations favor fixed-income instruments, with Minor strategic shifts in equity exposure for yield optimization.

- **Claims Management Policy**

  Standardizes processing timelines, documentation protocols, and escalation levels. Encourages timely settlements and customer-centric grievance handling.

- **Internal Control, Compliance and Risk Management Policy**

  This integrated policy framework ensures that all business activities are conducted within a well-defined structure of checks, balances, and risk oversight. Internal controls are designed to safeguard assets, ensure accurate financial reporting, and detect fraud or irregularities. The compliance function Monitors adherence to legal and regulatory requirements, while the risk Management framework identifies, assesses, and Mitigates operational, financial, underwriting, and strategic risks

- **Human Resource (HR) Policy**

  Covers recruitment, appraisals, professional development, compensation, and staff welfare. Focused on capacity building, ethical conduct, and improving the work environment through structured learning and career progression.

- **Administrative & Procurement Policies**

  Defines protocols for office Management, logistics, vendor selection, and procurement. Ensures transparency, cost-efficiency, and accountability in resource utilization across all branches and departments.

- **Marketing and Branding Guidelines**

  Outlines standards for product promotion, digital outreach, and communication ethics. Emphasis on compliance with regulatory advertising norms and brand consistency. Regional campaigns were launched in FY 2081/82 to deepen Market penetration.

- **Branch Operations and Regional Governance**

  Branch operation guideline detail daily workflows, reporting hierarchies, cash handling, and local claim handling procedures. Regional offices provide supervisory support, ensuring decentralized decision-making with centralized oversight.

- **AML/CFT Policy**

  Strict adherence to Know Your Customer (KYC), transaction surveillance, and suspicious activity reporting. Compliance training conducted across all regions with full implementation Monitored centrally.

- **Information Security Policy**

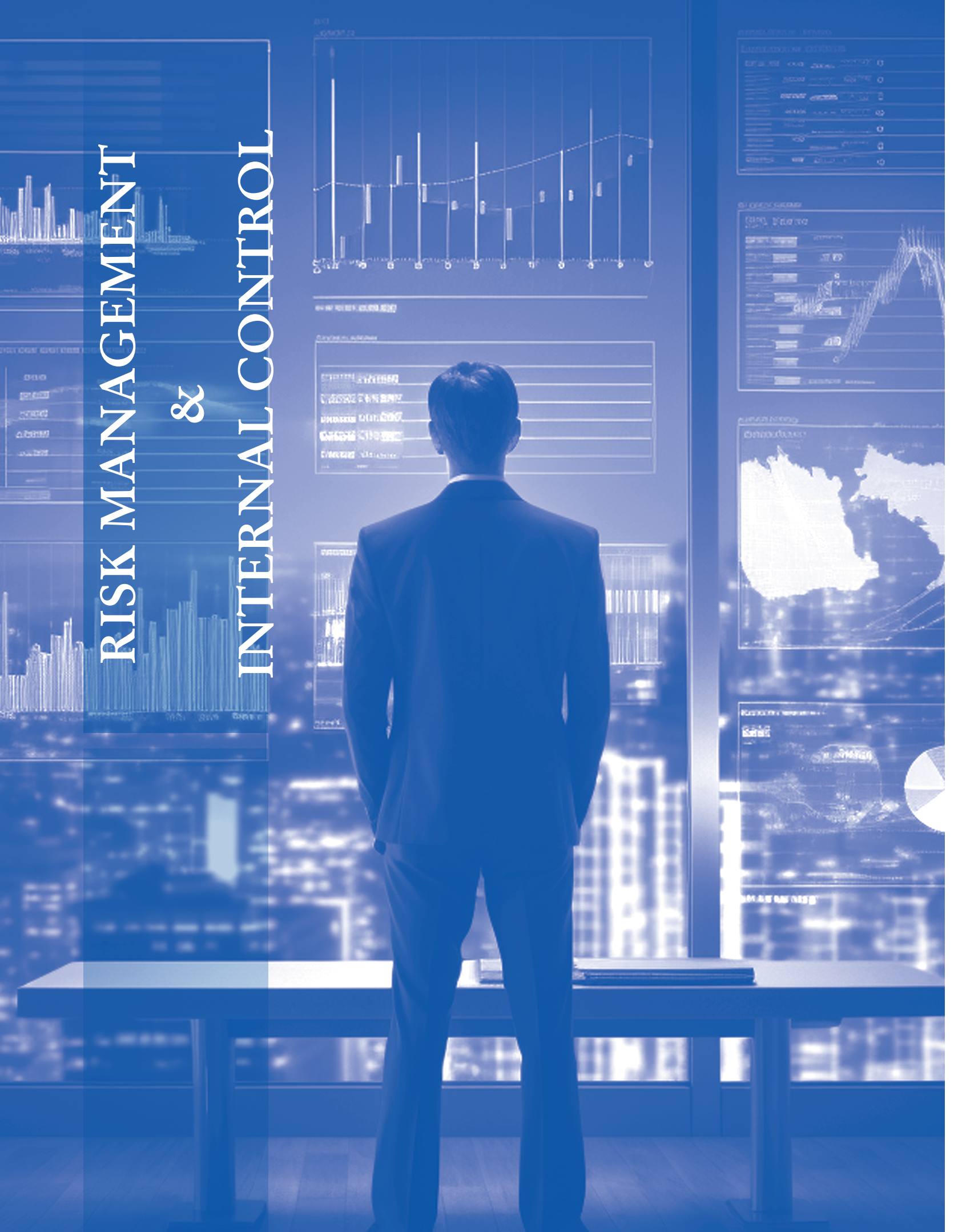
  Ensures data privacy, cyber protection, and IT governance. FY 2081/82 included system upgrades and enhanced digital security protocols to support the company's increasing reliance on digital platforms.

Governance and Policy Oversight

All Major policies are approved by the Board of Directors and implemented through departmental heads in coordination with compliance, audit, and risk teams. Internal audits and periodic policy reviews ensure accountability and improvement. No Major policy deviations were reported in FY 2081/82.

Commitment to Stakeholders

These policies reflect Neco Insurance's commitment to prudent risk Management, ethical operations, strategic alignment, and transparent governance. By Maintaining clear policies across underwriting, investment, operations, and Marketing, the company safeguards its long-term interests and those of its clients, shareholders, and regulators.



RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK AND MECHANISMS:

Neco Insurance has a structured and practical risk Management framework, ensuring that risks are systematically identified, assessed, Managed, and Monitored across all operational and strategic areas. This framework is implemented through dedicated functions and governance structures.

Risk Identification and Categorization

Risks are reviewed regularly, and a Risk Register is Maintained to record all identified risks along with their assessed severity and corresponding Mitigation Measures. The company's key risk categories include:

- **Underwriting Risk**

  Managed through pricing discipline, portfolio diversification, and reinsurance arrangements.

- **Credit Risk**

  Credit risk arises primarily from counterparties failing to Meet their financial obligations, including reinsurers and investment institutions.

  - The company follows a Credit Risk Policy, which defines exposure limits, counterparties' creditworthiness assessment, and reporting to the Risk Committee.
  - Reinsurers are selected based on strong credit ratings, and risk concentration is avoided by engaging Multiple reinsurers.
  - Credit assessments are conducted at each reporting date, and impairment allowances are updated accordingly.
  - The company deals only with creditworthy parties and secures collateral where necessary.

- **Liquidity Risk**

  Liquidity risk involves the inability to Meet short-term financial obligations, especially in the event of catastrophic claims.

  - The company Manages liquidity through prudent cash flow forecasting, Maintaining liquid assets, and ensuring alignment between claim outflows and expected reinsurance recoveries.

- **Market Risk**

  Includes exposure to changes in Market conditions affecting investments and financial instruments:

  - Foreign Currency Risk: Not Material, as the company does not hold foreign currency-denominated assets and settles reinsurance obligations in Nepali Rupees.
  - Interest Rate Risk: Arises from fluctuations in Market interest rates affecting investment returns and asset values.
  - Equity Price Risk: The company holds equity investments Measured at fair value through profit or loss (FVTPL) or other comprehensive income (FVOCI), and is thus exposed to fluctuations in equity prices.

- **Operational Risk**

  Includes risks from failed internal processes, systems, human error, or external events.

  - Managed through a strong control environment including:
  - Segregation of duties (e.g., underwriting and claims).
  - Authorization, reconciliation, and access control procedures.
  - Staff training and performance Monitoring.
  - Periodic internal audits and business continuity planning.
  - Operational risks related to technological and environmental shifts are Monitored through the company's strategic and budgeting process.

Risk Assessment and Control

- **Defined risk limits help ensure exposures remain within acceptable levels:**
  - E.g., Maximum retention per policy or event.
  - Exposure limits to individual reinsurers and investment counterparties.
- **Regular use of stress testing and scenario analysis (e.g., interest rate volatility) helps evaluate capital adequacy and readiness under extreme conditions.**

Practical Mitigation Measures

- **Preventive Actions:**
  - Follow strict underwriting guidelines based on actuarial inputs.
  - Diversify the insurance portfolio across product lines and regions.
- **Reinsurance Program:**
  - Robust reinsurance cover is in place to cap net exposure and safeguard solvency in high-loss scenarios.
- **Operational Controls:**
  - Clear segregation of roles and duties.
  - Secure IT systems with controlled access.
  - Regularly tested disaster recovery and business continuity plans.

Risk Monitoring and Reporting

The company tracks and reports Key Risk Indicators (KRIs) on a Monthly and quarterly basis. These include:

- **Claims ratio trends.**
- **Changes in reinsurer credit ratings.**
- **Liquidity and solvency ratios.**

The Risk Management Committee of the Board conducts regular reviews and ensures alignment with the company's risk appetite and regulatory expectations.

ADDITIONAL RISK DISCLOSURES (PER NIA DIRECTIVES):

Neco Insurance has fully complied with the Nepal Insurance Authority's (NIA) disclosure requirements by providing clear and relevant information on its risk exposures and Management practices.

Key disclosures included:

- Maximum net retention limits per risk category.
- Catastrophe reinsurance cover limits.
- Risk concentration data, such as the percentage of total premiums from the largest product line or region.
- Claims development analysis showing trends in actual vs. estimated claims.
- Investment portfolio breakdown by asset class (government bonds, fixed deposits, equities) along with Market and credit risk assessment.
- Stress testing results showing the impact of adverse scenarios (e.g., interest rate volatility) on the solvency Margin.

CLIMATE RISK-RELATED DISCLOSURE:

Neco Insurance recognizes the growing impact of climate change on the insurance sector and is actively working to strengthen its resilience through systematic evaluation and Management of climate-related risks. The Risk Management Committee Monitors these risks regularly and classifies them into two broad categories:

- **Physical Risks:**

  These arise from direct climate events such as floods, storms, and other natural disasters. Such events can lead to a rise in claims, potentially affecting the company's financial performance. With the increasing frequency and intensity of these events, the company continues to enhance its risk assessment and Mitigation strategies.

- **Transition Risks:**

  These relate to the broader economic and regulatory shift toward a low-carbon economy. Changes in climate-related policies, technological innovations, and evolving customer preferences can influence underwriting practices, insurance product design, and investment decisions. The company remains alert to these developments to adapt its operations accordingly.

Given that Most of Neco Insurance's policies are renewed annually, the company retains operational flexibility to adjust its exposure in response to emerging climate-related risks.

Additionally, the company is currently formulating a comprehensive Climate Risk Policy in alignment with the Climate Risk Directive, 2078. This policy will guide the integration of climate considerations into overall risk Management and strategic planning processes.

REINSURANCE POLICY AND ADEQUACY OF COVERAGE:

Neco Insurance Ltd. employs a well-structured and diversified reinsurance policy aimed at ensuring financial stability, optimal risk transfer, and regulatory compliance. The reinsurance program is bifurcated into proportional treaties (such as Quota Share and Surplus treaties) and non-proportional treaties (primarily Excess of Loss). The policy covers all Major lines of business with Minimal operational complexity.

Governance and Oversight:

- Reinsurance programs are approved by the Board based on a detailed proposal including risk assessment, cost-benefit analysis, solvency impact, and credit rating of reinsurers.
- The program is annually reviewed and adjusted based on:
  - o Exposure Analysis (EML, PML, CAT risk scenarios)
  - o Retention Alignment with Risk Appetite
  - o Claims History & Reinsurance Response
  - o Cost and Performance of Treaties

Adequacy of Reinsurance Coverage

The adequacy of coverage is ensured through a comprehensive evaluation framework and aligns with both regulatory requirements and internal risk thresholds.

Assessment Mechanisms:

- Annual Exposure & Retention Review: Conducted to ensure neither over- nor under-insurance.
- Claims Experience Evaluation: Historical claim patterns are analyzed to adjust treaty structures.
- Stress Testing & Scenario Analysis: Supports identification of gaps in coverage, although catastrophe Modeling is primarily done via brokers.
- Internal Reinsurance Limits: Company retains risks within its defined financial capacity.

Outcomes:

- The current reinsurance structure adequately covers all key risk segments, except for the Motor portfolio, which is protected only under CAT Excess of Loss.
- No gaps in reinsurance coverage have been identified to date.
- All treaties are signed and submitted to the Nepal Insurance Authority.
- Liquidity risks from delayed reinsurance recoveries are acknowledged and Managed through contingency planning.

INTERNAL CONTROL SYSTEM FRAMEWORK:

This framework outlines the key components that guide NECO Insurance in Maintaining discipline, reducing risks, and ensuring efficient and compliant operations.

- Control Environment

Establishes the foundation for the entire control system through leadership, values, and governance.

- Oversight by the Board, Audit, and Risk Committees
- Defined roles and responsibilities
- Code of conduct and ethical guidelines
- HR policies based on Merit and integrity
- Risk Assessment

Help to identify and evaluate risks that could affect business objectives.

- Annual risk identification across departments
- Scenario and stress testing for high-impact risks
- Control Activities

These are the policies and procedures that ensure Management directives are carried out.

- Checks in underwriting, claims, and finance
- Segregation of duties and approval hierarchies
- IT access controls, data security, and daily system backups
- Information & Communication

Supports timely and relevant flow of information for decision-making and compliance.

- Internal reporting and escalation Mechanisms
- Statutory and regulatory reporting
- Communication across all levels of the organization
- Monitoring & Improvement

Ensures continuous evaluation and enhancement of control systems.

- Regular internal audits
- Follow-up on audit findings
- Disaster recovery drills and IT performance reviews

EFFECTIVENESS OF INTERNAL CONTROLS:

NECO Insurance's control system operates effectively, with regular Monitoring ensuring that all key risks are addressed.

- No Major system failures or compliance breaches have occurred
- Regular audits and board reviews strengthen accountability
- IT systems and disaster recovery protocols enhance operational continuity
- The company is compliant with legal, regulatory, and internal standards

FINANCIAL STATEMENTS & RELATED DISCLOSURES

RESPONSIBILITY OF THE HEAD OF THE ACCOUNT IN RESPECT OF FINANCIAL STATEMENT

The Head of Finance plays a pivotal role in ensuring financial integrity, regulatory compliance, and strategic financial planning of the company. As the senior-most executive in charge of finance and accounts, the Head of Finance oversees the preparation of financial statements, internal controls, budgeting, risk Management, and stakeholder reporting. Key responsibilities include:

- Financial Reporting and Analysis
- Regulatory Compliance
- Risk Management and Strategic Planning
- Leadership and Stakeholder Engagement

APPOINTED ACTUARY'S REPORT ON LIABILITY ADEQUACY:

TransValue Consultants, an external actuarial firm, has certified the adequacy of Neco Insurance Limited's actuarial liabilities as of 16 July 2025 The valuation covered IBNER, premium deficiency, earthquake reserves, Margin over best estimates, and employee benefit liabilities. The assessment was based on data provided by the Company and complied with all relevant actuarial, accounting, and regulatory standards.

The official certificate issued by the actuary is attached below.

To,

Neco Insurance Limited,

Beema Bhawan, Gyaneshwor,

Kathmandu, Nepal.

Subject : Regarding Adequacy of the Estimated Actuarial Liabilities as on July 2025

Dear Sirs,

We have carried out actuarial valuation of insurance (Incurred But Not (Enough) Reported, Premium Deficiency and Earthquake Reserves along with the Margin Over Best Estimates) and employee benefits (Earned and Sick Leave Schemes) liabilities for Neco Insurance Limited as on July 2025. The data required for the valuations was provided by the management of the Company. The assumptions and other information considered for the valuation were discussed with the Company.

In carrying out the valuation we have complied with relevant accounting and actuarial standards. We have also complied with the relevant regulatory guidelines and directives.

This is to state that based on the data, assumptions and other information provided by the Company, the actuarial liabilities estimated as on 16 July 2025 are adequate. The methodologies and assumptions considered for the valuations are detailed in the respective reports.

Asha Murali
(Fellow - Institute of Actuaries of India, MID: 810)
COP Number: 810/101
Place: Navi Mumbai, Maharashtra, India

M.R.U
ASSOCIATES
Chartered Accountants

Independent Auditor's Report

To the Shareholders of Neco Insurance Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Neco Insurance Limited. (the "Company"), which comprise the statement of financial position as at Ashadh 32, 2082 (July 16, 2025), and the statement of profit or loss, statement of 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 presents 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.

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 *Auditors 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 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 ICAN's Handbook of 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 the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N	Key Audit Matters	Auditor's Response
1.	**Revenue Recognition (Net Earned Premium)** Company recognizes gross earned premiums after deducting unearned premium reserves from Direct Premium. Net Earned Premium is derived after deducting ceded reinsurance premium from gross earned premium. Direct premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered during the reporting period. They are recognized on the date on which the policy commences. 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 daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.	Our audit approach regarding verification of process of premium included: a. Understood and tested the design, implementation and operating effectiveness of key controls over premium collection and its recognition. b. Tested on a sample basis unallocated premium to ensure that there were no policies where risk commenced prior to balance sheet but revenue was not recognized. c. Tested on a sample basis cash receipt with the time stamp to confirm the recognition of the revenue in correct accounting period
2.	**Investment Valuation, Identification, and Impairment** NRFS - Investment of the company comprises of investment in quoted equity instruments, debentures, mutual funds, and fixed deposits of	Our audit approach regarding verification of process of investment valuation, identification and impairment included: a. Review of the investment of company and its valuation having reference to NFRS issued by the

	financial institutions. The valuation of the aforesaid securities has been done in compliance with NFRS 9. The investment in the government and NRB bonds and T-bills should be recognized on reporting date on Amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other Comprehensive Income. Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter in our audit.	Accounting Standard Board of Nepal. b. We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidence/circumstances and ensured that classification of investment is commensurate with nature of cash flow and management intention of holding the investment. c. For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis. d. For the investment valued through OCI for quoted investment, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on Ashadh 32, 2082 (16.07.2025)
3.	**Provision for Outstanding Claim** Company makes the provisions of an amount of 100% of the remaining amounts of the payment against the claim made by company before the expiry of financial year and Claims Incurred but Not Reported (IBNR) is recognized based on estimates determined by actuarial methods Given that the provision is required to be made in respect of outstanding claim and complexity of calculations, same has been considered as Key Audit Matter in our audit.	Our audit approach regarding provision for outstanding claim of company is based upon the requirement of NFRS. a. Verified operational guidelines of the company relating to claim processing, have performed test of controls, test of details and analytical procedures on the outstanding claims b. For the claim cases which has been incurred but not reported and cases in which claim has been reported but not enough reported these cases has been captured by the actuary appointed by company. The actuarial valuation of liability in respect of Claims Incurred but Not Reported (IBNR) and those Incurred but Not Enough Reported (IBNER) as at Ashadh 32, 2082 (16.07.2025) is as certified by the company's Appointed Actuary and we had verified the amounts and the related liability based on such report.
4.	**Information Technology General Controls** IT controls with respect to recording of transactions, generating various reports in compliance with Nepal Insurance Authority guidelines and other compliances to regulators is an important part of the process. Such reporting is highly dependent on the effective working of Software and other allied systems. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management, shareholders and regulators	Our audit approach regarding Information technology of company is based upon the Infor1nation Technology Guidelines 2076 issued by Nepal Insurance Authority and it included: a. Understanding the coding system adopted by company for various categories of products b. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in company c. Checking of the user requirements for any changes in the regulations/ policy of the company d. Reviewed the reports generated by the system on sample basis. We verified the premium income/expense and claim payment in regard to policies issued and claim intimated on test basis

Information Other than Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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. Misstatement can arise from fraud or error and are considered material if, individually or in 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 risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimates and related disclosures made by the management,
- Conclude on the appropriateness of the 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' report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the requirements of Companies Act 2063, Insurance Act 2079 and Directives of Nepal Insurance Authority

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the branch offices of the company, though the statements are independently not audited, were adequate for the purpose of the audit; the financial statements have been prepared in accordance with the provisions of the Companies Act 2063, and they are in agreement with the books of accounts of the company; and the accounts and records of the company are properly maintained in accordance with the prevailing laws.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed that adequate amount have been set aside for insurance fund and other statutory reserves as per Nepal Insurance Authority Directives; the business of the company was conducted satisfactorily in line with the Nepal Insurance Authority Directives, the company has not conducted any business other than insurance business and has not issued any unauthorized policies and its transactions were found to be within the scope of its authority. We did not come across cases of where the company has acted against the interest of insured and investors. Further, company's internal control system is reasonably adequate, and we did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Company has acted contrary to the provisions of law, caused loss or damage to the company, or committed any misappropriation of the funds of company. Also, the company has provided required financial and other information to its shareholders and company appears to be able to serve its long-term liabilities out of its assets.

Raman Uprety
Managing Partner

Date: 2082/09/30
Place: Kathmandu

UDIN: 260114CA00590gn7wn

Financial Statements
Neco Insurance Limited

Statement of Financial Position

As At 16th July, 2025 (Ashad End 2082)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	3,771,392	3,496,927
Property and Equipment	5	656,491,267	657,637,956
Investment Properties	6	61,210,872	64,564,713
Deferred Tax Assets	7		52,918,095
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	6,911,528,923	6,328,933,526
Loans	11	-	-
Reinsurance Assets	12	1,873,435,994	1,706,238,104
Current Tax Assets	21	83,260,510	34,506,109
Insurance Receivables	13	197,940,719	56,797,606
Other Assets	14	251,324,251	98,013,347
Other Financial Assets	15	131,892,411	188,183,831
Cash and Cash Equivalent	16	863,239,801	465,248,120
Total Assets		**11,034,096,142**	**9,656,538,335**
Equity & Liabilities			
Equity			
Share Capital	17 (a)	2,515,450,774	2,012,360,619
Share Application Money Pending Allotment	17 (b)	-	166,857,940
Share Premium	17 (c)	111,780,654	-
Special Reserves	17 (d)	2,313,656,924	2,024,819,508
Catastrophe Reserves	17 (e)	167,172,209	138,288,468
Retained Earnings	17 (f)	767,745,475	513,603,032
Other Equity	17 (g)	434,267,266	292,540,006
Total Equity		**6,310,073,302**	**5,148,469,573**
Liabilities			
Provisions	18	33,090,431	29,122,145
Gross Insurance Contract Liabilities	19	3,539,178,399	3,415,174,262
Deferred Tax Liabilities	7	8,520,023	
Insurance Payables	20	529,849,742	440,653,588
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	370,458,269	435,985,882
Other Financial Liabilities	24	242,925,977	187,132,886
Total Liabilities		**4,724,022,840**	**4,508,068,761**
Total Equity and Liabilities		**11,034,096,142**	**9,656,538,335**

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

As per our attached report even date

Ashok Kumar Khadka
Chief Executive Officer

Ramesh Kumar Niraula
Chairman

Bhanu Bhakta Pokhrel
Director

Vinaya Raman Poudel
Director

Dr. Neelima Shrestha
Director

Bharat Kumar Adhikari
Director

Pratap Subedi
Director

Mani Dev Bhattarai
Independent Director

Bijaya Raj Ghimire
Finance Head

Raman Uprety, FCA
Managing Partner
For M.R.U. & Associates
Chartered Accountants

Date: 2082/09/30
Place: Kathmandu

Neco Insurance Limited
Statement of Profit or Loss

For Period 16th July, 2024- 16th July, 2025

(For the Year Ended Ashad 2082)

Fig. in NPR

	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	3,447,424,531	2,876,999,104
Premiums Ceded	26	1,546,709,736	1,274,170,529
Net Earned Premiums		**1,900,714,795**	**1,602,828,574**
Commission Income	27	412,083,997	341,212,770
Other Direct Income	28	25,459,702	16,681,582
Income from Investments & Loans	29	286,493,642	449,942,061
Net Gain/ (Loss) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	57,234,503	224,156
Other Income	32	16,825,180	11,049,194
Total Income		**2,698,811,818**	**2,421,938,338**
Expenses:			
Gross Claims Paid	33	1,671,472,494	1,035,146,127
Claims Ceded	33	747,037,040	299,611,916
Gross Change in Contract Liabilities	34	289,542,758	35,411,034
Change in Contract Liabities Ceded to Reinsurers	34	221,380,342	4,123,536
Net Claims Incurred		**992,597,870**	**766,821,709**
Commission Expenses	35	59,762,316	52,368,034
Service Fees	36	13,894,811	13,368,928
Other Direct Expenses	37	4,247,259	2,939,364
Employee Benefits Expenses	38	482,047,659	448,680,080
Depreciation and Amortization Expenses	39	74,490,175	79,749,468
Impairment Losses	40	22,818,551	22,186,802
Other Operating Expenses	41	188,318,707	154,912,443
Finance Cost	42	9,414,476	10,343,922
Total Expenses		**1,847,591,824**	**1,551,370,749**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		**851,219,994**	**870,567,588**
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		**851,219,994**	**870,567,588**
Income Tax Expense	43	272,374,910	280,064,728
Net Profit/(Loss) For The Year		**578,845,084**	**590,502,861**
Earning Per Share	**51**		
Basic EPS		23.01	29.34
Diluted EPS		23.01	29.34

