

**Shikhar Insurance Co. Ltd.**

**20<sup>th</sup> Annual Report (2023-24)**

**शिखर इन्स्योरेन्स कं. लि.**

**२० औं वार्षिक प्रतिवेदन (२०८०/८१)**



**Shikhar**  
**Insurance**  
*Happy insurance*

## Board of Directors



**From Left:**

Ramesh Kumar Luitel, Skand Amatya, Gaurav Agrawal, Puskar Mahat, Dr. Shrujana Shrestha, Dinesh Bajra Bajracharya, Saurav J.B. Rana

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# CELEBRATING



*25 years*  
OF DELIVERING HAPPINESS

Leading with Excellence



Gross Premium (In Crore)



यस कम्पनीको २०औं वार्षिक उत्सवको शुभ अवसरमा यस कम्पनीको सफलतामा साथ पुऱ्याउनुहुने सम्पूर्ण ग्राहकवर्ग, शेयरधनी महानुभावहरू, नेपाल बीमा प्राधिकरण लगायत अन्य नियमनकारी निकायहरू, कर्मचारीवर्ग तथा सम्पूर्ण शुभेच्छुकहरूमा हार्दिक कृतज्ञता व्यक्त गर्दछौं । यहाँहरूको अनवरत साथ र सहयोग २० वर्ष देखि हाम्रो उत्कृष्ट सेवाको प्रमुख आधारशिला बनिआएको छ र आगामी वर्षहरूमा पनि थप विश्वास र प्रतिबद्धताका साथ अझ बढी प्रभावकारी र गुणस्तरीय बीमा सेवाप्रदान गर्दै जाने प्रतिबद्धता व्यक्त गर्दछौं ।



Shikhar Biz Center, Thapathali, Kathmandu, Nepal | Ph: 01-5346101, 5346102  
www.shikharinsurance.com | Email: shikharins@mos.com.np



SCAN HERE FOR  
MORE INFORMATION



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## शिखर इन्स्योरेन्स कम्पनी लिमिटेडको

### २० औं वार्षिक साधारण सभा बस्ने सम्बन्धी सूचना

सम्पूर्ण शेयरधनी महानुभावहरु,

मिति २०८१/१०/२१ गते सोमबार साँझ ५ बजे बसेको यस कम्पनीको संचालक समितिको ३४६ औं बैठकको निर्णय अनुसार कम्पनीको २० औं वार्षिक साधारण सभा निम्न मिति, समय तथा स्थानमा निम्न प्रस्ताव उपर छलफल तथा निर्णय गर्न बस्ने भएकाले सम्पूर्ण शेयरधनी महानुभावहरुमा उपस्थितिको लागि अनुरोध गरिन्छ ।

**मिति, समय र स्थान:**

**मिति** : २०८१ साल फाल्गुन १३ गते मंगलबार (तदनुसार २०२५ फेब्रुअरी २५)

**समय** : बिहान ११ बजे

**स्थान** : शिखर इन्स्योरेन्स कम्पनी लि., केन्द्रीय कार्यालय, शिखर विज सेन्टर, थापाथली काठमाडौं ।

**छलफलका विषयहरु**

#### १. सामान्य प्रस्ताव

- १.१ आ.व.२०८०।८१ को संचालक समितिको वार्षिक प्रतिवेदन उपर छलफल गरी सोलाई पारित गर्ने बारे ।
- १.२ आ.व. २०८०।८१ को लेखापरीक्षण प्रतिवेदन सहितको वित्तीय विवरणहरु उपर छलफल गरी सोलाई पारित गर्ने बारे ।
- १.३ आ.व.२०८१।८२ का लागि लेखापरीक्षकको नियुक्ति गर्ने तथा पारिश्रमिक तोक्ने बारे ।
- १.४ संचालक समितिबाट प्रस्ताव गरिएको कम्पनीको हाल कायम चुक्ता पुँजी रु.२,६५४,९४७,३०० मा ०.५२६३ प्रतिशतका दरले नगद लाभांस रु १३,९७३,४०७ (अक्षरेपी रु. एक करोड उनान्चालिस लाख त्रिहत्तर हजार चार सय सात मात्र) पारित गर्ने बारे (प्रस्तावित लाभांसको कर प्रायोजनार्थ)
- १.५ कम्पनीको रजिष्टर्ड कार्यालय रहने ठेगाना परिवर्तन गर्ने बारे ।
- १.६ विविध

#### २. विशेष प्रस्ताव

- २.१ सञ्चालक समितिबाट प्रस्ताव गरिएको कम्पनीको हाल कायम चुक्ता पुँजी रु.२,६५४,९४७,३०० मा १० प्रतिशतका दरले रु. २६५,४९४,७३० (अक्षरेपी रु. छब्बीस करोड चौवन्न लाख चौरानब्बे हजार सात सय तीस मात्र) को बोनस शेयर पारित गर्ने बारे ।
- २.२ कम्पनीबाट गरिएको चन्दा तथा सामाजिक उत्तरदायित्व अन्तर्गतका खर्चहरु अनुमोदन गर्ने बारे ।
- २.३ प्रबन्धपत्र र नियमावलीमा आवश्यक संशोधन गर्ने र सो कार्य सम्पन्न गर्न संचालक समितिलाई आवश्यक सम्पूर्ण अधिकार प्रत्यायोजन गर्ने बारे । संसोधित प्रबन्धपत्र तथा नियमावली अभिलेख वा स्वीकृत गर्ने निकायबाट कुनै फेरबदल गर्न निर्देशन प्राप्त भएमा सो अनुसार फेरबदल गर्न संचालक समितिलाई पुर्ण अख्तियारी प्रदान गर्ने बारे ।

संचालक समितिको आज्ञाले

कम्पनी सचिव

## शिखर इन्स्योरेन्स कम्पनी लिमिटेडको

### साधारण सभा सम्बन्धी अन्य जानकारी

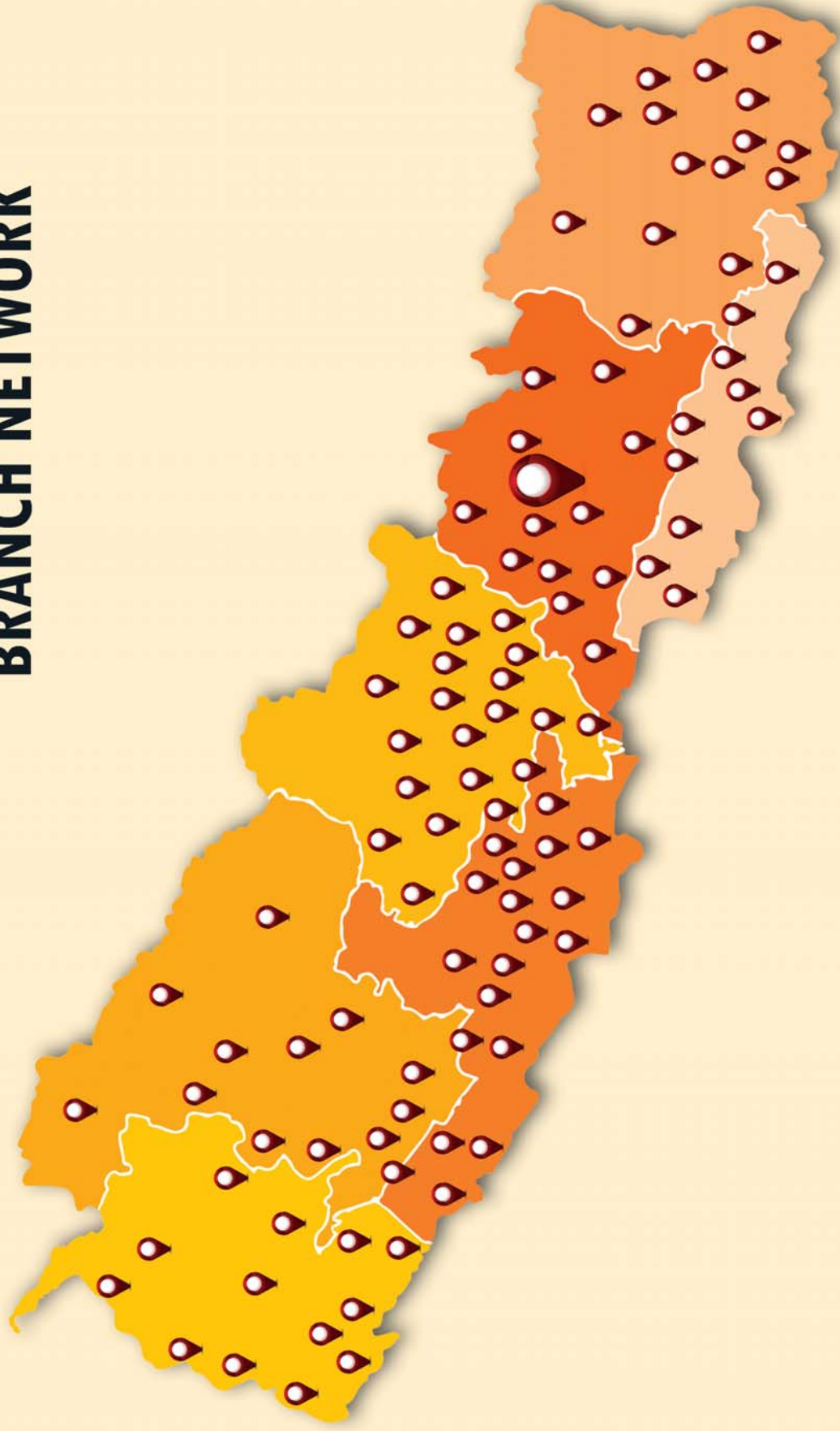
१. सभामा भाग लिन आउनु हुने शेयरधनी महानुभावहरूले आफ्नो शेयर प्रमाण पत्र वा कम्पनीको शेयर अभौतिककरण गरेको देखिने अभौतिककरण खाताको विवरण प्रस्तुत गरेपछि मात्र सभा कक्षमा प्रवेश गर्न पाईने छ ।
२. सभामा भाग लिनका लागि प्रतिनिधी (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनी महानुभावहरूले प्रतिनिधी (प्रोक्सी) फारम सभा हुने दिनभन्दा ४८ घण्टा अगावै बिहान ११ बजे भित्र कम्पनीको केन्द्रिय कार्यालयमा दर्ता गराई सक्नु पर्ने छ । एकभन्दा बढी प्रतिनिधी (प्रोक्सी) नियुक्त गर्न सकिने छैन । एकभन्दा बढी प्रतिनिधी (प्रोक्सी) नियुक्त भएको पाईएमा सबैभन्दा पहिला कम्पनीमा दर्ता भएको प्रतिनिधी (प्रोक्सी) मात्र मान्य हुने छ । प्रतिनिधी (प्रोक्सी) नियुक्त गरिसकेपछि प्रतिनिधी (प्रोक्सी) बदर नगरी कुनै शेयरधनीले सभामा भाग लिन चाहेमा भाग लिन सक्नु हुने छ । तर मतदान गर्न पाउनु हुने छैन ।
३. नाबालक र बिछिप्त शेयरधनीको तर्फबाट कम्पनीको शेयरधनीहरूको लगत कितावमा संरक्षकको रुपमा नाम दर्ता भएको व्यक्तिलाई मात्र संरक्षकको रुपमा मान्यता दिईने छ ।
४. संयुक्त रुपमा रहेको शेयरधनीको हकमा शेयरधनीको लगत कितावमा पहिलो नाम उल्लेख भएको व्यक्तिले अथवा सर्वसम्मतिबाट प्रतिनिधी (प्रोक्सी) नियुक्त गरिएको एक जना व्यक्तिले मात्र सभामा भाग लिन पाईने छ ।
५. सभाको दिन सभा शुरु हुनु भन्दा अगावै सभा कक्षमा उपस्थित भई दिन हुन सम्पूर्ण शेयरधनी महानुभावहरूलाई अनुरोध गरिन्छ ।
६. मिति २०८१ साल माघ ३० गते देखि साधारण सभा सम्पन्न नहुन्जेलसम्म शेयर दाखिला खारेज बन्द गरिने छ ।
७. छलफलको विषय अर्न्तगत विविध शिर्षक सम्बन्धमा शेयरधनी महानुभावहरूले छलफल गर्न चाहनु भएको विषयबारे २०८१ साल फाल्गुन ९ गते सम्ममा कम्पनी सचिव मार्फत संचालक समितिको अध्यक्षलाई लिखित जानकारी दिनु पर्ने छ । त्यस्तो विषय संचालक समितिको अध्यक्षलाई उचित लागेमा मात्र छलफलका लागि समावेश गरिने छ ।
८. संचालक समितिको प्रतिवेदन तथा लेखापरीक्षण भएको वित्तीय विवरणहरू कम्पनीको प्रधान कार्यालय, शाखा कार्यालयहरूमा सम्पर्क गरी वा कम्पनीको वेबसाइट [www.shikharinsurance.com](http://www.shikharinsurance.com) बाट डाउनलोड गरी प्राप्त गर्न सकिनेछ ।
९. सभा सम्बन्धी अन्य जानकारी कम्पनीको केन्द्रीय कार्यालय, शिखर बिज सेन्टर, थापाथली, काठमाडौँमा, कार्यालय समयभित्र सम्पर्क राख्न अनुरोध गरिन्छ ।

संचालक समितिको आज्ञाले

कम्पनी सचिव



# BRANCH NETWORK



117 Branches



## अध्यक्षको मन्तव्य

नमस्कार,

यस शिखर इन्स्योरेन्स कम्पनी लि. को २० औं वार्षिक साधारण सभामा उपस्थित हुनु भएका आदरणीय शेयरधनी महानुभावहरू, संचालक समितिका सदस्य साथीहरू, कर्मचारी वर्ग, हाम्रो निमन्त्रणा स्विकार गरी पाल्नुभएका अतिथिगण, संचार गृहबाट पाल्नु भएका मित्रहरू तथा उपस्थित सम्पूर्ण महानुभावहरूमा हार्दिक स्वागत अभिवादन व्यक्त गर्न चाहन्छु ।

यस शिखर इन्स्योरेन्स कम्पनी २०८१ मंसिर २ गते आफ्नो स्थापनाको २० औं वर्षमा प्रवेश गरेको छ । २०६१ सालमा नेपालको १५ औं निर्जीवन बीमा कम्पनीका रूपमा स्थापित यस कम्पनी विगत १० वर्षदेखि अधिकतम बजार हिस्सा सहित नेपालको अग्रणी निर्जीवन बीमा कम्पनीका रूपमा स्थापित हुँदै आएको छ । यस दौरान कम्पनीले बीमा शुल्क संकलनका साथै दावि भुक्तानी, शाखा विस्तार तथा नयाँ बीमालेखको प्रवर्द्धन मार्फत बीमा क्षेत्रको विस्तारमा अग्रणी भुमिका खेल्दै आएको छ । कम्पनी स्थापनाको २० वर्षका समयमा कम्पनीले एकलाख भन्दा बढी बीमा दावीको रु.२० अर्ब भन्दा बढी दावि भुक्तानी गरेको

छौं । साथै, रोजगारीको विकास, कृषि तथा पशुपक्षी बीमाको प्रवर्द्धन, ग्रामिण तथा दुर्गम क्षेत्रमा बीमाको विस्तार तथा नेपाल सरकारको राजश्वमा निर्जीवन बीमा कम्पनीहरूमध्ये अधिकतम योगदान सहित राष्ट्रविकासमा प्रत्यक्ष योगदान पुर्याउँदै आइरहेका छौं । यस समयमा कम्पनीले आफ्ना शेयरधनीहरूलाई करिब ३०० प्रतिशतको लाभांश प्रदान गर्न सफल रहेको समेत सहर्ष जानकारी गराउन चाहन्छु । नेपालको १५ औं निर्जीवन बीमा कम्पनीका रूपमा स्थापना भएको यस कम्पनीलाई नेपालको अग्रणी निर्जीवन बीमा कम्पनीका रूपमा स्थापित गर्न निरन्तर साथ तथा सहयोग पुर्याउनुहुने शेयरधनी महानुभावहरू, कर्मचारी वर्ग तथा ग्राहक महानुभावहरूमा हार्दिक कृतज्ञता व्यक्त गर्न चाहन्छु ।

कोभिड महामारी पछि सुधारउन्मुख देखिएको नेपालको अर्थतन्त्रमा विभिन्न राष्ट्रिय तथा अन्तर्राष्ट्रिय अर्थराजनैतिक समस्या, घरजग्गा कारोबार तथा शेयर कारोबारमा भएको संकुचन, नेपाल सरकारको राजश्व आम्दानीमा भएको कमी संगै सरकारको पूँजीगत खर्चमा भएको कमी, बैकिङ तथा सहकारी क्षेत्रमा देखिएको समस्याका

कारण नेपालको बीमा क्षेत्र समेत प्रभावित भयो । साथै, अन्य बीमा कम्पनीहरू मर्ज भई संयुक्त कारोबार गरेको अवस्था तथा नयाँ लघु बीमा कम्पनीहरूले व्यावसायिक कारोबार थालनी गरेको कारण नेपालको बीमा क्षेत्र प्रतिस्पर्धी तथा चुनौतीपूर्ण रह्यो । तथापी, परिवर्तित वातावरणले सृजना गरेको चुनौतीलाई अवसरका रूपमा परिणत गर्न रणनीतिक योजना तथा कार्यक्रमकासाथ आर्थिक वर्ष २०८०/८१ मा समेत कम्पनीले करिब १३ प्रतिशतको बजार हिस्सा सहित निर्जीवन बीमा क्षेत्रमा कम्पनीको अग्रतालाई कायमै राख्न सफल रह्यो । कम्पनीले आफ्नो व्यवसायमा वृद्धि गरिरहँदा कम्पनीको दाबी अनुपातलाई समेत मध्यनजर गरी जोखिमांकन तथा दाबी व्यवस्थापन कार्यलाई चुस्त बनाउँदै आइरहेका छौं । फलस्वरूप आ.व. २०८०/८१ मा दाबी अनुपातमा कमी आई कम्पनीको नाफामा वृद्धि हासिल गर्न सफल रह्यौं । चालु आ.व.मा समेत कम्पनीको व्यवसायिक रणनीति तथा योजना अनुरूप नै कम्पनीले आफ्नो व्यावसायिक लक्ष्य हासिल गर्दै आइरहेको समेत सहर्ष जानकारी गराउन चाहन्छु ।

नेपालको आर्थिक क्षेत्रमा आएको सुस्तता संगै बैंक तथा वित्तीय संस्थाको मुद्दती निक्षेपमा प्राप्त हुने व्याजदरमा आएको कमीका कारण बीमा कम्पनीहरूको लगानी आम्दानी प्रभावित हुने देखिन्छ । बैंक व्याजदरमा हुने उतारचढावलाई मध्यनजर गर्दै कम्पनीले विगतदेखि नै दिर्घकालिन महत्वका परियोजनाहरू तथा दिर्घकालिन प्रतिफलको उद्देश्य सहित विभिन्न कम्पनीहरूमा लगानी गर्दै आइरहेका छौं । सोहि अनुरूप कम्पनीको कुल लगानीको करिब १५ प्रतिशत लगानी दिर्घकालिन उद्देश्यसहित विभिन्न पूर्वाधार परियोजनाहरू तथा कम्पनीका शेयरमा लगानी गरिएको छ । कम्पनीले गरेको लगानी विविधकरणले कम्पनीको लगानी आम्दानीमा सन्तुलन कायम गर्ने तथा दिर्घकालिन रूपमा आकर्षक प्रतिफल प्रदान गर्नेमा हामी विश्वस्त छौं ।

वाढी, पहिरो तथा भुकम्प लगायत अन्य मौसमी जोखिमहरू संसारभरकै बीमा कम्पनीहरूको लागि चुनौतीको विषय रहँदै आइरहेको छ । नेपालमा समेत हामीले हरेक वर्ष प्राकृतिक विपत्तिहरूको सामना गर्दै आइरहेका छौं । प्राकृतिक विपत्तिको समयमा कम्पनीको सोल्भेन्सी कायमै राखी कम्पनीका शेयरधनीहरूको पुँजीलाई सुरक्षित राख्नु नै कम्पनीको रणनीति रहेको छ । सोहि बमोजिम नै कम्पनीले आफ्नो जोखिमांकन प्रकृयालाई सुदृढ गर्नुका साथै प्रयाप्त मात्रामा महाविपत्ति जोखिमको पुनर्बीमा गर्दै आएका छौं । चालु आ.व. २०८०/८१ को आश्विन महिनामा देशभर परेको भिषण वर्षात्का कारण आएको वाढी तथा पहिरोले पुऱ्याएको क्षतिको दाबी अधिक रहेतापनि कम्पनीले अवलम्बन गरेको पुनर्बीमा नीतिकै कारण चालु आ.व मा कम्पनीको खुद नाफामा सारभुत असर नपर्ने समेत जानकारी गराउन चाहन्छौं । कम्पनीले अवलम्बन गरेको महाविपत्ति पुनर्बीमा नीतिका कारण कम्पनीको वार्षिक पुनर्बीमा खर्चमा केहि वृद्धि भएतापनि भुकम्प वाढी तथा पहिरो जस्तो महाविपत्तिको समयमा कम्पनीको सोल्भेन्सीलाई कायमै राख्दै शेयरधनीहरूको पुँजीलाई सुरक्षित राख्न मदत मिल्ने विश्वास दिलाउन चाहन्छु ।

कम्पनीले चालु आ.व. देखि नेपाल बीमा प्राधिकरणबाट जारी Risk Based Capital Directive अनुरूप दायित्व तथा पुँजी पर्याप्तता अनुपात (सोल्भेन्सी) गणना गरेका छौं । जस अनुरूप कम्पनीले यथ्यस्थ मात्रामा पुँजी (Economic Available Capital Resource) कायम गरेको जानकारी गराउन चाहन्छौं । Risk Based Capital Directive अनुरूप यथ्यस्थ Economic Available Capital Resource कायम भएको तथा कम्पनीको पुँजी स्रोत (Available Capital Resources) बलियो रहेको एवं नेपाल बीमा प्राधिकरणबाट तोकिएको न्युनतम चुक्ता पुँजी पुगिसकेको अवस्थामा समेत कम्पनीको चुक्ता पुँजीलाई थप मजबुत बनाउँदै कम्पनीको व्यवसाय वृद्धि तथा जोखिम धारणको क्षमताको विकास गरी शेयरधनीहरूलाई थप मुल्य वृद्धि (Value Addition) प्रदान गर्नका लागि यस वार्षिक साधारण सभामा १० प्रतिशत बोनस शेयर तथा कर प्रयोजनका लागि आवश्यक नगद लाभांस सहित कुल १०.५२६३ प्रतिशतको लाभांस प्रस्ताव गरेका छौं । आउँदा वर्षहरूमा समेत दोहोरो अंकको लाभांस वितरणको लक्ष्य सहित रणनीतिक योजनाका साथ अगाडी बढिरहेको जानकारी गराउन चाहन्छौं । प्रचलित व्यवस्था अनुसार बीमाकोषको रकम रु.२५० करोड कायम नभएसम्म हरेक वर्ष खुद नाफाको ५० प्रतिशत रकम बीमा कोषमा सानुपर्ने व्यवस्था भएको कारण वितरणयोग्य नाफा प्रभावित हुने गर्दछ । कम्पनीको हाल बीमा कोषको रकम रु. १६९ करोड रहेको र केहि वर्ष भित्रै कम्पनीको बीमा कोष रु.२५० कायम हुन गई कम्पनीको वितरणयोग्य रकममा हुने वृद्धिले कम्पनीको लाभांस क्षमतामा समेत वृद्धि हुँदै जाने जानकारी गराउन चाहन्छु ।

नेपाल बीमा प्राधिकरणबाट जारी गरिएको Own Risk and Solvency Assessment सम्बन्धी व्यवस्थाको कार्यान्वयनले कम्पनीलाई थप मजबुत बनाउन मद्दत मिल्नेछ भन्ने NFRS 17, Insurance Contract को कार्यान्वयनले कम्पनीको वित्तीय अवस्थालाई थप परिष्कृत तथा यथार्थपरकरूपमा प्रस्तुत गर्ने जानकारी गराउन चाहन्छु ।

अन्तमा, आ.व. २०८०/८१ संग सम्बन्धित अन्य विस्तृत विवरणहरू कम्पनीको संचालक समितिको प्रतिवेदनमा उल्लेख भएको तथा कम्पनीको रणनीतिक योजना, कार्यसम्पादन समीक्षा, संस्थागत सुशासन तथा परिपालना, जोखिम व्यवस्थापन लगायत अन्य विविध विषयमा वार्षिक प्रतिवेदनका विभिन्न खण्डहरूमा विस्तृत रूपमा उल्लेख गरिएको समेत जानकारी गराउँदै यस वार्षिक साधारण सभामा आदरणीय शेयरधनी महानुभावहरूबाट अमुल्य सुभावहरू प्राप्त हुने र सम्पूर्ण प्रस्तावहरूमा यहाँहरूको समर्थनले पूर्णता पाउने विश्वास सहित कम्पनीलाई साथ र सहयोग प्रदान गर्नुभएकोमा हार्दिक धन्यवाद ज्ञापन गर्न चाहन्छु । धन्यवाद ।

**गौरव अग्रवाल**

अध्यक्ष





## सम्पूर्ण खर्च, शिखरले बेहोर्छ



प्रचलित बीमालेख भन्दा तीन अतिरिक्त लाभहरू:

**1** ह्रासकट्टि फिर्ता  
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**2** मर्मतको बेला  
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भएमा नयाँ  
सवारी साधन  
पुनर्स्थापना

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## शिखर इन्स्योरेन्स कम्पनी लिमिटेड

### संचालक समितिको वार्षिक प्रतिवेदन आर्थिक वर्ष २०८०/८१

शिखर इन्स्योरेन्स कम्पनी लिमिटेडको २०औं वार्षिक साधारण सभामा उपस्थित शेयरधनी तथा आमन्त्रित महानुभावहरूमा संचालक समितिको तर्फबाट हार्दिक स्वागत अभिवादन व्यक्त गर्दछौं। यस कम्पनीको आर्थिक वर्ष २०८०/८१ को आर्थिक परिदृश्य, प्रगति विवरण, तथा कम्पनी ऐनले निदृष्ट गरे बमोजिमका अन्य विवरणहरू यस प्रतिवेदन माफत प्रस्तुत गरेका छौं। यस वार्षिक प्रतिवेदन संगै कम्पनी ऐनको दफा १०९ बमोजिम तयार गरिएको आर्थिक वर्ष २०८०/८१ को लेखापरीक्षकको प्रतिवेदन सहितको वित्तीय विवरणहरू पारित गर्नका लागि यहाँहरू समक्ष प्रस्तुत गरेका छौं, जसलाई यहाँहरूको समर्थनले पूर्णता पाउने विश्वास लिएका छौं।

#### १. विगत वर्षको कारोबारको सिंहावलोकन

नेपालको १५ औं निर्जीवन बीमा कम्पनीका रूपमा २०६१ सालमा स्थापित यस कम्पनीले विगत एक दशकभन्दा अधिक समयदेखि नेपालको निर्जीवन बीमा क्षेत्रमा सबैभन्दा अधिक बजार हिस्सा ओगट्न सफल रहँदै आएको छ। अन्य बीमा कम्पनीहरू एक आपसमा गाभिएर संयुक्त कारोबार गरिसकेको अवस्थामा समेत कम्पनीले आफ्नो बजार हिस्सालाई कायमै राख्न सफल भएको छ। आ.व. २०८०/८१ मा समेत कम्पनीले निर्जीवन बीमा क्षेत्रमा सबैभन्दा अधिक १३ प्रतिशतको बजार हिस्सा कायम राख्न सफल रहेको छ।

२०८१ मंसिर २ गते स्थापनाको २० औं वर्ष पार गरेको यस कम्पनीले यहाँहरूकै साथ र सहयोगका कारण नेपालको अग्रणी निर्जीवन बीमा कम्पनीका रूपमा स्थापित गर्न सफल भएको छ। आगामी दिनहरूमा समेत कम्पनीको थप सफलतामा यहाँहरूको निरन्तर साथ सहयोग र सुझावको अपेक्षा गर्दछौं। कम्पनीले आफ्नो स्थापनाको २० वर्षको अवधिमा हासिल गरेका उपलब्धिहरू तथा कोसेदुङ्गाहरूलाई संक्षेपमा प्रस्तुत गर्न चाहन्छौं।

२०६१/६२ : कम्पनीको स्थापना

२०६५/६६ : कम्पनीको आफ्नै भवनबाट कारोबारको सुरुवात

२०७०/७१ : रु.१०० करोडभन्दा बढीको बीमाशुल्क संकलन गर्ने पहिलो निर्जीवन बीमा कम्पनी

२०७२/७३ : रु.२०० करोडभन्दा बढीको बीमाशुल्क संकलन गर्ने पहिलो निर्जीवन बीमा कम्पनी

२०७४/७५ : रु.३०० करोडभन्दा बढीको बीमाशुल्क संकलन गर्ने पहिलो निर्जीवन बीमा कम्पनी

२०७६/७७ : रु.१०५ करोडको चुक्ता पूँजी कायम

२०७६/७७ : १०० भन्दा बढीको शाखा विस्तार गर्ने पहिलो निर्जीवन बीमा कम्पनी

२०७७/७८ : ए रेटिङ प्राप्त '(ICRANP-IR) A' गर्न सफल पहिलो निर्जीवन बीमा कम्पनी

२०७७/७८ : रु.४०० करोडभन्दा बढीको बीमाशुल्क संकलन गर्ने पहिलो निर्जीवन बीमा कम्पनी

२०७८/७९ : रु.५०० करोडभन्दा बढीको बीमाशुल्क संकलन गर्ने पहिलो निर्जीवन बीमा कम्पनी

२०७८/७९ : ए प्लस '(ICRANP-IR) A+' रेटिङ प्राप्त गर्न सफल पहिलो निर्जीवन बीमा कम्पनी

२०७९/८० : रु.२६५ करोडको चुक्ता पूँजी कायम गर्न सफल

साथै, कम्पनीले स्थापनाको छोटो अवधिमा नेपालको बीमा क्षेत्रमा पुर्‍याएको योगदानको कदर स्वरूप निम्न सम्मानहरूबाट सम्मानित भएको समेत सहर्ष जानकारी गराउन चाहन्छौं।

- कृषि बीमा तथा कृषि बीमा दावी भुक्तानीमा कम्पनीको योगदानका लागि नेपाल सरकारबाट उत्कृष्ट बीमा कम्पनीको रूपमा सम्मान प्राप्त
- निर्जीवन बीमा कम्पनीहरूमध्ये सबैभन्दा अधिक राजश्व दाखिला गरेबापत आन्तरिक राजश्व विभागबाट सम्मान प्राप्त
- सबै भन्दा अधिक नाफामुलक व्यवसाय प्रदान गरेबापत नेपाल पुनर्बीमा कम्पनी लि.बाट सम्मान प्राप्त

- नेपालको बेष्ट म्यानेज्ड इन्स्योरेन्स कम्पनी तथा बेष्ट इन्स्योरेन्स कम्पनीको रुपमा सम्मान प्राप्त
- मौसम परिवर्तन जोखिमको व्यवस्थापनमा उत्कृष्ट कार्य गरेबापत UKAid Sakchhyam Access to Finance बाट ५०,००० पाउण्ड सहितको पुरस्कार प्राप्त

कम्पनीले नेपालको दुर्गम क्षेत्रमा तथा विपन्न वर्गका जनतामा समेत बीमाको पहुँच अभिवृद्धि गर्ने उद्देश्यले नेपालका दुर्गम क्षेत्रहरूमा समेत शाखाहरू विस्तार गर्दै आएको छ । फलस्वरूप कम्पनीले कर्णाली प्रदेशमा मात्र ५० प्रतिशतभन्दा बढीको बजार हिस्सा कायम गर्न सफल रहेको छ भने कृषि तथा पशुपंछी बीमामा कम्पनीको बजार हिस्सा करिब २० प्रतिशत रहेको छ ।

यस कम्पनीले नेपालमा सर्वाधिक ७५ वटा बीमालेख जारी गर्दै आएको छ जसमध्ये ८ वटा बीमालेख कम्पनी आफैले विकास गरेको हो । गत आ.व.मा समेत यस कम्पनीले २ नयाँ बीमालेखको थालनी गरेको सहर्ष जानकारी गराउन चाहन्छौ ।

### बीमाशुल्क

आर्थिक वर्ष २०७९/८० मा कम्पनीले रु. ५३१ करोडको कुल बीमाशुल्क आर्जन गरेकोमा आ.व. २०८०/८१ मा कुल बीमाशुल्क आर्जनमा करिब १० करोडले वृद्धि भई रु. ५४१ करोड पुगेको छ । देशको पूँजीगत खर्चमा भएको कमी, बैंक तथा वित्तीय संस्थाको ऋण मागमा भएको कमी, मोटर खरिद बिक्री कारोबारमा आएको संकुचन, आयात निर्यात कारोबारमा भएको कमी तथा सहकारी क्षेत्रमा देखिएको समस्याका कारण देशकै समग्र अर्थतन्त्रमा आएको सुस्तताले नेपालको समग्र निर्जीवन बीमा क्षेत्रको वृद्धिदरमा असर परे संगै कम्पनीको व्यवसायको वृद्धिदरमा समेत असर परेको छ । बदलिँदो परिस्थितिलाई मध्यनजर गर्दै कम्पनीको व्यवसाय वृद्धिका लागि आवश्यक रणनीतिहरू तर्जुमा गर्दै आइरहेका छौ । यसले आगामी दिनमा कम्पनीको व्यवसाय वृद्धिदरमा थप वृद्धि हासिल गर्दै जाने प्रतिबद्धता समेत व्यक्त गर्दछौ ।

कम्पनीले आ.व. २०८०/८१ मा संकलन गरेको बीमाशुल्कको तुलनात्मक विवरण निम्न बमोजिम रहेको छ ।

बीमाको किसिम	आ.व. २०८०/८१	आ.व. २०७९/८०	थप (घट)	प्रतिशत
सम्पत्ति	१,३७०,६२८,९१६	१,१६४,८०३,८३७	२०५,८२५,०७९	१८%
मोटर	१,४४९,१०३,९४०	१,४३९,०३६,०३२	१०,०६७,९०८	१%
सामुद्रिक	१८०,८२१,६२८	२९४,२५९,५२८	(११३,४३७,९००)	(३९%)
इन्जिनियरिङ	१,०६४,७०२,३२०	१,१८७,०७९,७६०	(१२२,३७७,४४०)	(१०%)
हवाई	११६,३२६,७५२	११२,६०६,७००	३,७२०,०५२	३%
पशुपंक्षी तथा बाली	७२३,१०८,५०४	५८२,१०१,६५७	१४१,००६,८४७	२४%
विविध	५०७,२६२,४६६	५३१,८२८,०६४	(२४,५६५,५९८)	(५%)
लघु बीमा	१,८४५,२०६	५,४३७,०४३	(३,५९१,८३७)	(६६%)
<b>कुल बीमाशुल्क</b>	<b>५,४१३,७५५,७३२</b>	<b>५,३१७,१५२,६२१</b>	<b>९६,६०३,१११</b>	<b>२%</b>

वित्तीय विवरण अन्तर्गतको नाफा नोक्सान हिसाब (Statement of Profit or Loss) मा बीमाशुल्क आम्दानी प्रस्तुत गर्दा कुल बीमाशुल्क संकलन रकममा असमाप्त जोखिम बापतको व्यवस्था रकममा भएको परिवर्तनलाई समायोजन गरि कुल बीमाशुल्क आम्दानी लेखाकन गरिन्छ । आर्थिक वर्ष २०८०/८१ मा सामुद्रिक बीमा अन्तर्गत थप रु. ९ करोड ४५ लाखको असमाप्त जोखिम बापतको जगेडा व्यवस्था गर्नुपरेको कारण आ.व. २०८०/८१ मा खुद बीमाशुल्क आम्दानी घट्न गएको जानकारी गराउन चाहन्छौ । गत आ.व.मा कम्पनीको खुद बीमाशुल्क आम्दानी रु. १३७ करोड रहेकोमा आ.व. २०८०/८१ मा खुद बीमाशुल्क आम्दानी रु. १२९ करोड रहेको छ । सामुद्रिक बीमामा असमाप्त जोखिम जगेडा बापतको थप व्यवस्थाले कम्पनीको आ.व. २०८०/८१ को खुद नाफामा समेत असर परेको जानकारी गराउन चाहन्छौ ।

आर्थिक वर्ष २०८०/८१ मा कम्पनीबाट जारी गरिएको बीमालेख संख्यामा समेत करिब ७ प्रतिशतको वृद्धि भएको छ । आ.व. २०७९/८० मा कम्पनीबाट २९,८,०६६ वटा बीमालेख जारी भएको थियो भने आ.व. २०८०/८१ मा ३१,७,१५७ वटा बीमालेख जारी भएको छ ।

## दावि

कम्पनीले समयमै दावि भुक्तानीलाई प्रथम प्राथमिकतामा राखी आफ्नो दावी व्यवस्थापन कार्यलाई थप चुस्त बनाउँदै आएका छन् । कम्पनीले सूचना प्रविधि क्षेत्रमा गरेको विकासका कारण समेत कम्पनीको दावि व्यवस्थापनमा थप सहजता प्राप्त भएको छ । फलस्वरूप आ.व. २०७९।८० को अन्त्यमा १,७८० वटा भुक्तानी हुन बाँकी दावि (कोरोना बीमा दावी बाहेक) रहेकोमा आ.व. २०८०।८१ मा भुक्तानी हुन बाँकी दावीको संख्यामा २३ प्रतिशतले कमी आई १,३८३ वटा दावि मात्र भुक्तानी हुन बाँकी रहेको छ । कोरोना बीमा अन्तर्गत १०,२२९ वटा भुक्तानी हुन बाँकी दावि रहेको छ ।

कम्पनीबाट आ.व. २०८०।८१ मा भुक्तानी भएको दावीको तुलनात्मक विवरण निम्न बमोजिम रहेको छ ।

बीमाको किसिम	आ.व. २०८०/८१	आ.व. २०७९/८०	थप (घट)	प्रतिशत
सम्पत्ति	३४९,३९६,६९१	४१०,०१९,३२६	(६०,६२२,६३५)	(१५%)
सामुद्रिक	८३८,६८७,६०३	१,१०३,५७४,२२७	(२६४,८८६,६२४)	(२४%)
मोटर	५०,८७९,२२७	११५,७०२,८१८	(६४,८२३,५९१)	(५६%)
इन्जिनियरिङ्ग	८७,९८८,७७३	८६,७०५,८५६	१,२८२,९१७	१%
हवाई	-	-	-	-
पशुपक्षी तथा बाली	४७७,८९४,५२४	५१९,१८९,६९६	(४१,२९५,१७२)	(८%)
विविध	४३९,३३४,६७६	४१२,३२९,६४५	२७,००५,०३१	७%
लघु बीमा	४,५९४,१८२	२७,४३९,०३१	(२२,८४४,८४९)	(८३%)
कुल	२,२४८,७७५,६७६	२,६७४,८४४,५५५	(४२६,०६८,८७९)	(१६%)

वित्तीय विवरण अन्तर्गतको नाफा नोक्सान हिसाब (Statement of Profit or Loss) मा खुद दावि खर्च लेखाकन गर्दा खुद दावि भुक्तानी रकममा भुक्तानी हुन बाँकी व्यवस्था तथा दायित्व पर्याप्तता परीक्षण गरी यकिन हुने Incurred But Not (Enough) Reported (IBN(E)R) बापतको व्यवस्थामा हुने परिवर्तन (Change in Insurance Contract Liabilities) बापतको रकम मिलान गरी खुद दावि खर्च प्रस्तुत गरिन्छ ।

कम्पनीले अवलम्बन गरेको जोखिम व्यवस्थापन नीति तथा जोखिमाकन नीतिका कारण आ.व. २०८०।८१ मा कम्पनीको कुल दावि तथा खुद दावि खर्च घटेको छ । आ.व. २०८०।८१ मा कम्पनीको खुद दावि खर्च १८ प्रतिशतले घटेको देखिन्छ । दावि खर्चमा भएको घटीसंगै कम्पनीको Combined Ratio समेत घटेको छ । आ.व. २०७९।८० मा कम्पनीको Combined Ratio ७७ प्रतिशत रहेको थियो भने आ.व. २०८०।८१ मा Combined Ratio ६८ प्रतिशत रह्यो ।

कम्पनीले २० वर्षको अवधिमा १ लाख भन्दा बढी दावीको रु.२० अर्ब भन्दा बढिको दावी भुक्तानी गरेको छ ।

## खुद नाफा

आ.व. २०८०।८१ मा कम्पनीले रु. ४४ करोड ५३ लाखको खुद नाफा आर्जन गर्न सफल भएको छ । गत आ.व.मा कर अधिको खुद नाफा रु. ४८ करोड ६१ लाख रहेकोमा समीक्षा वर्षमा कम्पनीको कर अधिको खुद नाफा रु. ६२ करोड ७१ लाख रहेको छ । कम्पनीको कर अधिको खुद नाफामा २९ प्रतिशतको वृद्धि भएको छ भने कर पश्चातको खुद नाफामा ९७ प्रतिशतको वृद्धि भएको छ ।

कम्पनीबाट आ.व. २०७२।७३ मा जारी गरेको साधारण शेयरको थप निष्काशन मार्फत प्राप्त शेयर प्रिमियमबाट बोनस शेयर वितरण गरेको रकम रु. २८१,०४३,४०० मा लाग्ने कर बापत रु. ८४,३१३,०२० र आ.व. २०७७।७८ तथा २०७९।८० मा जारी गरेको हकप्रद शेयरमध्ये आवेदन नपरेको हकप्रद शेयरलाई लिलाम विक्री गरी प्राप्त भएको कुल शेयर प्रिमियम रकम रु.१६०,९०२,६३९ बाट कम्पनीको गत वार्षिक साधारण सभाको निर्णय बमोजिम आ.व. २०७९।८० मा बोनस शेयरका रूपमा वितरण गरेकोले आ.व. २०७९।८० को वित्तीय विवरण तयार गर्दा उक्त रकमलाई करयोग्य आयमा गणना गर्दा थप लागेको कर रु.४८,२७०,७९२ का कारण २०७९।८० मा कम्पनीको कर खर्चमा वृद्धि भई कम्पनीको खुद नाफामा असर परेको थियो ।

नेपाल सरकारबाट प्राप्त हुन बाँकी कृषि तथा पशुपन्छी बीमाको अनुदान रकम र कोरोना बीमा दाबी बापतको रकम प्राप्त नभएको कारण कम्पनीको लगानी आय र व्याज खर्चमा परेको असरका कारण कम्पनीको नाफामा प्रभाव परेको छ। साथै, कम्पनीले दीर्घकालीन उद्देश्य सहित पूर्वाधार क्षेत्रमा गरेको लगानीले चालु आर्थिक वर्षको लगानी आम्दानी प्रभावित भई खुद नाफामा असर परेतापनि दीर्घकालीन लगानीले आगामी दिनमा कम्पनीले आकर्षक प्रतिफल प्राप्त गर्ने अपेक्षा गरेका छौं।

#### पुनर्बीमा व्यवस्था

कम्पनीले आफ्नो व्यवसाय तथा जोखिमको प्रकृति अनुरूप जोखिमांकन नीति, पुनर्बीमा नीति तथा जोखिम व्यवस्थापन नीति अवलम्बन गरी नेपाल बीमा प्राधिकरणबाट जारी निर्देशिकाहरूको अधिनमा रही आवश्यक रूपमा जोखिम व्यवस्थापन तथा पुनर्बीमा व्यवस्थापन गर्दै आएका छौं। नेपाल बीमा प्राधिकरणबाट जारी निर्देशन बमोजिम कम्पनीले पुनर्बीमा गर्दा देश भित्रैका पुनर्बीमा कम्पनीहरूलाई प्रथम प्राथमिकता दिनुपर्ने व्यवस्था बमोजिम कम्पनीले मोटर बीमा, कृषि तथा पशुपन्छी बीमा तथा विविध बीमा अन्तर्गतका बीमालेखहरूको पुनर्बीमा नेपाली पुनर्बीमा कम्पनीहरूमार्फत नै गर्दै आएका छौं भने अन्य बीमाहरूको हकमा नेपाली पुनर्बीमा कम्पनीहरूको क्षमता अनुरूप प्रथम प्राथमिकता नेपाली पुनर्बीमा कम्पनीहरूलाई दिई नेपाली तथा विदेशी पुनर्बीमा कम्पनीहरूसँग पुनर्बीमा गर्दै आएका छौं।

भुकम्प, बाढीपहिरो जस्ता महाविपत्तिबाट सृजना हुने जोखिमको लागि हामीले नेपाली बीमा कम्पनीहरूमध्ये सबैभन्दा अधिक रु. ७०० करोडको महाविपत्ति पुनर्बीमा व्यवस्था खरिद गरेका छौं। कम्पनीले खरिद गरेको महाविपत्ति पुनर्बीमाको पुनर्बीमा शुल्कबापत कम्पनीलाई थप व्ययभार पर्न गई नाफामा केहि असर परेतापनि कम्पनीको स्थायित्व तथा शेयरधनीहरूको पुँजीको सुरक्षाको लागि अपरिहार्य रहेको व्यहोरा जानकारी गराउन चाहन्छौं। कम्पनीले अवलम्बन गरेको महाविपत्ति पुनर्बीमा व्यवस्था तथा अन्य पुनर्बीमा व्यवस्थाका कारण नै कम्पनीले २०७२ को भूकम्पका साथै २०८१ आश्विनको बाढी दाबिको उचित व्यवस्थापन गर्न सफल रहँदै आएका छौं। महाविपत्ति दाबि व्यवस्थापनका लागि कम्पनीका पुनर्बीमकहरूबाट सदैव अग्रिम रूपमा भुक्तानी प्राप्त हुँदै आएको समेत जानकारी गराउन चाहन्छौं। कम्पनीले अवलम्बन गरेको जोखिमांकन नीति, पुनर्बीमा नीति तथा जोखिम व्यवस्थापन नीतिकै कारण इका नेपालबाट “ए प्लस रेटिङ” प्राप्त गर्न सफल एक मात्र कम्पनीका रूपमा रहेका छौं।

कम्पनीले नेपाल पुनर्बीमा कम्पनी लि. तथा हिमालयन रिइन्स्योरेन्स कम्पनी लि., का अलावा निम्नबमोजिमको पुनर्बीमा कम्पनीहरूसँग पुनर्बीमा सेवा प्राप्त गरिरहेको छ।

Hannover Re (Leader), Malaysia  
General Insurance Corporation, Mumbai  
Swiss Re Asia Pte, Singapore  
Ocean Re, Barbados  
Sava Re, Slovenia  
New India Gift City, India  
Triglav Re, Slovenia  
Oman Re, Oman  
ADNIC, UAE  
Sirius International, United Kingdom  
Nepal Re, Nepal  
Himalayan Re, Nepal  
ICICI Lombard, India

कम्पनीले KM Dastur Reinsurance Brokers Pvt. Ltd तथा JB Boda Reinsurance Brokers मार्फत अन्तर्राष्ट्रिय पुनर्बीमा कम्पनीहरूसँग पुनर्बीमा सम्बन्धी कारोबार गर्दै आएका छौं।

#### खुद धारण नीति

कम्पनीले आफ्नो Risk Capacity, Risk Appetite तथा Risk Tolerance Level बमोजिम आफ्नो खुद धारण नीति (Retention Strategy) अवलम्बन गर्दै आएका छौं। कम्पनीले Risk Capacity, Risk Appetite तथा Risk Tolerance Level तथा Retention Strategy को लागि कम्पनीको एक्च्युररी Raunak Jha & Co. बाट Retention and Reinsurance optimization Study गरी कम्पनीले आफ्नो धारण नीति निर्माण गर्दै आएको समेत जानकारी गराउन चाहन्छौं।

कम्पनीको नेटवर्कमा भएको वृद्धिसँगै आगामी दिनमा समेत कम्पनीको एक्च्युररील मुल्याङ्कन तथा अध्ययन बमोजिम कम्पनीले आफ्नो खुद धारण नीति तथा पुनर्बीमा नीतिलाई क्रमिकरूपमा परिमार्जन गर्दै जाने जानकारी गराउन चाहन्छौं।



### जोखिम व्यवस्थापन

कम्पनीको जोखिम व्यवस्थापलाई थप सुदृढ बनाउन अलग्गै जोखिम व्यवस्थापन विभागको सृजना गरी एकचुअरी शिक्षा अध्ययनरत कर्मचारीका साथै अन्य आवश्यक कर्मचारीहरू नियुक्त गरी जोखिम व्यवस्थापनलाई सबल बनाउँदै आएका छौं। जोखिम व्यवस्थापन सम्बन्धी कार्यहरूलाई थप प्रभावकारी बनाउनका लागि सम्बन्धित कर्मचारीहरूलाई आवश्यक तालिमको व्यवस्थापन गर्दै आएका छौं। कम्पनीले आफ्नो व्यवसाय तथा कारोबारसंग सम्बन्धित जोखिमहरूको व्यवस्थापनका लागि नियमित रूपमा आफ्नो Risk Register लाई अध्यावधिक गरी Risk Dash Board तथा Risk Trigger Mechanism को समेत विकास गर्दै आएका छौं।

नेपाल बीमा प्राधिकरणबाट जारी भएको Risk Based Capital सम्बन्धि निर्देशिका तथा Own Risk and Solvency Assessment को क्रमिक रूपमा कार्यान्वयन भइरहेकोले कम्पनीको जोखिम व्यवस्थापन सम्बन्धि कार्यहरू थप सुदृढ हुँदै जाने हामीले अपेक्षा गरेका छौं।

### चुक्ता पूँजी तथा नेटवर्थ

२०६१ सालमा रु. १० करोडको चुक्ता पूँजीबाट स्थापित यस कम्पनीले २० औं वर्षमा यात्रा गरिरहँदा आफ्नो नेटवर्थ रु. ५ अर्ब ३६ करोड पुऱ्याउन सफल भएको छ। अन्य कम्पनीसंग मर्जर विनानै नियमनकारी निकायबाट जारी निर्देशन बमोजिमको रु. २५० करोडको न्यूनतम चुक्ता पूँजी पुऱ्याउन सफल पहिलो कम्पनीका रूपमा रहेको छ। हाल कम्पनीको चुक्ता पूँजी रु. २,६५४,९४७,३०० रहेको छ। नेपाल बीमा प्राधिकरणबाट जारी गरिएको Risk Based Capital तथा Own Risk and Solvency Assessment Directive बमोजिम कम्पनीको Economic Capital समेत पर्याप्त मात्रामा रहेको जानकारी गराउन चाहन्छौं। साथै कम्पनीले दिर्घकालिन उद्देश्यका साथ पूर्वाधार क्षेत्रमा गरेका लगानीहरूलाई Fair Value मा लेखाकन गर्दा कम्पनीको नेटवर्थ रु. ६५० करोड भन्दा अधिक रहने समेत जानकारी गराउन चाहन्छौं।

### लाभांश

कम्पनीको मिति २०८१।१०।१५ गते सम्पन्न संचालक समितिको बैठकबाट कम्पनीको हाल कायम चुक्ता पूँजीमा १० प्रतिशतका दरले बोनस शेयर तथा कर प्रयोजनका लागि ०.५२३६ प्रतिशतका दरले नगद लाभांशको प्रस्ताव गरेको छ।

यस साधारण सभामा प्रस्ताव गरिएको बोनस शेयरको वितरण पश्चात कम्पनीको चुक्ता पूँजी रु. २९२ करोड पुग्नेछ। बोनस शेयर पश्चात् चुक्ता पूँजीमा हुने वृद्धिका कारण आगामी समयमा चुक्ता पूँजीमा आकर्षक प्रतिफल प्रदान गर्न चुनौती रहेतापनि कम्पनीले आवश्यक रणनीति तथा योजनाहरूको निर्माण तथा कार्यान्वयन गर्दै आगामी वर्षहरूमा समेत निरन्तर रूपमा आकर्षक प्रतिफल प्रदान गर्न अग्रसर रहने प्रतिवद्धता समेत व्यक्त गर्न चाहन्छौं।

कम्पनीले आफ्नो स्थापनाकालदेखि २० वर्षको अवधिमा ३०० प्रतिशतभन्दा बढीको लाभांश वितरण गरिसकेको छ, जुन यस अवधिमा अन्य निर्जीवन बीमा कम्पनीहरूले प्रदान गरेको लाभांश प्रतिशत भन्दा अधिक रहेको सहर्ष जानकारी गराउन चाहन्छौं। कम्पनीले स्थापनाको २० वर्षको अवधिमा हाल सम्म प्रदान गरेको लाभांशको विवरण निम्न बमोजिम रहेको छ।

आ.व.	कुल लाभांश प्रतिशत
२०६३।६४	७.५
२०६५।६६	१३.५
२०६६।६७	१२.६
२०६८।६९	४२.१
२०६९।७०	२१.०५
२०७०।७१	२१.०५
२०७१।७२	२५.२६
२०७२।७३	६३.१५
२०७३।७४	३०.५३
२०७६।७७	३८
२०७८।७९	१६.८४
२०८०।८१	१०.५३

### क्रेडिट रेटिङ

यस कम्पनी स्वस्फूर्त रुपमा आफ्नो रेटिङ गराउने पहिलो र एक्लो निर्जीवन बीमा कम्पनीका रुपमा रहेको छ । कम्पनीले इका नेपालबाट ए प्लसको क्रेडिट रेटिङ प्राप्त गरेको छ । ए प्लस रेटिङ प्राप्त कम्पनीले आफ्नो वित्तीय दायित्वहरू समयमै फछ्यौट गर्न प्रयाप्त मात्रामा सुरक्षण प्रदान गर्ने देखाउँदछ । रेटिङ प्रदान गर्ने कम्पनी इका नेपालले कम्पनीको विगतको वित्तीय अवस्था हालको वित्तीय अवस्था, व्यवस्थापन पक्ष, बजार हिस्सा, पुनर्बीमा व्यवस्थापन तथा जोखिम व्यवस्थापनलाई मध्यनजर गरी रेटिङ प्रदान गरिएको हुन्छ । यस कम्पनी इका नेपालबाट ए प्लसको रेटिङ प्राप्त गर्ने पहिलो र एकमात्र निर्जीवन बीमा कम्पनी रहेको जानकारी गराउन चाहन्छौं ।

### लगानी व्यवस्थापन

कम्पनीले नेपाल बीमा प्राधिकरणबाट जारी लगानी निर्देशिकाको अधिनमा रहि लगानी व्यवस्थापन गर्दै आएको छ । कम्पनीले दीर्घकालीन उद्देश्य सहित सूचिकृत संस्थाको धितोपत्र तथा ऋणपत्रका अलावा राष्ट्र विकासमा प्रत्यक्ष टेवा पुऱ्याउने पुर्वाधार क्षेत्र तथा कृषि क्षेत्रमा पनि लगानी गर्दै आएको छ । पुर्वाधार क्षेत्रमा गरिने लगानीले सुरुका केही वर्षमा प्रतिफल प्रदान नभई कम्पनीको आम्दानी प्रभावित भएपनि आउँदा वर्षहरूमा लगानी प्रतिफल वृद्धि भई खुद नाफा वृद्धि गर्न मद्दत मिल्ने कुरामा हामी आशावादी छौं । कम्पनीको आ.व. २०८०/८१ को अन्त्यसम्ममा कुल लगानी रु.४७३ करोड रहेको र विभिन्न क्षेत्रमा गरेको लगानीको मिश्रण निम्नबमोजिम रहेको जानकारी गराउन चाहन्छौं ।

विवरण	प्रतिशत
मुद्ती निक्षेप	६४
ऋणपत्र	१७
दिर्घकालिन उद्देश्य सहितको शेयर लगानी	८
अल्पकालीन लाभको उद्देश्य सहितको शेयर लगानी	४
कृषि तथा पुर्वाधार	७

नेपाल सरकारबाट कृषि तथा पशुपन्छी बीमामा प्राप्त हुनुपर्ने अनुदान रकम तथा कोरोना बीमा दाबी बापत कम्पनीले भुक्तानी गरेको र नेपाल सरकारबाट प्राप्त हुनु पर्ने रकमको निकास नभएको कारण कम्पनीको लगानी विस्तारिकरण तथा लगानी आम्दानीमा समेत प्रभावित भई खुद नाफामा असर परेको जानकारी गराउन चाहन्छौं ।

राष्ट्रको बैकिङ क्षेत्रमा अधिक तरलताका कारण मुद्ती निक्षेमा प्राप्त हुने व्याजदर घटिरहेको कारण कम्पनीको व्याज आम्दानी प्रभावित हुने देखिन्छ । तथापि व्याज आम्दानीमा हुने संकुचनको असरलाई न्यूनीकरण गर्नका लागि कम्पनीले आफ्नो लगानीलाई प्रयाप्त मात्रामा विविधीकरण गरिएको जानकारी गराउन चाहन्छौं । कम्पनीले अन्य क्षेत्रमा गरेका लगानीहरूबाट आगामी दिनहरूमा आकर्षक प्रतिफल प्राप्त हुने विश्वास दिलाउन चाहन्छौं ।

### शाखा विस्तार

बीमाको पहुँचलाई देशव्यापी रुपमा विस्तार गर्ने उद्देश्य सहित कम्पनीले आफ्नो शाखा विस्तार गर्दै आइरहेको छ । हालसम्म ११७ शाखा संजाल विस्तार भइसकेको छ भने आगामी दिनहरूमा व्यावसायिक सम्भाव्यताको अध्ययन गरी थप शाखा विस्तार गर्दै जाने लक्ष्य रहेको जानकारी गराउन चाहन्छौं । कम्पनीले कर्णाली प्रदेशको सबै १० वटा जिल्लामा शाखाको विस्तार गरेको सहर्ष जानकारी गराउन चाहन्छौं । कम्पनीको विभिन्न प्रदेशहरूमा रहेको शाखाको संख्या निम्नबमोजिम रहेको छ ।

प्रदेश शाखा	संख्या
कोशी	१५
मधेश	१०
बागमती	३८
गण्डकी	१५
लुम्बिनी	२०
कर्णाली	१०
सुदुरपश्चिम	९

आगामी दिनहरूमा समेत व्यावसायिक सम्भाव्यता हेरी बीमाको थप सेवा विस्तारका लागि देशका अन्य स्थानहरूमा समेत शाखा विस्तार गर्दै जाने नीति रहेको छ भने शाखा विस्तारको साथै प्रविधिको समेत उच्चतम प्रयोग गरी डिजिटल प्रविधिमार्फत समेत बीमालेखको विस्तार गर्नका लागि कम्पनीले आवश्यक पूर्वाधारको विकास गरिसकेको समेत जानकारी गराउन चाहन्छौं ।

### मानव संसाधन

कम्पनीमा आ.व. २०८०/८१ को अन्त्यमा कम्पनीमा ६४० जना कर्मचारीहरू कार्यरत रहेका छन् । कम्पनीमा कार्यरत कर्मचारीहरूमध्ये करिब ४० प्रतिशत महिला कर्मचारी रहेका छन् । कम्पनीमा महिला कर्मचारीहरूलाई थप प्रोत्साहनको लागि महिनाको एक दिन महिनावारी विदाको व्यवस्था गरिएको छ । साथै कर्मचारीहरूको रु. ५ लाख बीमाकको १५ वर्ष अवधिको सावधिक जीवन बीमा गरिएको छ । यसले कम्पनीका कर्मचारीहरूको मनोबल थप अभिवृद्धि भई कम्पनीको प्रगतिमा मद्दत मिल्नेमा विश्वास लिएका छौं ।

कम्पनीको सफलता कर्मचारीको दक्षता र लगनशिलतामा निर्भर रहने भएकोले आफ्नो कर्मचारीहरूको कार्यदक्षता तथा मनोबल अभिवृद्धि गर्न विभिन्न प्रकारका आन्तरीक तथा वैदेशिक प्रशिक्षण एवं तालिमहरू प्रदान गर्दै आएका छौं । नेपाल बीमा प्राधिकरणबाट जारी गरिएको निर्देशन बमोजिम बीमा कम्पनीहरूले खुद नाफाको न्यूनतम दुई प्रतिशत रकम कर्मचारीहरूको तालिम तथा वृत्ति विकासमा खर्च गर्नुपर्ने व्यवस्था रहेको र यस कम्पनीले उक्त अनुपातभन्दा अधिक रुपमा आफ्ना कर्मचारीहरूको वृत्ति विकासमा खर्च गर्दै आएको समेत जानकारी गराउन चाहन्छौं । कम्पनीले आफ्ना कर्मचारीहरूको वृत्ति विकासका लागि अवलम्बन गरेको नीति तथा कार्यक्रमहरू र आफ्ना कर्मचारीहरूलाई प्रदान गरेको कार्य वातावरणको कदर गर्दै यस कम्पनी The HRM Nepal Awards for Corporate Excellence बाट सम्मानित भएको व्यहोरा सहर्ष जानकारी गराउन चाहन्छौं ।

कम्पनीले हरेक वर्ष कम्पनीको वार्षिक उत्सवको अवसरमा कम्पनीमा १० वर्षभन्दा अधिक समयदेखि निरन्तर सेवा प्रदान गर्ने कर्मचारीहरूलाई विशेष सम्मान गर्दै आएका छौं भने कम्पनीको २० औं वार्षिक उत्सवको अवसरमा कम्पनीमा २० वर्षभन्दा अधिक समयदेखि सेवा प्रदान गर्दै आएका कर्मचारीहरूलाई विशेष सम्मान प्रदान गरेका छौं ।

### संस्थागत सामाजिक उत्तरदायित्व

नेपाल बीमा प्राधिकरणबाट जारी गरिएको निर्देशन बमोजिम बीमा कम्पनीहरूले खुद नाफाको न्यूनतम एक प्रतिशत रकम सामाजिक उत्तरदायित्व बापत खर्च गर्नुपर्ने व्यवस्था रहेको छ । नेपाल बीमा प्राधिकरणबाट जारी गरिएको निर्देशन बमोजिम कम्पनीले संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत निम्न क्षेत्रहरूमा खर्च गर्न पाउँछ ।

क. सामाजिक परियोजनाहरूमा हुने खर्च:

शिक्षा, स्वास्थ्य, दैवी प्रकोप व्यवस्थापन, सामाजिक रुपमा पिछडिएको वर्गको आय आर्जन क्षमता अभिवृद्धि, बीमा साक्षरता, ग्राहक संरक्षण सम्बन्धी कार्यक्रम तथा सीमान्तकृत वर्गको बीमा सम्बन्धी कार्यक्रममा गरिने खर्च ।

ख. प्रत्यक्ष अनुदान खर्च :