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

As per our attached report even date

Ashok Kumar Khadka
Chief Executive Officer

Ramesh Kumar Niraula
Chairman

Bhanu Bhakta Pokhrel
Director

Vinaya Raman Poudel
Director

Dr. Neelima Shrestha
Director

Bharat Kumar Adhikari
Director

Pratap Subedi
Director

Mani Dev Bhattarai
Independent Director

Bijaya Raj Ghimire
Finance Head

Raman Uprety, FCA
Managing Partner
For M.R.U. & Associates
Chartered Accountants

Date: 2082/09/30
Place: Kathmandu

Neco Insurance Limited

Statement of Comprehensive Income

For Period 16th July, 2024- 16th July, 2025

(For the Year Ended Ashad 2082)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		578,845,084	590,502,861
Other Comprehensive Income			
a) Items that are or May be Reclassified to Profit or Loss			
Changes in Fair Value of FVOCI Debt Instruments			-
Cash Flow Hedge - Effective Portion of Changes in Fair Value			-
Exchange differences on translation of Foreign Operation			-
Share of other comprehensive income of associates accounted for using the equity Method	9		-
Income Tax Relating to Above Items			-
Reclassified to Profit or Loss			-
b) Items that will not be Reclassified to Profit or Loss			
Changes in fair value of FVOCI Equity Instruments		198,730,496	(19,145,085)
Revaluation of Property and Equipment/ Goodwill & Intangible Assets			-
Remeasurement of Post-Employment Benefit Obligations			-
Share of other comprehensive income of associates accounted for using the equity Method			-
Income Tax Relating to Above Items		(59,619,149)	5,743,525
			-
Total Other Comprehensive Income For the Year, Net of Tax		**139,111,347**	**(13,401,559)**
Total Comprehensive Income For the Year, Net of Tax		**717,956,431**	**577,101,301**

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

As per our attached report even date

Ashok Kumar Khadka *Chief Executive Officer*	Ramesh Kumar Niraula *Chairman*	Bhanu Bhakta Pokhrel *Director*
Vinaya Raman Poudel *Director*	Dr. Neelima Shrestha *Director*	Bharat Kumar Adhikari *Director*
Pratap Subedi *Director*	Mani Dev Bhattarai *Independent Director*	Bijaya Raj Ghimire *Finance Head*

Raman Uprety, FCA
Managing Partner
For M.R.U. & Associates
Chartered Accountants

Date: 2082/09/30
Place: Kathmandu

Neco Insurance Limited

Statement of Changes In Equity

For Period 16th July, 2024- 16th July, 2025

(For the Year Ended Ashad 2082)

Previous Year

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 Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2080	2,012,360,619	-	-	-	276,134,574	-	1,754,968,988	-	111,303,416	11,513,720	-	173,041,654	-	70,489,940	-	4,409,812,911
Prior period adjustment																-
Restated Balance as at Shrawan 1, 2080	2,012,360,619	-	-	-	276,134,574	-	1,754,968,988	-	111,303,416	11,513,720	-	173,041,654	-	70,489,940	-	4,409,812,911
Profit/(Loss) For the Year					590,502,861											590,502,861
Other Comprehensive Income for the Year, Net of Tax																-
i) Changes in Fair Value of FVOCI Debt Instruments												(13,503,101)				(13,503,101)
ii) Gains/ (Losses) on Cash Flow Hedge																-
iii) Exchange differences on translation of Foreign Operation																-
iv) Changes in fair value of FVOCI Equity Instruments																-
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations																-
Transfer to Reserves/ Funds					(302,232,583)		269,850,520		26,985,052	195,973						(5,201,037)
Transfer of Insurance Fund Including Insurance Reserve																
Transfer of Opening regulatory reserve																-
Transfer to Deferred Tax Reserves					(50,801,820)									50,801,820		-
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																-
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued																-
ii) Share Issue			166,857,940													166,857,940
iii) Cash Dividend																-
iv) Dividend Distribution Tax																-
v) Others (To be specified)																-
Balance as on Ashadh end, 2081	2,012,360,619	-	166,857,940	-	513,603,031	-	2,024,819,508	-	138,288,468	11,709,693	-	159,538,553	-	121,291,760	-	5,148,469,573

Current Year

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 Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2081	2,012,360,619	-	166,857,940	-	513,603,031	-	2,024,819,508	-	138,288,468	11,709,693	-	159,538,553	-	121,291,760	-	5,148,469,573
Prior period adjustment					(34,483)											-34,483
Restated Balance as at Shrawan 1, 2081	2,012,360,619	-	166,857,940	-	513,568,548	-	2,024,819,508	-	138,288,468	11,709,693	-	159,538,553	-	121,291,760	-	5,148,435,090
Profit/(Loss) For the Year					578,845,084											578,845,084
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												139,111,347				139,111,347
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations																-
Transfer to Reserves/ Funds					(324,785,570)		289,987,116		28,998,712	2,158,474						(3,641,268)
Transfer of Insurance Fund Including Insurance Reserve																
Transfer of Opening regulatory reserve																-
Transfer to Deferred Tax Reserves					1,129,148									(1,129,148)		
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					(1,011,736)		(1,149,700)		(114,970)	(22,994)		1,609,580				(689,820)
Share Issuance Costs																-
Contribution by/ Distribution to the owners of the Company																-
i) Bonus Share Issued																-
ii) Share Issue	503,090,155		(614,870,809)	111,780,654												-
iii) Cash Dividend																-
iv) Dividend Distribution Tax																-
v)Share appliction Money received			448,012,869													448,012,869
vi) Others (Tax on Share Premium)																-
Balance as on Ashadh end, 2082	2,515,450,774	-	-	111,780,654	767,745,474	-	2,313,656,924	-	167,172,210	13,845,174	-	300,259,480	-	120,162,612	-	6,310,073,302

The accompanying notes form an Integral Part of Financial Statements.

Neco Insurance Limited
Statement of Distributable Profit or Loss

For Period 16th July, 2024- 16th July, 2025

(For the Year Ended Ashad 2082)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	513,603,031	276,134,574
Transfer from OCI reserves to retained earning in current year		-
Net profit or (loss) as per statement of profit or loss	578,845,084	590,502,861
Appropriations:		-
i)Transfer to Insurance Fund		-
ii)Transfer to Special Reserve	(289,987,116)	(269,850,520)
iii)Transfer to Catastrophe Reserve	(28,998,712)	(26,985,052)
iv)Transfer to Capital Reserve		-
v)Transfer to CSR reserve	(5,799,742)	(5,397,010)
vi)Transfer to/fromRegulatory Reserve		
vii)Transfer to Fair Value Reserve		
viii)Transfer of Deferred Tax Reserve	1,129,148	(50,801,820)
ix)Transfer to OCI reserves due to change in classification		-
x)Others (Share Issue Cost)		
Deductions:		-
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		-
a) Equity Instruments	-	-
b) Mutual Fund	-	-
c) Others (if any)	-	-
ii) Accumulated Fair Value gain on Investment Properties	-	-
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges	-	-
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges	-	-
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges	-	-
vi)) Goodwill Recognised	-	-
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency	-	-
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account	-	-
ix) Overdue loans	-	-
x) Fair value gain recognised in Statement of Profit or Loss	(2,154,341)	-
xi) Investment in unlisted shares	-	-
xii) Delisted share Investment or Mutual fund investment	-	-
xiii) Bonus share/ dividend paid	-	
xiv) Deduction as per Sec 17 of Financial directive		-
xiv) Deduction as per Sec 18 of Financial directive	-	-
xv) Others (Prior Period Adjustment)	(179,542)	-
xvi)Transfer from reseves to retained earning	1,287,664	
xvii) Others(Tax on Share Premium)		
Adjusted Retained Earning	767,745,475	513,603,031
Add: Transfer from Share Premium Account	-	-
Less: Amount apportioned for Assigned capital	-	-
Less: Deduction as per sec 15(1) Of Financial directive	-	-
Add/Less: Others (to be specified)	-	-
Total Distributable Profit/(loss)	**767,745,475**	**513,603,031**

Neco Insurance Limited

Statement of Cash Flows

For Period 16th July, 2024- 16th July, 2025

(For the Year Ended Ashad 2082)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	3,281,885,911	3,141,082,721
Reinsurance Commission Received	412,083,997	341,212,770
Claim Recovery Received from Reinsurers	747,037,040	299,611,916
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	-	-
Other Direct Income Received	25,459,702	16,681,582
Others (Other Income received)	16,825,180	11,049,194
Cash Paid		
Gross Benefits and Claims Paid	(1,671,472,494)	(1,035,146,127)
Reinsurance Premium Paid	(1,492,527,284)	(1,358,558,994)
Commission Paid	(59,762,316)	(52,368,034)
Service Fees Paid	(13,894,811)	(13,368,928)
Employee Benefits Expenses Paid	(482,047,659)	(448,680,080)
Other Expenses Paid	(188,318,707)	(154,912,443)
Other Direct Expenses Paid	(4,247,259)	(2,939,364)
Others (Changes in Working Capital)	632,374,324	462,029,313
Income Tax Paid	(320,000,163)	(340,060,831)
Net Cash Flow From Operating Activities [1]	**883,395,459**	**865,632,696**
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets	(1,065,011)	(1,009,469)
Proceeds From Sale of Intangible Assets	-	-
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Acquisitions of Property & Equipment	(69,199,099)	(138,851,490)
Proceeds From Sale of Property & Equipment	-	-
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	(287,812,670)	(327,245,741)
Proceeds from Sale of Equity Instruments	57,234,503	-
Purchase of Mutual Funds	(44,258,727)	(12,858,941)
Proceeds from Sale of Mutual Funds	-	-
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	70,576,000	(9,054,000)

Proceeds from Sale of Debentures	-	-
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	-	-
Investments in Deposits	(321,100,000)	(882,270,164)
Maturity of Deposits	-	-
Loans Paid	-	-
Proceeds from Loans	-	-
Rental Income Received	9,207,485	9,064,938
Proceeds from Finance Lease	-	-
Interest Income Received	270,948,076	436,146,705
Dividend Received	6,338,081	4,730,418
Others (to be specified)	-	-
Total Cash Flow From Investing Activities [2]	**(309,131,363)**	**(921,347,744)**
Cash Flow From Financing Activities		
Interest Paid	-	-
Proceeds From Borrowings	-	-
Repayment of Borrowings	-	-
Payment of Finance Lease	(9,414,476)	(10,343,922)
Proceeds From Issue of Share Capital	-	-
Share Issuance Cost Paid	-	-
Dividend Paid	-	-
Dividend Distribution Tax Paid	-	-
Others (to be specified)	-	-
Proceeds from Share Application Money Pending Allotment	(166,857,940)	166,857,940
Total Cash Flow From Financing Activities [3]	**(176,272,416)**	**156,514,018**
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	**397,991,681**	**100,798,970**
Cash & Cash Equivalents At Beginning of The Year/Period	465,248,120	364,449,150
Effect of Exchange Rate Changes on Cash and Cash Equivalents		
Cash & Cash Equivalents At End of The Year/Period	**863,239,801**	**465,248,120**
Components of Cash & Cash Equivalents		
Cash In Hand		-
Cheuqe in Hand		-
Term Deposit with Banks (with initial Maturity upto 3 Months)	863,239,801	465,248,120
Balance With Banks	**863,239,801**	**465,248,120**

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

As per our attached report even date

Ashok Kumar Khadka
Chief Executive Officer

Ramesh Kumar Niraula
Chairman

Bhanu Bhakta Pokhrel
Director

Vinaya Raman Poudel
Director

Dr. Neelima Shrestha
Director

Bharat Kumar Adhikari
Director

Pratap Subedi
Director

Mani Dev Bhattarai
Independent Director

Bijaya Raj Ghimire
Finance Head

Raman Uprety, FCA
Managing Partner
For M.R.U. & Associates
Chartered Accountants

Date: 2082/09/30
Place: Kathmandu

NECO INSURANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended Ashad 32 2082 (July 16, 2025)

1 General Information

"Neco Insurance Limited (herein after referred to as the 'Company') is a public Limited Company, incorporated on 01/09/2051 and operated as Non-Life insurance company after obtaining license on 17/02/2053 under the Insurance Act 2049. The registered office of the Company is located at Gyaneshwor Kathmandu. The Company's shares are listed on Nepal Stock Exchange. 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 2082/09/30.

(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 2082/09/30"

(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 & Liabilities which are required to be Measured at fair value

ii. Defined Employee Benefits

iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT). Historical cost is generally Fair Value of the consideration given in exchange for goods & 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 Measurement 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, judgements and assumptions. These estimates, judgments and assumptions affect the reported balances 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 years 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 a 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 operations of it.

(g) Changes 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 flows.

(h) Recent Accounting Pronouncements

"Accounting standards issued and effective " All the accounting standard Made effective by the ASB are applied while preparing the financial statement of the Company.

Accounting standards issued and non-effective

IFRS 17 "Insurance Contracts"

IFRS 16 "Leases"

(i) Carve-outs

The company has not applied any carve outs provided by ASB

(j) Presentation of financial statements

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

(k) Offsetting

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

(l) Materiality and aggregation

"Each Material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard-NAS 1 on 'Presentation of Financial Statements'. Notes to the Financial Statements are presented in a systematic Manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring Material information with immaterial information or by aggregating Material items that have different natures or functions."

3 Significant Accounting Policies

(a) Property, Plant and Equipment (PPE)

i) Recognition

"Freehold land is carried at historical cost and other items of property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for More than one year and the cost can be Measured reliably. Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised when replaced. All other repairs and Maintenance are charged to profit or loss during the reporting period in which they are incurred."

ii) Revaluation

The Company has not used revaluation Model for subsequent Measurement of its PPE.

iii) Depreciation

Depreciation on Property, Plant and Equipment ie Furniture & Fixtures, Computer and IT Equipment, Office Equipments and Vehicles is provided on "Diminishing Balance Method (DBM)" based on Useful Life estimated by technical expert of the Management.

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

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

List of Asset Categories	"Rate of Depreciation (In %) for DBM"	"Estimated Useful Life (In Years)"
Buildings	5%	20
Furniture & Fixtures	25%	4
Computers and IT Equipments	25%	4
Office Equipment	25%	4
Vehicles	20%	5

iv) Derecognition

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

v) Impairment

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."

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 generate net cash inflow for the entity. Amortisation is recognised in income statement on straight line Method over the estimated useful life of the intangible assets from the date that it is available for use since this Most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortisation period and the amortisation 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 amortisation period or Method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss."

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

List of Asset Categories	"Useful Life (In Years) for SLM"
Softwares	5

iii) Derecognition

An Intangible Asset is derecognised 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 recognised in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current Market assessments of the time value of Money and risk specific to the assets.

(c) Investment Properties

Cost Model

"Property that is held for rental income or for capital appreciaiton or both, is classified as investment property. Investment properties are Measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated

with the expenditure will flow to the Company and the cost can be Measured reliably. All other repairs and Maintenance costs are expensed when incurred. Land is carried at historical cost, however, buildings are depreciated over their estimated useful lives as Mentioned above."

Investment properties are derecognised 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 recognised in the statement of profit or loss in the year of retirement or disposal.

Transfers are Made to (or from) investment property only when there is a change in use. For a transfer from investment property to PPE, the deemed cost for subsequent accounting is the fair value at the date of change in use. If PPE becomes an investment property, the Company accounts for such property in accordance with the policy stated under PPE up to the date of change in use. The company doesnot have any Investment Property as on Ashadh end.

(d) Cash & Cash Equivalent

Cash & Cash Equivalents includes Cash 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 acquisation 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 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 Asset is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Asset. 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 a 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 recognised amounts and there is an intention to settle on a net basis or realise 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 resinsurer's share of insurance contract liabilities.

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

(i) 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: Share Application Money Pending Allotment Means the amount received on the application on which allotment is not yet Made (pending allotment).

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

iii) Catastrophe Reserves: The Company has allocated catastrophe reserve for the amount which is 10% of the net profit for the year as per Regulator's Directive.

iv) Fair Value Reserves: The Company has policy of creating fair value reserve equal to the amount of Fair Value Gain recognized in statement of other comprehensive income as per regulator's directive.

v) Regulatory Reserves: Reserve created out of net profit in line with different circulars issued by regulatory authority.

vi) Actuarial Reserves: Reseserve against actuarial gain or loss on present value of defined benefit obligation resuting 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.

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

viii) Special Reserves: Reserve created as per the provision of Sec. 39 of Insurance Act, 2079.

ix) Other Reserves: Reserve other than above reserves, for e.g. deferred tax reserve, others (to be specified)

(k) Insurance Contract Liabilities

"i) Provision for unearned premiums Unearned premiums reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage. Change in reserve for unearned insurance premium represents the net portion of the gross written premium transferred to the unearned premium reserve during the year to cover the unexpired period of the polices."

"ii) Outstanding claims provisions

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

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

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

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

Liability adequacy

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

(l) 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 obligations 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 recognises 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 recognises 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 Premiums

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

ii) Unearned Premium Reserves

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a pro rate basis subject to Mininum 50% of the written Premium Written. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

iii) Premium on Reinsurance Accepted

"Premium on reinsurance accepted comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is Managed."

ii) 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."

iii) 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.

iv) Investment income

"Interest income is recognised in the statement of profit or loss as it accrues and is calculated by using the EIR Method. Fees and commissions that are an integral part of the effective yield of the financial asset are recognised as an adjustment to the EIR of the instrument. Investment income also includes dividends when the right to receive payment is established."

v) Net realised gains and losses

Net realised 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 amortised 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.

Reserve for Incurred but not Reported Claims (IBNR) has been created as higher of acturial Valuation or 15% of the Outstanding claims.

ii) Reinsurance Classification

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 ccontracts 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 damange 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 7%.

"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. The lease assets having the lease liability of equal to or less than NPR 10,000.00 present value at inception has been considered as low value and for those lease the expenses has been recognized under straight line basis."

(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."

(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.

(t) Functional Currency & Foreign Currency Transactions

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

(u) Earnings Per Share

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

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

(v) 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.

NECO INSURANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended Ashad 32 2082 (July 16, 2025)

4. Goodwill & Intangible Assets

Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be Specify)	Total
Gross carrying amount				
As at Shrawan 1, 2080	6,443,378			6,443,378
Additions during the year				
Acquisition	1,009,469	-	-	1,009,469
Internal Development	-	-	-	-
Business Combination(to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
Balance as at Ashadh 31, 2081	7,452,847	-	-	7,452,847
Additions during the year	1,065,000			785,000
Acquisition				-
Internal Development				-
Business Combination(to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment				-
Balance as at Ashadh 32, 2082	8,517,847	-	-	8,517,847
Accumulated amortization and impairment				
As at Shrawan 1, 2080	3,137,937	-	-	3,137,937
Additions during the year	817,982			817,982
Disposals during the year				
Impairment during the year		-	-	-
Balance as at Ashadh 31, 2081	3,955,919	-	-	3,955,919
Additions during the year	790,536	-	-	790,536
Disposals during the year		-	-	-
Impairment during the year		-	-	-
Balance as at Ashadh 32, 2082	4,746,456	-	-	4,746,456
Capital Work-In-Progress				
As on Shrawan 1, 2080				
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as on Ashadh 31, 2081	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Balance as on Ashadh 32, 2082	-	-	-	-
Net Carrying Amount				
As on Ashadh 31, 2081	3,496,927	-	-	3,496,927
As on Ashadh 32, 2082	3,771,392	-	-	3,771,392

5. Property, Plant and Equipment

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Gross carrying amount									
As on Shrawan 1, 2080	237,854,580	156,178,707	9,977,636	57,947,822	40,800,569	75,868,485	121,392,790	2,421,397	702,441,985
Additions during the year									
Acquisition		625,194	2,218,306	3,135,602	4,165,106	2,923,302	39,534,481	4,735	52,606,726
Capitalization									-
Disposals during the year							-1,109,156		-1,109,156
Write-offs during the year									-
Revaluation during the year									-
Transfer/ adjustments									-
Balance as on Ashadh 31, 2081	237,854,580	156,803,901	12,195,942	61,083,424	44,965,675	78,791,787	159,818,115	2,426,131	753,939,555
Additions during the year									
Acquisition	-	-	1,519,879	1,591,551	4,256,017	1,535,636	13,436,405	6,750	22,346,238
Capitalization									-
Disposals during the year							-3,688,020		-3,688,020
Write-offs during the year									-
Revaluation during the year									-
Transfer/ adjustments									-
Balance as on Ashadh 32, 2082	237,854,580	156,803,901	13,715,821	62,674,975	49,221,692	80,327,423	169,566,499	2,432,881	772,597,772
Accumulated depreciation and impairment									
As on Shrawan 1, 2080	-	12,314,709	6,983,206	29,223,056	24,978,733	37,539,756	60,865,088	873,498	172,778,045
Additions during the year		10,612,216	1,049,204	7,607,692	4,422,952	10,040,731	16,952,113	386,978	51,071,885
Disposals during the year									-
Write-offs during the year									-
Impairment during the year									-
Transfer/ adjustments		-3,398,143							-3,398,143
Balance as on Ashadh 31, 2081	-	19,528,782	8,032,410	36,830,748	29,401,685	47,580,487	77,817,200	1,260,476	220,451,788
Additions during the year		10,091,992	1,202,225	6,198,570	4,278,307	7,954,963	17,577,625	292,713	47,596,394
Disposals during the year									-
Write-offs during the year									-
Impairment during the year									-
Transfer/ adjustments		-3,353,841							-3,353,841
Balance as on Ashadh 32, 2082	-	26,266,932	9,234,635	43,029,318	33,679,992	55,535,450	95,394,825	1,553,189	264,694,341
Capital Work-In-Progress									
As on Shrawan 1, 2080	-	572,365	-	-	-	-	-	-	572,365
Additions during the year		44,902,624							44,902,624
Capitalisation during the year									-
Disposals during the year									-
Impairment during the year									-
Balance as on Ashadh 31, 2081	-	45,474,989	-	-	-	-	-	-	45,474,989
Additions during the year		50,820,892							50,820,892
Capitalisation during the year		-280,000							-280,000

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Disposals during the year									-
Impairment during the year									-
Balance as on Ashadh 32, 2082	-	96,015,881	-	-	-	-	-	-	96,015,881
Net Carrying Amount									
As on Ashadh 31, 2081	237,854,580	182,750,108	4,163,532	24,252,676	15,563,990	31,211,300	82,000,915	1,165,655	578,962,756
As on Ashadh 32, 2082	237,854,580	226,552,850	4,481,186	19,645,657	15,541,701	24,791,973	74,171,674	879,692	603,919,312
Right-of-Use Assets (after Implemenation of NFRS 16)									
Gross carrying amount									
As on Shrawan 1, 2080	-	116,031,000	-	-	-	-	-	-	116,031,000
Additions during the year		42,451,298							42,451,298
Disposals during the year									-
Write-offs during the year									-
Revaluation during the year									-
Transfer/Adjustment									-
Balance as on Ashadh 31, 2081	-	158,482,298	-	-	-	-	-	-	158,482,298
Additions during the year		-							-
Disposals during the year									-
Write-offs during the year									-
Revaluation during the year									-
Transfer/Adjustment									-
Balance as on Ashadh 31, 2082	-	158,482,298	-	-	-	-	-	-	158,482,298
Accumulated depreciation									
As on Shrawan 1, 2080	-	51,947,497	-	-	-	-	-	-	51,947,497
Additions during the year		27,859,601							27,859,601
Disposals during the year									-
Write-offs during the year									-
Impairment during the year									-
Transfer/adjustments									-
Balance as on Ashadh 31, 2081	-	79,807,097	-	-	-	-	-	-	79,807,097
Additions during the year		26,103,235							26,103,235
Disposals during the year									-
Write-offs during the year									-
Impairment during the year									-
Transfer/adjustments									-
Balance as on Ashadh 32, 2082	-	105,910,332	-	-	-	-	-	-	105,910,332
Net Carrying Amount									
As on Ashadh 31, 2081	-	78,675,200	-	-	-	-	-	-	78,675,200
As on Ashadh 32, 2082	-	52,571,966	-	-	-	-	-	-	52,571,966
Grand Total									
As on Ashadh 31, 2081	237,854,580	261,425,309	4,163,532	24,252,676	15,563,990	31,211,300	82,000,915	1,165,655	657,637,956
As on Ashadh 32, 2082	237,854,580	279,124,815	4,481,186	19,645,657	15,541,701	24,791,973	74,171,674	879,692	656,491,267

6. Investment Properties

Investment Properties at Cost

Fig. in NPR

Particulars	Land	Building	Total
Gross carrying amount	-		
As at Shrawan 1, 2080		**73,565,305**	**73,565,305**
Additions during the year			
Acquisition			
Subsequent Expenditure			
Assets classified as held for sales			
Disposals during the year			
Revaluation/Adjustment			
Balance as at Ashadh 31, 2081	**-**	**73,565,305**	**73,565,305**
Additions during the year			-
Acquisition			-
Subsequent Expenditure			-
Assets classified as held for sales			-
Disposals during the year			-
Revaluation/Adjustment			-
Balance as at Ashadh 32, 2082	**-**	**73,565,305**	**73,565,305**
Accumulated depreciation and impairment			
As at Shrawan 1, 2080	-	5,602,449	5,602,449
Depreciation during the year		3,398,143	3,398,143
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments		-	-
Balance as at Ashadh 31, 2081	**-**	**9,000,592**	**9,000,592**
Depreciation during the year		3,353,841	3,353,841
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2082	**-**	**12,354,433**	**12,354,433**
Capital Work-In-Progress			
As on Shrawan 1, 2080			
Additions during the year		-	
Capitalisation during the year		-	
Disposals during the year		-	
Impairment during the year		-	
Balance as on Ashadh 31, 2081		-	-
Additions during the year		-	
Capitalisation during the year		-	
Disposals during the year		-	
Impairment during the year		-	
Balance as on Ashadh 32, 2082		**-**	
Net Carrying Amount			
Net Balance As At Ashad 31, 2081	**-**	**64,564,713**	**64,564,713**
Net Balance As At Ashad 32, 2082	**-**	**61,210,872**	**61,210,872**

(i) Amounts recognised in profit or loss

Fig. in NPR

Particulars	Current Year	Previous Year
Rental income	9,064,938	8,603,775
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	**9,064,938**	**8,603,775**
Depreciation charge	-	-
Profit from investment properties	**9,064,938**	**8,603,775**

(ii) Fair value of investment properties:

Fig. in NPR

Particulars	Current Year	Previous Year
Land	-	-
Buildings	-	-
Total	**-**	**-**

Notes on Fair Value :

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

i) Current prices in an active Market for properties of different nature or recent prices of similar properties in less active Markets, adjusted to reflect those differences,

ii) Discounted cash flow projections based on reliable estimates of future cash flows,

iii) Capitalised income projections based upon a property's estimated net Market income, and a capitalization rate derived from an analysis of Market evidence.

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

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

(iv) Contractual obligations: Refer note No. 54 for disclosure of Contractual Obligations relating to Investment Properties.

7. Deferred Tax Assets/ (Liabilities)

Fig. in NPR

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Goodwill & Intangible Assets			-			-
Property and Equipment	(1,237,357)	-	(1,237,357)	(2,682,957)	-	(2,682,957)
Financial Assets at FVPTL	-	-	-	-	-	-
Financial Assets at FVTOCI		(128,682,634)	(128,682,634)		(68,373,666)	(68,373,666)
Provision for Leave	533,734	-	533,734	10,280,801	-	10,280,801
Provision for Gratuity	174,350	-	174,350	3,266,189	-	3,266,189
Impairment Loss on Financial Assets	-	-	-	-	-	-
Impairment Loss on Insurance Receivable	6,845,565	-	6,845,565	6,656,041	-	6,656,041
Unearned Premium Reserve	17,039,579	-	17,039,579	17,392,507	-	17,392,507
Premium Deficiency Reserve	-	-	-	-	-	-
IBNR and IBNER Claims	32,272,268	-	32,272,268	16,569,382	-	16,569,382
Margin For Adverse Deviation	-	-	-	-	-	-
Earthquake premium Reserve	16,115,564		16,115,564	12,796,945		12,796,945
Carry forward of unused tax losses	-	-	-	-	-	-
Changes in tax rate	-	-	-	-	-	-
Others		-	-		-	-
i) Deferred commission income	52,005,860	-	52,005,860	63,415,802	-	63,415,802
ii) Deferred commission expense	(7,002,945)	-	(7,002,945)	(9,989,490)	-	(9,989,490)
iii) Lease Liability	3,415,994	-	3,415,994	3,586,541	-	3,586,541
Total	**120,162,612**	**(128,682,634)**	**(8,520,023)**	**121,291,760**	**(68,373,666)**	**52,918,095**
Deferred Tax Asstes	**120,162,612**	**-**	**120,162,612**	**121,291,760**	**-**	**121,291,760**
Deferred Tax Liabilities	**-**	**(128,682,634)**	**(128,682,634)**	**-**	**(68,373,666)**	**(68,373,666)**

Movements in deferred tax Assets/ (Liabilities)						
Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
As at Shrawan 1, 2081	**121,291,760**	**(68,373,666)**	**52,918,094**	**70,489,940**	**(74,160,709)**	**(3,670,769)**
Charged/(Credited) to Statement of Profit or Loss	(1,129,148)		(1,129,148)	50,801,820		50,801,820
Charged/(Credited) to Other Comprehensive Income		(59,619,149)	(59,619,149)		5,787,043	5,787,043
Charged/(Credited) directly to equity			-			-
As at Ashadh 32, 2082	**120,162,612**	**(127,992,814)**	**(7,830,202)**	**121,291,760**	**(68,373,666)**	**52,918,095**

8. Investment in Subsidiaries

Fig. in NPR

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

Investment in Quoted Subsidiaries

Fig. in NPR

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Coust	Fair Value	(or) Equit Method
..... Shares of Rs……. each of …….... Ltd.	-	-			-	
..... Shares of Rs……. each of …….... Ltd.	-	-			-	
Total	**-**	**-**	**-**		**-**	**-**

Investment in Unquoted Subsidiaries

Fig. in NPR

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equit Method	Coust	Fair Value	(or) Equit Method
..... Shares of Rs……. each of …….... Ltd.	-	-			-	
..... Shares of Rs……. each of …….... Ltd.	-	-			-	
Total	**-**	**-**	**-**		**-**	**-**

Information Relating to Subsidiaries

Fig. in NPR

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

9. Investment in Associates

Fig. in NPR

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

Investment in Quoted Associates

Fig. in NPR

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

Fig. in NPR

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	-	-	-	-		-

Information Relating to Associates

Fig. in NPR

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

10. Investments

Fig. in NPR

Particulars	Current Year	Previous Year
Investments Measured at Amortised Cost	**5,627,388,025**	**5,376,864,025**
i) Investment in Preference Shares of Bank and Financial Institutions	-	-
ii) Investment in Debentures	279,188,025	349,764,025
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
iv) Fixed Deposits in "A" Class Financial Institutions	4,549,200,000	4,249,100,000
v) Fixed Deposits in Infrastructure Banks	-	-
vi) Fixed Deposits in "B" Class Financial Institutions	660,500,000	647,000,000
vii) Fixed Deposits in "C" Class Financial Institutions	138,500,000	131,000,000
v) Others (to be Specified)	-	-
Less: Impairment Losses	-	-
Investments at FVTOCI	**1,284,140,898**	**952,069,501**
i) Investment in Equity Instruments (Quoted)	969,310,586	781,497,916
ii) Investment in Equity Instruments (Unquoted)	210,200,000	110,200,000
iii) Investment in Mutual Funds	97,969,873	53,711,146
v) Investment in Debentures	-	-
v) Others (Micro Insurance)	2,080,439	2,080,439
vi) Others (Insurance Institute Nepal Ltd)	4,580,000	4,580,000
Investments at FVTPL	-	-
i) Investment in Equity Instruments (Quoted)	**-**	**-**
ii) Investment in Equity Instruments (Unquoted)	-	-
iii) Investment in Mutual Funds	-	-
iv) Others (to be specified)	-	-
Total	**6,911,528,923**	**6,328,933,526**

a) Details of Impairment Losses

Fig. in NPR

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

b) Investments having expected Maturities less than 12 Months:

Fig. in NPR

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	100,000,000	100,000,000
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	-	-
Fixed Deposit with"A" Class Financial Institutions	4,175,000,000	4,175,000,000
Fixed Deposit with Infrastructure Banks	-	-
Fixed Deposit with"B" Class Financial Institutions	692,100,000	692,100,000
Fixed Deposit with"C" Class Financial Institutions	131,000,000	131,000,000
Others (to be Specified)	-	-
Total	**5,098,100,000**	**5,098,100,000**

c) Information relating to investment in equity instruments

Fig. in NPR

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
Arun Valley Hydropower Development Company Limited	-	-	3,808,829	3,558,000
Arun Kabeli Power Limited	7,089,556	6,046,995		
22995 shares of Rs 308.31 each				
Butwal Power Company Limited	-	-	14,505,143	11,470,000
Chilime Hydropower Company Limited	76,821	96,554	1,350,102	1,344,315
181 shares of Rs. 424.43 each				
Citizen Bank International Limited	-	-	15,763,079	15,480,000
Everest Bank Limited	-	-	19,973,778	20,328,000
Global IME Bank	-	260	-	194
1 shares of Rs. 0 each				
Ghorahi Cement Industry Limited	4,219,736	4,113,862	2,539,369	2,480,000
7996 shares of Rs. 527.73 each				
Himalayan Distillery Limited	76,906,383	73,554,345	13,491,571	10,656,800
59484 shares of Rs. 1292.89 each				
Himalayan Reinsurance Limited	6,137,412	5,904,869		
6399 shares of Rs 959.12 each.				
Hydroelectricity Investment and Development Company Ltd	-	-	15,287,008	14,320,000
Kumari Bank Limited	-	-	9,740,928	8,998,059
Janaki Finance Ltd.	56,332	36,783	-	-
73 shares of Rs 771.68 each				
Jyoti Bikash Bank Limited	4,057,770	3,827,568		
10888 shares of Rs 372.68 each				
Lumbini Bikas Bank Ltd.	7,590,523	8,973,040	7,590,523	7,550,042
18667 shares of Rs. 406.63 each				
Liberty Energy Company Limited	2,813,186	2,580,600	-	-

12000 shares of Rs. 234.43 each				
Machhapuchhre Bank Limited	129,943	171,211	1,114,361	1,132,000
660 shares of Rs. 196.88 each				
Manjushree Finance Limited	2,919,744	2,493,080		
4000 shares of Rs. 729.94 each				
Nabil Bank Limited	23,284,884	20,572,601	23,284,884	19,912,524
38001 shares of Rs. 612.74 each				
Nepal Doorsanchar Comapany Limited	6,022,448	4,816,212	6,022,448	4,639,050
5490 shares of Rs 1096.99 each				
Nepal Investment Mega Bank Limited	14,094,923	14,686,403	14,094,923	11,131,457
63572 shares of Rs. 221.72 each				
Nepal Investment Mega Bank Ltd. Promoter Share	7,358,891	5,836,824	7,358,891	4,825,803
34743 shares of Rs. 211.81 each				
Nepal Re-Insurance Co. Ltd. Promoter	161,816,800	608,141,800	161,816,800	434,179,592
2171935 shares of Rs. 74.50 each				
Nesdo Sambridha Laghubitta Bittiya Sanstha Limited	4,192,863	3,922,842	4,192,863	4,198,000
2285 shares of Rs. 1834.95each				
NIC Asia Bank Ltd.	22,863,960	16,255,935	22,863,960	17,151,840
38700 shares of Rs. 590.8 each				
National Life Insurance Co. Ltd.		624	-	595
1 shares of Rs. 0 each				
NMB Bank Limited	10,938,653	12,597,542	12,881,127	11,990,000
46706 shares of Rs. 234.2 each				
Prabhu Mahalaxmi Life Insurance Company Limited	2,873	3,136	5,193,444	5,150,233
6 shares of Rs.478.84 each				
Prabhu Bank Limited	44,893,735	40,157,874	48,614,601	32,082,090
180981 shares of Rs. 248.06 each				
Prime Commercial Bank Ltd.	26,223,302	27,840,996	26,223,302	22,348,568
100760 shares of Rs. 260.26 each				
Reliable Nepal Life Insurance Limited	-	-	39,590,369	40,636,508
88726 shares of Rs. 446.21 each				
Sanima Bank Limited	-	-	5,695,676	6,082,200
21800 shares of Rs. 261.27 each				
Standard Chartered Bank Limited	5,472,976	6,820,160	19,625,320	21,070,000
10395 shares of Rs. 526.50 each				
Shivam Cements Ltd	56,642,255	60,458,450	21,499,318	23,319,278
112998 shares of Rs 501.27 each				
Sanima Mai Hydropower Limited	9,956,213	10,030,560	-	-
16000 shares of Rs 622.26 each				
Shree Investment Finance Co. Ltd.	19,116,700	16,463,283	8,498,368	8,513,260
30289 shares of Rs 631.14 each				
SuryaJyoti Life Insurance Company Limited	1,497,242	1,389,206	8,493,358	7,584,296
3110 shares of Rs. 481.43 each				
Sun Nepal Life Insurance Company Limited	100	491	5,716,325	4,954,497
1 share of R 100				
Suryodaya Womi Laghubitta Bittiya Sanstha Limited	-	-	1,403,557	2,173,500
Upper Tamakoshi Hydropower Ltd	15,417,819	11,516,480	-	-

58000 shares of Rs 265.82 each				
Universal Power Company Limited	-	-	2,373,257	2,237,216
10855 shares of Rs. 218.63 each				
Investment in Mutual Funds				
Citizens Super 30 Mutual Fund	5,000,000	5,040,000	5,000,000	5,000,000
500000 Units of Rs. 10 each				
Global IME Samunnat Scheme-1	-	-	-	-
336 Units of Rs. 10 each				
Kumari Dhanabriddhi Yojana	5,000,000	5,025,000	5,000,000	4,835,000
500000 Units of Rs. 10 each				
Kumari Sabal Yojana	10,000,000	10,000,000	10,000,000	10,000,000
1000000 shares of Rs. 10 each				
Mega Mutual Fund – 1	4,363,400.0	4,180,137	4,363,400	3,368,545
463340 Units of Rs. 10 each				
NIC Asia Growth Fund 2	5,000,000	4,760,000	5,000,000	4,100,000
500000 shares of Rs. 10 each				
Nabil Equity Fund	-	-	-	-
192757 Units of Rs. 10.36 each				
Prabhu Select Fund	14,680,900	16,574,736	14,680,900	14,372,601
1468090 Units of Rs. 10 each				
RBB Mutual Fund 2	10,000,000	10,080,000	10,000,000	9,500,000
1000000 Units of Rs. 10 each				
Sanima Growth Fund	2,500,000	2,580,000	2,500,000	2,535,000
250000 Units of Rs. 10 each				
Muktinath Mutual Fund 1	10,000,000	9,900,000	-	-
100000 Units of Rs. 10 each				
MBL Equity Fund	10,000,000	9,930,000	-	-
100000 Units of Rs. 10 each				
Garima Samriddhi Yojana	20,000,000	19,900,000	-	-
200000 Units of Rs. 10 each				
Investment in Equity Instruments (Unquoted)				
Gurans Hydro Limited	110,000,000	110,000,000	60,000,000	60,000,000
1100000 shares of Rs. 100 each				
Insurance Institute Nepal	4,580,000	4,580,000	4,580,000	4,580,000
47800 shares of Rs. 95.82 each				
Micro Insurance	2,080,439	2,080,439	2,080,439	2,080,439
2080439 shares of Rs 1 each				
S N Energy Ltd	100,100,000	100,100,000	50,100,000	50,100,000
1001000 shares of Rs. 100 each				
Sparks Hydroelectric Company Limited	100,000	100,000	100,000	100,000
1000 shares of Rs. 100 each				

11. Loans

Fig. in NPR

Particulars	Current Year	Previous Year
Loans Measured at Amortised Cost		
Loan to Employees	-	-
Others (to be Specified)	-	-
Less: Impairment Losses	-	-
Total		

a) Expected recovery within 12 Months:

Fig. in NPR

Particulars	Current Year	Previous Year
Loan to Employees		-
Others (to be Specified)		-
Total		

12. Reinsurance Assets

Fig. in NPR

Particulars	Current Year	Previous Year
Reinsurance Assets on:		
Unearned Premium Reserve	635,345,582	695,575,155
Unexpired Risk Reserve (Premium Deficiency)	7,219,074	1,171,953
Earthquake Premium Reserves	-	-
Incurred but not Reported (IBNR)	81,970,342	139,386,875
Incurred but not enough Reported (IBNER)	9,107,816	15,487,428
Outstanding Claims	1,139,793,181	854,616,694
Others		
Less: Impairment Losses	-	
Total	**1,873,435,994**	**1,706,238,104**

13. Insurance Receivables

Fig. in NPR

Particulars	Current Year	Previous Year
Receivable from Reinsurer	97,195,774	84,863,218
Receivable from Other Insurance Companies	6,428,676	4,814,116
Other Reinsurance Receivables (Outstanding Claim Receivable on Covid Insurance)	-	-
Less: Impairment Losses	(55,698,278)	(32,879,728)
Total	**47,926,173**	**56,797,606**

a) Expected recovery within 12 Months:

Fig. in NPR

Particulars	Current Year	Previous Year
Receivable from Reinsurer	97,195,774	84,863,218
Receivable from Other Insurance Companies	6,428,676	4,814,116
Others(to be Specified)		-
Total	**103,624,451**	**89,677,334**

14. Other Assets

Fig. in NPR

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	1,015,326	1,619,024
Claim Advances	157,951,000	39,988,000
Advance To Suppliers	-	-
VAT Receivable	-	-
Staff Advances	18,190,916	22,304,922
Printing and Stationary Stocks	-	-
Stamp Stocks	823,860	803,100
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	66,924	66,924
Deferred Agent Commission Expenses	23,276,225	33,231,377
Lease Receivables	-	-
Advance For Security Applied (Debenture)	50,000,000	-
Less: Impairment Losses	-	-
Total	**251,324,251**	**98,013,347**

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

Fig. in NPR

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	1,015,326	1,619,024
Claim Advances	157,951,000	39,988,000
Advance To Suppliers	-	-
Staff Advances	18,190,916	-
VAT Receivable	-	22,304,922
Printing and Stationary Stocks	-	-
Stamp Stocks	823,860	803,100
Deferred Expenses	-	-
Deferred Agent Commission Expenses	13,321,074	33,298,301
Lease Receivables	-	-
Others (to be specified)	50,000,000	-
Total	**241,302,176**	**98,013,347**

15. Other Financial Assets

Fig. in NPR

Particulars	Current Year	Previous Year
Security Deposits	8,121,911	4,326,314
Accured Interest	10,390,809	18,446,922
Other Receivables	-	-
Other Deposits	-	-
Sundry Debtors	113,379,691	165,410,595
Other (to be Specified)	-	-
Less: Impairment Losses	-	-
Total	**131,892,411**	**188,183,831**

a) Expected Maturities within 12 Months:

Fig. in NPR

Particulars	Current Year	Previous Year
Security Deposits	-	-
Accured Interest	10,390,809	18,446,922
Other Receivables	-	-
Other Deposits	-	-
Sundry Debtors	113,379,691	165,410,595
Other (to be Specified)	-	-
Total	**123,770,500**	**183,857,517**

16. Cash and Cash Equivalents

Fig. in NPR

Particulars	Current Year	Previous Year
Cash in Hand	-	-
Cheque in Hand	-	-
Bank Balances	**-**	**-**
i) Balance with "A" Class Financial Institutions	776,232,793	410,754,289
ii) Balance with Infrastructure Banks	-	-
iii) Balance with"B" Class Financial Institutions	48,769,732	35,821,998
iv) Balance with"C" Class Financial Institutions	38,237,275	18,671,834
Less: Impairment Losses	-	-
Deposit with initial Maturity upto 3 Months	-	-
Others (to be Specified)	-	-
Less: Impairment Losses	-	-
Total	**863,239,801**	**465,248,120**

17(a) Share Capital

Fig. in NPR

Particulars	Current Year	Previous Year
Ordinary Shares		
As at Shrawan 1, 2081	**2,012,360,619**	**2,012,360,619**
Additions during the year		
i) Bonus Share Issue	-	-
ii) Right Share Issue	503,090,155	-
As at Ashadh 32, 2082	**2,515,450,774**	**2,012,360,619**
Convertible Preference Shares (Equity Component Only)		
As at Shrawan 1, 2081	-	-
Additions during the year	-	-
As at Ashadh 32, 2082	**-**	**-**
Irredeemable Preference Shares (Equity Component Only)		
As at Shrawan 1, 2081	-	-
Additions during the year	-	-
As at Ashadh 32, 2082	**-**	**-**
Total	**2,515,450,774**	**2,012,360,619**

(i) Ordinary Shares

Fig. in NPR

Particulars	Current Year	Previous Year
Authorised Capital:		
30,000,000 Ordinary Shares of Rs.100 Each	3,000,000,000	3,000,000,000
Issued Capital:		
25,154,508 Ordinary Shares of Rs. 100 Each.	2,515,450,774	2,012,360,619
Subscribed and Paid Up Capital:		
25,154,508 Ordinary Shares of Rs. 100 Each.	2,515,450,774	2,012,360,619
Total	**2,515,450,774**	**2,012,360,619**

(ii) Preference Share Capital

Fig. in NPR

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

Fig. in NPR

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions	10,022,693	8,064,081	40%	40%
Nepali Citizens	2,806,106	2,198,960	11%	11%
Foreigners				
Others (to be Specified)				
Total (A)	**12,828,799**	**10,263,040**	**51%**	**51%**
Other than Promoters				
General Public	12,325,709	9,860,566	49%	49%
Others (to be Specified)				
Total (B)	**12,325,709**	**9,860,566**	**49%**	**49%**
Total(A+B)	**25,154,508**	**20,123,606**	**100%**	**100%**

Details of shareholders holding 1% or More than 1% of the aggregate shares in the Company: Fig. in NPR

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Rastriya Banijya Bank Limited	3,773,172	3,018,539	15.00%	15.00%
Investment Management Company Limited	615,674	492,539	2.45%	2.45%
S.V.R. Public Private Limited	271,794	271,795	1.08%	1.35%
Kriti Kumari Mahato	2,742,901	2,190,322	10.90%	10.88%
B.K. Vinayak Private Limited	1,763,700	1,411,961	7.01%	7.02%
A.G. Private Limited	204,624	204,624	0.81%	1.02%
Agriculture Development Bank Limited	840,026	672,022	3.34%	3.34%
Citizen Investment Trust	2,043,408	1,634,728	8.12%	8.12%

17(b) Share Application Money Pending Allotment

Fig. in NPR

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment	-	166,857,940
Total	**-**	**166,857,940**

17(c) Share Premium

Fig. in NPR

Particulars	Current Year	Previous Year
As on Shrawan 1, 2081	-	-
Increase due to issue of shares at premium	111,780,654	-
Decrease due to issue of bonus shares	-	-
Transaction costs on issue of share	-	-
Others (to be Specified)	-	-
As on Ashadh 32, 2082	**111,780,654**	**-**

17(d) Special Reserves

Fig. in NPR

Particulars	Current Year	Previous Year
As on Shrawan 1, 2081	**2,024,819,508**	**1,754,968,988**
Additions	288,837,416	269,850,520
Transfer of Insurance Fund Including Insurance Reserve		
Utilizations		
As on Ashadh 32, 2082	**2,313,656,924**	**2,024,819,508**

17(e) Catastrophe Reserves

Fig. in NPR

Particulars	Current Year	Previous Year
As on Shrawan 1, 2081	**138,288,468**	**111,303,416**
Additions	28,883,742	26,985,052
Utilizations		
As on Ashadh 32, 2082	**167,172,209**	**138,288,468**

17(f) Retained Earnings

Fig. in NPR

Particulars	Current Year	Previous Year
As on Shrawan 1, 2081	**513,603,032**	**276,134,574**
Net Profit or Loss	578,845,084	590,502,861
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves		
Special Reserves	(288,837,416)	(269,850,520)
Capital Reserves		
Catastrophe Reserves	(28,883,742)	(26,985,052)
Corporate Social Responsibility (CSR) Reserves	(5,776,748)	(5,397,010)
Insurance Fund including Insurance Reserves		
Fair Value Reserves	-	-
Actuarial Reserves		
Deferred Tax Reserves	1,129,148	(50,801,820)
Regulatory Reserves		
Other Reserve(Life Fund)		
Transfer of Depreciation on Revaluation of Property and Equipment		
Transfer of Disposal of Revalued Property and Equipment		
Transfer of Disposal of Equity Instruments Measured at FVTOCI	(2,299,400)	
Issue of Bonus Shares		
Transaction costs on issue of Shares		
Dividend Paid		
Dividend Distribution Tax		
Others (Adjustment of prior period expenses)	(34,483)	
Others (Tax on Share Premium)		
As on Ashadh 32, 2082	**767,745,475**	**513,603,032**

17(g) Other Equity

Fig. in NPR

Particulars	Current Year	Previous Year
Capital Reserves		-
Insurance Reserves		
Regulatory Reserves		
Corporate Social Responsibility (CSR) Reserves	13,845,174	11,709,693
Fair Value Reserves	300,259,480	159,538,553
Actuarial Reserves	-	-
Revaluation Reserves	-	-
Insurance Fund including Insurance Reserves	-	-
Deferred Tax Reserve	120,162,612	121,291,760
Other Reserve(to be specified)	-	-
Total	**434,267,266**	**292,540,006**

18. Provisions

Fig. in NPR

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	19,870,611	11,494,586
ii) Provision for Gratuity	13,219,820	17,627,559
iii)Termination Benefits	-	-
iv)Other Employee Benefit obligations(to be Specified)	-	-
Provision for tax related legal cases	-	-
Provision for non-tax legal cases	-	-
Others(to be Specified)	-	
i) Provision for Insurers, Other Insurers and Insurance Brokers Receivable	-	-
ii) Provision for Tax on Share Premium Utilized	-	
Total	**33,090,431**	**29,122,145**

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

Description	Opening Balance	" Additions During the Year "	"Utilised During the Year"	" Reversed During the Year"	Unwinding of Discount	Closing Balance
Provision for employee benefits						
i) Provision for Leave	17,933,785	13,219,283	(11,282,457)			19,870,611
ii) Provision for Gratuity						
iii)Termination Benefits						
iv)Other Employee Benefit obligations(to be Specified)						
Provision for tax related legal cases						
Provision for non-tax legal cases	-					
Others(to be Specified)						