अति विपन्न तथा सिमान्तकृत वर्गका जनताको लागि शिक्षा तथा स्वास्थ्य बीमा गर्दा हुने खर्च ।

ग. गरीबी निवारण :

नेपाल सरकारको गरीबी निवारण सम्बन्धी रणनीति अन्तर्गत अति विपन्न वर्गको प्राकृतिक प्रकोपबाट हुन सक्ने क्षतिको बीमा बाट रक्षावरण गर्दा हुने खर्च ।

घ. कम्पनीमा कार्यरत कर्मचारीहरूको बालबालिकाको लागि Child Day Care Center को व्यवस्था गर्दा लाग्ने खर्च ।

कम्पनीले आ.व. २०८०/८१ मा निम्न बमोजिमको संस्थागत सामाजिक उत्तरदायित्व अन्तर्गतका कार्यक्रमहरू संचालन गरेको जानकारी गराउन चाहन्छौं ।

- २०८० सालको कात्तिक महिनामा कर्णालीको जाजरकोटमा आएको भूकम्प पीडितको सहयोगार्थ कम्पनीबाट कर्णाली प्रदेश सरकारलाई रु.११ लाखको सहयोग प्रदान गरिएको ।
- कर्णाली प्रदेशका जनताको आर्थिक स्तरको अभिवृद्धिका लागि ओखरको बोट वितरण
- नुवाकोटमा पुस्तकालय स्थापनाका लागि सहयोग

- धनगढी नगरपालिकाबाट संचालित सामुदायिक विद्यालयलाई आर्थिक सहयोग
- बीमा सचेतनाको विकासको लागि बीमा सम्बन्धी श्रव्य दृश्य सामाग्रीको निर्माण तथा प्रसारण
- कम्पनीको वार्षिक उत्सवको अवसरमा हरेक वर्ष देशव्यापी रुपमा रक्तदान कार्यक्रमको संचालन

## २. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारमा परेको असर

नेपाल बीमा प्राधिकरणबाट जारी भएका विभिन्न निर्देशिका तथा निर्देशनहरूले बीमा कम्पनीको कारोबारमा प्रत्यक्ष असर परिरहेको हुन्छ। नेपाल बीमा प्राधिकरणबाट जारी भएका जोखिमांकन सम्बन्धि निर्देशनहरू, दाबी व्यवस्थापन सम्बन्धी निर्देशनहरू, पुनर्बीमा व्यवस्थापन सम्बन्धि निर्देशनहरूका साथै Own Risk and Solvency Assessment Directive, Climate Risk Management Directive लगायत अन्य विभिन्न निर्देशनहरूले बीमा कम्पनीको कारोबारमा प्रत्यक्ष असर परिरहेको हुन्छ। साथै, नेपाल राष्ट्र बैंकबाट जारी हुने मौद्रिक नीति तथा अन्य परिपत्रहरूले समेत निर्जीवन बीमा क्षेत्रमा असर परिरहेको हुन्छ।

बैकिङ्ग तरलता अवस्था, व्याजदर, राष्ट्रको पूँजीगत खर्चको स्थिति तथा समग्र राजनैतिक अवस्थाले कम्पनीको व्यवसायमा प्रत्यक्ष असर परिरहेको हुन्छ। बैकिङ्ग तरलतामा हुने उतारचढावका कारण मुद्दति निक्षेपमा प्रदान हुने व्याजदरमा हुने घटबढले कम्पनीको लगानी प्रतिफलमा प्रभाव परेको हुन्छ।

चालु आ.व.को अर्धवर्ष ११ देखि १३ गते सम्म देशभर परेको निरन्तर वर्षाका कारण भएको बाढी तथा पहिरोका कारण कम्पनीमा सम्पत्ति बीमा, मोटर बीमा तथा इन्जिनियरिङ बीमा अन्तर्गत ४६६ वटा बीमा दाबी बाट रु १११ करोडको दाबी परेको छ। कम्पनीले अवलम्बन गरेको पुनर्बीमा नीति तथा पुनर्बीमा व्यवस्थापनका कारण बाढी तथा पहिरोबाट आएको दाबी अन्तर्गत कम्पनीको खुद दाबी खर्च करिब रु.५ करोड मात्र रहने भएको हुँदा बाढी तथा पहिरोको बीमा दाबीका कारण कम्पनीको नाफामा सारभूत असर नपर्ने जानकारी गराउन चाहन्छौं।

## ३. प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा

नेपाल बीमा प्राधिकरणबाट जारी गरिएको Risk Based Capital Directive बमोजिम RBC QRRT तयार गरी कम्पनीको Risk Based Capital को नेपाल बीमा प्राधिकरणबाट स्वीकृत प्राप्त गर्ने पहिलो निर्जीवन बीमा कम्पनी भई कम्पनीले आ.व.२०८०/८१ को वार्षिक साधारण सभा गर्ने पहिलो निर्जीवन बीमा कम्पनी भएका छौं।

चालु आ.व.मा यो प्रतिवेदन तयार गरिएको मिति सम्ममा कम्पनीले करिब रु.३०० करोडको कुल बीमा शुल्क आर्जन (गत वर्षको तुलनामा १० प्रतिशतको वृद्धि) गर्न सफल भएको छ।

तथापि, देशको आर्थिक कारोबार अझै पनि स्थिर भैनसकेको तथा आर्थिक गतिविधिहरू संकुचित भइरहेको अवस्थामा समग्र राष्ट्रकै बीमा व्यवसायमा प्रभाव पर्ने देखिन्छ। यस परिस्थितिमा कम्पनीको व्यवसाय विस्तारको लागि नयाँ शाखा विस्तार नयाँ बीमालेखको सुरुवात लगायत अन्य व्यावसायिक रणनीति तर्जुमा गर्दै सोहि बमोजिमको कार्यक्रमहरू संचालन गर्दै आएका छौं। सोही अनुरूप कम्पनीले व्यवसायिक वृद्धि हासिल गर्न सफल भएको जानकारी गराउन चाहन्छौं। आगामी दिनमा कम्पनीले digitization, digitalization तथा digital transformation तर्फ अल्पकालीन तथा दीर्घकालीन रणनीति बनाई अघि बढ्ने समेत जानकारी गराउन चाहन्छौं।

नेपाल लेखामान बोर्डबाट जारी गरिएको वित्तीय प्रतिवेदनमान NFRS 17, Insurance Contract आगामी श्रावणदेखि लागू हुँदैछ। कम्पनीले NFRS 17 को समयमै कार्यान्वयनका लागि आवश्यक रुपमा थप दक्ष जनशक्ति तथा पूर्वाधारको विकास गरिसकेको छ। साथै, अन्य विभिन्न देशहरूमा समेत IFRS 17 को कार्यान्वयनको अनुभव भएको अन्तर्राष्ट्रिय प्रतिष्ठित लेखा व्यवसायी संस्था KPMG सँग NFRS 17 को कार्यान्वयनका लागि आवश्यक परामर्श तथा श्रोतको विकासका लागि सम्झौता गरिसकेको समेत जानकारी गराउन चाहन्छौं।

नेपाल बीमा प्राधिकरणबाट जारी गरिएको Own Risk and Solvency Assessment Directive बमोजिम कम्पनीले आफ्नो व्यवसाय तथा कारोबारसंग सम्बन्धित जोखिमको Quantitative तथा Qualitative Assessment सहित भविष्यको व्यवसाय तथा अन्य Emerging Risk लाई समेत मध्यनजर गरी आफ्नो Economic Capital को Assessment गर्नुपर्ने व्यवस्था रहेको छ। कम्पनीले Own Risk and Solvency Assessment को पूर्ण कार्यान्वयनका लागि आवश्यक रुपमा कर्मचारीहरू नियुक्त गरी आवश्यक पूर्वाधारको समेत विकास गरिसकेका छौं।



#### ४. औद्योगिक एवं व्यवसायिक सम्बन्ध

कम्पनीले आफ्नो व्यावसायिक रणनीति अनुरूप विभिन्न औद्योगिक घराना, व्यावसायिक प्रतिष्ठान तथा बहुराष्ट्रिय कम्पनीसंग सुमधुर सम्बन्ध कायम गर्दै आइरहेको छ। कम्पनीका हरेक शाखा कार्यालयहरूले समेत आफ्नो क्षेत्रमा आफ्नो व्यावसायिक सम्बन्धलाई विस्तार गर्दै आएका छन्। साथै, स्वदेशी तथा विदेशी पुनर्बीमकहरू, पुनर्बीमा ब्रोकर, बीमा अभिकर्ता तथा सर्वेयरहरूसंग समेत सुमधुर व्यवसायिक सम्बन्ध कायम गर्दै आएका छन्।

कम्पनीले आफ्नो व्यवसायको विस्तार तथा व्यवस्थापनका लागि नेपालका सम्पूर्ण बैंक तथा वित्तीय संस्थाहरूसंग व्यावसायिक सम्बन्धमा कायम गर्दै आएका छन्। यस कम्पनी स्ट्याण्डर्ड चार्टर्ड बैंक नेपालको सूचिकृत निर्जीवन बीमा कम्पनीका रूपमा रहेको समेत जानकारी गराउन चाहन्छौं। साथै कम्पनीले बीमाशुल्क संकलनका लागि विभिन्न भुक्तानी प्रदायक संस्थाहरूसंग सहकार्य गर्दै आएका छन्।

कम्पनीले स्वास्थ्य बीमाको विस्तारको लागि नेपालमा २८ वटा अस्पतालहरूसंग तथा भारतमा ६,००० भन्दा अधिक अस्पतालहरूसंग नगदरहित स्वास्थ्य बीमाका लागि सहकार्य गर्दै आएका छन्। यस कम्पनी नेपाल तथा भारतमा नगदरहित स्वास्थ्य बीमा सेवा प्रदान गर्ने पहिलो कम्पनीका रूपमा रहेको समेत जानकारी गराउन चाहन्छौं।

कम्पनीले अन्य निर्जीवन बीमा कम्पनीहरूसंग समेत व्यावसायिक तथा रणनीतिक साभेदारी गरी अघि बढिरहेको व्यहोरा जानकारी गराउन चाहन्छौं।

यस कम्पनी नेपाल बीमक संघ, नेपाल व्यवस्थापन संघ, नेपाल उद्योग वाणिज्य महासंघ, नेपाल उद्योग परिसंघ आदिको समेत सदस्य रहि नेपालमा आर्थिक तथा बीमा विकासको लागि समय समयमा आवश्यक सुझावहरू समेत प्रदान गर्दै आएका छन्।

#### ५. सञ्चालक समितिमा भएको हेरफेर र सोको कारण

कम्पनीका पूर्व स्वतन्त्र संचालक श्री इन्द्रप्रसाद कर्माचार्यज्यूले आफ्नो व्यक्तिगत कारण मिति २०८० श्रावण २९ गते स्वतन्त्र संचालक पदबाट राजिनामा दिनुभएको र रिक्त रहेको पदमा श्री पुष्कर महतज्यूलाई स्वतन्त्र संचालकका रूपमा नियुक्त गरिएको जानकारी गराउन चाहन्छौं।

मिति २०८०।१।२९ मा सम्पन्न कम्पनीको १९ औं वार्षिक साधारण सभाबाट चार वर्षको कार्यकालका लागि संस्थापक समूह “क” बाट श्री गौरव अग्रवाल, श्री रमेश कुमार लुईटेल (बुद्ध एयर प्रा.लि.को तर्फबाट), डा. श्रुजना श्रेष्ठ र सर्वसाधारण समूह “ख” बाट श्री सौरभ ज.ब.राणा संचालक निर्वाचित हुनु भएको थियो।

#### ६. कारोवारलाई असर पार्ने मुख्य कुराहरू

यस कम्पनीको कारोवारलाई निम्न कुराहरूले प्रभाव पार्ने गरेको छ :

- नियमनकारी वातावरण तथा नियमनकारी निकायहरूबाट समय समयमा जारी हुने निर्देशनहरू।
- राष्ट्रिय तथा अन्तर्राष्ट्रिय आर्थिक वातावरण।
- बीमा कम्पनीहरूबीचको प्रतिस्पर्धा।
- प्रविधिको विकास तथा साइबर सुरक्षा सम्बन्धी जोखिम।
- भूकम्प, बाढी, हावाहुरी लगायत अन्य महाविपत्ति जोखिम तथा मौसम परिवर्तन सम्बन्धी जोखिमहरू।
- राष्ट्रिय तथा अन्तर्राष्ट्रिय आर्थिक तथा राजनैतिक वातावरण।
- राष्ट्रको आर्थिक नीति, मौद्रिक नीति तथा अन्य ऐन कानूनमा हुने परिवर्तन।
- तरलतामा हुने परिवर्तनका कारण बैंक तथा वित्तीय संस्थाले प्रदान गर्ने व्याजदरमा आउने परिवर्तन।

माथि उल्लिखित कुराहरूबाट कम्पनीलाई पर्ने प्रभावहरूलाई न्यूनीकरण गर्न आवश्यक रणनीति तथा योजनाहरू तर्जुमा गर्दै अगाडि बढिरहेको व्यहोरा जानकारी गराउन चाहन्छौं।

नेपाल बीमा प्राधिकरण तथा अन्य नियमनकारी निकायहरूबाट जारी हुने निर्देशनहरू तथा अन्य कानूनहरूको परिपालनका लागि कम्पनीले आवश्यक कर्मचारी तथा पूर्वाधारको विकास गरी कर्मचारीहरूलाई नियमितरूपमा आवश्यक तालिमको व्यवस्था गर्दै आएका छन्।

भूकम्प, बाढी लगायतका महाविपत्ति जोखिमहरूबाट सृजना हुने बीमा जोखिमलाई न्यूनिकरण गर्नका लागि प्रयाप्त रुपमा महाविपत्ति पुनर्बीमाको व्यवस्था गरिएको छ । साथै कम्पनीले बीमालेख जारी गर्नुपूर्व गरिने जोखिमांकन सम्बन्धि कार्यहरूलाई समेत थप प्रभावकारी बनाउँदै आएका छौं ।

मौसम परिवर्तन सम्बन्धी जोखिमहरूलाई न्यूनिकरण गर्नका लागि नेपाल बीमा प्राधिकरणबाट जारी निर्देशनहरूको अधीनमा रही आवश्यक नीति तथा कार्यक्रमहरूको समेत निर्माण गरी जोखिम व्यवस्थापन गर्दै आएका छौं ।

विभिन्न राष्ट्रिय तथा अन्तर्राष्ट्रिय आर्थिक, राजनैतिक तथा सामाजिक परिवर्तनका कारण सृजना हुने व्यावसायिक जोखिमलाई न्यूनिकरण गर्नका लागि कम्पनीले व्यवसायलाई भौगोलिक तथा व्यवसायको प्रकृति अनुरूप शाखाको विस्तार तथा नयाँ बीमालेखको विस्तार तथा विविधीकरण गर्दै जाने नीति तथा योजना अवलम्बन गर्दै आइरहेको समेत जानकारी गराउन चाहन्छौं ।

प्रविधिको विकास संगै सृजना हुने साइबर सुरक्षाको जोखिमलाई न्यूनिकरण गर्नका लागि कम्पनीले प्रयाप्त मात्रामा पूर्वाधारको विकास गरेका छौं भने आफ्ना कर्मचारीहरूलाई साइबर सुरक्षा सम्बन्धमा नियमित तालिम प्रदान गर्दै आएका छौं ।

व्याजदर जोखिमलाई व्यवस्थापन गर्न कम्पनीले नेपाल बीमा प्राधिकरणबाट जारी निर्देशिकाहरूको अधिनमा रही अल्पकालीन तथा दीर्घकालीन रुपमा आफ्नो लगानीलाई विविधीकरण गर्दै आएको जानकारी गराउन चाहन्छौं ।

#### ७. लेखापरीक्षण प्रतिवेदनमा कैफियत प्रसङ्ग

आर्थिक वर्ष २०८०/८१ को लेखापरीक्षण प्रतिवेदनमा कुनै सारभूत कैफियत नभएको शेरधनी महानुभावहरूमा जानकारी गर्दछौं । प्रारम्भिक लेखापरीक्षण प्रतिवेदन तथा आन्तरिक लेखापरीक्षण प्रतिवेदनका सुझावहरू बमोजिम आवश्यक कार्यहरू गर्दै आइरहेको जानकारी गराउन चाहन्छौं ।

#### ८. शेयर जफत सम्बन्धी

कम्पनीले आ.व. २०८०/८१ मा कुनै शेयर जफत नगरेको व्यहोरा शेयरधनी महानुभावहरूमा जानकारी गराउँदछौं ।

#### ९. विगत आर्थिक वर्षमा कम्पनी र सहायक कम्पनीको कारोवारको प्रगति र सो आर्थिक वर्षको अन्त्यमा रहेको स्थितिको पुनरावलोकन यस कम्पनीको कुनै सहायक कम्पनी नरहेको व्यहोरा जानकारी गराउँदछौं ।

#### १०. कम्पनी तथा सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोवारहरू र सो अवधिमा कम्पनीको कारोवारमा आएको कुनै महत्वपूर्ण परिवर्तन

कम्पनीको कुनै सहायक कम्पनी नरहेकोले उपरोक्तानुसारको कुनै कारोबार नरहेको व्यहोरा जानकारी गराउँदछौं ।

#### ११. विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी

कम्पनीलाई आधारभूत शेयरधनीहरूबाट कुनै जानकारी प्राप्त नभएको व्यहोरा अवगत गराउँदछौं ।

#### १२. विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोवारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी

कम्पनीको शेयर कारोवारमा कुनै पनि सञ्चालक संलग्न नभएको व्यहोरा जानकारी गराउँदछौं ।

#### १३. विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा

गत आ.व. मा कम्पनीसँग सम्बन्धित कुनै पनि सम्झौताहरूमा कम्पनीका कुनै पनि सञ्चालक तथा निजको नजिकको नातेदारका व्यक्तिगत स्वार्थ नरहेको व्यहोरा अवगत गराउँदछौं ।

#### १४. कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अंकित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम

कम्पनीले आफ्नो शेयर आफैले खरिद नगरेको व्यहोरा जानकारी गराउँदछौं ।

#### १५. आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण

कम्पनीको आन्तरिक नियन्त्रण प्रणालीलाई प्रभावकारी बनाउनका लागि गठित उपसमितिहरूको हालको संरचना निम्न बमोजिम रहेको छ ।

##### क. दाबी भुक्तानी तथा पुनर्बीमा

श्री स्कन्द अमात्य, संचालक	: संयोजक
डा. श्रुजना श्रेष्ठ, संचालक	: सदस्य
श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत	: सदस्य
श्री विमल राज नेपाल, उप प्रमुख कार्यकारी अधिकृत	: सदस्य

##### ख. लगानी, जोखिम व्यवस्थापन तथा सोल्भेन्सी

श्री सौरभ ज.ब. राणा, संचालक	: संयोजक
श्री पुष्कर महत, संचालक	: सदस्य
श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत	: सदस्य

##### ग. मानव संसाधन

श्री गौरव अग्रवाल	: संयोजक
डा. श्रुजना श्रेष्ठ, संचालक	: सदस्य
श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत	: सदस्य
श्रीमती शिखा मैनाली, मानव संसाधन विभाग प्रमुख	: सदस्य

##### घ. सम्पत्ति शुद्धीकरण निवारण

श्री रमेश कुमार लुईटेल, संचालक	: संयोजक
श्री दिनेश बज्र बज्राचार्य, संचालक	: सदस्य
श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत	: सदस्य

##### ङ. लेखा परीक्षण

श्री दिनेश बज्र बज्राचार्य, संचालक	: संयोजक
श्री रमेश कुमार लुईटेल, संचालक	: सदस्य
श्री पुष्कर महत, संचालक	: सदस्य
श्री प्रकाश प्रजापती	: सदस्य सचिव

##### च. जोखिम व्यवस्थापन समिति

श्री पुष्कर महत, संचालक	: संयोजक
श्री स्कन्द अमात्य, संचालक	: सदस्य
श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत	: सदस्य

#### १६. विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण

विगत आर्थिक वर्षहरूको कुल व्यवस्थापन खर्चको विवरण यसैसाथ संलग्न कम्पनीको वित्तीय विवरणमा उल्लेख गरिएको छ ।

#### १७. लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण

लेखापरीक्षण समितिका सदस्यहरूको नामावली निम्नानुसार रहेको छ ।

श्री दिनेश बज्र बज्राचार्य	: संयोजक
श्री रमेश कुमार लुईटेल	: सदस्य
श्री पुष्कर महत	: सदस्य
श्री प्रकाश प्रजापती	: सदस्य सचिव

लेखापरीक्षण समितिले कम्पनी ऐन तथा नेपाल बीमा प्राधिकरणले जारी गरेको निर्देशनको अधिनमा रही काम गर्दै आएको छ । लेखापरीक्षण समितिका संयोजक र सदस्यहरूलाई हरेक बैठकमा रु ९,००० का दरले बैठक भत्ता प्रदान गरिएको छ ।

लेखापरीक्षण समितिले गरेको काम कारवाहीको विवरण :

- कम्पनीको वित्तीय विवरणको समीक्षा गर्ने ।
- आन्तरिक लेखापरीक्षण प्रतिवेदन तथा सो प्रतिवेदनमाथि व्यवस्थापनले दिएको जवाफ उपर छलफल ।
- कम्पनीको वार्षिक बजेट तथा वास्तविक खर्चको समीक्षा गरी आगामी वर्षको वार्षिक बजेट निर्माणका लागि संचालक समितिलाई आवश्यक सुझाव दिने तथा खर्चका सम्बन्धमा व्यवस्थापनलाई आवश्यक सल्लाह तथा निर्देशन दिने ।
- कम्पनीको आन्तरिक नियन्त्रण प्रणाली उपयुक्त भए वा नभएको अनुगमन गर्ने ।
- वार्षिक वित्तीय विवरण तथा बाह्य लेखापरीक्षण प्रतिवेदन तथा सो उपर व्यवस्थापनले दिएको जवाफबारे छलफल गर्ने तथा आन्तरिक लेखापरीक्षण प्रतिवेदन, बाह्य लेखापरीक्षण प्रतिवेदनमा औल्याइएका कमी कमजोरीलाई निराकरण गर्न व्यवस्थापनलाई आवश्यक सुझाव र निर्देशन प्रदान गर्ने ।
- आन्तरिक तथा बाह्य लेखापरीक्षण कार्यक्रम उपर छलफल गर्ने ।
- नेपाल बीमा प्राधिकरणले समय समयमा गरिने सुपरिवेक्षण प्रतिवेदन उपर छलफल गर्ने तथा सो सम्बन्धमा व्यवस्थापन पक्षलाई आवश्यक सुझाव तथा निर्देशन प्रदान गर्ने ।
- लेखापरीक्षकको नियुक्तिको लागि संचालक समिति तथा वार्षिक साधारण सभाको लागि आवश्यक सिफारिस गर्ने ।
- कम्पनीको संचालक समितिले माग गरेको विषयमा राय तथा परामर्श दिने ।

**१८. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा :**  
कम्पनीलाई त्यस्तो कुनै पनि रकम बुझाउन बाँकी नरहेको ।

**१९. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम**  
सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा अन्य पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम निम्नानुसार रहेको छ :

विवरण	रकम रु.
संचालक समितिको बैठक भत्ता	४,३०२,०००
अन्य समितिको बैठक भत्ता	३,३४७,८००
प्रमुख कार्यकारी अधिकृत तथा अन्य प्रबन्धकलाई भुक्तानी गरेको तलब भत्ता	१२८,३७७,३९३

माथि उल्लिखित बाहेक कम्पनीका कर्मचारीहरूलाई सवारी सुविधा, इन्धन, बीमा तथा संचार सुविधा दिइएको छ ।

**२०. शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम**  
शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम नरहेको ।

**२१. दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण**  
आर्थिक वर्ष २०८०/८१ मा पछिल्लो आर्थिक वर्षको सम्पत्तिको मूल्यको १५ प्रतिशतभन्दा बढी मूल्यको सम्पत्ति खरिद गरिएको छैन ।

**२२. दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोवारको विवरण**  
यस कम्पनीको सहायक कम्पनी नभएको र यो कम्पनी कुनै मुख्य कम्पनीको सहायक कम्पनी पनि नभएको हुँदा उपरोक्त दफामा उल्लेख भए बमोजिम कुनै कारोवार नभएको जानकारी गराउँदछौ ।

### २३. यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा

यस प्रतिवेदनको सम्बन्धित भागमा खुलाइएको छ ।

कम्पनी निर्देशिका २०७२ को निर्देशन ८६ बमोजिमको उद्घोषण

यस कम्पनीबाट वार्षिक साधारण सभा सम्बन्धी व्यवस्था बाहेक कम्पनी ऐनको पूर्ण पालना भएको जानकारी गराउन चाहन्छौं ।

#### धन्यवाद ज्ञापन

कम्पनी स्थापनाकालदेखि २० वर्षको अवधिसम्म अविच्छिन्न रुपमा सहयोग पुऱ्याउनु हुने शेयरधनी महानुभावहरूमा विशेष धन्यवाद ज्ञापन गर्न चाहन्छौं र आगामी समयमा समेत निरन्तर साथ सहयोग र सुझावको अपेक्षा राख्दछौं । नेपाल बीमा प्राधिकरण, आन्तरिक राजश्व विभाग, नेपाल धितोपत्र विनिमय बजार लिमिटेड, नेपाल धितोपत्र बोर्ड, सिडिएस एण्ड क्लियरिङ लि., नेपाल राष्ट्र बैंक लगायत अन्य सम्पूर्ण नियमनकारी निकायहरू, अन्य बीमा तथा पुनर्बीमा कम्पनीहरू, बैंक एवं वित्तीय संस्थाहरू, कम्पनीको शेयर रजिष्ट्रार, ब्रोकर, सर्भेयर, लेखापरीक्षक तथा बीमा अभिकर्ता, कर्मचारी वर्ग लगायत सम्पूर्ण शुभेच्छुकहरूमा संचालक समितिको तर्फबाट आभार एवं धन्यवाद ज्ञापन गर्दछौं । कम्पनीलाई विश्वास गरी निरन्तर सेवाको अवसर प्रदान गर्नु हुने हाम्रा सम्पूर्ण आदरणीय ग्राहकवर्गप्रति विशेष तथा हार्दिक कृतज्ञता ज्ञापन गर्दछौं ।

अन्त्यमा कम्पनीका शेयरधनी महानुभावहरूबाट सभाको कार्य सूचि बमोजिमका प्रस्तावहरू उपर छलफल गरी स्वीकृत गर्नु हुनेछ, भन्ने अपेक्षा राख्दै आगामी दिनमा पनि निरन्तर सहयोग तथा शुभेक्षा प्राप्त भइरहने आशा व्यक्त गर्दछौं ।

धन्यवाद ।

## शिखर इन्स्योरेन्स कम्पनी लिमिटेड

### धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को नियम २६ को उपनियम २ बमोजिम खुलाउनुपर्ने थप विवरण

#### १. कानुनी कारवाही सम्बन्धी विवरण

- कम्पनीले वा कम्पनीका विरुद्ध दायर भएको मुद्दाको विवरण निम्नानुसार रहेको छ :  
कम्पनीको दावी फछ्यौट सम्बन्धी निर्णय उपर नेपाल बीमा प्राधिकरणमा केही मुद्दाहरू दायर भएका छन् ।  
आन्तरिक राजश्व कार्यालयबाट भएका कर निर्धारण सम्बन्धी निर्णयहरूका विरुद्ध कम्पनीले आन्तरीक राजश्व विभाग, तथा सर्वोच्च अदालतमा केहि मुद्दाहरू दायर गरिएको छ ।  
कोरोना बीमा सम्बन्धमा नेपाल सरकारबाट प्राप्त हुनुपर्ने रकम प्राप्त नभएको सम्बन्धमा नेपालका अन्य बीमा कम्पनीहरूसँगै सामुहिक रुपमा नेपाल सरकार विरुद्ध कोरोना बीमा रकम निकासको लागि मुद्दा दायर गरिएको छ ।
- कम्पनीको संचालक वा संस्थापकले वा संचालक वा संस्थापक विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए सो को विवरण : नभएको
- कम्पनीको संचालक वा संस्थापक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए सोको विवरण : नभएको

#### २. कम्पनीको शेयर कारोबार तथा प्रगतिको विश्लेषण

आ.व. २०८०/८१ मा नेपालको समग्र शेयर बजारमा देखिएको उतारचढाव संगै कम्पनीको शेयर मूल्य तथा शेयर कारोबारमा समेत असर गरेको छ ।

#### ३. धितोपत्र बजारमा कम्पनीको शेयर कारोबारको सम्बन्धमा व्यवस्थापनको धारणा

आ.व. २०८०/८१ मा समग्र धितोपत्र बजारमा आएको गिरावटसंगै कम्पनीको शेयर कारोबार संख्या तथा शेयर मूल्य समेत प्रभावित भएको छ । नेपालको अर्थ व्यवस्थामा हुने सुधारसंगै देशको धितोपत्र बजारमा सुधार हुने अपेक्षा गर्न सकिन्छ ।

#### ४. समीक्षा अवधिको प्रत्येक त्रैमासिक अवधिमा कम्पनीको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यको साथै कुल कारोबार संख्या र शेयर संख्या

त्रैमास	अधिकतम मूल्य	न्यूनतम मूल्य	अन्तिम मूल्य	कारोबार संख्या	शेयर संख्या
प्रथम	८८९	७००	७९४।९	७,७००	६२८,५६२
दोस्रो	८०२	७०६	७५७।५	५,२६७	४४७,२४९
तेस्रो	७७९।८	६७६	६९०।६	८,०२७	६९०,३९४
चौथो	७४८	६६९।४	७२३	७,०६४	६६२,२८९

#### ५. समस्या तथा चुनौतीहरू

नेपालको वित्तीय क्षेत्रमा दक्ष जनशक्तिको कमी तथा भएको जनशक्तिको विदेश पलायनले गर्दा जनशक्ति विकास तथा परिचालनमा रहेको समस्या तथा चुनौती ।

प्राकृतिक प्रकोप जस्तै भूकम्प बाढी पहिरो लगायतले निम्त्याउने महाविपत्ति जोखिम ।

वैक तथा वित्तीय संस्थाहरूको मुद्दती निक्षेपमा व्याजदर जोखिम ।

अस्थिर राजनैतिक वातावरणबाट उत्पन्न आर्थिक तथा अन्य समस्याहरू ।

नयाँ बीमा कम्पनीको आगमनसंगै बजार प्रतिस्पर्धामा भएको वृद्धि ।

#### रणनीति

जनशक्ति विकास तथा परिचालनको लागि नियमित रुपमा आफ्ना कर्मचारीहरूलाई तालिमको व्यवस्था गर्दै आएका छौं ।

प्राकृतिक प्रकोपबाट सृजना हुने महाविपत्ति जोखिमलाई व्यवस्थापन गर्न आफ्नो धारण शक्तिको मुल्याङ्कन गर्दै पुनर्बीमा व्यवस्था गर्दै आएका छौं ।

मुद्दती निक्षेपको व्याजदर जोखिमको कारण लगानी आयमा आउन सक्ने ह्रासलाई न्यूनीकरण गर्न नेपाल बीमा प्राधिकरणबाट जारी निर्देशनभित्र रही कम्पनीको लगानीलाई विविधीकरण गर्दै जाने रणनीति रहेको छ ।

देशमा विद्यमान राजनैतिक विकासक्रमका कारण सृजना हुने जोखिम तथा चुनौतिहरूका निम्ति आवश्यक योजनाका साथ कम्पनी अगाडि बढ्ने रणनीति रहेको छ ।

अस्वस्थ बजार प्रतिस्पर्धामा आफ्नो व्यवसाय वृद्धि गर्न आफ्नो जोखिममाझन तथा दावि भुक्तानी सेवालार्इ समय सान्दर्भिक रुपमा प्रभावकारी बनाउँदै जाने नीति रहेको छ ।



## शिखर इन्स्योरेन्स कम्पनी लिमिटेड

### संस्थागत सुशासन सम्बन्धी वार्षिक अनुपालना प्रतिवेदन (सूचीकृत संगठित संस्थाहरूको संस्थागत सुशासन सम्बन्धी निर्देशिक, २०७४ बमोजिम)

सूचीकृत संगठित संस्थाको नाम	शिखर इन्स्योरेन्स कम्पनी लिमिटेड
ठेगाना इमेल र वेबसाइट सहित	थापाथली, काठमाडौं Email : shikharins@mos.com.np Website : www.shikharinsurance.com
फोन नं.	०१-५३४६१०१, ५३४६१०२
प्रतिवेदन पेश गरिएको आ.व.	२०८०/८१

#### १. सञ्चालक समिति सम्बन्धी विवरण

- (क) संचालक समितिको अध्यक्षको नाम तथा नियुक्ति मिति :  
आ.व. २०८०/८१ मा कम्पनीको संचालक समितिको अध्यक्षमा मिति २०८०/१२/०९ गते श्री गौरव अग्रवाल नियुक्त हुनुभएको ।
- (ख) संस्थाको शेयर संरचनासम्बन्धी विवरण (संस्थापक, सर्वसाधारण तथा अन्य):  
संस्थापक : ५१% सर्वसाधारण : ४९%
- (ग) संचालक समिति सम्बन्धी विवरण :

क्र.सं.	संचालकहरूको नाम तथा ठेगाना	प्रतिनिधित्व भएको समूह	शेयर संख्या	नियुक्ति भएको मिति	पद तथा गोपनीयताको शपथ लिएको मिति	संचालक नियुक्तिको तरिका (विधि)
१	श्री गौरव अग्रवाल	संस्थापक	३,२७९,९९९ सं. ३,२५९,९६९ सा. १२,८३०	२०८०/१२/०९	२०८०/१२/१८	साधारण सभा/निर्वाचन
२	श्री रमेश कुमार लुईटेल	संस्थापक (बुद्ध एयर प्रा. लि.)	१,६३९,५०१ सं. १,१९५,०९५ सा. ४,४४,४०६	२०८०/१२/०९	२०८०/१२/२१	साधारण सभा/निर्वाचन
३	डा. श्रुजना श्रेष्ठ	संस्थापक	५०३ सं. ४२७ सा. ७६	२०८०/१२/०९	२०८०/१२/२१	साधारण सभा/निर्वाचन
४	श्री सौरभ ज.व.राणा	सर्वसाधारण	५,४६० सं. १,१८५ सा. ४,२७५	२०८०/१२/०९	२०८०/१२/२१	साधारण सभा/निर्वाचन
५	श्री स्कन्द अमात्य	सर्वसाधारण	सा. ५१,३१९	२०७७/१२/०९	२०७७/१२/०९	साधारण सभा/निर्वाचन
६	श्री दिनेश बज्र बज्राचार्य	सर्वसाधारण	सा. १,००४	२०७७/१२/०९	२०७७/१२/०९	साधारण सभा/निर्वाचन
७	श्री पुष्कर महत	स्वतन्त्र	—	२०८०/१०/१४	२०८०/१०/१४	संचालक समिति

(घ) सञ्चालक समितिको बैठक

■ सञ्चालक समितिको बैठक सञ्चालन सम्बन्धी विवरण :

क्र.सं.	यस आ.व. मा बसेको संचालक समितिको बैठकको मिति	उपस्थित संचालकको संख्या	बैठकको निर्णयमा भिन्न मत राखी हस्ताक्षर गर्ने संचालकको संख्या	गत आ.व. मा बसेको बैठकको मिति
१	२०८०/०४/१८	६	-	२०७९/०४/०९
२	२०८०/०४/१९	७	-	२०७९/०५/०८
३	२०८०/०४/२०	७	-	२०७९/०५/२६
४	२०८०/०४/२२	७	-	२०७९/०६/१४
५	२०८०/०४/२९	६	-	२०७९/०७/०६
६	२०८०/०५/२१	४	-	२०७९/०७/२७
७	२०८०/०६/२१	६	-	२०७९/०८/०६
८	२०८०/०६/२६	६	-	२०७९/०८/२६
९	२०८०/०७/२०	५	-	२०७९/०८/२९
१०	२०८०/०८/१४	६	-	२०७९/१०/०३
११	२०८०/०८/१९	४	-	२०७९/१०/१८
१२	२०८०/०८/२५	५	-	२०७९/१०/२३
१३	२०८०/०८/२९	६	-	२०७९/१०/२५
१४	२०८०/०९/०४	६	-	२०७९/११/०१
१५	२०८०/०९/२०	५	-	२०७९/११/१५
१६	२०८०/१०/१०	६	-	२०७९/१२/२३
१७	२०८०/१०/२१	६	-	२०७९/१२/२९
१८	२०८०/१०/२३	७	-	२०८०/०२/०४
१९	२०८०/१०/२९	५	-	२०८०/०२/३०
२०	२०८०/११/०४	७	-	२०८०/०२/३२
२१	२०८०/११/१६	६	-	२०८०/०३/१३
२२	२०८०/११/२४	५	-	२०८०/०३/१७
२३	२०८०/१२/०६	६	-	२०८०/०३/२२
२४	२०८०/१२/०९	७	-	२०८०/०३/२९
२५	२०८०/१२/२१	६	-	-
२६	२०८१/०१/०९	६	-	-
२७	२०८१/०१/१३	६	-	-
२८	२०८१/०१/२३	५	-	-
२९	२०८१/०२/१४	५	-	-
३०	२०८१/०२/२३	४	-	-
३१	२०८१/०२/३२	६	-	-
३२	२०८१/०३/३०	५	-	-

- कुनै सञ्चालक समितिको बैठक आवश्यक गणपुरक संख्या नपुगी स्थगित भएको भए सोको विवरण: नभएको

■ सञ्चालक समितिको बैठक सम्बन्धी अन्य विवरण :

सञ्चालक समितिको बैठकमा सञ्चालक वा वैकल्पिक सञ्चालक उपस्थित भए- नभएको (नभएको अवस्थामा बैठकको मिति सहित कारण खुलाउने):	बैठकको मिति	कारण
	२०८०/०४/१८	कार्य व्यस्थता/भ्रमण
	२०८०/०४/२९	कार्य व्यस्थता/भ्रमण
	२०८०/०५/२१	कार्य व्यस्थता/भ्रमण
	२०८०/०७/२०	कार्य व्यस्थता/भ्रमण
	२०८०/०८/१९	कार्य व्यस्थता/भ्रमण
	२०८०/०८/२५	कार्य व्यस्थता/भ्रमण
	२०८०/०९/०४	कार्य व्यस्थता/भ्रमण
	२०८०/०९/२०	कार्य व्यस्थता/भ्रमण
	२०८०/१०/२९	कार्य व्यस्थता/भ्रमण
	२०८०/११/१६	कार्य व्यस्थता/भ्रमण
	२०८०/११/२४	कार्य व्यस्थता/भ्रमण
	२०८०/१२/०६	कार्य व्यस्थता/भ्रमण
	२०८०/१२/२१	कार्य व्यस्थता/भ्रमण
	२०८१/०१/०९	कार्य व्यस्थता/भ्रमण
	२०८१/०१/१३	कार्य व्यस्थता/भ्रमण
	२०८१/०१/२३	कार्य व्यस्थता/भ्रमण
	२०८१/०२/१४	कार्य व्यस्थता/भ्रमण
	२०८१/०२/२३	कार्य व्यस्थता/भ्रमण
	२०८१/०२/३२	कार्य व्यस्थता/भ्रमण
	२०८१/०२/३२	कार्य व्यस्थता/भ्रमण
	२०८१/०३/३०	कार्य व्यस्थता/भ्रमण
सञ्चालक समितिको बैठकमा उपस्थित सञ्चालकहरू, छलफल भएको विषय र तत्सम्बन्धमा भएको निर्णयको विवरण (माईन्यूट) को छुट्टै अभिलेख राखे नराखेको:	माईन्यूटको छुट्टै अभिलेख राखेको	
सञ्चालक समितिको दुई लगातार बसेको बैठकको अधिकतम अन्तर (दिनमा) :	३० दिन	
सञ्चालक समितिको बैठक भत्ता निर्धारण सम्बन्धमा बसेको वार्षिक साधारण सभाको मिति	१७ औं तथा १८ औं वार्षिक साधारण सभा	
सञ्चालक समितिको प्रति बैठक भत्ता रु.	अध्यक्ष : २०,०००/- सदस्य : १८,०००/-	
आ.व.को सञ्चालक समितिको कुल बैठक खर्च रु	४,३०२,०००/-	

## २. सञ्चालकको आचरण सम्बन्धी तथा अन्य विवरण

सञ्चालकको आचरण सम्बन्धमा सम्बन्धित संस्थाको आचार संहिता भए/नभएको :	भएको
एकाघर परिवारको एक भन्दा बढी सञ्चालक भए सो सम्बन्धी विवरण :	नभएको
सञ्चालकहरूको वार्षिक रुपमा सिकाई तथा पूर्णताजगी कार्यक्रम सम्बन्धी विवरण :	सञ्चालकहरूका लागि AML/CFT तथा नियमनकारी निकायहरूबाट जारी नियमावली/निर्देशिका सम्बन्धमा अभिमुखिकरण कार्यक्रम सञ्चालन गर्ने गरेको ।
प्रत्येक सञ्चालकले आफू सञ्चालकको पदमा नियुक्त वा मनोनयन भएको पन्ध्र दिन भित्र देहायका कुराको लिखित जानकारी गराएको/नगराएको र नगराएको भए सोको विवरण:	गराएको
<ul style="list-style-type: none"> <li>■ संस्थासँग निज वा निजको एकाघरको परिवारको कुनै सदस्यले कुनै किसिमको करार गरेको वा गर्न लागेको भए सो को विवरण,</li> <li>■ निज वा निजको एकाघरको परिवारको कुनै सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिएको शेयर वा डिबेन्चरको विवरण,</li> <li>■ निज अन्य कुनै सङ्गठित संस्थाको आधारभूत शेयरधनी वा सञ्चालक रहेको भए त्यसको विवरण,</li> <li>■ निजको एकाघरको परिवारको कुनै सदस्य संस्थामा पदाधिकारी वा कर्मचारीको हैसियतमा काम गरिरहेको भए सोको विवरण ।</li> </ul>	
सञ्चालकले उस्तै प्रकृतिको उद्देश्य भएको सूचिकृत संस्थाको सञ्चालक, तलवी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य गरेको भए सोको विवरण:	नभएको
सञ्चालकहरूलाई नियमन निकाय तथा अन्य निकायहरूबाट कुनै कारवाही गरिएको भए सोको विवरण:	नभएको

## ३. संस्थाको जोखिम व्यवस्थापन तथा आन्तरिक नियन्त्रण प्रणाली सम्बन्धी विवरण

- (क) जोखिम व्यवस्थापनको लागि कुनै समिति गठन भए/नभएको गठन नभएको भए सोको कारण: भएको
- (ख) जोखिम व्यवस्थापन समिति सम्बन्धी जानकारी:
- (अ) समितिको संरचना (संयोजक तथा सदस्यहरूको नाम तथा पद)
- |                                                 |          |
|-------------------------------------------------|----------|
| श्री सौरभ ज.ब. राणा, संचालक                     | : संयोजक |
| श्री पुष्कर महत, स्वतन्त्र संचालक               | : सदस्य  |
| श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत | : सदस्य  |
- (आ) समितिको बैठक संख्या : ५
- (इ) समितिको कार्य सम्बन्धी छोटो विवरण
- जोखिम व्यवस्थापन समितिद्वारा यस कम्पनीमा पर्न जाने संभावित जोखिमहरू समयमै पहिचान गरि उक्त जोखिमहरूको असर न्यूनीकरण तथा उचित व्यवस्थापन कार्य गर्ने ।
- (ग) आन्तरिक नियन्त्रण कार्यविधि भए/नभएको : तयार भई पारित हुने क्रममा रहेको
- (घ) आन्तरिक नियन्त्रण प्रणालीको लागि कुनै समिति गठन भए/नभएको गठन नभएको भए सोको कारण: भएको
- (ङ) आन्तरिक नियन्त्रण प्रणाली समिति सम्बन्धी विवरण:

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

#### १. दाबी भुक्तानी तथा पुनर्बीमा

- |                                                 |          |
|-------------------------------------------------|----------|
| श्री स्कन्द अमात्य, संचालक                      | : संयोजक |
| डा. श्रुजना श्रेष्ठ, संचालक                     | : सदस्य  |
| श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत | : सदस्य  |
| श्री विमल राज नेपाल, उप प्रमुख कार्यकारी अधिकृत | : सदस्य  |

**२. लगानी, जोखिम व्यवस्थापन तथा सोल्भेन्सी**

श्री सौरभ ज.ब. राणा, संचालक	: संयोजक
श्री पुष्कर महत, स्वतन्त्र संचालक	: सदस्य
श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत	: सदस्य

**३. मानव संसाधन**

श्री गौरव अग्रवाल, संचालक	: संयोजक
डा. श्रुजना श्रेष्ठ, संचालक	: सदस्य
श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत	: सदस्य
श्री शिखा मैनाली, मानव संसाधन विभाग प्रमुख	: सदस्य

**४. सम्पत्ति शुद्धिकरण निवारण**

श्री रमेश कुमार लुईटेल, संचालक	: संयोजक
श्री दिनेश बज्र बज्राचार्य, संचालक	: सदस्य
श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत	: सदस्य

**५. लेखापरीक्षण**

श्री दिनेश बज्र बज्राचार्य, संचालक	: संयोजक
श्री रमेश कुमार लुईटेल, संचालक	: सदस्य
श्री पुष्कर महत, स्वतन्त्र संचालक	: सदस्य
श्री प्रकाश प्रजापती	: सदस्य सचिव

**६. सूचना प्रविधि समिति**

श्री स्कन्द अमात्य, संचालक	: संयोजक
श्री सुरज राजवाहक, वित्त विभाग प्रमुख	: सदस्य
श्री रमिनमान महर्जन	: सदस्य

**७. ओरसा (Own Risk Solvency Assessment Committee) समिति**

श्री सौरभ ज.ब. राणा, संचालक	: संयोजक
डा. श्रुजना श्रेष्ठ, संचालक	: सदस्य
श्री स्कन्द अमात्य, संचालक	: सदस्य

**(आ) समितिको बैठक संख्या :**

दावी भुक्तानी तथा पुनर्बीमा	: १५
लगानी, जोखिम व्यवस्थापन तथा सोल्भेन्सी	: १२
मानव संसाधन	: ९
सम्पत्ति शुद्धिकरण निवारण	: ६
लेखापरीक्षण	: २१
सूचना प्रविधि समिति	: ४
ओरसा (Own Risk Solvency Assessment Committee) समिति	: २

**(इ) समितिको कार्य सम्बन्धी छोटो विवरण**

कम्पनीको दावी भुक्तानी तथा पुनर्बीमा, लगानी, जोखिम व्यवस्थापन तथा सोल्भेन्सी, मानव संसाधन, सम्पत्ति शुद्धिकरण, लेखा परीक्षण तथा आन्तरिक नियन्त्रण प्रणालीको प्रभावकारिता मूल्यांकन गर्ने, आवश्यक सुधारका उपायहरू व्यवस्थापकहरूसँग छलफल गरि कार्यान्वयन मा जोड दिने र सो सम्बन्धी जानकारी संचालक समितिलाई गराउने ।

## ४. सूचना तथा जानकारी प्रवाह सम्बन्धी विवरण

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

विषय	माध्यम	सार्वजनिक गरेको मिति
वार्षिक साधारण सभाको सूचना	नागरिक दैनिक	२०८१/१०/२२ र २०८१/१०/२९
विशेष साधारण सभाको सूचना	-	-
वार्षिक प्रतिवेदन	नागरिक दैनिक	२०८१/१०/२२
त्रैमासिक प्रतिवेदन	नागरिक दैनिक	२०८०/०८/०१, २०८०/१०/२९, २०८१/०१/३०, २०८१/०४/३०
अन्य	-	-

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

(ग) पछिल्लो वार्षिक तथा विशेष साधारण सभा सन्त्यन्त भएको मिति : २०८०/१२/०९ (२०७९/८० )

## ५. संस्थागत संरचना र कर्मचारी सम्बन्धी विवरण

(क) कर्मचारीहरूको संरचना, पदपूर्ति, वृत्ति विकाश, तालिम, तलब, भत्ता तथा अन्य सुविधा, हाजिर र विदा, आचारसंहिता लगायतका कुराहरू समेटिएको कर्मचारी सेवा शर्त विनियमावली/व्यवस्था भए नभएको: भएको

(ख) सांगठनिक संरचना संलग्न गर्ने : संलग्न गरिएको

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

क्र.सं.	नाम	पद	शिक्षा	कार्य अनुभव
१	दिप प्रकाश पाण्डे	प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर (बाणिज्य)	३१ वर्ष
२	बिमल राज नेपाल	नायब प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर (बाणिज्य)	५४ वर्ष
४	सविता मास्के	नायब प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर (अर्थशास्त्र)	४२ वर्ष
६	उदित प्रसाद काफ्ले	महाप्रबन्धक	स्नातक (विज्ञान)	३० वर्ष
७	प्रज्वल आचार्य	महाप्रबन्धक	स्नातक (बाणिज्य)	३० वर्ष
९	सुरज राजबाहक	नायब महाप्रबन्धक	चार्टर्ड एकाउन्टेन्ट	१५ वर्ष
८	प्रकाश थापा	सहायक महाप्रबन्धक	स्नातकोत्तर(समाजशास्त्र)	२५ वर्ष
१०	प्रार्थना शाही	सहायक महाप्रबन्धक	स्नातकोत्तर (बाणिज्य)	११ वर्ष

(घ) कर्मचारी सम्बन्धी अन्य विवरण

संरचना अनुसार कर्मचारी पदपूर्ति गर्ने गरे/नगरेको :	गरेको
नयाँ कर्मचारीहरूको पदपूर्ति गर्दा अपनाएको प्रकृया :	विज्ञापन, खुला प्रतिस्पर्धा तथा सरुवा
व्यवस्थापन स्तरका कर्मचारीको संख्या:	५४
कुल कर्मचारीको संख्या:	६४०
कर्मचारीहरूको सक्सेसन प्लान भए/नभएको :	भएको
आ.व. मा कर्मचारीहरूलाई दिइएको तालिम संख्या तथा सम्मिलित कर्मचारीको संख्या:	तालिम संख्या : ६१ कर्मचारी : ६२०
आ.व.को कर्मचारी तालिम खर्च रु :	९,७६९,३८५.२८
कुल खर्चमा कर्मचारी खर्चको प्रतिशत :	२६.३०
कुल कर्मचारी खर्चमा कर्मचारी तालिम खर्चको प्रतिशत :	२



## ६. संस्थाको लेखा तथा लेखापरीक्षण सम्बन्धी विवरण

### (क) लेखासम्बन्धी विवरण

संस्थाको पछिल्लो आ.व. को वित्तीय विवरण NFRS अनुसार तयार गरे/ नगरेको, नगरेको भए सोको कारण :	गरेको
संचालक समितिबाट पछिल्लो वित्तीय विवरण स्वीकृत भएको मिति:	२०८१/१०/१५
त्रैमासिक वित्तीय विवरण प्रकाशन गरेको मिति :	२०८०/०८/०१, २०८०/१०/२९, २०८१/०१/३०, २०८१/०४/३०
अन्तिम लेखापरीक्षण सम्पन्न भएको मिति :	२०८१/१०/१५
साधारण सभाबाट वित्तीय विवरण स्वीकृत भएको मिति :	२०८०/८१ को वित्तीय विवरण २०८१/११/१३ गते बस्ने साधारण सभामा स्वीकृतीको लागी पेश गरीने
संस्थाको आन्तरिक लेखा परीक्षण सम्बन्धी विवरण : (अ) आन्तरिक रुपमा लेखापरीक्षण गर्ने गरिएको वा वाह्य विज्ञ नियुक्त गर्ने गरिएको (आ) वाह्य विज्ञ नियुक्त गरिएको भए सोको विवरण  (इ) आन्तरिक लेखापरीक्षण कति अवधिको गर्ने गरिएको (त्रैमासिक, चौमासिक वा अर्धवार्षिक)	वाह्य विज्ञ नियुक्त गर्ने गरिएको Deoki Bijay & Co. Chartered Accountants  त्रैमासिक

### (ख) लेखापरीक्षण समितिसम्बन्धी विवरण

संयोजक तथा सदस्यहरुको नाम, पद तथा योग्यता :	<b>संयोजक</b> नाम : श्री दिनेश बज्र बज्राचार्य पद : संचालक योग्यता : स्नातकोत्तर <b>सदस्य :</b> नाम : श्री रमेश कुमार लुइटेल पद : संचालक योग्यता : स्नातक <b>सदस्य :</b> नाम : श्री पुष्कर महत पद : स्वतन्त्र संचालक योग्यता : स्नातकोत्तर
वैठक बसेको मिति तथा उपस्थित सदस्य संख्या :	२०८०/०४/२२, २०८०/०५/२१ २०८०/०५/२९, २०८०/०६/२१ २०८०/०८/१४, २०८०/०८/२५ २०८०/०८/२७, २०८०/०९/२६ २०८०/१०/१०, २०८०/१०/२१ २०८०/११/२९, २०८०/१२/०६ २०८०/१२/२१, २०८०/१२/२७ २०८१/०१/०९, २०८१/०१/१० २०८१/०१/२३, २०८१/०१/२६ २०८१/०२/०१, २०८१/०२/२१ २०८१/०३/२४
प्रति बैठक भत्ता रु. :	९,०००/-
लेखापरीक्षण समितिले आफ्नो काम कारवाहीको प्रतिवेदन संचालक समितिमा पेश गरेको मिति :	लेखापरीक्षण समितिको बैठक पश्चात् सो समितिको काम कारवाही संचालक समितिमा छलफल हुने गरेको ।

## 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 बाहेकसूचिकृत सङ्गठित संस्थाको वित्तीय स्वार्थ भएको कुनै व्यक्ति, फर्म, कम्पनी, कर्मचारी, सल्लाहकार वा परामर्शदाताले संस्थाको कुनै सम्पत्ति कुनै किसिमले भोगचलन गरे/नगरेको	भोगचलन नगरेको
नियमकारी निकायले इजाजतपत्र जारी गर्दा तोकेको शर्तहरूको पालना भए/नभएको	पालना भएको
नियमकारी निकायले संस्थाको नियमन निरीक्षण वा सुपरीवेक्षण गर्दा संस्थालाई दिइएको निर्देशन पालना भए/नभएको	भएको
संस्था वा संचालक विरुद्ध अदालतमा कुनै मुद्दा चलिरहेको भए सोको विवरण	<ul style="list-style-type: none"> <li>- माधव गौतम विरुद्ध शिखर इन्स्योरेन्स समेत</li> <li>- आ.व. २०६३/६४, २०६४/६५, २०६५/६६, २०६६/६७, २०६७/६८, २०७२/७३, २०७३/७४, २०७४/७५ र २०७५/७६ को आन्तरिक राजश्व कार्यालयले निर्धारण गरेको थप कर तथा जरिवना विरुद्ध ।</li> </ul>

परिपालन अधिकृतको नाम : सुजन राज मरासिनी  
 पद : नायव प्रबन्धक  
 मिति : २०८१/१०/२१  
 संस्थाको छाप :  
 प्रतिवेदन संचालक समितिबाट स्वीकृत मिति : २०८१/१०/२१

# **VISION, MISSION AND OBJECTIVE**





## Vision

The vision of Shikhar Insurance is to be the leading insurance company of Nepal with innovative and reliable insurance solutions at par with the international standards, committed to enhancing the financial security and well-being of its customers.

## Mission

The mission of Shikhar Insurance is to deliver exceptional value to customers through a comprehensive range of insurance services, leveraging technology and innovation.



## Overall Strategy and Objectives

Shikhar Insurance has the following strategic objectives that are aligned with the vision and mission of the company.

### Expanding Market Presence

Expanding market presence through new insurance product development and insurance penetration in the untapped segments and regions is a key focus of the company. This also involves strategic partnerships with the local and international entities and exploring new distribution channels and the use of digital means to reach a broader customer base.

### Enhancing Customer Experience

One of the primary strategies is to enhance customer experience by offering innovative and tailored insurance products that meet the evolving needs of the insured and prompt claim settlement. This includes leveraging advanced technologies such as artificial intelligence and big data analytics to provide personalized services and streamline claim processing.

### Maintaining Financial Stability

Another crucial objective is to maintain financial stability and profitability. The financial health of the company shall be safeguarded through prudent risk management practices, sound re-insurance management, management of catastrophic risk and effective cost control measures and diversification of investment portfolios.

### Organizational Excellence and Human Resource Development

Human Resource development and organizational excellence are pivotal to executing the overall strategy. Talent development through a culture of continuous learning and innovation, fostering a positive work environment and initiatives to ensure that the workforce remains skilled and motivated to deliver exceptional service.

The objective of organization excellence shall be achieved through the development of standard operating procedures for each critical processes, robust quality management system, sound internal control practices, data driven decision making and culture of excellence. Organisational policies and practices shall be focused on promoting dignified workplace and inclusive environment.

### Compliance and Governance

The company aims to comply with regulatory requirements and adhere to high standards of governance. The company is committed to transparency, accountability, and maintaining the trust of its stakeholders through rigorous governance frameworks and ethical conduct. This includes regular audits, compliance training, and staying updated with changes in the regulatory landscape.

### Technology Integration

Technological integration in the operations of the company to enhance operational efficiency and customer service. This shall be achieved using digital platforms for policy issuance, claims processing, and customer interactions, as well as implementing advanced analytics for better risk assessment and decision-making.

### Customer Education and Awareness

Educating customers about the importance of insurance and the various products available to them is another strategic objective of the company. This involves conducting awareness campaigns, providing informational resources, and offering personalized consultations to help customers make informed decisions.



### **Building Trust**

Shikhar Insurance strategizes to differentiate ourselves in the competitive market through trust and transparency. Transparent communication, consistent customer service, and honoring commitments establish strong client relationships, fostering long-term loyalty.

### **Ethical Practices**

Ethical practices are central to the company's strategy. By implementing robust ethical guidelines, ensuring transparency in all dealings, and promoting diversity, equity, and inclusion, the company upholds the highest standards of integrity. This commitment extends to responsible investment practices that align with social and environmental values.

### **Risk Management**

Risk management is paramount in the strategy of Shikhar Insurance. Robust risk management along with strong reinsurance management practices is done to ensure financial stability and solvency protection of shareholder's capital contribution during the catastrophic events.

### **Return to the shareholders**

Shikhar Insurance aims to maximize returns to its shareholders by focusing on sustainable growth and profitability. This approach involves strategic investments, efficient capital management, and continuous innovation in product offerings. By maintaining financial discipline and leveraging opportunities in the market, the company seeks to deliver consistent value and returns to its investors.

## Core Values

### Customer Focus

The company places the highest priority on meeting the needs and exceeding the expectations of its customers. Every decision and action are taken with the insured in mind, ensuring that their satisfaction and trust are always maintained. The company prioritizes customer satisfaction by providing reliable and prompt insurance and claim services.

### Innovation

The company continuously seeks innovative solutions to improve its services and deliver greater value to its customers. This includes adopting new technologies, developing creative insurance products, and enhancing operational efficiency.

### Integrity

The company is always committed to upholding the highest standards of honesty, transparency and ethical practices.

### Compliance

Adherence to all relevant laws, regulations, and guidelines is a cornerstone of Shikhar Insurance's operations. This commitment to compliance reflects Shikhar Insurance's dedication to ethical practices and its long-term sustainability.

### Excellence

The company always aims to provide high-quality services, achieving operational excellence, and fostering a culture of continuous learning and development.

### Teamwork

The company encourages teamwork, open communication, and mutual respect among its employees, creating a strong and united organization for a collaborative, supportive and dignified work environment.

## Code of Conduct and Ethical Principle

### Confidentiality

The company and all the employees are always committed to maintaining the confidentiality of all customer information, protecting them from unauthorized access and ensuring it is used solely for legitimate business purposes.

### Compliance

Adherence to all relevant laws, regulations, and guidelines is mandatory. This includes compliance with industry standards and anti-money laundering policies.

### Conflict of Interest

Employees must avoid situations where their personal interests could conflict with the interests of the company or its customers. Any potential conflicts must be disclosed promptly.

### Professionalism

All employees are expected to conduct themselves with the highest level of professionalism, demonstrating competence, courtesy, and respect in all interactions.

### Accountability

The company promotes a culture of accountability where employees take responsibility for their actions and decisions, ensuring transparency and building trust with stakeholders.

### Environmental Responsibility

The company is committed to sustainable practices and minimizing its environmental impact, integrating eco-friendly initiatives into its business operations.

### Social Responsibility

Engaging in social welfare activities and contributing to the community's well-being is a core principle. The company supports initiatives that promote education, health, social welfare and disaster relief.



## **ORGANIZATIONAL STRUCTURE OF THE COMPANY**

# Milestones

**61/62**

Establishment  
of the company

**65/66**

Shifted to  
own building

**70/71**

Premium of  
Rs. 105 Crore

**71/72**

Awarded by IRD for  
highest revenue  
contribution

**72/73**

Premium of  
Rs. 200 Crore

**74/75**

Premium of  
Rs. 333 Crore

**76/77**

- Paid up capital of Rs. 105 Crore
- 1<sup>st</sup> non life insurance company to open
- 100+ branch offices
- 1<sup>st</sup> non life insurance company to employee
- 500+ human resources

**77/78**

- Premium of Rs. 400 Crore
- A rating from ICRA Nepal

**78/79**

- Premium of Rs. 501 Crore
- A+ credit rating from ICRA Nepal
- Awarded by Government of Nepal as Best agriculture insurance company of Nepal

**79/80**

1<sup>st</sup> company to meet  
paid up capital of  
Rs. 250 Crore

**81/82**





# COMPANY PROFILE

Shikhar Insurance was established in 2004 as the 14<sup>th</sup> general insurance company of Nepal. The CRO registration no. of the Company is 878/060/61 and IRD Permanent Account No. is 301715445. The registered office of the company is at Kathmandu Nepal and currently providing insurance services through 117 branch offices, 7 province offices along with digital channel. The company offers more than 75 general insurance products over different insurance portfolios viz. Property Insurance, Motor Insurance, Marine Insurance, Engineering Insurance, Aviation Insurance, Agriculture and Cattle Insurance, Micro Insurance and Miscellaneous Insurance. Shikhar Insurance was founded with the vision to offer reliable and accessible insurance services to individuals and business houses. Over the years, it has grown to become the most trusted insurance provider, known for its integrity, transparency, and commitment to excellence. Currently Shikhar Insurance holds overall market share of 13%, 50% market share in Karnali Province of Nepal and 20% market share in Agriculture and Cattle Insurance. Over the past 10 years Shikhar insurance has the highest market share in the Nepalese general insurance industry. Shikhar insurance is the first general insurance company in Nepal to collect gross insurance premium over Rs. 100 crores, Rs. 200 crores, Rs.300 crore, Rs. 400 crore and Rs. 500 crores. Shikhar insurance is the first general insurance company in Nepal to provide insurance services through 100+ branch offices and to provide employment opportunities to 500 and more.