(b) Provision with expected payouts within 12 Months

Particulars	Current Year	Previous Year
Provision for emoloyee benefits		
i) Provision for Leave	19,870,611	11,494,586
ii) Provision for Gratuity	13,219,820	17,627,559
iii)Termination Benefits	-	-
iv)Other Employee Benefit obligations(to be Specified)	-	-
Provision for tax related legal cases	-	-
Provision for non-tax related legal cases	-	-
Others (to be Specified)		
i) Provision for Insurers, Other Insurers and Insurance Brokers Receivable	-	-
ii) Provision for Tax on Share Premium Utilized	-	-

19. Gross Insurance Contract Liabilities

Fig. in NPR

Particulars	Current Year	Previous Year
Unearned Premium Reserve	1,471,298,552	1,634,629,145
Unexpired Risk Reserve (Premium Deficiency)	9,146,821	11,354,848
Earthquake Premium Reserves	53,718,547	42,656,483
Margin over Best Estimates	86,704,650	17,768,880
Incurred but not Reported (IBNR)	179,002,355	250,793,944
Incurred but not enough Reported (IBNER)	19,889,151	27,865,991
Outstanding Claims	1,719,418,323	1,430,104,969
Others	-	-
Total	**3,539,178,399**	**3,415,174,262**

19.1 a) Gross Insurance Contract Liability

Fig. in NPR

Particulars	Line of Business								Total
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	
As at Ashadh 31, 2081									
Unearned Premium Reserves	497,673,565	580,784,869	122,231,078	230,694,666	6,811,543	-	79,507,431	116,925,993	1,634,629,145
Unexpired Risk Reserve (Premium Deficiency)	-	10,630,256	-	-	-	-	-	724,592	11,354,848
Earthquake Premium Reserves	18,743,695	6,738,727	1,403,653	9,906,095	152,784	-	2,354,812	3,356,716	42,656,483
Margin over Best Estimates	851,077	12,426,417	704,330	867,312	354,220	-	883,259	1,682,265	17,768,880
Incurred but not Reported (IBNR)	30,846,803	100,574,536	9,155,493	18,062,816	64,910,703	-	9,011,877	18,231,716	250,793,944
Incurred but not enough Reported (IBNER)	3,427,423	11,174,949	1,017,277	2,006,979	7,212,297	-	1,001,320	2,025,747	27,865,991
Outstanding Claims	170,284,817	450,434,919	36,858,167	133,798,630	480,820,000	-	63,456,364	94,452,071	1,430,104,969
Others									
Total Balance As at Ashadh 32, 2082	721,827,380	1,172,764,674	171,369,999	395,336,498	560,261,547	-	156,215,063	237,399,100	3,415,174,262
Changes during the year									
Unearned Premium Reserves	19,593,435	(16,266,945)	(108,389,318)	(38,678,053)	552,271	-	(20,261,562)	119,578	(163,330,593)
Unexpired Risk Reserve (Premium Deficiency)	-	(10,630,256)	-	-	-	-	-	8,422,229	(2,208,027)
Earthquake Premium Reserves	228,006	5,458,530	1,153,626	2,056,646	151,087	-	363,490	1,650,678	11,062,063
Margin over Best Estimates	19,339,769	33,643,419	724,871	8,637,298	1,198,450	-	1,913,974	3,477,990	68,935,770
Incurred but not Reported (IBNR)	2,964,650	(10,985,868)	(1,038,761)	(2,849,454)	(63,629,919)	-	(3,182,370)	6,930,133	(71,791,589)
Incurred but not enough Reported (IBNER)	329,405	(1,220,653)	(115,418)	(316,605)	(7,069,987)	-	(353,597)	770,014	(7,976,841)
Outstanding Claims	89,269,953	84,112,325	(717,397)	152,725,723	280,000	-	(30,590,904)	(5,766,346)	289,313,354
Others	-	-	-	-	-	-	-	-	-
Total changes during the year	131,725,218	84,110,552	(108,382,397)	121,575,555	(68,518,098)	-	(52,110,968)	15,604,277	124,004,138
As at Ashadh 32, 2082									
Unearned Premium Reserves	517,267,001	564,517,924	13,841,760	192,016,613	7,363,814	-	59,245,869	117,045,571	1,471,298,552
Unexpired Risk Reserve (Premium Deficiency)	-		-	-	-	-	-	9,146,821	9,146,821
Earthquake Premium Reserves	18,971,701	12,197,257	2,557,279	11,962,741	303,871	-	2,718,302	5,007,394	53,718,547
Margin over Best Estimates	20,190,846	46,069,836	1,429,200	9,504,610	1,552,670	-	2,797,234	5,160,255	86,704,650
Incurred but not Reported (IBNR)	33,811,453	89,588,668	8,116,732	15,213,362	1,280,784	-	5,829,507	25,161,849	179,002,355
Incurred but not enough Reported (IBNER)	3,756,828	9,954,296	901,859	1,690,374	142,309	-	647,723	2,795,761	19,889,151
Outstanding Claims	259,554,770	534,547,244	36,140,771	286,524,353	481,100,000	-	32,865,460	88,685,725	1,719,418,323
Others	-	-	-	-	-	-	-	-	-
Total Balance As at Ashadh 32, 2082	853,552,599	1,256,875,226	62,987,601	516,912,053	491,743,449	-	104,104,095	253,003,377	3,539,178,399

b) Reinsurance Assets

Fig. in NPR

Particulars	Line of Business								Total
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	
As at Ashadh 31, 2081									
Unearned Premium Reserves	204,960,755	129,876,471	54,996,582	174,103,361	1,932,028	-	64,878,064	64,827,894	695,575,155
Unexpired Risk Reserve (Premium Deficiency)	-	781,539	-	-	-	-	-	390,414	1,171,953
Earthquake Premium Reserves	-	-	-	-	-	-	-	-	-
Incurred but not Reported (IBNR)	17,574,179	25,890,845	5,175,386	13,244,416	63,635,511	-	4,897,321	8,969,216	139,386,875
Incurred but not enough Reported (IBNER)	1,952,687	2,876,761	575,043	1,471,601	7,070,609	-	544,147	996,580	15,487,428
Outstanding Claims	71,969,086	70,999,943	21,192,677	118,052,611	479,921,200	-	33,398,168	59,083,009	854,616,694
Others									-
Total Balance As at Ashadh 31, 2081	**296,456,707**	**230,425,559**	**81,939,688**	**306,871,989**	**552,559,347**	**-**	**103,717,700**	**134,267,114**	**1,706,238,104**
Changes during the year									
Unearned Premium Reserves	15,330,539	16,679,333	(50,441,809)	(23,557,809)	(1,302,169)	-	(17,180,965)	243,307	(60,229,573)
Unexpired Risk Reserve (Premium Deficiency)	-	(781,539)	-	-	-	-	-	6,828,659	6,047,121
Earthquake Premium Reserves	-	-	-	-	-	-	-	-	-
Incurred but not Reported (IBNR)	9,719,737	(5,227,842)	(1,113,964)	(5,026,286)	(63,370,935)	-	(817,232)	8,419,989	(57,416,533)
Incurred but not enough Reported (IBNER)	1,079,970	(580,872)	(123,774)	(558,475)	(7,041,211)	-	(90,804)	935,554	(6,379,612)
Outstanding Claims	107,681,454	49,994,660	1,616,093	141,876,370	(1,200)	-	(11,625,005)	(4,365,886)	285,176,487
Others	-	-	-	-	-	-	-	-	-
Total changes during the year	**133,811,701**	**60,083,742**	**(50,063,453)**	**112,733,800**	**(71,715,515)**	**-**	**(29,714,006)**	**12,061,622**	**167,197,890**
As at Ashadh 32, 2082									
Unearned Premium Reserves	220,291,294	146,555,804	4,554,773	150,545,552	629,859	-	47,697,099	65,071,201	635,345,582
Unexpired Risk Reserve (Premium Deficiency)	-	-	-	-	-	-	-	7,219,074	7,219,074
Earthquake Premium Reserves									-
Incurred but not Reported (IBNR)	27,293,917	20,663,004	4,061,423	8,218,130	264,576	-	4,080,089	17,389,204	81,970,342
Incurred but not enough Reported (IBNER)	3,032,657	2,295,889	451,269	913,126	29,397	-	453,343	1,932,134	9,107,816
Outstanding Claims	179,650,540	120,994,604	22,808,770	259,928,981	479,920,000	-	21,773,163	54,717,123	1,139,793,181
Others	-	-	-	-	-	-	-	-	-
Total Balance As at Ashadh 32, 2082	**430,268,407**	**290,509,301**	**31,876,235**	**419,605,788**	**480,843,832**	**-**	**74,003,694**	**146,328,736**	**1,873,435,994**

19.2 Disclosure of Outstanding claim

Fig. in NPR

S.N.	Type of insurance	Outstanding claim for claims intimated during the year (A)	Unclaimed Fund				Gross oustanding claim (A+B)	Reinsurance share (C)	Net Outstanding Claim (A+B-C)
			Outstanding claim for claims intimated during the previous 1 year	Outstanding claim for claims intimated during the previous 2 year	Outstanding claim for claims intimated during the previous 3 year	Total Unclaimed Fund (B)			
1	Property	236,757,410	20,532,360	240,000	2,025,000	22,797,360	259,554,770	179,650,540	79,904,230
2	Motor	452,008,500	68,922,244	9,166,500	4,450,000	82,538,744	534,547,244	120,994,604	413,552,641
3	Marine	16,486,702	804,069	18,150,000	700,000	19,654,069	36,140,771	22,808,770	13,332,001
4	Engineering	224,589,953	7,220,000	12,789,400	41,925,000	61,934,400	286,524,353	259,928,981	26,595,372
5	Micro	1,215,000	135,000	3,600,000	476,150,000	479,885,000	481,100,000	479,920,000	1,180,000
6	Aviation	-	-	-	-	-	-	-	-
7	Cattle and Crop	20,986,810	11,613,650	240,000	25,000	11,878,650	32,865,460	21,773,163	11,092,297
8	Miscellaneous	40,004,725	10,801,000	6,480,000	31,400,000	48,681,000	88,685,725	54,717,123	33,968,602
	Total	**992,049,100**	**120,028,323**	**50,665,900**	**556,675,000**	**727,369,223**	**1,719,418,323**	**1,139,793,181**	**579,625,143**

20. Insurance Payables

Fig. in NPR

Particulars	Current year	Previous Year
Payable to Reinsurers	497,966,499	391,520,668
Payable to Other Insurance Companies	31,883,242	49,132,920
Withdrawal Premium	-	-
Withdrawal Claims	-	-
Others (to be Specified)	-	-
Total	**529,849,742**	**440,653,588**

Payable within 12 Months:

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer	497,966,499	391,520,668
Payable to other Insurance Companies	31,883,242	49,132,920
Withdrawal Premium	-	-
Withdrawal Claims	-	-
Others (to be Specified)	-	-
Total	**529,849,742**	**440,653,588**

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

Fig. in NPR

Particulars	Current Year	Previous Year
Income Tax Liabilities	(1,695,557,816)	(1,448,550,024)
Income Tax Assets	1,778,818,326	1,483,056,133
Total	**83,260,510**	**34,506,109**

22. Borrowings

Fig. in NPR

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

Payable within 12 Months:

Fig. in NPR

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

23. Other Liabilities

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable	10,976,866	9,043,121
VAT Payable	26,395,532	24,758,787
Unidentified deposits	-	-
Advance Premiums	95,774,392	76,609,509
Insurance Service Fee Payable		23,558,121
Lease Liability	63,958,612	90,630,337
Deferred Reinsurance Commission Income	173,352,868	211,386,007
Deferred Income	-	-
Others(to be specified)	-	-
Total	**370,458,269**	**435,985,882**

Payable within 12 Months:

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable	10,976,866	9,043,121
VAT Payable	26,395,532	24,758,787
Unidentified Deposits	-	-
Advance Premiums	95,774,392	76,609,509
Insurance Service Fee Payable		23,558,121

Lease Liability	63,958,612	90,630,337
Deferred Reinsurance Commission Income	173,352,868	211,386,007
Deferred Income	-	-
Others(to be specified)	-	-
Total	**370,458,269**	**435,985,882**

24. Other Financial Liabilities

Fig. in NPR

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	-	-
Payable to Agents	16,897,556	15,226,726
Payable to Surveyors	9,385,456	5,413,386
Sundry Creditors	27,845,445	41,974,568
Retention and deposits	17,241,221	18,151,202
Short-term employee benefits payable	-	-
i) Salary Payables	11,293,700	9,208,771
ii) Bonus Payables	94,579,999	96,729,732
iii) Other employee benefit payable (to be Specified)	-	-
Deffered CEO Incentive Payable	5,591,090	
Audit Fees Payable	520,573	428,500
Actuarial Fees Payable	1,200,000	-
Dividend Payable	-	-
Catastrophic Advance	58,370,936	-
Total	**242,925,977**	**187,132,886**

Payable within 12 Months:

Fig. in NPR

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	-	-
Payable to Agents	16,897,556	15,226,726
Payable to Surveyor	9,385,456	5,413,386
Sundry Creditors	27,845,445	41,974,568
Retention and deposits	17,241,221	18,151,202
Short-term employee benefits payable	-	-
i) Salary Payables	11,293,700	9,208,771
ii) Bonus Payables	94,579,999	96,729,732
iii) Other employee benefit payable (to be Specified)	-	-
Deffered CEO Incentive Payable	2,795,545	
Audit Fees Payable	520,573	428,500
Actuarial Fees Payable	1,200,000	-
Dividend Payable	-	-
Catastrophic Advance	**58,370,936**	**-**
Total	**240,130,432**	**187,132,886**

25. Gross Earned Premiums

Fig.in NPR

Particulars	Direct Premiums		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	1,065,785,705	995,347,131	-		(19,593,435)	(98,177,856)	1,046,192,270	897,169,274
Motor	1,227,223,524	1,182,830,251	-		26,897,201	(108,501,113)	1,254,120,725	1,074,329,137
Marine	114,627,879	93,576,891	-		108,389,318	(94,694,153)	223,017,198	(1,117,263)
Engineering	450,784,962	460,704,428	-	684,903	38,678,053	28,692,381	489,463,015	490,081,713
Micro	15,482,443	13,623,085	-	-	(552,271)	393,729	14,930,171	14,016,815
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	125,859,172	159,014,862	-	-	20,261,562	14,847,523	146,120,734	173,862,385
Miscellaneous	282,122,225	235,301,170	-		(8,541,807)	(6,644,128)	273,580,418	228,657,042
Total	**3,281,885,911**	**3,140,397,818**	**-**	**684,903**	**165,538,620**	**(264,083,618)**	**3,447,424,531**	**2,876,999,104**

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	467,638,007	441,603,029	577,856,185	543,375,296	20,291,513	10,368,806	1,065,785,705	995,347,131
Motor	775,716,384	772,520,612	451,507,139	410,309,639	-		1,227,223,524	1,182,830,251
Marine	105,013,871	93,344,113	9,439,814	519	174,194	232,259	114,627,879	93,576,891
Engineering	194,395,992	406,723,429	248,619,177	46,783,797	7,769,792	7,197,202	450,784,962	460,704,428
Micro	8,093,121	4,243,961	7,389,322	9,379,124	-		15,482,443	13,623,085
Aviation	-		-		-		-	-
Cattle and Crop	122,328,957	145,856,803	3,530,216	13,158,059	-		125,859,172	159,014,862
Miscellaneous	230,216,974	167,138,725	45,283,662	65,708,713	6,621,589	2,453,732	282,122,225	235,301,170
Total	**1,903,403,307**	**2,031,430,672**	**1,343,625,515**	**1,088,715,147**	**34,857,089**	**20,251,999**	**3,281,885,911**	**3,140,397,818**

26 Premiums Ceded

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premiums		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	529,956,166	419,739,159	(15,330,539)	(23,875,270)	514,625,626	395,863,889
Motor	305,459,997	261,316,019	(15,897,795)	(15,624,336)	289,562,202	245,691,684
Marine	37,719,478	34,279,314	50,441,809	(45,442,936)	88,161,287	(11,163,622)
Engineering	353,415,231	379,167,701	23,557,809	58,424,266	376,973,041	437,591,967
Micro	1,324,280	3,864,056	1,302,169	(827,309)	2,626,449	3,036,747
Aviation	-	-	-	-	-	-
Cattle and Crop	101,447,199	129,756,128	17,180,965	(54,197,412)	118,628,163	75,558,716
Miscellaneous	163,204,933	130,436,617	(7,071,966)	(2,845,469)	156,132,968	127,591,149
Total	**1,492,527,284**	**1,358,558,994**	**54,182,452**	**(84,388,465)**	**1,546,709,736**	**1,274,170,529**

26.1 Portfolio-wise detail of Net Earned Premiums

Particulars	Gross Earned Premiums		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	1,046,192,270	897,169,274	514,625,626	395,863,889	531,566,643	501,305,385
Motor	1,254,120,725	1,074,329,137	289,562,202	245,691,684	964,558,522	828,637,454
Marine	223,017,198	(1,117,263)	88,161,287	(11,163,622)	134,855,911	10,046,359
Engineering	489,463,015	490,081,713	376,973,041	437,591,967	112,489,974	52,489,746
Micro	14,930,171	14,016,815	2,626,449	3,036,747	12,303,722	10,980,068
Aviation	-	-	-	-	-	-
Cattle and Crop	146,120,734	173,862,385	118,628,163	75,558,716	27,492,571	98,303,669
Miscellaneous	273,580,418	228,657,042	156,132,968	127,591,149	117,447,450	101,065,893
Total	**3,447,424,531**	**2,876,999,104**	**1,546,709,736**	**1,274,170,529**	**1,900,714,795**	**1,602,828,574**

27 Commission Income

Fig.in NPR

Particulars	Reinsurance Commission Income		Deferred Commission Income		Profit Commission		Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	129,271,592	127,003,396	5,761,523	(4,829,047)	7,730,042	12,036,344	131,240,112	134,210,693
Motor	89,321,970	89,103,054	(4,049,579)	(21,107,901)	-	-	93,371,549	67,995,153
Marine	8,755,987	8,315,249	(8,260,611)	(5,748,915)	913,479	829,474	17,930,077	3,395,809
Engineering	60,294,390	82,824,836	(30,612,678)	(16,987,600)	1,668,623	7,576,058	92,575,691	73,413,294
Micro	199,379	1,361,634	(508,257)	(492,472)	163,430	-	871,066	869,162
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	21,943,579	27,910,291	(3,365,925)	(9,803,542)	440,084	-	25,749,588	18,106,749
Miscellaneous	51,557,424	42,358,022	3,002,388	(422,929)	1,790,879	1,286,818	50,345,914	43,221,910
Total	**361,344,321**	**378,876,483**	**(38,033,139)**	**(59,392,407)**	**12,706,537**	**21,728,694**	**412,083,997**	**341,212,770**

28. Other Direct Income

Particulars	Other Direct Income		Other(to be Specified)		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property					-	-
Motor	25,459,702	16,681,582			25,459,702	16,681,582
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Total	**25,459,702**	**16,681,582**	**-**	**-**	**25,459,702**	**16,681,582**

29. Income from Investments & Loans

Fig. in NPR

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions	197,819,494.15	335,132,428
ii) Fixed Deposit with Infrastructure Bank	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	34,406,626.12	51,925,038
iv) Fixed Deposit with "C" Class Financial Institutions	9,153,377.93	10,853,763
v) Debentures	29,568,577.30	33,031,629
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
vii) Bank Deposits other than Fixed Deposit	-	-
xiii) Employee Loans	-	2,103,552
ix) Other Interest Income (to be Specified)	-	-
Financial Assets Measured at FVTOCI	-	-
i) Interest Income on Debentures	-	-
ii) Dividend Income	6,338,081.13	4,730,418
iii) Other Interest Income (to be specified)	-	-
Financial Assets Measured at FVTPL	-	-
i) Interest Income on Debentures	-	-
ii)Dividend Income	-	-
iii) Other Interest Income (to be specified)	-	-
Rental Income	9,207,485.40	9,064,938
Others(Other Interest income)	-	3,100,294
Total	**286,493,642**	**449,942,061**

30. Net Gain/ (Loss) on Fair Value Changes

Fig. in NPR

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

31. Net Realised Gains/ (Losses)

Fig. in NPR

Particulars	Current Year	Previous Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL		-
i) Equity Instruments		-
ii) Mutual Fund		-
iii) Others (to be specified)		-
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs		-
i) Debentures		-
ii) Bonds		-
iii) Others (to be specified)		-
Realised Gains/(Losses) on Derecognition of Financial Assets Measured at FVTOCI	57,234,503	224,156
Total	**57,234,503**	**224,156**

32. Other Income

Fig. in NPR

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Cost		-
i) Employee Loan	-	-
ii) Bonds	-	-
iii) Others (to be Specified)	-	-
Foreign Exchange Income	845,684	-
Interest Income from Finance Lease	-	-
Amortization of Deferred Income	-	-
Profit from disposal of Property and Equipment	-	-
Amortization of Deferred Income	-	-
Stamp Income	5,519,590	5,684,650
Others (to be specified)	-	-
i) Other direct income related with insurance business	-	-
ii) Miscellaneous income	10,459,905	5,364,544
Total	**16,825,180**	**11,049,194**

33 Gross Claims Paid and Claims Ceded — Fig.in NPR

Particulars	Gross Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	514,728,060	109,155,456	351,534,959	30,376,166	163,193,101	78,779,289
Motor	799,810,794	597,980,922	147,222,915	120,264,484	652,587,880	477,716,438
Marine	16,151,381	29,055,439	5,430,694	12,912,564	10,720,688	16,142,875
Engineering	151,352,749	67,966,388	132,857,326	52,811,540	18,495,423	15,154,848
Micro	591,642	2,212,555	86,227	1,045,729	505,415	1,166,826
Aviation	-	-	-	-	-	-
Cattle and Crop	91,034,993	114,123,152	65,887,711	39,502,809	25,147,282	74,620,343
Miscellaneous	97,802,874	114,652,215	44,017,210	42,698,624	53,785,665	71,953,591
Total	**1,671,472,494**	**1,035,146,127**	**747,037,040**	**299,611,916**	**924,435,454**	**735,534,211**

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	487,910,304	100,590,033	26,817,756	8,565,423	514,728,060	109,155,456
Motor	781,235,802	579,891,227	18,574,992	18,089,695	799,810,794	597,980,922
Marine	14,634,334	26,463,300	1,517,047	2,592,139	16,151,381	29,055,439
Engineering	140,748,682	59,827,868	10,604,067	8,138,520	151,352,749	67,966,388
Micro	450,100	2,100,288	141,542	112,267	591,642	2,212,555
Aviation	-		-		-	-
Cattle and Crop	88,809,464	112,742,226	2,225,529	1,380,926	91,034,993	114,123,152
Miscellaneous	97,248,460	113,770,120	554,415	882,096	97,802,874	114,652,215
Total	**1,611,037,146**	**995,385,062**	**60,435,349**	**39,761,065**	**1,671,472,494**	**1,035,146,127**

34. Change in Insurance Contract Liabilities

Particulars	Gross Change in Insurance Contract Liabilities		Change in Reinsurance Assets		Net Change in Insurance Contract Liabilities	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	112,131,783	58,203,654	118,481,162	34,094,068	(6,349,379)	24,109,586
Motor	111,007,752	(51,742,353)	44,185,947	(78,671,630)	66,821,806	26,929,277
Marine	6,921	7,807,603	378,356	3,352,312	(371,435)	4,455,291
Engineering	160,253,608	(26,119,838)	136,291,609	(26,589,194)	23,961,999	469,355
Micro	(69,070,370)	51,122,978	(70,413,346)	52,289,064	1,342,976	(1,166,087)
Aviation	-	-	-	-	-	-
Cattle and Crop	(31,849,407)	(1,537,766)	(12,533,041)	20,600,318	(19,316,365)	(22,138,084)
Miscellaneous	7,062,469	(2,323,243)	4,989,656	(951,403)	2,072,814	(1,371,840)
Total	**289,542,758**	**35,411,034**	**221,380,342**	**4,123,536**	**68,162,416**	**31,287,498**

35 Commission Expenses

Fig.in NPR

Particulars	Commission Expenses on Direct Premiums		Commission Expenses on Premium on Reinsurance Accepted		Deferred Commission Expenses		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	21,372,643	17,465,863	-		2,092,343	(1,306,571)	19,280,300	16,159,292
Motor	9,985,138	10,466,162	-	-	(705,443)	(318,957)	10,690,581	10,147,205
Marine	1,043,593	899,823	-		(894,245)	(868,543)	1,937,838	31,279
Engineering	8,470,362	18,904,534		97,234	(9,470,451)	(5,883,247)	17,940,813	13,118,521
Micro	372,349	554,432	-		(100,118)	450,924	472,467	1,005,355
Aviation	-	-	-		-	-	-	-
Cattle and Crop	2,459,586	4,545,156	-		(1,109,002)	2,746,502	3,568,588	7,291,658
Miscellaneous	6,103,495	5,069,581	-		231,765	(454,859)	5,871,730	4,614,722
Total	**49,807,164**	**57,905,551**	**-**	**97,234**	**(9,955,151)**	**(5,634,751)**	**59,762,316**	**52,368,034**