Established with paid up capital of Rs. 10 crores, the current paid up capital of the company is Rs. 265 crore and net worth of Rs. 536 crores. Shikhar insurance is the first general insurance company to meet the minimum regulatory capital of Rs.250 crores without being merged with other insurance companies. Shikhar insurance is the only A+ rated insurance company from ICRA Nepal, and with best catastrophic reinsurance coverage among the Nepalese general insurance companies, Shikhar Insurance stands as the strongest general insurance company of Nepal.

Along with the support of the reinsurance program and sound financial position, Shikhar Insurance demonstrated the efficient and proactive claim service ability during the

2015 earthquake losses and recent flood losses. Over the period of 20 years, Shikhar insurance has paid more than Rs.2,000 crores of claim for more than 100,000 claims.

Shikhar Insurance has demonstrated leadership in various initiatives within the general insurance industry, working towards shared goals and objectives. Shikhar Insurance has been POOL manager for the COVID 19 Insurance Pool, Micro Insurance Pool and Aviation Insurance consortium.

Shikhar Insurance's commitment to excellence has been recognized through numerous awards and accolades. Shikhar insurance has been awarded numerous times as Best managed insurance company and best insurance company of Nepal. Shikhar Insurance has been awarded by the Inland Revenue Department for the highest revenue contribution among general insurance companies. The government of Nepal has awarded Shikhar Insurance as best agriculture and cattle insurance company of Nepal. These honors reflect the company's dedication to providing top-notch insurance services and maintaining the highest standards of professionalism and ethical conduct.

Shikhar Insurance has set the benchmark in the insurance industry with its comprehensive product offerings, customer-centric approach, and unwavering commitment to innovation and social responsibility. Shikhar insurance has developed the highest numbers of new insurance products in the Nepalese general insurance sector.



## BOARD OF DIRECTOR'S PROFILE

### Mr. Gaurav Agrawal, Chairman

Mr. Gaurav Agrawal is chairman of the Board of Directors of Shikhar Insurance. Mr. Agrawal is a distinguished entrepreneur and business leader with extensive experience across various sectors, including hospitality, insurance, and startup development. Mr. Agrawal holds a master's degree in leadership and strategy from the prestigious London Business School, England. Mr. Agrawal was also a valued member of the Board of Directors of Shikhar Insurance from the inception until Shrawan 31, 2074.



### Mr. Ramesh Kumar Luitel, Director

Mr. Ramesh Kumar Luitel has been serving as a director of Shikhar Insurance since 2069/03/24. In addition to his role at Shikhar Insurance, Mr. Luitel is Director (Finance) and Company Secretary at Buddha Air Pvt. Ltd. Mr. Luitel holds bachelor's degree in commerce and has more than 3 decades of experience in financial management, taxation and corporate governance.

### Dr. Shrujana Shrestha, Director

Dr. Shrujana Shrestha has served as a director at Shikhar Insurance since 2076/04/28. Holding a Doctor of Medicine in Dermatology, she has established herself as a leading dermatologist specializing in aesthetic procedures and manages her own Absolute Aesthetics clinic. Additionally, she contributes to advancements in dermatology and aesthetic science as a member of the Society of Dermatologists, Venereologists, and Leprologists of Nepal.





**Mr. Saurav J.B. Rana, Director**  
(Public Shareholder)

Mr. Saurav J.B. Rana has been serving as a Director of Shikhar Insurance Co. Ltd. since 2076/04/28. Mr. Rana holds a Master of Business Administration degree and is a seasoned entrepreneur with extensive experience in trading, automotive industries and startup ventures.

**Mr. Dinesh Bajra Bajracharya, Director**  
(Public Shareholder)

Mr. Dinesh Bajra Bajracharya has been serving as a director representing public shareholders at Shikhar Insurance since 2073/09/08. Mr. Bajracharya holds a Master of Business studies and has experience of leading different corporate houses where he oversees strategic operations and financial growth.



**Mr. Skand Amatya, Director**  
(Public Shareholders)

Mr. Skand Amatya has been serving as a director representing public shareholders at Shikhar Insurance since 2072/12/05. Mr. Amatya holds a Master of Business Administration degree and leads multiple ventures and corporate houses, where he oversees strategic business operations and market growth.

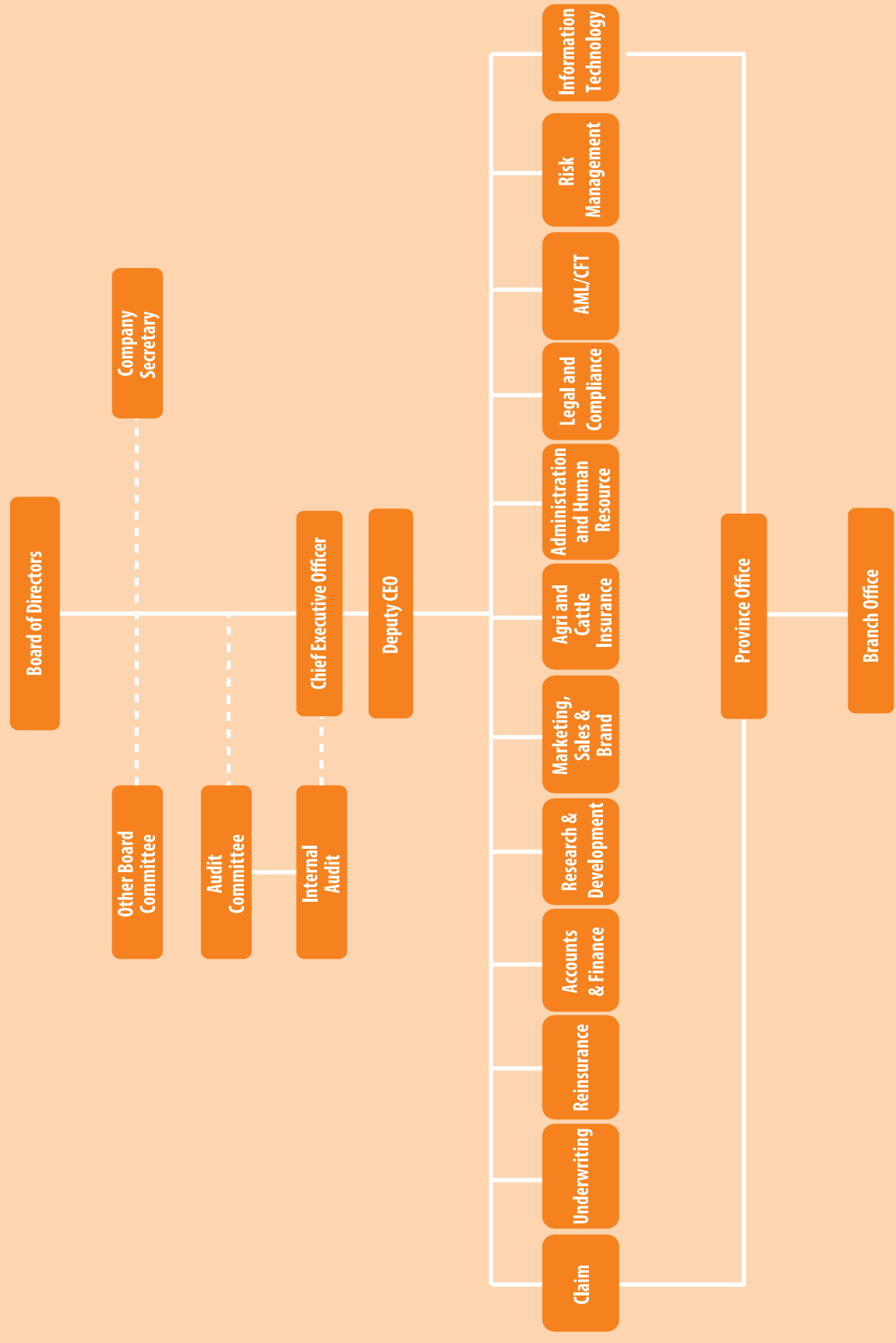


**Mr. Puskar Mahat, Independent Director**

*Mr. Puskar Mahat has been serving as an Independent Director at Shikhar Insurance since 2080/10/21. He has also served as Chairman of Narayani College and President of the Recruitment Committee for the Hetauda Municipality Office. Mr. Mahat holds a master's degree in commerce and has around 4 decades of experience in the general insurance industry.*



# ORGANIZATIONAL STRUCTURE





## Board of Directors' Composition and Role

The composition of the Board of Directors of the company is governed by the Insurance Act and Articles of Association of the company. As per the Article of Association of the Company the composition of the board of directors of the company shall be as follows:

Directors elected from the promoter shareholders group	: 3
Directors elected from the public shareholder group	: 3
Independent Director	: 1

The appointment of the board of directors from the promoted shareholder group and public shareholder group shall be done by the Annual General Meeting of the Company. In case of any vacancy before the AGM, the vacant position shall be fulfilled by the decision of the board meeting of the company till the next AGM date. The appointment of the independent director is done as per the provision of the Insurance Act. As per the Insurance Act 2079 the appointment of the Independent Director is made by the board of directors, and such appointments need to be informed to the subsequent Annual General Meeting of the company.

### **The role and terms of reference of the board of director 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 general 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:
  - (a) 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,
  - (b) 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,
  - (c) To prepare policies for all activities to be performed by the company and to supervise the daily operations to manage the company efficiently,
  - (d) To maintain the capital, capital fund or other moveable and immovable assets as prescribed by the Nepal Insurance Authority,
  - (e) To regularly monitor the policies adopted by the company, analyse them and provide necessary directions to the management of the company,
  - (f) To present the audited financial report to the general meeting and
  - (g) To perform other functions as directed by the Nepal Insurance Authority from time to time.
  - (h) Establishing policies and procedures to ensure the company's activities align with its mission and goals.
  - (i) Development and approval of long-term strategies and business plans.
  - (j) Acting in the best interest of shareholders and the company, ensuring prudent use of resources and adherence to legal standards.
  - (k) Identifying and mitigating potential risks that could affect the company's operations and financial health.
  - (l) Reviewing and approving budgets, financial statements, and ensuring the integrity of financial controls.
  - (m) Ensuring the company adheres to all regulatory requirements and ethical standards.

## Anti-Money Laundering Committee Composition and Role

The Anti Money Laundering Committee of the company is formed in accordance with the Insurance Act and directives of the Nepal Insurance Authority. The composition of the anti-money Laundering Committee is as follows:

Mr. Ramesh Kumar Luitel, Director	: Coordinator
Mr. Dinesh Bajra Bajracharya, Director	: Member
Mr. Dip Prakash Panday, CEO	: Member

### The role and terms of reference of the Anti-Money Laundering Committee is as follows:

- a) To develop and recommend to the board for the approval of policies and procedures that comply with the prevailing regulations.
- b) Reviewing and updating the company's AML/CFT policies and procedures periodically to ensure they remain effective and compliant.
- c) To maintain reporting framework and ensuring timely submission of reports.
- d) To oversee the implementation of monitoring systems and ensure that any unusual or suspicious activities are reported to the appropriate authorities.
- e) Ensuring that all employees receive adequate training and resources to understand and implement AML/CFT measures.
- f) To conduct regular risk assessments to identify potential vulnerabilities within the organization.
- g) To arrange regular training programs to ensure that staff members are knowledgeable about current regulations, red flags, and reporting procedures.
- h) To ensure compliance with relevant laws and regulations.
- i) To review the audit reports relating to the effectiveness of AML and CFT measures and ensure that any deficiencies are identified and addressed promptly.
- j) To review the compliance report and other periodic report prepared by the implementation officer and compliance officer relating the AML/CFT.

## Composition of Audit Committee and Role

### Composition

The Audit Committee of the company has been formed as per the provision of the Insurance Act, 2079 and good governance directives of the NIA. The composition of the Audit Committee is as follows:

Mr. Dinesh Bajra Bajracharya, Director (Public Group)	: Coordinator
Mr. Ramesh Kumar Luitel, Director (Promoter Group)	: Member
Mr. Puskar Mahat, Independent Director	: Member
Mr. Prakash Prajapati	: Member Secretary

### The role and terms of reference of the Audit Committee is as follows:

- a. To review the financial statements of the company and ensure the basis, authenticity and reliability of information extracted from such financial statements,
- b. To ascertain whether the accounts, budget and internal control mechanism of the company are appropriate or not,
- c. To ensure whether the purchase/procurement policy of the company is appropriate, efficient and economical and to supervise and regulate such purchase/procurement policy,
- d. To ensure whether the accounts, documents and records of internal audit systems and electronic records are maintained appropriately,
- e. To ensure whether the activities related to calculation of insurance risks, claims, investments, and reinsurance had been done properly or not and to ensure whether the documents related to such activities had been adequately maintained or not,
- f. To ensure whether the accounts, audit balance sheet or financial statements of the company or such documents are prepared according to the prevailing law, regulation and directives of the Nepal Insurance Authority,
- g. To Recommend to the board and the Annual General Meeting, appointment or reappointment including terms of appointment and remuneration of the auditor,
- h. Furnishing opinion on the subjects as required by the Board of Directors,
- i. Ensure whether the company had complied with the directives issued by the Nepal Insurance Authority.
- j. oversight of the work of the internal and statutory auditors and to review and monitor the performance, and effectiveness of audit process.
- k. Evaluation of internal financial controls and risk management systems.
- l. Review of management letters / letters of internal control weaknesses issued by the statutory auditors.
- m. Review the adequacy and coverage of internal audit function and internal control systems
- n. Discussion with internal auditors of any significant findings and follow up there on.
- o. Review of Internal audit reports relating to internal control weaknesses and compliance
- p. To review and recommend appropriate policy, standard operating procedures to the Board



## HR Committee Composition and Role

The HR committee of the company is formed in accordance with the Insurance Act and directives of the Nepal Insurance Authority. The composition of the HR committee is as follows:

Mr. Gaurav Agrawal, Chairman	: Coordinator
Dr. Shrujana Shrestha, Director	: Member
Mr. Dip Prakash Panday, CEO	: Member
Ms. Shikha Mainali, HOD HR Department	: Member

### The role and terms of reference of the HR Committee is as follows:

- a) To establish and maintain an effective performance management system, set performance standards, conduct evaluations, provide feedback, and implement development plans
- b) To review and recommend to the board the organization's compensation and benefits policies and ensure that the remuneration packages are competitive, equitable, and aligned with the organization's financial capacity and strategic objectives.
- c) To develop, review and recommend HR policies and operating procedures.
- d) To develop and review succession planning within the organization.
- e) To promote HR practices that promote a fair, inclusive, and productive work environment.
- f) To foster positive employee relations and address workplace issues and promote a good organization culture of respect and collaboration
- g) To Oversee conflict resolution and grievance procedures
- h) To Identify training needs and support training program development and promote continuous learning and professional growth
- i) Workforce planning, talent management, succession planning, and ensuring that the organization is prepared to meet future challenges and opportunities.
- j) To ensure that the organization complies with all relevant labor laws, regulations, and industry standards.
- k) To oversee the implementation of HR policies and practices, ensuring they are ethical and consistent with the organization's values.

## Investment and Risk Management Committee Composition and Role

The Investment and Risk Management committee of the company is formed in accordance with the Insurance Act and directives of the Nepal Insurance Authority. The composition of the Investment and Risk Management Committee is as follows:

Mr. Saurav JB Rana, Director	: Coordinator
Mr. Puskar Mahat, Director	: Member
Mr. Dip Prakash Panday, CEO	: Member

### The role and terms of reference of Investment and Risk Management is as follows:

- a. To develop, review and recommend to the board for approval of the Investment and Asset Liability Management Policy and other related policies and procedures.
- b. Overseeing the implementation of the investment policy approved by the Board from time to time.
- c. Periodically updating to the Board about investment activities of the Company.
- d. Reviewing the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of the Company.
- e. To ensure that the investment activities of the company are as per the directives of the NIA.
- f. Advising the Board about investment and risk management decisions
- g. To review the Company's risk - reward performance to align with overall policy objectives.
- h. To review the solvency position of the Company on a regular basis.
- i. To review the Company's risk management and operational risk related policies/ frameworks
- j. To review the risk profile of the company for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.
- k. To assess the overall Asset Liability Management position, especially through the Liquidity, Credit and Market risk relevant to General Insurance.
- l. To carry out any other function, if any, as may be decided by the Board.

## Claim and Reinsurance Committee Composition and Role

The Claim and Reinsurance committee of the company is formed in accordance with the Insurance Act and directives of the Nepal Insurance Authority. The composition of the claim and Reinsurance Committee is as follows:

Mr. Skanda Amatya, Director	: Coordinator
Dr. Shrujana Shrestha, Director	: Member
Mr. Dip Prakash Panday, CEO	: Member
Mr. Bimal Raj Nepal, Deputy CEO	: Member

### The role and terms of reference of the claim and reinsurance committee is as follows:

- To develop a claim manual and SOP and recommend to the board for its approval.
- To delegate necessary authorization or recommend to the board for providing necessary claim sanction authority.
- To review and approve the claims other than the limits authorized to the management.
- Reviewing the regular claim related reports
- To review the audit reports relating to the functioning of claim processing and claim management.
- To provide necessary recommendations to the board for making any decisions regarding claim management of the company.
- Develop and implement reinsurance strategies that align with the company's overall business goals.
- Monitor and evaluate the effectiveness of existing reinsurance programs and make necessary adjustments.
- To review the actuarial reports regarding the risk profiles and reinsurance programs of the company and provide necessary suggestions to the board.
- To ensure compliance with regulatory requirements and industry standards in all reinsurance activities.
- To analyze market trends and developments to identify opportunities for improving reinsurance arrangements.

## ORSA Committee Composition and Role

The Own Risk and Solvency (ORSA) Committee has been formed in accordance with the directive and ORSA toolkit issued by the NIA to lead the action that needs to be performed for the implementation of ORSA.

### The Composition of Own Risk and Solvency Assessment Committee is as follows:

Mr. Skanda Amatya, Director	: Coordinator
Mr. Saurav JB Rana, Director	: Member
Dr. Shrujana Shrestha	: Member

### The role and terms of reference of the ORSA Committee is as follows:

- To conduct necessary training and orientation program to ensure that all staff have a clear knowledge of their role in the ORSA Process.
- To monitor that ORSA process is applied in all levels
- To review the ORSA gap analysis report and make necessary plan for fulfilling the gaps
- To develop ORSA policy and recommend to the board for its approval
- To regularly review the ORSA policy and recommend to the board for necessary updates
- To regularly update the board on the outcomes of the ORSA process.
- To develop SOPs relating to ORSA procedures and recommend to the board for its approval
- To develop risk identification, measurement and management handbook
- To ensure adequate internal control over the functioning of the ORSA process
- To monitor and supervise the ORSA process and to review the internal audit reports relating to the ORSA process.

## CORPORATE GOVERNANCE AND COMPLIANCE





# Report of the Board Chairman

As the Chairman of the Board of Directors of Shikhar Insurance, it is my privilege to present this report on the effectiveness of our board. Our commitment to strong governance and strategic oversight has been instrumental in driving the company's growth and success.

## Board Composition

The board of Shikhar Insurance is composed of a diverse group of experienced as well as young and energetic professionals from diverse fields who bring a wealth of knowledge and expertise to our organization. Our board members possess a deep understanding of the insurance industry, financial acumen, and extensive leadership experience. This diverse composition enables us to navigate complex challenges and seize opportunities effectively.

## Governance and Oversight

At Shikhar Insurance, we adhere to the highest standards of corporate governance and oversight. Our board operates with a clear set of principles and policies that ensure transparency, accountability, and integrity in all our dealings. We have implemented practices to ensure that we operate with integrity and in the best interests of our stakeholders. Regular board meetings are held to review and discuss key strategic initiatives, financial performance, and risk management. Our independent director plays a crucial role in providing unbiased perspectives and ensuring that the interests of all stakeholders are safeguarded.

During the year a total of 32 board meetings were held. Apart from the regular affairs, the board meetings were held for the development, revision of policies, standard operating procedures and for review and respond of inspection and supervision reports from the Nepal Insurance Authority (NIA). During the year, 7 inspection and supervision reports on corporate, province, and branch offices were issued to the board by the NIA.

Further the board also discussed and strategized on the compliance of new regulations such as RBC, NFRS 17, ORSA, Climate Risk Management Directives and number of other circulars and directives of Nepal Insurance Authority. Moreover, the board also made strategic decisions for the management of emerging risks like cyber risk and other climate change risks. A separate board level committee has been formed for the timely implementation of the ORSA regulation.

Following different board committees serve specific purposes to support the board's overall governance and strategic objectives.

- a. Audit Committee
- b. Investment and Risk Management Committee
- c. AML Committee
- d. Human Resource Management Committee
- e. Claim and Reinsurance Committee

These committees are integral to our governance structure, enhancing the board's effectiveness in overseeing various facets of the company's operations. The major activities and achievements of each committee have been described separately in the report of each committee.

## Evaluation of the Effectiveness of the Board

The effectiveness of our board is reflected in the strategic decisions that have propelled Shikhar Insurance forward. Over the past year, we have focused on expanding our market presence, enhancing our product portfolio, and investing in technology to streamline operations. These initiatives have kept us as continuous leader in the general insurance industry, delivering exceptional value to our clients and shareholders.

The board conducts regular self-evaluations to assess its performance and identify areas for improvement. Feedback from these evaluations is used to enhance board dynamics, improve decision-making processes, and ensure that we remain aligned with our strategic objectives. I would like to highlight the effectiveness of the board through the following key points:

### a. Financial Performance

Shikhar Insurance has delivered strong financial results, reflecting our resilience and adaptability in a challenging market environment. Despite mergers of other insurance companies, Shikhar insurance has been able to hold the highest market share in the Nepalese General Insurance Industry. Despite the market constraints, both the number of policies and gross premiums have seen a steady increase, whereas amount of claim paid and outstanding number of claims has been reduced driven by prudent underwriting practices and improvement in the claim management process. The board feel immense proud to share the information that Shikhar Insurance is the only company to conduct credit rating voluntarily and we are the only ICRA-NP IR A+ rated company in Nepal.



#### **b. Governance and Risk management**

Corporate governance and risk management are critical pillars that underpin the success and sustainability of Shikhar Insurance. The board's commitment to these areas is evident through the development and implementation of robust policies and procedures that guide the company's operations and decision-making processes. By establishing clear governance frameworks and risk management strategies, the board ensures that Shikhar Insurance operates with integrity, transparency, and accountability.

To strengthen the governance and risk management as well as smoothen the operations of the company, several policies and standard operating procedures have been developed. In 2023/24, 8 Policies/Bylaws have been developed including revision of HR bylaws, Administrative and Finance Bylaws, Investment Policy and 13 Standard Operating Procedures for different departments and functions have been developed. The board's dedication to governance and risk management is further demonstrated by the development and revision of the policies and bylaws and creation of standard operating procedures for various departments.

In terms of risk management, the board has prioritized the implementation of advanced data analytics and technology solutions to identify, assess, and mitigate potential risks. Additionally, the board decided to take actuarial consultation services on a retainer basis to focus on risk management along with compliance of RBC and ORSA, marking the first in the Nepalese General Insurance industry. As a result, we have been able to be the first general insurance company to comply the provision of RBC directives and provide valuable feedback for the improvement of the RBC QRRT templates.

#### **c. Innovation and Technology**

Innovation remains at the core of our strategy. The board made decisions to invest in cutting-edge technology to streamline the operations, enhance data analytics capabilities, and improve risk management. Our commitment to digital transformation will enable us to stay ahead of industry trends and meet the evolving demands of our customers.

#### **d. Sustainable Practices**

Sustainability is integral to our business model. We are committed to adopting environmentally responsible practices and promoting social well-being within the communities we serve. Our sustainability initiatives include the use of electric vehicles for official purposes as well as motivating staff to use electric vehicles, to reduce carbon footprint, supporting community development projects, and promoting financial inclusion through innovative insurance products.

#### **e. Customer Centric Initiatives**

Our unwavering focus on customer satisfaction has led to the introduction of several innovative products and services tailored to meet the evolving needs of our clients. We have enhanced our digital platforms to provide seamless and accessible insurance solutions, ensuring superior customer experience.

#### **f. Talent Development**

Recognizing that our people are our greatest asset, we have invested significantly in talent development and employee well-being. Our comprehensive training programs and leadership development initiatives have equipped our workforce with the skills and knowledge required to excel in a dynamic industry. We have also fostered a culture of inclusivity and collaboration, promoting diversity at all levels of the organization.

#### **g. Dignified Workplace**

Our organization has approximately 40% female staff, with around 50% representation in senior management positions. We have been actively involved in promoting a dignified workplace in coordination with USAID. We have focused on creating menstruation-friendly workplaces. To support menstrual hygiene for female staff, one day of monthly menstrual leave is provided, and a rest(sick) room with necessary amenities is made available within the office premises. Policies and practices have been developed to encourage inclusiveness, respect, and collaboration by focusing on the well-being and development of all employees.

Looking ahead, the board of Shikhar Insurance remains focused on driving sustainable growth and creating long-term value for our stakeholders. We will continue to leverage our collective expertise to navigate the evolving landscape of the insurance industry and capitalize on emerging opportunities. Our strategic priorities include further expansion into high-potential markets, continuous innovation in product offerings, and investment in technology to enhance operational efficiency.

In conclusion, I would like to extend my gratitude to the board members for their unwavering dedication and commitment to Shikhar Insurance. Our collective efforts have been instrumental in shaping our strategic direction and achieving our objectives. I am confident that, with the continued cooperation, Shikhar Insurance will continue to thrive and reach new heights of success.

Thank you.

**Gaurav Agrawal**

Chairman of the Board



## यात्रा बीमा गर्नुहोस् घुमफिरमा मस्त हुनुहोस् ।

तपाईं कतै विदेश जाँदै हुनुहुन्छ ?

त्यो यात्रामा कुनै व्यवधान नआवोस् हामी चाहन्छौं तर आइहालेको अवस्थाबाट पार पाउन  
शिखर इन्स्युरेन्सको यात्रा बीमा, जसले लिनेछ तपाईंको घुमफिरको जिम्मा ।



थप जानकारीका लागि नजिकैको  
शिखर इन्स्युरेन्स कम्पनीका शाखाहरुमा सम्पर्क गर्नुहोस ।



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## Management Report from the CEO

As the CEO of Shikhar Insurance, I am pleased to present this management report that outlines our financial performance, significant achievements, and our commitment to corporate governance and growth of the company.

### **Economic outlook and financial performance of the company**

We have successfully navigated a dynamic and challenging landscape, demonstrating resilience and adaptability during the period of economic slowdown post covid 19 pandemic and other financial and economic problems within the country, global geopolitical tensions along with the changing regulatory landscapes and mergers of other different companies.

The fiscal year 2023/24 has been a transformative period for Nepal, characterized by significant economic developments and challenges. Nepal's economy showed signs of resilience and recovery in FY 2023/24, following the economic disruptions caused by the COVID-19 pandemic driven by key sectors such as agriculture, remittances, and tourism. Despite the positive trends, Nepal's economy faced several challenges and risks in FY 2023/24. The ongoing geopolitical tensions, particularly the Russia-Ukraine conflict, posed risks to global trade and commodity prices. Political stability continued to be a critical factor influencing Nepal's economic outlook affecting government planning and expenditure on the infrastructure. Challenges in the cooperative and banking sectors, capital market fluctuations, and a slow real estate market impacted the demand for capital goods, motor vehicles, and property construction, affecting the growth of the Nepalese general insurance industry in 23/24. In the fiscal year 2023/24, the general insurance industry in Nepal experienced a modest growth rate of approximately 2.5%. In recent years, many insurance companies have merged. Shikhar Insurance has been able to maintain the highest market share despite these mergers. With a market share of 13% and more, the gross premium collection increased to Rs.541 crore in FY 23/24 from Rs.531 crore in the previous year. The number of policies also increased to 325,000 from 298,000 in the previous year.



Our profitability also saw a substantial improvement, with net profit income rising by almost 100% in FY 23/24 and net profit before tax by 30%. This growth was facilitated by optimization of claims processes, and better underwriting performance. The combined ratio has decreased to 68% from last year's 78% highlighting our ability to effectively control and manage operational aspects of our business delivering high-quality services.

Maintaining strong financial health for the protection of policyholder's interest along with protection of capital contribution of the shareholder has always been top priority of Shikhar Insurance. Hence, Shikhar insurance has always been focusing on the prudent underwriting practices with ethical practices and compliance, and reinsurance arrangement based on the risk profile of the business of the company. Shikhar Insurance, with strong solvency ratio, adequate economically available capital, top catastrophic reinsurance program, and an A+ credit rating from ICRA Nepal, stands as Nepal's strongest insurance company.

During the year the investment size of the company grew by 11% to Rs.472 crore from Rs.425 crore in the previous year. Our investment strategy focused on a diversified portfolio that balances risk and return, ensuring long-term stability and growth.

### **Risk Management and Governance**

At Shikhar Insurance, our commitment to effective risk management and robust governance is unwavering. As we navigate an increasingly complex and dynamic landscape, we understand that the foundation of our success lies in the strength and integrity of our risk management practices and governance structures. For the same, we have expanded and strengthened all our departments relating to risk management, actuarial, legal, compliance and the AML/CFT department. Regular training and orientation programs are conducted to reinforce the importance of integrity, transparency, and compliance and we have been effectively embracing the technical development in our risk management framework.

### **Stakeholder's Engagement**

We believe in maintaining open and transparent communication with our stakeholders. Regular engagement with shareholders ensures that their interests are considered in our decision-making processes. We have endeavored to implement the suggestions received from our shareholders during the annual general meetings and other forums, which have contributed to the growth of the company. We request all shareholders to provide innovative ideas and suggestions during the current annual general meeting as well.

### **Future Outlook and strategic initiatives**

The insurance industry is undergoing significant changes driven by technological advancements, changing customer expectations, and regulatory shifts. At Shikhar Insurance, we view these changes as opportunities to enhance our services, expand our reach, and deliver even greater value to our stakeholders. As we look ahead to the future, Shikhar Insurance is poised to embark on a transformative journey that will solidify our position as a leading player in the insurance industry. Our commitment to innovation, customer-centricity, and sustainable growth will guide us as we navigate an evolving landscape. In the coming years, we anticipate a continued rise in digital adoption across all facets of our operations. This will enable us to offer more personalized and convenient services to our customers, streamline our processes, and improve overall efficiency. Our investment in cutting-edge technologies will be crucial in achieving these goals.

We are actively exploring new insurance products and services that address emerging risks and changing customer needs. Our dedicated research and development team continuously work on developing innovative products. By staying ahead of industry trends, we aim to provide our customers with comprehensive and relevant coverage.

### **Commitment from the CEO**

As we look ahead, we remain focused on sustaining our growth trajectory, enhancing customer value, and contributing positively to society. I am confident that with our dedicated team and strategic vision, we will continue to achieve new heights of success.

As the CEO, I affirm our unwavering dedication to achieving sustainable growth and delivering consistent returns. Our strategic initiatives are designed to foster innovation, optimize operational efficiency, and capitalize on emerging opportunities within the industry. By prioritizing prudent risk management and adhering to the highest standards of corporate governance, we ensure the long-term stability and prosperity of Shikhar Insurance. Together, we are committed to building a resilient and profitable future for all our valued shareholders. Thank you.

**Dip Prakash Panday**  
Chief Executive Officer

## Report of Investment, Risk and Solvency Committee

### 1. Committee Structure

The Investment, Risk and Solvency Committee of the company is formed as per the provision of the directive of the Nepal Insurance Authority. The structure of the committee is as follows:

- a. Coordinator: Mr. Saurav JB Rana, Director
- b. Member: Mr. Puskar Mahat, Independent Director
- c. Member: Mr. Dip Prakash Panday, Chief Executive Officer

### 2. Total Meetings conducted:

During FY 2080/81 a total of 12 meetings of the Investment, Risk and Solvency committee were conducted.

### 3. Major Activities of the Committee and Achievements

The major activities and achievements of the committee during FY 2023/24 are as follows:

- a. Evaluation and review of the investments made by the company
- b. Review of the investment proposals and provide recommendations to the board of directors for investment approvals and Regular review of the investment and investment activities of the company.
- c. Review of the investment-related risk and risk management strategy and providing oversight and governance of the investment process of the company.
- d. Review and approval of climate risk related disclosure and climate related target as per the Climate Risk Directive of NIA
- e. Review of the claim ratio of different portfolios of the company and advise the department concerned and officials to implement necessary controls for reducing claim ratio
- f. Review of the standard operating procedures for risk management. During the year a dashboard relating to comprehensive risk register was developed with a risk trigger mechanism.
- g. Review of progress relating to provisions of the Risk Based Capital Directive and RBC progress report. The company has been able to be the first company to comply the provisions of RBC directives and prepare and submit the RBC-QQRT to the NIA.
- h. Review of the GAP analysis as per ORSA directive.
- i. Review of risk-based supervision reports
- j. Provide recommendation to the board for the appointment of additional manpower for the risk management department. During FY 2023/24 the risk department of the company has been strengthened with recruitment of experienced and qualified manpower and actuarial analysts.
- k. Provide recommendations to the board for the appointment of actuary. Actuary Raunak Jha was appointed as appointed actuary and consulting actuary on retainership basis with scope relating to liability adequacy test, RBC, ORSA and NFRS 17 implementation plans.
- l. During the year RBC and ORSA related training were provided to the board of directors and senior management of the company.
- m. During the year required policies and SOPs were developed relating to investment and risk management and climate change management.

### 1. Committee Structure

The Human Resource Committee of the company is formed as per the provision of the directive of the Nepal Insurance Authority. The structure of the committee is as follows:

- a. Coordinator: Mr. Gaurav Agrawal, Chairman
- b. Member: Dr. Shrujana Shrestha, Director
- c. Member: Mr. Dip Prakash Panday, Chief Executive Officer
- d. Member: Ms. Shikha Mainali, HOD HR Department

### 2. Total Meetings conducted:

During FY 2080/81 a total of 9 meetings of the Human Resource Committee were conducted.

### 3. Major Activities of the Committee and Achievements

- a. Ensuring that the company adheres to all labor regulations and employment laws, including workplace safety, non-discrimination policies, and fair labor practices.
- b. Review and approval of the revised Human Resource Management Policy of the company. During the year the Human Resource Management Policy of the company was revised and got approval from the NIA. The new Human Resource Management Policy of the company introduced provision of menstruation leave to the female staff and endowment life insurance of sum insured of Rs.5 lakhs and maturity period of 15 years.
- c. The HR Committee fostered a positive work environment by addressing employee concerns, facilitating communication between staff and management, and organizing engagement activities which strengthened employee morale and reduced turnover rates, creating a cohesive and motivated workforce. The HR Committee established performance evaluation systems, set performance standards, and provides feedback to employees.
- d. The HR Committee actively participates in the recruitment and selection process to attract top talent.
- e. Annual plan and budget for the employee training and development program to enhance employee's skill and career development, which improved employee performance and retention rates with many employees advancing to higher positions within the company.
- f. The HR committee continuously advocated a dignified workplace for all employees which further improved the motivation level of the employees of the company.
- g. New Human Resource Information system (HRIS) was implemented in FY 2080/81.



## Report of Anti Money Laundering Committee Report

### 1. Committee Structure

The Anti Money Laundering Committee of the company is formed as per the provision of the directive of the Nepal Insurance Authority. The structure of the committee is as follows:

- a. Coordinator: Mr. Ramesh Kumar Luitel, Director
- b. Member: Mr. Dinesh Bajra Bajracharya, Public Director
- c. Member: Mr. Dip Prakash Panday, Chief Executive Officer

### 2. Total Meetings conducted:

During FY 2080/81 a total of 6 meetings of the Anti-Money Laundering Committee were conducted.

### 3. Major Activities of the Committee and Achievements

The major activities and achievements of the committee during FY 2080/81 are as follows:

- a) Review of the new KYC & Anti-money Laundering/Combating the Financing of Terrorism Policy, 2024 and recommendation of the same to the Board for approval. During the year the KYC and AML/CFT policy of the company was revised.
- b) Review of the Standard Operating procedures related to AML/CFT and recommendation of the same to the Board for approval. During the year SOP relating to AML/CFT was developed.
- c) Review and discussion on the AML/CFT compliance status as per the directives and circulars issued by Nepal Insurance Authority and challenges faced. Decision to conduct on-going AML/CFT training and programs to staff for strengthening of the compliance. Training and orientation to all staff, senior management team and board of directors were provided in 2080/81.
- d) During the year membership of Nepal Banker's Association for Politically Exposed Person database was taken to facilitate the identification of politically exposed person.
- e) Discussion on circular of Nepal Insurance Authority and implementation of the provisions of the circular.
- f) Review of quarterly report on AML/CFT activities of the company and presented the same to the Board.
- g) Review of the AML/CFT risk report of the company. Regular discussions on strengthening the AML/CFT system of the company.
- h) Separate software was procured to automate AML/CFT compliance processes such as transaction monitoring and reporting activity. The software was used for Generation of threshold transactions reports, data validation for threshold transactions reporting, Customer Screening
- i) Internal control and processes were strengthened through formulation of policy, procedures and guidelines; development of KYC forms (including enhanced due diligence form and institutional service provider form) and enhancement of AML/CFT system of the company.

## Report of Claim and Re-insurance Committee

### 1. Committee Structure

The Claim and RI Committee of the company is formed as per the provision of the directive of the Nepal Insurance Authority. The structure of the committee is as follows:

- a. Coordinator: Mr. Skand Amatya, Director
- b. Member: Dr. Shurajana, Director
- c. Member: Mr. Dip Prakash Panday, Chief Executive Officer
- d. Bimal Raj Nepal, Deputy Chief Executive Officer

### 2. Total Meetings conducted:

During FY 2080/81 a total of 15 meetings of the Claim committee were conducted.

### 3. Major Activities of the Committee and Achievements

The major activities and achievements of the committee during FY 2080/81 are as follows:

- a. Approval of claims above the limit of management and CEO. Total 37 claims files were approved during F/Y 2080/081, 9 motor insurance claims, 17 property insurance claims, 9 claims under Engineering insurance and 2 claims under marine insurance.
- b. The committee plans for action for prompt settlement of claims. The Claim committee provided necessary guidance and instruction to claims teams and ensured adequate training on policies, customer service and the technical aspect of claim management
- c. Review of reinsurance arrangements of registered claims and monitor of the claim settlement ratios, turnaround time and outstanding claims.
- d. Assess the financial impact of claims on the company's reserves and suggest strategies for effective risk management.
- e. Ensured claims handling process comply with laws, regulation and company policy.
- f. Review of audit findings of the claim department and provide necessary direction regarding audit findings.
- g. Review of Re-insurance programs of the company.
- h. Review of the risk profile, risk capacity, risk appetite, risk tolerance level of the company and review of the reinsurance program
- i. Review of the reinsurance optimization report from the consulting actuary of the company and approval of the reinsurance policy of the company for FY 2023/24
- j. Review of the catastrophic reinsurance plan of the company.

## Report of Audit Committee

### 1. Structure of the Committee

The company has formed an Audit Committee in compliant with the provisions pursuant to Insurance Act 2079 to oversee financial reporting, risk management, Internal control effectiveness and compliance processes.

The committee consists of 3 members, namely Mr. Dinesh Bajra Bajracharya, Co-Ordinator, Mr. Ramesh Kumar Luitel, Member and Mr. Puskar Mahat, Member (Independent director).

### 2. Total Meetings conducted:

During FY 2080/81 a total of 21 meetings of the committee were conducted.

### 3. Major Activities of the Committee and Achievements

During the fiscal year 2080/81, the major work performance of the committee includes the following:

- a. The Audit Committee diligently reviewed financial statements, ensuring transparency, accuracy, compliance with Nepal Financial Reporting Standards and timely publication of financial statements.
- b. The committee approved the Annual Audit Plan of FY 2023/24 and regularly monitored whether internal audit assignment has been conducted as per approved audit plan.
- c. The audit committee actively participated in the development of the annual plans, programs and budget of the company.
- d. The committee reviewed annual budget variances and evaluated the company's annual plans and programs approved by the Board of the company.
- e. The committee reviewed quarterly Internal Audit Reports, supervision reports from regulatory authority, Information System Audit Reports, preliminary audit report and provided necessary guidance and instruction to the concerned department for the improvements as suggested in the reports.
- f. The committee recommended names of auditors to be in compliance to the provisions of the Company Act 2063 and Insurance Act 2079.
- g. The committee reviewed different standard operating procedures, "Finance, Administration and Procurement Bylaws" of the company and recommended to the Board of the company for necessary approval.

## Evaluation of the Board Performance

The board of Shikhar Insurance has demonstrated commendable performance in steering the company towards substantial financial growth. By prioritizing investments in cutting-edge technology and innovation, the board has positioned the company to streamline operations and enhance data analytics capabilities. These strategic moves have not only improved operational efficiency but also opened new avenues for revenue generation. The board's focus on digital transformation has enabled the company to stay ahead of industry trends and cater to the evolving demands of customers, thereby driving financial growth and profitability.

Effective risk management is a critical aspect of Shikhar Insurance's strategic framework. The board has implemented robust measures to identify, assess, and mitigate risks. By leveraging advanced data analytics, we have enhanced the company's ability to foresee and manage potential risks. This proactive approach has significantly strengthened the company's risk management framework, ensuring resilience in the face of uncertainties. For the same objectives experienced and skilled human resources are recruited for the risk management department, research and development department, actuarial department, finance department and information and technology department and reinsurance management department. The board has arranged for proper reinsurance management, including catastrophic reinsurance based on the risk profile and actuarial analysis of historical data, risk capacity, risk appetite statement and risk tolerance level of the company. The catastrophic reinsurance plan adopted by the company has provided adequate safeguard to the company during catastrophic events. Henceforth there is nominal impact to the company's PL from the recent flood losses.

The board's focus on talent development and inclusivity fosters a collaborative and diverse workplace, which is essential for sustainable success. The measures adopted by the company to promote a dignified workplace and inclusive environment have further motivated the employees, increasing both efficiency and effectiveness. Moreover, essential policies and standard operating procedures have been developed along with the revision of previous policies. Strategic decisions on technical adaptation, risk management strategies, and business expansion strategy have resulted in financial growth and profitability. Underwriting and claim management strategies have reduced the loss and combined ratios, thereby increasing the company's profitability.

Corporate governance is a cornerstone of Shikhar Insurance's operational ethos. The board has established a culture of transparency, accountability, and ethical conduct throughout the organization. The emphasis on sustainable practices and social responsibility underscores the board's commitment to corporate governance. Initiatives such as the use of electric vehicles to reduce carbon footprint and support for community development projects exemplify their holistic approach to governance.

In summary, the board of Shikhar Insurance has excelled in driving financial growth, enhancing risk management, and upholding exemplary corporate governance standards. The strategic vision and unwavering commitment have been instrumental in shaping the company's success and ensuring its continued prosperity.

### Method of Evaluation

Evaluating the board's performance involves several key performance indicators (KPIs) that reflect its efficacy and impact on business operations. These KPIs include:

- **Strategic Alignment:** Assessing how well the board's decisions align with Shikhar Insurance's long-term goals and market strategies.
- **Financial Oversight:** Reviewing the board's ability to oversee financial health, including budget adherence and profitability enhancement, business growth and financial stability.
- **Risk Management:** Evaluating the efficiency of risk identification, assessment, and mitigation strategies implemented by the board.
- **Compliance and Governance:** Ensuring adherence to legal standards, regulatory requirements, and ethical practices.
- **Stakeholder Engagement:** Gauging the board's interaction with shareholders, customers, and employees to foster trust and satisfaction.
- **Innovation and Adaptability:** Determining the board's support for innovation and responsiveness to industry changes.

## परिपालना सम्बन्धी सक्षिप्त विवरण

### १. पृष्ठभूमि

वि.सं. २०६१ सालमा तत्कालिन बीमा ऐन बमोजिम निर्जीवन बीमा व्यवसाय गर्ने उद्देश्यका साथ स्थापना भएको यस कम्पनी तत्कालिन श्री बीमा समितिबाट २०६१ साल कार्तिक २७ गते निर्जीवन बीमा व्यवसायका लागि इजाजत प्राप्त कम्पनी हो । कुशल नेतृत्व र अनुभवी सक्षम कर्मचारी कारण सुशासन कायम भएको कम्पनीका रूपमा आफुलाई स्थापित गर्न सफल छ । समय सापेक्ष बीमा बजारको अनुसन्धान गरी नयाँ बीमालेख निर्माण, समयमा उचित दावी भुक्तानी र प्रचलित कानून, नियमावली, निर्देशिका तथा निर्देशनको पालना गरी सुशासन प्रति प्रतिबद्ध रहेको सन्देश दिएको छ ।

### २. कम्पनीले पालना गर्नु पर्ने कानून तथा निर्देशनहरू र कार्यान्वयनको अवस्था

क्र.सं.	कानून तथा निर्देशिका तथा निर्देशनहरू	कार्यान्वयनको अवस्था	कैफियत
१	बीमा ऐन, २०७९	पालना भएको	
२	बीमा नियमावली, २०४९	पालना भएको	
३	बीमकको संस्थागत सुशासन सम्बन्धी निर्देशिका, २०८०	पालना भएको	
४	सम्पत्ति शुद्धीकरण तथा आतङ्कवादी क्रियाकलापमा वित्तीय लगानी निवारण सम्बन्धी (पहिलो संसोधन) निर्देशन, २०८१	अधिक पालना भएको	
५	बीमा दावी भुक्तानी मार्गदर्शन, २०८१	पालना भएको	
६	पुनर्बीमा निर्देशिका, २०८०	पालना भएको	
७	बीमकको शाखा कार्यालय सम्बन्धी निर्देशिका, २०७९	अधिक पालना भएको	
८	बीमकको लगानी सम्बन्धी निर्देशिका, २०७५	पालना भएको	
९	बीमकको संस्थापक शेयर कारोबार सम्बन्धी निर्देशिका, २०७७	पालना भएको	
१०	बीमकको सूचना प्रविधि मार्गदर्शन, २०७६	पालना भएको	
११	लघु बीमा सम्बन्धी निर्देशिका, २०७९	पालना भएको	
१२	कृषि पशुपन्छी तथा जडीबुटी बीमा सम्बन्धी निर्देशिका, २०७९	पालना भएको	
१३	निर्जीवन तथा पुनर्बीमा व्यवसाय गर्ने बीमकको बीमाङ्कीय मूल्याङ्कन सम्बन्धी निर्देशिका, २०७६	पालना भएको	

उपरोक्त कानून तथा निर्देशिकाका अतिरिक्त प्रचलित कानून, श्री नेपाल बीमा प्राधिकरणबाट जारी निर्देशिका, तथा निर्देशनको पूर्ण पालना गर्न कम्पनी प्रतिबद्ध छ ।

### ३. कम्पनीले पालना गर्न नसकेका बिषयको सक्षिप्त विवरण:

कम्पनीले विभिन्न व्यवहारिक कठिनाइहरूका कारण निम्नबमोजिमको कानुनी व्यवस्थाहरूको पालना गर्न नसकिएको

- ३.१ बीमकको शाखा कार्यालय सम्बन्धी निर्देशिका, २०७९ बमोजिमका केही व्यवस्थाहरू,
- ३.२ सम्पत्ति शुद्धीकरण तथा आतङ्कवादी क्रियाकलापमा वित्तीय लगानी निवारण सम्बन्धी (पहिलो संसोधन) निर्देशन, २०८१ बमोजिमका केही व्यवस्थाहरू,
- ३.३ कम्पनीले प्रचलित कानून बमोजिम तोकेको समयमा वार्षिक साधारण सभा गर्ने ,
- ३.४ कम्पनीले प्रचलित कानून बमोजिम समयमा कर विवरण बुझाउने ।

सुजन राज मरासिनी  
परिपालन अधिकृत

## Major Policies and Practices

S.N.	Particular	Purpose
1	HR Policy	The purpose of Human Resource Management policy is to establish a framework for managing and developing an organization's workforce to achieve its strategic goals and ensure compliance with relevant laws and regulations.
2	Claim Manual	A claim manual provides structured guidelines and procedures for processing, evaluating, and resolving insurance claims efficiently and consistently in compliance with the regulatory provision.
3	Reinsurance Manual	The purpose of a reinsurance manual is to provide guidelines and procedures for managing and mitigating risks through reinsurance agreements.
4	Risk Management Policy	The purpose of a risk management policy is to provide structured guidelines and processes to identify, assess, and control potential risks that could negatively impact an organization's assets, operations, and objectives.
5	Underwriting Policy	The purpose of the underwriting policy is to provide guidelines and structured process to assess and evaluate the risk of insuring a person or asset, ensuring that premiums are appropriately priced to cover potential losses while maintaining profitability for the insurer.
6	Administration and Financial Bylaws	The purpose of administrative financial bylaws is to establish a structured framework for managing financial and administrative functions and ensuring fiscal and administrative responsibility within an organization.
7	Climate Risk Management Policy	The purpose of a climate risk management policy is to identify, assess, and mitigate the risks posed by climate change to ensure sustainability, resilience, and the protection of economic, environmental, and social systems.
8	Agriculture Insurance Manual	The purpose of an agriculture insurance manual is to provide guidelines and procedures for insurance policies and claims associated with agriculture and cattle insurance activities
9	CSR Bylaws	The purpose of CSR bylaws is to establish guidelines and principles for a company's social responsibility initiatives, ensuring ethical practices and positive impacts on society and the environment.
10	Investment and Asset Liability Management Policy	The purpose of an investment, asset, and liability management policy is to optimize the allocation of resources, maximize returns, and ensure the alignment of assets and liabilities to manage risks and achieve financial stability and properly manage market risk, credit risk and liquidity risk.
11	Health and Safety Policy	The purpose of a health and safety policy is to ensure a safe and healthy working environment by establishing procedures and standards that prevent accidents, injuries, and illnesses in the workplace.



S.N.	Particular	Purpose
12	AML Policy	The purpose of an Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) policy is to prevent, detect, and report financial activities that are related to money laundering and terrorism financing and comply related regulatory provisions.
13	Succession Planning	The purpose of succession planning is to ensure the continuous and effective operation of an organization by identifying and developing potential leaders, department head or functional heads to fill key positions in the future.
14	IT policies	The purpose of an IT policy is to establish guidelines and procedures to ensure the secure, efficient, and responsible use of information technology resources within an organization and ensure integrity, availability and confidentiality of confidential information of the company.
15	TOR of Boards and Board Committees	The purpose of the Terms of Reference (TOR) for the Board of Directors and its committees is to define their roles, responsibilities, and procedures to ensure effective governance and decision-making within the organization.
16	Audit Manual	The purpose of an Audit Manual is to provide a comprehensive guide and standardized procedures for conducting audits, ensuring accuracy, consistency, and adherence to regulatory and organizational requirements.
17	Marketing Manual	The purpose of a marketing manual is to provide comprehensive guidelines and strategies for effectively promoting a product or service to the target audience.
18	Standard Operating Procedures	The purpose of standard operating procedures is to ensure consistent and efficient operations by providing clear, documented instructions for performing routine tasks and processes. Standard Operating procedures are prepared for different functions of the organization.



## BUSINESS MODEL



# Business Model

## Key Stakeholders

Regulators  
Shareholders  
Insured  
Re-insurer  
Surveyors  
Agents

## Key Activities

Policy Underwriting  
Claims Management  
Risk Management  
Reinsurance  
Management  
Investment  
Product Development

## Key Resources

Human Resource  
Intellectual Resource  
Financial Resource  
Physical Resource  
Technical Resource

## Customer Segments

Individual Customer  
Corporate Customers

## Distribution Channel

Sales team  
Agents  
Mobile and Digital  
Platform  
Corporate Partnership

## Insurance Products

Property  
Marine  
Motor  
Aviation  
Engineering  
Agriculture and Cattle  
Miscellaneous  
Micro

## Value Proposition

Regulators  
Shareholders  
Insured  
Re-insurer  
Surveyors  
Agents

## Cost structure

Claim Expenses  
Commission Expenses  
Insurance Service Fee  
General Administrative  
Expenses  
Employee Benefit  
Expenses  
Taxes

## Revenue Streams

Insurance Premium  
RI Commission Income  
Investment Income  
Grants

## Description of the Business Model of the company

The business model provides a comprehensive overview of the key elements of the company's business.

### 1 Key Stakeholders

#### a. Regulatory Institutions

Nepal Insurance Authority (NIA) is the primary regulatory body for insurance companies in Nepal. NIA is responsible for overseeing and regulating the insurance industry, ensuring compliance with laws and guidelines, and protecting the interests of policyholders. Apart from NIA, insurance companies must abide with the regulations of the Company Registrar Office, Nepal Rastra Bank, Securities Board of Nepal, Nepal Stock Exchange, Department of Labor.

#### b. Shareholders

Shareholders play a major role in the governance of insurance companies. The Board of Directors is elected by the shareholders through the AGM and approves the affairs of the company required as per the prevailing regulation. These shareholders can include a mix of institutional investors or individual investors. As per the prevailing regulations, at least 30% of the shares of the company should be floated to the public. The current shareholding ratio of Shikhar Insurance between Promoter Shareholders and Public Shareholders is 51:49.

#### c. Insured

The insured are individuals or entities that purchase insurance policies to protect themselves against potential financial losses or liabilities on occurrence of the insured events.

#### d. Re-insurer

Re-insurers provide insurance to insurance companies. They help to mitigate the risk associated with large claims by spreading the risk across multiple entities. Re-insurers are crucial in maintaining the stability and health of the insurance market, and partnerships with prominent re-insurers often indicate the financial strength and credibility of an insurance company. Re-insurance brokers act as intermediaries between insurance companies and re-insurers. Ri Brokers assist in negotiating terms, conditions, and pricing of reinsurance agreements.

#### e. Surveyors

Surveyors are professionals, licensed by the Nepal Insurance Authority who assess the extent of loss or damage when a claim is made. Surveyors are independent bodies who investigate the circumstances of the claim, evaluate the damage, and determine the amount of compensation to be paid by the insurer under the policy terms and conditions. At present Shikhar Insurance has been associated with more than 400 surveyors for claim management.

#### f. Insurance Agents

Insurance agents are individuals or entities licensed from the NIA that act as intermediaries between the insurance company and the insured. They play a pivotal role in the distribution and sale of insurance products. At present, Shikhar Insurance is associated with more than 125 corporate and individual agents for the distribution of insurance policies.

### 2 Insurance Products

The company provides insurance services through 75 different insurance products.

The list of insurance products is as follows:

### Property

Home Insurance      Property Insurance

### Motor

Private Motor Vehicle Insurance      Commercial Motor Vehicle Insurance  
Motorcycle Insurance

### Marine

Marine Policy Insurance      Marine Cargo Open Policy Insurance

### Engineering

Marine Cum Erection Insurance      Erection All Risk Insurance  
Construction, Erection All Risk Insurance      Machinery Breakdown Insurance  
Machinery Loss of Profit Insurance      Contractors Plant and Machinery Insurance  
Boiler and Pressure Plant Insurance      Electric Equipment Insurance  
Contractors All Risk Insurance

### Aviation Insurance

### Miscellaneous

Auto Plus Insurance      Burglary and House Breaking Insurance  
Clinical Trial Liability Insurance      Product Liability Insurance  
Credit Card Insurance      Public Liability Insurance  
International Card Insurance      Fidelity Guarantee Insurance  
Professional Indemnity Insurance      Bankers Blanket Insurance  
Voyager Travel Insurance      Cash Insurance  
Professional Indemnity      Secure Mind Insurance  
Errors and Omissions Insurance      Depositors Insurance  
Project Specific Liability Insurance      Trekking Insurance  
Commercial General Liability Insurance      Travel medical Insurance  
Group Medical Insurance      Health Insurance  
Personal Accident Insurance      Group Personal Accident Insurance

### Agriculture and Cattle

Bird Insurance      Fish Insurance  
Cattle Insurance      Goat Insurance  
Ostrich Insurance      Pheasant Insurance  
Poultry Insurance      Pig Insurance  
Seed Insurance      Tea Insurance  
Vegetable Insurance      Weather Index Insurance  
Turmeric Insurance      Bee Insurance  
Cardamon Insurance      Silage Insurance  
Lentil Insurance      Mango Insurance  
Crop Insurance      Kiwi Insurance  
Dragon Fruit Insurance      Coffee Insurance  
Banana Insurance      Fruit Insurance  
Walnut Insurance      Ginger Insurance  
Grass Insurance      Orange Insurance  
Lemon Insurance      Mushroom Insurance  
Paddy Insurance      Potato Insurance

### Micro Insurance

Micro Property Insurance      Micro Household Insurance  
Micro Personal Accident Insurance



Based on the pricing and policy features, the insurance products are classified into two types, Tariffed Insurance Product and Non-Tariffed Insurance Product. For the tariffed insurance products, the premium and policy terms and conditions shall be as per the provision of the tariff issued by the NIA. At present, property insurance, motor insurance, marine insurance, agriculture and cattle insurance, accident insurance, bankers' indemnity insurance, micro insurance etc. are tariffed insurance products, for which minimum insurance premium and policy terms and conditions shall be as per the directives of the Nepal Insurance Authority.

### **3 Core Components of the company's business model.**

#### **a. Underwriting**

Underwriting is the process by which the company evaluates the risk presented by a potential policyholder. During the underwriting process various factors such as applicant's history, the value and status of the insured assets, and statistical data are assessed. Based on this assessment, the underwriter determines the terms and conditions of the insurance policy, including the premium to be charged. Due consideration is given to the regulations of the NIA during the underwriting processes.

#### **b. Risk and Re-insurance Management**

Risk management and reinsurance management are the core functions of a general insurance company's operations. Effective risk management involves identifying, assessing, and mitigating risks to minimize potential losses. Reinsurance is a risk management tool that allows to transfer a portion of the risk underwritten to other reinsurance companies. Reinsurance agreements also provide an additional source of income through commissions received from the reinsurers.

Reinsurance management is guided by the risk appetite, risk capacity and risk tolerance level of the company and regulations of the NIA.

##### **Risk capacity**

Risk Capacity is the maximum level of risk an insurer can assume given its current level of resources considering regulatory capital requirements, economic capital, liquidity needs, the operational environment (e.g. technical infrastructure, risk management capabilities, expertise) and obligations to policyholders, shareholders and other stakeholders.

##### **Risk Appetite**

Risk appetite is the aggregate level and types of risk an insurer is willing to assume, within its risk capacity, to achieve its strategic objectives and business plan.

##### **Risk tolerance level**

The term "risk tolerance" level is the level of active retention of risk that is appropriate for an insurer considering its strategy, financial strength, and the nature, scale and complexity of its business and risks.

Shikhar Insurance has been employing actuaries and risk analysts to develop risk models and re-insurance strategies with proper analysis of risk capacity, risk appetite and risk tolerance level of the company. Based on the actuarial study, Shikhar insurance is managing the proportional re-insurance treaty and catastrophic whole account re-insurance treaty.

As per the prevailing regulation of the NIA, the domestic reinsurance companies Nepal Re and Himalayan Re should be provided at least 15% of the reinsurance treaty program and for other reinsurance arrangements the domestic reinsurer should be provided first right of refusal for the reinsurance business. Further, as per the regulation of the NIA, motor insurance, agriculture and cattle insurance must be reinsured with the Nepalese reinsurance companies.

#### **c. Claims Management**

Claims processing is a crucial aspect of an insurance company's business model. When a policyholder experiences a loss covered by their insurance policy, they file a claim with the insurance company. The claims department evaluates the claim to determine its validity and the appropriate payout. To strengthen and smoothen the claim process, Shikhar Insurance has deployed more than 50 human resources in the corporate office of the company and has provided the required claim management authority to the province offices and branch offices of the company.



#### **d. Technology and innovation**

The company is undergoing a digital transformation leveraging technology to enhance operations and customer experience. Online platforms and mobile apps have been developed that enable customers to purchase policies, file claims, and access information conveniently. Data analytics tools have been used to gain insights into customer behavior, risk patterns, and market trends that enhance underwriting decisions, pricing strategies, and marketing efforts. The company is collaborating with many tech companies to develop new products, improve customer engagement, and streamline processes. These collaborations foster agility and competitiveness in a rapidly evolving Nepalese Insurance market.

#### **e. Product Development**

Product development is a key function that provides scope and opportunities for future growth and expansion. Shikhar Insurance places significant emphasis on developing a diverse range of insurance products to meet the varied needs of its clientele. The company continuously innovates to design policies that cater to both individual and corporate customers. Shikhar Insurance's approach to product development involves a thorough analysis of market trends, customer feedback, and emerging risks.

### **4 Customer Segments**

#### **a. Individual**

Individuals seek coverage for personal risks, such as health, auto, home, and travel insurance cattle and agriculture insurance.

#### **b. Corporate Houses**

Corporate customers require insurance coverage for commercial risks, including property, liability, business interruption. Property insurance, marine insurance, motor insurance, engineering insurance aviation insurance, and liability insurance products are targeted to the corporate customers. Corporate insureds contribute most of the insurance premium of Shikhar Insurance. However, in number of the policies the contribution of individual insured is more.

### **5 Distribution Channels**

#### **a. Agents**

Insurance agents contribute in distribution of retail insurance products. The agents include corporate agents and individual agents. Separate agency network has been developed for the agriculture and cattle insurance policies.

#### **b. Company's sales team**

Most of the insurance policies are sold by the sales team with the company with direct contact with the customers.

#### **c. Mobile and Digital Platform**

With the rise of mobile technology, Shikhar Insurance also has started using mobile apps and digital platforms to distribute their products. These platforms offer features such as policy management, claims filing, and customer support, providing seamless and convenient experience for users.

#### **d. Corporate Partnership**

Shikhar Insurance also has partnership with different entities to offer group insurance policies and insurance of mortgaged properties. Further, agriculture and cattle insurance policies are also being distributed in partnership with the cooperative houses.

### **6 Revenue Streams**

#### **Premium Income**

Premium income is the primary source of revenue for an insurance company. It is generated from the sale of insurance policies to individuals and corporate houses. As per the prevailing regulation of the NIA, premiums need to be collected upfront before issue of an insurance policy. However, long term engineering policies and aviation insurance policies, installment facility is available for the premium payment by the insured. For agriculture insurance policy Government of Nepal is providing subsidy in the insurance premium. The insured is required to pay the premium amount after deducting the government subsidy amount.

### Re-insurance Commission Income

Re-insurance commission income is the revenue that an insurance company earns from its re-insurance agreements. This commission helps offset the cost of acquiring new policies, claim processing expenses and manage the re-insurance arrangements.

### Investment Income

Investment income is another major source of income of an insurance company. As per the existing regulation of NIA, an insurance company can diversify its investment portfolio as follows:

S.N.	Investment Area	Investment Provision
1	Investment in Government Bond	Minimum 20% of total investment. if unable to invest in the government bond to be invested in the fixed deposit of commercial bank or infrastructure development bank.
2	Fixed Deposit of Commercial Bank or Infrastructure Development Bank	Minimum 30% of total investment.
3	Fixed Deposit of Development Bank	Up to 10% of total Investment.
4	Fixed Deposit of Finance Companies	Up to 5% of total Investment.
5	Preference shares or debenture of Bank and Finance Companies	Up to 20% of total Investment.
6	Bond or debenture issued by listed companies	Up to 20% of total Investment.
7	Share issued by listed companies	Up to 10% of total Investment.
8	Mutual Funds	Up to 5% of total Investment.
9	Real Estate (Housing Projects approved by the government)	Up to 10% of total Investment. Up to 20% of total Investment.
10	Equity Investment in public company relating to agriculture, tourism, hydroelectricity, renewal energy, cable car, road, power transmission line, health and education sector	Up to 10% of total Investment.
11	Investment Company	Up to 5% of total Investment.
12	Private Equity Fund or Venture Capital Fund	Up to 1.5% of total Investment.

Any investment activities other than prescribed in the investment directive needs preapproval of the regulatory authority.

## 7 Cost Structure

Apart from the general administrative expenses, sales and marketing management expense, and employee expenses the following are the major costs of the company:

### Claim Expenses

Claims payouts are one of the most significant expenses for general insurance companies. Any claims that are outstanding to be paid are also accounted for as claim expense. Reserves for claim expenses that are Incurred but Not Reported (IBNR) or Incurred but Not Enough Reported (IBNER) are added in the claim expenses based on the actuarial calculations.

### Agency Commission Expenses

Agency commission expenses are significant costs incurred by general insurance companies for compensating agents who sell the insurance products. These expenses are typically paid as a percentage of the premiums collected by the agents. As per the prevailing regulation of NIA, agency commission of 10% is allowed to be paid in agriculture and cattle insurance and for the rest of the policies agency commission of 5% is allowed to be paid.

### Insurance Service Fee

Insurance service fee is a regulatory fee that needs to be paid to the Regulatory Authority. As per the prevailing regulation, 0.75% of the gross insurance premium collected needs to be paid to the NIA as insurance service fee.

## Resources and Usage

The company relies on a comprehensive set of resources to operate effectively and efficiently. These resources can be classified into the following categories:

### Human Resources and Intellectual Resource

Human resources are the backbone of the company. Skilled professionals, including underwriters, professional accountants, engineers, actuarial analysts, and customer service representatives, are essential for evaluating risks, determining premiums, processing claims, and providing quality service to policyholders. The skill and talent of other human resources for other administrative roles is also equally important for the success of the company. At present Shikhar insurance has human resource strength of 640 out of which around 40% is female staff.

Intellectual resources encompass the knowledge, expertise, and proprietary methodologies developed by the company. This includes actuarial models, risk assessment techniques, and market insights that provide a competitive advantage in pricing and underwriting policies.

Knowledge and expertise of other experts such as claim surveyors, insurance agents, brokers are also pivotal for the sustainability of the company.

Human resources and Intellectual resources are used for the following functions of the company:

- Sales and marketing of insurance products of the company
- Risk assessment and underwriting
- Claim processing and management
- Risk management and re-insurance management
- Customer service
- Financial management
- Compliance and regulatory management
- General administrative management
- Strategic management and planning

### Financial Resources

Strong financial resources are crucial for an insurance company to underwrite policies and manage claims efficiently. Apart from the equity contribution from the shareholders of the company, premiums collected from policyholders, investment income, reinsurance, and reserves are the major financial resources of the company.

Further, the company also has been receiving grants from different development agencies for the development of innovative insurance products.

The financial resources are primarily allocated towards underwriting policies, which involves evaluating risks and determining premiums. Adequate financial resources ensure that the company can cover claims when policyholders experience losses.

Reinsurance arrangements are another critical area where financial resources are employed. By ceding a portion of risks to reinsurers, the company mitigates potential losses from high-value claims, ensuring long-term solvency.

Additionally, reserves are maintained to meet future obligations and unexpected claims. These reserves are crucial for maintaining regulatory compliance and ensuring policyholder confidence.

Operational expenses, including administrative costs, marketing, and technology investments, are other significant areas where financial resources are utilized.

### Physical and Technological Resources

Physical resources such as office building, provinces and branch offices, IT infrastructure, and equipment and modern technology infrastructure have contributed to the efficiency and effectiveness of the company's operations. Comfortable and well-equipped office spaces along with the latest technical resources and applications have been used to enhance productivity and customer services.

The company has employed sophisticated software for the core insurance operation. Besides, the company has been using mobile application technologies and web technologies for selling insurance products and providing claim services. The company has initiated number of digital transformation initiatives that have reduced the operational cost and time of delivery of the services and improved the experience of the insured.

## Sustainable Competitive Edge

Shikhar Insurance has managed to set itself apart through a series of strategic initiatives and core competencies that have bolstered its position in the market.

### Innovative Product Development

Innovation is at the heart of Shikhar Insurance's competitive strategy. The company continuously develops and introduces new insurance products that address emerging risks and evolving market trends. This proactive approach to product development allows Shikhar Insurance to stay ahead of the curve and meet the changing needs of its customers. The company has developed the following insurance products in the Nepalese Insurance market:

- |                                       |                                                   |
|---------------------------------------|---------------------------------------------------|
| a. Cashless health insurance          | b. Auto plus (Motor Additional Benefit) Insurance |
| c. Secure Mind Insurance              | d. Clinical Trial Liability Insurance             |
| e. Weather Index Based Crop Insurance | f. Index Based Flood Insurance                    |
| g. Silage Insurance                   | h. Personal Cyber Insurance                       |
| i. Voyagers Travel Insurance          |                                                   |

### Reinsurance Management

Re-insurance strategy is one of the key strategies of Shikhar Insurance providing competitive edge. Shikhar Insurance has taken the highest catastrophic reinsurance protection against catastrophic risks. The reinsurance management strategy of the company enabled the company to outperform other insurance companies during the 2015 earthquake and recent flood of 2024 enhancing the trust of the companies in the Nepalese General Insurance Industry.

### Operational Excellence through technology

Adopting latest technology and automation in operations and use of data analytics tools Shikhar Insurance has smoothen the processes and improved overall efficiency. Automation of routine tasks has helped in managing operational costs and allowed employees to focus on more complex and value-adding activities. Use of data analytics has facilitated strategic decision-making and facilitated risk management.

### Market Share

For past 10 years and more, Shikhar Insurance is having the highest market share in Nepal's General Insurance Industry. Even after mergers of other general insurance companies, Shikhar Insurance has been able to hold the highest market share. Shikhar Insurance is the first company to collect premium milestones of Rs. 1 billion, Rs.2 billion, Rs.3 billion, Rs.4 billion and Rs. 5 billion in Nepal's general insurance industry.

### Credit Rating and Financial Position

Shikhar Insurance is the only company to do credit rating voluntarily. Shikhar Insurance has received ICRA-NP IR A+ rating from ICRA Nepal and is first and only company to receive A+ rating from ICRA Nepal. A company with A+ rating is considered to have adequate degree of safety regarding timely servicing of financial obligations. Shikhar Insurance has consistently demonstrated robust financial health with the company's prudent risk management practices, diversified investment portfolio, and sound underwriting principles. This stability not only instills confidence in customers and stakeholders but also allows Shikhar Insurance to invest in growth initiatives and withstand economic fluctuations. The financial position and the company's high credit ratings and solvency ratios further underscore its financial resilience and reliability.

### Human Resource Development

The strength of Shikhar Insurance's ability to develop skilled human resources in the Nepalese General Insurance industry is one of the key drivers of its competitive advantage. The company place a strong emphasis on attracting, developing, and retaining talented professionals who are passionate about delivering exceptional service. Shikhar Insurance is the first company to employee more than 600 employees in the Nepalese General Insurance industry. Out of the total employees, more than 90% were having first job experience at Shikhar Insurance. Through continuous training and development programs, Shikhar Insurance equips its employees with the skills and knowledge.

## Value Creation

### Value Creation for Policyholders

Policyholders are the primary stakeholders of the company. The value provided to them includes risk transfer, financial security and peace of mind. The insurance products offered by the company protect policyholders from potential financial losses arising from the insured events. Knowing about the protection against potential risks provides peace of mind. Policyholders can focus on their personal and professional lives without the constant worry of unforeseen financial burdens.

### Value Creation for the Shareholders

Value creation for shareholders includes profit, dividend and growth opportunities. During the 20 years of operation of the company, Shikhar Insurance has provided cumulative dividend % of around 300% to its shareholders which is highest in the industry. In 20 years' time the net worth of the company has crossed Rs. 5 billion, out of which Rs. 1.11 billion is capital contribution from the shareholders. Further, by expanding the company's product offerings, entering new markets, and leveraging technology, Shikhar Insurance is creating new growth opportunities that can enhance shareholder value.

### Value Creation for the Employees

Employees are vital to the success of an insurance company. Value creation for employees includes career development, competitive compensation and additional benefits and work life balance. The company provides comprehensive training and development programs, helping employees enhance their skills and advance their careers. The training includes inhouse regular training and orientation program and international trainings and seminars. Despite enrollment in the Security Fund, the company is providing additional medical and personal accident insurance to the employees. Further, the company is providing endowment life insurance policy of Rs. 5 lakhs of 15 years maturity period.

The company promotes work-life balance through alternate Friday leave facility, compulsory home leave, additional casual leave and home leave apart from the statutory requirements. Shikhar Insurance ensures that employees can rest, recharge, and attend to personal matters, resulting in a more motivated and productive workforce. Shikhar Insurance is also providing monthly menstruation leave facility to the female staff.

### Value Creation to the Community

The company regularly contributes towards the community through the corporate social responsibility (CSR) initiatives. These initiatives enhance the company's reputation and positively impact the communities. By providing financial protection through insurance coverage the company is contributing to the economic stability of the community. Our insurance service has helped many individuals and corporate houses recover from losses, support job creation, and promote economic growth.

### Value Creation for Regulatory Bodies

We create value for regulatory bodies by ensuring compliance and contributing to the overall stability of the financial system. Adherent to regulations protect policyholders and maintain market integrity and promote fair practices. Furthermore, insurance fees are paid to the NIA as per the provision of the Insurance Act.

### Value Creation for the economy of the country

Value creation for the country includes Capital Formation and Investment, creation of employment opportunities, Social Welfare, Economic Resilience and Recovery, Tax Contribution. Premiums collected from the insured are invested into various financial instruments such as fixed deposits, bonds and debentures, stock and infrastructure projects. These investments help fuel economic growth by providing capital to businesses for expansion, innovation, and job creation.

Shikhar Insurance is also the leading insurance company in the creation of employment opportunities in the general insurance industry. The company has offered a diverse range of career opportunities for the underwriting, claim management, financial management and other operations of the company. Shikhar Insurance is the first general insurance company to provide job opportunities for more than 600 people, out of which more than 90% have first job experience in Shikhar Insurance.

We are also playing a vital role in social welfare by providing coverage for health, disability, and life risks. Our insurance products such as health insurance ensure that individuals have access to medical care without any financial burden, leading to a healthier and more productive workforce.

In times of crisis, such as natural disasters or economic downturns, insurance protection provides economic resilience and quick recovery. The insurance products provide the financial resources needed to rebuild and recover, enabling affected individuals and businesses to return to normalcy more quickly.

The company contributes to government revenue through the corporate income tax, value added tax in the insurance premium, withholding tax in the different payments made by the company. Tax contributions are essential for funding public services and infrastructure, thereby supporting the broader economy. The company has been contributing to the government revenue with direct tax and indirect tax of Rs. 1 billion a year.

## Major Source of Capital and their Interconnectedness

The major source of capital includes equity capital, Reinsurance and Reserves.

### Equity Capital

Equity capital is the primary capital of the company. Shikhar Insurance has raised the capital through Initial public offerings, further public offerings and the issue of right shares. Established with initial paid-up capital of Rs. 100 million, the current paid up capital of the company is Rs. 2.65 billion out of which Rs.1.11 billion is cash contribution from the shareholders and 1.54 billion is profit capitalization.

### Reinsurance

Reinsurance serves as a vital source of capital for insurance companies by providing financial stability and risk management by transferring portions of the risk portfolios to reinsurers, the company gets the required source for potential large claims by reducing the burden over the equity capital of the company. This allows the company to free up capital that would otherwise be tied up in reserves to cover potential claims. Consequently, this additional capital can be used to underwrite more policies, invest in new opportunities, or improve overall financial health.

### Reserve

Reserves are funds set aside from the after-tax profit to cover future claims. They act as a buffer and a source of capital for the company. Reserves of the company include Insurance Fund, Catastrophic Reserve and Retained Earnings. As per the current regulation, 50% of the net profit needs to be transferred to the Insurance fund till it reaches Rs. 2.5 billion and 10% of the remaining profit needs to be transferred to the Catastrophic Reserve.

### Interconnectedness of Capital Sources

The capital sources are inherently interdependent, creating a complex financial ecosystem. The interplay between these sources significantly affects the company's stability and growth prospects.

The paid-up capital is required for the initial funding necessary for the insurance company to commence the insurance business and maintain solvency margin ensuring the company has enough capital to meet the financial obligations.

Reinsurance and reserves complement each other in risk management. Adequate reinsurance allows the company to manage large, unexpected claims and maintain lower reserves, freeing up capital for other uses. Conversely, strong reserve levels reduce reliance on reinsurance and provide greater financial autonomy. Based on this the company can decide on the rational dividend plan i.e. whether to provide a cash dividend or stock dividend.

Regulatory requirements also impact the interdependency of capital sources. Nepal Insurance authority has set aside minimum capital requirement for the insurance companies. At present, general insurance companies' minimum capital requirement is Rs. 2.5 billion.

Paid-up capital, reserves, and reinsurance capital collectively contribute to the insurance company's capital adequacy and solvency as the economic available capital of the company. Adequate paid-up capital ensures that the company can absorb initial losses and maintain operations. Reserves provide a financial buffer to cover future liabilities and claims. Reinsurance capital, by transferring risk, further strengthens the company's solvency position by reducing the potential impact of large losses.



Paid up capital, reserves and reinsurance are interconnected in the risk management framework of the company. Paid-up capital acts as the foundational layer of risk absorption. Reserves are built up over time to address specific risks and liabilities. Reinsurance capital, through risk transfer, complements these efforts by providing additional risk mitigation. Together, these elements create a robust risk management framework that enhances the company's financial stability.

All the capital sources contribute together to ensure capital adequacy, risk management, regulatory compliance, and operational efficiency.

## Plan for Resource Usage and Major Programs and Relationship with the Capital Plan

Shikhar Insurance's plans for resource usage, major programs, and their relationship with the capital plan are designed to foster sustainable growth and resilience. By strategically aligning resources, prioritizing investments, and managing risks effectively, the company is well-positioned to achieve its objectives and continues providing exceptional value to its clients and stakeholders

### Human Resources

Shikhar Insurance recognizes the importance of human capital in delivering exceptional service and driving innovation. The company plans to invest in:

- Enhancing the recruitment process to attract top talent and implementing robust training programs to ensure continuous professional development.
- Introducing wellness programs and flexible working arrangements to promote a healthy work-life balance.
- Fostering a diverse, inclusive and dignified workplace to leverage different perspectives and enhance creativity.

### Technological Resources

To stay competitive in the rapidly evolving insurance industry, Shikhar Insurance is committed to leveraging cutting-edge technology. The key focus areas include:

- Investing in digital platforms to streamline operations and enhance customer experience.
- Strengthening cybersecurity measures to protect sensitive information and maintain trust with clients.
- Utilizing advanced data analytics to gain insights into customer behavior and optimize product offerings.

### Financial Resources

Effective financial management is crucial for ensuring the sustainability and profitability of Shikhar Insurance. The company plans to:

- Strategically diversify the investment with due compliance of the provision of the regulatory body to achieve long term sustainable investment return objectives.
- Implement cost-saving initiatives and automation processes to improve operational efficiency and reduce expenses.
- Enhance risk management frameworks to mitigate financial risks and ensure stability.

### Product Innovation

Shikhar Insurance is dedicated to developing innovative insurance products that meet the evolving needs of its clients. Key initiatives include:

- Creating tailored insurance solutions for different customer segments, including individuals, businesses, and specialized industries.
- Developing insurance products that mitigate climate change related risks and promote sustainability and environmental responsibility.
- Offering innovative health and wellness insurance plans for citizens residing in both urban areas and rural areas.

The relationship between Shikhar Insurance's resource usage plans, major programs, and its capital plan is grounded in strategic alignment. The company ensures that capital investments are directed towards initiatives that support its long-term goals and vision. This alignment is achieved through:

- Coordinating resource usage and program development with capital planning to ensure coherence and synergy.
- Establishing clear performance metrics to evaluate the effectiveness of capital investments and their impact on organizational objectives.
- Continuously monitoring the progress of capital projects and adjusting as needed to stay on track.

# PERFORMANCE EVALUATION AND KEY PERFORMANCE INDICATORS



# FINANCIAL HIGHLIGHTS

Rs. **265** Crores  
Paid Up Capital

Rs. **536** Crores  
Net Worth

Rs. **1,159** Crores  
Total Assets

Rs. **473** Crores  
Total Investment

Rs. **541** Crores  
Gross Written Premium

**>13%**  
Market Share

Rs. **45** Crores  
Net Profit

Rs. **225** Crores  
Gross Claims Paid

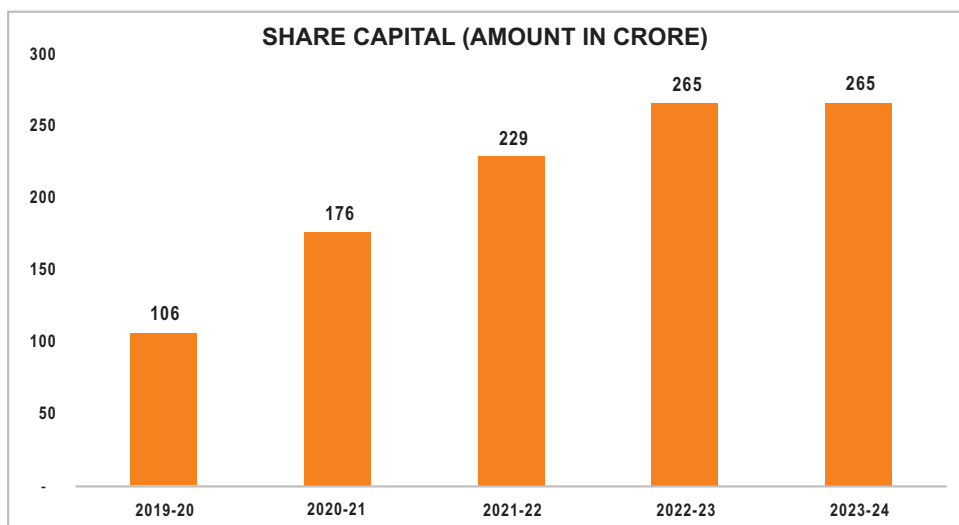
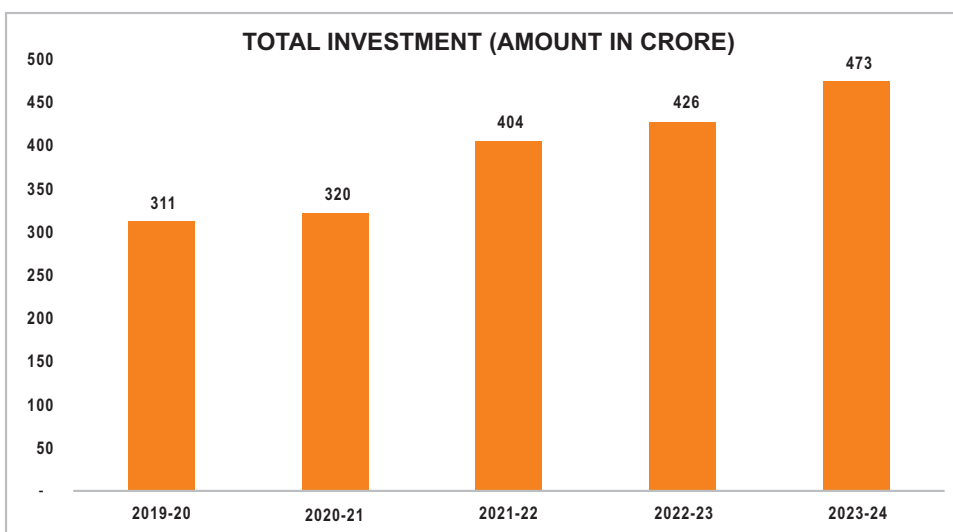
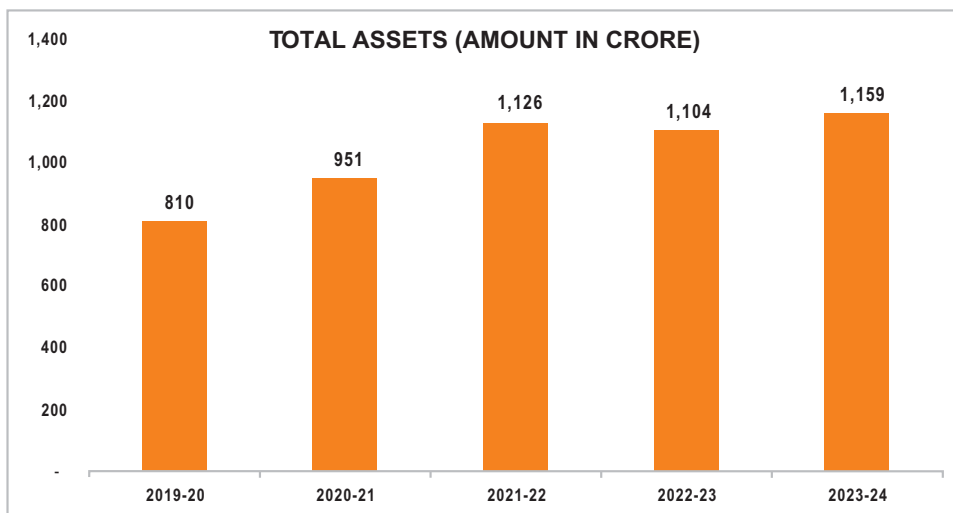
ICRANP-IR **A+**  
Credit Rating

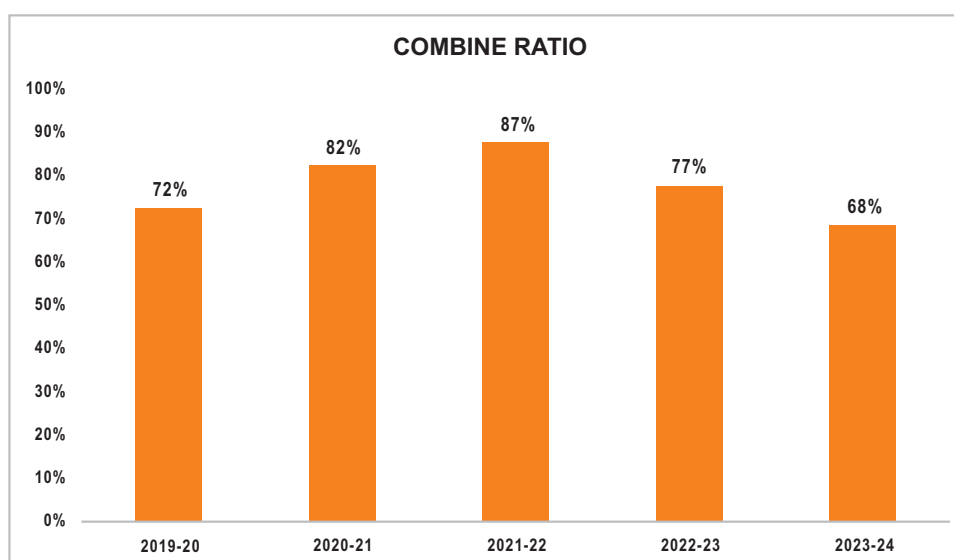
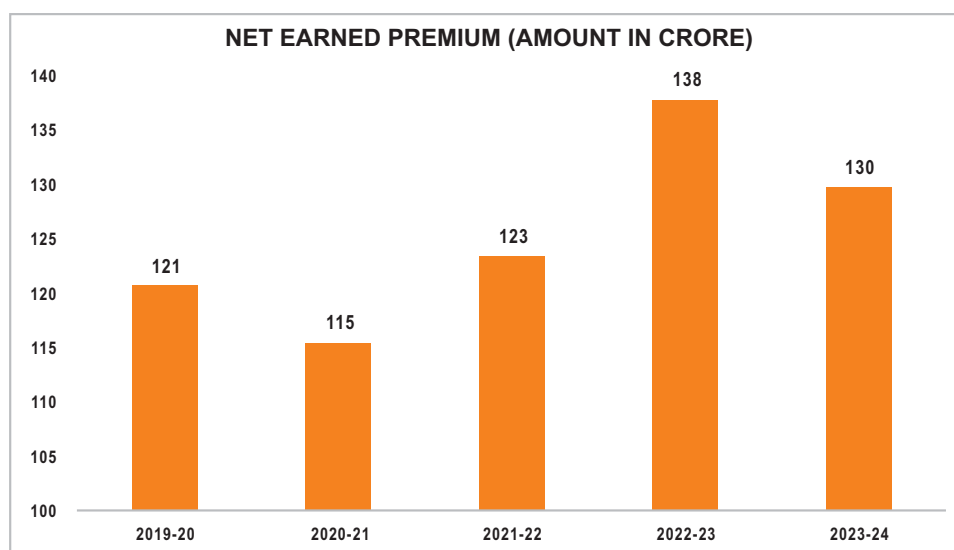
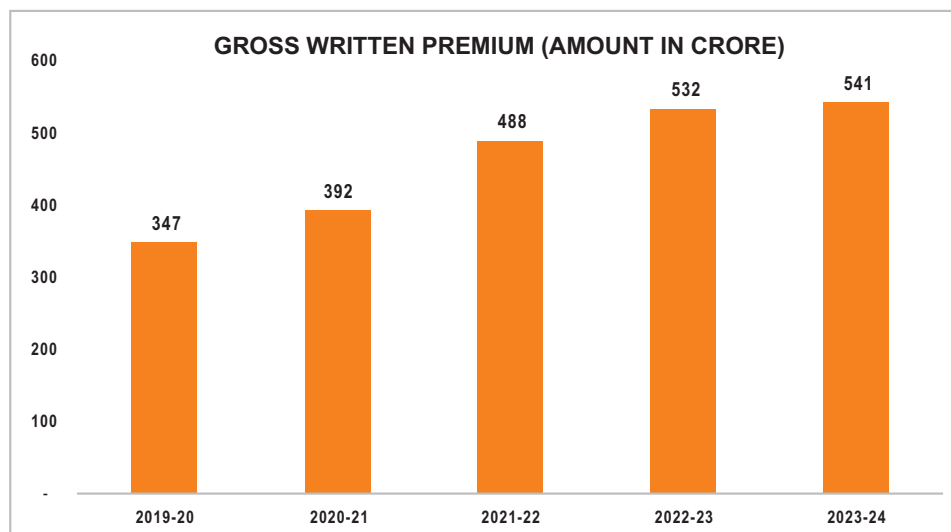
**117**  
Branches

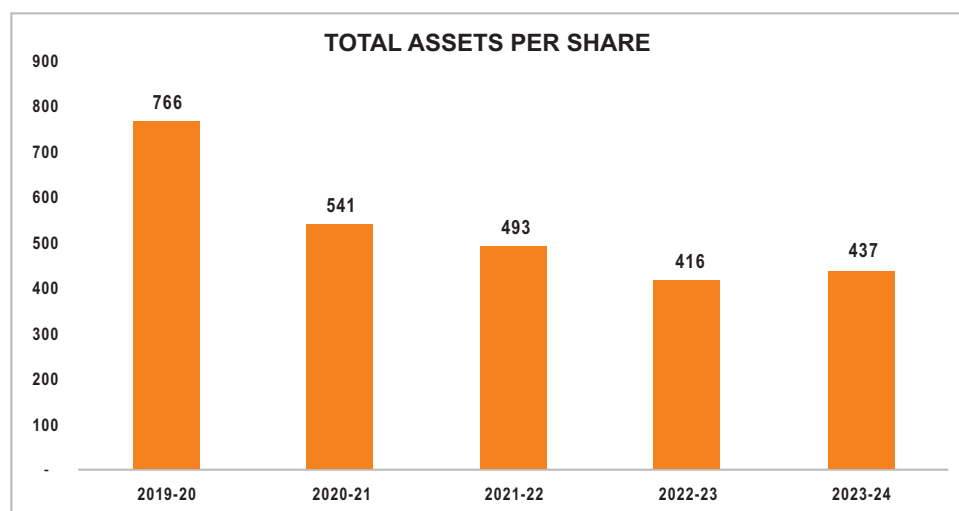
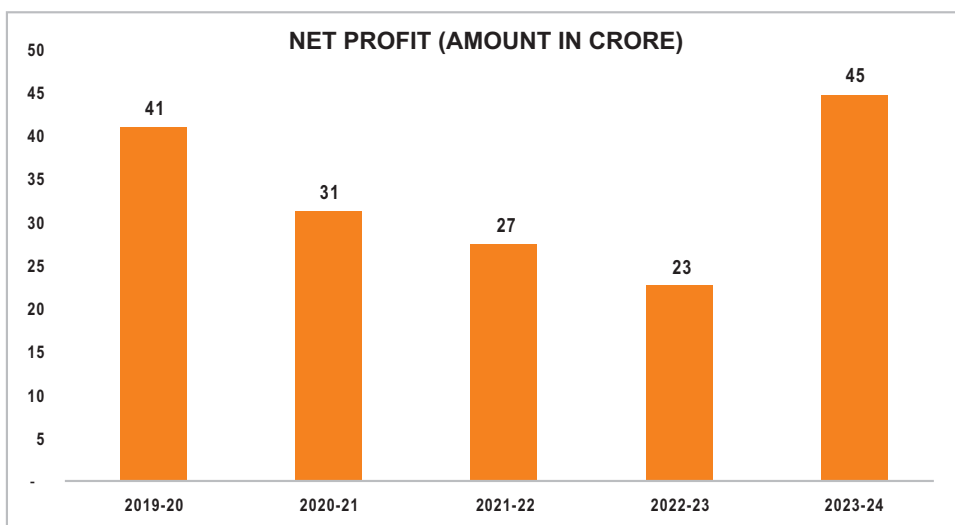
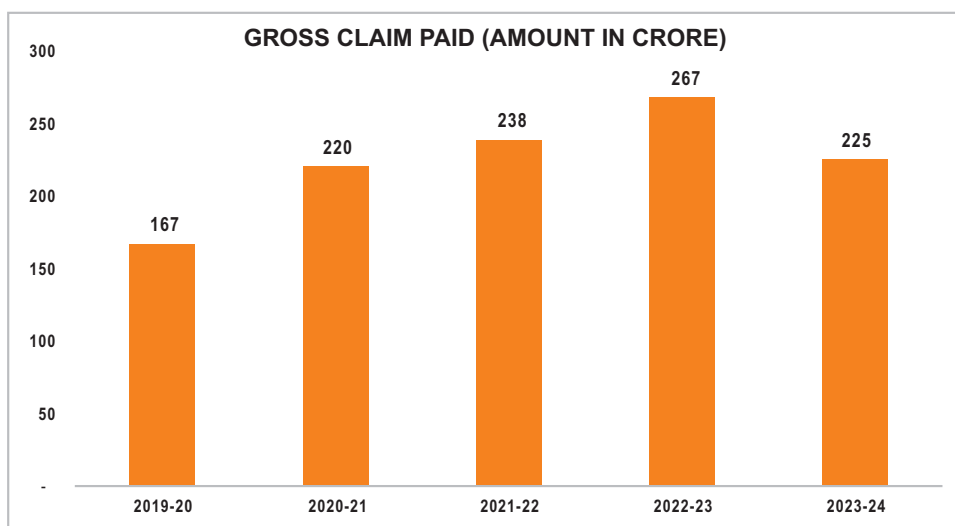
**650**  
Staff Strength

**3.67**  
Solvency Margin

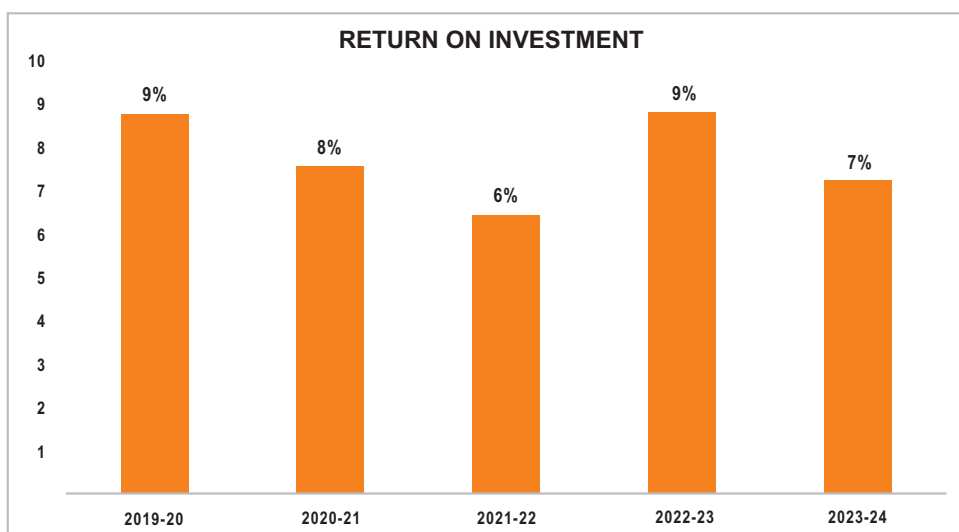
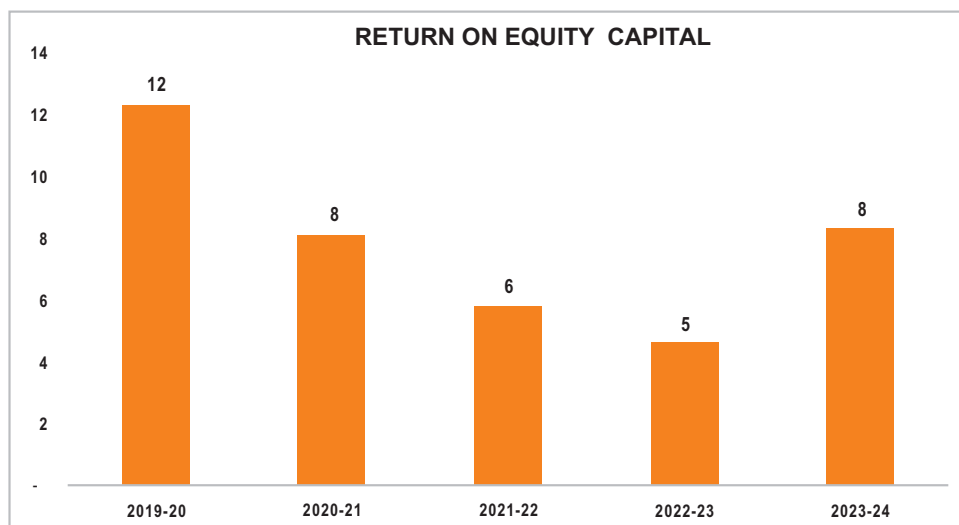
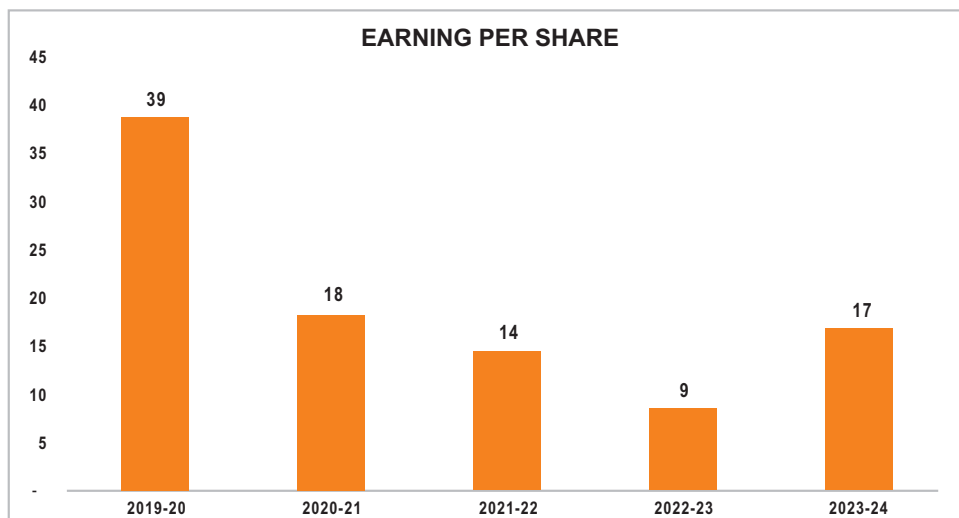
## Overview of Financial Position / Performance and KPI

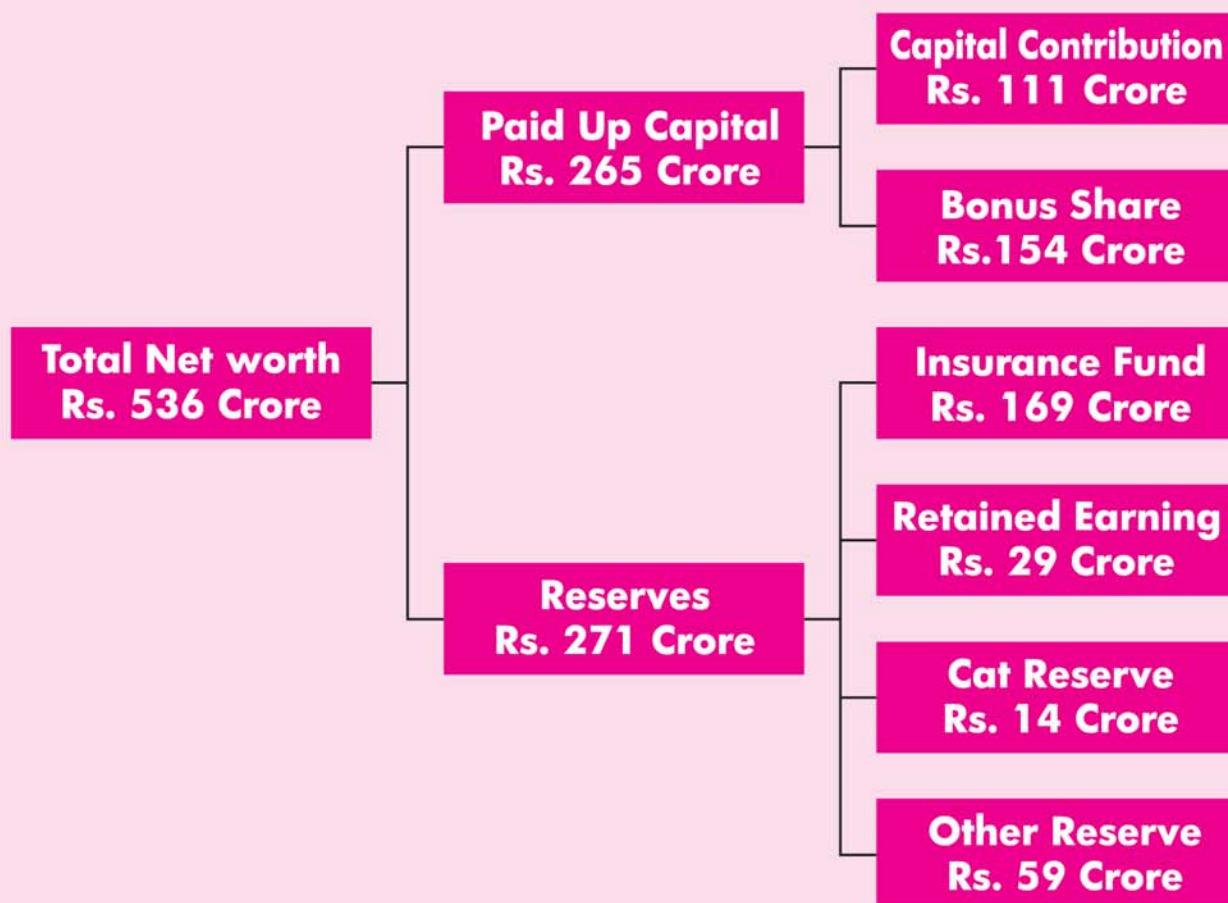
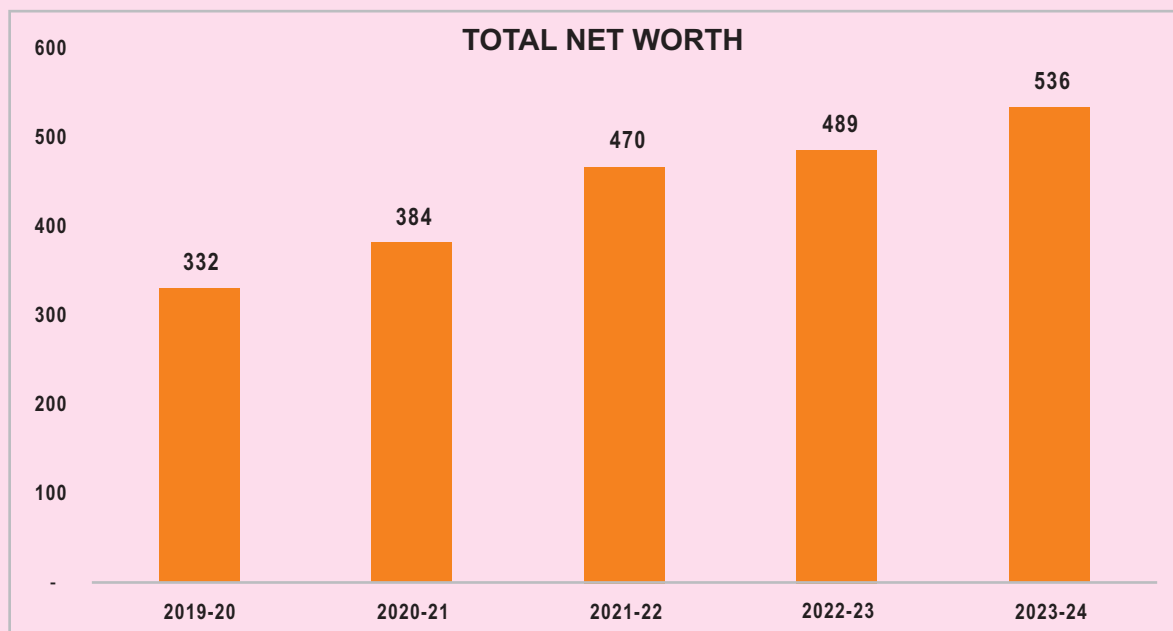












## Business and Insurance Policies Summary

The following are the summaries of the company's overall business in terms of number of policies, gross written premiums, and net written premiums for the FY 2023-24.

Amount in NPR

Particulars	No of Policies	%	Gross Written Premium	%	Net Written Premium	%
Property	49,500	15.61	1,370,628,916	25.32	140,030,432	10.25
Motor	158,188	49.88	1,449,103,940	26.77	888,392,028	65.05
Marine	14,585	4.60	180,821,628	3.34	18,345,222	1.34
Engineering	2,477	0.78	1,064,702,320	19.67	39,600,690	2.90
Micro	12,760	4.02	1,845,206	0.03	441,056	0.03
Aviation	20	0.01	116,326,752	2.15	(7,421,628)	(0.54)
Cattle and Crop	50,626	15.96	723,108,504	13.36	115,973,066	8.49
Miscellaneous	29,001	9.14	507,262,466	9.37	170,298,726	12.47
<b>Total</b>	<b>317,157</b>	<b>100.00</b>	<b>5,413,799,732</b>	<b>100.00</b>	<b>1,365,659,592</b>	<b>100.00</b>

The table above shows that the Motor class is the highest class in terms of number of policies, gross written premium and net written premiums. It accounts for 49.88 of the total policies, 26.77% of the total gross written premium and 65.05% of the total net written premium for the fiscal year 2023-24. Property and Motor class in combination contribute to 65.49% of the total policies, 52.09 % of the total gross written premium and 75.3% of the total net written premium for the FY 2023-24. The engineering portfolio represents just 0.78% of the total policy count, yet it contributes 19.67% of the gross written premium, making it the third-largest class in terms of gross written premium. The cattle and crop portfolio accounts 15.96% of the total policy count making it the third largest in terms of policy count, contributing 13.36% to the gross written premiums and 8.49% to the total net written premiums. The other portfolio includes marine, micro, aviation and aviation which contributes only 14.89% of the total net written premiums.

## Product Classification

The company transacts all the major categories of non-life insurance business. A brief description of the major classes of business are as follows:

- 1) Property Insurance – Property insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the property/fire insurance business.
- 2) Motor Insurance - Motor insurance 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.
- 3) Marine Insurance - Marine insurance means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.
- 4) Engineering Insurance - Engineering insurance 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.
- 5) Micro Insurance - Micro insurance protects against loss of or damage to micro property, crops and 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.
- 6) Aviation Insurance – Aviation insurance provides coverage for hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents.
- 7) Cattle and Crop Insurance - Cattle and Crop insurance provides insurance against loss of or damage to Cattle and crops.
- 8) Miscellaneous Insurance – All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance, Travel Insurance, Trekking Insurance etc. fall under this category of business.

## Main Function of the Company

The company offers all the major non-life insurance products that protect individual and institutional policy holders for the losses sustained from fire, marine, aviation, motor, personal accidents, third party liabilities, engineering, cattle and crops and other miscellaneous products. The company's main functions include:

### 1) Underwriting

The underwriting department of the company is responsible for assessing and evaluating the risk associated with the insured. It mainly focuses on whether the company should offer insurance coverage to the insured and at what terms (such as premiums, coverage limits, exclusions and deductibles). Other key functions of the underwriting department include risk assessment, policy pricing, approval or denial of coverage, policy terms and conditions, and ongoing risk monitoring etc.

### 2) Sales and Marketing

The sales and marketing department of the company plays a critical role in driving business growth, promoting insurance products and building strong customer relationships. The other main functions of this department are providing appropriate insurance product information to potential customers, developing sales strategies, acquiring new customers through innovative insurance products, market research and analysis, relationship management, providing insurance awareness training and programs. Furthermore, sales and marketing department promotes the company's values, reputation, and trustworthiness to build brand loyalty and recognition.

### 3) Claim management

The claim department of the company is responsible for the processing and settlement of claims made by the insured when they incurred a loss or damage that is covered under their insurance policy. This department assesses the validity of the claim and amount to be paid based on the terms of insurance policy. The main functions of the claim department are as follows:

- Receiving and recording the initial notification of a claim from the insured.
- Claim assessment and investigation to verify the validity of the claim and assess the extent of the damage and loss.
- Determining claim liability, the claim department assesses whether the loss is covered or not and if any exclusions and limitations apply to the claims.
- Claims settlement, the department calculates the amount to be paid and arranges for reimbursement
- Communication with insured
- Fraud detection
- Claims file management
- Dispute resolution
- Claims follow-up

### 4) Reinsurance Management

Reinsurance is a form of insurance that the company purchases to protect from large or unexpected losses. The primary goal of reinsurance is to spread risk, stabilize financial performance, and ensure that the company can meet its obligations to the insured.

**The main functions of the reinsurance department are as follows:**

- Risk transfer which exceeds the retention limit of the company
- Reinsurance treaty negotiation
- Reinsurance structuring and reinsurance program design
- Claims handling and recovery
- Reinsurance accounting
- Monitoring and evaluating reinsurance performance

### 5) Risk Management

The risk management department is responsible for identifying, assessing, and mitigating risks that could potentially affect the company's operations, financial stability, and reputation. Their key functions are as below:

- Risk identification
- Risk assessment and analysis

- Risk control and mitigation
- Risk monitoring and reporting
- Operations risk management
- Promoting a risk awareness culture in the organization

#### 6) Finance and Accounting

The finance department manages the company's financial resources, including investment of surplus premiums, budgeting and financial reporting. It ensures that the company remains financially sound and complies with regulatory requirements. The main functions of this department include:

- Financial planning and budgeting
- Financial Reporting
- Investment management
- Claims reserve management
- Cash flow management
- Cost control and expenses management
- Regulatory compliance and taxation
- Internal control and risk management on financial resources of the company
- Profitability analysis and reporting.

#### 7) Information Technology (IT)

The information technology department is responsible for maintaining the company's technological infrastructure, including managing databases, and cybersecurity. The main functions of this department include:

- IT system infrastructure development
- IT software development and maintenance
- Cybersecurity and data protection
- Data management and analytics
- Support for digital channels
- Business continuity and disaster recovery
- User support and training
- Automation and process improvement

#### 8) Legal and compliance

The legal and compliance department is responsible for ensuring that the company adheres to all applicable laws, regulation, regulatory requirements and manages legal risk effectively. The other key functions of the legal and compliance department are as below:

- Regulatory compliance
- Providing legal advice
- Reviewing various agreement terms and conditions
- Claims investigation and dispute resolution
- Risk management and legal documentation
- Litigation management
- Corporate governance
- Ensuring Anti-money laundering (AML) compliance and preventing fraudulent activities
- Compliance training and awareness

#### 9) Human Resource

The human resource department is responsible for managing and overseeing all aspects of human resources, including recruitment, training, brainstorming, team development, employee relations, employee compensation, performance evaluation and compliance with labor laws and other applicable laws. Furthermore, the HR department works to ensure that the company has the right people in the right roles, and it helps to create a positive and productive environment.



## Horizontal Analysis

Financial Position	2023-24 vs 2022-23 Change in Values	2023-24 vs 2022-23 Change in Percentage (%)	2022-23 vs 2021-22 Change in Values	2022-23 vs 2021-22 Change in Percentage (%)
<b>Fixed Assets</b>				
Goodwill & Intangible Assets	796,201	8.91	7,939,041.00	796.73
Property and Equipment	26,481,301	3.79	1,970,226.23	0.25
<b>Investment</b>				
Investment Properties	(4,225,116)	(5.11)	-	-
Investment in Associates	90,719,633	124.46	19,940,442.60	37.66
Other Investment	376,973,893	9.01	199,065,144.00	4.99
<b>Other Assets</b>				
Deferred Tax Assets	(19,970,803)	(21.61)	(36,942,170.89)	(28.56)
Reinsurance Assets	168,363,760	4.30	(324,016,232.81)	(7.64)
Current Tax Assets	123,204,042	2,081.73	(94,306,736.35)	(94.09)
Insurance Receivables	(383,610,659)	(41.50)	72,021,258.18	8.45
Other Assets	20,636,194	6.01	(53,130,121.84)	(13.40)
Other Financial Assets	123,766,620	20.75	184,896,622.00	44.93
Cash and Cash Equivalent	27,999,294	23.76	(198,207,609.00)	(62.71)
<b>Total Assets</b>	<b>551,134,360</b>	<b>4.99</b>	<b>(220,770,137)</b>	<b>(1.96)</b>
<b>Equity &amp; Liabilities</b>				
<b>Equity</b>				
Share Capital	-	-	368,866,100.00	16.14
Share Premium	-	-	(160,902,639.00)	(100.00)
Special Reserves	225,168,589	15.40	126,473,312.00	9.47
Catastrophe Reserves	22,516,859	19.47	(10,048,832.95)	(6.25)
Retained Earnings	198,052,678	221.40	(184,210,077.76)	(13.79)
Other Equity	27,909,665	4.94	50,389,933.89	40.10
<b>Liabilities</b>				
Provisions	24,486,668	18.47	(41,216,360.31)	(23.71)
Gross Insurance Contract Liabilities	231,855,528	4.58	(334,842,184.00)	(6.20)
Insurance Payable	93,428,767	77.02	(123,806,449.18)	(50.51)
Borrowings	(120,801,819)	(81.73)	(52,426,800.00)	(26.18)
Other Liabilities	30,747,299	7.98	(56,571,830.59)	(12.80)
Other Financial Liabilities	(182,229,873)	(59.29)	197,525,691.00	179.86
<b>Total Equity and Liabilities</b>	<b>551,134,360</b>	<b>4.99</b>	<b>(220,770,136.90)</b>	<b>(1.96)</b>

Income Statement	2023-24 vs 2022-23 Change in Values	2023-24 vs 2022-23 Change in Percentage (%)	2022-23 vs 2021-22 Change in Values	2022-23 vs 2021-22 Change in Percentage (%)
<b>Income</b>				
Gross Earned Premiums	(38,017,202)	(0.72)	903,599,776.00	20.57
Premiums Ceded	41,898,973	1.07	760,346,473.00	24.08
Net Earned Premiums	(79,916,175)	(5.80)	143,253,303.00	11.60
Commission Income	73,919,132	11.45	(20,270,754.48)	(3.04)
Other Direct Income	25,463,642	190.56	(1,035,327.00)	(7.19)
Income from Investments & Loans	(38,363,781)	(10.22)	114,650,150.00	43.97
Net Gain/ (Loss) on Fair Value Changes	-	-	-	-
Net Realised Gains/ (Losses)	14,334,823	(86.56)	(19,860,095.00)	(601.81)
Other Income	(615,470)	(1.17)	(2,695,192.77)	(4.88)
<b>Total Income</b>	<b>(1,296,058)</b>	<b>(0.05)</b>	<b>214,042,083.75</b>	<b>9.58</b>
<b>Expenses:</b>				
Gross Claims Paid	(426,168,923)	(15.93)	293,362,582.00	12.32
Claims Ceded	173,720,333	(11.17)	(213,765,719.00)	15.94
Gross Change in Contract Liability	432,033,399	(121.44)	(455,701,893.81)	(455.93)
Change in Contract Liability Ceded to Reinsurers	(369,088,126)	(127.93)	359,068,795.81	(508.93)
Net Claims Incurred	(189,503,317)	(17.99)	(17,036,235.00)	(1.59)
Commission Expenses	5,531,755	19.20	2,181,554.00	8.19
Service Fees	(364,542)	(3.16)	(1,186,167.00)	(9.33)
Other Direct Expenses	4,414,715	26.28	207,439.00	1.25
Employee Benefits Expenses	52,290,838	10.13	46,205,721.00	9.83
Depreciation and Amortization Expenses	11,619,719	31.53	4,238,097.00	13.00
Impairment Losses	(30,448,135)	(82.69)	8,778,821.00	31.30
Other Operating Expenses	9,704,174	4.40	47,389,829.00	27.33
Finance Cost	(9,136,179)	(22.08)	17,367,333.00	72.35
<b>Total Expenses</b>	<b>(145,890,972)</b>	<b>(7.44)</b>	<b>108,146,392.00</b>	<b>5.83</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>	<b>140,713,143</b>	<b>28.94</b>	<b>105,895,691.75</b>	<b>27.85</b>
Share of Net Profit of Associates accounted using Equity Method	333,035	(844.68)	(186,988.40)	(126.72)
<b>Profit Before Tax</b>	<b>141,046,178</b>	<b>29.01</b>	<b>105,708,703.35</b>	<b>27.79</b>
Income Tax Expense	(78,135,527)	(30.05)	152,747,720.45	142.40
<b>Net Profit/(Loss) For The Year</b>	<b>219,181,706</b>	<b>96.93</b>	<b>(47,039,017.11)</b>	<b>(17.22)</b>
Basic EPS	8	96.93	(5.96)	(41.16)
Diluted EPS	8	96.93	(5.96)	(41.16)

## Vertical Analysis

Financial Position	2023-24 vs 2018-19 Change in percentage (%)	2022-23 vs 2018-19 Change in percentage (%)	2021-22 vs 2018-19 Change in percentage (%)	2020-21 vs 2018-19 Change in percentage (%)	2019-20. vs 2018-19 Change in percentage (%)
<b>Fixed Assets</b>					
Goodwill & Intangible Assets	990	901	12	(100)	(2)
Property and Equipment	20	15	29	9	3
<b>Investment</b>					
Investment Properties	100	100			
Investment in Associates	(46)	(76)	(83)	(83)	(74)
Other Investment	68	54	47	16	12
<b>Other Assets</b>					
Deferred Tax Assets	69	115	201	109	76
Reinsurance Assets	121	111	129	101	13
Current Tax Assets	42	(93)	10	(28)	(26)
Insurance Receivables	(43)	(3)	(10)	(17)	28
Other Assets	41	33	54	44	(13)
Other Financial Assets	420	331	197	85	8
Cash and Cash Equivalent	(63)	(70)	(21)	(12)	35
<b>Total Assets</b>	<b>58</b>	<b>50</b>	<b>53</b>	<b>29</b>	<b>10</b>
<b>Equity &amp; Liabilities</b>					
<b>Equity</b>					
Share Capital	151	151	116	66	-
Share Application Money Pending Allotment	-	-	-	100	-
Share Premium	-	-	100	100	-
Special Reserves	60	38	26	15	-
Catastrophe Reserves	50	26	37	21	44
Retained Earnings	209	(4)	194	100	360
Other Equity	44	38	25	17	10
<b>Liabilities</b>					
Provisions	91	61	111	46	87
Gross Insurance Contract Liabilities	74	67	78	59	3
Insurance Payable	(79)	(88)	(76)	(87)	(3)
Borrowings	(83)	(4)	30	40	19
Other Liabilities	191	169	209	(40)	(29)
Other Financial Liabilities	(43)	39	(50)	32	2
<b>Total Equity and Liabilities</b>	<b>58</b>	<b>50</b>	<b>53</b>	<b>29</b>	<b>10</b>

Income Statement	2023-24 vs 2018-19 Change in percentage (%)	2022-23 vs 2018-19 Change in percentage (%)	2021-22 vs 2018-19 Change in percentage (%)	2020-21 vs 2018-19 Change in percentage (%)	2019-20. vs 2018-19 Change in percentage (%)
Gross Earned Premiums	56	57	30	11	(2)
Premiums Ceded	(307)	(305)	(265)	36	10
Net Earned Premiums	(11)	(5)	(15)	(21)	(17)
Commission Income	35	21	24	(7)	1
Other Direct Income	100	100	100	-	-
Income from Investments & Loans	25	39	(4)	(10)	1
Net Gain/ (Loss) on Fair Value Changes	(100)	(100)	(100)	91	(87)
Net Realised Gains/ (Losses)	(127)	(299)	(60)	837	121
Other Income	334	340	362	170	(83)
<b>Total Income</b>	<b>6</b>	<b>6</b>	<b>(3)</b>	<b>(11)</b>	<b>(11)</b>
<b>Expenses:</b>					
Gross Claims Paid	(3)	16	3	(4)	(28)
Claims Ceded	17	32	14	11	(32)
Gross Change in Contract Liability	(84)	(176)	(79)	222	(113)
Change in Contract Liability Ceded to Reinsurers	(83)	(161)	(85)	216	(98)
Net Claims Incurred	(23)	(6)	(5)	(18)	(30)
Commission Expenses	0	(16)	(22)	0	(12)
Service Fees	(13)	(10)	(1)	(9)	(11)
Other Direct Expenses	100	100	100	-	-
Employee Benefits Expenses	50	36	24	8	5
Depreciation and Amortization Expenses	147	88	66	3	(8)
Impairment Losses	-	100	100	100	-
Other Operating Expenses	51	45	14	18	5
Finance Cost	172	249	103	(26)	75
<b>Total Expenses</b>	<b>5</b>	<b>13</b>	<b>7</b>	<b>(8)</b>	<b>(18)</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>	<b>11</b>	<b>(14)</b>	<b>(33)</b>	<b>(21)</b>	<b>9</b>
Share of Net Profit of Associates accounted using Equity Method	(99)	(100)	(99)	(121)	(366)
<b>Profit Before Tax</b>	<b>6</b>	<b>(18)</b>	<b>(36)</b>	<b>(25)</b>	<b>(6)</b>
Income Tax Expense	(3)	38	(43)	(31)	(23)
<b>Net Profit/(Loss) For The Year</b>	<b>11</b>	<b>(44)</b>	<b>(32)</b>	<b>(23)</b>	<b>2</b>
<b>Earning Per Share</b>					
Basic EPS	(56)	(78)	(62)	(52)	2
Diluted EPS	(44)	(72)	(52)	(39)	2

## VALUE ADDED STATEMENT

Value added statement of the company evaluates a detailed account of total value addition and the distribution of the value created, while the income statements of the company report on the income of shareholders. The value-added statement reports on the income earned by a large group of stakeholders-providers of capital plus employees and government.

The company contributes to socio-economic developments by empowering employees through the payment of salaries and allowances, consistent dividends to the providers of capital, regular payment of applicable taxes to the government, and of course keeping in the mind company's continuous growth and expansion.