36 Service Fees

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	7,993,393	7,465,103	3,655,590	3,148,044	4,337,802	4,317,060
Motor	9,204,176	8,871,227	2,129,470	1,959,870	7,074,706	6,911,357
Marine	859,709	701,827	282,896	257,095	576,813	444,732
Engineering	3,380,910	3,460,420	2,650,615	2,843,758	730,295	616,662
Micro	106,848	102,173	6,622	28,980	100,227	73,193
Aviation	-	-	-	-	-	-
Cattle and Crop	943,944	1,192,611	760,854	973,171	183,089	219,441
Miscellaneous	2,115,917	1,764,759	1,224,038	978,275	891,879	786,484
Total	**24,604,897**	**23,558,120**	**10,710,085**	**10,189,192**	**13,894,811**	**13,368,928**

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

37 Other Direct Expenses

Particulars	Other Direct Expenses		Other(to be Specified)		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	70,385.93		-	-	70,385.93	-
Motor	-		-	-	-	-
Marine	-		-	-	-	-
Engineering	3,302,126.06	786,789.21	-	-	3,302,126.06	786,789.21
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	874,747.36	2,152,575.00	-	-	874,747.36	2,152,575.00
Miscellaneous	-		-	-	-	-
Total	**4,247,259.35**	**2,939,364.21**	**-**	**-**	**4,247,259.35**	**2,939,364.21**

38 Employee Benefits Expenses

Fig. in NPR

Particulars	Current Year	Previous Year
Salaries	232,020,682.75	210,490,271
Allowances	78,785,812.59	72,322,892
Festival Allowances	15,115,447.24	14,594,598
Medical Allowamces	-	-
Defined Benefit Plans	-	-
i) Gratuity	12,638,651.96	19,595,333
ii) Others (to be Specified)	-	-
Defined Contribution Plans	-	-
i) Provident Fund/ Social Security Fund	10,118,606.77	8,689,006
ii) Others (SST)	-	
Leave Encashments	18,091,498.49	7,664,574
Termination Benefits	-	-
Training Expenses	10,866,881.27	11,074,128
Uniform Expenses	-	-
Staff Medical Expenses	-	-
Staff Insurance Expenses	-	-
Staff Welfare	-	-
Others(Incentive)	1,649,000	894,500
Others(Overtime Expenses)	-	-
Other (Other Allowances)	8,181,078.81	6,625,046
Sub Total	**387,467,660**	**351,950,348**
Employees Bonus	94,579,999.32	96,729,732
Total	**482,047,659**	**448,680,080**

39. Depreciation and Amortization Expenses

Fig. in NPR

Particulars	Current Year	Previous Year
Amortization of goodwill & Intangible Assets (Refer Note. 4)	790,546	817,982
Depreciation on Property and Equipment(Refer Note.5)	44,242,553	47,673,742
Depreciation on Investment Properties (Refer Note. 6)	3,353,841	3,398,143
Depreciation on Right of use asset (Refer Note 7)	26,103,235	27,859,601
Total	**74,490,175**	**79,749,468**

40. Impairment Losses

Fig. in NPR

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equiment, Investment Properties and Goodwill & Intangible Assets		
i) Property and Equipment	-	-
ii) Investment properties	-	-
iii) Goodwill & Intangible Asssets	-	-
Impairment Losses on Financial Assets	-	-

i) Investments	-	-
ii) Loans	-	-
iii) Other Financial Assets	-	
iv)Cash and Cash Equivalents	-	-
v)Others (to be Specified)	-	-
Impairment Losses on Other Assets	-	-
i) Reinsurance Assets	-	-
ii) Insurance Receivables	22,818,551	22,186,802
iii) Lease Receivables	-	-
iv)Others (to be Specified)	-	-
Total	**22,818,551**	**22,186,802**

41. Other Operating Expenses

Fig. in NPR

Particulars	Current Year	Previous Year
Rent Expenses		-
Electricity and Water	6,390,620	6,425,040
Repair & Maintenance	-	-
i) Building	-	-
ii) Vehicle	2,762,050	2,558,155
iii) Office Equipments	3,124,103	4,593,917
iv) Others(other assets)	1,057,878	723,514
Telephone & Communication	10,172,233	11,024,922
Printing & Stationary	15,407,595	17,090,924
Office Consumable Expenses	5,853,909	4,685,234
Travelling Expenses	-	-
i) Domestic	5,932,377	5,519,313
ii) Foreign	9,251,368	9,723,599
Insurance Awareness	12,912,618	4,925,350
Agent Training	-	15,929
Other Agent Expenses	-	-
Insurance Premium	10,503,256	9,175,279
Security & Outsourcing Expenes	2,748,278	2,345,990
Legal and Consulting Expenses	9,533,634	5,701,373
Newspapers, Books and Periodicals	41,283	47,029
Advertisement & Promotion Expenses	13,605,244	8,223,738
Franchise	6,194,690	
Business Promotion	6,114,701	10,297,750
Guest Entertainment	7,016,962	7,987,762
Gift and Donations	23,800	65,280
Board Meeting Fees and Expenses	-	-
i) Board - Meeting Allowances	1,471,000	1,488,000
ii) Board - Other Allowances	49,400	12,790

Other Committee/ Sub-committee Expenses	-	-
i) Committee - Meeting Allowances	1,305,000	950,000
ii) Committee - Other Allowances	825,130	804,113
Marketing Meeting Expenses	5,655,045	-
General Meeting Expenses	966,509	688,726
Actuarial Service Fee	1,263,158	294,118
Other Actuarial Expenses	-	-
Staff Refreshment Expenses	10,191,925	9,342,771
Audit Related Expenses	**-**	**-**
i) Statutory Audit	441,000	341,000
ii) Tax Audit	-	-
iii) Long Form Audit Report	-	-
iv) Other Fees	-	-
v) Internal Audit	350,000	350,000
vi) IS Audit	270,000	250,000
Bank Charges	421,087	1,046,681
Fee and Charges	4,679,888	4,719,597
Postage Charges	-	-
Foreign Exchange Losses	-	886,748
Fines and Penalties	-	-
Others (to be Specified)	-	-
Fuel Expenses	2,749,008	
i) Other direct expense related with insurance business	-	-
ii) Revenue Stamp	6,708,305	6,852,360
iii) Miscellaneous expense	14,947,596	13,224,853
iv) Anniversary Expenses	4,171,288	107,815
v) Office expense	3,206,771	2,422,772
vi) Social responsibility expense	-	-
Total	**188,318,707**	**154,912,443**

42. Finance Cost

Fig. in NPR

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions	-	-
Unwinding of discount on Financial Liabilities at Amortised Costs	-	-
Interest Expenses - Bonds	-	-
Interest Expenses - Debentures	-	-
Interest Expenses - Term Loans	-	-
Interest Expenses - Leases	9,414,476	10,343,922
Interest Expenses - Overdraft Loans	-	-
Others (Interest Expenses)	-	
Total	**9,414,476**	**10,343,922**

43. Income Tax Expense

a. Income Tax Expense

Fig. in NPR

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year	247,007,792	314,876,507
ii) Income Tax Relating to Prior Periods	24,237,970	15,990,041
Deferred Tax For The Year	-	-
i) Originating and reversal of temporary differences	1,129,148	(50,801,820)
ii) Changes in tax rate	-	
iii) Recognition of previously unrecognised tax losses	-	
iv) Write-down or reversal	-	
v) Others (to be Specified)	-	
Income Tax Expense	**272,374,910**	**280,064,728**

b. Reconciliation of Taxable Profit & Accounting Profit

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	851,219,994	870,567,588
Applicable Tax Rate	30%	30%
Tax at the applicable rate on Accounting Profit	255,365,998	261,170,276
Add: Tax effect of expenses that are not deductible for tax purpose	7,006,158	3,578,780
Less: Tax effect on exempt income and additional deduction	(15,364,364)	50,127,451
Less: Adjustments to Current Tax for Prior Periods	24,237,970	15,990,041
Add/ (Less): Others(Deferred Tax)	1,129,148	(50,801,820)
Income Tax Expense	272,374,910	280,064,728
Effective Tax Rate	**32.00%**	**32.17%**

44. Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashad 32, 2082 the company has recognized an amount of NPR.22,757,258.73 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 Acturial Valuations being carried out.

c) Total Expenses Recogized in Statement of Profit or Loss

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	-	-	6,975,156	5,669,484
Past Service Cost	-	-	-	-
Net Interest Cost (a-b)	-	-	899,715	839,043
a. Interest expenses on Defined Benefit Obligation (DBO)	-	-	3,283,687	3,246,419
b. Interest (income) on plan Assets	-	-	2,383,972	2,407,376
Net Actuarial Losses/(Gains) Recognized during the period	-	-	17,057,251	4,611,319
Defined Benefit Cost Included in Statement of Profit or Loss	**-**	**-**	**24,932,122**	**11,119,846**

Note: Expense amount presented in SOPL also includes payment of accumulated leave above the threshold, encashed during the year.

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

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
a. Acturial (Gain)/loss due to financial assumption changes in DBO		-	-	-
b. Acturial (Gain)/loss due to experience on DBO		-	-	-
c. return on plan assets (greater)/less than discount rate		-	-	-
Defined Benefit Cost Included in Statement of Profit or Loss		-	-	-

e. Total Cost Recognized in Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost Recognized in statement of Profit or loss	-	-	24,932,122	11,119,846
Remeasurements effects recognized in OCI	-	-	-	-
Defined Benefit Cost Included in Statement of Profit or Loss	**-**	**-**	**24,932,122**	**11,119,846**

f) Change in Defined Benefit Obligation

Particulars	Employee Benefit Plan		Any Other Funded Liability (Leave Enchashment)	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year	-	-	45,551,329	45,713,941
Service cost	-	-	6,975,156	5,669,484
Interest cost	-	-	3,283,687	3,246,419
Benefit payments from plan assets	-	-	(5,142,373)	(11,282,457)
Actuarial (gain)/ loss - financial assumptions	-	-	14,673,279	2,203,942
Actuarial (gain)/ Loss - experience	-	-	-	-
Defined Benefit Obligation as at Year End	**-**	**-**	**65,341,078**	**45,551,329**

g) Change in Fair Value of Plan Assets

Particulars	Employee Benefit Plan		Any Other Funded Liability (Leave Enchashment)	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year	-	-	34,056,743.00	-
Adjustment to the Opening Value			-	34,391,086.00
Interest Income				
Expected return on plan assets	-	-	2,383,972	2,407,376.00
Employer contributions	-	-	16,903,095	10,948,114.00
Participant contributions	-	-	-	-
Benefit payments from plan assets	-	-	(5,142,373)	(11,282,457.00)
Transfer in/ transfer out	-	-	-	-
Actuarial gain/ (loss) on plan assets	-	-	(2,383,972)	(2,407,376.00)
Fair value of Plan Assets as at Year End	**-**	**-**	**45,817,465**	**34,056,743**

h) Net Defined Benefit Liability/ (Asset)

Particulars	Employee Benefit Plan		Any Other Funded Liability (Leave Enchashment)	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation	-	-	65,341,078	45,551,329
Fair Value of Plan Assets	-	-	45,817,465	34,056,743
Liability/ (Asset) Recognised in Statement of Financial Position	**-**	**-**	**19,523,613**	**11,494,586**

i) Expected Company Contributions for the Next Year

Particulars	Employee Benefit Plan		Any Other Funded Liability (Leave Enchashment)	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year	-	-	19,523,613	11,494,586.00

j) Reconciliation of amounts in Statement of Financial Position

Particulars	Employee Benefit Plan		Any Other Funded Liability (Leave Enchashment)	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end	-	-	11,494,587	45,713,941
Defined benefit cost included in Statement of Profit or Loss	-	-	24,932,122	11,119,846
Total remeasurements included in OCI	-	-	-	-
Acquisition/ divestment	-	-	-	-
Employer contributions	-	-	(16,903,095)	(10,948,114)
Adjustments to the Opening Amount			-	(34,391,086)
Benefit Paid	-	-		
Net defined benefit liability/ (asset)	**-**	**-**	**19,523,613**	**11,494,587**

k) Reconciliation of Statement of Other Comprehensive Income

Particulars	Employee Benefit Plan		Any Other Funded Liability (Leave Enchashment)	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period		-	-	-
Total remeasurements included in OCI		-	-	-
Cumulative OCI - (Income)/Loss		-	-	-

l) Current/Non - Current Liability

Particulars	Employee Benefit Plan		Any Other Funded Liability (Leave Enchashment)	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	-	-	11,916,282	4,258,197
Non - Current Liability	-	-	53,424,796	20,849,494
Total	**-**	**-**	**65,341,078**	**25,107,691**

m) Expected Future Benefit Payments

Particulars	Employee Benefit Plan		Any Other Funded Liability (Leave Enchashment)	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year		-	-	-
Between 1-2 years		-	-	-
Between 2-5 years		-	-	-
From 6 to 10		-	-	-
Total		-	-	-

n) Plan assets

Particulars	Employee Benefit Plan		Any Other Funded Liability (Leave Enchashment)	
	Current Year (% Invested)	Previous Year (% Invested)	Current Year (% Invested)	Previous Year (% Invested)
Government Securities (Central and State)	-	-	-	-
Corporate Bonds (including Public Sector bonds)	-	-	-	-
Mutual Funds	-	-	-	-
Deposits	-	-	-	-
Cash and bank balances	-	-	-	-
Retirement Fund	-	-	-	-
Others (Citizen Investment Trust)	-	-	100%	100%
Total	**-**	**-**	**100%**	**100%**

o) Sensitivity Analysis

Particulars	Employee Benefit Plan		Any Other Funded Liability (Leave Enchashment)	
	Current Year	Previous Year	Current Year	Previous Year
Effect in Defined Benefit Obligation Due to 1% Increase in Discount Rate	-	-	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	-	-	-	-
	-	-	-	-
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	-	-	-	-
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	-	-	-	-
"Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate"	-	-	-	-
"Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate"	-	-	-	-

p) Assumptions

Particulars	Employee Benefit Plan	Any Other Funded Liability
Discount Rate	7%	7%
Escalation Rate (Rate of Increase in Compensation Levels)	9%	10%
Attrition Rate (Employee Turnover)	10%	10%
Mortality Rate During Employment	Nepali Assured lives Mortality 2009	Nepali Assured lives Mortality 2009

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.

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Investments							
i) Investment in Equity Instruments							
Investment in Equity (Quoted)	1/2	-	969,310,586	-	-	781,497,916	-
Investment in Equity (Unquoted)		-		-	-		-
ii) Investment in Mutual Funds	1	-	97,969,873	-	-	53,711,146	-
iii) Investment in Preference Shares of Bank and Financial Institutions		-	-	-	-	-	-
iv) Investment in Debentures		-	-	279,188,025	-	-	349,764,025
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)		-	-	-	-	-	-
vi) Fixed Deposits		-	-	5,348,200,000	-	-	5,027,100,000
vii) Others (Micro Insurance)	3	-	2,080,439	-	-	2,080,439	-
Insurance Institute Nepal Ltd	3	-	4,580,000	-	-	4,580,000.00	-
Loans		-	-	-	-	-	-
Other Financial Assets		-	-	131,892,411	-	-	188,183,831
Cash and Cash Equivalents		-	-	863,239,801	-	-	465,248,120
Total Financial Assets		**-**	**1,073,940,898**	**6,622,520,238**	**-**	**841,869,501**	**6,030,295,976**
Borrowings		-	-	-	-	-	-
Other Financial Liabilities		-	-	242,925,977	-	-	187,132,886
Total Financial Liabilities		**-**	**-**	**242,925,977**	**-**	**-**	**187,132,886**

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. For equity investments in promoters shares, instruments have been valued at 30% of the last traded price of corresponding ordinary shares of the same entity.

Level 3:

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

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

(ii) Valuation Technique Used to Determine Fair Value

a) Use of quoted Market prices or dealer quotes for similar instruments

b) Fair Value of remaining financial instruments is determined using discounted cash flow analysis

(iii) Valuation Process

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes.

Discussion on Valuation processes and results are reviewed at least once in a year.

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

a) Discount rate is arrived at considering the internal and external factors.

b) Discounting has been applied where assets and liabilities are non-current, and the impact of the discounting is Material

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

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investments				
i) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
ii) Investment in Debentures	279,188,025	279,188,025	349,764,025	349,764,025
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-
iv) Fixed Deposit	5,348,200,000	5,348,200,000	5,027,100,000	5,027,100,000
v) Others (to be Specified)	-	-	-	-
Loans				
i) Loan to Employees	-	-	-	-
ii) Others (to be Specified)	-	-	-	-

Other Financial Assets	131,892,411	131,892,411	188,183,831	188,183,831
Total Financial Assets at Amortised Cost	5,759,280,436	5,759,280,436	5,565,047,856	5,565,047,856
Borrowings				
i) Bonds	-	-	-	-
ii) Debentures	-	-	-	-
iii) Term Loans - Bank and Financial Institution	-	-	-	-
iv) Bank Overdrafts	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Other Finnancial Liabilities	242,925,977	242,925,977	187,132,886	187,132,886
Total Financial Liabilities at Amortised Cost	**242,925,977**	**242,925,977**	**187,132,886**	**187,132,886**

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 between class of businesses\ 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:

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

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

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

The above risk exposure is Mitigated by the diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively Managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business."

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 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."

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iii) Pre-underwriting inspections are Made on new business over a predetermined threshold to evaluate risk prior to acceptance.

iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed.

v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers."

d) Claims handling:

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

i) Claims are assessed immediately,

ii) Assessments are carried out by in-house as well as independent assessors / loss adjustors working throughout,

iii) The service of a qualified independent actuary is obtained annually to assess the adequacy of reserves,

iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed,

v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers."

e) Reinsurance

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

Sensitivities

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

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

Fig. in NPR

Particulars	Changes in Assumptions	Current Year				Previous Year			
		Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax
Average Claim Cost	+ 10%	-	-	-	-	-	-	-	-
Average Number of Claims	+ 10%	-	-	-	-	-	-	-	-
Average Claim Cost	- 10%	-	-	-	-	-	-	-	-
Average Number of Claims	- 10%	-	-	-	-	-	-	-	-

Claim development table

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

Gross outstanding claim provision

ig. in NPR

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	-	-
One year later	-	-	-	-	-	-	-
Two year later	-	-	-	-	-	-	-
Three year later	-	-	-	-	-	-	-
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
Current estimate of cumulative claims	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At end of incident year	-	-	-	-	-	-	-
One year later	-	-	-	-	-	-	-
Two year later	-	-	-	-	-	-	-
Three year later	-	-	-	-	-	-	-
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
Cumulative payments to date	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross outstanding claim provision	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Net outstanding claim provision

Fig. in NPR

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	-	-
One year later	-	-	-	-	-	-	-
Two year later	-	-	-	-	-	-	-
Three year later	-	-	-	-	-	-	-
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
Current estimate of cumulative claims	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At end of incident year	-	-	-	-	-	-	-
One year later	-	-	-	-	-	-	-
Two year later	-	-	-	-	-	-	-
Three year later	-	-	-	-	-	-	-
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
Cumulative payments to date	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net outstanding claim provision	**-**	**-**	**-**	**-**	**-**	**-**	**-**

f) Reserving

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

Fig. in NPR

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Fire	853,552,599	430,268,407	423,284,191	721,827,380	296,456,707	425,370,673
Motor	1,256,875,226	290,509,301	966,365,925	1,172,764,674	230,425,559	942,339,115
Marine	62,987,601	31,876,235	31,111,367	171,369,999	81,939,688	89,430,311
Engineering	516,912,053	419,605,788	97,306,265	395,336,498	306,871,989	88,464,509
Micro	491,743,449	480,843,832	10,899,617	560,261,547	552,559,347	7,702,200
Aviation	-	-	-	-	-	-
Cattle and Crop	104,104,095	74,003,694	30,100,401	156,215,063	103,717,700	52,497,363
Miscellaneous	253,003,377	146,328,736	106,674,641	237,399,100	134,267,114	103,131,986
Total	**3,539,178,399**	**1,873,435,994**	**1,665,742,406**	**3,415,174,262**	**1,706,238,104**	**1,708,936,158**

47. Financial Risk Management

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

Fig. in NPR

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance Measured at 12 Months expected credit losses	Reinsurance Asset	1,873,435,994	-		
		Fixed Deposit	5,348,200,000	-		
		Debenture	279,188,025	-		
		Other Financial assets	131,892,411	-		
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	Reinsurance Asset	1,706,238,104	-	-	
		Fixed Deposit	5,027,100,000	-	-	
		Debenture	349,764,025	-	-	
		Other Financial assets	188,183,831	-	-	
Credit Risk has significantly increased and not credit impaired	Loss allowance Measured at life-time expected credit losses	-	-	-	-	-
Credit Risk has significantly increased and credit impaired		-	-	-	-	-

Reconciliation of Loss Allowance Provision

Particulars	Measured at 12 Months expected credit losses	Measured at life-time expected credit losses	
		Credit Risk has significantly increased and not credit impaired	Credit Risk has significantly increased and credit impaired
Loss Allowance on Ashadh 31, 2081	-	-	-
Changes in loss allowances	-	-	-
Write-offs	-	-	-
Recoveries	-	-	-
Loss Allowance on Ashadh 31, 2082			

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 Finnancial Liabilities	242,925,977	-	-	187,132,886	-	-
Total Financial Liabilities	242,925,977	-	-	187,132,886	-	-

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.

b1) Interest Rate Risk

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

b2) Interest Rate Sensitivity

Profit or Loss is sensitive to changes in Interest Rate for Borrowings. A change in Market Interest Level by 1% which is reasonably possible based on Management's Assessment would have the following effect on the Profit After Tax.

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

* Holding all other Variable Constant

c1) Equity Price Risk

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

The Company has invested in equity securities and the exposure is equity securities price risk from investments held by the Company and classified in the statement of financial position as fair value through OCI/ 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/ profit or loss for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 1% with all other variables held constant, and that all the Company's equity instruments Moved in line with the index.

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

48. Operational Risk

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

49. Climate Risk

"The company has risk Management committee which tends to address various possibilities relating to climate risk.

We broadly categorize climate-related risk as physical and/or transition risk. The potential impact of Climate change on the insurance industry, including Neco Insurance, are complex, Myraid and will develop over a Multi-year time horizon. Physical risks arise from direct weather-related events, such as floods, stroms and these risks May increase insurance claims. Transition risks result from the cross-sectoral structural change stemming from the transition towards a low-carbon economy. Transitional risks include changes in climate policy, technology, or Market sentiment, and the impact of this on the insurance business and its financial assets. Our Insurance contracts are generally renewable annually, consequently, we can respond to the changes as needed by adjusting our pricing or restricting our exposure.

We are in process of developing a climate policy under the requirement of Climate Risk Directive, 2078."

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 Directiveof 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 2.691 billion.

Dividend

Particulars	Current Year	Previous Year
(i) Dividends recognised as on reporting date		
Final dividend for the year ended Ashad 31, 2081 of NPR 185348475 (7% Bonus and 0.3864% cash dividend)	185,348,475	
	185,348,475	
(ii) Dividends not recognised at the end of the reporting period		-
Final dividend for the year ended Ashad 32, 2082 of NPR 424976805.38 (12.7894% cash and 3% Bonus dividend)	424,976,805	185,348,475
Total	424,976,805	185,348,475

51. Earnings Per Share (EPS)

a) Basic Earnings Per Share

Particulars	Current Year	Previous Year
Profit For the Year	578,845,084	590,502,861
Less: Dividend on Preference Shares	-	-
Profit For the Year used for Calculating Basic Earning per Share	**578,845,084**	**590,502,861**
Add: Interest saving on Convertible Bonds		
Profit For the Year used for Calculating Diluted Earning per Share	**578,845,084**	**590,502,861**
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	25,154,508	20,123,606
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	25,154,508	20,123,606
Nominal Value of Equity Shares		
Basic Earnings Per Share	**23.01**	**29.34**
Diluted Earning Per Share	**23.01**	**29.34**
Proposed Bonus Share	-	-

Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share		
Restated Basic Earning Per Share	23.01	29.34
Restated Diluted Earning Per Share	23.01	29.34

Notes to the Financial Statements (Continued...)