### VALUE ADDED STATEMENT

For the Year Ended Asadh 31st 2081

S.N.	Value Added	2080-81		2079-80		Increased/ (Decreased in 2080-81)	%
	Particulars	Amount	%	Amount	%		
1	Gross Direct Premium	5,268,884,546.00	74.67	5,104,632,459.00	74.00	164,252,087.00	3.22
2	Accepted Insurance Premium	144,915,186.00	2.05	212,520,162.00	3.08	(67,604,976.00)	(31.81)
3	VAT and Stamp Duty	497,239,637.00	7.05	510,200,526.00	7.40	(12,960,889.00)	(2.54)
4	Investment and other Income	425,798,139.00	6.03	424,645,889.83	6.16	1,152,249.17	0.27
5	Reinsurance Commission Earned	719,726,915.00	10.20	645,807,782.52	9.36	73,919,132.48	11.45
	<b>Total Value Added During the Year</b>	<b>7,056,564,423.00</b>	<b>100.00</b>	<b>6,897,806,819.35</b>	<b>100.00</b>	<b>158,757,603.65</b>	<b>2.30</b>

### APPLICATION OF FUND

For the Year Ended Asadh 31st 2081

S.N.	Value added contribution to/ Application of value added	2080-81		2079-80		Increased/ (Decreased in 2080-81)	%
	Particulars	Amount	%	Amount	%		
<b>A</b>	<b>Employee Expenses</b>						
	Salary and Allowances	345,168,434.00	60.74	326,095,273.00	63.19	19,073,161.00	5.85
	Training Expenses	9,696,340.00	1.71	8,986,752.00	1.74	709,588.00	7.90
	Festival Allowances	27,624,931.00	4.86	26,145,423.00	5.07	1,479,508.00	5.66
	Other Allowances	123,102,952.00	21.66	106,178,988.00	20.58	16,923,964.00	15.94
	Bonus	62,718,962.00	11.04	48,614,345.00	9.42	14,104,617.00	29.01
	<b>Sub-total</b>	<b>568,311,619.00</b>	<b>100.00</b>	<b>516,020,781.00</b>	<b>100.00</b>	<b>52,290,838.00</b>	<b>10.13</b>
<b>B</b>	<b>Management Expenses</b>						
	Reinsurance Cost	4,048,140,140.00	76.79	3,882,949,300.00	73.32	165,190,840.00	4.25
	Change in Unearned Premium Reserve	67,782,701.00	1.29	56,410,256.00	1.07	11,372,445.00	20.16
	Management Expenses	251,717,239.00	4.77	237,598,350.00	4.49	14,118,889.00	5.94
	Provision	6,375,000.00	0.12	36,823,135.00	0.70	(30,448,135.00)	(82.69)
	Commission Expenses	34,338,483.00	0.65	28,806,728.00	0.54	5,531,755.00	19.20
	Net Claims Incurred	863,606,169.23	16.38	1,053,109,486.00	19.89	(189,503,316.77)	(17.99)
	<b>Sub-total</b>	<b>5,271,959,732.23</b>	<b>100.00</b>	<b>5,295,697,255.00</b>	<b>100.00</b>	<b>(23,737,522.77)</b>	<b>(0.45)</b>
<b>C</b>	<b>Government</b>						
	Service Fee	11,159,515.00	1.62	11,524,057.00	1.47	(364,542.00)	0.40
	Corporate Tax Paid	181,882,609.00	26.35	260,018,136.45	33.26	(78,135,527.45)	85.43
	Vat and Stamp Duty	497,239,637.00	72.03	510,200,526.00	65.26	(12,960,889.00)	14.17
	<b>Sub-total</b>	<b>690,281,761.00</b>	<b>100.00</b>	<b>781,742,719.45</b>	<b>100.00</b>	<b>(91,460,958.45)</b>	<b>(11.70)</b>
<b>D</b>	<b>Providers to Capital</b>						
	Interest on loan and debenture	32,234,177.00	14.30	41,370,356.00	32.78	(9,136,179.00)	(22.08)
	Dividend to shareholders	-	-	-	-	-	-
	Retained Earning	193,118,201.77	85.70	84,823,614.62	67.22	108,294,587.15	-
	<b>Sub-total</b>	<b>225,352,378.77</b>	<b>100.00</b>	<b>126,193,970.62</b>	<b>100.00</b>	<b>99,158,408.15</b>	<b>78.58</b>
<b>E</b>	<b>Company-For Expansion and Growth</b>						
	Depreciation	48,470,113.00	16.12	36,850,394.00	20.68	11,619,719.00	31.53
	Other Reserves	252,188,819.00	83.88	141,301,699.28	79.32	110,887,119.72	78.48
	Net Profits	-	-	-	-	-	-
	<b>Sub-total</b>	<b>300,658,932.00</b>	<b>100.00</b>	<b>178,152,093.28</b>	<b>100.00</b>	<b>122,506,838.72</b>	<b>68.77</b>
	<b>Total Distribution and Growth (A+B+C+D)</b>	<b>7,056,564,423.00</b>	<b>-</b>	<b>6,897,806,819.35</b>	<b>-</b>	<b>158,757,603.65</b>	<b>2.30</b>

# STRATEGIC PLAN AND DEVELOPMENT







### a. Digital Transformation

Shikhar Insurance plans to digitally transform all feasible operations within the next 3-5 years. For this, the company has recruited an adequate number of human resources in the IT department of the company and has strengthened the IT infrastructure of the company.

### b. Claim Management

To strengthen the claim management of the company, about 50 dedicated staff have been resourced for the claim management team and required claim processing and approving authority has been given to the province office and branch offices of the company. Shikhar Insurance aims in the significant claim turnaround time leveraging the technological enhancements. The company plans to use IT resources, mobile applications, online platforms and customize the core software of the company to smoothen the claim process.

### c. Risk Management

Risk management is a continuous function of an insurance company. Shikhar insurance aims for sound management of not only the current risks of the company, but also new and emerging risks of the company to protect solvency of the company, enhance customer experience and growth of the company. For this, the company has strengthened the risk management department through recruitment of additional skilled and experienced manpower, investment in cyber security, regular training and development of the employees. Further the company also has enrolled an actuary on a retainership basis to facilitate the risk management activities of the company.

### d. To increase the market share and increase insurance penetration.

Shikhar Insurance aims to maintain the market leadership by increasing the market share and increasing insurance penetration throughout the country along with maintaining the ethical business practices. Insurance penetration shall be increased through the establishment of new branch offices, providing insurance services through online or digital means and new product development. An independent research and development department has been established for the purpose of the development of new insurance products. Shikhar Insurance plans to develop 2-3 new insurance products each year.

### e. Reinsurance management

Regular revision on the reinsurance arrangement shall be done based on the Risk Capacity, Risk Appetite and Risk Tolerance level of the company and with due consideration of the directives issued from the NIA. The objective of the reinsurance arrangement of the company is to share risk in an appropriate manner to increase profitability and protect the solvency and interest of the shareholders of the company during the time of catastrophic incidents. The company has been making decisions regarding RI management based on the actuarial study of risk profiles of the company and related data analytics.

### f. Compliance of NFRS 17 and ORSA

Shikhar insurance aims in achieving compliance of Nepal Financial Reporting Standard 17, Insurance Contract and Own Risk and Solvency Assessment within the due dates stipulated by the concerned authorities. For NFRS 17, the company has already entered into an agreement with one of the leading global accounting firms, KPMG, who have experience of implementing IFRS 17 in different countries. For ORSA, the company has appointed a consulting actuary on a retainership basis. Further, the company has strengthened the risk management function through the development of standard operating procedures, required policies and action plans. Required number of skilled and experienced manpower have been recruited for both NFRS 17 and ORSA.

## Strategy for Insurance Development, Insurance Products and Insurance Services

Following strategies have been initiated for the sustainable development, customer satisfaction and market leadership.

- a. Market research and analysis to understand national and global trends, customer needs and competitive landscape and identifying the opportunities and threats.
- b. Incorporating the latest technology and innovation in the development of insurance products and providing insurance services. The use of mobile applications and online platforms should be further strengthened. Shikhar insurance has plans to incorporate artificial intelligence and machine learning solutions for underwriting, risk assessment and providing claim services.
- c. New customized insurance products shall be developed as per the needs of the economy as well as niche insurance products for the underserved communities and market.
- d. Innovative value-added services shall be introduced that will enhance customer experience.
- e. Claim process shall be further simplified using digital channels, use of artificial intelligence and machine learning.
- f. Customer service should be further improved through continuous training and development activities. Shikhar insurance plans to provide 24/7 customer support through various channels.
- g. By leveraging the CRM systems customer relationship management shall be further improved.
- h. Shikhar Insurance plans for new strategic partnerships with healthcare service providers, auto industry for comprehensive and hassle-free insurance services.

## Sustainability Strategy with Measurable Objectives

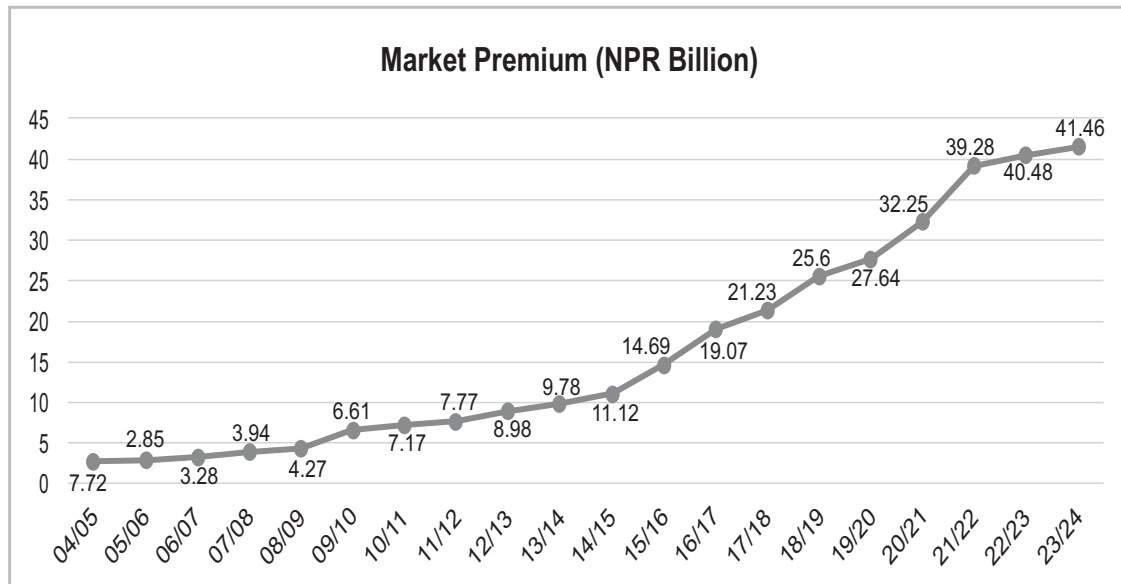
Our vision is to become a leader in sustainable insurance, setting the benchmark for responsible practices within the industry. Our mission is to embed sustainability into our core business strategies, fostering a culture of innovation, transparency, and ethical conduct. By doing so, we aim to contribute to the global efforts in mitigating climate change, promoting social equity, and enhancing economic stability. Our sustainability strategy includes the following strategies:

- Reducing Carbon Footprint: Implementing measures to minimize our carbon emissions through energy-efficient operations, use of renewable energy sources, and promotion of sustainable practices among employees and clients. For this purpose, the company has the following plans and objectives:
  - Replacement of ICE vehicles with electric vehicles for official use.
  - Providing additional financial benefits to the employees who use electric vehicles instead of ICE vehicles.
  - Less use of papers for the official work. For this, the company has planned for digital transformation of all feasible operations in the next 3 years.
  - Using solar energy for the operations of the company.
- Climate Risk Management: Integrating climate risk considerations into our underwriting and investment practices, ensuring that our portfolio supports a low-carbon economy. Further Shikhar Insurance aims to develop new insurance products for climate change risk management. Shikhar Insurance has developed the following insurance products for climate change risk management:
  - Weather index-based apple insurance
  - Weather index-based paddy insurance
  - Index based flood insurance.

- **Promoting Green Insurance Products:** Developing and offering insurance products that encourage environmentally friendly behaviors. Shikhar Insurance developed and introduced the Auto Plus Insurance policy in the Nepalese Insurance market, which covers the depreciation amount in the batteries of electric vehicle which is 50% as per the prevailing motor insurance tariff.
- **Diverse and Inclusive Workforce:** Fostering a diverse and inclusive work environment where all employees feel valued and empowered to contribute their best. Out of total workforce of Shikhar Insurance 40% are female staff and Shikhar Insurance promotes more diverse and inclusive workforce.
- **Employee Well-being:** Implementing policies and programs that prioritize the health, safety, and well-being of our employees.
- **Responsible Investment:** Adopting responsible investment practices that consider environmental, social, and governance (ESG) factors, thereby supporting sustainable economic growth. Currently more than 5% of total investment of the company is invested in the area of hydroelectricity projects and infrastructure with an objective to support sustainable economic growth.
- **Risk Management:** Enhancing our risk management frameworks to address emerging risks, including those related to climate change and cyber threats.
- **Collaborative Partnerships:** Collaborating with an international development organization for sustainable insurance products and mitigating climate change risk.
- **Developing and promoting inclusive insurance products** ensures that vulnerable and underserved communities have access to financial protection. Objectives include:
- **Offering affordable health insurance plans** for underinsured populations for the public at Karnali and other rural areas.
- **Providing disaster insurance solutions** to communities at high risk of natural disasters.

## Review of the Future Business Prospects

During the past 20 years, the general insurance industry has grown by more than 15 times. In 2004 the total market size of Nepalese general insurance industry was Rs.2.7 billion which has been increased to Rs. 41.5 billion in 2024.



The insurance industry in Nepal has shown significant growth over the past few decades. This growth can be attributed to increasing awareness among the populace, economic development, and regulatory reforms. During the pre-covid period the general insurance industry grew at an average growth rate of 20%. The COVID-19 pandemic has had a profound impact on economies worldwide, and the insurance industry has not been immune to these effects. The pandemic followed by other financial and economic problems in the country led to a severe economic slowdown, which affected disposable income and financial stability. Many businesses faced closures or reduced operations, leading to a decline in revenue for both individuals and companies. This economic disruption resulted in a decrease in the uptake of new insurance policies as people prioritized essential expenses over insurance premiums resulting in marginal growth in the past two years.

While the pandemic posed significant challenges, it also opened up opportunities for growth and innovation in the insurance sector. The accelerated adoption of digital technologies, increased awareness, and regulatory support have set the stage for a more resilient and customer-centric industry. The general insurance industry in Nepal is expected to recover and grow as the economy stabilizes and the lessons learned during the pandemic are applied to future strategies.

The Nepalese general insurance industry has undergone significant transformations over the past few decades. A key trend shaping the industry is the increasing number of mergers among insurance companies. These mergers have the potential to reshuffle market dynamics, create new opportunities, and pose several challenges.

Further, the current economic slowdown has undoubtedly posed significant challenges to the Nepalese insurance industry such as reduced insurance uptake, and increased claims, and reduction in the investment return.

However, the outlook of the Nepalese general insurance industry seems promising the industry will likely witness significant growth, driven by several key factors.

### Technological Integration

The continued digital transformation of the insurance sector will play a significant role in its future success. Embracing digital platforms for policy underwriting, customer service, and claims processing will enhance



efficiency and customer satisfaction. The integration of advanced technologies such as artificial intelligence, machine learning, and big data analytics will revolutionize the general insurance industry. These technologies will enable insurers to offer personalized products, improve risk assessment, enhance customer experience, and streamline operations.

#### **Collaborative Efforts**

Collaboration between the government, private sector, and international organizations will be vital in addressing the challenges and harnessing the opportunities in the insurance market. Joint initiatives can help in improving regulatory frameworks, increasing insurance literacy, and promoting sustainable growth. Supportive regulatory frameworks will play a crucial role in shaping the future of the industry.

#### **Customer-Centric Approach**

A shift towards a customer-centric approach will be vital for insurers to stay competitive. Understanding customer preferences, offering flexible solutions, and providing exceptional service will be key differentiators. Insurers will need to focus on building strong customer relationships and enhancing their value proposition to retain and attract clients.

#### **Innovation and Product Diversification**

Innovation will be at the forefront of the industry's growth. Developing new and diverse insurance products that address the evolving risks and needs of consumers will open new business opportunities. Insurers will need to explore niche markets and create tailored solutions for various segments, including small businesses, agriculture, and health sectors.

#### **Education and Awareness**

Enhancing education and awareness about insurance will be crucial. Initiatives aimed at improving financial literacy and understanding of insurance products will help in building trust and encouraging informed decision-making among consumers.



## Effect of External Environment on the Company's Business

The general insurance industry in Nepal, like in many other countries, is significantly influenced by various external environmental factors. These factors encompass economic conditions, regulatory frameworks, socio-political climate, technological advancements, and natural calamities.

### Economic Conditions

The economic landscape of Nepal has a profound impact on the general insurance sector. A robust economy typically leads to higher disposable incomes and increased demand for insurance products. Conversely, economic downturns result in reduced consumer spending on insurance. The economic slowdown after the COVID-19 aftermaths and crisis in the Nepalese banking and cooperative sectors has severely affected the growth of Nepalese general insurance industry in the past couple of years. Inflation in Nepal has been relatively volatile, partly due to reliance on imports and fluctuating foreign exchange rates. High inflation rates have both positive and negative impacts on the insurance industry. The higher inflation rate increases the value of sum insured resulting into the increase in premium amount. In the meantime, it also reduces the disposable income resulting in decreasing demand for insurance.

### Interest Rates

Interest rates determine the returns on investments made by insurance companies. Given the regulatory provision of minimum of 50% investment in the fixed deposit of commercial bank, Lower interest rates, reduce investment income, affecting the profitability.

### Regulatory Framework

The insurance industry in Nepal is governed by the Nepal Insurance Authority which sets regulations and guidelines to ensure stability and protect policyholders' interests. Apart from the NIA, insurance companies are also required to follow the regulations of SEBON, NEPSE, IRD, CRO and standard developed by the accounting standard board. Regulatory changes can have significant implications for the industry. Further, compliance with regulatory provisions, accounting and financial reporting standards can also increase operational costs of the insurance companies.

### Socio-Political Environment

The socio-political environment in Nepal plays a crucial role in shaping the general insurance industry. Political stability and government policies can either bolster or impede industry growth.

Nepal's political landscape has seen significant changes over the past decades, with periods of instability impacting economic activities and investor confidence.

### Government Policies

Government policies related to infrastructure development, healthcare, and disaster management directly influence the insurance sector. Initiatives that promote infrastructure investments and healthcare accessibility create opportunities for insurers to offer tailored products. Further, fiscal policy of the government and monetary policy of the central bank also impact the economic conditions of the country and have direct/indirect impact on the insurance sector.

### Technological Advancements

Technology is a game-changer for the general insurance industry, affecting everything from product development to customer service and operational efficiency. The digitalization of insurance processes has revolutionized the industry. Online platforms and mobile applications enable consumers to purchase and manage insurance policies conveniently. However, with increased digitalization comes the heightened risk of cyber threats. Insurers must invest in robust cybersecurity measures to protect sensitive data and maintain consumer trust.

### Natural Calamities

Nepal is highly susceptible to natural disasters such as earthquakes, floods, and landslides. These events have a direct and substantial impact on the general insurance industry. Insurance companies are required to have a robust risk management strategy and reinsurance programs to protect the solvency of the company due to the natural calamities.

# CORPORATE RESPONSIBILITY





## संस्थागत सामाजिक उत्तरदायित्व



धनगढी उप महानगरपालिकाबाट संचालित सामुदायिक विद्यालयको लागि आर्थिक सहयोग



कर्णाली प्रदेश, रासकोट गाउँपालिकामा ओखर बोट वितरणका लागि आर्थिक सहयोग



कर्णाली प्रदेशको भुक्मप पीडितहरूका लागि आर्थिक सहयोग

## Company's Initiatives for Staff Welfare

Shikhar Insurance has always prioritized the welfare of its employees, recognizing that the well-being of staff directly influences their productivity and job satisfaction. Shikhar Insurance has introduced a series of initiatives aimed at fostering a supportive and healthy work environment. These initiatives reflect the company's commitment to its employees' physical, mental, and professional well-being.

- a. Shikhar Insurance has implemented health and accidental insurance despite enrollment in the Social Security Fund. After enrolling in the social security fund, medical insurance and personal accidental insurance is not legally required. However, Shikhar insurance has done personal accidental insurance up to Rs. 30 lakhs and medical insurance up to Rs. 1.5 lakhs.
- b. Shikhar Insurance has also provided endowment life insurance coverage of Rs.5 lakhs for each staff. This offers additional financial security to the employees.
- c. Shikhar Insurance believes in the continuous growth and development of its employees. To this end, the company offers various professional development opportunities.
- d. Regular training sessions are conducted to enhance the skills and knowledge of employees. These programs cover a range of topics, including technical skills, leadership development, and industry-specific knowledge. The company also partners with renowned institutions to provide certifications and advanced training courses.
- e. Shikhar Insurance understands the importance of maintaining a healthy work-life balance. The company has introduced several initiatives to help employees balance their professional and personal lives:
- f. Shikhar Insurance has established formal recognition programs to acknowledge the hard work and dedication of its long-serving employees. These recognition programs motivate employees to strive for excellence and foster a culture of appreciation.
- g. To promote mental health and work life balance Shikhar insurance is also providing additional paid leave benefit to its employees apart from the statutory leaves. Additional home leave and casual leave have been provided to support the work life balance of the employees.
- h. In addition monthly menstruation leave facility has been provided to the female staff to support their mental health and physical wellbeing.

Shikhar Insurance's initiatives for staff welfare reflect a holistic approach to employee well-being. By addressing physical health, mental well-being, professional development, work-life balance, the company ensures that its employees feel valued, supported, and motivated. These efforts not only enhance employee satisfaction but also contribute to the overall success and reputation of Shikhar Insurance as a caring and responsible employer.

## Company's Contribution in National Economy

Shikhar Insurance has contributed significantly to the overall economy of the country. The contribution of the company is highlighted through the following points:

### Revenue Contribution

Shikhar insurance is contributing around Rs. 1 billion each year to the government revenue through direct, indirect and withholding taxes. During the 20 years period Shikhar Insurance has contributed around 15 billion in government revenue.

### Investment in Infrastructure

Shikhar Insurance has been investing a significant amount of the investment fund in national infrastructure projects. These investments not only improve the quality of life for citizens but also enhance economic productivity by reducing transportation costs and facilitating the movement of goods and services.

### Stability in the Economy

By offering various insurance products, such as property, marine, motor, aviation, engineering, cattle and agriculture insurance, Shikhar Insurance has helped to bring stability to the economy of the country. Financial risk mitigation through insurance stabilizes the economy by ensuring that individuals and businesses can recover quickly from losses, thereby maintaining their financial health and contributing to the economy. Shikhar Insurance's health insurance products have made a significant impact on the well-being of the people. By providing access to quality healthcare services, the company helps reduce the financial burden of medical expenses on individuals and families. This, in turn, leads to a healthier, more productive workforce, which is essential for sustained economic growth.

### Employment Creation

Shikhar Insurance has been a major employer in the general insurance industry of Nepal providing employment opportunities across various sectors, including underwriting, claims processing, administration, customer service, and sales. By creating employment opportunities, the company supports household incomes, increases consumer spending, and contributes to the overall economic cycle.

### Corporate Social Responsibility

Shikhar Insurance is committed to corporate social responsibility and actively engages in various initiatives that benefit society and the environment. The company's CSR programs focus on areas such as education, environmental sustainability, and community development and social welfare. By investing in these initiatives, Shikhar Insurance not only enhances its corporate reputation but also contributes to the overall socio-economic development of the nation.

## Action Taken by the Company to Become More Sustainable and Contribute to a Sustainable Global Economy

Shikhar Insurance has taken substantial steps to integrate sustainable practices into its operations, aligning with global efforts to combat climate change and promote a sustainable global economy.

Shikhar Insurance has implemented a series of green policies aimed at reducing its environmental footprint. These policies encompass energy conservation, waste management, and water usage reduction. By prioritizing the use of renewable energy sources and implementing energy-efficient practices in its offices, Shikhar Insurance has significantly reduced its carbon emissions. The company has adopted a policy of gradually replacing the ICE vehicles with electric vehicles for official purposes and providing additional benefits to the staff who opt for the electric vehicles. Shikhar Insurance has short term and long-term plans to leverage digital technologies to enhance operational efficiency and reduce its environmental impact. Through digital transformation of the operations of the company, promoting paperless transactions, and utilizing data analytics, the company plans to minimize consumption of paper, energy and other resources. Further, the company has also plan to use solar and renewal energy for the operation of the company.

Recognizing the growing impact of climate change on the insurance industry, Shikhar Insurance has enhanced its climate risk management strategies in insurance product development. The company has developed number of insurance products such as weather index-based apple insurance, index-based flood insurance, index-based paddy insurance, etc. to address climate change risk management. We have plans to use advanced modeling techniques to assess and mitigate climate-related risks, ensuring that it can provide reliable coverage in the face of increasing environmental uncertainties.

We have collaborated with international and local partners to advance sustainability climate change risk management goals. We have collaborated with Sakchhyam UKaid Access to Finance, Insu- resilience fund, Germany for the development of new insurance products relating to sustainability and climate change.

By regularly reviewing and updating its sustainability strategies, Shikhar Insurance ensures that it remains at the forefront of sustainable business practices. As Shikhar Insurance continues to evolve and adapt to emerging challenges, it serves as a model for other organizations striving to make a positive impact on the world.

### Initiatives Towards Environmental Conservation, Social Development and Sustainability

The company has taken the following direct and indirect initiatives towards environmental conservation, social development and sustainability:

- Organizational policy to replace ICE vehicles with electric vehicles to reduce carbon emission
- Policy of using solar and renewal energy for the operation of the company
- Development of innovative insurance products for climate change risk management
- Development of auto plus insurance policy that provides the huge depreciation deduction in the electric vehicle in the motor insurance policy.
- Blood donation programs
- Plantation programs
- Distribution of walnut trees to 3,000 households in Karnali region
- Insurance of more than 5,000 houses in Karnali region in cooperation with the local government.

### Disclosure in Relation to Corporate Social Responsibility

CSR initiatives of the company are governed by the directives of the NIA relating to corporate social responsibility. As per the regulation, an insurance company must spend at least one percentage of the net profit for corporate social responsibility. As per the provision of the directives of the NIA, an insurance company can spend money on the following projects through the CSR reserve:

- a. Social welfare projects: Education, health, disaster management, economic upliftment of deprived sector public, insurance awareness, insurance protection and insurance of marginalized public.
- b. Direct subsidy: education and health of deprived and marginalized public
- c. Poverty reduction: insurance protection of deprived sector public from natural disaster
- d. Expense of childcare center for children of the staff of the company.

Shikhar insurance has made expense on following CSR activities during FY 2023/24.

#### Walnut plant distribution

With an objective to uplift the economic status of the public of Raskot municipality, Karnali Province, Shikhar insurance distributed walnut plant to the 3,000 households of Raskot Municipality. The total amount of the walnut distributed was Rs. 1,078,000. Walnuts are a high-value crop with a strong demand in both domestic and international markets. By cultivating and harvesting walnuts, households can generate a substantial income through sales. Additionally, walnut trees contribute to environmental sustainability by preventing soil erosion, improving soil fertility, and promoting biodiversity. The distribution of walnut plants encourages local entrepreneurship, and the development of small businesses focused on walnut products. This can lead to economic diversification and resilience, reducing reliance on traditional farming practices.

#### Financial contribution to earthquake victims of Karnali Province

Financial support of Rs. 11 lakhs were provided to Karnali Province Government for the earthquake victims of Jajarkot and Rukum of Karnali Province. In response to the earthquake in Karnali Province, Shikhar Insurance's provision of financial support represents a crucial lifeline for the victims. We expected that this aid would help meet urgent needs for shelter, food, water, and medical supplies to the earthquake victims at the Karnali Province.



### **Blood Donation Program**

Each year Shikhar insurance has been running blood donation programs as CSR initiatives. Shikhar Insurance conducted blood donation programs in 17 different locations throughout the country. The total cost of the blood donation Program conducted throughout the country was around Rs. 8 lakhs. Through the blood donation campaign, more than 1200 pints of blood were collected that helped to provide critical blood supplies essential for saving lives during dengue outbreaks and accidents cases.

### **Financial Aid to the community school of Dhangadhi Sub Metropolitan City**

Shikhar Insurance provided financial aid of Rs. 1,315,000 to a community school operated by the Dhangadhi Sub metropolitan city. The aid helped to uplift the education of female students studying at community schools of Dhangadhi areas.

### **Insurance Awareness Activities**

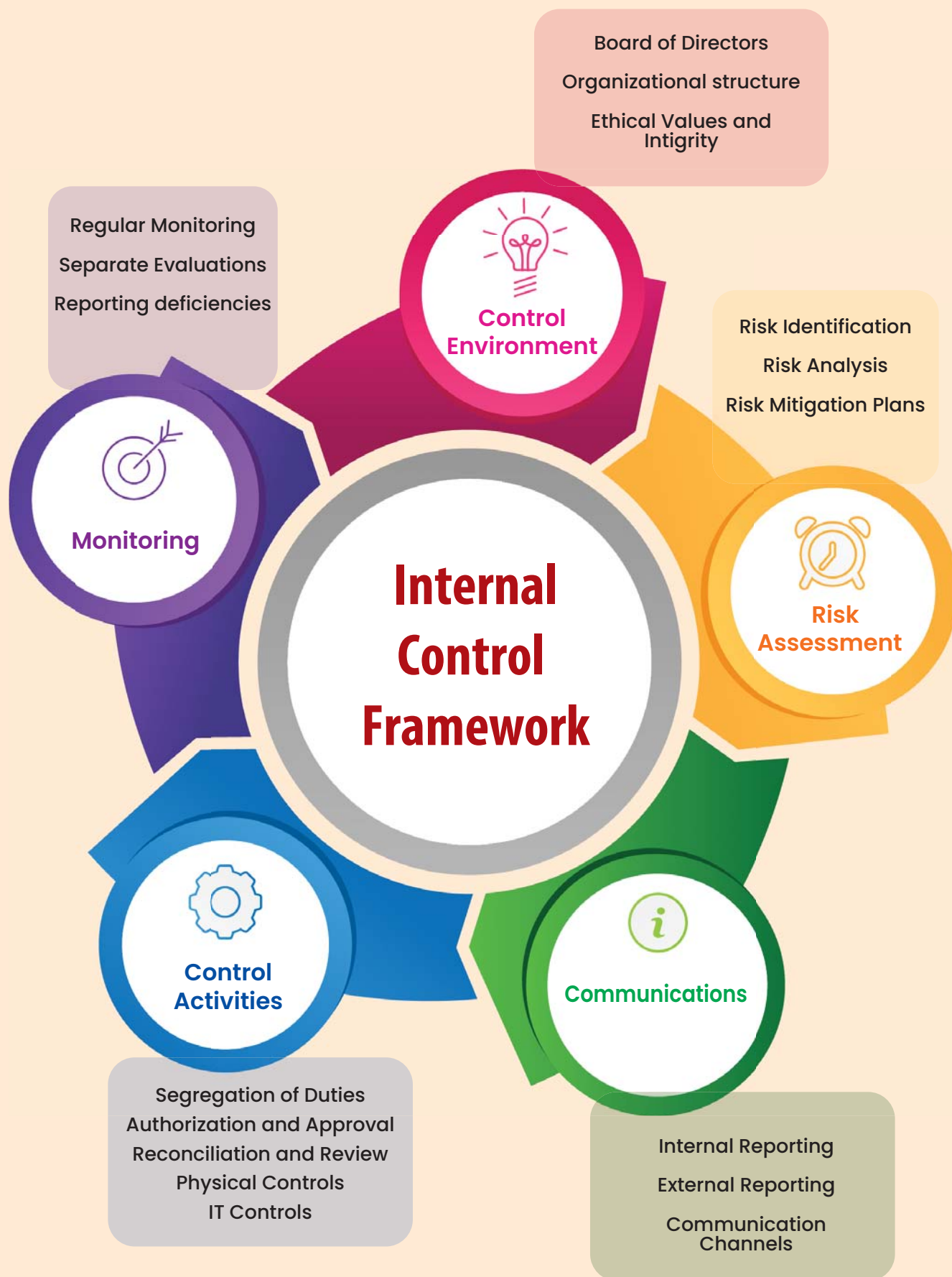
With an objectives of corporate social responsibilities, Shikhar Insurance is conducting different insurance awareness activities throughout the countries including TV program for insurance awareness, seminaar and insurance training porograms, mobile insurance awareness activities.

### **Other CSR programs to support educational programs**

The company also provided financial aid of Rs. 1,300,000 to different organizations to support the educational objectives. The amount includes financial aids provided to the “Govind Biyogi Patrakarita Adhyan Kendra (Rs.550,000), Martin Chautari Library (Rs.250,000), Shree Gargi kanya Gurukul Pratisthan (Rs.300,000) and Sahana Pradhan Foundation Rs.200,000. Apart from the above programs the company provided financial aids to multiple other programs in different areas including social welfare, public health and insurance awareness.

# **RISK MANAGEMENT AND INTERNAL CONTROL**





## Risk Management Policy / Framework and Mechanism to Manage Risks

Risk management aims to reduce uncertainty in business while internal control ensures that all operations within the company are effectively performed and are within established standards.

The company has developed a risk management framework which aims to continuous identification and measurement of the unknowns; developing mitigation plan; selecting, planning, and implementing appropriate risk mitigations strategy; and tracking the implementation to ensure successful risk reduction and mitigation. The Board of Directors approves the risk management strategy and risk policies pertaining to core activities that give rise to insurance risk. The senior management is nominated to implement and lead the risk management team for the successful implementation of the risk management framework. The Risk and Actuarial Department is responsible for ensuring the implementation of risk management framework in departments, perform quantitative risk assessments and implementing mitigation measures within the framework boundaries. The internal audit validates the functioning of risk policies.

Risks are assessed on a regular basis and based on findings mitigation strategies are designed and implemented to address those risks.

The company employs stress testing, risk diversification and reinsurance as the main tool for risk management.

### Core Risk Categories

#### 1. Insurance Risk

- **Underwriting Risk:** Underwriting Risk may refer to the likelihood of an insurance company suffering a financial loss due to their underwriting activities.
- **Claim Settlement Risk:** Claims settlement risk is the risk arising from the process by which insurers fulfil their contractual obligations to policyholders.
- **Product development Risk:** Product development risk refers to all the uncertainties and risks that can cause a product development effort to be unsuccessful.
- **Reinsurance Risk:** Reinsurance risk refers to the inability of the ceding company or the primary insurer to obtain insurance from a reinsurer at the right time and at an appropriate cost.
- **Reserving Risk:** Reserving risk is the risk that the reserves set aside by the insurer for its insurance liabilities (net of reinsurance and other recoveries for those liabilities) will be inadequate to meet the net amount payable when the insurance liabilities occur.

#### 2. Market Risk and Credit Risk

- **Interest Rate Risk:** Interest rate risk is the exposure of a bank's current or future earnings and capital to adverse changes in market rates.
- **Equity Risk:** The risk of losing money due to a reduction in the market price of shares is known as equity risk.
- **Exchange Rate Risk:** Exchange rate risk refers to the risk that a company's operations and profitability may be affected by changes in the exchange rates between currencies
- **Liquidity Risk:** Liquidity risk is the risk of loss resulting from the inability to meet payment obligations in full and on time when they become due.
- **Credit Risk:** "Credit risk "means the risk of adverse changes in the value of capital resources due to unexpected changes in the actual default as well as in the deterioration of obligor's credit worthiness short of default, including migration risk, spread risk due to defaults and concentration risk.

#### 3. Operational Risks

- **Legal Risk:** Legal risk is a type of risk that arises from the potential for legal action or liability
- **Cyber Risk:** Any risks that emanate from the use of electronic data and its transmission, including technology tools such as the internet and telecommunications networks.

- **Reputational Risk:** Reputational risk is a threat or danger to the good name or standing of a business or entity
- **Data Risk:** Data risk is defined as exposure to loss of value or reputation caused by issues or limitations to an organization's ability to acquire, store, transform, move, and use its data assets.
- **Human Resource Risk:** Human resources risk is the potential for losses and shortfalls related to employees and other members of a workforce.
- **Information Technology (IT) Risk:** IT risks include hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as fires, cyclones or floods

#### 4. Climate Change Risk

**Transition Risks:** Transition risks mean risks that arise from the transition to a low-carbon and climate-resilient economy

**Physical Risks:** Physical risks mean risks that arise from the physical effects of climate change,

**Liability Risks:** Liability risk means the risk of claims arising under liability policies, as well as direct actions against insurers, for failing to manage climate risk

#### 5. Strategic Risk

Risk of loss to the insurer from potential failures or errors in strategic planning and/or implementation, either due to internal or external events, leading to the insurer not achieving its core objectives.

#### 6. Compliance Risk

Compliance risk is the risk of loss to the insurer due to failing to comply with the legal and regulatory requirements.

#### 7. Conduct Risk

The conduct risk is the risk of loss or poor outcome or unfair treatment towards the current and future policyholders or adverse consequences to the insurance market due to improper business conduct or business malpractice or unwillingness to comply with regulatory market conduct requirements by the insurer and/or its representatives.

#### 8. Money Laundering & Financing of terrorism Risk

The risk that illegal funds and assets are converted into legitimate funds and assets using insurer as the vehicle.

#### 9. Emerging Risks

Emerging risks are new or foreseeable risks with insufficiently known hazard potential and effects that are difficult to assess.

#### Guiding Principles of Risk Management

- All business decisions will be made with prior information and acceptance of risk involved
- The Risk Management Policy shall assist in the enhancement and protection of business value from uncertainties and consequent losses
- All employees of the company should be made aware of risks in their respective departments and their mitigation measures
- The risk mitigation measures adopted by the company shall be effective in the long run and to the extent possible be embedded in the business processes of the company
- Risk tolerance levels will be regularly reviewed and decided upon depending on the change in company's strategy
- The occurrence, progress and status of all risks will be promptly reported, and appropriate actions be taken thereof

#### Risk Management Framework

The risk management framework establishes a systematic approach to risk identification, assessment, and management. It consists of six core components:

1. **Risk Identification** where all potential risks are identified to ensure they are controllable and manageable.



2. **Risk Assessment** where risks are assessed quantitatively by making informed decisions and managing accumulations.
3. **Risk Analysis** where risk analysis is conducted using a risk matrix for likelihood and impact, taking the existing controls into consideration.
4. **Risk Mitigation** where plans and strategies shall be considered in determining the suitable risk treatment.
5. **Risk control and monitoring** uses the output of a risk assessment and implements countermeasures to reduce the risks identified to an acceptable level.
6. **Risk Reporting** where internal and external transparency on risk exposures are provided and compliance with disclosure requirements. Risk reporting is communicated from each department risk owners to risk committee and audit committee through Chief Risk Officer.

## Advanced Risk Management Practices

### 1. Integrated Risk Models

We are in the process of using proprietary integrated risk models to assess exposures, determine capital requirements, and ensure compliance with solvency frameworks. These models are regularly updated to reflect evolving market conditions and regulatory standards.

Further Qualitative Risk Reporting Template (QRRT) is used from this year to determine the capital requirements as per risk-based capital model and solvency of the company.

### 2. Scenario Analysis and Stress Testing

We have planed to conduct scenario analysis to evaluate the impact of extreme events and stress testing to gauge financial resilience under adverse conditions.

### 3. Sustainability and ESG Considerations

Factoring environmental, social, and governance risks into decision-making processes to align with global sustainability goals.

### 4. Decentralized Risk Oversight

Embedding Chief Risk Officer and risk owners within each legal entity to ensure localized risk oversight and alignment with group-wide policies.

## Key Risk Management Functions

Effective risk oversight is ensured by the company. Chief Risk Officer and risk teams embedded within the organizational structure monitor adherence to risk policies and provide specialized expertise.

Central risk owners in each department support these functions by offering analysis in day-to-day risk activities, maintaining compliance frameworks, and providing oversight across all risk categories.

## Climate Risk Related Disclosure

Climate risk is a significant concern for the company, particularly due to the increasing frequency and severity of weather-related losses (physical risks), changes in regulations and market conditions that impact on our reinsurance business and investments (transition risks), and the rising number of environmental-related lawsuits against businesses and public institutions (legal risks). Shikhar Insurance is committed to climate risk management through governance, assessment, measurement, and mitigation measures.

Climate-related risks in the company are overseen by the Risk Management Committee and managed at the operational level. The company's strategy for managing climate change risks is as follows:

- a. Develop climate risk related strategy to increase the resilience of the company against the adverse impacts of climate change.
- b. Develop key metrics and other measurements relating to climate change risk management.



- c. Define targets to be used by the company in managing climate change risks.
- d. Develop necessary action plans for the achievement of the key metrics and targets relating to climate change risk management.
- e. Measure actual performance against the key metrics, measurements and targets of the company relating to climate change risk management.

**For management of climate-related risk the company has adopted the following measures:**

**a. Climate Risk Consideration in the Insurance Business**

- i. **Catastrophic Reinsurance Program**  
Catastrophic reinsurance protection includes risk coverage of earthquakes, floods, storm, landslide which limits the net retention of the company and protects from the spillover of the event limit of the reinsurance treaty.
- ii. **Innovative New products**  
Shikhar Insurance has developed innovative products to cater the climate related risks such as weather index-based apple insurance, Index based flood insurance, index based paddy insurance.

**b. Green Initiatives**

- i. **Use of Electric Vehicles**  
The company has started to use and purchase electric vehicles for official use. The company has promoted the use of electric vehicles to its staff. Additional benefits are provided to the staff who purchase electric vehicles under the employee vehicle scheme.
- ii. **Plantation in Office**  
The company has implemented office plantation initiatives to enhance green spaces and promote environmental sustainability.
- iii. **Use of natural lights**  
Shikhar Insurance promotes energy saving behavior at work and employees make sure there are no appliances working when not required. The office spaces are designed to utilize natural light, reducing the need for artificial lighting during the daytime.
- iv. **Less use of paper**  
The company has reduced usage of paper through automation of the process. Use of paper is discouraged as far as possible for all the operation of the company.
- v. **Solar Energy**  
The company has planned to install solar panels at the corporate office of the company to promote the use of renewal energy.

**Reinsurance Policy and Adequacy of Reinsurance Coverage Including Catastrophic Reinsurance**

The company's reinsurance policy is guided by the risk appetite, risk capacity and risk tolerance level of the company along with due consideration of the directives from the NIA regarding reinsurance management. Each year, reinsurance optimization study is carried out through the consulting actuary of the company. Actuarial analysis of historical data and risk profile is conducted before developing reinsurance plans and programs.

The company selects reinsurers based on their creditworthiness, ensuring financial strength and reliability and NIA directives relating to reinsurance. The reinsurance program is structured to align with the company's exposure, providing adequate protection across all lines of business. The company communicates regularly with reinsurers to strengthen partnership and mutual understanding, enhancing trust and transparency which reduces counterparty credit risk by ensuring clarity in claim expectations, claim settlement schedules, timely updates, and effective issue resolution.

The reinsurance strategy includes proportional treaties to manage predictable risks and excess of loss agreements to cover high-severity events. Facultative reinsurance fills the reinsurance gap and provides coverage for policies not included under our regular reinsurance.

## Adequacy of Catastrophic Reinsurance

Shikhar Insurance has taken catastrophic whole account reinsurance coverage of Rs. 700 crores which covers spillovers from the event limit of proportional reinsurance treaty and limits the maximum retention of the company to Rs.5 crore per catastrophic event. The company's catastrophic reinsurance program is a comprehensive program that covers all major portfolios including property, marine, motor, engineering, cattle and miscellaneous insurance. The company's catastrophic reinsurance covers losses from natural disasters, including earthquakes and floods and other catastrophes such as fire.

The current catastrophic reinsurance program implemented by Shikhar Insurance represents the highest level of coverage among all catastrophic reinsurance plans adopted by Nepalese general insurance companies.

## Effectiveness of Insurer's Internal Control System

### Control Environment

#### a. Board of Directors and Committees

An active and independent Board of Directors, along with a board committee for different functions viz. Audit Committee, HR Committee, Claim Committee, Risk Management Committee, AML Committee, Investment Committee and ORSA Committee provides oversight and guidance that play a vital role in establishing a strong control environment.

#### b. Organizational Structure

A clear organizational structure has been developed that delineates clear responsibilities and authorities. Separate legal and compliance department, audit department, AML/CFT department have been formed.

#### c. Ethical Values and Integrity

The company promotes a culture of honesty and ethical behavior. Each employee along with board members is required to follow the Codes of conduct. Regular training, and robust whistleblowing programs have been implemented to maintain integrity.

### Risk Assessment

#### a. Risk Identification

A comprehensive risk register has been prepared that covers all foreseeable risks of all departments. A risk dashboard has been developed that facilitates risk trigger mechanism.

#### b. Risk Analysis

The potential impact and likelihood of each risk have been properly analyzed. Detail analysis of the risk is done for the emerging risks as cyber risk. The reinsurance plan and the program has been developed based on the proper analysis of risk capacity, risk tolerance level and risk appetite of the company.

#### c. Risk Mitigation

Based on the risk analysis appropriate risk mitigation plans have been implemented. Following risk mitigation initiatives have been taken by the company to mitigate the likelihood of the operational risks:

- Reinsurance program has been designed based on the risk capacity, risk tolerance level and risk appetite of the company
- A sufficient catastrophic reinsurance program has been taken based on the risk profile of the company that covers spillovers from the proportional treaty and limits the net retention of the company to Rs.5 crore only on occurrence of any catastrophic event.
- The company's IT infrastructure has been strengthened to mitigate cyber-related risks. The company strictly prohibits the use of pirated software. Regular cyber hygiene training is provided to the employees.
- Regular training is provided to the staff regarding operational, regulatory and compliance aspects.
- Third Party vendor assessment is carried out for all major vendors and service providers of the company
- Regular audits including internal audit

## Control Activities

### a. Segregation of Duties

Each department and unit of the company has defined roles, responsibilities, and authority. Each employee of the company is provided with job descriptions which includes clear definition of the roles and responsibilities

### b. Authorization and Approval

Financial transactions, underwriting activities, reinsurance activities and claim sanction activities are controlled through clear authorities given to the persons responsible. Any transaction exceeding the authority level needs prior approval of the higher authority.

### c. Reconciliation and Review

Regular reconciliation of accounts and review of transactions is carried out to help detect and correct discrepancies promptly.

### d. Physical controls

Following physical Control measures have been implemented to assets and information from unauthorized access and misuse.

- Access control systems to restrict entry to authorized personnel only.
- Surveillance cameras to monitor and record activities in and around the premises.
- Secure storage for sensitive documents and assets.
- Regular maintenance and inspection of physical security infrastructure.
- Alarm systems
- Implementation of visitor management protocols.

### e. IT Controls

Following IT controls are implemented to safeguard data integrity, confidentiality, and availability. These controls include access controls, data encryption, and regular security assessments.

- Use of genuine software and operating systems. The company has provided Microsoft 365 plans to all staff of the company.
- Access controls
- Backup and Recovery procedures
- Disaster Management Plans
- Data Encryption, Firewall and Intrusion Detection Systems
- Regular Security Assessments and Audits
- Patch Management
- Multifactor Authentication
- Incident Response Plan

## Communication

### a. Internal Reporting

Following internal reporting mechanisms have been implemented by the company that facilitates proper reporting relating to the risk.

Operational Risk Reports relating to business, claim, reinsurance, policy renewals.

Financial and investment report which includes potential financial risks such as financial risks, such as credit risk, market risk, and liquidity risk.

### Compliance Report

Reports relating to IT and cyber security  
MIS and Risk Dashboard

### b. External Reporting

The company must comply with regulatory requirements for external reporting. This includes timely and accurate submission of financial statements and other mandated reports.

### c. Communication Channels

The communication channels for risk reporting include internal communication channel and external communication channel. Internal communication channels include email, internet, meetings and instant messaging through Microsoft team or telephone or verbal communication. External Communication channel includes reporting to regulators, communication with shareholders and public disclosures.

## Monitoring

### a. Regular Monitoring

Continuous monitoring activities, such as regular meetings, risk and MIS dashboard, supervisory reviews and performance evaluations have helped identify and address control deficiencies promptly.

### b. Separate Evaluations

Periodic independent evaluations, such as internal audits and external audits, provide an objective assessment of the effectiveness of internal controls.

### c. Reporting Deficiencies

A mechanism for reporting and addressing control deficiencies have been placed to ensure that issues are escalated and resolved in a timely manner.

## IT System and Control

Shikhar Insurance Company remains committed to strengthening its IT infrastructure, governance, and security framework to support business operations, ensure regulatory compliance, and enhance digital transformation initiatives. The company continuously improves its IT strategies to safeguard data integrity, confidentiality, and availability while embracing modern technologies to drive operational efficiency.

### Overview of IT Infrastructure

The company's IT infrastructure is designed to provide a reliable and secure digital ecosystem for both internal and external stakeholders:

- **Servers:** A combination of virtualized on-premises servers and secure cloud-hosted systems ensures uninterrupted operation of critical applications.
- **Storage Solutions:** Centralized backup systems, complemented by cloud synchronization, provide data redundancy and ensure secure access.
- **Network Connectivity:** A secure and resilient network infrastructure connects all branches via private communication channels.
- **Core Applications:** Specialized business management software supports critical operations, including insurance underwriting, human resource management, compliance, and other productivity tools.
- **Cloud Services:** The company has adopted cloud-based productivity solutions, providing employees with access to genuine software and secure collaboration tools.

### IT Governance

To maintain a structured and compliant IT environment, Shikhar Insurance follows best practices in IT governance:

- The company adheres to regulatory guidelines and is actively aligning its IT policies with international standards, including ISO 27001.
- Approved IT policies, including acceptable use and data privacy policies, have been fully implemented across the company.
- Additional policies have been developed to meet ISO 27001 requirements and are currently in the implementation phase.
- The IT committee oversees project approvals, major IT investments, and strategic initiatives to align technology with business goals.

### Security Measures

Shikhar Insurance has implemented robust security controls to protect systems, data, and user access:

- **Access Controls:** A strict role-based access mechanism ensures that employees have appropriate permissions based on their responsibilities.
- **Use of Genuine Software:** The company ensures the use of licensed operating systems and software, with Microsoft 365 plans provided to all staff.
- **Firewall and Intrusion Detection Systems:** Advanced security solutions monitor and protect the IT environment from unauthorized access and cyber threats.
- **Data Encryption:** Encryption mechanisms safeguard sensitive data both in transit and at rest.

- **CCTV Monitoring:** Surveillance systems are deployed in critical areas to enhance physical security.
- **Multi-Factor Authentication (MFA):** MFA is implemented in key systems to strengthen access security.

### Risk Management and Compliance

To mitigate IT-related risks and enhance compliance, the company follows a structured risk management approach:

- **Regular Security Assessments and Audits:** Internal audits and external evaluations are conducted periodically to identify vulnerabilities and enforce compliance.
- **Patch Management:** Systems and applications are regularly updated with security patches to mitigate potential threats.
- **Incident Response Plan:** A formalized plan is in place to address security incidents and ensure timely resolution.
- **Risk Register:** A comprehensive IT risk register is maintained to document, track, and mitigate risks effectively.

### Disaster Recovery and Business Continuity

Shikhar Insurance has implemented a robust disaster recovery and business continuity framework to ensure resilience against disruptions:

- **Backup and Recovery Procedures:** Multiple backup copies are maintained across on-premises and cloud storage solutions.
- **Disaster Management Plan:** The company has a structured response strategy to minimize downtime in case of unforeseen events.
- **Regular Disaster Recovery Drills:** Recovery tests are conducted to validate response efficiency, ensuring minimal disruption to business operations.

### IT Performance and Monitoring

To ensure optimal system performance and availability, the IT team employs various monitoring and evaluation tools:

- **Automated Dashboards:** Real-time monitoring of critical systems ensures early detection of potential issues.
- **Alert Mechanisms:** Proactive alerts enable swift action on incidents that could impact business operations.
- **System Availability and Response Time Metrics:** Performance is continuously measured to maintain high operational efficiency.

### Digital Transformation

Shikhar Insurance continues to drive digital transformation to enhance efficiency, improve customer experience, and integrate with emerging technologies:

- **Process Automation:** The company is implementing automation in internal processes to enhance efficiency and reduce manual workload.
- **Enhanced Customer Experience:** Digital platforms enable seamless policy purchases, claims management, and third-party integrations to offer superior customer service.
- **Third-Party Integrations:** The company collaborates with external systems and partners to facilitate B2B and B2C interactions.
- **Future Innovations:** Investments in data analytics, artificial intelligence (AI), and machine learning (ML) are planned to improve business insights and decision-making.

### Future IT Plans

Looking ahead, Shikhar Insurance aims to further enhance its IT capabilities through:

- Expansion of digital transformation initiatives to improve internal and external operations.
- Investments in advanced analytics, AI, and ML to enable data-driven decision-making.
- Development of an in-house knowledge-based system—a secure AI-powered assistant that allows employees to query internal company data without relying on external sources. This system will enhance operational efficiency, improve decision-making, and ensure quick access to organizational knowledge.
- Continuous efforts toward achieving international compliance standards, reflecting the company's commitment to strong IT governance and security.



# FINANCIAL STATEMENTS AND RELATED DISCLOSURES





CERTIFICATION BY APPOINTED ACTUARY

I, Raunak Jha, the Appointed Actuary of Shikhar Insurance Company Limited, hereby certify that,

- a. I have complied with the Risk Based Capital and Solvency Directive, 2022 (2078) issued by the Nepal Insurance Authority;
- b. I have taken into account all contingencies appropriate to the business that is valued and that the assumptions employed in the valuation are appropriate;
- c. the mathematical reserves have been based on the data provided and verified by the company and have been calculated and reported accurately;
- d. I have calculated the Risk Based Capital accurately; and
- e. the mathematical reserves along with the Risk Based Capital make good and sufficient provision for all the unmatured obligations under the terms of the policies on the books of the insurer.



**Raunak Jha,**  
**Founder and Consulting Actuary**  
Date: 12/02/2025

# Shikhar Insurance Company Ltd.

## Statement of Responsibility of Chief Finance Officer in respect of the Financial Statements

This statement outlines the core responsibilities and obligations of the Chief Finance Officer (CFO) of Shikhar Insurance in relation to the annual financial statements.

### 1. Preparation and Presentation of Financial Statements

The CFO is responsible for the preparation and presentation of the annual financial statements in accordance with applicable accounting standards, legal requirements, and regulatory guidelines. This involves:

- Ensuring that the financial statements are prepared in compliance with the Nepal Financial Reporting Standards (NFRS) and prevailing regulations, as applicable.
- Overseeing the consolidation of financial data from various departments and subsidiaries to produce comprehensive and accurate financial statements.
- Presenting the annual financial statements and other financial reports to stakeholders, including shareholders, investors, and analysts.
- Providing clear and accurate explanations of financial performance and any significant variances from expected results.

### 2. Internal Controls and Financial Reporting

The CFO is responsible for establishing and maintaining effective internal control systems to ensure the accuracy and reliability of financial reporting. Key responsibilities include:

- Designing and implementing internal controls to prevent and detect fraud, errors, and misstatements in the financial records.
- Regularly evaluating and updating internal control procedures to adapt to changes in the business and regulatory environment.
- Ensuring that all financial transactions are recorded accurately and in a timely manner.

### 3. Compliance and Ethical Standards

The CFO is accountable for ensuring that the organization adheres to all relevant laws, regulations, and ethical standards related to financial reporting. This includes:

- Staying informed about changes in financial regulations and accounting standards and ensuring that the organization complies with them.
- Liaising with external auditors, tax authorities, and regulatory bodies to ensure transparency and compliance in financial reporting.
- Promoting a culture of ethical behavior and integrity within the finance department and the broader organization.

### 4. Risk Management and Financial Strategy

The CFO is responsible for managing the risks and developing strategies to safeguard the company's financial health. Responsibilities in this area include:

- Identifying and assessing risks that could impact the organization's performance and implementing strategies to mitigate these risks.
- Developing and executing financial plans and budgets that align with the company's strategic objectives.

### 5. Communication with Stakeholders

The CFO is responsible for serving as a key point of contact for stakeholders regarding the financial performance and position of the organization. Responsibilities include:

- Presenting the annual financial statements and other financial reports to stakeholders, including shareholders, investors, and analysts.
- Providing clear and accurate explanations of financial performance and any significant variances from expected results.
- Ensuring that stakeholders receive timely and relevant information to make informed decisions about the organization.

**Suraj Rajbahak**  
Chief Financial Officer

# G.P.Rajbahak & Co.

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT To The Shareholders of Shikhar Insurance Company Limited

#### Opinion

We have audited the accompanying Financial Statements of M/s Shikhar Insurance Company Limited ('the Company'), which comprise the Statement of Financial Position as at Ashadh 31, 2081 (July 15, 2024), and the Statement of Profit or Loss, the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the Financial Position of the Company as at Ashadh 31, 2081 (July 15, 2024) and its Financial Performance and its Cash Flows for the year then ended in accordance with Nepal Financial Reporting Standards [NFRS].

#### Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing [NSA]. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the 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. 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and 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
a)	<p><b>Revenue Recognition (Premium Income):</b> Premium Income comprises major part of revenue which is recorded on issue of policy as prescribed by the directives of Nepal Insurance Authority. Unearned Premium Income is recorded/adjusted as estimated by the Company appointed Actuary.</p> <p>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.</p> <p>The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.</p>	<p><b>Our audit approach included:</b></p> <ol style="list-style-type: none"> <li>Obtain clear understanding of process of issuing the insurance policies as per the directives issued by the Nepal Insurance Authority and understanding the process of recording such income.</li> <li>Understood and tested the design, implementation and operating effectiveness of key controls over premium collection and its recognition.</li> <li>Verified on a sample basis the policies and other related underwriting documents including premium calculations therein as per the regulatory requirements and Internal Policies of the Company along with premium receipt with the time stamp to confirm the recognition of revenue in correct accounting period.</li> <li>Verified on a sample basis, the premium ceded to the reinsurers as per Reinsurance Treaty/ Agreement.</li> <li>Verified unearned premium income as assessed by the Company appointed Actuary in his Actuarial Valuation Report.</li> </ol>
b)	<p><b>Insurance Claim and Provision for Outstanding Claim:</b> Insurance Claim is the major area of expense for the Company.</p> <p>The company makes the provision of an amount of 100% of 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 as higher of 15% of outstanding claim or that determined by actuarial methods.</p> <p>The payment and processing of claims required significant auditor attention and has been identified as a Key Audit Matter in our report</p>	<p><b>Our audit approach included:</b></p> <ol style="list-style-type: none"> <li>Obtained clear understanding of the process and guidelines for claim processing as per the directives issued by Nepal Insurance Authority.</li> <li>Reviewed the company's operational guidelines for claim processing, performed test of controls, test of details and analytical procedures on outstanding claims.</li> <li>Verified the claim paid and provision on a sample basis along with the evidence of payment, documentation as well as surveyor report and understanding the recording process in the books of account.</li> <li>In case of Incurred but Not Reported (IBNR) and Incurred but Not Enough Reported (IBNER) claim cases, provisions have been captured by the actuary appointed by the company. The actuarial valuation of liability in respect of IBNR and IBNER as at Ashadh 31, 2081 (15.07.2024) is as certified by the company's appointed actuary and we had verified the amount and related liability based on such report.</li> </ol>

S.N.	Key Audit Matters	How the matters were addressed in our Audit
c)	<p><b>Investment Valuation, Identification and Impairment:</b> Investment of Company comprises of investment in quoted/unquoted equity instruments, debentures and fixed deposits of various banks and financial institutions.</p> <p>The valuation of aforesaid securities has been done in compliance with NFRS 9. The investment in fixed deposit has been recognized at Amortized Cost on reporting date whereas the investment in equity instruments quoted and unquoted, other than those held for trading are valued at Fair Value through Statement of Other Comprehensive Income.</p> <p>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 report.</p>	<p><b>Our audit approach included:</b></p> <ol style="list-style-type: none"> <li>Review of the investment of company and its valuation with reference to NFRS issued by the Accounting Standard Board of Nepal.</li> <li>Verification of investment requirement to be maintained by the insurance company as per Investment Directive 2079.</li> <li>Assessment of nature of expected cash flow of the investments as well as business model adopted by the management on the basis of available evidence/ circumstances and ensured that the classification of investment is commensurate with nature of cash flow and management intention of holding the investment.</li> <li>For the investment valuation that are done at amortized cost, we checked the Effective Interest Rate (EIR) and amortization schedule on test basis.</li> <li>For the investment valued through OCI for quoted investment, we ensured the fair valuation has been done at closing price in NEPSE as on the reporting date.</li> </ol>
d)	<p><b>Information Technology:</b> 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 process. Such reporting is highly dependent on the effective working of Software and other allied systems.</p> <p>We have considered this as key audit matter as any control lapses, validation features, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management, shareholders, regulators and stakeholders.</p>	<p><b>Our audit approach included:</b></p> <ol style="list-style-type: none"> <li>Understanding the Core Insurance Software and other allied systems used by the company for accounting and reporting purposes.</li> <li>Understanding the process of feeding data in the system and going through the extraction of the financial information and statements from the IT systems existing in the company.</li> <li>Checking of user requirements for any changes in the regulations/ policy of the company.</li> <li>Conducted a sample review of system generated reports and verified the premium income/expenses and claim payments related to issued policies and claim intimated on test basis.</li> </ol>

#### Responsibilities 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 NFRS, 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 Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether caused due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to related disclosures in the financial statements or, if such disclosure are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidences obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease as a going concern.

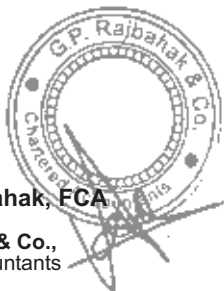
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Group's Activities to express an opinion on Financial Statements.

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.

#### Report on Other Legal and Regulatory Requirements

We have determined to communicate following matters in accordance with the requirements of Nepal Insurance Authority Directives, Companies Act 2063, Nepal Insurance Act 2079 and other regulatory requirements and other regulatory requirements: -

- We have obtained all the information and the explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- Based on our audit, proper books of accounts as required by law have been kept by the Company.
- The Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Cash Flow Statement, and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts maintained by the Company.
- Returns received from the branch offices of the Company were adequate for the purpose of our audit though the statements are independently not audited.
- The Special Reserve and other mandatory reserves maintained by the company are adequate considering the Directives issued by Nepal Insurance Authority.
- In our opinion and to the best of our information and according to the explanations and from our examination of the books of accounts of the Company, we have not come across any case where the Board of Directors or any office bearer of the Company have acted contrary to the provisions of law, or committed any misappropriation or caused any loss or damage to the Company and violated Directives issued by Nepal Insurance Authority or acted in a manner, as would jeopardize the interest and security of the Company and its shareholders
- The business of the Company has been conducted satisfactorily and operated within its jurisdiction and has been functioning as per Nepal Insurance Authority Directives.
- We did not obtain any information indicating engagement of the company in activities other than insurance business as approved/ licensed by the Nepal Insurance Authority.
- We did not obtain any Information indicating company's activities which is prejudicial to the interest of the insured.
- The Internal Control System implemented by the Company was found to be effective.
- To the best of our knowledge, the Company is capable of bearing its long-term liabilities from its assets.



**Ashesh Rajbahak, FCA**  
Partner  
**G. P. Rajbahak & Co.,**  
Chartered Accountants

Date: January 28, 2025  
Place: Kathmandu, Nepal

UDIN: 250130CA00278xF28U

**Shikhar Insurance Company Ltd.**  
**Statement of Financial Position**  
**As At 15th July, 2024 (Ashad End 2081)**

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>Assets</b>			
Goodwill & Intangible Assets	4	9,731,690	8,935,489
Property and Equipment	5	725,474,278	698,992,977
Investment Properties	6	78,427,771	82,652,887
Deferred Tax Assets	7	72,442,756	92,413,559
Investment in Subsidiaries	8	-	-
Investment in Associates	9	163,611,239	72,891,606
Investments	10	4,562,299,198	4,185,325,305
Loans	11	-	-
Reinsurance Assets	12	4,082,692,043	3,914,328,283
Current Tax Assets	21	129,122,387	5,918,345
Insurance Receivables	13	540,782,925	924,393,584
Other Assets	14	364,055,047	343,418,853
Other Financial Assets	15	720,205,955	596,439,335
Cash and Cash Equivalent	16	145,852,288	117,852,994
<b>Total Assets</b>		<b>11,594,697,578</b>	<b>11,043,563,217</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	17(a)	2,654,947,300	2,654,947,300
Share Application Money Pending Allotment	17(b)	-	-
Share Premium	17(c)	-	-
Special Reserves	17(d)	1,687,491,319	1,462,322,730
Catastrophe Reserves	17(e)	138,137,767	115,620,908
Retained Earnings	17(f)	287,508,942	89,456,264
Other Equity	17(g)	592,329,039	564,419,374
<b>Total Equity</b>		<b>5,360,414,366</b>	<b>4,886,766,576</b>
<b>Liabilities</b>			
Provisions	18	157,075,048	132,588,380
Gross Insurance Contract Liabilities	19	5,294,093,391	5,062,237,863
Deferred Tax Liabilities	7	-	-
Insurance Payable	20	214,734,502	121,305,735
Current Tax Liabilities	21	-	-
Borrowings	22	27,000,000	147,801,819
Other Liabilities	23	416,263,447	385,516,148
Other Financial Liabilities	24	125,116,823	307,346,696
<b>Total Liabilities</b>		<b>6,234,283,211</b>	<b>6,156,796,641</b>
<b>Total Equity and Liabilities</b>		<b>11,594,697,578</b>	<b>11,043,563,217</b>

The accompanying notes form an Integral Part of Financial Statements.

As per our report on even date

Dip Prakash Panday  
Chief Executive Officer

Ramesh Kumar Luitel  
Director

Saurav J.B. Rana  
Director

Gaurav Agrawal  
Chairman

Ashesh Rajbahak, FCA  
Partner  
G.P. Rajbahak & Co.  
Chartered Accountants

Suraj Rajbahak  
Chief Financial Officer

Dinesh Bajra Bajracharya  
Director

Skand Amatya  
Director

Dr. Shrujana Shrestha  
Director

Puskar Mahat  
Director

Date: January 28, 2025  
Place: Kathmandu



**Shikhar Insurance Company Ltd.**  
**Statement of Profit or Loss**  
For the Period 17th July, 2023 - 15th July, 2024  
(For the Year Ended Ashad 2081)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>Income:</b>			
Gross Earned Premiums	25	5,258,225,935	5,296,243,137
Premiums Ceded	26	3,960,349,045	3,918,450,072
<b>Net Earned Premiums</b>		<b>1,297,876,890</b>	<b>1,377,793,065</b>
Commission Income	27	719,726,915	645,807,783
Other Direct Income	28	38,826,018	13,362,376
Income from Investments & Loans	29	337,029,490	375,393,271
Net Gain/ (Loss) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	(2,225,184)	(16,560,007)
Other Income	32	51,874,207	52,489,677
<b>Total Income</b>		<b>2,443,108,336</b>	<b>2,448,286,165</b>
<b>Expenses:</b>			
Gross Claims Paid	33	2,248,775,676	2,674,944,599
Claims Ceded	33	(1,380,878,573)	(1,554,598,906)
Gross Change in Contract Liability	34	76,281,731	(355,751,668)
Change in Contract Liability Ceded to Reinsurers	34	(80,572,665)	288,515,461
<b>Net Claims Incurred</b>		<b>863,606,169</b>	<b>1,053,109,486</b>
Commission Expenses	35	34,338,483	28,806,728
Service Fees	36	11,159,515	11,524,057
Other Direct Expenses	37	21,215,423	16,800,708
Employee Benefits Expenses	38	568,311,619	516,020,781
Depreciation and Amortization Expenses	39	48,470,113	36,850,394
Impairment Losses	40	6,375,000	36,823,135
Other Operating Expenses	41	230,501,816	220,797,642
Finance Cost	42	32,234,177	41,370,356
<b>Total Expenses</b>		<b>1,816,212,315</b>	<b>1,962,103,287</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>		<b>626,896,021</b>	<b>486,182,878</b>
Share of Net Profit of Associates accounted using Equity Method	9	293,608.00	(39,427)
<b>Profit Before Tax</b>		<b>627,189,629</b>	<b>486,143,450</b>
Income Tax Expense	43	181,882,609	260,018,136
<b>Net Profit/(Loss) For The Year</b>		<b>445,307,020</b>	<b>226,125,314</b>
<b>Earning Per Share</b>	51	-	-
<b>Basic EPS</b>		<b>16.77</b>	<b>8.52</b>
<b>Diluted EPS</b>		<b>16.77</b>	<b>8.52</b>

The accompanying notes form an Integral Part of Financial Statements.

As per our report on even date

Dip Prakash Panday  
Chief Executive Officer

Ramesh Kumar Luitel  
Director

Saurav J.B. Rana  
Director

Gaurav Agrawal  
Chairman

Ashesh Rajbahak, FCA  
Partner  
G.P. Rajbahak & Co.  
Chartered Accountants

Suraj Rajbahak  
Chief Financial Officer

Dinesh Bajra Bajracharya  
Director

Skand Amatya  
Director

Dr. Shrujana Shrestha  
Director

Puskar Mahat  
Director

Date: January 28, 2025  
Place: Kathmandu

**Shikhar Insurance Company Ltd.**  
**Statement of Other Comprehensive Income**  
**For the Period 17th July, 2023 - 15th July, 2024**  
**(For the Year Ended Ashad 2081)**

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>Net Profit/(Loss) For the Year</b>		<b>445,307,020</b>	<b>226,125,314</b>
<b>Other Comprehensive Income</b>		-	-
<b>a) Items that are or may be Reclassified to Profit or Loss</b>			
Changes in Fair Value of FVOCI Debt Instruments		-	-
Cash Flow Hedge - Effective Portion of Changes in Fair Value		-	-
Exchange differences on translation of Foreign Operation		-	-
Share of other comprehensive income of associates accounted for using the equity method	9	90,426,025	(20,130)
Income Tax Relating to Above Items		(27,127,808)	6,039
Reclassified to Profit or Loss			
<b>b) Items that will not be Reclassified to Profit or Loss</b>			
Changes in fair value of FVOCI Equity Instruments		(40,781,784)	30,815,300
Revaluation of Property and Equipment/ Goodwill & Intangible Assets		663,000	8,049,000
Remeasurement of Post-Employment Benefit Obligations		(505,082)	(3,034,101)
Share of other comprehensive income of associates accounted for using the equity method	9	-	-
Income Tax Relating to Above Items		12,187,160	(10,749,060)
<b>Total Other Comprehensive Income For the Year, Net of Tax</b>		<b>34,861,511</b>	<b>25,067,048</b>
<b>Total Comprehensive Income For the Year, Net of Tax</b>		<b>480,168,531</b>	<b>251,192,362</b>

The accompanying notes form an Integral Part of Financial Statements.

As per our report on even date

**Dip Prakash Panday**  
Chief Executive Officer

**Ramesh Kumar Luitel**  
Director

**Saurav J.B. Rana**  
Director

**Gaurav Agrawal**  
Chairman

**Ashesh Rajbahak, FCA**  
Partner  
**G.P. Rajbahak & Co.**  
Chartered Accountants

**Suraj Rajbahak**  
Chief Financial Officer

**Dinesh Bajra Bajracharya**  
Director

**Skand Amatya**  
Director

**Dr. Shrujana Shrestha**  
Director

**Puskar Mahat**  
Director

Date: January 28, 2025  
Place: Kathmandu

# Shikhar Insurance Company Ltd.

## Statement of Cash Flows

For the Period 17th July, 2023 - 15th July, 2024

(For the Year Ended Ashad 2081)

Fig. in NPR

Particulars	Current Year	Previous Year
<b>Cash Flow From Operating Activities:</b>		
<b>Cash Received</b>		
Gross Premium Received	5,413,799,732	5,317,152,621
Reinsurance Commission Received	736,782,056	593,962,569
Claim Recovery Received from Reinsurers	1,764,489,232	1,479,629,167
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	346,369	-
Other Direct Income Received	38,826,018	13,362,376
Others	49,673,350	8,730,178
<b>Cash Paid</b>		
Gross Benefits and Claims Paid	(2,248,775,676)	(2,506,545,999)
Reinsurance Premium Paid	(3,925,267,392)	(3,980,459,144)
Commission Paid	(54,244,041)	(28,820,244)
Service Fees Paid	(41,634,309)	(47,472,405)
Employee Benefits Expenses Paid	(548,932,842)	(571,199,191)
Other Expenses Paid	(525,700,046)	(288,013,729)
Other Direct Expenses Paid	(21,215,423)	(16,800,708)
Others (to be specified)	-	-
Income Tax Paid	(300,056,495)	(139,512,251)
<b>Net Cash Flow From Operating Activities [1]</b>	<b>338,090,533</b>	<b>(165,986,761)</b>
<b>Cash Flow From Investing Activities</b>		
Acquisitions of Intangible Assets	(1,873,000)	(2,882,426)
Proceeds From Sale of Intangible Assets	-	-
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Acquisitions of Property & Equipment	(50,530,811)	(35,792,289)
Proceeds From Sale of Property & Equipment	202,699	2,633,904
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	(20,000,000)
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	-	-
Proceeds from Sale of Equity Instruments	(146,305,016)	(81,058,255)
Purchase of Mutual Funds	(27,138,004)	(52,340,585)
Proceeds from Sale of Mutual Funds	-	-
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	(31,671,000)	(67,865,000)
Proceeds from Sale of Debentures	-	-
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	-	-
Investments in Deposits	(213,500,000)	(15,752,000)
Maturity of Deposits	-	-
Loans Paid	-	-
Proceeds from Loans	-	-
Rental Income Received	19,034,979	17,891,025
Proceeds from Finance Lease	-	-

Continue...

# Shikhar Insurance Company Ltd.

## Statement of Cash Flows

For the Period 17th July, 2023 - 15th July, 2024  
(For the Year Ended Ashad 2081)

Fig. in NPR

Particulars	Current Year	Previous Year
Interest Income Received	316,102,944	350,478,132
Dividend Received	1,553,841	5,385,412
Investment in CIT	(1,366,840)	
Advance Against Investment	-	(1,600,000)
<b>Total Cash Flow From Investing Activities [2]</b>	<b>(135,490,209)</b>	<b>99,097,918</b>
<b>Cash Flow From Financing Activities</b>		
Interest Paid	(22,469,299)	(32,155,352)
Proceeds From Borrowings		
Repayment of Borrowings	(120,801,819)	(52,426,800)
Payment of Finance Lease	(24,809,171)	(20,412,751)
Proceeds From Issue of Share Capital	-	-
Share Issuance Cost Paid	-	(1,905,759)
Dividend Paid	-	-
Dividend Distribution Tax Paid	-	(19,414,005)
Others (to be specified)	(1,988,618)	-
Utilization of CSR Expenses	(4,532,123)	(5,004,099)
<b>Total Cash Flow From Financing Activities [3]</b>	<b>(174,601,030)</b>	<b>(131,318,766)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents [1+2+3]</b>	<b>27,999,294</b>	<b>(198,207,609)</b>
Cash & Cash Equivalents At Beginning of The Year/Period	117,852,994	316,060,603
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	-
<b>Cash &amp; Cash Equivalents At End of The Year/Period</b>	<b>145,852,288</b>	<b>117,852,994</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash In Hand	68,111	207,384
Cheque in Hand		
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Gold Coin	1,207,822	1,105,887
Balance With Banks	144,576,355	116,539,723

### Notes:

The accompanying notes form an Integral Part of Financial Statements.

As per our report on even date

Dip Prakash Panday  
Chief Executive Officer

Ramesh Kumar Luitel  
Director

Saurav J.B. Rana  
Director

Gaurav Agrawal  
Chairman

Ashesh Rajbahak, FCA  
Partner  
G.P. Rajbahak & Co.  
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Suraj Rajbahak  
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Dinesh Bajra Bajracharya  
Director

Skand Amatya  
Director

Dr. Shrujana Shrestha  
Director

Puskar Mahat  
Director

Date: January 28, 2025  
Place: Kathmandu



**Shikhar Insurance Company Ltd.**  
**Statement of Changes in Equity**  
**For the Period 17th July, 2023 - 15th July, 2024**  
**(For the Year Ended Ashad 2081)**

**Fig. in NPR**

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserves	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2079	2,286,081,200	-	-	160,902,639	273,666,342	395,777,083	1,335,849,418	-	125,689,741	2,731,643	622,162	(9,240,879)	(5,216,299)	129,355,730	-	4,696,198,780
Prior period adjustment	-	-	-	-	(34,300,703)	-	-	-	-	-	-	-	-	-	-	-34,300,703
Restated Balance as at Shrawan 1, 2079	2,286,081,200	-	-	160,902,639	239,365,639	395,777,083	1,335,849,418	-	125,689,741	2,731,643	622,162	(9,240,879)	(5,216,299)	129,355,730	-	4,661,898,077
Profit/(Loss) For the Year	-	-	-	-	226,125,314	-	-	-	-	-	-	-	-	-	-	226,125,314
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets	-	-	-	-	5,634,300	-	-	-	-	-	-	21,570,710	-	-	-	21,570,710
vi) Remeasurement of Post-Employment Benefit, Obligations	-	-	-	-	-	-	-	-	-	-	-	-	(2,123,871)	-	-	5,634,300
vii) Investment in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-14,091	-2,123,871
Transfer to Retained Earning	-	-	-	(160,902,639)	160,902,639	-	-	-	-	-	-	-	-	-	-	-14,091
Transfer to Reserves/ Funds	-	-	-	-	(141,301,699)	-	126,162,231	-	12,616,223	2,523,245	-	-	-	19,178,801	-	-0
Transfer to Deferred Tax Reserves	-	-	-	-	(19,178,801)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Fair Value Reserve	-	-	-	-	(9,240,879)	-	-	-	-	-	-	9,240,879	-	-	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	22,721,272	-	-	-	-22,721,272	-	-	-	-	-	-	-
Transfer from Catastrophe Reserve to Retained Earning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-	-	-	-	-	311,081	-	62,216	6,222	(622,162)	-	-	-	-	-1,905,759
Transfer from Regulatory Reserve	-	-	-	-	242,643	-	-	-	-	-	-	-	-	-	-	-
Share Issuance Costs	-	-	-	-	(1,905,759)	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	368,866,100	-	-	-	(368,866,100)	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Dividend Distribution Tax	-	-	-	-	(19,414,005)	-	-	-	-	-	-	-	-	-	-	-19,414,005
v) Others- CSR Reserve used during this year	-	-	-	-	-	-	-	-	-	(5,004,099)	-	-	-	-	-	-5,004,099
Balance as on Ashad end, 2080	2,654,947,300	-	-	-	89,456,264	401,411,383	1,462,322,730	-	115,620,908	257,011	-	21,570,710	(7,340,170)	148,534,531	(14,091)	4,886,766,576
Balance as on Shrawan 1, 2080	2,654,947,300	-	-	-	89,456,264	401,411,383	1,462,322,730	-	115,620,908	257,011	-	21,570,710	(7,340,170)	148,534,531	(14,091)	4,886,766,576

Continue...

Fig. in NPR

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserves	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2080	2,554,947,300	-	-	-	89,456,264	401,411,383	1,462,322,730	-	115,620,908	257,011	-	21,570,710	(7,340,170)	148,534,531	(14,091)	4,886,766,576
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at Shrawan 1, 2080	-	-	-	-	89,456,264	-	-	-	-	-	-	-	-	-	-	4,886,766,576
Profit/(Loss) For the Year	-	-	-	-	445,307,020	-	-	-	-	-	-	-	-	-	-	445,307,020
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets	-	-	-	-	464,100	-	-	-	-	-	-	(28,547,249)	-	-	-	(28,547,249)
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	(353,557)	-	-	(353,557)
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	63,298,218	-	63,298,218
Transfer to Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Related Earning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(252,188,819)	-	225,168,588	-	22,516,859	4,303,372	-	-	-	-	-	-
Transfer to Deferred Tax Reserves	-	-	-	-	5,030,156	-	-	-	-	-	-	-	-	(5,030,156)	-	-
Transfer to Fair Value Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	1,892,940	(1,892,940)	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Catastrophe Reserve to Related Earning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Regulatory Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv) Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others - Prior Period Expenses	-	-	-	-	(1,988,618)	-	-	-	-	-	-	-	-	-	-	(1,988,618)
Others - CSR Reserve used during this year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,532,123)
Balance as on Ashadh end, 2081	2,554,947,300	-	-	-	287,508,943	399,382,543	1,687,491,318	-	138,137,767	228,260	-	(6,576,539)	(7,693,727)	143,504,375	63,284,127	5,360,414,166

The accompanying notes form an Integral Part of Financial Statements.

As per our report on even date

**Dip Prakash Panday**  
Chief Executive Officer

**Ramesh Kumar Luitel**  
Director

**Saurav J.B. Rana**  
Director

**Gaurav Agrawal**  
Chairman

**Ashesh Rajbapak, FCA**  
Partner

**Suraj Rajbapak**  
Chief Financial Officer

**Dinesh Bajra Bajracharya**  
Director

**Skand Amatya**  
Director

**Dr. Shrujana Shrestha**  
Director

**Puskar Mahat**  
Director

**G.P. Rajbapak & Co.**  
Chartered Accountants

Date: January 28, 2025  
Place: Kathmandu



**Shikhar**  
Insurance  
Happy Insurance



**Shikhar Insurance Company Ltd.**  
**Statement of Distributable Profit or Loss**  
**For the Period 17th July, 2023 - 15th July, 2024**  
**(For the Year Ended Ashad 2081)**

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	89,456,263	239,365,639
Transfer from OCI reserves to retained earning in current year	-	-
Net profit or (loss) as per statement of profit or loss	445,307,020	226,125,314
<b>Appropriations:</b>	-	-
i) Transfer to Insurance Fund	-	-
ii) Transfer to Special Reserve	(225,168,588)	(126,162,231)
iii) Transfer to Catastrophe Reserve	(22,516,859)	(12,616,223)
iv) Transfer to Capital Reserve	-	-
v) Transfer to CSR reserve	(4,503,372)	(2,523,245)
vi) Transfer to/from Regulatory Reserve	-	242,643
vii) Transfer to Fair Value Reserve	-	(9,240,879)
viii) Transfer of Deferred Tax Reserve	5,030,156	(19,178,801)
ix) Transfer to OCI reserves due to change in classification	-	-
x) Others (to be Specified)	-	-
Add: Transfer from Catastrophe Reserve	-	22,727,272
Add: Share Premium	-	160,902,639
Less: Bonus Share Issue	-	(368,866,100)
Less: Cash Dividend	-	(19,414,005)
<b>Deductions:</b>	-	-
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	(2,859,650)	(2,668,215)
ix) Overdue loans	-	-
x) Fair value gain recognised in Statement of Profit or Loss	-	-
xi) Investment in unlisted shares	-	-
xii) Delisted share Investment or mutual fund investment	-	-
xiii) Bonus share/ dividend paid	-	-
xiv) Deduction as per Sec 17 of Financial directive of NIA	-	-
xiv) Deduction as per Sec 18 of Financial directive of NIA	-	(25,676,865)
xv) Prior Period Expenses	(1,988,618)	-
xvi) Transaction costs on issue of share	-	(1,905,759)
xvii) Actuarial Reserve	-	-
<b>Adjusted Retained Earning</b>	<b>282,756,352</b>	<b>61,111,184</b>
Add: Transfer from Share Premium Account	-	-
Less: Amount apportioned for Assigned capital	-	-
Less: Deduction as per sec 15(1) Of Financial directive of NIA	-	-
Add/Less: Others (to be specified)	-	-
<b>Total Distributable Profit/(loss)</b>	<b>282,756,352</b>	<b>61,111,184</b>

As per our report on even date

**Dip Prakash Panday**  
Chief Executive Officer

**Ramesh Kumar Luitel**  
Director

**Saurav J.B. Rana**  
Director

**Gaurav Agrawal**  
Chairman

**Ashesh Rajbahak, FCA**  
Partner  
**G.P. Rajbahak & Co.**  
Chartered Accountants

**Suraj Rajbahak**  
Chief Financial Officer

**Dinesh Bajra Bajracharya**  
Director

**Skand Amatya**  
Director

**Dr. Shrujana Shrestha**  
Director

**Puskar Mahat**  
Director



Date: January 28, 2025  
Place: Kathmandu

**Shikhar Insurance**  
Happy Insurance | 132

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements For The Year Ended Ashad 31, 2081 (July 15<sup>th</sup>, 2024)

### 1. Reporting Entity

Shikhar Insurance Company Limited (herein after referred to as the 'Company') is a public limited company, incorporated on 15<sup>th</sup> Jestha 2061 and operated as Non-Life Insurance Company after obtaining license on 16<sup>th</sup> Kartik 2061 under the Insurance Act 2049.

The registered office of the Company is located at Thapathali, Kathmandu. The Company's share is listed on Nepal Stock Exchange Ltd.

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

### 2. Basis of Preparation

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

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

The Company reporting period is from 1<sup>st</sup> Shrawan 2080 to 31<sup>st</sup> Ashadh 2081 with the corresponding previous year from 1<sup>st</sup> Shrawan 2079 to 31<sup>st</sup> Ashadh 2080. These financial statements have been approved by the Board of Directors on January 28, 2025 (Magh 14, 2081).

#### (b) Statement of Compliance

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

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

#### (c) Basis of Measurement

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

- i. Certain Financial Assets and Liabilities which are required to be measured at fair value
- ii. Defined Employee Benefits
- iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Liability Adequacy Test (LAT).

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

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

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

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

**(d) Use of Estimates**

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

**(e) Functional and Presentation Currency**

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

**(f) Going Concern**

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

**(g) Change in Accounting Policies**

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

**(h) Recent Accounting Pronouncements**

**Accounting standards issued and effective**

All the accounting standards made effective by the ASB are applied while preparing financial statements of the company.

**Accounting standards issued and non-effective**

NFRS 17 "Insurance Contracts"

**(i) Carve-outs**

The Company has not applied any carve outs provided by the ASB.

**(j) Presentation of financial statements**

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

**(k) Offsetting**

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

**(l) Materiality and Aggregation**

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

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

### **3. Significant Accounting Policies**

This note provides a list of the significant policies adopted in the preparation of these financial statements.

**(a) Property and Equipment**

**i) Recognition**

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

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

**ii) Revaluation**

After recognition as an assets, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as on the reporting date. Valuation of the land and buildings are undertaken by professionally qualified valuers.

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

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

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

### iii) Depreciation

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

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

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

List of Asset Categories	Useful Life (In Years) for SLM
Land	Not Applicable
Buildings	50
Leasehold Improvement	Lease Period
Furniture & Fixtures	20
Computers and IT Equipments	5
Office Equipment	10
Vehicles	10
Other Assets	8

### iv) Derecognition

An item of Property, Plant and Equipment is derecognized up to disposal or when no Future Economic Benefits are expected to arise from the continued use of the asset. Any gain or loss arising from 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 of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a 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 plants 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) Intangible Assets

### i) Recognition

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

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

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

- (a) The aggregate of:
  1. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value
  2. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and
  3. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.
- (b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

## ii) Amortization

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

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

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

List of Asset Categories	Useful Life (In Years) for SLM
Softwares	10
Licences	Licence Period

## iii) Derecognition

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

## iv) Impairment of Assets

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



### (c) Investment Properties

#### Cost Model

Property that is held for rental income or for capital appreciation or both, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is subsequently carried at cost less accumulated depreciation. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Land is carried at historical cost; however, buildings are depreciated over their estimated useful lives as mentioned above.

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

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

### (d) Cash & Cash Equivalent

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

### (e) Financial Assets

#### i) Initial Recognition & Measurement

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

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

#### ii) Subsequent Measurement

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

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

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

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to the 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 de-recognized 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 de-recognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

### iv) Impairment of Financial Assets

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

## (f) Financial Liabilities

### i) Initial Recognition & Measurement

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

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

### ii) Subsequent Measurement

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

For trade and other payables maturing within one year from the date of the Statement of Financial Position, the carrying amounts approximate Fair Value due to the 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 amount is recognized in the Statement of Profit or Loss.

## (g) Offsetting financial instruments

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

## (h) Reinsurance Assets

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

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

**(i) 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:** If the company has received any calls in advance amount, the amount will be presented under this head.
- ii) **Share Premium:** If the Company issues share capital at premium, it receives an 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 Reserve:** The Company has allocated catastrophe reserve for the amount which is 10% of the distributable profit for the year as per Regulator's Directives.
- iv) **Fair Value Reserve:** The Company has a policy of creating a 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 Nepal Insurance Authority.
- vi) **Actuarial Reserves:** Reserve against actuarial gain or loss on present value of defined benefit obligation resulting from, experience adjustments (the effects of difference between the previous actuarial assumptions and what has actually occurred); and the effects of changes in actuarial assumptions.
- vii) **Cashflow Hedge Reserves:** Is the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognized asset or liability or a higher probable forecast transaction and could affect profit or loss. Reserve represents an effective portion of the gain or loss on the hedging instrument recognized in other comprehensive income.
- viii) **Revaluation Reserves:** Reserve created against revaluation gain on property, plant & equipment & intangible assets, other than the reversal or earlier revaluation losses charged to profit or loss.
- ix) **Special Reserve:** The Company has allocated a special reserve as per Regulator's Directive. 50% of net profit after adjustment of deferred tax reserve is transferred to special reserve.
- x) **Other Reserves:** Reserve other than the above reserves, for e.g. deferred tax reserve & Corporate Social Responsibility Reserve.

**(k) Insurance Contract Liabilities**

**i) Provision for unearned premiums**

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

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

**ii) Outstanding claims provisions**

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

### iii) Provision for claim incurred but not reported (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.

## (I) Employee Benefits

### i) Short Term Obligations

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

### ii) Post-Employment Benefits

#### - Defined Contribution Plan

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

#### - Defined Benefit Plan

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

### iii) Long Term Employee Benefits

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

#### iv) Termination

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

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

#### (m) Revenue Recognition

##### i) Gross Earned Premium

Gross Earned Premiums are arrived at after deducting unearned premium reserves from direct premium and reinsurance accepted premium. Directs 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.

##### ii) Unearned Premium Reserves

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

##### iii) Premiums on Reinsurance Accepted

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

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.

##### iv) Reinsurance Premium

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

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks- attaching contracts and over the term of the reinsurance contract for losses occurring contracts.

Reinsurance premiums and claims on the face of the statement of profit or loss have been presented as negative items within premiums and net claims, respectively, because this is consistent with how the business is managed.

##### v) Commission Income

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

##### vi) Investment Income

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

Investment income also includes dividends when the right to receive payment is established.

**vii) Net realized gains and losses**

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

**(n) Claims and Expenses**

**i) Gross Claims**

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

Incurred But Not Reported Claims (IBNR) are determined based on the following actuarial reserving methods.

- a) Chain Ladder Method based on paid claims
- b) Chain Ladder Method based on incurred claims
- c) Expected loss ratio method
- d) Bornhuetter- Ferguson Method based on paid claims
- e) Bornhuetter- Ferguson Method based on claims incurred

**ii) Reinsurance Claims**

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

**(o) Product Classification**

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

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

- i) Property Portfolio - Property/Fire insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the property/fire insurance business.
- ii) Motor Portfolio - Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.
- iii) Marine Portfolio - Marine insurance business means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.
- iv) Engineering Portfolio - Engineering insurance business means the insurance that provides economic safeguard to the risks faced by the ongoing construction project, installation project, and machines and equipment in project operation.
- v) Micro Portfolio - Micro Insurance protects against loss of or damage to micro property, crops and livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.
- vi) Aviation Portfolio – Aviation Insurance provides coverage for hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents.



- vii) Cattle and Crop Portfolio - Cattle and Crop Insurance provides insurance against loss of or damage to Cattle and crops.
- viii) Miscellaneous Portfolio – All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.

**(p) Borrowing Costs**

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

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

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

**(q) Cash Flow Statement**

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

**(r) Leases**

The lease liability has been accounted for under NFRS 16 "Leases". For the lease agreement having more than Rs 50,000 monthly rate, the Right-of-Use assets have been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date. The lease payment has been discounted at the incremental borrowing rate in lease which is 10%.

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

**(s) Income Taxes**

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

**i) Current Tax**

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

**ii) Deferred Tax**

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

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

Deferred Tax Liabilities are generally recognized for all taxable Temporary Difference.

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

**(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 as a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

**ii) Contingent Liabilities**

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

**iii) Contingent Assets**

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

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

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

**(v) Earnings Per Share**

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

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

**(w) Operating Segment**

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

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

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 4 Goodwill & Intangible Assets

Particulars	Softwares	Goodwill	Others (to be Specified)	Total
<b>Gross carrying amount</b>	-	-	-	-
<b>As at Shrawan 01, 2079</b>	<b>5,212,779</b>	-	-	<b>5,212,779</b>
Additions during the year	8,286,426	-	-	8,286,426
Acquisition	-	-	-	-
Internal Development	-	-	-	-
Business Combination (to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
<b>Balance as at Ashadh 31, 2080</b>	<b>13,499,205</b>	-	-	<b>13,499,205</b>
Additions during the year	1,873,000	-	-	1,873,000
Acquisition	-	-	-	-
Internal Development	-	-	-	-
Business Combination (to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
<b>Balance as at Ashadh 31, 2081</b>	<b>15,372,205</b>	-	-	<b>15,372,205</b>
<b>Accumulated amortization and impairment</b>				
<b>As at Shrawan 01, 2079</b>	<b>4,216,331</b>	-	-	<b>4,216,331</b>
Additions during the year	347,385	-	-	347,385
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
<b>Balance as at Ashadh 31, 2080</b>	<b>4,563,716</b>	-	-	<b>4,563,716</b>
Additions during the year	1,076,799	-	-	1,076,799
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
<b>Balance as at Ashadh 31, 2081</b>	<b>5,640,515</b>	-	-	<b>5,640,515</b>
<b>Capital Work-In-Progress</b>				
<b>As at Shrawan 01, 2079</b>	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
<b>Balance as at Ashadh 31, 2080</b>	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	-	-	-	-
<b>Net Carrying Amount</b>				
<b>As on Ashadh 31, 2080</b>	<b>8,935,489</b>	-	-	<b>8,935,489</b>
<b>As on Ashadh 31, 2081</b>	<b>9,731,690</b>	-	-	<b>9,731,690</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

### 5 Property and Equipment

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture and Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
<b>Gross carrying amount</b>									
As at Sharawan 01 2079	374,100,000	185,410,000	-	46,888,211	43,910,874	30,116,446	62,667,154	15,678,109	758,770,794
Additions during the year	-	-	-	8,761,002	7,748,119	4,412,971	13,305,813	1,564,384	35,792,289
Acquisition	-	-	-	-	-	-	-	-	-
Capitalization	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	(3,110,803)	(809,352)	(3,916,908)	(248,673)	(8,085,736)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	3,770,000	4,279,000	-	-	-	-	-	-	8,049,000
Transfer/ adjustments	-	(82,652,887)	-	-	-	-	-	-	(82,652,887)
<b>Balance as on Ashadh 31, 2080</b>	<b>377,870,000</b>	<b>107,036,113</b>	<b>-</b>	<b>55,649,213</b>	<b>48,548,190</b>	<b>33,720,065</b>	<b>72,056,059</b>	<b>16,993,820</b>	<b>711,873,460</b>
Additions during the year	-	1,942,674	-	16,461,466	20,066,147	6,479,099	-	5,581,426	50,530,812
Acquisition	-	-	-	-	-	-	-	-	-
Capitalization	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	(506,355)	-	(909,875)	-	-	(1,416,230)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	5,655,000	(2,816,844)	-	-	-	-	-	-	2,838,156
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	<b>383,525,000</b>	<b>106,161,943</b>	<b>-</b>	<b>71,604,324</b>	<b>68,614,337</b>	<b>39,289,289</b>	<b>72,056,059</b>	<b>22,575,246</b>	<b>763,826,198</b>
<b>Accumulated depreciation and impairment</b>									
As at Sharawan 01 2079	-	-	-	7,857,787	28,404,000	10,151,809	19,102,137	11,778,422	77,294,155
Depreciation during the year	-	-	-	2,579,143	6,449,174	3,190,995	6,974,234	784,242	19,977,788
Disposals during the year	-	-	-	-	(3,010,579)	(580,207)	(3,676,737)	(248,673)	(7,516,196)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 31, 2080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,436,930</b>	<b>31,842,595</b>	<b>12,762,597</b>	<b>22,399,634</b>	<b>12,313,991</b>	<b>89,755,747</b>
Depreciation during the year	-	2,704,200	-	3,101,881	7,346,139	3,515,555	7,502,948	1,021,958	25,192,681
Disposals during the year	-	-	-	(182,922)	-	(486,076)	-	-	(668,998)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	<b>-</b>	<b>2,704,200</b>	<b>-</b>	<b>13,355,889</b>	<b>39,188,734</b>	<b>15,792,076</b>	<b>29,902,582</b>	<b>13,335,949</b>	<b>114,279,430</b>

Continue...



Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture and Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
<b>Capital Work-In-Progress</b>									
As at Sharawan 01 2079	-	-	-	-	-	-	-	5,404,000	5,404,000
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalisation during the year	-	-	-	-	-	-	-	(5,404,000)	(5,404,000)
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 31, 2080</b>	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	-	-	-	-	-	-	-	-	-
<b>Net Carrying Amount</b>									
As on Ashadh 31, 2080	377,870,000	107,036,113	-	45,212,283	16,705,595	20,957,468	49,656,425	4,679,829	622,117,713
As on Ashadh 31, 2081	383,525,000	103,457,743	-	58,248,435	29,425,603	23,497,213	42,153,477	9,239,297	649,546,768
<b>Right-of-Use Assets (after Implementation of NFRS 16)</b>									
<b>Gross carrying amount</b>									
As at Sharawan 01 2079	-	-	-	-	-	-	-	-	-
Additions during the year	-	121,014,403	-	-	-	-	-	-	121,014,403
Disposals during the year	-	43,882,743	-	-	-	-	-	-	43,882,743
Write-offs during the year	-	(43,277,257)	-	-	-	-	-	-	(43,277,257)
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 31, 2080</b>	-	121,619,889	-	-	-	-	-	-	121,619,889
Additions during the year	-	37,379,072	-	-	-	-	-	-	37,379,072
Disposals during the year	-	(18,176,153)	-	-	-	-	-	-	(18,176,153)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	-	140,822,808	-	-	-	-	-	-	140,822,808
<b>Accumulated depreciation</b>									
As at Sharawan 01 2079	-	28,219,404	-	-	-	-	-	-	28,219,404
Depreciation during the year	-	16,525,221	-	-	-	-	-	-	16,525,221
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-

Continue...

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture and Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 31, 2080</b>	-	<b>44,744,625</b>	-	-	-	-	-	-	<b>44,744,625</b>
Depreciation during the year	-	20,150,673	-	-	-	-	-	-	20,150,673
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	-	<b>64,895,298</b>	-	-	-	-	-	-	<b>64,895,298</b>
Net Carrying Amount	-	-	-	-	-	-	-	-	-
As on Ashadh 31, 2080	-	76,875,264	-	-	-	-	-	-	76,875,264
As on Ashadh 31, 2081	-	75,927,510	-	-	-	-	-	-	75,927,510
<b>Grand Total</b>	-	-	-	-	-	-	-	-	-
As on Ashadh 31, 2080	377,870,000	183,911,377	-	45,212,283	16,705,595	20,957,468	49,656,425	4,679,829	698,992,977
As on Ashadh 31, 2081	383,525,000	179,385,253	-	58,248,435	29,425,603	23,497,213	42,153,477	9,239,297	725,474,278



# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 6 Investment Properties

#### Investment Properties at Cost

Particulars	Land	Building	Total
<b>Gross carrying amount</b>			
<b>As at Sharawan 01 2079</b>	-	-	-
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluation/Adjustment	-	82,652,887	82,652,887
<b>Balance as on Ashadh 31, 2080</b>	-	<b>82,652,887</b>	<b>82,652,887</b>
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluation/Adjustment	-	(2,175,156)	(2,175,156)
<b>Balance as on Ashadh 31, 2081</b>	-	<b>80,477,731</b>	<b>80,477,731</b>
<b>Accumulated depreciation and impairment</b>			
<b>As at Sharawan 01 2079</b>	-	-	-
Depreciation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
<b>Balance as on Ashadh 31, 2080</b>	-	-	-
Depreciation during the year	-	2,049,960	2,049,960
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	-	<b>2,049,960</b>	<b>2,049,960</b>
<b>Capital Work-In-Progress</b>			
<b>As at Sharawan 01 2079</b>	-	-	-
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
<b>Balance as on Ashadh 31, 2080</b>	-	-	-
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	-	-	-
<b>Net Carrying Amount</b>			
<b>Net Balance As At Ashad 31, 2080</b>	-	<b>82,652,887</b>	<b>82,652,887</b>
<b>Net Balance As At Ashad 31, 2081</b>	-	<b>78,427,771</b>	<b>78,427,771</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### (i) Amounts recognised in statement of profit or loss

Particulars	Current Year	Previous Year
Rental income	19,034,979.00	17,891,025
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that didn't generated rental income	-	-
<b>Profit from investment properties before depreciation</b>	<b>19,034,979.00</b>	<b>17,891,025.00</b>
Depreciation charge	2,049,960	-
<b>Profit from investment properties</b>	<b>16,985,019</b>	<b>17,891,025</b>

### 7 Deferred Tax Assets/(Liabilities)

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Intangible Assets	(520,211)	-	(520,211)	(261,577)	-	(261,577)
Property and Equipment	2,930,255	(50,227,107)	(47,296,852)	2,877,561	(50,028,207)	(47,150,646)
Financial Assets at FVPTL	-	-	-	-	-	-
Financial Assets at FVTOCI	-	2,989,945	2,989,945	-	(9,244,590)	(9,244,590)
Provision for Leave	11,404,954	3,297,312	14,702,266	10,444,738	3,145,787	13,590,525
Provision for Gratuity	12,017,473	-	12,017,473	12,017,473	-	12,017,473
Impairment Loss on Financial Assets	-	-	-	-	-	-
Impairment Loss on Other Assets	11,046,941	-	11,046,941	11,046,941	-	11,046,941
Earthquake Reserve	3,258,080	-	3,258,080	-	-	-
Unearned Premiums Reserve	-	-	-	88,007	-	88,007
Incurred But Not Reported including IBNER	47,169,724	-	47,169,724	52,141,701	-	52,141,701
Margin For Adverse Deviation	3,403,611	-	3,403,611	3,078,838	-	3,078,838
Premium Deficiency Reserve	1,745,902	-	1,745,902	1,598,365	-	1,598,365
Carry forward of unused tax losses	-	-	-	-	-	-
Changes in tax rate	-	-	-	-	-	-
Others (specify if any)	-	-	-	-	-	-
- Unamortized portion of Bond	-	-	-	-	-	-
- Deferred Agency Commission	(13,299,274)	-	(13,299,274)	(2,997,728)	-	(2,997,728)
- Insurance Contract Liabilities net of Insurance Assest	-	-	-	-	-	-
- Lease Expenses (NFRS 16 Impact)	3,456,821	-	3,456,821	2,644,613	-	2,644,613
- Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-
- Deferred Commission Income	59,385,663	-	59,385,663	54,269,120	-	54,269,120
- Provision for Other Loss	2,730,000	-	2,730,000	2,730,000	-	2,730,000
- Share of Net Profit of Associates using Equity Method	(1,225,564)	(27,121,769)	(28,347,333)	(1,143,521)	6,038	(1,137,483)
<b>Total</b>	<b>143,504,375</b>	<b>(71,061,619)</b>	<b>72,442,756</b>	<b>148,534,531</b>	<b>(56,120,972)</b>	<b>92,413,559</b>
<b>Deferred Tax Asstes</b>	<b>-</b>	<b>-</b>	<b>72,442,756</b>	<b>-</b>	<b>-</b>	<b>92,413,559</b>
<b>Deferred Tax Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### Movements in deferred tax Assets/ (Liabilities)

Particulars	Current Year			Previous Year		
	SOPL	SOCI	Total	SOPL	SOCI	Total
As at Shrawan 1, 2080	148,534,531	(56,120,972)	92,413,559	174,733,680	(45,377,950)	129,355,730
Charged/(Credited) to Statement of Profit or Loss	(5,030,156)	-	(5,030,156)	(26,199,149)	-	(26,199,149)
Charged/(Credited) to Other Comprehensive Income	-	(14,940,647)	(14,940,647)	-	(10,743,022)	(10,743,022)
As at Ashadh 31, 2081	143,504,375	(71,061,619)	72,442,756	148,534,531	(56,120,972)	92,413,559

### 8 Investment in Subsidiaries

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

### Investment in Quoted Subsidiaries

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

### Investment in Unquoted Subsidiaries

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

### Information Relating to Associates

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.	-	-

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 9 Investment in Associates

Particulars	Current Year	Previous Year
Investment in Quoted Associates	-	-
Investment in Unquoted Associates	163,611,239	72,891,606
Less: Impairment Losses	-	-
<b>Total</b>	<b>163,611,239</b>	<b>72,891,606</b>

#### Investment in Quoted Associates

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

#### Investment in Unquoted Associates

Particulars	Current Year			Previous Year		
	Cost	Fair Value	(or) Equity Method	Cost	Fair Value	(or) Equity Method
106,187 Shares of Rs 100 each of Machhapuchchhre Capital Limited	9,100,000	-	9,100,000	9,100,000	-	9,100,000
600,000 Shares of Rs 100 each of Kriti Venture Fund	60,000,000	-	60,000,000	60,000,000	-	60,000,000
Add: Share of Profit or Loss for Earlier Years	-	-	3,791,606	-	-	3,851,163
Add: Share of Profit or Loss for Current Year	-	-	293,608	-	-	(39,427)
Add: Share of OCI Income /(loss) for Current Year	-	-	90,426,025	-	-	(20,130)
<b>Total</b>	<b>69,100,000</b>	<b>-</b>	<b>163,611,239</b>	<b>69,100,000</b>	<b>-</b>	<b>72,891,606</b>

#### Information Relating to Associates

Particulars	Current Year	Previous Year	Current Year	Previous Year
Name	Machhapuchchhre Capital Limited		Kriti Venture Fund	
Place of Business	Kathmandu		Kathmandu	
Accounting Method	Equity		Equity	
% of Ownership	3.97%	3.97%	20.00%	20.00%
Current Assets	224,851,061	205,772,506	189,527,708	197,404,332
Non-Current Assets	93,909,915	120,437,072	723,316,414	13,300,892
Current Liabilities	4,404,063	9,496,217	453,474	22,060,399
Non-Current Liabilities	16,427,110	17,136,746	139,583,973	-
<b>Income</b>				
Net Profit or Loss	73,571	9,224,727	1,453,434	(2,028,247)
Other Comprehensive Income	-	(507,061)	452,130,126	
Total Comprehensive Income	73,571	8,717,666	453,583,560	(2,028,247)
<b>Company's share of profits</b>				
Net Profit or Loss	2,921	366,222	290,687	(405,649)
Other Comprehensive Income	-	(20,130)	90,426,025	-

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 10 Investments

Particulars	Current Year	Previous Year
<b>Investments measured at Amortised Cost</b>	<b>3,729,023,164</b>	<b>3,482,485,324</b>
i) Investment in Preference Shares of Bank and Financial Institutions	-	-
ii) Investment in Debentures	762,817,000	731,146,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
iv) Fixed Deposits in "A" Class Financial Institutions	2,447,500,000	2,309,500,000
v) Fixed Deposits in Infrastructure Banks	-	-
iv) Fixed Deposits in "B" Class Financial Institutions	467,000,000	380,500,000
iv) Fixed Deposits in "C" Class Financial Institutions	34,500,000	45,500,000
v) Investment in Gratuity Fund (CIT)	17,206,164	15,839,324
vi) Others	-	-
Less: Impairment Losses	-	-
<b>Investments at FVTOCI</b>	<b>833,276,033</b>	<b>702,839,981</b>
i) Investment in Equity Instruments (Quoted)	269,840,494	454,592,645
ii) Investment in Equity Instruments (Unquoted)	464,219,413	176,169,214
iii) Investment in Mutual Funds	99,216,126	72,078,122
v) Investment in Debentures	-	-
v) Others (to be Specified)	-	-
<b>Investments at FVTPL</b>	<b>-</b>	<b>-</b>
i) Investment in Equity Instruments (Quoted)	-	-
ii) Investment in Equity Instruments (Unquoted)	-	-
iii) Investment in Mutual Funds	-	-
iv) Others -Investment in CIT	-	-
<b>Total</b>	<b>4,562,299,198</b>	<b>4,185,325,305</b>

#### a) Details of Impairment Losses

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

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

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

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)	269,840,494	454,592,645
Investment in Equity Instruments (Unquoted)	-	-
Investment in Mutual Funds	99,216,126	72,078,122
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	2,447,500,000	2,309,500,000
Fixed Deposit with Infrastructure Banks	-	-
Fixed Deposit with "B" Class Financial Institutions	467,000,000	380,500,000
Fixed Deposit with "C" Class Financial Institutions	34,500,000	45,500,000
Others -Investment in CIT	-	-
<b>Total</b>	<b>3,318,056,621</b>	<b>3,262,170,767</b>

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

Particulars	Current Year			Previous Year		
	Quantity	Cost Price	Fair Value	Quantity	Cost Price	Fair Value
<b>Investment in Equity Instruments (Quoted)</b>						
Agriculture Development Bank Limited.	4,200	1,479,324	1,234,800	2,431	1,076,520	568,611
Arun Valley Hydropower Development Company Limited.	5,543	1,459,971	986,100	2,771	1,182,746	706,605
Asian Life Insurance Company Limited	1,925	1,337,221	1,199,275	902	788,674	672,080
Bishal Bazar Company Ltd.	23	87,252	94,001	198	763,757	679,140
Bottlers Nepal (Terai) Limited	100	1,200,100	1,300,000	80	1,112,549	1,104,000
Central Finance Company Ltd. Promoter Share	188,016	15,000,000	31,586,688	188,016	15,000,000	79,906,800
Chimmek Laghubitta Bittiya Sanstha Ltd.	2,623	2,705,772	2,360,700	2,498	2,704,775	2,498,000
Chilime Hydropower Company Limited.	1,321	648,120	614,265	1,001	547,190	537,237
Chandragiri Hills Limited	100	80,559	90,800	-	-	-
Citizen Investment Trust	-	-	-	1,300	2,976,090	2,715,700
Citizens Bank International Limited.	15,390	5,111,942	2,977,965	15,124	5,164,241	2,617,964
City Hotel Ltd.	700	453,390	520,800	-	-	-
Deprosc Laghubitta Bittiya Sanstha Ltd.	1,000	813,560	841,000	578	745,463	477,428
Everest Bank Limited.	20,687	19,486,007	11,584,720	20,687	19,486,007	11,646,781
Forward Microfinance Lagubitta Bittiya Sanstha Limited.	1,004	1,344,432	1,418,652	6	3,389	7,926
Garima Bikash Bank Ltd.	9,102	3,797,210	3,505,180	7,342	3,425,678	2,973,510
Global IME Bank Limited.	4,919	1,956,090	955,270	5,860	2,358,591	1,089,960
Gurkhas Finance Ltd.	100	67,043	72,000	-	-	-
Global IME Laghubitta Bittiya Sanstha Ltd.	-	-	-	87	-	92,307
First Microfinance Development Bank Limited	500	349,225	340,500	-	-	-
Himalayan Bank Limited.	2,670	714,144	545,214	3,470	928,200	738,416
Himalayan Distillery Limited.	2	3,556	2,768	2	3,556	4,496
Hydroelectricity Investment and Development Company Ltd. (promoter)	9,000	918,000	927,000	9,000	929,520	925,200
Himalayan Life Insurance Limited.	3,105	1,320,436	1,214,055	1,679	1,067,063	851,253
ICFC Finance Limited.	4,708	2,765,307	2,730,640	-	-	-
Jyoti Bikas Bank Limited.	9,277	4,192,276	2,912,978	9,277	4,192,276	2,764,546
Kamana Sewa Bikas Bank Limited.	3,000	1,259,970	1,248,000	1	-	327
Kumari Bank Limited.	2,094	370,980	321,848	1,694	405,377	279,510
Kumari Bank Limited Promoter Share.	358,211	39,011,950	37,253,944	358,211	39,011,950	40,728,591
Life Insurance Company Nepal.	3,102	4,643,082	4,460,676	1,062	1,859,339	1,651,410
Machhapuchchhre Bank Limited.	1,135	218,665	227,000	2	-	464

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# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

Particulars	Current Year			Previous Year		
	Quantity	Cost Price	Fair Value	Quantity	Cost Price	Fair Value
Manjushree Finance Limited.	1,000	564,240	602,900	-	-	-
Molung Hydropower Company Limited	2,000	825,180	820,000	-	-	-
Mountain Energy Nepal Limited	1,025	594,699	611,925	-	-	-
Muktinath Bikas Bank Limited.	5,739	2,598,580	2,106,213	4,229	2,193,613	1,721,203
Muktinath Krishi Company Ltd.	200	234,856	278,000	-	-	-
Nabil Bank Limited.	792	539,740	415,008	792	749,763	474,566
National Hydropower Company Limited.	1,000	171,900	162,900	2,000	481,900	355,800
National Life Insurance Company Limited.	7,364	5,349,501	4,381,580	6,232	4,937,161	4,019,640
Nepal Bank Limited.	921	365,766	211,370	1,686	807,661	419,814
Nepal Republic Media Limited	1,000	419,220	437,400	-	-	-
Ngadi Group Power Limited	800	254,336	272,800	-	-	-
Nepal Doorsanchar Company Limited.	990	840,920	836,550	18	18,637	16,324
Nepal Infrastructure Bank Limited.	1,080	493,830	246,240	1,080	493,830	241,920
Nepal Investment Mega Bank Limited.	1,171	298,394	205,042	41,732	10,698,027	7,253,072
Nepal Investment Mega Bank Limited Promoter Share.	47,823	12,329,051	6,642,655	7,262	2,437,941	1,117,622
Nepal Life Insurance Company Limited.	1,235	764,971	764,465	735	489,429	546,840
Nepal Reinsurance Company Limited	2,171,935	163,089,374	163,093,507	2,075,276	162,262,129	162,272,705
Nepal SBI Bank Ltd.	1	284	328	1	-	341
Nerude Mirmire Laghubitta Bittiya Sanstha Limited	1	-	720	-	-	-
NIC Asia Bank Limited.	13,610	7,883,697	6,031,952	6,942	5,833,771	5,510,560
NIC Asia Laghubitta Bittiya Sanstha Ltd.	500	357,000	352,500	1,339	1,647,000	976,131
NMB Bank Limited.	1	-	218	1	-	226
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	2,510	2,730,780	1,786,869	2,510	2,730,780	1,920,150
Oriental Hotel Ltd.	200	146,626	157,000	-	-	-
Prabhu Bank Limited.	303,684	34,495,073	49,713,071	8,604	2,317,779	1,399,010
Prabhu Bank Limited Promoter Share.	189,924	15,076,054	18,992,400	485,355	47,710,954	54,845,114
Prabhu Mahalaxmi Life Insurance Limited.	1,000	616,790	564,100	1,000	616,790	587,000
Prime Commercial Bank Limited.	10,663	4,396,355	2,365,053	12,036	4,912,105	2,347,020
Ridi Power Company Limited.	-	-	-	2,780	867,944	675,540
RMDC Laghubitta Bittiya Sanstha Ltd.	-	-	-	310	-	240,250
Sana Kisan Bikash Laghubitta Bittiya Sanstha Ltd.	661	-	564,296	940	771,485	845,060
Salt Trading Corporation Limited.	33	152,134	161,865	39	158,797	191,061
Sanima Bank Limited.	16,338	6,091,623	4,558,302	14,989	6,091,679	3,904,635
Sarbotam Cement Ltd.	200	161,602	161,300	-	-	-
Sanima Mai Hydropower Limited.	5,497	2,349,130	1,866,232	4,725	2,251,467	1,677,375
Sanima Reliance Life Insurance Limited.	1,558	874,614	735,999	1,558	874,614	866,248
Sagarmatha Jalbidhyut Company Ltd.	500	204,730	203,000	-	-	-
Shivam Cements Limited.	5,592	3,076,145	2,808,862	3,801	3,403,715	2,476,352
Shine Resunga Development Bank Limited.	-	-	-	1	228	384
Shreejansil Laghubitta Bittiya Sanstha Limited.	-	-	-	692	839,368	821,404
Siddhartha Bank Ltd.	8,766	3,447,317	2,480,778	7,266	3,101,697	1,838,298
Standard Chartered Bank Ltd.	6,440	3,344,930	3,876,880	7,012	3,596,020	3,717,061
Soaltee Hotel Limited	3,000	1,384,000	1,326,000	-	-	-
Sonapur Minerals and Oil Ltd.	2,100	976,470	957,810	-	-	-
Super Madi Hydropower Limited.	465	205,005	289,230	1,000	455,840	422,000
Synergy Power Development Ltd.	1,000	249,410	254,900	-	-	-
Laxmi Sunrise Bank Limited.	18,536	7,449,026	3,243,800	18,536	7,449,026	3,208,582
Sun Nepal Life Insurance Company Ltd.	1,500	892,500	766,950	-	-	-

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

Particulars	Current Year			Previous Year		
	Quantity	Cost Price	Fair Value	Quantity	Cost Price	Fair Value
Suryajyoti Life Insurance Company Limited.	5,292	3,242,091	2,275,031	3,528	2,547,745	2,152,080
Swabalamban Laghubitta Bittiya Sanstha Limited.	2,274	2,263,485	2,137,560	1,846	2,007,444	1,662,508
Taragaon Regency Hotel	200	145,566	161,400	-	-	-
Universal Power Company Limited.	3,256	829,238	671,062	3,000	829,260	657,000
Sanima Middle Tamor Hydropower Ltd.	263,280	26,328,000	26,328,000	263,280	26,328,000	26,328,000
Upakar Laghubitta Bittiya Sanstha Limited.	-	-	-	467	984,310	645,487
Trishuli Jalvidhyut Company Limited	500	268,500	248,500	-	-	-
Citizen Life Insurance Company Ltd.	322,500	32,250,000	32,250,000	322,500	32,250,000	32,250,000
Nepal Warehousing Ltd.	600,000	60,000,000	60,000,000	600,000	60,000,000	60,000,000
<b>Investment in Equity Instruments (Unquoted)</b>						
Lower Erkuwa Hydropower Co. Ltd.	400,000	40,000,000	40,000,000	400,000	40,000,000	40,000,000
White Lotus Power Ltd.	379,892	37,989,214	37,989,214	138,892	13,889,214	13,889,214
Clean City Vehicle Service Ltd.	152,500	15,250,000	15,250,000	152,500	15,250,000	15,250,000
Sindhuli Agro Co. Ltd.	100,000	10,000,000	10,000,000	100,000	10,000,000	10,000,000
Insurance Institute of Nepal.	47,800	4,780,000	4,780,000	47,800	4,780,000	4,780,000
Power Trade and Exchange Ltd.	21,333	2,133,333	2,133,333	-	-	-
Shreenagar Agritech Industires Ltd.	1,000,000	100,000,000	100,000,000	-	-	-
<b>Total</b>	<b>6,792,740</b>	<b>734,570,863</b>	<b>734,059,907</b>	<b>5,389,571</b>	<b>595,800,076</b>	<b>630,761,859</b>

d) The company has earmarked investments amounting to NPR 1,975,900,000.00 to Nepal Insurance Authority.

## 11 Loans

Particulars	Current Year	Previous Year
<b>Loans measured at Amortised Cost</b>	-	-
Loan to Employees	-	-
Others (to be Specified)	-	-
Less: Impairment Losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

a) Expected repayment of loan within 12 months:

Particulars	Current Year	Previous Year
Loan to Employees	-	-
Others (to be Specified)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 12 Reinsurance Assets

Particulars	Current Year	Previous Year
<b>Reinsurance Assets on:</b>		
Unearned Premiums Reserve (UPR)	2,020,359,256	1,932,568,161
Unexpired Risk Reserve (URR)	9,178,550	18,528,243
Earthquake Premium Reserve	-	-
Incurred but not reported (IBNR)	93,459,687	-
Incurred but not enough reported (IBNER)	309,720,096	319,639,896
Outstanding Claims	1,649,974,454	1,627,609,989
Others- Margin over best estimate	-	15,981,995
Less: Impairment Losses	-	-
<b>Total</b>	<b>4,082,692,043</b>	<b>3,914,328,283</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 13 Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurer	231,826,754	212,353,245
Receivable from Other Insurance Companies	345,779,306	748,863,474
Others( to be Specified)	-	-
Less: Impairment Losses	(36,823,135)	(36,823,135)
<b>Total</b>	<b>540,782,925</b>	<b>924,393,584</b>

#### a) Expected receivable within 12 months:

Particulars	Current Year	Previous Year
Receivable from Reinsurer	231,826,754	212,353,245
Receivable from Other Insurance Companies	345,779,306	748,863,474
Others (to be Specified)	-	-
<b>Total</b>	<b>577,606,060</b>	<b>961,216,719</b>

### 14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	24,506,051	19,651,968
Claim Advances	72,791,895	93,085,688
Advance To Suppliers	-	-
VAT Receivable	-	-
Staff Advances	39,505,152	38,694,858
Printing and Stationary Stocks	-	-
Stamp Stocks	-	-
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	-	-
Deferred Agent Commission Expenses	44,330,913	9,992,425
Lease Receivables	-	-
Other Receivable	328,504	1,738,182
Covid Insurance Claim Receivable	182,592,532	180,255,732
Less: Provision for doubtful debt	-	-
<b>Total</b>	<b>364,055,047</b>	<b>343,418,853</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

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

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	24,506,051	19,651,968
Claim Advances	72,791,895	93,085,688
Advance To Suppliers	-	-
VAT Receivable	-	-
Staff Advances	39,505,152	38,694,858
Printing and Stationary Stocks	-	-
Stamp Stocks	-	-
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	-	-
Deferred Agent Commission Expenses	44,330,913	9,992,425
Lease Receivables	-	-
Other Receivable	328,504	1,738,182
Covid Insurance Claim Recovery	182,592,532	180,255,732
Less: Provision for doubtful debt	-	-
<b>Total</b>	<b>364,055,047</b>	<b>343,418,853</b>

### 15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits	77,614,297	46,172,033
Accured Interest	31,996,452	31,658,726
Other Receivables	-	-
Other Deposits	1,390,689	1,390,689
Sundry Debtors	1,876,323	3,063,264
Bank Guarantee Margin	752,124	1,312,407
Rent Receivable	-	-
Water and Electricity Receivable	-	-
Subsidy Receivable	606,576,070	511,242,216
Advance Against Investment	-	1,600,000
Less: Provision for other losses	-	-
<b>Total</b>	<b>720,205,955</b>	<b>596,439,335</b>

### a) Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security Deposits	77,614,297	46,172,033
Accured Interest	31,996,452	31,658,726
Other Receivables	-	-
Other Deposits	1,390,689	1,390,689
Sundry Debtors	1,876,323	3,063,264
Other -Bank Guarantee Margin	752,124	1,312,407
Rent Receivable	-	-
Water and Electricity Receivable	-	-
Subsidy Receivable	606,576,070	511,242,216
Advance Against Investment	-	1,600,000
Less: Provision for other losses	-	-
<b>Total</b>	<b>720,205,955</b>	<b>596,439,335</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 16 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand	68,111	207,384
Cheque in Hand	-	-
<b>Bank Balances</b>	-	-
i) Balance With "A" Class Financial Institutions	119,953,673	88,973,816
ii) Balance With Infrastructure Banks	-	-
iii) Balance With "B" Class Financial Institutions	19,305,808	21,374,057
iv) Balance With "C" Class Financial Institutions	5,316,874	6,191,850
Less: Impairment Losses	-	-
Deposit with initial maturity upto 3 months	-	-
Others (Gold Coins)	1,207,822	1,105,887
Less: Impairment Losses	-	-
<b>Total</b>	<b>145,852,288</b>	<b>117,852,994</b>

### 17 (a) Share Capital

Particulars	Current Year	Previous Year
<b>Ordinary Shares</b>		
As at Shrawan 1, 2080	2,654,947,300	2,286,081,200
Additions during the year	-	-
i) Bonus Share Issue	-	368,866,100
ii) Right Share Issue	-	-
<b>As at Ashadh 31, 2081</b>	-	-
<b>Convertible Preference Shares (Equity Component Only)</b>	-	-
As at Shrawan 1, 2080	-	-
Additions during the year	-	-
<b>As at Ashadh 31, 2081</b>	-	-
<b>Irredeemable Preference Shares (Equity Component Only)</b>	-	-
As at Shrawan 1, 2080	-	-
Additions during the year	-	-
<b>As at Ashadh 31, 2081</b>	-	-
<b>Total</b>	<b>2,654,947,300</b>	<b>2,654,947,300</b>

#### (i) Ordinary Shares

Particulars	Current Year	Previous Year
<b>Authorised Capital:</b>		
40,000,000 Equity Share @ Rs. 100	4,000,000,000	4,000,000,000
<b>Issued Capital:</b>		
26,549,473 Equity Share @ Rs. 100	2,654,947,300	2,654,947,300
<b>Subscribed and Paid Up Capital:</b>		
26,549,473 Equity Share @ Rs. 100	2,654,947,300	2,654,947,300
<b>Total</b>	<b>2,654,947,300</b>	<b>2,654,947,300</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### (ii) Preference Share Capital

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

### (iii) Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
<b>Promoters</b>				
Government of Nepal	-	-	-	-
Nepali Organized Institutions	2,350,339	2,350,339	8.86%	8.86%
Nepali Citizens	11,189,891	11,189,891	42.14%	42.14%
Foreigners	-	-	-	-
Others (to be Specified)	-	-	-	-
<b>Total (A)</b>	<b>13,540,230</b>	<b>13,540,230</b>	<b>51.00%</b>	<b>51.00%</b>
<b>Other than Promoters</b>				
General Public	13,009,243	13,009,243	49.00%	49.00%
Others (to be Specified)	-	-	-	-
<b>Total (B)</b>	<b>13,009,243</b>	<b>13,009,243</b>	<b>49.00%</b>	<b>49.00%</b>
<b>Total(A+B)</b>	<b>26,549,473</b>	<b>26,549,473</b>	<b>100.00%</b>	<b>100%</b>

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

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Bikash Jung Bahadur Rana	953,744	953,744	4.04%	4.04%
Buddha Air Pvt. Ltd.	1,639,501	1,639,501	6.18%	6.18%
Gaurav Agrawal	3,271,999	3,271,999	12.32%	12.32%
Kailash Prasad Sirohiya	973,637	973,637	3.67%	3.67%
Pabitra Kumar Karki	444,810	444,810	1.68%	1.68%
Shekhar Basnet	278,015	278,015	1.05%	1.05%
Rajendra Prasad Shrestha	968,277	968,277	3.65%	3.65%
Lomush Investment Pvt. Ltd.	712,837	712,837	2.69%	2.69%
Jitendra Baheti	376,112	376,112	1.46%	1.46%
Kiran Prakash Pandey	298,909	298,909	1.13%	1.13%
Pawan Kumar Agrawal	457,372	457,372	1.72%	1.72%
Shashikanta Agrawal	1,149,485	1,149,485	4.33%	4.33%
Chanda Sherpa	1,694,701	1,694,701	6.38%	6.38%
Birendra Bahadur Basnet	491,852	491,852	1.85%	1.85%

Continue...



# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 17(b) Share Application Money Pending Allotment

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 17 (c) Share Premium

Particulars	Current Year	Previous Year
<b>As on Shrawan 1, 2080</b>	<b>-</b>	<b>160,902,639</b>
Increase due to issue of shares at premium	-	-
Decrease due to issue of bonus shares	-	(160,902,639)
Transaction costs on issue of share	-	-
Others (to be Specified)	-	-
<b>As on Ashadh 31, 2081</b>	<b>-</b>	<b>-</b>

### 17 (d) Special Reserves

Particulars	Current Year	Previous Year
<b>As on Shrawan 1, 2080</b>	<b>1,462,322,731</b>	<b>1,335,849,418</b>
Additions	225,168,588	126,473,312
Utilizations	-	-
<b>As on Ashadh 31, 2081</b>	<b>1,687,491,319</b>	<b>1,462,322,730</b>

### 17 (e) Catastrophe Reserves

Particulars	Current Year	Previous Year
<b>As on Shrawan 1, 2080</b>	<b>115,620,908</b>	<b>125,669,741</b>
Additions	22,516,859	12,678,439
Utilizations	-	(22,727,272)
<b>As on Ashadh 31, 2081</b>	<b>138,137,767</b>	<b>115,620,908</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 17 (f) Retained Earnings

Particulars	Current Year	Previous Year
As on Shrawan 1, 2080	89,456,263	273,666,342
Opening Adjustment	-	(34,300,703)
Restated Balance as on Shrawan 1, 2080	89,456,263	239,365,639
Net Profit or Loss	445,307,020	226,125,314
Items of OCI recognised directly in retained earnings	-	-
Remeasurement of Post-Employment Benefit Obligations	-	-
Transfer to reserves	-	-
Revaluation Reserves	-	-
Special Reserves	(225,168,588)	(126,162,231)
Capital Reserves	-	-
Catastrophe Reserves	(22,516,859)	(12,616,223)
Corporate Social Responsibility (CSR) Reserves	(4,503,372)	(2,523,245)
Insurance Fund including Insurance Reserves	-	-
Fair Value Reserves	-	(9,240,879)
Actuarial Reserves	-	-
Deferred Tax Reserves	5,030,156	(19,178,801)
Other Reserve	-	-
Share Premium	-	160,902,639
Transfer from Catastrophe Reserves	-	22,727,272
Transfer from Regulatory Reserve	-	242,643
Transfer of Depreciation on Revaluation of Property and Equipment	1,892,940	-
Transfer of Disposal of Revalued Property and Equipment	-	-
Transfer of Disposal of Equity Instruments Measured at FVTOCI	-	-
Issue of Bonus Shares	-	(368,866,100)
Transaction costs on issue of Shares	-	(1,905,759)
Dividend Paid	-	-
Cash Dividend (Dividend Distribution Tax)	-	(19,414,005)
Others -Prior Period Expenses	(1,988,618)	-
<b>As on Ashadh 31, 2081</b>	<b>287,508,942</b>	<b>89,456,264</b>

### 17 (g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves	399,982,543	401,411,383
Capital Reserves	-	-
Corporate Social Responsibility (CSR) Reserves	228,260	257,011
Insurance Fund including Insurance Reserves	-	-
Regulatory Reserves	-	-
Fair Value Reserves	(6,976,539)	21,570,710
Actuarial Reserves	(7,693,727)	(7,340,170)
Deferred Tax Reserve	143,504,375	148,534,531
Other Reserve-Investment in Associates	63,284,127	(14,091)
<b>Total</b>	<b>592,329,039</b>	<b>564,419,374</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 18 Provisions

Particulars	Current Year	Previous Year
Provision for employee benefits	-	-
i) Provision for Leave	38,016,513	34,815,792
ii) Provision for Gratuity	40,058,242	40,058,242
iii) Termination Benefits	-	-
iv) Other Employee Benefit obligations- Bonus	63,525,293	48,614,346
Provision for tax related legal cases	-	-
Provision for non-tax legal cases	-	-
Others-Provision for losses for Investment	15,475,000	9,100,000
<b>Total</b>	<b>157,075,048</b>	<b>132,588,380</b>

#### (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
<b>Provision for employee benefits</b>						
i) Provision for Leave	-	-	-	-	-	-
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 employee benefits	-	-
i) Provision for Leave	38,016,513	34,815,792
ii) Provision for Gratuity	40,058,242	40,058,242
iii) Termination Benefits	-	-
iv) Other Employee Benefit obligations (to be Specified)	63,525,293	48,614,346
Provision for tax related legal cases	-	-
Provision for non-tax related legal cases	-	-
Others-Provision for losses for Investment	15,475,000	9,100,000
<b>Total</b>	<b>157,075,048</b>	<b>132,588,380</b>

### 19 Gross Insurance Contract Liabilities

Particulars	Current Year	Previous Year
Unearned Premiums Reserves (UPR)	2,805,536,976	2,649,963,179
Unexpired Risk Reserves (URR)	14,998,223	23,856,125
Earthquake Risk Reserve	10,860,268	-
Margin Over Best Estimates (MOBE)	11,345,369	26,244,788
Incurred but not reported (IBNR)	139,542,135	-
Incurred but not enough reported (IBNER)	452,300,397	524,895,768
Outstanding Claims	1,859,510,024	1,837,278,004
Others	-	-
<b>Total</b>	<b>5,294,093,391</b>	<b>5,062,237,863</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 19.1 Gross Insurance Contract Liability a) Gross Insurance Contract Liability

Particulars	Line of Business							Total
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous
<b>As at Shrawan 1, 2080</b>								
Unearned Premiums Reserves	652,921,168	614,636,532	169,044,084	598,126,108	2,718,521	56,303,350	291,050,829	265,162,587
Unexpired Risk Reserves	-	-	-	-	231,074	-	19,730,701	3,894,349
Earthquake Premium Reserves	-	-	-	-	-	-	-	-
Margin Over Best Estimate	1,703,125	13,671,187	723,422	1,462,290	8,089	311,827	3,492,380	4,872,469
Incurred but not reported (IBNR)	-	-	-	-	-	-	-	-
Incurred but not enough reported (IBNER)	34,062,504	273,423,736	14,488,447	29,245,795	161,782	6,236,537	69,847,596	97,449,371
Outstanding Claims	448,725,043	225,251,810	20,093,491	155,071,261	953,656,397	-	16,420,393	18,059,609
Others	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,137,411,840</b>	<b>1,126,983,264</b>	<b>204,329,444</b>	<b>783,905,454</b>	<b>956,775,863</b>	<b>62,851,714</b>	<b>400,541,899</b>	<b>389,438,385</b>
<b>Changes during the year</b>								
Unearned Premiums Reserves	32,393,290	109,915,438	20,003,839	(65,774,948)	(1,795,918)	1,860,026	70,503,423	(11,531,353)
Unexpired Risk Reserves	-	-	-	-	(198,783)	-	(8,631,614)	(27,504)
Earthquake Premium Reserves	6,611,647	2,665,176	82,554	520,643	662	-	869,798	109,788
Margin Over Best Estimate	(1,265,973)	(7,356,759)	(658,642)	(1,351,214)	(5,086)	(308,031)	221,007	(4,174,721)
Incurred but not reported (IBNR)	15,632,599	33,702,785	3,035,931	2,694,229	-	-	81,550,052	2,926,539
Incurred but not enough reported (IBNER)	(15,679,949)	(50,308,560)	(7,133,604)	(6,546,983)	1,577,401	(513,201)	52,496,066	(46,486,542)
Outstanding Claims	(231,787,084)	7,365,584	37,776,668	68,090,708	(627,516)	30,000,000	91,947,813	19,465,848
Others	-	-	-	-	-	-	-	-
<b>Total changes during the year</b>	<b>(194,095,471)</b>	<b>95,983,663</b>	<b>53,106,746</b>	<b>(2,367,565)</b>	<b>(1,049,240)</b>	<b>31,038,795</b>	<b>288,956,545</b>	<b>(39,717,946)</b>
<b>As at Ashadh 31, 2081</b>								
Unearned Premiums Reserves	685,314,458	724,551,970	189,047,923	532,351,160	922,603	58,163,376	361,554,252	253,631,234
Unexpired Risk Reserves	-	-	-	-	32,291	-	11,099,087	3,866,844
Earthquake Premium Reserves	6,611,647	2,665,176	82,554	520,643	662	-	869,798	109,788
Margin Over Best Estimate	437,152	6,314,428	64,780	111,076	3,003	3,796	3,713,387	697,748
Incurred but not reported (IBNR)	15,632,599	33,702,785	3,035,931	2,694,229	-	-	81,550,052	2,926,539
Incurred but not enough reported (IBNER)	18,382,555	223,115,176	7,334,843	22,698,812	1,739,183	5,723,336	122,343,662	50,962,830
Outstanding Claims	216,937,959	232,617,393	57,870,159	223,161,969	953,028,881	30,000,000	108,368,206	37,525,457
Others	-	-	-	-	-	-	-	-
<b>Total</b>	<b>943,316,370</b>	<b>1,222,966,928</b>	<b>257,436,190</b>	<b>781,537,889</b>	<b>955,726,623</b>	<b>93,890,508</b>	<b>689,498,444</b>	<b>349,720,439</b>

Continue...



**Shikhar Insurance**  
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## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### b) Reinsurance Assets

Particulars	Line of Business							
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous
<b>As at Shrawan 1, 2080</b>								
Unearned Premiums	569,770,043	107,796,197	143,530,737	595,635,544	2,089,556	50,996,736	232,840,664	229,908,684
Unexpired Risk Reserves	-	-	-	-	231,074	-	15,269,847	3,027,321
Earthquake Premium Reserves	-	-	-	-	-	-	-	-
Margin Over Best Estimate	1,149,935	5,724,010	542,977	1,376,228	(12,911)	274,658	2,794,340	4,132,759
Incurred but not reported (IBNR)	-	-	-	-	-	-	-	-
Outstanding Claims	22,998,694	114,480,191	10,859,537	27,524,565	(258,226)	5,493,168	55,886,804	82,655,162
Others	406,460,500	72,189,138	18,235,463	148,962,878	953,543,037	-	13,136,314	15,082,659
<b>Total</b>	<b>1,000,379,172</b>	<b>300,189,535</b>	<b>173,168,714</b>	<b>773,499,215</b>	<b>955,592,530</b>	<b>56,764,563</b>	<b>319,927,969</b>	<b>334,806,585</b>
<b>Changes during the year</b>								
Unearned Premiums	45,529,199	172,559,759	(62,292,534)	(83,084,729)	(1,387,481)	7,166,640	70,727,055	(61,426,814)
Unexpired Risk Reserves	-	-	-	-	(198,783)	-	(6,622,961)	(2,527,948)
Earthquake Premium Reserves	-	-	-	-	-	-	-	-
Margin Over Best Estimate	(1,149,935)	(5,724,010)	(542,977)	(1,376,228)	12,911	(274,658)	(2,794,340)	(4,132,759)
Incurred but not reported (IBNR)	11,933,625	9,722,342	2,250,208	2,297,622	-	-	65,369,901	1,885,990
Outstanding Claims	(9,660,205)	6,326,875	(4,034,573)	(5,539,901)	1,937,349	154,248	45,503,141	(44,606,734)
Others	(216,433,935)	16,703,768	31,679,868	67,082,985	(599,655)	29,700,000	76,829,812	17,401,622
<b>Total changes during the year</b>	<b>(169,781,251)</b>	<b>199,588,735</b>	<b>(32,940,007)</b>	<b>(20,620,252)</b>	<b>(235,659)</b>	<b>36,746,229</b>	<b>249,012,608</b>	<b>(93,406,643)</b>
<b>As at Ashadh 31, 2081</b>								
Unearned Premiums	615,299,242	280,355,956	81,238,203	512,550,815	702,075	58,163,376	303,567,719	168,481,870
Unexpired Risk Reserves	-	-	-	-	32,291	-	8,646,886	499,373
Earthquake Premium Reserves	-	-	-	-	-	-	-	-
Margin Over Best Estimate	-	-	-	-	-	-	-	-
Incurred but not reported (IBNR)	11,933,625	9,722,342	2,250,208	2,297,622	-	-	65,369,901	1,885,990
Outstanding Claims	13,338,489	120,807,066	6,824,964	21,984,664	1,679,124	5,647,416	101,389,944	38,048,429
Others	190,026,565	88,892,906	49,915,331	216,045,863	952,943,382	29,700,000	89,966,126	32,484,281
<b>Total</b>	<b>830,597,921</b>	<b>499,778,270</b>	<b>140,228,707</b>	<b>752,878,964</b>	<b>955,356,871</b>	<b>93,510,792</b>	<b>568,940,577</b>	<b>241,399,942</b>
								<b>4,082,692,043</b>

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### 19.2 Disclosure of Outstanding claim

S.N.	Type of insurance	Outstanding claim for claims intimated during the year (A)	Unclaimed Fund			Total Unclaimed Fund (B)	Gross outstanding claim (A+B)	Reinsurance share (C)	Net Outstanding Claim (A+B-C)
			Outstanding claim for claims intimated during the previous 1 year	Outstanding claim for claims intimated during the previous 2 year	Outstanding claim for claims intimated during the previous 3 year or more				
1	Property	191,613,574	25,324,385	-	-	25,324,385	216,937,959	190,026,565	26,911,394
2	Motor	206,966,923	21,219,060	4,431,410	-	25,650,470	232,617,393	88,892,906	143,724,487
3	Marine	51,621,877	298,283	5,950,000	-	6,248,283	57,870,159	49,915,331	7,954,828
4	Engineering	117,966,885	42,195,084	63,000,000	-	105,195,084	223,161,969	216,045,863	7,116,106
5	Micro	339,284	-	952,689,597.00	-	952,689,597	953,028,881	952,943,382	85,500
6	Aviation	-	30,000,000	-	-	30,000,000	30,000,000	29,700,000	300,000
7	Cattle and Crop	96,294,512	12,073,694	-	-	12,073,694	108,368,206	89,966,126	18,402,080
8	Miscellaneous	32,064,487	1,350,970	10,000	-	5,460,970	37,525,457	32,484,281	5,041,175
	<b>Total</b>	<b>696,867,541</b>	<b>132,461,476</b>	<b>1,026,081,007</b>	<b>4,100,000</b>	<b>1,162,642,483</b>	<b>1,859,510,024</b>	<b>1,649,974,454</b>	<b>209,535,570</b>



# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 20 Insurance Payable

Particulars	Current Year	Previous Year
Payable to Reinsurer	214,734,502.00	37,693,031
Payable to Other Insurance Companies	-	83,612,704
Withdrawal Premium	-	-
Withdrawal Claims	-	-
Others -Payable to Local Reinsurers	-	-
<b>Total</b>	<b>214,734,502</b>	<b>121,305,735</b>

#### Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer	214,734,502.00	37,693,031
Payable to other Insurance Companies	-	83,612,704
Withdrawal Premium	-	-
Withdrawal Claims	-	-
Others (to be Specified)	-	-
<b>Total</b>	<b>214,734,502</b>	<b>121,305,735</b>

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

Particulars	Current Year	Previous Year
Income Tax Liabilities	174,685,072	233,818,987
Income Tax Assets	303,807,459	239,737,332
<b>Total</b>	<b>129,122,387</b>	<b>5,918,345</b>

### 22 Borrowings

Particulars	Current Year	Previous Year
Bonds	-	-
Debentures	-	-
Term Loans-Bank and Financial Institution	-	-
Bank Overdrafts	27,000,000	147,801,819
Others -Short term loan	-	-
<b>Total</b>	<b>27,000,000</b>	<b>147,801,819</b>

#### Payable within 12 months:

Particulars	Current Year	Previous Year
Bonds	-	-
Debentures	-	-
Term Loans-Bank and Financial Institution	-	-
Bank Overdrafts	27,000,000	147,801,819
Others (to be Specified)	-	-
<b>Total</b>	<b>27,000,000</b>	<b>147,801,819</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 23 Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable	17,991,760	10,676,673
VAT Payable	64,383,418	59,021,931
Unidentified deposits	5,813,636	7,595,526
Advance Premiums	-	-
Insurance Service Fee Payable	40,603,498	41,634,309
Lease Liability	87,450,246	85,690,641
Deferred Reinsurance Commission Income	197,952,209	180,897,068
Deferred Income	-	-
Others(to be specified)	2,068,680	-
<b>Total</b>	<b>416,263,447</b>	<b>385,516,148</b>

### Payable within 12 months

Particulars	Current Year	Previous Year
TDS Payable	17,991,760	10,676,673
VAT Payable	64,383,418	59,021,931
Unidentified Deposits	5,813,636	7,595,526
Advance Premiums	-	-
Insurance Service Fee Payable	40,603,498	41,634,309
Lease Liability	87,450,246	85,690,641
Deferred Reinsurance Commission Income	197,952,209	180,897,068
Deferred Income	-	-
Others (to be specified)	2,068,680	-
<b>Total</b>	<b>416,263,447</b>	<b>385,516,148</b>

### 24 Other Financial Liabilities

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	209,000	209,000
Payable to Insured	13,561,382	23,051,517
Payable to Agents	25,340,454	10,907,524
Payable to Surveyor	15,977,717	19,075,858
Sundry Creditors	29,600,967	51,324,195
Retention and deposits	944,907	944,907
Short-term employee benefits payable	-	-
i) Salary Payables	1,713,155	1,703,717
ii) Bonus Payables	13,802,214	12,718,032
iii) Other employee benefit payable ( to be Specified)	20,135,074	19,456,503
Audit Fees Payable	624,400	501,750
Actuarial Fees Payable	1,681,575	-
Dividend Payable	-	-
Petty Cash Payable	1,525,978	1,085,430
Claims Payable	-	166,368,263
<b>Total</b>	<b>125,116,823</b>	<b>307,346,696</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### Payable within 12 months

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	209,000	209,000
Payable to Insured	13,561,382	23,051,517
Payable to Agents	25,340,454	10,907,524
Payable to Surveyor	15,977,717	19,075,858
Sundry Creditors	29,600,967	51,324,195
Retention and deposits	944,907	944,907
Short-term employee benefits payable	-	-
i) Salary Payables	1,713,155	1,703,717
ii) Bonus Payables	13,802,214	12,718,032
iii) Other employee benefit payable ( to be Specified)	20,135,074	19,456,503
Audit Fees Payable	624,400	501,750
Actuarial Fees Payable	1,681,575	-
Dividend Payable	-	-
Petty Cash Payable	1,525,978	1,085,430
Claims Payable	-	166,368,263
<b>Total</b>	<b>125,116,823</b>	<b>307,346,696</b>

### 25 Gross Earned Premiums

Particulars	Direct Premiums		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	1,370,628,916	1,164,803,837	-	-	(32,393,290)	(99,830,516)	1,338,235,626	1,064,973,321
Motor	1,304,188,754	1,226,515,870	144,915,186	212,520,162	(109,915,438)	152,075,063	1,339,188,502	1,591,111,095
Marine	180,821,628	294,259,528	-	-	(20,003,839)	202,669,479	160,817,789	496,929,007
Engineering	1,064,702,320	1,187,079,760	-	-	65,774,948	(146,764,119)	1,130,477,268	1,040,315,641
Micro	1,845,206	5,437,043	-	-	1,795,918	(186,251)	3,641,124	5,250,792
Aviation	116,326,752	112,606,700	-	-	(1,860,026)	12,124,038	114,466,726	124,730,738
Cattle and Crop	723,108,504	582,101,657	-	-	(70,503,423)	(105,245,579)	652,605,081	476,856,078
Miscellaneous	507,262,466	531,828,064	-	-	11,531,353	(35,751,599)	518,793,819	496,076,465
<b>Total</b>	<b>5,268,884,546</b>	<b>5,104,632,459</b>	<b>144,915,186</b>	<b>212,520,162</b>	<b>(155,573,797)</b>	<b>(20,909,484)</b>	<b>5,258,225,935</b>	<b>5,296,243,137</b>

#### 25.1 Direct Premiums

Particulars	New Business Premium		Renewal Premium		Co-Insurance Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	1,370,628,916	1,164,803,837	-	-	-	-	1,370,628,916	1,164,803,837
Motor	1,304,188,754	1,226,515,870	-	-	-	-	1,304,188,754	1,226,515,870
Marine	180,821,628	294,259,528	-	-	-	-	180,821,628	294,259,528
Engineering	1,064,702,320	1,187,079,760	-	-	-	-	1,064,702,320	1,187,079,760
Micro	1,845,206	5,437,043	-	-	-	-	1,845,206	5,437,043
Aviation	116,326,752	112,606,700	-	-	-	-	116,326,752	112,606,700
Cattle and Crop	723,108,504	582,101,657	-	-	-	-	723,108,504	582,101,657
Miscellaneous	507,262,466	531,828,064	-	-	-	-	507,262,466	531,828,064
<b>Total</b>	<b>5,268,884,546</b>	<b>5,104,632,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,268,884,546</b>	<b>5,104,632,459</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 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	1,230,598,484	1,000,483,284	(45,529,199)	(48,291,747)	1,185,069,285	952,191,537
Motor	560,711,912	414,202,969	(172,559,759)	260,814,041	388,152,153	675,017,010
Marine	162,476,406	243,176,310	62,292,534	129,841,490	224,768,940	373,017,800
Engineering	1,025,101,630	1,182,098,632	83,084,729	(187,193,896)	1,108,186,359	994,904,736
Micro	1,404,150	4,179,113	1,387,481	(1,591,414)	2,791,631	2,587,699
Aviation	123,748,380	105,673,369	(7,166,640)	7,869,894	116,581,740	113,543,263
Cattle and Crop	607,135,438	466,934,610	(70,727,055)	(84,181,021)	536,408,383	382,753,589
Miscellaneous	336,963,740	466,201,013	61,426,814	(41,766,575)	398,390,554	424,434,438
<b>Total</b>	<b>4,048,140,140</b>	<b>3,882,949,300</b>	<b>(87,791,095)</b>	<b>35,500,772</b>	<b>3,960,349,045</b>	<b>3,918,450,072</b>

### 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	1,338,235,626	1,064,973,321	1,185,069,285	952,191,537	153,166,341	112,781,784
Motor	1,339,188,502	1,591,111,095	388,152,153	675,017,010	951,036,349	916,094,085
Marine	160,817,789	496,929,007	224,768,940	373,017,800	(63,951,151)	123,911,207
Engineering	1,130,477,268	1,040,315,641	1,108,186,359	994,904,736	22,290,909	45,410,905
Micro	3,641,124	5,250,792	2,791,631	2,587,699	849,493	2,663,093
Aviation	114,466,726	124,730,738	116,581,740	113,543,263	(2,115,014)	11,187,475
Cattle and Crop	652,605,081	476,856,078	536,408,383	382,753,589	116,196,698	94,102,489
Miscellaneous	518,793,819	496,076,465	398,390,554	424,434,438	120,403,265	71,642,027
<b>Total</b>	<b>5,258,225,935</b>	<b>5,296,243,137</b>	<b>3,960,349,045</b>	<b>3,918,450,072</b>	<b>1,297,876,890</b>	<b>1,377,793,065</b>

### 27 Commission Income

Particulars	Reinsurance Commission Income		Deferred Commission Income		Profit Commission		Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	279,512,727	206,831,088	(6,987,818)	9,641,890	25,156,145	24,959,461	297,681,054	241,432,439
Motor	62,233,253	66,405,753	(1,555,831)	49,416,553	28,004,964	14,675,101	88,682,386	130,497,407
Marine	60,982,180	35,603,840	(1,524,555)	1,184,068	914,733	2,374,732	60,372,358	39,162,640
Engineering	66,449,492	64,959,328	(1,661,237)	(7,403,495)	500,607	-	65,288,862	57,555,833
Micro	210,622	648,862	(5,266)	(214,124)	-	-	205,356	434,738
Aviation	13,711,763	-	(342,794)	9,609,699	-	-	13,368,969	9,609,699
Cattle and Crop	106,490,701	79,378,884	(2,662,268)	(9,519,650)	-	-	103,828,433	69,859,234
Miscellaneous	92,614,869	98,125,519	(2,315,372)	(869,727)	-	-	90,299,497	97,255,792
<b>Total</b>	<b>682,205,607</b>	<b>551,953,274</b>	<b>(17,055,141)</b>	<b>51,845,214</b>	<b>54,576,449</b>	<b>42,009,295</b>	<b>719,726,915</b>	<b>645,807,783</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 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	37,002,018	11,496,813	-	-	37,002,018	11,496,813
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	1,824,000	1,865,563	-	-	1,824,000	1,865,563
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total</b>	<b>38,826,018</b>	<b>13,362,376</b>	<b>-</b>	<b>-</b>	<b>38,826,018</b>	<b>13,362,376</b>

### 29 Income from Investments & Loans

Particulars	Current Year	Previous Year
<b>Interest Income from Financial Assets Designated at Amortised Costs</b>		
i) Fixed Deposit with "A" Class Financial Institutions	198,344,129	231,090,488
ii) Fixed Deposit with Infrastructure Bank É	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	36,861,099	37,214,051
iv) Fixed Deposit with "C" Class Financial Institutions	4,019,984	4,637,420
v) Debentures	72,446,744	69,030,521
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
vii) Bank Deposits other than Fixed Deposit	3,538,314	8,838,200
xiii) Employee Loans	-	-
ix) Other Interest Income ( CIT)	1,230,400	1,306,154
<b>Financial Assets Measured at FVTOCI</b>		
i) Interest Income on Debentures	-	-
ii) Dividend Income	-	-
iii) Other Interest Income ( to be specified)	-	-
<b>Financial Assets Measured at FVTPL</b>		
i) Interest Income on Debentures	-	-
ii) Dividend Income	1,553,841	5,385,412
iii) Other Interest Income ( to be specified)	-	-
Rental Income	19,034,979	17,891,025
Others-Miscellaneous Income	-	-
<b>Total</b>	<b>337,029,490</b>	<b>375,393,271</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

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

Particulars	Current Year	Previous Year
<b>Changes in Fair Value of Financial Assets Measured at FVTPL</b>		
i) Equity Instruments	-	-
ii) Mutual Fund	-	-
iii) Others (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)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 31 Net Realised Gains/ (Losses)

Particulars	Current Year	Previous Year
<b>Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL</b>		
i) Equity Instruments	(2,225,184)	(16,560,007)
ii) Mutual Fund	-	-
iii) Others (to be specified)	-	-
<b>Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs</b>		
i) Debentures	-	-
ii) Bonds	-	-
iii) Others (to be specified)	-	-
<b>Total</b>	<b>(2,225,184)</b>	<b>(16,560,007)</b>

### 32 Other Income

Particulars	Current Year	Previous Year
<b>Unwinding of discount on Financial Assets at Amortised Cost</b>		
i) Employee Loan	-	-
ii) Bonds	-	-
iii) Others (to be specified)	-	-
Foreign Exchange Income	346,369	-
Interest Income from Finance Lease	-	-
Amortization of Deferred Income	-	-
Profit from disposal of Property and Equipment	(544,533)	2,064,367
Amortization of Deferred Income	-	-
Stamp Income	-	-
<b>Others</b>		
- Gain on Remeasurement of Lease	2,399,021	-
- Provision written back	-	39,361,246
- Miscellaneous	49,673,350	11,064,064
<b>Total</b>	<b>51,874,207</b>	<b>52,489,677</b>



# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 33 Gross Claims Paid and Claims Ceded

Particulars	Gross Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	349,396,691	410,019,326	284,721,645	284,401,253	64,675,046	125,618,073
Motor	838,687,603	1,103,574,227	299,111,657	350,452,688	539,575,946	753,121,539
Marine	50,879,227	115,702,818	39,768,980	101,300,456	11,110,247	14,402,362
Engineering	87,988,773	86,705,856	69,118,908	61,020,803	18,869,865	25,685,053
Micro	4,594,182	27,431,031	769,438	3,488,255	3,824,744	23,942,776
Aviation	-	-	-	-	-	-
Cattle and Crop	477,894,524	519,189,696	393,167,935	415,334,307	84,726,589	103,855,389
Miscellaneous	439,334,676	412,321,645	294,220,010	338,601,144	145,114,666	73,720,501
<b>Total</b>	<b>2,248,775,676</b>	<b>2,674,944,599</b>	<b>1,380,878,573</b>	<b>1,554,598,906</b>	<b>867,897,103</b>	<b>1,120,345,693</b>

#### 33.1 Details of Gross Claim Paid

Particulars	Claim Paid		Survey Fees		Total Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	349,396,691	410,019,326	-	-	349,396,691	410,019,326
Motor	838,687,603	1,103,574,227	-	-	838,687,603	1,103,574,227
Marine	50,879,227	115,702,818	-	-	50,879,227	115,702,818
Engineering	87,988,773	86,705,856	-	-	87,988,773	86,705,856
Micro	4,594,182	27,431,031	-	-	4,594,182	27,431,031
Aviation	-	-	-	-	-	-
Cattle and Crop	477,894,524	519,189,696	-	-	477,894,524	519,189,696
Miscellaneous	439,334,676	412,321,645	-	-	439,334,676	412,321,645
<b>Total</b>	<b>2,248,775,676</b>	<b>2,674,944,599</b>	<b>-</b>	<b>-</b>	<b>2,248,775,676</b>	<b>2,674,944,599</b>

### 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	(226,488,761)	(194,670,538)	(215,310,450)	(179,701,773)	(11,178,311)	(14,968,765)
Motor	(13,931,775)	(36,154,746)	27,028,976	20,694,254	(40,960,750)	(56,849,000)
Marine	33,102,907	(2,825,792)	29,352,527	(1,908,472)	3,750,380	(917,320)
Engineering	63,407,383	21,424,775	62,464,477	24,394,434	942,906	(2,969,660)
Micro	746,678	(231,333,605)	1,151,822	(231,236,623)	(405,144)	(96,982)
Aviation	29,178,769	(7,482,086)	29,579,589	(7,677,893)	(400,821)	195,807
Cattle and Crop	218,453,122	71,440,795	178,285,553	62,092,283	40,167,569	9,348,512
Miscellaneous	(28,186,592)	23,849,529	(31,979,829)	24,828,329	3,793,237	(978,800)
<b>Total</b>	<b>76,281,731</b>	<b>(355,751,668)</b>	<b>80,572,665</b>	<b>(288,515,461)</b>	<b>(4,290,934)</b>	<b>(67,236,207)</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 35 Commission Expenses

Particulars	Commission Expenses on Direct Premiums		Commission Expenses on Premium on Reinsurance Accepted		Deferred Commission Expenses		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	8,823,054	7,952,959	-	(29,679)	(4,411,527)	273,635	4,411,527	8,196,915
Motor	5,985,087	6,763,964	-	-	(2,992,544)	165,366	2,992,543	6,929,330
Marine	588,671	712,631	1,000,647	-	(794,659)	59,020	794,659	771,651
Engineering	1,133,521	1,864,200	-	-	(566,761)	3,231	566,760	1,867,431
Micro	21,763	309,955	-	-	(10,882)	(25,934)	10,881	284,021
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	46,124,803	6,295,528	-	-	(23,062,402)	(1,539,441)	23,062,401	4,756,087
Miscellaneous	4,999,425	5,970,905	-	6,898	(2,499,713)	23,490	2,499,712	6,001,293
<b>Total</b>	<b>67,676,324</b>	<b>29,870,142</b>	<b>1,000,647</b>	<b>(22,781)</b>	<b>(34,338,488)</b>	<b>(1,040,633)</b>	<b>34,338,483</b>	<b>28,806,728</b>

### 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	10,279,717	9,359,400	8,950,708	8,034,946	1,329,009	1,324,454
Motor	10,868,280	11,562,904	4,078,315	3,328,193	6,789,965	8,234,711
Marine	1,356,162	2,364,426	1,181,766	1,953,964	174,396	410,462
Engineering	7,985,267	9,538,391	7,456,035	9,498,367	529,232	40,024
Micro	13,839	43,688	10,213	33,580	3,626	10,108
Aviation	872,451	904,814	900,079	849,104	(27,628)	55,710
Cattle and Crop	5,423,314	4,677,288	4,415,975	3,751,900	1,007,339	925,388
Miscellaneous	3,804,468	4,273,331	2,450,892	3,750,131	1,353,576	523,200
<b>Total</b>	<b>40,603,498</b>	<b>42,724,242</b>	<b>29,443,983</b>	<b>31,200,185</b>	<b>11,159,515</b>	<b>11,524,057</b>

### 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	-	-	-	-	-	-
Motor	18,343,694	13,450,643	-	-	18,343,694	13,450,643
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	71,901	214,445	-	-	71,901	214,445
Aviation	-	-	-	-	-	-
Cattle and Crop	2,799,828	3,135,620	-	-	2,799,828	3,135,620
Miscellaneous	-	-	-	-	-	-
<b>Total</b>	<b>21,215,423</b>	<b>16,800,708</b>	<b>-</b>	<b>-</b>	<b>21,215,423</b>	<b>16,800,708</b>

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### 38 Employee Benefits Expenses

Particulars	Current Year	Previous Year
Salaries	143,352,738	135,264,564
Allowances	201,815,696	190,830,709
Festival Allowances	27,624,931	26,145,423
Medical Allowamces	-	-
<b>Defined Benefit Plans</b>		
i) Gratuity		-
ii) Leave	36,847,303	23,218,822
<b>Defined Contribution Plans</b>		
i) Provident Fund/ Social Security Fund	28,670,548	27,051,063
ii) Gratuity	4,836,050	3,094,941
Leave Encashments	-	-
Termination Benefits	-	-
Training Expenses	9,696,340	8,986,752
Uniform Expenses	6,005,358.0	6,299,712
Staff Medical Expenses	-	-
Staff Insurance Expenses	11,877,983	10,652,017
Staff Welfare	9,045,728	9,966,779
Vehicle Allowance	20,231,948	20,799,317
Other Allowances	5,588,034	5,096,337
<b>Sub Total</b>	<b>505,592,657</b>	<b>467,406,436</b>
Employees Bonus	62,718,962	48,614,345
<b>Total</b>	<b>568,311,619</b>	<b>516,020,781</b>

#### 39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of goodwill & Intangible Assets (Refer Note. 4)	1,076,799	347,385
Depreciation on Property and Equipment (Refer Note.5)	45,343,354	36,503,009
Depreciation on Investment Properties (Refer Note. 6 )	2,049,960	-
<b>Total</b>	<b>48,470,113</b>	<b>36,850,394</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 40 Impairment Losses

Particulars	Current Year	Previous Year
<b>Impairment Losses on Property and Equipment, Investment Properties and Goodwill &amp; Intangible Assets</b>		
i) Property and Equipment	-	-
ii) Investment properties	-	-
iii) Goodwill & Intangible Assets	-	-
<b>Impairment Losses on Financial Assets</b>		
i) Investments	6,375,000	-
ii) Loans	-	-
iii) Other Financial Assets	-	-
iv) Cash and Cash Equivalents	-	-
v) Others (Investment in MCL)	-	-
<b>Impairment Losses on Other Assets</b>		
i) Reinsurance Assets	-	-
ii) Insurance Receivables	-	36,823,135
iii) Lease Receivables	-	-
iv) Others (Doubtful Debt)	-	-
<b>Total</b>	<b>6,375,000</b>	<b>36,823,135</b>

### 41 Other Operating Expenses

Particulars	Current Year	Previous Year
Rent Expenses	25,792,436	21,394,639
Electricity and Water	5,302,316	7,129,991
<b>Repair &amp; Maintenance</b>		
i) Building	281,341	961,669
ii) Vehicle	2,668,181	2,583,434
iii) Office Equipments	1,341,345	648,800
iv) Others (to be Specified)	3,481,162	2,221,738
Telephone & Communication	13,253,749	12,020,268
Printing & Stationary	19,626,723	18,723,172
Office Consumable Expenses	12,361,146	12,011,508
<b>Travelling Expenses</b>		
i) Domestic	4,333,287	4,268,976
ii) Foreign	3,345,648	1,022,000
Transportation & Fuel Expenses	27,213,379	25,374,973
Agent Training	98,649	-
Other Agent Expenses	-	-
Insurance Premium	6,789,070	6,519,434
Security & Outsourcing Expenses	6,073,537	5,780,584
Legal and Consulting Expenses	9,817,512	8,776,271
Newspapers, Books and Periodicals	147,009	138,585
Advertisement & Promotion Expenses	22,229,870	20,999,177
Business Promotion	14,063,517	6,911,740

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

Particulars	Current Year	Previous Year
Guest Entertainment	3,461,095	1,591,615
Gift and Donations	1,273,212	545,044
<b>Board Meeting Fees and Expenses</b>		
i) Meeting Allowances	4,302,000	2,564,000
ii) Other Allowances	407,567	839,446
<b>Other Committee/ Sub-committee Expenses</b>		
i) Meeting Allowances	3,347,800	2,142,873
ii) Other Allowances	989,359	388,967
Annual General Meeting Expenses	2,678,590	3,439,928
Actuarial Service Fee	2,684,865	2,206,772
Other Actuarial Expenses	-	-
<b>Audit Related Expenses</b>		
i) Statutory Audit	500,000	325,000
ii) Tax Audit	30,000	75,000
iii) Long Form Audit Report	30,000	50,000
iv) Other Fees	844,284	1,480,174
v) Internal Audit	600,000	500,000
vi) Other -Audit Expenses	1,304,480	1,219,736
Bank Charges	1,128,235	1,508,380
Fee and Charges	-	-
Postage Charges	5,195,919	4,771,352
Foreign Exchange Losses	-	15,238,354
Fines and Penalties	-	-
<b>Others (to be Specified)</b>		
a. Membership and subscription fees	120,000	110,000
b. Pooja expenses	634,564	651,009
c. Notice Expenses	1,407,353	754,567
d. Miscellaneous	1,924	1,289,932
e. Computer support service	6,308,428	4,495,253
f. Other Program Expenses	7,457,915	8,499,947
g. Ghumti Beema	378,727	396,315
h. CSR Expenses	1,914,822	2,575,182
i. Rate and Duties	4,744,678	5,651,837
j. Insurance Awareness program	536,122	-
<b>Total</b>	<b>230,501,816</b>	<b>220,797,642</b>

## 42 Finance Cost

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions	-	-
Unwinding of discount on Financial Liabilities at Amortised Costs	-	-
Interest Expenses - Bonds	-	-
Interest Expenses - Debentures	-	-
Interest Expenses - Term Loans	-	-
Interest Expenses - Leases	9,764,878	9,215,004
Interest Expenses - Overdraft Loans	22,469,299	32,155,352
Others ( to be Specified)	-	-
<b>Total</b>	<b>32,234,177</b>	<b>41,370,356</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 43 Income Tax Expense

#### (a) Income Tax Expense

Particulars	Current Year	Previous Year
<b>Current Tax</b>		
i) Income Tax Expenses for the Year	174,685,072	149,505,967
ii) Income Tax Relating to Prior Periods	2,167,381	84,313,020
<b>Deferred Tax For The Year</b>		
i) Originating and reversal of temporary differences	5,030,156	26,199,149
ii) Changes in tax rate	-	-
iii) Recognition of previously unrecognised tax losses	-	-
iv) Write-down or reversal	-	-
v) Others ( to be Specified)	-	-
<b>Income Tax Expense</b>	<b>181,882,609</b>	<b>260,018,136</b>

#### (b) Reconciliation of Taxable Profit & the Accounting Profit

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	627,189,629	486,143,450
Applicable Tax Rate	30%	30%
<b>Tax at the applicable rate on Accounting Profit</b>	<b>188,156,889</b>	<b>145,843,035</b>
<b>Add: Tax effect of expenses that are not deductible for tax purpose</b>		
i) Donation	381,964	163,513
ii) Inadmissible Expenses	-	772,555
iii) Unabsorbed repairs	12,879	-
iv) Depreciation as per books	14,541,034	11,055,118
v) Provision for leave	808,692	625,275
v) Provision for Doubtful debt	-	11,046,941
vi) Tax effect of bonus share distributed from share premium	-	48,270,792
<b>Less: Tax effect on exempt income and additional deduction</b>		
i) Dividend Income	466,152	(1,615,624)
ii) Provision written back	-	(11,808,374)
iii) Depreciation as per the Act	10,575,897	(9,160,812)
iv) (Profit) Loss on Sale of Fixed Asset	-	(619,310)
Less: Adjustments to Current Tax for Prior Periods	2,167,381	
<b>Add/ (Less): Others (to be Specified)</b>		
i) Adjustment for Profit as per NFRS and GAAP	(35,228,278)	(45,067,142)
ii) Fine and Penalties	-	-
<b>Income Tax Expense</b>	<b>181,882,609</b>	<b>149,505,967</b>
<b>Effective Tax Rate</b>	<b>29%</b>	<b>31%</b>



# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 44 Employee Retirement Benefits

#### a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashad 31, 2081 (15th July, 2024 ) the company has recognised an amount of NPR. 3,200,721.00 as an expenses under the defined contribution plans in the Statement of Profit or Loss.

#### b) Post Employment Benefit - Defined Benefit Plans

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

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

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost	4,437,806	4,636,651	2,077,849	2,031,720
Past service cost	-	-	-	-
Net interest cost	-	-	-	-
a. Interest expense on defined benefit obligation (DBO)	2,149,885	1,748,087	984,000	861,949
b. Interest (income) on plan assets	-	-	-	-
c. Total net interest cost	-	-	-	-
Net Actuarial Losses/(Gains) Recognised during the period	-	-	-	-
<b>Defined benefit cost included in Statement of Profit or Loss</b>	<b>6,587,691</b>	<b>6,384,738</b>	<b>3,061,849</b>	<b>2,893,669</b>

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

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
a. Actuarial (gain)/ loss due to financial assumption changes in DBO	1,415,023	(1,397,247)	662,614	(634,009)
b. Actuarial (gain)/ loss due to experience on DBO	-	(143,094)	-	(64,455)
b. Actuarial (gain)/ loss due to demographic assumptions	(1,230,195)	4,104,309	(342,359)	1,168,597
d. Return on plan assets (greater)/ less than discount rate	-	-	-	-
<b>Total actuarial (gain)/ loss included in OCI</b>	<b>184,828</b>	<b>2,563,968</b>	<b>320,255</b>	<b>470,133</b>

#### e) Total cost recognised in Comprehensive Income

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss	6,587,691	6,384,738	3,061,849	2,893,669
Remeasurements effects recognised in OCI	184,828	2,563,968	320,255	470,133
<b>Total cost recognised in Comprehensive Income</b>	<b>6,772,519</b>	<b>8,948,706</b>	<b>3,382,104</b>	<b>3,363,802</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### f) Change in Defined Benefit Obligation

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year	23,900,390	20,010,059	10,915,402	9,687,382
Service cost	4,437,806	4,636,651	2,077,849	2,031,720
Interest cost	2,149,885	1,748,087	984,000	861,949
Benefit payments from plan assets	(4,803,090)	(5,058,375)	(2,150,811)	(2,135,782)
Actuarial (gain)/ loss - financial assumptions	1,415,023	(1,397,247)	662,614	(634,009)
Actuarial (gain)/ loss - demographic assumptions	-	(143,094)	(342,359)	1,168,597
Actuarial (gain)/ Loss - experience	(1,230,195)	4,104,309	-	(64,455)
<b>Defined Benefit Obligation As At Year End</b>	<b>25,869,819</b>	<b>23,900,390</b>	<b>12,146,695</b>	<b>10,915,402</b>

### g) Change in Fair Value of Plan Assets

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year	-	-	-	-
Expected return on plan assets	-	-	-	-
Employer contributions	-	-	-	-
Participant contributions	-	-	-	-
Benefit payments from plan assets	-	-	-	-
Transfer in/ transfer out	-	-	-	-
Actuarial gain/ (loss) on plan assets	-	-	-	-
<b>Fair value of Plan Assets At End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### h) Net Defined Benefit Asset/(Liability)

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation	25,869,819	23,900,390	12,146,695	10,915,402
Fair Value of Plan Assets	-	-	-	-
<b>(Surplus)/Deficit Recognised in Statement of Financial Position</b>	<b>25,869,819</b>	<b>23,900,390</b>	<b>12,146,695</b>	<b>10,915,402</b>

### i) Expected Company Contributions for the Next Year

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year	-	-	-	-
<b>(Surplus)/Deficit Recognised in Statement of Financial Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

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

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end	23,900,390	20,010,059	10,915,402	9,687,382
Defined benefit cost included in Statement of Profit or Loss	6,587,691	6,384,738	3,061,849	2,893,669
Total remeasurements included in OCI	184,828	2,563,968	320,255	470,133
Acquisition/ divestment	-	-	-	-
Employer contributions	(4,803,090)	(5,058,375)	(2,150,811)	(2,135,782)
<b>Net defined benefit liability/(asset)</b>	<b>25,869,819</b>	<b>23,900,390</b>	<b>12,146,695</b>	<b>10,915,402</b>

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

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period	-	-	-	-
Total remeasurements included in OCI	184,828	2,563,968	320,255	470,133
<b>Cumulative OCI - (Income)/Loss</b>	<b>184,828</b>	<b>2,563,968</b>	<b>320,255</b>	<b>470,133</b>

### l) Current/Non - Current Liability

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	3,488,711	3,744,502	1,642,170	1,726,919
Non - Current Liability	22,381,107	20,155,888	10,504,526	9,188,483
<b>Total</b>	<b>25,869,818</b>	<b>23,900,390</b>	<b>12,146,696</b>	<b>10,915,402</b>

### m) Expected Future Benefit Payments

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	3,642,321	3,927,267	1,714,476	1,811,208
Between 1-2 years	3,539,454	3,363,853	1,671,836	1,534,038
Between 2-5 years	6,844,847	9,128,151	4,537,957	4,168,973
From 6 years and beyond	3,907,263	30,431,324	16,296,684	155,564,888
<b>Total</b>	<b>17,933,885</b>	<b>46,850,595</b>	<b>24,220,953</b>	<b>163,079,107</b>

### n) Plan assets

Particulars	Home Leave		Sick Leave	
	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	-	-	-	-
Others (to be Specified)	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### o) Sensitivity Analysis

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Effect in Defined Benefit Obligation Due to 1% Increase in Discount Rate	24,444,795	22,669,140	11,484,081	10,356,051
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	27,458,066	25,276,487	12,890,099	11,540,140
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	27,467,499	25,297,638	12,894,340	11,549,412
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	24,422,146	22,630,408	11,468,939	10,338,742
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate	26,087,358	24,179,567	12,248,174	11,041,181
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate	25,628,947	23,591,220	12,034,421	10,776,236

### p) Assumptions

Particulars	Home Leave	Sick Leave
Discount Rate	9.00%	9.00%
Escalation Rate (Rate of Increase in Compensation Levels)	7.00%	7.00%
Attrition Rate (Employee Turnover)	8.00%	8.00%
Mortality Rate During Employment	NALM 2009	NALM 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.

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

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Investments</b>							
i) Investment in Equity Instruments		-	-	-	-	-	-
Investment in Equity (Quoted)	1	-	269,840,494	-	-	454,592,645	-
Investment in Equity (Quoted)	3	-	464,219,413	-	-	176,169,214	-
ii) Investment in Mutual Funds	1	-	99,216,126	-	-	72,078,122	-
iii) Investment in Preference Shares of Bank and Financial Institutions		-	-	-	-	-	-
iv) Investment in Debentures	3	-	-	762,817,000	-	-	731,146,000
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3	-	-	-	-	-	-
vi) Fixed Deposits	3	-	-	2,949,000,000	-	-	2,735,500,000
vii) Others (to be specified)	3	-	-	17,206,164	-	-	15,839,324
Loans	3	-	-	-	-	-	-
Other Financial Assets	3	-	-	720,205,955	-	-	596,439,335
Cash and Cash Equivalents	3	145,852,288	-	-	117,852,994	-	-
<b>Total Financial Assets</b>		<b>145,852,288</b>	<b>833,276,033</b>	<b>4,449,229,119</b>	<b>117,852,994</b>	<b>702,839,981</b>	<b>4,078,924,659</b>
Loans and Borrowings		-	-	27,000,000	-	-	147,801,819
Other Financial Liabilities	3	-	-	125,116,823	-	-	307,346,696
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>152,116,823</b>	<b>-</b>	<b>-</b>	<b>455,148,515</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

- Level 1 :** Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.
- Level 2 :** Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.
- Level 3 :** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

### (ii) Valuation Technique Used to Determine Fair Value

- Use of quoted market prices or dealer quotes for similar instruments
- 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 held at **least once in a year**.

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

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

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

Fig. in NPR

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Investments</b>				
i) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
ii) Investment in Debentures	762,817,000	762,817,000	731,146,000	731,146,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-
iv) Fixed Deposit	2,949,000,000	2,949,000,000	2,735,500,000	2,735,500,000
v) Others (to be Specified)	-	-	-	-
<b>Loans</b>				
i) Loan to Associates	-	-	-	-
ii) Loan to Employees	-	-	-	-
v) Others (to be Specified)	-	-	15,839,324.00	15,839,324.00
Other Financial Assets	720,205,955	720,205,955	596,439,335	596,439,335
<b>Total Financial Assets at Amortised Cost</b>	<b>4,432,022,955</b>	<b>4,432,022,955</b>	<b>4,078,924,659</b>	<b>4,078,924,659</b>
<b>Loans and Borrowings</b>				
i) Bond	-	-	-	-
ii) Debenture	-	-	-	-
iii) Term Loan - Bank and Financial Institution	-	-	-	-
iv) Bank Overdraft	27,000,000	27,000,000	147,801,819	147,801,819
v) Others (to be Specified)	-	-	-	-
Other Financial Liabilities	125,116,823	125,116,823	307,346,696	307,346,696
<b>Total Financial Liabilities at Amortised Cost</b>	<b>152,116,823</b>	<b>152,116,823</b>	<b>455,148,515</b>	<b>455,148,515</b>

The fair values of the above financial instruments measured at amortised cost are calculated based on cash flows discounted using current discount rate.

The carrying amounts of cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

### 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 classes of business based on its overall strategy. This is complemented by observing formalised risk management policies.

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

- a) Product development
- b) Pricing
- c) Underwriting
- d) 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 significant risks arising under the Non-Life Insurance portfolio emanates from changes in the climate leading to natural disasters, behavioral trends of people due to changing life styles, the steady escalation of costs in respect of spares in the auto industries.

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

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

#### b) Pricing:

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

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# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

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

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

### c) Underwriting:

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

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

### d) Reinsurance

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

### e) Claims handling:

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

- i) Claims are assessed immediately.
- ii) Assessments are carried out by in-house as well as independent assessors / loss adjustors working throughout.
- iii) The service of a qualified independent actuary is obtained annually to assess the adequacy of reserves made in relation to Incurred But Not Reported (IBNR) and
- iv) Incurred But Not Enough Reported (IBNER) claims.
- v) Post-underwriting reviews are conducted to ensure that set guidelines have been observed.
- vi) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers

### Sensitivities

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

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

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

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%	2,231,922,813	92,839,683	84,399,712	59,079,798	1,375,077,411	171,664,330	156,058,482	109,240,937
Average Number of Claims	+10%	-	-	-	-	-	-	-	-
Average Claim Cost	-10%	(2,231,922,813)	(92,839,683)	(84,399,712)	(59,079,798)	(1,375,077,411)	(171,664,330)	(156,058,482)	(109,240,937)
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 accident year at each reporting date, together with cumulative payments to date.

### Gross insurance contract outstanding claim provision

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	2,234,056,937	2,234,056,937
One year later	-	-	-	-	-	1,014,495,512	1,014,495,512
Two year later	-	-	-	-	-	1,386,775,542	1,386,775,542
Three year later	-	-	-	-	-	58,064,446	58,064,446
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
<b>Current estimate of cumulative claims</b>	-	-	-	-	-	<b>4,693,392,437</b>	<b>4,693,392,437</b>
At end of incident year	-	-	-	-	-	1,367,685,891	1,367,685,891
One year later	-	-	-	-	-	849,814,593	849,814,593
Two year later	-	-	-	-	-	111,114,355	111,114,355
Three year later	-	-	-	-	-	52,967,178	52,967,178
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
<b>Cumulative payments to date</b>	-	-	-	-	-	<b>2,381,582,017</b>	<b>2,381,582,017</b>
<b>Gross insurance contract outstanding claim provision</b>	-	-	-	-	-	<b>2,311,810,420</b>	<b>2,311,810,420</b>

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## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### Net insurance contract outstanding claim provision

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year	-	-	-	-	-	1,871,121,896	1,871,121,896
One year later	-	-	-	-	-	849,685,043	849,685,043
Two year later	-	-	-	-	-	1,161,486,101	1,161,486,101
Three year later	-	-	-	-	-	48,631,561	48,631,561
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
<b>Current estimate of cumulative claims</b>	-	-	-	-	-	<b>3,930,924,602</b>	<b>3,930,924,602</b>
At end of incident year	-	-	-	-	-	1,145,497,670	1,145,497,670
One year later	-	-	-	-	-	711,757,463	711,757,463
Two year later	-	-	-	-	-	93,063,207	93,063,207
Three year later	-	-	-	-	-	44,362,372	44,362,372
Four year later	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-
<b>Cumulative payments to date</b>	-	-	-	-	-	<b>1,994,680,712</b>	<b>1,994,680,712</b>
<b>Net insurance contract outstanding claim provision</b>	-	-	-	-	-	<b>1,936,243,889</b>	<b>1,936,243,889</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### f) Reserving

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

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

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Fire	943,316,370	830,597,921	112,718,449	1,137,411,840	1,000,379,172	137,032,668
Motor	1,222,966,928	499,778,270	723,188,658	1,126,983,264	300,189,535	826,793,729
Marine	257,436,190	140,228,707	117,207,484	204,329,444	173,168,714	31,160,731
Engineering	781,537,889	752,878,964	28,658,925	783,905,454	773,499,215	10,406,239
Micro	955,726,623	955,356,871	369,752	956,775,863	955,592,530	1,183,333
Aviation	93,890,508	93,510,792	379,716	62,851,714	56,764,563	6,087,151
Cattle and Crop	689,498,444	568,940,577	120,557,867	400,541,899	319,927,969	80,613,930
Miscellaneous	349,720,439	241,399,942	108,320,497	389,438,385	334,806,585	54,631,800
<b>Total</b>	<b>5,294,093,391</b>	<b>4,082,692,043</b>	<b>1,211,401,348</b>	<b>5,062,237,863</b>	<b>3,914,328,283</b>	<b>1,147,909,580</b>

## 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:**

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

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### Expected Credit Losses for Financial Assets at Amortised Costs as at Ashad 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	-	-	-	-	-
Credit Risk has significantly increased and not credit impaired	-	-	-	-	-
Credit Risk has significantly increased and credit impaired	-	-	-	-	-

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

Particulars	Asset Group	Gross Carrying Amount	Expected Probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	-	-	-	-	-
Credit Risk has significantly increased and not credit impaired	-	-	-	-	-
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
<b>Loss Allowance on Ashad 31, 2078</b>	-	-	-
Changes in loss allowances	-	-	-
Write-offs	-	-	-
Recoveries	-	-	-
<b>Loss Allowance on Ashad 32, 2079</b>	-	-	-

#### 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.

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

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
Borrowing	27,000,000	-	-	200,228,619	-	-
Other Financial Liabilities	125,116,823	-	-	200,736,039	-	-
<b>Total Financial Liabilities</b>	<b>152,116,823</b>	<b>-</b>	<b>-</b>	<b>400,964,658</b>	<b>-</b>	<b>-</b>

### 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.

#### Alternative note for Foreign Currency Risk Exposure (where there is Foreign Currency Risk)

Operation of the Company has exposed it to foreign exchange risk arising from foreign currency transactions, with respect to the USD and Indian Rupees. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the NPR cash flows of highly probable forecast transactions.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in NPR, are as follows:

Particulars	Current Year		Previous Year	
	USD	Indian Rupees	USD	Indian Rupees
Investments	-	-	-	-
Loans	-	-	-	-
Insurance Receivables	914,552	68,663,810	505,430	91,284,974
Other Financial Assets	-	-	-	-
<b>Less: Derivative Assets</b>				
i) Foreign exchange forward contracts - Sell Foreign Currency	-	-	-	-
ii) Foreign exchange option contracts - Sell Foreign Currency	-	-	-	-
<b>Net Exposure to Foreign Currency Risk/ (Assets)</b>	<b>914,552</b>	<b>68,663,810</b>	<b>505,430</b>	<b>91,284,974</b>
Insurance Payables	25,930	-	286,052	-
Other Financial Liabilities	-	-	-	-
<b>Less: Derivative Liabilities</b>				
i) Foreign exchange forward contracts - Buy Foreign Currency	-	-	-	-
ii) Foreign exchange option contracts - Buy Foreign Currency	-	-	-	-
<b>Net Exposure to Foreign Currency Risk/ (Liabilities)</b>	<b>25,930</b>	<b>-</b>	<b>286,052</b>	<b>-</b>

Continue...



# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### a2) Foreign Currency Risk - Sensitivity

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

Particulars	Impact on profit after tax		Impact on other component of equity	
	Current Year	Previous Year	Current Year	Previous Year
<b>USD sensitivity</b>				
NPR/ USD - Increases by 10% *	8,295,467	2,014,312	-	(8,402,399)
NPR/ USD - Decreases by 10% *	(8,295,467)	(2,014,312)	-	8,402,399
<b>INR sensitivity</b>				
NPR/ Currency A - Increases by 10% *	7,697,556	10,233,502	-	-
NPR/ Currency A - Decreases by 10% *	(7,697,556)	(10,233,502)	-	-

\* Holding all other variable constant

### b1) Interest Rate Risk

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

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

### b2) Interest Rate Sensitivity

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

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*	(611,806)	(1,034,613)
Interest Rate - Decrease By 1%*	611,806	1,034,613

\* Holding all other Variable Constant

### c1) Equity Price Risk

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

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

### c2) Sensitivity

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

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

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

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

### 48 Operation Risk

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

### 49 Climate Risk

#### Risk Governance

The board oversees climate change related matters through the Risk Management Committee. The Climate Change Risk Officer is to be responsible for overseeing climate change risk related matters at the senior management level. The CCO shall report to the Chief Executive Officer and the Risk Management Committee. All heads of the departments, heads of Province office, branch offices and subbranch offices shall be responsible for the implementation of the climate related policy of the company.

#### Risk Identification and Assessment

Risks relating to climate change shall be identified at the operational level. For recognizing climate change related risks, suitable scenario analysis and stress testing mechanism shall be developed.

#### Risk Measurement

While measuring business implications of climate change, the way climate related risks and opportunities are likely to affect current and future financial performance in terms of major impact categories (revenue and expenditure) need to be assessed.

#### Risk Reporting and Monitoring

Risks reports relating to the exposures of the identified climate related risks and performance in managing them and presented to the senior management and to the board. The company shall use different metrics such as CHG emissions, energy consumption, waste generation, single event maximum risk exposure and other metrics for monitoring climate related risk.

For management of the climate related risk the company has adopted following measures:

- a. Catastrophic reinsurance protection including risk coverage of earthquake, flood, storm, landslide which limits the net retention of the company and protects from the spillover of the event limit of the reinsurance treaty.
- b. The company has started to use and purchase electric vehicles for official use.
- c. The company has promoted the use of electric vehicles to its staff. Additional benefits are provided to the staff who purchase electric vehicles under the employee vehicle scheme.
- d. The company has reduced usage of paper through automation of the process. Use of paper is discouraged as far as possible for all the operation of the company.

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 50 Capital Management

The Company's objectives when managing Capital are to:

- 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
- Maintain an optimal capital structure to reduce the cost of capital.

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

#### Regulatory minimum paid up capital

Non-Life insurance companies were required by the Directive issued by Nepal Insurance Authority to attain a stipulated minimum paid up capital of NPR 2.5 billion by mid-July 2023. As on the reporting date, the company's paid up capital is NPR 2.65 billion.