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)

Fig. in NPR

Particulars	Fire	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	1,046,192,270	1,254,120,725	223,017,198	489,463,015	14,930,171	-	146,120,734	273,580,418	-	3,447,424,531
Premiums Ceded	(514,625,626)	(289,562,202)	(88,161,287)	(376,973,041)	(2,626,449)	-	(118,628,163)	(156,132,968)	-	(1,546,709,736)
Inter-Segment Revenue									-	-
Net Earned Premiums	**531,566,643**	**964,558,522**	**134,855,911**	**112,489,974**	**12,303,722**	**-**	**27,492,571**	**117,447,450**	**-**	**1,900,714,795**
Commission Income	131,240,112	93,371,549	17,930,077	92,575,691	871,066	-	25,749,588	50,345,914	-	412,083,997
Other Direct Income	-	25,459,702	-	-	-	-	-	-	-	25,459,702
Income from Investments and Loans	21,608,830	14,369,680	6,268,445	6,448,317	481,761	-	1,955,928	4,711,625	-	55,844,586
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	4,316,922	2,870,715	1,252,284	1,288,218	96,244	-	390,747	941,269	-	11,156,398

Other Income	1,269,042	843,902	368,133	378,696	28,293	-	114,868	276,704	-	3,279,637
Total Segmental Income	**690,001,549**	**1,101,474,070**	**160,674,849**	**213,180,897**	**13,781,086**	**-**	**55,703,703**	**173,722,962**	**-**	**2,408,539,115**
Expenses:										
Gross Claims Paid	514,728,060	799,810,794	16,151,381	151,352,749	591,642	-	91,034,993	97,802,874	-	1,671,472,494
Claims Ceded	(351,534,959)	(147,222,915)	(5,430,694)	(132,857,326)	(86,227)	-	(65,887,711)	(44,017,210)	-	(747,037,040)
Gross Change in Contract Liabilities	112,131,783	111,007,752	6,921	160,253,608	(69,070,370)	-	(31,849,407)	7,062,469	-	289,542,758
Change in Reinsurance Assets	(118,481,162)	(44,185,947)	(378,356)	(136,291,609)	70,413,346	-	12,533,041	(4,989,656)	-	(221,380,342)
Net Claims Paid	**156,843,723**	**719,409,685**	**10,349,253**	**42,457,423**	**1,848,391**	**-**	**5,830,917**	**55,858,478**	**-**	**992,597,870**
Commission Expenses	19,280,300	10,690,581	1,937,838	17,940,813	472,467	-	3,568,588	5,871,730	-	59,762,316
Service Fees	4,337,802	7,074,706	576,813	730,295	100,227	-	183,089	891,879	-	13,894,811
Other Direct Expenses	70,386	-	-	3,302,126	-	-	874,747	-	-	4,247,259
Employee Benefits Expenses	140,191,877	163,390,271	15,246,453	59,372,021	2,028,232	-	16,563,963	37,050,076	-	433,842,893
Depreciation and Amortization Expenses	21,663,662	25,248,478	2,356,014	9,174,678	313,420	-	2,559,607	5,725,298	-	67,041,157
Impairment Losses									-	-
Other Operating Expenses	54,767,931	63,830,711	5,956,241	23,194,516	792,358	-	6,470,946	14,474,134	-	169,486,836
Finance Cost									-	-
Total Segmental Expenses	**397,155,681**	**989,644,432**	**36,422,612**	**156,171,871**	**5,555,095**	**-**	**36,051,857**	**119,871,596**	**-**	**1,740,873,144**
Total Segmental Results	**292,845,868**	**111,829,637**	**124,252,238**	**57,009,026**	**8,225,991**	**-**	**19,651,845**	**53,851,366**	**-**	**667,665,971**
Segment Assets	**430,268,407**	**290,509,301**	**31,876,235**	**419,605,788**	**480,843,832**	**-**	**74,003,694**	**146,328,736**	**197,940,719**	**2,071,376,713**
Segment Liabilities	**853,552,599**	**1,256,875,226**	**62,987,601**	**516,912,053**	**491,743,449**	**-**	**104,104,095**	**253,003,377**	**529,849,742**	**4,069,028,141**

b) Segmental Information for the year ended Ashadh 31, 2081

Fig. in NPR

Particulars	Fire	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	897,169,274	1,074,329,137	(1,117,263)	490,081,713	14,016,815	-	173,862,385	228,657,042	-	2,876,999,104
Premiums Ceded	(395,863,889)	(245,691,684)	11,163,622	(437,591,967)	(3,036,747)	-	(75,558,716)	(127,591,149)	-	(1,274,170,529)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	**501,305,385**	**828,637,454**	**10,046,359**	**52,489,746**	**10,980,068**	**-**	**98,303,669**	**101,065,893**	**-**	**1,602,828,574**
Commission Income	134,210,693	67,995,153	3,395,809	73,413,294	869,162	-	18,106,749	43,221,910	-	341,212,770
Other Direct Income	-	16,681,582	-	-	-	-	-	-	-	16,681,582
Income from Investments and Loans	41,736,257	30,553,703	(621,949)	7,867,547	877,665	-	4,597,546	5,566,306	-	90,577,075
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-

Net Realised Gains/ (Losses)	20,793	15,222	(310)	3,920	437	-	2,290	2,773	-	45,124
Other Income	1,024,914	750,305	(15,273)	193,203	21,553	-	112,902	136,691	-	2,224,295
Total Segmental Income	**678,298,041**	**944,633,418**	**12,804,636**	**133,967,709**	**12,748,885**	**-**	**121,123,155**	**149,993,575**	**-**	**2,053,569,421**
Expenses:										
Gross Claims Paid	109,155,456	597,980,922	29,055,439	67,966,388	2,212,555	-	114,123,152	114,652,215	-	1,035,146,127
Claims Ceded	(30,376,166)	(120,264,484)	(12,912,564)	(52,811,540)	(1,045,729)	-	(39,502,809)	(42,698,624)	-	(299,611,916)
Gross Change in Contract Liabilities	58,203,654	(51,742,353)	7,807,603	(26,119,838)	51,122,978	-	(1,537,766)	(2,323,243)	-	35,411,034
Change in Reinsurance Assets	(34,094,068)	78,671,630	(3,352,312)	26,589,194	(52,289,064)	-	(20,600,318)	951,403	-	(4,123,536)
Net Claims Paid	**102,888,875**	**504,645,715**	**20,598,166**	**15,624,203**	**740**	**-**	**52,482,259**	**70,581,751**	**-**	**766,821,709**
Commission Expenses	16,159,292	10,147,205	31,279	13,118,521	1,005,355	-	7,291,658	4,614,722	-	52,368,034
Service Fees	4,317,060	6,911,357	444,732	616,662	73,193	-	219,441	786,484	-	13,368,928
Other Direct Expenses	-	-	-	786,789	-	-	2,152,575	-	-	2,939,364
Employee Benefits Expenses	107,267,041	155,578,584	12,205,936	68,361,661	1,709,006	-	27,076,745	31,613,099	-	403,812,072
Depreciation and Amortization Expenses	19,065,900	27,652,909	2,169,512	12,150,765	303,763	-	4,812,685	5,618,988	-	71,774,521
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	37,035,295	53,715,464	4,214,253	23,602,723	590,056	-	9,348,587	10,914,820	-	139,421,198
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenses	**286,733,463**	**758,651,233**	**39,663,879**	**134,261,325**	**3,682,112**	**-**	**103,383,951**	**124,129,865**	**-**	**1,450,505,826**
Total Segmental Results	**391,564,579**	**185,982,186**	**(26,859,242)**	**(293,615)**	**9,066,773**	**-**	**17,739,205**	**25,863,710**	**-**	**603,063,595**
Segment Assets	**296,456,707**	**230,425,559**	**81,939,688**	**306,871,989**	**552,559,347**	**-**	**103,717,700**	**134,267,114**	**56,797,606**	**1,763,035,710**
Segment Liabilities	**721,827,380**	**1,172,764,674**	**171,369,999**	**395,336,498**	**560,261,547**	**-**	**156,215,063**	**237,399,100**	**440,653,588**	**3,855,827,849**

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

Particulars	Current Year	Previous Year
Segmental Profit	**667,665,971**	**603,063,595**
Less: Employee Benefit Expenses	(48,204,765.92)	(44,868,008)
Less: Depreciation and Amortization	(7,449,017.48)	(7,974,946.75)
Less: Other Operating Expenses	(18,831,870.69)	(15,491,244)
Less: Impairment Losses	(22,818,551)	(22,186,802)
Less: Finance Cost	(9,414,476)	(10,343,922)
Add: Unallocable Other Income	290,272,703.54	368,368,917
Profit Before Tax	**851,219,994**	**870,567,588**

d) Reconciliation of Assets

Particulars	Current Year	Previous Year
Segment Assets	**2,071,376,713**	**1,763,035,710**
Goodwill and Intangible Assets	3,771,392	3,496,927
Property, Plant and Equipment	656,491,267	657,637,956
Investment Properties	61,210,872	64,564,713
Deferred Tax Assets	-	52,918,095
Investments in Subsidiaries	-	-
Investments in Associates	-	-
Investments	6,911,528,923	6,328,933,526
Loans	-	-
Current Tax Assets (Net)	83,260,510	34,506,109
Other Assets	251,324,251	98,013,347
Other Financial Assets	131,892,411	188,183,831
Cash and Cash Equivalents	863,239,801	465,248,120
Total Assets	**11,034,096,142**	**9,656,538,335**

e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
Segment Liabilities	**4,069,028,141**	**3,855,827,849**
Provisions	33,090,431	29,122,145
Deferred Tax Liabilities	8,520,023	-
Current Tax Liabilities (Net)	-	-
Other Financial Liabilities	242,925,977	187,132,886
Other Liabilities	370,458,269	435,985,882
Total Liabilities	**4,724,022,840**	**4,508,068,761**

53. Related Party Disclosure

(a) Identify Related Parties

Holding Company:

The company does not have any holding company.

Subsidiaries:

The company does not have any Subsidiaries.

Associates:

The company does not have any Associates.

Fellow Subsidiaries:

The company does not have any Fellow Subsidiaries.

Key Management Personnel:

KMPs of the Neco Insurance Company Ltd. includes Members of Board of directors, Chief Executive Officer, Deputy CEO and Assistant General Manager namely:

Name of key Management personnel	Designation
Mr. Ramesh Kumar Niraula	Chairman
Mr. Vinaya Raman Poudel	Director
Mr. Pratap Subedi	Director
Mr. Bharat Kumar Adhikari	Director
Mr. Bhanu Bhakta Pokhrel	Director
Dr. Neelima Shrestha	Director
Mr. Mani Dev Bhattarai	Independent Director
Mr. Ashok Kumar Khadka	CEO
Mr. Ganesh Lamsal	Deputy CEO
Mr. Pawan Thapa	Deputy CEO
Mr. Ramesh Bahadur Thapa	Assistant CEO
Mr. Bishal Kumar Thapa	Assistant General Manager

(b) Key Management Personnel Compensation

Fig. in NPR

Particulars	Current Year	Previous Year
Short-term employee benefits	57,948,424.27	49,584,437.50
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Total	**57,948,424**	**49,584,438**

Payment to Chief Executive Officer (CEO)

Fig. in NPR

Particulars	Current Year	Previous Year
Annual salary and allowances	17,616,563	15,732,000
Performance based allowances		
i) Employee Bonus	6,466,696	5,170,776
ii) Benefits as per prevailing provisions		
iii) Incentives	7,454,787	11,223,020
Insurance related benefits		
i) Life Insurance		
ii) Accident Insurance	123,985	62,314
iii) Health Insurance (including family Members)	21,450	19,550
Total	**31,683,481**	**32,207,660**

(c) Related Party Transactions:

Fig. in NPR

Particulars	Holding Company	Subsidiar-ies	Associ-ates	Fellow Subsid-iaries	Key Man-agerial Personnel	Total
Premium Earned						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Commission Income						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Rental Income						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Interest Income						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Sale of Property, Plant & Equipment						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Purchase of Property, Plant & Equipment						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Premium Paid						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Commission Expenses						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Dividend						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Meeting Fees						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	2,700,000	2,700,000
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	2,370,000	2,370,000
Allowances to Directors						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Others (to be specified)						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-

(d) Related Party Balances:

Particulars	Holding Company	Subsidiar-ies	Associ-ates	Fellow Subsid-iaries	Key Man-agerial Personnel	Total
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Other Receivables (to be Specified)						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Payables including Reinsurance Payables						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
Other Payables (to be Specified)						
For The Year Ended Ashadh 32,2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-		-

54. Leases

(a) Leases as Lessee

(i) Operating Leases:

The Company has not entered into any lease agreement i.e. rental agreements to be classified as operating leases. However, certain onerous payment to landlords has been presented under rental expenses.

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

There is no non- cancellable lease as such . All the lease (rental agreements) can be cancelled by serving the notice period as per the agreement

Fig. in NPR

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

(ii) Finance Lease:

The Company has classified lease rental agreement entered for branches and head office under finance leases.

Fig. in NPR

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	30,504,766	32,158,320
ii) Later than 1 year and not later than 5 years	39,835,310	69,181,892
iii) Later than 5 years	520,004	1,678,188
Total Future Minimum Lease Payments	**70,860,080**	**103,018,401**
Less: Effect of Discounting	6,901,468	12,388,064
Finance lease liability recognised	**63,958,612**	**90,630,337**

(b) Leases as Lessor

(i) Operating Lease:

The Company has not leased out any of its assets on 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 9,207,485 (Ashadh 32, 2082/ July 16, 2025). Details of assets given on operating lease as at year end are as below.
- 2.5 Floor Building Premise of the Head Office Building located at Gyaneshwor Kathmandu"

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

Fig. in NPR

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

(ii) Finance Lease:

The Company has not leased out any of its assets on lease.

Fig. in NPR

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: No capital Commitments has been Made

Fig. in NPR

Particulars	Current Year	Previous Year
Property, Plant and Equipment	-	-
Investment Properties	-	-
Goodwill & Intangible Assets	-	-
Total	**-**	**-**

56. Contingent Liabilities

In the opinion of the Directors and the Company's lawyers, pending litigation against the Company will not have a Material impact on the reported financial results or future operations of the Company. All pending litigation for claims have been evaluated and adequate provisions have been Made in the financial statements.

Fig. in NPR

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as debts		
a) Income Tax	-	-
b) Indirect Taxes	-	-
c) Other (to be Specified)	-	-

Total	-	-

57. Events occuring after Balance Sheet

There are no such Material non-adjusting events after Balance Sheet date to be disclosed.

58. Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are: Assets has not been pledged as security

Fig. in NPR

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

59 Corporate Social Responsibility

Directive 45 of Corporate Governance Directive, 2080 issued by Nepal Insurance Authority requires Insurers to create Corporate Social Responsibility Fund and annually appropriate an amount equivalent to 1% of net profit into this fund. The fund is created towards covering the Insurance's expense in CSR activities in the subsequent year. The Insurance appropriates required amount to this fund for every reporting period. Neco Insurance has appropriated Rs.5,869,580 and utilized Rs. 3,641,268 as on Ashad end, 2082 and has balance of Rs.13,938,006 in CSR Fund.

60 Miscellaneous

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

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

61 Others

No other Matters to be disclosed.

Neco Insurance Limited

Annexure III

Major Financial Indicator

S.N	Particular	Indicators	2081/82	2080/81	2079/80	2078/79	2077/78
A	Equity						
1	Net worth	NRs.	6,310,073,302	5,148,469,573	4,409,812,911	3,643,098,743	3,078,843,457
2	Net Profit	NRs.	578,845,084	590,502,861	705,012,511	547,344,015	506,981,534
3	Number of Shares	Number	25,154,508	20,123,606	20,123,606	17,498,788	15,216,337
4	Earning per Shares (EPS)	NRs.	23.01	29.34	35.03	31.28	28.85
5	Book value per shares	NRs.	251	256	219	208	202
6	Dividend per Shares (DPS)	NRs.	-	-	-	15.79	15.79
7	Market Price per Shares (MPPS)	NRs.	710.00	836.00	891	694	1,348
8	Price Earning Ratio	Ratio	30.85	28.49	25.44	22.19	46.73
9	Change in Equity	%	22.56	22.56	21.05	18.33	20.18
10	Return on Equity	%	9.17	11.47	15.99	15.02	16.47
11	Affiliate Ratio	%	-	-	-	-	-
12	Capital to Total Net Assets Ratio	%	39.86	39.86	45.63	48.03	49.42
13	Capital to Technical Reserve Ratio	%	1.51	1.51	1.16	1.15	1.05
14	Market Share	%	7.47	7.97	7.27		
15	Solvency Margin	%	506%	385%	332%	549.29%	450.53%
B	Income						
16	Net Earnings Ratio	%	30.45	36.84	39.33	32.40	34.80
17	Gross Earned Premium Growth	%	19.83	(5.15)	15.82	17.68	11.55
18	Direct Premium Growth	%	4.51	7.67	2.45	18.23	16.35
	Property	%	7.08	21.58	8.52	12.71	18.51
	Motor	%	3.75	13.45	(3.82)	5.31	10.93
	Marine	%	22.50	41.92	(21.99)	15.64	48.87
	Engineering	%	(2.15)	(10.73)	5.40	58.23	(0.68)
	Micro	%	13.65	(15.14)	23.49	(59.01)	79.22
	Aviation	%	-	-	-	-	-
	Cattle and Crop	%	(20.85)	(29.20)	11.98	95.58	100.04
	Miscellaneous	%	19.90	1.03	5.40	14.70	30.59
19	Retention Ratio	%	55.13	55.71	59.10	64.50	65.47
20	Net Reinsurance Inflow/(Outflow)	Amount	(438,328,375.11)	(680,070,595)	(14,971,833)	(341,193,449)	(98,913,367)
21	Reinsurance commission Income/ Premium ceded	%	23.36	25%	28%	30%	29%
22	Gross Earned Premium / Equity	%	55%	56%	69%	72%	72%
23	Net Earned Premium Revenue/ Equity	%	30%	31%	41%	46%	47%

24	Gross Earned Insurance Premium/Total Assets	%	33%	30%	36%	31%	31%
25	Gross Premium to Equity	%	52%	61%	66%	78%	78%
26	Net Profit/ Gross Insurance Premium	%	17%	19%	24%	19%	21%
27	Return on Investments & Loan	%	4%	9%	14%	8%	7%
	Expenses:						
28	Reinsurance Ratio	%	45%	44%	41%	35%	35%
29	Management expenses/ Gross Insurance Premium	%	25%	21%	18%	18%	19%
30	Regulatory Expenses Ratio	%	1.49%	1.49%	1.47%	1.50%	1.54%
31	Employee Expenses/ Number of Employees	NPR	842,740.66	802,648	856,543	711,920	723,631
32	Commission Ratio	%	1.7%	1.8%	2.3%	2.5%	2.4%
33	Employee Expenses/ Management Expenses	%	57%	63%	66%	72%	71%
34	Expense Ratio		4.4%	18%	18%	17%	18%
35	Loss Ratio	%	55%	61%	67%	53%	67%
36	Combined Ratio	%	59.8%	80%	85%	125%	138%
	Assets:						
37	Increment in Investment Held		582,595,397.60	1,231,653,002	552,853,900	825,449,437	599,637,021
38	Increment in Loan		-	-	-	-	-
39	Liquidity Ratio	%	521%	509%	564%	451%	496%
40	Return on Assets	%	6%	6%	8%	7%	7%
41	Long term Investments/Total Investments	%	26%	19%	20%	100%	100%
42	Short term Investments/Total Investments	%	74%	81%	80%	-	-
43	Total Investment & Loan/Gross Insurance Contract Liabilities	%	195%	185%	164%	119%	111%
44	Re(Insurer) receivable/Total Assets	%	0.01	0.01	0.02	0.02	0.04
45	Investment in Shares/ Total Net Assets	%	11%	15%	13%	10%	4%
46	Investment in Unlisted Shares/ Total Net Assets	%	2%	2%	0%	-	-
	Liabilities:	%					
47	Increment in Gross Insurance Contract Liabilities	%	124,004,137.77	299,494,651	(707,901,247)	484,409,195	1,465,801,758
48	Gross Technical Provisions to Gross Earned Premium	%	1.03	1.19	0.56	1.46	1.50
49	Gross Technical Provisions to Total Equity	%	56%	66%	71%	42%	47%
50	Outstanding Claim/ Claim Intimated		31.46	101.23	107.61	140.76	157.67
51	No. of Outstanding Claim/ No. of Intimated Claim	%	88.72	35.95	77.14	69.63	49.65
52	Total Number of Inforce Policies		291,897.00	297,186	297,154	298,820	302,729
53	Number of Renewed Policy/ Last Year's Total Number of In Force Policies		0.32	0.25	0.27	0.22	0.21
	Others:						
54	Number of Offices	Nos.	108.00	106	92	81	77
55	Number of Agents	Nos.	143.00	105	105	198	163
56	Number of Surveyors	Nos.	181.00	259	214	172	86
57	Number of Employees	Nos.	572.00	559	502	489	406
58	Employee Expenses/ Number of Employees	NRs.	842,740.66	802,648	856,543	711,920	723,631

Neco Insurance Limited

Annexure IV

Statement of Sum Assured

S.N	Insurance Types	Existing Insurance Policies Numbers		Insured Amount against Existing Insurance Policies		Insured Risk Ceded to Re-Insurer		Net Insured Risk Retained by Insurer	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Property	66,988	67,755	556,031,150,359	488,863,406,549	276,483,475,872	169,555,132,514	279,547,674,487	319,308,274,036
2	Motor	167,007	174,408	113,780,660,579	101,690,796,793	28,320,383,015	22,465,974,482	85,460,277,563	79,224,822,311
3	Marine	27,208	25,453	84,335,137,872	68,773,107,639	27,751,340,915	25,193,132,069	56,583,796,957	43,579,975,569
4	Engineering	5,120	4,405	63,055,091,669	59,380,294,533	49,435,166,897	48,871,007,904	13,619,924,771	10,509,286,629
5	Micro	5,857	5,974	8,957,887,035	7,029,523,629	766,206,618	1,993,855,998	8,191,680,417	5,035,667,631
6	Aviation		-	-		-	-	-	-
7	Cattle and Crop	5,188	5,379	3,197,086,372	3,921,183,688	2,576,971,146	3,199,685,898	620,115,226	721,497,790
8	Miscellaneous	14,529	13,812	137,232,273,133	128,666,435,284	79,387,520,714	71,324,824,239	57,844,752,419	57,341,611,044
Total		**291,897**	**297,186**	**966,589,287,019**	**858,324,748,114**	**464,721,065,178**	**342,603,613,104**	**501,868,221,841**	**515,721,135,010**

Variance Report in Statement of Financial Position

Particulars	Variance				Reason for Variance
	As per Management Certified Financial Statement	As per Unaudited Financial Statement	In Amount	in %	
Assets					
Goodwill & Intangible Assets	3,771,392	3,425,542	345,850	10.10%	Variance due to change from WIP to finished assetsand depreciation
Property and Equipment	656,491,267	607,790,452	48,700,815	8.01%	Variance due to change from WIP and depreciation
Investment Properties	61,210,872	61,336,479	(125,607)	-0.20%	
Deferred Tax Assets	8,520,023	40,578,147	-32,058,124	100.00%	Variance due to Change in Profitabilty and Final Tax Calculation
Investment in Subsidiaries	-	-	-	0.00%	
Investment in Associates	-	-	-	0.00%	
Investments	6,911,528,923	6,806,690,312	104,838,611	1.54%	

Loans	-	-	-	0.00%	
Reinsurance Assets	1,873,435,994	2,203,034,526	-329,598,532	-14.96%	Varaiance due to acturial adjustment
Current Tax Assets	83,260,510	71,277,272	11,983,238	100.00%	Variance due to Change in Profitabilty and Final Tax Calculation
Insurance Receivables	197,940,719	64,190,103	133,750,616	208.37%	Variance due to reclassification of Assets/Liabilities
Other Assets	251,324,251	204,479,176	46,845,075	22.91%	Variance due to reclassification of Assets/Liabilities
Other Financial Assets	131,892,411	190,047,070	(58,154,659)	-30.60%	Variance due to reclassification of Assets/Liabilities
Cash and Cash Equivalent	863,239,801	694,669,035	168,570,766	24.27%	Variance due to Final Reconciliation
Total Assets	11,034,096,142	10,947,518,114	-86,578,028	-1%	
Equity & Liabilities				-	
Equity	-		-	-	
Share Capital	2,515,450,774	2,515,450,774	-	-	
Share Application Money Pending Allotment	-	-	-	-	
Share Premium	111,780,654	111,780,000	-654	-	
Special Reserves	2,313,656,924	2,300,232,649	-13,424,275	-1%	
Catastrophe Reserves	167,172,209	165,829,782	-1,342,427	-1%	
Retained Earnings	767,745,475	755,966,596	-11,778,879	-2%	Variance due to additional Provision
Other Equity	434,267,266	327,458,939	-106,808,327	-33%	Variance due to Change in Profitabilty and Deferred Tax
Total Equity	6,310,073,302	6,176,718,740	-133,354,562	-2%	
Liabilities	-		-		
Provisions	33,090,431	32,347,850	-742,581	-2%	Varaiance due to acturial adjustment
Gross Insurance Contract Liabilities	3,539,178,399	3,750,647,190	211,468,791	6%	Varaiance due to acturial adjustment
Deferred Tax Liabilities	8,520,023	-	-8,520,023	100%	Variance due to Change in Profitabilty and Final Tax Calculation
Insurance Payable	529,849,742	477,718,667	(52,131,075)	-11%	Variance due to reclassification
Current Tax Liabilities	-	-	-	0%	Variance due to Change in Profitabilty and Final Tax Calculation
Borrowings	-	-	-	0%	
Other Liabilities	370,458,269	346,585,537	(23,872,732)	-7%	Variance due to reclassification
Other Financial Liabilities	242,925,977	163,500,130	-79,425,847	-49%	Variance due to reclassification
Total Liabilities	**4,724,022,840**	**4,770,799,374**	**46,776,534**	**1%**	
Total Equity and Liabilities	**11,034,096,142**	**10,947,518,114**	**-86,578,028**	**-1%**	

Variance Report in Statement of Profit or Loss

Particulars	Variance				Reason for Variance
	As per Management Certified Financial Statement	As per Unaudited Financial Statement	In Amount	in %	
Income:					
Gross Earned Premiums	3,447,424,531	3,286,926,949	160,497,582	5%	Variance is due to Actuarial Valuation of unearned premium
Premiums Ceded	1,546,709,736	1,567,313,941	(20,604,205)	-1%	
Net Earned Premiums	**1,900,714,795**	**1,719,613,008**	**181,101,787**	**11%**	
Commission Income	412,083,997	389,049,345	23,034,652	6%	Variance is due to change in Deferred Commission Income
Other Direct Income	25,459,702	16,864,974	8,594,728	51%	
Income from Investments & Loans	286,493,642	278,002,644	8,490,998	3%	
Net Gain/ (Loss) on Fair Value Changes	-	-	-	0%	
Net Realised Gains/ (Losses)	57,234,503	55,080,157.00	2,154,346	0%	
Other Income	16,825,180	19,983,028	(3,157,848)	-16%	Variance is due to reclassification
Total Income	**2,698,811,818**	**2,478,593,156**	**(220,218,662)**	**-9%**	
Expenses:					
Gross Claims Paid	1,671,472,494	1,671,472,494	(0)	0%	
Claims Ceded	747,037,040	833,055,172	86,018,132	10%	
Gross Change in Contract Liabilities	289,542,758	340,513,966	50,971,208	15%	Variance is due to Actuarial Valuation
Change in Contract Liabities Ceded to Reinsurers	221,380,342	322,976,696	(101,596,354)	-31%	Variance is due to Actuarial Valuation
Net Claims Incurred	**992,597,870**	**855,954,592**	**(136,643,278)**	**-16%**	
Commission Expenses	59,762,316	58,183,150	(1,579,166)	-3%	Variance is due to change in Deferred Commission Expenses
Service Fees	13,894,811	11,845,955	(2,048,856)	-17%	
Other Direct Expenses	4,247,259	4,247,259	-0.35	-0.00	
Employee Benefits Expenses	482,047,659	456,937,957	(25,109,702)	-5.50%	
Depreciation and Amortization Expenses	74,490,175	74,563,262	73,087	0.10%	Variance is due to Depreciation on ROU Assets

Impairment Losses	22,818,551	-	(22,818,551)	100%	Variance is due to actual evaluation of Impairment after preparation of 4th Quarter Report
Other Operating Expenses	188,318,707	183,353,888	(4,964,819)	-3%	Variance due to Rent Expenses Lease working and Final Reconciliation
Finance Cost	9,414,476	11,378,314.00	1,963,838	17%	Variance is due to calculation of Lease Liability
Total Expenses	1,847,591,824	1,656,464,377	(191,127,447)	-12%	
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	851,219,994	822,128,779	(29,091,215)	-4%	
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-	
Profit Before Tax	**851,219,994**	**822,128,779**	**(29,091,215)**	**-4%**	
Income Tax Expense	272,374,910	271,302,497	(1,072,413)	0%	
Net Profit/(Loss) For The Year	**578,845,084**	**550,826,282**	**(28,018,802)**	**-5%**	

QUALITY OF ASSET AND CAPITAL RESOURCES

QUALITY OF ASSETS

The total assets of the Company increased significantly by 14%, reaching NPR 11.03 billion as of 16th July 2025, compared to NPR 9.65 billion in the previous year. This growth reflects prudent financial Management, consistent underwriting performance, and a robust investment strategy. The asset composition continues to reflect a strong and conservative financial position, with Most assets held in highly liquid or income-generating forms.

- Investment Portfolio – The Core Strength

  Investments remain the Most dominant component of the balance sheet, representing approximately 62.64% of total assets (NPR 6.91 billion). This includes a diversified Mix of:

- Fixed Deposits in highly rated commercial banks,
- Government and corporate debentures offering secure and stable returns,
- Listed equity securities and Mutual funds that add value and diversification,
- Investment in hydropower
- Other instruments allowed by the Nepal Insurance Authority (NIA).
- Reinsurance Assets – Risk Transfer and Security

  Reinsurance assets increased to NPR 1.87 billion from NPR 1.71 billion last year, constituting around 17 % of total assets. These assets represent receivables from reinsurance arrangements, including:

- Outstanding claims recoverable,
- Provisions for IBNR and IBNER claims,
- Unearned Premium and Unexpired Risk Reserves.

  This indicates a strong and active reinsurance strategy aimed at Mitigating risk and enhancing underwriting capacity. The Company deals only with highly rated domestic and foreign reinsurers, ensuring reliability in recovery and financial security during large or catastrophic claims.

- Liquid Assets – Cash and Equivalents

  Cash and cash equivalents rose to NPR 863 Million from NPR 465 Million, Marking a 85.54% increase. This reflects sound liquidity Management, enabling the Company to Meet claim payouts and operating expenses without stress. The overall liquidity position is further enhanced by short-term deposits and readily realizable financial assets.

- Property, Equipment & Intangible Assets

  Intangible assets significantly increased to NPR 3.77 Million (Up from 3.49 Million), Marking a 8% increase representing continued investment in digital transformation. Whereas Property and equipment remains Modest.

QUALITY OF CAPITAL RESOURCES

- Capital Adequacy and Shareholders' Equity

  The Company's total shareholders' equity stood at NPR 6.31 billion as of 16th July 2025, a 23% increase over the previous year (NPR 5.15 billion). The growth in capital was driven by robust earnings retention, allocation to special reserves, and inclusion of application Money from the ongoing rights issue.

Composition of Shareholders' Equity:

- Share Capital: Stable at NPR 2.51 billion – indicating a strong capital base.
- Share Premium: NPR 111.78 Million
- Special Reserves: Increased by NPR 2.02 billion to NPR 2.31 billion – reflecting strong profit retention and risk buffers.
- Catastrophe Reserve: Up by 21% to NPR 167.17 Million – enhances financial resilience to Major events.
- Retained Earnings: Rose to NPR 767 Million – a sign of consistent profitability and long-term value creation.
- Solvency Position

  The Company Maintains a solvency ratio of 506%, significantly higher than the regulatory Minimum of 130% prescribed by the Nepal Insurance Authority under the Risk-Based Capital framework. This strong solvency position indicates:

- High buffer against underwriting and investment risk,
- Capacity for business growth and expansion,
- Strong confidence for policyholders, regulators, and investors.

  This solvency surplus provides the Company with strategic flexibility to underwrite large and complex risks, sustain future dividend payments, and absorb any Market volatility.

- Dividend Declaration

  Given the strong capital base, stable earnings, and superior solvency position, the Board of Directors, in its Meeting held on 14th January 2026, declared a dividend of 15.7894% for FY 2081/82. This balanced payout reflects the Company's commitment to reward shareholders while Maintaining growth capital for strategic priorities.

Conclusion:

The Company's asset portfolio remains strong, liquid, and well diversified. The dominance of high-quality investments and reinsurance assets ensures both stability and profitability. On the capital front, the high solvency Margin, increasing shareholder funds, and consistent earnings retention position the Company among the Most financially resilient insurers in Nepal. The disciplined and prudent Management of both assets and capital reaffirms the Company's long-term sustainability and stakeholder trust.

COMPARATIVE STATEMEMET OF SOLVENCY BALANCE SHEET AND NFRS FINANCIAL STATEMENT

The actuarial valuation and solvency assessment of the Company as of 16 July 2025, conducted in accordance with the Risk-Based Capital and Solvency Directives, 2022 (2078) issued by the Nepal Insurance Authority, confirms the Company's strong and stable financial position. As per the assessment:

- The solvency ratio stands at 506%, significantly higher than the supervisory target capital level of 130%.
- The Company Maintains a healthy capital surplus, reinforcing its ability to absorb shocks and continue operations with financial resilience.

Summary of Financial and Solvency Balance Sheets

Particulars	Annual Financial Statement	Solvency Balance Sheet
Total Assets	11,034,096,142	10,719,180,115
Reinsurance Assets	1,873,435,994	1,787,680,643
All Other Assets	9,160,660,148	8,931,499,471
Total Liabilities	4,724,022,840	4,760,980,930
– Technical Provisions	3,539,178,399	3,539,178,399
– Other Liabilities	1,184,844,441	1,184,844,441
Excess of Assets Over Liabilities	6,310,073,302	5,958,199,185

The solvency balance sheet shows a 5.58% reduction in asset value compared to the financial balance sheet, due to regulatory adjustments. Consequently, the excess of assets over liabilities for solvency purposes is NPR 595.8 crores, compared to NPR 631.00 crores per the annual financial statement.

OTHER DISCLOSURES

COMMUNICATION MECHANISM FOR INTERACTION AND INFORMATION FLOW TO STAKEHOLDERS

The Company has implemented a structured communication Mechanism to ensure transparency, accountability, and timely dissemination of relevant information. A dedicated Information Officer has been appointed to oversee communication with stakeholders, including:

- Policyholders
- Regulators
- Investors
- Employees
- General public

Key responsibilities of the Information Officer include:

- Facilitating the flow of accurate and up-to-date information.
- Coordinating with internal departments to gather relevant data.
- Responding to specific information requests from stakeholders.
- Ensuring all disclosures are clear, consistent, and legally compliant.

In line with the Right to Information Act, the Company:

- Regularly uploads quarterly financial and operational data to the official website.
- Maintains easy access to information for all stakeholders.

This proactive communication approach:

- Enhance stakeholder trust.
- Supports informed decision-making.
- Promotes transparency and good governance.

GRIVENCE HANDLING MECHANISM FOR INSURED, INVESTORS AND STAKEHOLDERS

At Neco Insurance Limited, we are committed to fostering transparency, accountability, and stakeholder trust by Maintaining an effective and structured grievance handling Mechanism. This system enables policyholders, investors, and other stakeholders to raise their concerns and ensures that such grievances are addressed promptly and fairly, in compliance with applicable legal and regulatory frameworks.

Grievance Reporting Channels

To facilitate accessibility and convenience, Multiple channels are available for stakeholders to register their grievances:

- Walk-in Complaints: Stakeholders May visit any branch office during business hours to lodge complaints in person.
- Email Support: Grievances can be submitted via the designated customer service email. All emails are acknowledged and responded to within the prescribed turnaround time.
- Written Communication: Complaints May also be sent in writing to the Company's Head Office through postal Mail.
- Customer Care Helpline: A dedicated helpline number is operational during office hours to assist with grievance registration, provide status updates, and respond to general queries.

Investigation and Resolution Process

- All grievances are formally registered and assigned to the department concerned based on the nature of the complaint.
- A systematic review is conducted to investigate the issue, gather relevant facts, and ensure fair evaluation.
- The complainant is informed of the resolution in a clear and timely Manner.
- Periodic reviews of unresolved cases are undertaken to ensure escalation where necessary and to uphold service quality standards.

This Mechanism is continuously reviewed to improve efficiency, ensure regulatory alignment, and reinforce our commitment to excellent customer service.

संथागत सुशासन सम्बन्धी बार्षिक अनुपालना प्रतिवेदन

(सूचीकृत संगठित संस्थाहरुको संस्थागत सुशासन सम्बन्धी निर्देशिका,२०७४ बमोजिम)

सूचीकृत सङ्गठित सस्थाको नाम : **नेको इन्सुरेन्स लिमिटेड**
ठेगाना : **ज्ञानेश्वर, काठमाण्डौं**
ईमेल : **info@neco.com.np**
वेभसाइटः **www.neco.com.np**
फोन नं. : ०१-४५४२२६३
प्रतिवेदन पेश गरिएको आ.ब. : २०८१/८२

१. **संचालक समिति सम्बन्धी विवरण**

(क) संचालक समितिको अध्यक्षको नाम तथा नियुक्ति मिति :
श्री रमेश कुमार निरौला वि.सं. २०८०/१०/१२

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

शेयरधनीहरु	शेयर संख्या	पूँजी संरचना
संस्थापक शेयरधनीहरु	१२,८२८,७९९	५१%
सर्वसाधारण शेयरधनीहरु	१२,३२५,७०९	४९%
जम्मा	२५,१५४,५०८	१००%

ग) संचालक समिति सम्बन्धी विवरण :

क्र.सं.	संचालकहरुको नाम तथा ठेगाना	प्रतिनिधित्व भएको समुह	शेयर संख्या	नियुक्ति भएको मिति	पद तथा गोपनियताको शपथ लिएको मिति	संचालक नियुक्तिको तरिका (विधि)
१	श्री रमेश कुमार निरौला	सँस्थापक	५२,४०६	२०८०/१०/१२	२०८०/१०/१२	२८ औं बार्षिक साधारण सभाबाट, निर्वाचित संचालक समितिले अध्यक्षमा चयन गरेको ।
२	श्री विनयरमण पौडेल	सँस्थापक राष्ट्रिय वाणिज्य बैंक	३,७७३,१७२	२०७७/११/२८	२०७७/११/२८	राष्ट्रिय वाणिज्य बैंकले मनोनित गरि पठाएको
३	श्री प्रताप सुवेदी	सँस्थापक कृषि विकास बैंक लि.	८४,०२६	२०८०/१०/१२	२०८०/१०/१२	कृषि विकास बैंक, लि. २८औं बार्षिक साधारण सभाबाट निर्वाचित ।
४	श्री भरत कुमार अधिकारी	सर्वसाधारण पद्मोदय प्रा.लि.	८६२	२०८०/१०/१२	२०८०/१०/१२	२८ औं बार्षिक साधारण सभाबाट निर्वाचित ।
५	श्री भानुभक्त पोखरेल	सर्वसाधारण	५५५	२०८०/१०/१२	२०८०/१०/१२	२८ औं बार्षिक साधारण सभाबाट निर्वाचित ।
६	श्री डा. नीलिमा श्रेष्ठ	सर्वसाधारण तराई भिलज इन्भेष्टमेण्ट प्रा.लि.	६२५	२०८०/१०/१२	२०८०/१०/१२	२८ औं बार्षिक साधारण सभाबाट निर्वाचित ।
७	श्री मणिदेव भट्टराई	स्वतन्त्र संचालक	–	२०८१/०५/३०	२०८१/०६/१७	संचालक समितिको ४६९ औं वैठक द्वारा नियुक्ति भएको र २९ औं बार्षिक साधारण सभाबाट अनुमोदित ।

(घ) संचालक समितिको बैठक

- संचालक समितिको बैठक संचालन सम्बन्धी विवरण :

क्र.सं.	आ.ब. २०८१/८२ मा बसेको संचालक समितिको वैठकको मिति	उपस्थित संचालकको संख्या वैठकको	निर्णयमा भिन्न मत राखी हस्ताक्षर गर्ने संचालकको संख्या	आ.ब.२०८०। ८१ मा बसेको संचालक समितिको वैठकको मिति
१	२०८१।०५।०२	७	नभएको	२०८०।०५।११
२	२०८१।०५।३०	६	नभएको	२०८०।०५।३१
३	२०८१।०६।१७	७	नभएको	२०८०।०६।२१
४	२०८१।०८।१२	७	नभएको	२०८०।०७।२२
५	२०८१।०८।२६	७	नभएको	२०८०।०८।१८
६	२०८१।०९।२५	७	नभएको	२०८०।०९।१८
७	२०८१।१०।०६	७	नभएको	२०८०।०९।१८
८	२०८१।१०।१५	७	नभएको	२०८०।०९।१९
९	२०८१।११।१५	७	नभएको	२०८०।०९।२८
१०	२०८१।११।२६	७	नभएको	२०८०।१०।१२
११	२०८१।१२।१३	७	नभएको	२०८०।१०।१४
१२	२०८१।१२।३१	७	नभएको	२०८०।१०।२९
१३	२०८२।०१।११	७	नभएको	२०८०।११।२७
१४	२०८२।०१।१८	७	नभएको	२०८०।१२।१९
१५	२०८२।०२।०६	७	नभएको	२०८१।०१।१०
१६	२०८२।०२।०८	७	नभएको	२०८१।०२।०२
१७	२०८२।०२।०९	७	नभएको	२०८१।०२।२०
१८	२०८२।०३।१५	७	नभएको	२०८१०३।०७
१९	२०८२।०३।२०	७	नभएको	२०८१।०३।२६
२०	२०८२।०३।३२	७	नभएको	२०८१।०३।३१

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

संचालक समितिको बैठकमा संचालक वा बैकल्पिक संचालक उपस्थित भए–नभएको (नभएको अवस्थामा बैठकको मिति सहित कारण खुलाउने) :

क्र.सं.	संचालक समितिको बैठकको मिति	उपस्थित संचालकको संख्या	अनुपस्थित संचालकको नाम तथा कारण
१	२०८१।०५।०२	७	पुरै उपस्थित
२	२०८१।०५।३०	६	डा. नीलिमा श्रेष्ठ उपत्यका बाहिर रहेकाले बैठकमा उपस्थित हुन नसक्ने जानकारी गराएको।
३	२०८१।०६।१७	७	पुरै उपस्थित
४	२०८१।०८।१२	७	पुरै उपस्थित
५	२०८१।०८।२६	७	पुरै उपस्थित
६	२०८१।०९।२५	७	पुरै उपस्थित
७	२०८१।१०।०६	७	पुरै उपस्थित
८	२०८१।१०।१५	७	पुरै उपस्थित
९	२०८१।११।१५	७	पुरै उपस्थित
१०	२०८१।११।२६	७	पुरै उपस्थित
११	२०८१।१२।१३	७	पुरै उपस्थित
१२	२०८१।१२।३१	७	पुरै उपस्थित
१३	२०८२।०१।११	७	पुरै उपस्थित
१४	२०८२।०१।१८	७	पुरै उपस्थित
१५	२०८२।०२।०६	७	पुरै उपस्थित
१६	२०८२।०२।०८	७	पुरै उपस्थित
१७	२०८२।०२।०९	७	पुरै उपस्थित
१८	२०८२।०३।१५	७	पुरै उपस्थित
१९	२०८२।०३।२०	७	पुरै उपस्थित
२०	२०८२।०३।३२	७	पुरै उपस्थित

» संचालक समितिको बैठकमा उपस्थित संचालकहरु, छलफल भएको विषय र तत्सम्बन्धमा भएको निर्णयको विवरण (माईन्यूट) को छुट्टै अभिलेख राखे नराखेको : राखेको
» संचालक समितिको दुई लगातार बसेको बैठकको अधिकतम अन्तर (दिनमा) : ३३ दिन
» संचालक समितिको बैठक भत्ता निर्धारण सम्बन्धमा बसेको बार्षिक साधारण सभाको मिति : २०७६/०५/१४ मा सम्पन्न २३औं बार्षिक साधारण सभा
» संचालक समितिको प्रति बैठक भत्ता रु.अध्यक्ष रु. १५,०००।
» संचालक रु.१०,०००।
» आ.ब.को संचालक समितिको कुल बैठक भत्ता रु. १४,७१,००० +४९,४०० = १५,२०,४००

२. संचालकको आचरण सम्बन्धी तथा अन्य विवरण
» संचालकको आचरण सम्बन्धमा सम्बन्धित संस्थाको आचार संहिता भए/नभएको : भएको
» एकाघर परिवारको एक भन्दा बढी संचालक भए सो सम्बन्धी विवरण : नभएको

» संचालकहरुको बार्षिक रुपमा सिकाई तथा पूर्नताजगी कार्यक्रम सम्बन्धी विवरण : नभएको

» प्रत्येक संचालकले आफू संचालकको पदमा नियुक्त वा मनोनयन भएको पन्ध्र दिनभित्र देहायका कुराको लिखित जानकारी गराएको/नगराएको र नगराएको भए सोको विवरण : जानकारी गराएको

- संस्थासंग निज वा निजको एकाघरको परिवारको कुनै सदस्यले कुनै किसिमको करार गरेको वा गर्न लागेको भए सोको विवरणः छैन
- निज वा निजको एकाघरको परिवारको कुनै सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिएको शेयर वा डिबेन्चरको विवरणः छैन
- निज अन्य कुनै संगठित संस्थाको आधारभूत शेयरधनी वा संचालक रहेको भए, त्यसको विवरणः छैन
- निजको एकाघरको परिवारको कुनै सदस्य संस्थामा पदाधिकारी वा कर्मचारीको हैसियतमा काम गरिरहेको भए सोको विवरण ।: छैन
- संचालकले उस्तै प्रकृतिको उद्देश्य भएको सूचिकृत संस्थाको संचालक, तलबी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य गरेको भए सोको विवरण : छैन
- संचालकहरुलाई नियमन निकाय तथा अन्य निकायहरुबाट कुनै कारवाही गरिएको भए सोको विवरण : नगरेको

३. संस्थाको जोखिम व्यवस्थापन तथा आन्तरिक नियन्त्रण प्रणालीसम्बन्धी विवरण

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

(ख) जोखिम व्यवस्थापन समिति सम्बन्धी जानकारीः

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

नाम	पद
सञ्चालक, श्री भरत कुमार अधिकारी	संयोजक
सञ्चालक, श्री प्रताप सुवेदी	सदस्य
प्रमुख कार्यकारी अधिकृत, श्री अशोक कुमार खड्का	सदस्य
आन्तरिक नियन्त्रण, परिपालन तथा जोखिम ब्यवस्थापन विभाग, श्री कञ्चन श्रेष्ठ	सदस्य

(आ) समितिको बैठक संख्या : ३

(इ) समितिको कार्य सम्बन्धी छोटो विवरण

- बीमा व्यावसायमा निहित जोखिमको स्तर, जोखिम बहन क्षमता, जोखिम व्यवस्थापनका लागि विकास गरेको रणनीति, नीतिगत व्यवस्था र मार्गदर्शनको नियमित पुनरावलोकन गरी सोको पर्याप्तताका सम्बन्धमा सञ्चालक समितिमा सुझाव पेश गर्ने,
- जोखिम अनुसार पुँजीको पर्याप्तता, व्यावसायिक रणनीति अनुरुप नीतिगत व्यवस्थाको पर्याप्तता, कम्पनीले लिन सक्ने अधिकतम जोखिम सम्बन्धमा नियमित रुपमा छलफल तथा विश्लेषण गरी सञ्चालक समितिलाई आवश्यक राय सुझाव दिने ।

(ग) आन्तरिक नियन्त्रण कार्यविधि भए/नभएकोः भएको

(घ) आन्तरिक नियन्त्रण प्रणालीको लागि कुनै समिति गठनभए/नभएको गठन नभएको भए सोको कारणःआन्तरिक नियन्त्रण प्रणालीलाई सुदृढ बनाउनका लागि प्रचलित कानुन तथा बीमा समितिबाट जारी भएको निर्देशन बमोजिम विभिन्न समितिहरु गठन गरिएको छ ।

(ङ) आन्तरिक नियन्त्रण प्रणालीसमिति सम्बन्धी विवरणः यस कम्पनीले आन्तरिक नियन्त्रण प्रणालीलाई सुदृढ बनाउनका लागि सञ्चालक स्तरिय निम्न समिति गठन गरिएको छ :

१) जोखिम ब्यवस्थापन तथा वित्तीय स्वस्थता : बुंदा नं. ३.ख मा उल्लेख भए बमोजिम

२) लेखापरीक्षण समिति : बुंदा नं. ६.ख मा उल्लेख भए बमोजिम

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

१) जोखिम ब्यवस्थापन तथा वित्तीय स्वस्थता : बुंदा नं. ३.ख मा उल्लेख भए बमोजिम

२) लेखापरीक्षण समिति : बुंदा नं. ६.ख मा उल्लेख भए बमोजिम

(आ) समितिको बैठक संख्या

१) जोखिम ब्यवस्थापन तथा वित्तीय स्वस्थता : ३

२) लेखापरीक्षण समिति : १०

(इ) समितिको कार्य सम्बन्धी छोटो विवरण

१) जोखिम ब्यवस्थापन तथा वित्तीय स्वस्थता : बुंदा नं. ३.ख(इ) मा उल्लेख भए बमोजिम

२) लेखापरीक्षण समिति :

- लेखापरीक्षण समितिको मूख्य काम कम्पनीका वित्तीय विवरणहरु पुनरावलोकन गर्ने,
- आन्तरिक तथा बाह्य लेखापरीक्षक नियुक्तिको सिफारिस गर्ने,
- लेखापरीक्षकले औंल्याएका कैफियतहरुको पुनरावलोकन गर्ने,
- आन्तरिक तथा बाह्य लेखापरीक्षकले औंल्याएका कैफियतहरु सुधार गर्नको लागि ब्यवस्थापनलाई निर्देशन दिने
- आवश्यकता अनुसार संचालक समितिलाई सिफारिस गर्ने लगायत बीमकको सुशासन सम्बन्धी निर्देशिका तथा कम्पनी ऐनमा उल्लेख भएका कार्यहरु गर्ने

(च) आर्थिक प्रशासन विनियमावली भए/नभएको: भएको

४. सुचना तथा जानकारी प्रवाह सम्बन्धी विवरण

(क) संस्थाले सार्वजनिक गरेको सूचना तथा जानकारी प्रवाहको : विवरण

विषय	माध्यम	सार्वजनिक गरेको मिति
वार्षिक साधारण सभाको सूचना	राष्ट्रिय स्तरको पत्रिका	१९/०१/२०८२ २१/०१/२०८२
विशेष साधारण सभाको सूचना	-	-
वार्षिक प्रतिवेदन	वेबसाईट	०१/०२/२०८२
त्रैमासिक प्रतिवेदन	राष्ट्रिय स्तरको पत्रिका र वेबसाईट	३०/०१/२०८२ ३०/१०/२०८१ ३०/०७/२०८१ ३०/०४/२०८१
धितोपत्रको मूल्यमा प्रभाव पार्ने मूल्य संवेदनशील सूचना (बोनश शेयर प्रस्ताव)	प्रेष विज्ञप्ती तथा सम्बन्धित नियमनकारी निकायहरुमा पत्र मार्फत	११/०१ /२०८२
अन्य	-	-

(ख) सुचना सार्वजनिक नगरेको वा अन्य कारणले धितापत्र बोर्ड तथा अन्य निकायबाट कारवाहिमा परेको भए सो सम्बन्धी जानकारी : नपरेको ।

(ग) पछिल्लो बार्षिक तथा विशेषसाधारण सभा सन्पन्न भएको मिति : पछिल्लो वार्षिक साधारण सभा मिति २०८२/०२/०९ गते सम्पन्न भएको ।

५. संस्थागतसंरचना र कर्मचारीसम्बन्धी विवरण

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

(ख) सांगठानीक संरचना संलग्न गर्ने : पृष्ट नं. २४ मा उल्लेख भए बमोजिम

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

कर्मचारीको नाम	पद	शैक्षिक योग्यता	बैक तथा ईन्सोरेन्स क्षेत्रको अनुभव
अशोक कुमार खडका	प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर तह	३३ वर्ष
गणेश लम्साल	नायब प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर तह	२६ वर्ष
पवन थापा	नायब प्रमुख कार्यकारी अधिकृत	स्नातक तह	२८ वर्ष
रमेश बहादुर थापा	सहायक प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर तह	३२ वर्ष
विशाल कुमार थापा	सहायक महाप्रबन्धक	स्नातकोत्तर तह	३२ वर्ष

(घ) कर्मचारी सम्बन्धी अन्य विवरण:

संरचना अनुसार कर्मचारी पदपूर्ती गर्ने गरे/नगरेको :	गरेको
नयाँ कर्मचारीहरुको पदपूर्ति गर्दा अपनाएको प्रकृया :	खुल्ला प्रतिस्पर्धा, उपयुक्त ब्यक्तिको खोजी गरि
व्यवस्थापन स्तरका कर्मचारीको संख्या:	२९
कुल कर्मचारीको संख्या :	५७२
कर्मचारीहरुको सक्सेसन प्लान भए/नभएको :	नभएको
आ. व. कर्मचारीहरुलाई दिइएको तालिम संख्या तथा तालिमद्वारा कर्मचारीहरूलाई सम्मिलित कर्मचारीको संख्या:	तालिम संख्या : ६२ सम्मिलित कर्मचारी संख्या : २०८
आ. व. को कर्मचारी तालिम खर्च रु :	१,०८,६६,८८१.२७
कुल खर्चमा कर्मचारी खर्चको प्रतिशत :	६२%
कुल कर्मचारी खर्चमा कर्मचारी तालीम खर्चको प्रतिशत :	२.२५%

६. संस्थाको लेखा तथा लेखापरीक्षण सम्बन्धी विवरण:

(क) लेखा सम्बन्धी विवरण

संस्थाको पछिल्लो आ. व. को वित्तीय विवरण NFRS अनुसार गरेको तयार गरे/ नगरेको, नगरेको भए सोको कारण	तयार गरेको
सञ्चालक समितिबाट पछिल्लो वित्तीय विवरण स्वीकृत भएको मिति	११/०१/२०८२

त्रैमासिक वित्तीय विवरण प्रकाशन गरेको मिति :	३०/०४/२०८२ ३०/०१/२०८२ ३०/१० /२०८१ ३० /०७ /२०८१
अन्तिम लेखापरिक्षण सम्पन्न भएको मिति :	१२ /०१/२०८२
साधारण सभाबाट वित्तीय विवरण स्वीकृत भएको मिति :	०९ /०२ /२०८२
संस्थाको आन्तरिक लेखा परीक्षण सम्बन्धी विवरण :	
(अ) आन्तरिक रुपमा लेखा परीक्षण गर्ने गरिएको वा बाह्य विज्ञ नियुक्त गर्ने गरिएको	बाह्य विज्ञ नियुक्त गर्ने गरिएको
(आ) बाह्य विज्ञ नियुक्त गरिएको भए सोको विवरण	एन बी एस् एम एण्ड एसोसिएट्स, चार्टर्ड एकाउन्टेण्ट्स्, नक्साल, काठमाण्डौ
(इ) आन्तरिक लेखापरीक्षण कति अवधिको गर्ने गरिएको (त्रैमासिक, चौमासिक वा अर्ध वार्षिक)	विभाग तथा मुख्य कार्यालय त्रैमासिक रुपमा, अन्य शाखा , उपशाखा वार्षिक तथा आबश्यकता अनुसार आबधिक रुपमा

(ख) लेखापरीक्षण समिति सम्बन्धी विवरण

नाम	पद	योग्यता
श्री भरत कुमार अधिकारी संयोजक	संचालक	स्नातकोत्तर
श्री प्रताप सुवेदी संचालक , सदस्य	संचालक	स्नातकोत्तर
श्री विनयरमण पौडेल, संचालक, सदस्य	संचालक	चार्टर्ड एकाउन्टेन्ट

वैठक बसेको मिति तथा उपस्थित सदस्य संख्या :

क्र. स	मिति	उपस्थित सदस्य संख्या
१	२०८१/०५/२८	३
२	२०८१/०५/२९	३
३	२०८१/०८/१२	३
४	२०८१/०८/२८	३
५	२०८१/०९/१२	३
६	२०८१/१०/२९	३

७	२०८१/११/२८	३
८	२०८२/०१/१८	३
९	२०८२/०१/२८	३
१०	२०८२/०२/२९	३

७. अन्य विवरण

संस्थाले सञ्चालक तथा निजको एकाघरका परिवारको वित्तीय स्वार्थ भएको व्यक्ति, बैङ्क 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 सूचिकृत सङ्गठित संस्थाको वित्तीय स्वार्थ भएको कुनै व्यक्ति, फर्म, कम्पनी, कर्मचारी, सल्लाहकार वा परामर्शदाताले संस्थाका कुनै सम्पत्ति कुनै किसिमले भोगचलन गरे/ नगरेको	नगरेको
नियमकारी निकायले इजाजतपत्र जारी गर्दा तोकेको शर्तहरुको पालना भए/नभएको	पालना भएको
नियमकारी निकायले संस्थाको नियमन निरीक्षण वा सुपरीवेक्षण गर्दा संस्थालाई दिइएका निर्देशन पालना भए/नभएको	पालना भएको
संस्था वा सञ्चालक विरुद्ध अदालतमा कुनै मुद्दा चलिरहेको भए सोको विवरण	नभएको

परिपालन अधिकृतको नाम : हिम बहादुर के. सी.
पद : प्रबन्धक

Neco Insurance Limited

COMPERATIVE INCOME STATEMENT FOR 5 YEARS

Fig in NPR

Description	2020/21 2077/78	2021/22 2078/79	2022/23 2079/80	2023/24 2080/81	2024/25 2081/82
Income:					
Gross Earned Premiums	2,225,366,372	2,618,912,416	3,033,342,216	2,876,999,104	3,447,424,531
Premiums Ceded	(768,517,949)	(929,638,098)	(1,240,696,526)	(1,274,170,529)	(1,546,709,736)
Net Earned Premiums	**1,456,848,423**	**1,689,274,318**	**1,792,645,690**	**1,602,828,574**	**1,900,714,795**
Commission Income	219,884,668	276,566,686	347,197,315	341,212,770	412,083,997
Other Direct Income	-	8,749,702	12,287,006	16,681,582	25,459,702
Income from Investments & Loans	249,565,318	337,463,354	456,815,342	449,942,061	286,493,642
Net Gain/ (Loss) on Fair Value Changes	-	-	-	-	-
Net Realised Gains/ (Losses)	107,225,289	6,746,850	12,020,925	224,156	57,234,503
Other Income	17,137,112	7,725,036	10,137,363	11,049,194	16,825,180
Total Income	2,050,660,811	2,326,525,946	2,631,103,642	2,421,938,338	2,698,811,818
Expenses:					
Gross Claims Paid	1,078,475,407	1,353,707,467	1,658,358,379	1,035,146,127	1,671,472,494
Claims Ceded	(449,153,653)	(481,101,106)	(897,577,551)	(299,611,916)	(747,037,040)
Gross Change in Contract Liabilities	1,275,703,945	249,495,867	(591,914,445)	35,411,034	289,542,758
Change in Contract Liabities Ceded to Reinsurers	(1,120,907,461)	(222,988,324)	703,977,767	(4,123,536)	(221,380,342)
Net Claims Incurred	**784,118,237**	**899,113,904**	**872,844,150**	**766,821,709**	**992,597,870**
Commission Expenses	53,417,824	65,868,721	69,739,831	52,368,034	59,762,316
Service Fees	16,508,727	17,293,513	13,918,804	13,368,928	13,894,811
Other Direct Expenes	-	4,262,409	5,642,445	2,939,364	4,247,259
Employee Benefits Expenses	293,794,281	348,128,786	429,984,620	448,680,080	482,047,659
Depreciation and Amortization Expenses	19,110,778	65,325,557	78,433,982	79,749,468	74,490,175
Impairment Losses	6,403,717	(2,680,481)	6,969,690	22,186,802	22,818,551
Other Operating Expenses	119,196,662	131,301,023	130,913,470	154,912,443	188,318,707
Finance Cost	-	12,111,631	6,906,937	10,343,922	9,414,476
Total Expenses	**1,292,550,227**	**1,540,725,062**	**1,615,353,927**	**1,551,370,749**	**1,847,591,824**
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	758,110,584	785,800,884	1,015,749,715	870,567,588	851,219,994
Share of Net Profit of Associates accounted using Equity Method		-	-	-	-
Profit Before Tax	**758,110,584**	**785,800,884**	**1,015,749,715**	**870,567,588**	**851,219,994**
Income Tax Expense	251,129,049	238,456,869	310,737,204	280,064,728	272,374,910
Net Profit/(Loss) For The Year	**506,981,534**	**547,344,015**	**705,012,511**	**590,502,861**	**578,845,084**

Neco Insurance Limited

COMPERATIVE FINANCIAL POSITION FOR 5 YEARS

Fig in NPR

Description	2020/21	2021/22	2022/23	2023/24	2024/25
	2077/78	2078/79	2079/80	2080/81	2081/82
Assets					
Goodwill & Intangible Assets	2,378,716	3,996,801	3,305,440	3,496,927	3,771,392
Property and Equipment	446,637,048	537,467,169	594,319,808	657,637,956	656,491,267
Investment Properties	-	**67,008,186**	**67,962,856**	**64,564,713**	**61,210,872**
Deferred Tax Assets	57,731,337	64,219,564	-	52,918,095	
Investment in Subsidiaries	-	-	-	-	-
Investment in Associates	-	-	-	-	-
Investments	3,718,977,187	4,544,426,624	5,097,280,524	6,328,933,526	6,911,528,923
Loans	-	-	-	-	-
Reinsurance Assets	1,889,130,062	2,306,954,766	1,617,726,103	1,706,238,104	1,873,435,994
Current Tax Assets	31,922,141	12,782,641	25,311,826	34,506,109	83,260,510
Insurance Receivables	302,706,877	165,160,827	196,662,844	56,797,606	197,940,719
Other Assets	67,005,739	227,648,070	86,693,851	98,013,347	251,324,251
Other Financial Assets	160,344,383	206,870,966	262,737,476	188,183,831	131,892,411
Cash and Cash Equivalent	464,728,385	217,598,891	364,449,150	465,248,120	863,239,801
Total Assets	**7,141,561,876**	**8,354,134,506**	**8,316,449,878**	**9,656,538,335**	**11,034,096,142**
Equity & Liabilities					
Equity					
Share Capital	1,521,633,738	1,749,878,799	2,012,360,619	2,012,360,619	2,515,450,774
Share Application Money Pending Allotment	-	-	-	166,857,940	-
Share Premium	-	-	-	-	111,780,654
Special Reserves	1,099,389,224	1,359,496,487	1,754,968,988	2,024,819,508	2,313,656,924
Catastrophe Reserves	68,738,889	74,475,688	111,303,416	138,288,468	167,172,209
Retained Earnings	288,340,393	300,093,650	276,134,574	513,603,032	767,745,475
Other Equity	100,741,212	159,154,118	255,045,314	292,540,006	434,267,266
Total Equity	**3,078,843,457**	**3,643,098,743**	**4,409,812,911**	**5,148,469,573**	**6,310,073,302**
Liabilities					
Provisions	61,420,766	24,672,805	68,621,936	29,122,145	33,090,431
Gross Insurance Contract Liabilities	**3,339,171,661**	**3,823,580,857**	**3,115,679,610**	**3,415,174,262**	**3,539,178,399**
Deferred Tax Liabilities	-	-	3,670,769		8,520,023
Insurance Payable	276,116,009	337,858,451	196,125,171	440,653,588	529,849,742
Current Tax Liabilities	-	-	-	-	-
Borrowings	-	-	-	-	-
Other Liabilities	163,279,971	361,892,722	336,501,897	435,985,882	370,458,269
Other Financial Liabilities	222,730,013	163,030,929	186,037,583	187,132,886	242,925,977
Total Liabilities	**4,062,718,418**	**4,711,035,763**	**3,906,636,966**	**4,508,068,761**	**4,724,022,840**
Total Equity and Liabilities	**7,141,561,876**	**8,354,134,506**	**8,316,449,878**	**9,656,538,335**	**11,034,096,142**

नेपाल बीमा प्राधिकरण
NEPAL INSURANCE AUTHORITY

मितिः २०८२।१०।१५

वि. वि. शा. : १३५ (२०८२/०८३) च.नं. ४३६७

नेको इन्स्युरेन्स लि.
केन्द्रिय कार्यालय
दर्ता नं. ३०३०
मिति २०८२।१०।१५

श्री नेको इन्स्योरेन्स लिमिटेड,
ज्ञानेश्वर, काठमाण्डौं।

विषयः **आ.व. २०८१।८२ को वित्तीय विवरणको स-शर्त स्वीकृति बारे।**

तहाँको मिति २०८२/१०/०२ (च.नं. ९१५(०८२/०८३) को पत्र साथ प्राधिकरणमा पेश भएको आ.व. २०८१।८२ को वित्तीय विवरण सम्बन्धमा लेखिदैंछ।

उपरोक्त सम्बन्धमा बीमक श्री नेको 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 जगेडा कोष, महाविपत्ति कोष र दाबी भुक्तानी कोष तथा जगेडा कोष कायम गरेको देखिएकोले तहाँको आ.व.२०८१।८२ को वार्षिक वित्तीय विवरणलाई बीमा ऐन, २०७९ को दफा ८७ को उपदफा (८) तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ७, ८ र ९ बमोजिम वार्षिक प्रतिवेदनमा समावेश गर्न, साधारण सभामा पेश गर्न तथा प्रकाशित गर्न देहायको निर्देशन, शर्त तथा आदेश सहित स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउदछौं।

शर्तहरुः

१. बीमकले NFRS-17 Insurance Contracts लागु गर्न आवश्यक तयारी गर्ने।
२. बीमकको जोखिमाङ्कन तथा दाबी भुक्तानी प्रक्रियालाई थप प्रभावकारी गराउने।
३. बीमकले पूनर्बीमक तथा बीमकसँग सम्बन्धित लेनादेना हिसाब राफसाफ गर्ने।
४. बीमकले जोखिम व्यवस्थापनलाई थप प्रभावकारी बनाउने।
५. 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 शिर्षकहरुमा दश प्रतिशत भन्दा बढी रकमले फरक भएको देखिएकोले आगामी दिनमा सो कैफियतलाई सुधार गर्ने।
६. बीमकले वार्षिक प्रतिवेदन तयार गर्दा मिति २०८१/०७/१३ गते प्राधिकरणबाट जारी परिपत्र (ने.बी.प्रा. ९५ (२०८१/०८२) च.नं. २०४०- वि.वि.शा. १) बमोजिमका बुँदाहरु समावेश गर्ने।
७. बीमकको लेखापरीक्षकहरुले औंल्याएका कैफियतहरु सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिन आवश्यक व्यवस्था गर्ने।
८. बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६०(साठी) दिन भित्र साधारण सभा गर्ने।

NECO INSURANCE LTD.
ORG CPY.
CEO ✓
DCEO ✓
Adm.HR. ✓
Adm Cr. ✓
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Claim
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IT
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RND
ICU

(सन्तोष कार्की)
चार्टर्ड एकाउन्टेन्ट

पो.ब.नं. २१७२, ललितपुर-१०, कुपण्डोल, नेपाल, फोनः ०१-५४२१०७९, ५४३८७४३, फ्याक्सः ०१-५४२०११९, टोल फ्रि नं.: १६६०-०१-५६७८९
P.O. Box No.: 2172, Lalitpur-10, Kupondole, Nepal, Phone: 01-5421079, 5438743, Fax: 01-5420119, Toll Free No.: 1660-01-56789
Website: www.nia.gov.np, E-mail: info@nia.gov.np

नेपाल बीमा प्राधिकरणको स–शर्त स्वीकृति सम्बन्धी ब्यवस्थापनको प्रत्युत्तर

नेपाल बीमा प्राधिकरणद्वारा आ.ब. २०८१/०८२ बित्तीय विवरण स-शर्त स्वीकृति दिइएको हुदा त्यसमा उल्लेखित शर्तहरु सम्बन्धी ब्यवस्थापनको प्रत्युत्तर निम्न बमोजिम रहेको छ।

१. NFRS 17 Insurance contract लागु गर्न परामर्शदाता नियुक्त गरी कार्य सुचारु गरिएको छ।

२. जोखिमांकन तथा दाबी भुक्तानी प्रक्रिया प्रभावकारी गराउदै लगिएको छ।

३. पुनर्बीमक तथा अन्य बीमकसंग को लेनदेन हिसाब राफसाफ गर्दै लगिएको छ।

४. जोखिम ब्यवस्थापनको कार्यलाई प्रभावकारी गराउदै लगिएको छ।

५. आर्थिक वर्ष २०८१/८२ को चौथो त्रैमासिक अवधिको त्रैमासिक वित्तीय विवरण तथा वार्षिक वित्तीय विवरणको Statement of Financial Position, Statement of Profit or Loss तथा Statement of Other comprehensive Income विवरणको विभिन्न शीर्षकहरूमा देखिएका रकमगत भिन्नताहरूलाई आगामी दिनहरूमा न्यून गर्दै लगिनेछ।

६. लेखापरीक्षकले औंल्याएका कैफियतहरु सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिन आवश्यक ब्यवस्था गरिनेछ।

नेको इन्सुरेन्स लिमिटेड

को

प्रबन्ध–पत्रको दफा ५ (क) तथा नियमावलीको नियम ६ (क) मा संशोधन गर्ने सम्बन्धी तीन महले विवरण

साविकको व्यवस्था	शंसोधन व्यवस्था	शंसोधन गर्नुका कारणहरु
प्रवन्ध पत्र **दफा ५. शेयर पूँजी :** (क) यस कम्पनीको अधिकृत पूँजी रु. ३,००,००,००,०००।- (अक्षरेपी तीन अर्ब) हुनेछ । जुन रु.१००।- को प्रति शेयरको हिसाब बाट ३००,००,०००।- (तीन करोड) साधारण शेयरहरुमा विभाजित गरिएको छ। कम्पनीको जारी पूँजी रु.२,६९,१५,३२,३२८।- (अक्षरुपी दुई अर्व उनान्सत्तरी करोड पन्ध्र लाख बत्तीस हजार तीन सय अठ्ठाइस) रहेको छ। यसलाई प्रति शेयर रु.१००।- को हिसाबबाट २,६९,१५,३२३ (दुई करोड उनान्सत्तरी लाख पन्ध्र हजार तीन सय तेइस) साधारण शेयरमा विभाजन गरिएको छ। **नियमावली** **नियम ६. शेयर पूँजी :** (क) यस कम्पनीको अधिकृत पूँजी रु. ३,००,००,००,०००।- (अक्षरेपी तीन अर्ब) हुनेछ । जुन रु.१००।- को प्रति शेयरको हिसाब बाट ३००,००,०००।- (तीन करोड) साधारण शेयरहरुमा विभाजित गरिएको छ। कम्पनीको जारी पूँजी रु.२,६९,१५,३२,३२८।- (अक्षरुपी दुई अर्व उनान्सत्तरी करोड पन्ध्र लाख बत्तीस हजार तीन सय अठ्ठाइस) रहेको छ। यसलाई प्रति शेयर रु.१००।- को हिसाबबाट २,६९,१५,३२३ (दुई करोड उनान्सत्तरी लाख पन्ध्र हजार तीन सय तेइस) साधारण शेयरमा विभाजन गरिएको छ।	**प्रवन्ध पत्र** **दफा ५. शेयर पूँजी :** (क) यस कम्पनीको अधिकृत पूँजी रु. ३,००,००,००,०००।- (अक्षरेपी तीन अर्ब) हुनेछ। जुन रु.१००।- को प्रति शेयरको हिसाब बाट ३००,००,०००।- (तीन करोड) साधारण शेयरहरुमा विभाजित गरिएको छ । कम्पनीको जारी पूँजी रु.२,७७,२२,७८,२९८।- (अक्षरुपी दुई अर्व सतहत्तर करोड बाइस लाख अठहत्तर हजार दुई सय अन्ठानब्बे) रहेको छ । यसलाई प्रति शेयर रु.१००।- को हिसाबबाट २,७७,२२,७८३ (दुई करोड सतहत्तर लाख बाइस हजार सात सय त्रियासी) साधारण शेयरमा विभाजन गरिएको छ। **नियमावली** **नियम ६. शेयर पूँजी :** (क) यस कम्पनीको अधिकृत पूँजी रु. ३,००,००,००,०००।- (अक्षरेपी तीन अर्ब) हुनेछ। जुन रु.१००।- को प्रति शेयरको हिसाब बाट ३००,००,०००।- (तीन करोड) साधारण शेयरहरुमा विभाजित गरिएको छ । कम्पनीको जारी पूँजी रु.२,७७,२२,७८,२९८।- (अक्षरुपी दुई अर्व सतहत्तर करोड बाइस लाख अठहत्तर हजार दुई सय अन्ठानब्बे) रहेको छ । यसलाई प्रति शेयर रु.१००।- को हिसाबबाट २,७७,२२,७८३ (दुई करोड सतहत्तर लाख बाइस हजार सात सय त्रियासी) साधारण शेयरमा विभाजन गरिएको छ।	कम्पनीले जारी गर्ने ३% बोनश शेयर पश्चात पूँजी वृद्धि हुने भएकोले । कम्पनीले जारी गर्ने ३% बोनश शेयर पश्चात पूँजी वृद्धि हुने भएकोले ।

(कम्पनी ऐन २०६३ को दफा ७१ को उपदफा (३) संग सम्बन्धित)

नेको इन्सुरेन्स लिमिटेड

प्रतिनिधि (Proxy) नियुक्त गर्ने निबेदन

श्री संचालक समिति,

नेको इन्सुरेन्स लिमिटेड,

ज्ञानेश्वर, काठमाडौं ।

बिषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला ..... म.न.पा./उ.म.न. पा./न.पा./गा.पा./वडा नं..... बस्ने म/हामी ..... ले त्यस कम्पनीको शेयरवालाको हैसियतले २०८२ साल फाल्गुन ११ गते सोमवारका दिन हुने ३०औं बार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि ..... जिल्ला ..... म.न.पा./उ.म.न.पा./न.पा./गा.पा./वडा नं..... बस्ने त्यस कम्पनीका शेयरवाला श्री..... शेयरधनी नं./डिम्याट न. ..... लाई मेरो/हाम्रो प्रतिनिधि नियुक्त गरी पठाएका छु/छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको

हस्ताक्षरको नमुनाः

नाम :

ठेगाना :

शेयरधनी नं./हितग्राही नं.:

मितिः

निवेदक,

दस्तखत :

नामः

शेयर संख्या :

शेयरधनी नं./हितग्राही नं.:

मितिः

नोटः यो निवेदन साधारण सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको रजिष्टर्ड कार्यालयमा पेश गरिसक्नु पर्नेछ।

प्रवेश–पत्र

शेयरधनीको नामः श्री .....

शेयरधनी नं./डिम्याट नं ..... कुल शेयर संख्याः ..... **नेको इन्सुरेन्स लिमिटेड**को मिति ..... गते हुने ३०औं बार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको **प्रवेश पत्र** ।

..... शेयरधनीको सही

..... कम्पनी सचिव

नोट/टिप्पणी

नोट/टिप्पणी

नोट/टिप्पणी

PHOTO GALLERY

Neco Insurance Limited's 29th AGM

CSR & Other Activities

CSR & Other Activities

शाखा/उपशाखा कार्यालयहरु

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काठमाडौं-१४, कालिमाटी
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बौद्ध शाखा कार्यालय
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ललितपुर शाखा कार्यालय
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न्यूरोड शाखा कार्यालय
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अनामनगर उपशाखा कार्यालय
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क्षेत्रपाटी उपशाखा कार्यालय
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पेप्सिकोला उपशाखा कार्यालय
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पाटन उपशाखा कार्यालय
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हात्तिगौडा उपशाखा कार्यालय
काठमाडौं महानगरपालिका वडा नं.-३
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कोशी प्रदेश

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इटहरी तेस्रोपक्ष बीमा काउन्टर
इटहरी-४, सुनसरी
९८०१८३९००९

कञ्चनबारी उपशाखा कार्यालय
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चन्द्रनिगाहपुर उपशाखा कार्यालय
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फत्तेपुर उपशाखा कार्यालय
सप्तकोशी न.पा. -१ फत्तेपुर
९८५११९६०३३
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९८०११४६५९७
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सिमरा उपशाखा कार्यालय
सिमरा, बारा
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बर्दिबास उपशाखा कार्यालय
बर्दिबास नगरपालिका वडा नं. १
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लिंकरोड उपशाखा कार्यालय
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बाग्मती प्रदेश

उपत्यका बाहिर (शाखा/उपशाखा)

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भरतपुर शाखा कार्यालय
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पर्सा उपशाखा कार्यालय
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गण्डकी प्रदेश

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बेसीशहर उपशाखा कार्यालय
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बगर उपशाखा कार्यालय
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लुम्बिनी प्रदेश

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