#### Dividend

Particulars	Current Year	Previous Year
<b>(i) Dividends recognised</b>		
Final dividend for the year ended Ashad 31, 2080 of NPR .../- (Ashad 32, 2079 - 16 % bonus share and 0.8421 % cash dividend)	-	388,280,105
	-	<b>388,280,105</b>
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
Final dividend for the year ended Ashad 31, 2081 of NPR 279,468,137 (10 % Bonus and 0.5263% Cash Dividend)	279,468,137	-
	<b>279,468,137</b>	-

### 51 Earnings Per Share

Particulars	Current Year	Previous Year
Profit For the Year	445,307,020	226,125,314
Less: Dividend on Preference Shares	-	-
Profit For the Year used for Calculating Basic Earning per Share	445,307,020	226,125,314
Add: Interest saving on Convertible Bonds		
Profit For the Year used for Calculating Diluted Earning per Share	445,307,020	226,125,314
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	26,549,473	26,549,473
<b>Adjustments for calculation of Diluted Earning per Share:</b>		
i) Dilutive Shares	-	-
ii) Options	-	-
iii) Convertible Bonds	-	-
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share	26,549,473	26,549,473
Nominal Value of Equity Shares		
<b>Basic Earnings Per Share</b>	<b>16.77</b>	<b>8.52</b>
<b>Diluted Earnings Per Share</b>	<b>16.77</b>	<b>8.52</b>
Proposed Bonus Share	-	-
Weighted Average Number of Equity Shares Outstanding During the Year for Restated Earning Per Share	-	-
Restated Basic Earnings Per Share	-	-
Restated Diluted Earnings Per Share	-	-

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

### 52 Segmental Information

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



## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### a) Segmental Information for the year ended Ashad 31, 2081 (July 15, 2024)

Particular	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
<b>Income:</b>										
Gross Earned Premiums	1,338,235,626	1,339,188,502	160,817,789	1,130,477,268	3,641,124	114,466,726	652,605,081	518,793,819	-	5,258,225,935
Premiums Ceded	1,185,069,285	388,152,153	224,768,940	1,108,186,359	2,791,631	116,581,740	536,408,383	398,390,554	-	3,960,349,045
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
<b>Net Earned Premiums</b>	<b>153,166,341</b>	<b>951,036,349</b>	<b>(63,951,151)</b>	<b>22,290,909</b>	<b>849,493</b>	<b>(2,115,014)</b>	<b>116,196,698</b>	<b>120,403,265</b>	<b>-</b>	<b>1,297,876,890</b>
Commission Income	297,681,054	88,682,386	60,372,358	65,288,862	205,356	13,368,969	103,828,433	90,299,497	-	719,726,915
Other Direct Income	-	37,002,018	-	-	1,824,000	-	-	-	-	38,826,018
Investment Income	85,775,103	85,836,178	10,307,723	72,458,693	233,380	7,336,821	41,829,157	33,252,435	-	337,029,490
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	13,202,155	13,211,555	1,586,523	11,152,547	35,921	1,129,254	6,438,174	5,118,079	-	51,874,207
<b>Total Segmental Income</b>	<b>549,824,652</b>	<b>1,175,768,486</b>	<b>8,315,453</b>	<b>171,191,011</b>	<b>3,148,150</b>	<b>19,720,030</b>	<b>268,292,461</b>	<b>249,073,276</b>	<b>-</b>	<b>2,445,333,520</b>
<b>Expenses:</b>										
Gross Claims Paid	349,396,691	838,687,603	50,879,227	87,988,773	4,594,182	-	477,894,524	439,334,676	-	2,248,775,676
Claims Ceded	284,721,645	299,111,657	39,768,980	69,118,908	769,438	-	393,167,935	294,220,010	-	1,380,878,573
Gross Change in Contract Liabilities	-226,488,761	-13,931,775	33,102,907	63,407,383	746,678	29,178,769	218,453,122	-28,186,592	-	76,281,731
Change in Contract Liabilities Ceded to Reinsurers	215,310,450	-27,028,976	-29,352,527	-62,464,477	-1,151,822	-29,579,589	-178,285,553	31,979,829	-	-80,572,665
<b>Net Claims Paid</b>	<b>53,496,735</b>	<b>498,615,196</b>	<b>14,860,627</b>	<b>19,812,771</b>	<b>3,419,600</b>	<b>-400,821</b>	<b>124,894,158</b>	<b>148,907,903</b>	<b>-</b>	<b>863,606,169</b>
Commission Expenses	4,411,527	2,992,543	794,659	566,760	10,881	-	23,062,401	2,499,712	-	34,338,483
Service Fees	1,329,009	6,789,965	174,396	529,232	3,626	-27,628	1,007,339	1,353,576	-	11,159,515
Other Direct Expenses	-	18,343,694	-	-	71,901	-	2,799,828	-	-	21,215,423
Employee Benefits Expenses	144,637,158	144,740,145	17,381,285	122,182,533	393,534	12,371,619	70,533,875	56,071,489	-	568,311,619
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Expenses	58,663,463	58,705,234	7,049,677	49,556,080	159,614	5,017,812	28,607,872	22,742,065	-	230,501,816
Finance Cost	-	-	-	-	-	-	-	-	-	-
<b>Total Segmental Expenses</b>	<b>262,537,892</b>	<b>730,186,777</b>	<b>40,260,624</b>	<b>192,647,376</b>	<b>4,059,156</b>	<b>16,960,982</b>	<b>250,905,474</b>	<b>231,574,745</b>	<b>-</b>	<b>1,729,133,025</b>
<b>Total Segmental Results</b>	<b>287,286,760</b>	<b>445,581,709</b>	<b>-31,945,171</b>	<b>-21,456,365</b>	<b>-911,006</b>	<b>2,759,048</b>	<b>17,386,987</b>	<b>17,498,531</b>	<b>-</b>	<b>716,200,494</b>
<b>Segment Assets</b>	<b>968,228,936</b>	<b>637,507,284</b>	<b>156,768,033</b>	<b>869,143,044</b>	<b>955,731,343</b>	<b>105,283,137</b>	<b>636,057,831</b>	<b>294,755,359</b>	<b>-</b>	<b>4,623,474,968</b>
<b>Segment Liabilities</b>	<b>997,967,000</b>	<b>1,277,656,471</b>	<b>264,003,639</b>	<b>827,704,120</b>	<b>955,875,319</b>	<b>98,565,080</b>	<b>716,149,415</b>	<b>370,906,850</b>	<b>-</b>	<b>5,508,827,893</b>

Continue...

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### b) Segmental Information for the year ended Ashad 31, 2080 (July 16, 2023)

Particular	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
<b>Income:</b>										
Gross Earned Premiums	1,064,973,321	1,591,111,095	496,929,007	1,040,315,641	5,250,792	124,730,738	476,856,078	496,076,465	-	5,296,243,137
Premiums Ceded	952,191,537	675,017,010	373,017,800	994,904,736	2,587,699	113,543,263	382,753,589	424,434,438	-	3,918,450,072
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
<b>Net Earned Premiums</b>	<b>112,781,784</b>	<b>916,094,085</b>	<b>123,911,207</b>	<b>45,410,905</b>	<b>2,663,093</b>	<b>11,187,475</b>	<b>94,102,489</b>	<b>71,642,027</b>	<b>-</b>	<b>1,377,793,065</b>
Commission Income	241,432,439	130,497,407	39,162,640	57,555,833	434,738	9,609,699	69,859,234	97,255,792	-	645,807,783
Other Direct Income	-	11,496,813	-	-	1,865,563	-	-	-	-	13,362,376
Investment Income	75,484,416	112,776,620	35,221,911	73,736,700	372,172	8,840,810	33,799,159	35,161,484	-	375,393,271
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	10,554,671	15,769,085	4,924,933	10,310,296	52,039	1,236,174	4,725,996	4,916,484	-	52,489,677
<b>Total Income</b>	<b>440,253,310</b>	<b>1,186,634,010</b>	<b>203,220,691</b>	<b>187,013,734</b>	<b>5,387,605</b>	<b>30,874,158</b>	<b>202,486,877</b>	<b>208,975,787</b>	<b>-</b>	<b>2,464,846,172</b>
<b>Expenses:</b>										
Gross Claims Paid	410,019,326	1,103,574,227	115,702,818	86,705,856	27,431,031	-	519,189,696	412,321,645	-	2,674,944,599
Claims Ceded	284,401,253	350,452,688	101,300,456	61,020,803	3,488,255	-	415,334,307	338,601,144	-	1,554,598,906
Gross Change in Contract Liabilities	-194,670,538	-36,154,746	-2,825,792	21,424,775	-231,333,605	-7,482,086	71,440,795	23,849,529	-	-355,751,668
Change in Contract Liabilities Ceded to Reinsurers	179,701,773	-20,694,254	1,908,472	-24,394,434	231,236,623	7,677,893	-62,092,283	-24,828,329	-	288,515,461
<b>Net Claims Paid</b>	<b>110,649,308</b>	<b>696,272,539</b>	<b>13,485,043</b>	<b>22,715,394</b>	<b>23,845,794</b>	<b>195,807</b>	<b>113,203,901</b>	<b>72,741,701</b>	<b>-</b>	<b>1,053,109,486</b>
Commission Expenses	8,196,915	6,929,330	771,651	1,867,431	284,021	-	4,756,087	6,001,293	-	28,806,728
Service Fees	1,324,454	8,234,711	410,462	40,024	10,108	55,710	925,388	523,200	-	11,524,057
Other Direct Expenses	-	13,450,643	-	-	214,445	-	3,135,620	-	-	-
Employee Benefits Expenses	103,761,922	155,024,301	48,416,526	101,359,487	511,592	12,152,700	46,460,791	48,333,462	-	516,020,781
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Expenses	44,398,188	66,332,600	20,716,714	43,370,222	218,903	5,199,960	19,879,884	20,681,172	-	220,797,642
Finance Cost	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>268,330,787</b>	<b>946,244,124</b>	<b>83,800,395</b>	<b>169,352,558</b>	<b>25,084,863</b>	<b>17,604,177</b>	<b>188,361,671</b>	<b>148,280,827</b>	<b>-</b>	<b>1,847,059,402</b>
<b>Total Segmental Results</b>	<b>171,922,523</b>	<b>240,389,886</b>	<b>119,420,296</b>	<b>17,661,176</b>	<b>-19,697,258</b>	<b>13,269,981</b>	<b>14,125,207</b>	<b>60,694,959</b>	<b>-</b>	<b>617,786,770</b>
<b>Segment Assets</b>	<b>1,186,257,063</b>	<b>577,898,253</b>	<b>259,901,512</b>	<b>955,073,414</b>	<b>956,508,991</b>	<b>78,534,767</b>	<b>403,157,286</b>	<b>421,390,582</b>	<b>-</b>	<b>4,838,721,867</b>
<b>Segment Liabilities</b>	<b>1,161,804,106</b>	<b>1,163,426,248</b>	<b>215,711,161</b>	<b>807,732,958</b>	<b>956,896,128</b>	<b>65,708,560</b>	<b>411,463,863</b>	<b>400,800,575</b>	<b>-</b>	<b>5,183,543,598</b>



# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

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

Particulars	Current Year	Previous Year
<b>Segmental Profit</b>	<b>716,200,494</b>	<b>617,786,770</b>
Add: Net gains/(losses) on Fair Value Changes	-	-
Add: Net Realized Gain/Losses	(2,225,184)	(16,560,007)
Add: Other Income	293,608	(39,427)
Less: Depreciation and Amortization	(48,470,113)	(36,850,394)
Less: Non-cash expenses other than Depreciation and Amortization	(6,375,000)	(36,823,135)
Less: Unallocable Corporate Expenditures	-	-
Less: Finance Cost	(32,234,177)	(41,370,356)
<b>Profit Before Tax</b>	<b>627,189,628</b>	<b>486,143,450</b>

### d) Reconciliation of Assets

Particulars	Current Year	Previous Year
<b>Segment Assets</b>	<b>4,623,474,968</b>	<b>4,838,721,867</b>
Goodwill and Intangible Assets	9,731,690	8,935,489
Property, Plant and Equipment	725,474,278	698,992,977
Investment Properties	78,427,771	82,652,887
Deferred Tax Assets	72,442,756	92,413,559
Investment in Subsidiaries	-	-
Investment in Associates	163,611,239	72,891,606
Investments	4,562,299,198	4,185,325,305
Loans	-	-
Current Tax Assets (Net)	129,122,387	5,918,345
Other Assets	364,055,047	343,418,853
Other Financial Assets	720,205,955	596,439,335
Cash and Cash Equivalents	145,852,288	117,852,994
<b>Total Assets</b>	<b>11,594,697,578</b>	<b>11,043,563,217</b>

### e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
<b>Segment Liabilities</b>	<b>5,508,827,893</b>	<b>5,183,543,598</b>
Provisions	157,075,048	132,588,380
Deferred Tax Liabilities	-	-
Current Tax Liabilities (Net)	-	-
Loans and Borrowings	27,000,000	147,801,819
Other Financial Liabilities	125,116,823	307,346,696
Other Liabilities	416,263,447	385,516,148
<b>Total Liabilities</b>	<b>6,234,283,211</b>	<b>6,156,796,641</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 53 Related Party Disclosure

#### (a) Identify Related Parties

##### Holding Company:

N.A.

##### Subsidiaries:

N.A.

##### Associates:

Machhapuchchhre Capital Limited  
Kriti Venture Fund

##### Fellow Subsidiaries:

N.A.

##### Board of Director & Key Management Personnel:

Gaurav Agrawal	-	Chairperson
Ramesh Kumar Luitel	-	Director
Saurav J.B. Rana	-	Director
Dr. Shrujana Shrestha	-	Director
Dinesh Bajra Bajracharya	-	Director
Skand Amatya	-	Director
Puskar Mahat	-	Director
Dip Prakash Panday	-	Chief Executive Officer
Bimal Raj Nepal	-	Deputy Chief Executive Officer
Sabita Maskey	-	Deputy Chief Executive Officer

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

Particulars	Current Year	Previous Year
Short-term employee benefits	102,536,571	107,013,112
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>102,536,571</b>	<b>107,013,112</b>

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

Particulars	Current Year	Previous Year
Annual salary and allowances	12,473,324	12,479,953
<b>Performance based allowances</b>		
i) Employee Bonus	-	-
ii) Benefits as per prevailing provisions	12,893,770	10,198,418
iii) Incentives	-	-
<b>Insurance related benefits</b>		
i) Life Insurance	461,428	461,428
ii) Accident Insurance	3,900	3,900
iii) Health Insurance	8,400	8,400
<b>Total</b>	<b>25,840,822</b>	<b>23,152,099</b>

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### (c) Related Party Transactions

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
<b>Premium Earned</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Commission Income</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Rental Income</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Interest Income</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Sale of Property, Plant &amp; Equipment</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Purchase of Property, Plant &amp; Equipment</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Premium Paid</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Commission Expenses</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Dividend</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Meeting Fees</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	7,649,800	7,649,800
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	4,706,873	4,706,873
<b>Allowances to Directors</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Others</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-

### (d) Related Party Balances:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
<b>Receivables including Reinsurance Receivables</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Other Receivables</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Payables including Reinsurance Payables</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-
<b>Other Payables</b>						
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 54 Leases

#### (a) Leases as Lessee

##### (i) Operating Leases:

The Company has various operating leases ranging from 1 year to 10 years. The leases are renewable by mutual consent and contain escalation clause.

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.

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 does not hold assets under finance leases.

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	-	-
<b>Total Future Minimum Lease Payments</b>	-	-
Less: Effect of Discounting	-	-
<b>Finance lease liability recognised</b>	-	-

#### (b) Leases as Lessor

##### (i) Operating Lease:

The Company has leased out certain office spaces that are renewable on a periodic basis. Rental income received during the year in respect of operating lease is NPR 19,034,979 (Ashad 31, 2080 NPR 17,891,025).

The Company building situated at Ward No.11, Thapathali, Kathmandu is 8.5 storied and the company has leased out 4 stories for rental purpose.

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

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

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 its asset under Finance Lease.

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

# Shikhar Insurance Company Ltd.

## Notes to the Financial Statements

Fig. in NPR

### 55 Capital Commitments

Estimated amount of contracts remaining to be executed and not provided for: No capital Commitments has been made

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

### 56 Contingent Liabilities

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as liabilities		
a) Income Tax	105,084,796	105,084,796
b) Indirect Taxes	15,065,942	15,065,942
c) Other	-	-
<b>Total</b>	<b>120,150,738</b>	<b>120,150,738</b>

### 57 Events occurring after Balance Sheet

No any event has been occurred after the balance sheet date.

### 58 Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are:

Particulars	Current Year	Previous Year
Reinsurance Receivables	-	-
Investments in equity	-	-
Fixed Deposits	60,500,000	60,500,000
Property, plant and equipment	559,510,000	559,510,000
Others		
<b>Total</b>	<b>620,010,000</b>	<b>620,010,000</b>

### 59 Corporate Social Responsibility

Company has to allocate 1% of its profit on Corporate Social Responsibility Fund (CSR) as per the provision of financial directives issued by Nepal Insurance Authority. The company has not only been focused on profit and has been participating in various social activities considering its responsibility towards the society.

Company has appropriated 1 % of its net profit i.e. Rs 4,503,372 as Corporate Social Responsibility Reserve. The company utilized amount Rs 4,532,123 corporate social responsibility reserve during this financial year."

### 60 Miscellaneous

- (i) All amounts are in Nepalese Rupees unless otherwise stated.
- (ii) All figures are in the Nearest Rupee & Rounded off.

# Shikhar Insurance Company Ltd.

## Annexure III Major Financial Indicator

S.N.	Particular	Indicators	Fiscal Year				
			2080/81	2079/80	2078/79	2077/78	2076/77
<b>A.</b>	<b>Equity:</b>						
1	Net worth	NRs.	5,360,414,366	4,886,766,576	4,696,198,780	3,843,602,198	3,322,862,901
2	Net Profit	NRs.	445,307,020	226,125,314	263,923,452	311,987,941	409,258,334
3	Number of Shares	Number	26,549,473	26,549,473	22,860,812	17,585,240	10,573,106
4	Earning per Shares (EPS)	NRs.	16.77	8.52	11.54	17.74	38.71
5	Book value per shares	NRs.	202	184	205	219	314
6	Dividend per Shares (DPS)	NRs.	-		16.00	-	38
7	Market Price per Shares (MPPS)	NRs.	723	845	807	1,952	1,019
8	Price Earning Ratio	Ratio	43	99	70	110	26
9	Change in Equity	%	10%	4%	22%	16%	23%
10	Return on Equity	%	17%	9%	12%	18%	39%
11	Affiliate Ratio	%	3.05%	1.49%	1.13%	1.37%	2.39%
12	Capital to Total Net Assets Ratio	%	36%	38%	33%	30.88%	17.82%
13	Capital to Technical Reserve Ratio	%	219%	231%	197%	47%	36%
14	Market Share (Direct Premium)	%	12.71%	12.65%	11.91%	11.48%	12.24%
15	Solvency Margin	%	3.67%	3.33%	3.41%	4.30%	6.80%
<b>B.</b>	<b>Income</b>						
16	Net Earning Ratio	%	34.31%	16.41%	21.38%	27.02%	33.89%
17	Gross Earned Premium Growth Rate	%	-0.72%	20.57%	17.01%	13.57%	-3.76%
18	Direct Premium Growth Rate						
	Property	%	18%	5%	3.36%	42.36%	10.67%
	Motor	%	6%	-7%	1.58%	-5.75%	-13.67%
	Marine	%	-39%	-19%	88.24%	1.37%	5.78%
	Engineering	%	-10%	31%	310.04%	27.49%	59.08%
	Micro	%	-66%	23%	-92.73%	-2.72%	3996.57%
	Aviation	%	3%	-18%	-48.82%	1.57%	-5.56%
	Cattle and Crop	%	24%	57%	62.87%	108.46%	8.97%
	Miscellaneous	%	-5%	16%	27.85%	-20.81%	-6.55%
19	Retention Ratio	%	25%	26%	28.10%	30.76%	36.53%
20	Net Reinsurance inflow/(outflow)	Amount in Cr.	(198.51)	(177.64)	(157.22)	(77.65)	(123.80)
21	RI commission Income/Premium Ceded	%	18%	15%	23.17%	20.86%	23.11%
22	Gross Earned Premium to Equity	%	103%	111%	102.87%	104.77%	99.48%
23	Net Earned Premium to Equity	%	25%	29%	28.91%	32.22%	36.34%
24	Gross Earned Insurance Premium to Total Assets	%	46%	48%	42.33%	42.65%	40.82%
25	Gross Premium to Equity	%	101%	109%	103.82%	102.02%	104.38%
26	Net Profit to Gross Premium	%	8%	4%	5.41%	7.96%	11.80%
27	Yield on Investment and Loan	%	8%	9%	7.20%	7.67%	8.78%
<b>C.</b>	<b>Expenses:</b>						
28	Reinsurance Ratio	%	75%	74%	71.90%	69.24%	63.47%
29	Management Expenses Ratio	%	17%	16%	16.95%	16.82%	18.07%
30	Regulatory Expenses Ratio	%	3%	2%	2.33%	2.21%	2.26%
31	Employee Expenses Per Employee	NPR	788,756	740,153	691,954	578,870	540,956
32	Commission Ratio	%	0.65%	0.54%	0.61%	0.92%	0.91%
33	Employee Expenses to Total expenses (excluding claims& Benefits)	%	63%	59%	63.11%	64.59%	66.65%
34	Expenses Ratio	%	5%	4%	3%	3.93%	3.60%
35	Loss Ratio	%	63%	73%	84.20%	78.21%	68.77%
36	Combined Ratio	%	68%	77%	87%	82%	72%



S.N.	Particular	Indicators	Fiscal Year				
			2080/81	2079/80	2078/79	2077/78	2076/77
<b>D.</b>	<b>Assets</b>						
37	Increment in Investment Held	%	10.98%	5.14%	26.25%	2.75%	3.34%
38	Increment in Loan	%	-	-	-	-	-
39	Liquidity Ratio	%	2.26	2.06	2.00	2.43	4.17
40	Return on Assets	%	6.15%	3.25%	4.20%	5.37%	6.90%
41	Long Term Investment/Total Investments	%	26.90%	21.68%	18.10%	21.39%	31.90%
42	Short Term Investment/Total Investments	%	73.10%	78.32%	81.90%	78.61%	68.10%
43	Total Investment & loan/Gross Insurance Contract Liabilities	%	89.27%	84.12%	74.84%	66.46%	99.27%
44	Reinsurer Receivable/Total Assets	%	4.66%	8.37%	7.58%	8.31%	0.83%
45	Investment in Shares/Total Assets	%	6.33%	5.71%	5.03%	4.62%	4.56%
46	Investment in Unlisted Shares/Total Assets	%	4.00%	1.60%	3.35%	1.10%	-
<b>E.</b>	<b>Liabilities:</b>						
47	Increment in Gross Insurance Contract Liabilities	%	4.58%	-6.20%	12.11%	53.47%	164.59%
48	Gross Technical Provision to Gross Earned Premium	%	100.68%	95.58%	122.87%	128.23%	94.89%
49	Gross Technical Provision to Total Equity	%	98.76%	103.59%	114.92%	125.25%	94.40%
50	Outstanding Claim Number/ Number of Claim Paid	%	5.33%	5.12%	81.78%	105.82%	21.99%
51	No of outstanding claims/No of Intimated Claims	%	4.94%	19.00%	29.00%	48.00%	39.00%
52	Total Number of Inforce Insurance Policies	Numbers	317,157	298,066	235,242	342,557	326,032
53	Total Number of Renewed Insurance Policy/Last year's Total Number of In force Policies	%	26.80%	27.27%	27.66%	26.85%	17.97%
	<b>Others:</b>						
54	Number of Offices	No.s	117	113	110	106	103
55	Number of Agents	No.s	155	135	93	143	131
56	Number of Employees	No.s	640	642	621	619	615
57	Number of Surveyor	No.s	437	427	392	105	100
58	Employee Expenses to Number of Employees	NPR	788,756	740,153	691,954	578,870	540,956

### Additional Financial Indicator

S.N.	Particular	Indicators	Fiscal Year				
			2080/81	2079/80	2078/79	2077/78	2076/77
<b>A</b>	<b>Profitability Ratio</b>						
1	Gross Profit Ratio	%	22%	18%	19%	20%	29%
2	Net Profit Ratio	%	8%	4%	6%	8%	12%
3	Earning before interest, tax, depreciation and amortisation (EBITDA)	Amount in Cr.	70.79	56.44	43.71	47.08	59.35
4	Return on Capital Employed	%	8%	5%	6%	8%	12%
5	Return on Investment	%	7%	9%	6%	8%	9%
<b>B</b>	<b>Liquidity Ratio</b>						
1	Current Ratio	Times	2.43	2.07	2.08	2.52	1.48
2	Quick Ratio/Acid Test Ratio	Times	2.43	2.07	2.08	2.52	1.48
<b>C</b>	<b>Information Relating to Insurance Sector</b>						
1	Net Claim Incurred /Net Premium Earned	%	67%	76%	87%	80%	65%
2	Premium Growth Ratio	%	2%	9%	24%	13%	3%
3	Claim Settlement Ratio	%	85%	85%	77%	69%	63%
4	Reinsurance claim recovery percentage	%	61%	58%	56%	60%	48%
5	Retention Ratio	%	25%	26%	28%	31%	37%

## Shikhar Insurance Company Ltd.

### Annexure IV

#### Details of Insured Amount

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	49,500	46,176	494,853,275,186	504,779,130,654	444,296,543,826	433,569,212,505	50,556,731,360	71,209,918,149
2	Motor	158,188	149,179	105,537,762,594	91,856,501,563	40,836,463,844	26,439,390,553	64,701,298,750	65,417,111,010
3	Marine	14,565	11,799	149,615,359,930	180,319,948,194	134,436,163,597	149,016,549,844	15,179,196,332	31,303,398,350
4	Engineering	2,477	2,309	36,862,658,847	50,102,758,989	35,491,583,854	49,892,521,847	1,371,074,993	210,237,142
5	Micro	12,760	11,634	2,935,905,150	4,779,510,186	2,234,141,454	3,673,708,880	701,763,696	1,105,801,306
6	Aviation	20	16	(4,686,467,400)	2,995,370,240	(4,985,463,264)	2,810,941,664	298,995,864	184,428,576
7	Cattle and Crop	50,626	50,676	12,526,625,730	10,980,287,128	10,517,589,486	8,807,870,629	2,009,036,243	2,172,416,499
8	Miscellaneous	29,001	26,277	155,284,221,657	334,773,388,250	103,152,027,993	293,462,687,083	52,132,193,664	41,310,701,167
	<b>Total</b>	<b>317,157</b>	<b>298,066</b>	<b>952,929,341,693</b>	<b>1,180,586,895,205</b>	<b>765,979,050,791</b>	<b>967,672,883,006</b>	<b>186,950,290,902</b>	<b>212,914,012,199</b>

# Shikhar Insurance Company Ltd.

## Report of Board of Directors As per Section 5 (1) KA of Financial Directives, 2080

### A Information related to Shikhar Insurance Company Ltd.

- 1 Date of establishment: 2061/02/15
- 2 Insurer license date: 2061/07/26
- 3 Insurance business type, nature: Non-life Insurance Business
- 4 Date of commencement of business: 2061/08/02
- 5 Other Matters: None

### B The Board of Directors of the company has approved and declared the following

- 1 The company has paid the applicable tax, service charges, fines and penalties to be paid under the relevant laws & regulations.
- 2 The share structure of the company is as below:  
Promoter Share Holding : 51%  
Public Share Holding : 49%  
There has been no change in the shareholding structure of the company in the financial year 2080-81.
- 3 The company has been maintained the solvency ratio as prescribed by the Nepal Insurance Authority (NIA).
- 4 a) Assets amount contained in Statement of Financial Position are not overstated than its fair value.  
b) The financial statements are prepared on the historical cost convention, except for certain assets and liabilities which are measured at fair value.
- 5 Investment made by the company are in line with investment directive issued by Nepal Insurance Authority (NIA).
- 6 The number of claims settled within the financial year 2080-81 is 25,979 and the outstanding claim number as on Asadh End 2081 is 1383 (excluding COVID outstanding claims). The company has the policy to settle the outstanding claims within 21 days after receipt all the required documents/information.
- 7 The financial statements have been prepared in accordance with the Nepal Financial Reporting Standard (NFRS) issued by Nepal Accounting Standard Board (ASB) and in compliance with the requirements of the Companies Act, directives issued by Nepal Insurance Authority along with compliance and other disclosure as per other applicable laws.
- 8 The appropriate accounting policy has been consistently applied, unless otherwise specifically stated.
- 9 The Financial Position of the company as on 31<sup>st</sup> Asadh 2081 and its financial performance for the year ended 31<sup>st</sup> Asadh 2081 are presented fairly in all material respects.
- 10 The board of directors of the company has implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.
- 11 The financial statements are prepared on going concern basis. The board of directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows, and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon company's ability to continue as a going concern and they do not intend either to liquidate or to cease operation of it.
- 12 The internal control system of the company is commensurate with the size, nature and volume of the company's business.
- 13 The company has not conducted any transactions contrary to the Insurance Act, 2079, Insurance Regulation, Companies Act, 2063, related regulations and directions with any person, firm, company and insurer's director or with any entity in which insurer's director has interest.
- 14 No penalty has been levied by Nepal Insurance Authority during the financial year 2080-81.
- 15 Other disclosure: None

## Variance Report Annual Financial Position 2080-81 Vs 4th Qtr Financial Position 2080-81

Fig in NPR

Particulars	Final 2080-81	4th Qtr 2080-81	Difference	Variance %	Reason of Variance
<b>Assets</b>					
Goodwill & Intangible Assets	9,731,690	8,007,863	1,723,827	22	Related Invoices received after the preparation of 4th qtr report.
Property and Equipment	725,474,278	814,033,524	(88,559,245)	(11)	Variance is mainly due to Revaluation of PPE
Investment Properties	78,427,771	-	78,427,771	100	Difference is mainly due to change in classification of PPE
Deferred Tax Assets	72,442,756	76,565,260	(4,122,504)	(5)	-
Investment in Subsidiaries	-	-	-	-	-
Investment in Associates	163,611,239	72,891,606	90,719,633	124	Audited figures of the associates is taken in the annual financial statements.
Investments	4,562,299,198	4,615,391,314	(53,092,116)	(1)	-
Loans	-	-	-	-	-
Reinsurance Assets	4,082,692,043	3,869,265,047	213,426,996	6	-
Current Tax Assets	129,122,387	156,579,305	(27,456,918)	(18)	Due to change in profit.
Insurance Receivables	540,782,925	609,545,104	(68,762,179)	(11)	Re-classification of assets/liabilities.
Other Assets	364,055,047	491,342,924	(127,287,877)	(26)	Re-classification of assets/liabilities.
Other Financial Assets	720,205,955	701,380,374	18,825,581	3	-
Cash and Cash Equivalent	145,852,288	148,948,821	(3,096,533)	(2)	-
<b>Total Assets</b>	<b>11,594,697,578</b>	<b>11,563,951,142</b>	<b>30,746,436</b>	<b>0</b>	<b>-</b>
<b>Equity &amp; Liabilities</b>					
<b>Equity</b>					
Share Capital	2,654,947,300	2,654,947,300	-	-	-
Share Application Money Pending Allotment	-	-	-	-	-
Share Premium	-	-	-	-	-
Special Reserves	1,687,491,319	1,718,833,678	-31,342,359	(2)	-
Catastrophe Reserves	138,137,767	141,272,003	-3,134,236	(2)	-
Retained Earnings	287,508,942	315,185,898	-27,676,956	(9)	-
Other Equity	592,329,039	601,483,323	(9,154,284)	(2)	-
<b>Total Equity</b>	<b>5,360,414,366</b>	<b>5,431,722,202</b>	<b>(71,307,836)</b>	<b>(1)</b>	<b>-</b>
<b>Liabilities</b>					
Provisions	157,075,048	200,572,815	(43,497,767)	(22)	Due to change in employee liabilities as per actuarial valuation report
Gross Insurance Contract Liabilities	5,294,093,391	5,155,305,310	138,788,081	3	-
Deferred Tax Liabilities	-	-	-	-	-
Insurance Payable	214,734,502	225,023,819	(10,289,317)	(5)	-
Current Tax Liabilities	-	-	-	-	-
Borrowings	27,000,000	27,000,000	-	-	-
Other Liabilities	416,263,447	346,151,089	70,112,358	20	Due to a change in classification.
Other Financial Liabilities	125,116,823	178,175,907	(53,059,084)	(30)	Due to a change in classification.
<b>Total Liabilities</b>	<b>6,234,283,211</b>	<b>6,132,228,940</b>	<b>102,054,271</b>	<b>2</b>	<b>-</b>
<b>Total Equity and Liabilities</b>	<b>11,594,697,578</b>	<b>11,563,951,142</b>	<b>30,746,436</b>	<b>0</b>	<b>-</b>





## Shikhar Insurance Company Ltd.

### Variance Report Annual Financial Performance 2080-81 Vs 4th Qtr Financial Performance 2080-81

Particulars	Final 2080-81	4th Qtr 2080-81	Difference	Variance %	Reason of Variance	Fig in NPR
<b>Income:</b>						
Gross Earned Premiums	5,258,225,935	5,385,081,739	(126,855,804)	(2)	-	
Premiums Ceded	3,960,349,045	3,823,798,533	136,550,512	4	-	
<b>Net Earned Premiums</b>	<b>1,297,876,890</b>	<b>1,561,283,206</b>	<b>(263,406,316)</b>	<b>(17)</b>	-	
Commission Income	7,19,726,915	625,829,259	93,897,656	15	Increase in URR of marine portfolio.	
Other Direct Income	38,826,018	-	38,826,018	100	Revision in RI commission after reconciliation of RI figures	
Income from Investments & Loans	337,029,490	334,155,755	2,873,735	1	Revision in the figures after reconciliations.	
Net Gain/ (Loss) on Fair Value Changes	-	-	-	-	-	
Net Realised Gains/ (Losses)	(2,225,184)	(1,263,900)	(961,284)	76	Revision in the figures after final reconciliations.	
Other Income	51,874,207	27,780,331	24,093,876	87	Commission of the income in the quarterly financial statements.	
<b>Total Income</b>	<b>2,443,108,336</b>	<b>2,547,784,651</b>	<b>(104,676,315)</b>	<b>(4)</b>	-	
<b>Expenses:</b>						
Gross Claims Paid	2,248,775,676	2,248,775,675	-	-	-	
Claims Ceded	(1,380,878,573)	(1,310,667,950)	(70,210,623)	5	-	
Gross Change in Contract Liability	76,281,731	7,912,066	68,369,665	864	Actuarial figures were not received at the time of preparation of fourth quarter financial statements	
Change in Contract Liability Ceded to Reinsurers	(80,572,665)	3,725,347	(84,298,012)	(2,263)	Actuarial figures were not received at the time of preparation of fourth quarter financial statements	
<b>Net Claims Incurred</b>	<b>863,606,169</b>	<b>949,745,138</b>	<b>(86,138,969)</b>	<b>(9)</b>	-	
Commission Expenses	34,338,483	58,933,648	(24,595,165)	(42)	Change in deferred commission expense	
Service Fees	11,159,515	12,110,552	(951,037)	(8)	-	
Other Direct Expenses	21,215,423	-	21,215,423	100	Revision in the figures after final reconciliations.	
Employee Benefits Expenses	568,311,619	566,708,314	1,603,305	0	-	
Depreciation and Amortization Expenses	48,470,113	30,896,352	17,573,761	57	Actual depreciation is calculated for the annual financial statements, only estimate was made for the preparation of fourth quarter financial statements.	
Impairment Losses	6,375,000	-	6,375,000	-	-	
Other Operating Expenses	230,501,816	222,789,126	7,712,690	3	-	
Finance Cost	32,234,177	27,995,189	4,238,988	15	Due to lease finance cost	
<b>Total Expenses</b>	<b>1,816,212,315</b>	<b>1,869,178,319</b>	<b>(52,966,004)</b>	<b>(3)</b>	-	
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>	<b>626,896,021</b>	<b>678,606,332</b>	<b>(51,710,311)</b>	<b>(8)</b>	-	
Share of Net Profit of Associates accounted using Equity Method	293,608.00	-	293,608	100	Associates' financial statements were not received at the time of preparation of fourth quarter financial statements.	
<b>Profit Before Tax</b>	<b>627,189,629</b>	<b>678,606,332</b>	<b>(51,416,703)</b>	<b>(8)</b>	-	
Income Tax Expense	181,882,609	165,566,402	16,316,207	10	Change in tax liability.	
<b>Net Profit/(Loss) For The Year</b>	<b>445,307,020</b>	<b>513,039,930</b>	<b>(67,732,910)</b>	<b>(13)</b>	-	
Earning Per Share						
Basic EPS	16.77	19.32	(3)	(13)	-	
Diluted EPS	16.77	19.32	(3)	(13)	-	

## Quality of Assets and Capital Resources

### A: Quality of Assets

#### i) Composition of Assets

The composition of the assets of the company as at 15<sup>th</sup> July 2024 is as below:

Assets	As at 15th July 2024	As at 16th July 2023
Goodwill & Intangible Assets	9,731,690	8,935,489
Property and Equipment	725,474,278	698,992,977
Investment Properties	78,427,771	82,652,887
Deferred Tax Assets	72,442,756	92,413,559
Investment in Associates	163,611,239	72,891,606
Investments	4,562,299,198	4,185,325,305
Reinsurance Assets	4,082,692,043	3,914,328,283
Current Tax Assets	129,122,387	5,918,345
Insurance Receivables	540,782,925	924,393,584
Other Assets	364,055,047	343,418,853
Other Financial Assets	720,205,955	596,439,335
Cash and Cash Equivalent	145,852,288	117,852,994
<b>Total Assets</b>	<b>11,594,697,578</b>	<b>11,043,563,217</b>

The total assets of the company stood at NPR 1159 crores as at the end of the current year, which was NPR 1104 crores at the end of the previous year. Reinsurance assets and investments are major assets of the company, both representing 75% of total assets. Other remaining assets comprise intangible assets, property plan and equipment, investment properties, deferred tax assets, current tax assets, insurance receivable, other assets and other financial assets. Reinsurance assets are created against receivable from reinsurers for unexpired premium reserve (UPR), unexpired risk reserve (URR), outstanding claims reserve, IBNER and IBNR. Reinsurance assets stood at NPR 408 crores at the end of the current year, which was NPR 391 crores in the previous year.

The biggest share of the total assets is investment, which represents around 40% of total assets. The investment includes investment in fixed deposit, debenture, equities, mutual fund and other assets. All investments are made in accordance with the regulatory guidelines issued the Nepal Insurance Authority, the investment policy, other application regulations, and assets liability management guidelines of the company. Most of the company's investments are in fixed deposits, debenture and equities. The fixed income securities are invested mainly in fixed deposits and debentures of commercial banks. The primary aim of the company's investment is to generate adequate return while minimizing risk. The emphasis is also on the liquidity of investment to ensure that the company meets all its obligations related to claims and operations. The company monitors the cash position on a daily basis and short-term needs are considered while planning investment in respect of all assets. Based on the experience, the management has reasonable confidence in quality and the expected performance of the investments. The investment amount has increased by 38 crores compared to the previous year and stood at 456 crores.

#### i) Encumbrances on Assets

The company's assets are located within Nepal except a certain amount of reinsurance receivables from foreign reinsurers.



## B: Quality of capital resources

### i) Capital, Solvency and Shareholders' Funds

The Shareholders' fund of the company stood at NPR 536 crore as at 15<sup>th</sup> July 2024 as against NPR 488 crore as at 16<sup>th</sup> July 2023. The company continues to be one of the most efficient users of capital in the private sector as measured by the ratio of gross written premiums to share capital.

The company is required to maintain minimum solvency margin (i. e. excess of value of assets over value of insurance liabilities) at 150% as prescribed by the Nepal Insurance Authority. The company maintains its solvency ratio at 378% as at 15<sup>th</sup> July 2024 as per general purpose financial statements and 367.7% as per solvency balance sheet, which is well above the regulatory requirement of 150%.

The composition of the shareholders' fund of the company as at 15<sup>th</sup> July 2024 is as below:

Equity	As at 15th July 2024	As at 16th July 2023
Share Capital	2,654,947,300	2,654,947,300
Special Reserves	1,687,491,319	1,462,322,730
Catastrophe Reserves	138,137,767	115,620,908
Retained Earnings	287,508,942	89,456,264
Other Equity	592,329,039	564,419,374
<b>Total Equity</b>	<b>5,360,414,366</b>	<b>4,886,766,576</b>

### i) Return on Equity

The return on average equity for the current year is 17%, which was 9% in the previous year.

### ii) Dividend

The company has registered healthy financial and operational performance consistently in the last few years. The company also enjoys a very healthy solvency position at 367.7 % as per risk-based capital requirements. Considering the company's capital, solvency and liquidity position, the board of directors, at its meeting held on 28<sup>th</sup> January 2025, declared a dividend of 10.5263% (10% bonus and 0.5263 % cash dividend).

## Comparative Statement of Solvency Balance Sheet and NFRS based Financial Statement

### Statement of Financial Soundness

The assessment of solvency and actuarial valuation of liabilities of the company as at 15<sup>th</sup> July 2024, as per Risk Based Capital and Solvency Directives, 2022 (2078) issued by the Nepal Insurance Authority, demonstrates the strong financial soundness of the company. It is observed that the solvency ratio as at valuation date is 367.7%, which is much higher than the Supervisory Target Capital level of 130%.

### Summary of Balance Sheet

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

Particulars	Annual Financial Statements	Solvency Balance Sheet
<b>Total Assets</b>	<b>11,594,697,574</b>	<b>11,279,915,805</b>
Reinsurance Assets	4,082,692,043	3,960,668,599
All Other Assets	7,512,005,531	7,319,247,206
<b>Total Liabilities</b>	<b>6,234,283,207</b>	<b>6,036,331,002</b>
Technical Provision	5,294,093,391	5,294,093,391
All Other Liabilities	940,189,816	742,237,611
<b>Excess of Assets over Liabilities</b>	<b>5,360,414,366</b>	<b>5,243,584,803</b>

Total assets allowable for the solvency purpose is 2.71% lower than actual assets. The excess of assets over liabilities for solvency stands at 524.35 crores, which is 2.18% lower than excess as per the annual financial statements.

### Summary of Solvency Margin

Particulars	Amount
Available Solvency Capital (ASC)	4,458,876,539
Risk Based Capital (RBC)	1,212,505,917
Solvency Surplus/Deficit	3,246,370,622
<b>Solvency Ratio (ASC/RBC)</b>	<b>367.7</b>

The risk-based solvency ratio stands at 367.7% as per the RBC approach. The company's Available Solvency Capital (ASC) is 445.88 crores and risk-based capital is 121.25 crores. The company has a surplus solvency capital of 324.63 crores.

### Risk Based Capital (RBC)

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

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

Particulars	Amount
Market Risk	477,984,280
Credit Risk	589,545,973
Non-life Insurance Risk	404,086,363
Sum of Individual Capital Charges	1,471,616,617
<b>Aggregation Capital (with correlations)</b>	<b>1,102,278,106</b>
Diversification benefits	369,338,511
Operational risk before floor/cap	216,551,989
<b>Operational risk after floor/cap</b>	<b>110,227,811</b>
<b>Total Risk-Based Capital</b>	<b>1,212,505,917</b>

The following can be observed from the table.

- The highest contributing risk is the credit risk which is 40.06 % of the diversified required capital. This is mainly comprised of Investment credit risk, Reinsurance credit risk and the concentration risks. Reinsurance credit risk is the major component of the total credit risk, and it is 39.57% of the total credit risk.
- Market risk, being the second highest contributing factor to the RBC, comprise of Equity risk, Interest rate risk, Currency risk and Property risk. Equity risk is the major component of the market risk, and it is 62.06% of total market risk. Whereas the Property risk stands at 4% for the company.
- The insurance risk, which is the sum of Premium Risk, Reserve Risk and Catastrophe Risk, is the third highest contributing factor to the RBC.
- Operational risk is the lowest component of the RBC.

#### Available Solvency Capital (ASC)

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

Particulars	Amount
Excess assets over liabilities as per Solvency Balance Sheet	5,243,584,803
Deductions	(784,708,264)
Tier 1 Capital (after limits)	4,458,876,539
Tier 2 Capital (after limits)	-
<b>Total Solvency Available Capital Resources</b>	<b>4,458,876,539</b>

The following can be observed from the above table:

- The total available solvency capital is divided into Tier 1 and Tier 2 according to the loss absorbency and availability.
- The entire ASC comes from the Tier 1 capital and Tier 2 capital stands at nil.
- Minimum Capital Requirement (MCR), which is 1/3<sup>rd</sup> of the RBC, is covered by the Tier 1 capital.

# Shikhar Insurance Company Ltd.

## Available Capital Resources (ACR), Solvency position and MCR ASHADH END 2081

Amounts in NPR units

<b>TIER 1 CAPITAL. List of items</b> <i>(capital resources that absorb losses on a going-concern basis and in winding-up basis)</i>	<b>Solvency balance sheet</b>
<b>Excess of assets over liability as per Solvency Balance Sheet</b>	<b>5,243,584,803</b>
Add: Paid-in (paid-up) subordinated debts qualified as tier 1 Available Capital Resources	-
Less: Revaluation reserve	(399,982,543)
Less: CSR Reserve	(228,260)
Less: Fair value reserve	-
Less: Actuarial reserve	-
Less: Excess of deferred tax reserve shown in equity of 02.01 BS over deferred tax assets as per Financial Statement	(71,061,619)
Less: Assets pledged by the insurer when the facility guaranteed is not in the liability side of the solvency balance sheet	-
Less: Credit Facilities granted by the insurer and secured by its own shares when the facility is not in the liability side	-
Less: Direct and indirect investments, reciprocal cross holdings, arranged either directly or indirectly between financial institutions	-
Less: Assets not valued at nil whose valuation in the solvency balance sheet should not increase the Available Capital Resources	(313,435,842)
Less: Deduction as per para 66(6) of Risk-Based Capital and Solvency Directive if not valued at nil in solvency balance sheet	-
Less: Deduction as per para 66(7) of Risk-Based Capital and Solvency Directive if not valued at nil in solvency balance sheet	-
Less: Embedded profit if already included in surplus i.e. excess of assets over liability as per 02.01 BS	-
<b>TIER 1 - TOTAL BEFORE LIMITS</b>	<b>4,458,876,539</b>

<b>TIER 2 CAPITAL. List of items</b> <i>(capital resources that absorb losses only in winding-up basis)</i>	<b>Solvency balance sheet</b>
Cumulative irredeemable preference shares qualified as tier 2 Available Capital Resources	-
Irredeemable subordinated debts qualified as tier 2 Available Capital Resources	-
Other capital resources qualified as Tier 2, including unpaid preference shares, unpaid subordinated debt, letters of credit, guarantees and mutual member calls	-
Future profits embedded in the valuation of technical provisions (reserves)	-
<b>TIER 2 - TOTAL BEFORE LIMITS</b>	<b>-</b>
Dividend during financial year 2078 - 2079	388,280,105
Dividend during financial year 2079 - 2080	-
Dividend during financial year 2080 - 2081	279,468,137
Dividend agreed or expected during financial year 2081 - 2082	-

### SOLVENCY SITUATION

<b>Risk-Based Capital Requirement</b>	<b>1,212,505,917</b>	<b>1,212,505,917</b>
Reduction of life technical reserves due to transitional <b>(only where approved by the NIA)</b>	-	-
Reduction of non-life technical reserves due to transitional <b>(only where approved by the NIA)</b>	-	-

<b>Particulars</b>	<b>Calculations without transitional</b>	<b>Calculations with transitionals</b>
Tier 1 items before limits	4,458,876,539	4,458,876,539
Tier 1 Paid-in subordinated debt before limit	-	-
Reduction to limit up to 30% Tier 1	-	-
Tier 1 Paid-in subordinated debt after deduction of the limit	-	-
Exceptional increase para (65)(6) Annexure V of RBC Directive - <b>only previous NIA approval</b>	-	-
<b>Tier 1 items after limits</b>	<b>4,458,876,539</b>	<b>4,458,876,539</b>
<b>Tier 2 before limits</b>	<b>-</b>	<b>-</b>
Before limits - Future profits embedded in technical reserves	-	-
After limits - Future profits embedded in technical reserves	-	-
Recalculated Tier 2 after limits to Future profits embedded in technical reserves	-	-
<b>Tier 2 after limit 40% RBC</b>	<b>-</b>	<b>-</b>



**Shikhar Insurance**  
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<b>Total Solvency Available Capital Resources</b>	<b>4,458,876,539</b>	<b>4,458,876,539</b>
Solvency surplus/deficit	3,246,370,622	3,246,370,622
Solvency ratio	367.7%	367.7%
Supervisory Target Capital Level (paragraph (85) Annexure VI of RBC Directive (%))	-	130.00%

<b>Particulars</b>	<b>Calculations without transitional</b>	<b>Calculations with transitionals</b>
MINIMUM CAPITAL REQUIREMENT	404,168,639	404,168,639
Tier 1 covering MCR	4,458,876,539	4,458,876,539
Tier 2 covering MCR	-	-
MCR surplus/deficit	4,054,707,900	4,054,707,900
MCR ratio	1103.2%	1103.2%



# नेपाल बीमा प्राधिकरण NEPAL INSURANCE AUTHORITY

मिति: २०८११०१२०

वि. वि. शा.: १५८ (२०८१/०८२) च.नं. ३७६१

श्री शिखर इन्स्योरेन्स कम्पनी लिमिटेड,  
थापाथली, काठमाण्डौ।



## विषय: आ.व. २०८०।८१ को वित्तीय विवरणको स-शर्त स्वीकृति बारे।

तहाँको मिति २०८११०११८ (च.नं. ११८६/२०८१।८२) को पत्र साथ प्राधिकरणमा पेश भएको आ.व. २०८०।८१ को वित्तीय विवरण सम्बन्धमा लेखिदैछ।

उपरोक्त सम्बन्धमा बीमक श्री शिखर इन्स्योरेन्स कम्पनी लिमिटेडबाट पेश भएको आ.व. २०८०।८१ को वित्तीय विवरण तथा अन्य कागजातहरू 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. २०८०।८१ 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।

### शर्तहरू:

१. बीमकले NFRS-17 Insurance Contracts लागु गर्ने सम्बन्धमा पन्ध्र (१५) दिन भित्र कार्ययोजना पेश गर्ने।
२. 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 शिर्षकहरूमा दश प्रतिशत भन्दा बढी रकमले फरक भएको देखिएकोले प्राधिकरणको निर्देशन बमोजिम त्रैमासिक वित्तीय विवरण तयार गर्ने।
३. बीमकले प्राधिकरणबाट जारी परिपत्र बमोजिम व्यवस्थापन खर्च गर्ने।
४. बीमकले अन्य बीमक तथा पुनर्बीमकसँगको लेनादेना हिसाब राफसाफ गर्ने।
५. बीमकले प्राधिकरणबाट जारी AML/CFT सम्बन्धी निर्देशनको व्यवस्था पूर्ण पालना गर्ने।
६. बीमकको संस्थागत सुशासन सम्बन्धी निर्देशिका २०८० को दफा ४५ को उपदफा (२) को व्यवस्था पूर्ण रूपमा पालना गर्ने।
७. बीमकले जोखिम व्यवस्थापन समितिलाई प्रभावकारी बनाउन प्राधिकरणबाट जारी भएको जोखिम व्यवस्थापन सम्बन्धी मार्गदर्शन बमोजिम जोखिम व्यवस्थापन सम्बन्धी कार्य गर्ने।
८. बीमकले लेखा परीक्षण समितिलाई प्रभावकारी बनाई आन्तरिक नियन्त्रण प्रणालि सुदृढ बनाउने।
९. बीमकको जोखिममाइकन तथा दाबी भुक्तानी प्रक्रिया प्रभावकारी गराउने।
१०. प्राधिकरणको स्थलगत निरीक्षण क्रममा देखियका कैफियत तथा लेखापरीक्षकले औल्याएका कैफियतहरू सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिन आवश्यक व्यवस्था गर्ने।
११. बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६० (साठी) दिन भित्र साधारण सभा गर्ने।

सुशील देव सुवेदी  
निर्देशक

पो.ब.नं. २९७२, ललितपुर-१०, कुपण्डोल, नेपाल, फोन: ०१-५४२९०७९, ५४३८७४३, फ्याक्स: ०१-५४२०९९९, टोल फ्री नं.: १६६०-०९-५६७८९  
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## शिखर इन्स्योरेन्स कम्पनी लिमिटेड

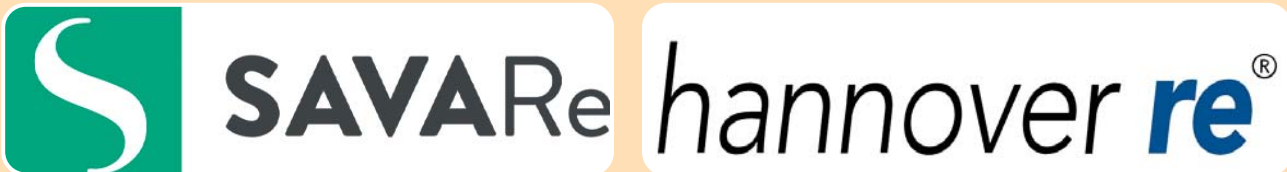
### आ.व. २०८०/८१ को वित्तीय विवरण स्विकृतिका क्रममा नेपाल बीमा प्राधिकरणबाट तोकिएको शर्तहरू सम्बन्धमा कम्पनीको प्रत्युत्तर

१. कम्पनीले तोकिएको समयभित्र Nepal Financial Reporting Standard (NFRS) 17, Insurance Contract लागू गर्नका लागि निम्न कार्यहरू गरिएको जानकारी गराउन चाहन्छौं :
  - कम्पनीले NFRS 17 को कार्यान्वयनका लागि अन्य विभिन्न देशहरूमा समेत IFRS 17 को कार्यान्वयनको अनुभव भएको अन्तराष्ट्रिय प्रतिस्थित लेखा व्यवसायी संस्था KPMG सँग सम्झौता गरिसकेको छ। साथै, NFRS 17 Project Management Committee तथा Steering Committee को निर्माण गरी योजनाबद्ध रूपमा कार्यहरू गर्दै आइरहेका छौं।
  - NFRS 17 को कार्यान्वयनका लागि कम्पनीले आवश्यक रूपमा दक्ष जनशक्तिको नियुक्ति तथा पुर्वाधारको विकास गरिसकेको छ।
२. कम्पनीले आर्थिक वर्षको चौथो त्रैमासिक वित्तीय विवरण र वार्षिक वित्तीय विवरणको SOFP, SOPL तथा SOCI को विभिन्न शिर्षहरूमा दश प्रतिशत भन्दा बढी रकमले फरक भएको विवरण वार्षिक विवरणमा उल्लेख गरिएको जानकारी गराउन चाहन्छौं।
३. नेपाल बीमा प्राधिकरणबाट जारी निर्देशन बमोजिम व्यवस्थापन खर्च गर्न कम्पनी कटिबद्ध रहेको जानकारी गराउन चाहन्छौं।
४. कम्पनीले अन्य पुनर्वीमा कम्पनीहरूसँगको लेना देना हिसाबलाई राफसाफ गर्न आवश्यक कार्य गरिरहेको जानकारी गराउन चाहन्छौं।
५. कम्पनीले नेपाल बीमा प्राधिकरणबाट जारी गरिएको AML/CFT सम्बन्धी व्यवस्थाहरूको पूर्ण पालनाका लागि आवश्यक कर्मचारीहरूको नियुक्त गरी सम्पूर्ण कर्मचारीहरूलाई नियमित रूपमा AML/CFT सम्बन्धि अभिमुखिकरण कार्यक्रमहरू संचालन गर्दै आएका छौं। AML/CFT सम्बन्धी व्यवस्थाहरूको पूर्ण पालनाका लागि कम्पनी कटिबद्ध रहेको जानकारी गराउन चाहन्छौं।
६. कम्पनीबाट नेपाल बीमा प्राधिकरणबाट जारी बीमकको संस्थागत सुशासन सम्बन्धी निर्देशन २०८० को दफा ४५ को व्यवस्थाहरूको पूर्ण पालना भइरहेको जानकारी गराउन चाहन्छौं।
७. कम्पनीले नेपाल बीमा प्राधिकरणबाट तोकेबमोजिम जोखिम व्यवस्थापन समितिको गठन गरी जोखिम व्यवस्थापन विभागमा आवश्यक कर्मचारीहरू नियुक्त गरिसकेको जानकारी गराउन चाहन्छौं। कम्पनीले आफ्नो व्यवसाय तथा कारोबार सँग सम्बन्धित जोखिमहरूको व्यवस्थापनका लागि नियमित रूपमा आफ्नो Risk Register लाई अध्यावधिक गरी Risk Dash Board तथा Risk Trigger Mechanism को समेत विकास गर्दै आएका छौं। आगामी दिनहरूमा जोखिम व्यवस्थापन विभागलाई थप प्रभावकारी बनाई नेपाल बीमा प्राधिकरणबाट जारी निर्देशनहरू बमोजिम जोखिम व्यवस्थापन सम्बन्धी कार्यहरू गर्दै जाने व्यहोरा हार्दिक जानकारी गराउन चाहन्छौं।
८. कम्पनीले लेखापरीक्षण समितिलाई थप प्रभावकारी बनाउन आवश्यक कार्ययोजना तयार गरी अधि बढ्ने जानकारी गराउन चाहन्छौं।
९. कम्पनीको अण्डरराइटिङ प्रकृया तथा दाबी भुक्तानी प्रकृत्यालाई थप प्रभावकारी बनाउन अण्डरराइटिङ तथा दाबी विभागका कर्मचारीहरूको नियमित रूपमा आवश्यक तालिम तथा विकासको कार्यक्रमहरू संचालन गर्ने लगायत अन्य आवश्यक कार्यहरू गर्दै आएका छौं। साथै, दाबी र अण्डरराइटिङ प्रकृत्यालाई थप प्रभावकारी बनाउन कम्पनीको सफ्टवेरलाई समेत थप परिकृत गर्दै आइरहेको जानकारी गराउन चाहन्छौं।
१०. कम्पनीले नेपाल बीमा प्राधिकरणबाट गरिएको स्थलगत निरीक्षणका क्रममा देखिएका कैफियत, आन्तरीक तथा बाह्य लेखापरीक्षकले औल्याएका कैफियतहरू सुधार गर्न आवश्यक कदम चालिएको व्यहोरा जानकारी गराउन चाहन्छौं।
११. वित्तीय विवरण स्विकृत भएको मितिले ६० दिन भित्रै वार्षिक साधारण सभा सम्पन्न हुने जानकारी गराउन चाहन्छौं।

## OTHER DISCLOSURES



## Who are our Reinsurers?



## Grievance Handling Mechanism

Following Grievance Handling Mechanism/Procedure has been developed to ensure that grievances received from insured, investor and other stakeholder (hereinafter referred as stakeholder) by Shikhar Insurance are handled in a fair, transparent, and timely manner. The procedure aims to provide a structured approach to resolving grievances and maintaining a positive relationship with customers.

### 1. Procedure:

#### Receipt of Grievance

The stakeholder shall submit a grievance to the company through any of the following channels:

Phone: The customer can call the company's dedicated grievance number or any official telephone number.

Email: The customer can send an email to the company's designated grievance email ID.

Letter: The customer can send a letter to the company's registered address.

Online Form: The customer can fill out an online form on the company's website.

The grievance shall be acknowledged by the Nodal Officer within 24 hours of receipt and provide Grievance Registration Number (GRN) to the stakeholder.

#### Initial Assessment

The Nodal Officer shall assess grievance to determine its nature and scope.

The Nodal Officer shall verify the details of the grievance and gather relevant information and forward to concerned department for further enquiry.

#### Investigation

If grievance requires further investigation, the Nodal Officer shall investigate to determine the facts and circumstances surrounding the issue.

The investigation shall be conducted in a fair and unbiased manner.

#### Resolution

Based on the investigation, the Nodal Officer shall propose a resolution to the grievance.

The resolution shall be communicated to the stakeholder through appropriate means of communication.

#### Closure

Once a resolution is provided, the Nodal Officer shall close the case and update the records accordingly.

The stakeholder shall be notified of the closure of the case via appropriate medium.

### 2. Records and Reporting

All grievances received, and their resolutions shall be recorded in a dedicated logbook.

A quarterly report on grievances received and their resolutions shall be prepared by the Nodal Officer.

The report shall be reviewed by the Chief Executive Officer and necessary actions taken to improve grievance handling processes.

### 3. Responsibilities:

Chief Executive Officer: Responsible for providing instruction to concerned personnel for resolving reported grievances. Responsible for informing the stakeholder relating to resolution of reported grievances.

Senior Management / Head of Department: Responsible for providing details and facts to the Officer relating to reported grievances along with assessment of reported grievances.

Nodal Officer: Responsible for receiving, assessing, investigating, and reviewing reported grievances. Responsible for submitting details of reported grievances to the Chief Executive Officer of the Company along with likely solutions for managing reported grievances.

## Communication Mechanism for Interaction and Information Flow to Stakeholders

The communication mechanism ensures a seamless flow of information to the concerned stakeholders, fostering transparency, trust, and collaboration.

### The primary objectives of the communication mechanism are:

- Transparency: To provide clear and accurate information about the organization's activities, decisions, and performance.
- Engagement: To involve stakeholders in the decision-making processes and ensure their voices are heard.
- Trust: To build and maintain trust through consistent, honest, and timely communication.
- Feedback: To gather feedback from stakeholders to improve processes, products, and services.

### Communication Channel

The following channels can be utilized for effective interaction and information flow:

#### Internal Communications

- Email: Regular newsletters, updates, and announcements can be sent to employees and internal stakeholders.
- Intranet: A centralized portal where employees can access important documents, news, and resources.
- Meetings: Regular team meetings, town halls, and one-on-one sessions to discuss updates and gather feedback.
- Internal social media: Platforms like Microsoft Teams for real-time communication and collaboration.

#### External Communications

- Newspaper: important notices regarding the business affairs of the company shall be circulated through the national daily newspaper
- Website: A well-maintained website with a dedicated section for stakeholder resources and updates.
- Social media: Active presence on platforms like LinkedIn, Twitter, and Facebook to engage with a broader audience.
- Press Releases: Official announcements to media outlets to reach a wide audience.
- Newsletters: Regular email newsletters to keep stakeholders informed about the latest developments.
- Seminar/Webinars and Events: Events to engage with stakeholders directly.
- Telephone : Enquiry through telephone for the general inquiry and informaton

#### Publication of statutory notices

The following statutory notices shall be published in the national daily newspaper along with the official website of the company:

- Quarterly proactive disclosure as required by Right to Information Act
- Quarterly financial statements
- Notice of annual general meeting or special general meeting along with the financial statements
- Notice regarding book closure for the AGM, issue of bonus share, issue of right share
- Notice regarding issue of any new share
- Any other statutory notices

#### Responsibility and Accountability

The concerned stakeholder can collect required and legitimate information by contacting either the information officer or the company secretary of the company or an administrative officer of the company. The Information Officer of the company is primarily responsible for communication relating to public information. The company secretary is responsible for the information relating to the shareholders of the company. The administrative officer shall be responsible for providing information relating the general information.



## Shikhar Insurance Company Limited: Ratings reaffirmed

May 20, 2024

Facility/Instrument	Rated Amount (NPR Million)	Rating Action
Issuer Rating	NA	[ICRANP-IR] A+; reaffirmed

### Rating action

ICRA Nepal has reaffirmed the issuer rating of Shikhar Insurance Company Limited (SICL) at [ICRANP-IR] A+ (pronounced ICRA NP Issuer Rating A plus). Issuers with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk. The rating is only an opinion on the general creditworthiness of the rated entity and not specific to any particular debt instrument. The sign of + (plus) or – (minus) appended to the rating symbols indicate their relative position within the rating categories concerned.

### Rationale

The rating reaffirmation continues to take comfort from the company's strong competitive positioning as reflected in the highest gross premium earnings (GPE) in the industry, its wide network of branches, seasoned management team, strong risk management policy, strong reinsurance arrangement with catastrophic provision and good financial profile of the lead reinsurer (Hannover Re<sup>1</sup>, Germany); which is likely to support its future growth and solvency aspects. The rating also takes note of adequate profitability of SICL so far, despite the dilution in the last few years. Although the company's return indicators<sup>2</sup> have moderated marginally on account of an increased asset base/net worth and low premium retention, the company continues to maintain a strong solvency profile. ICRA Nepal also positively factors in the growth prospects of the company given the low penetration of insurance business in Nepal.

However, the rating remains constrained on account of steady uptick in the combined ratio and pressure on underwriting surplus of the company stemming from low net premium levels and uptick in claims and expense ratio as the company increased its footprint across the country in recent years. Although the H1FY2024 numbers have reported improvement in the areas of underwriting surplus, driven by the decline in claims, its sustainability will remain a key monitorable and rating sensitivity. Along with the pressure on underwriting surplus in the recent years, the softening of interest rates is also likely to dampen the investment income which could pressurise the profitability profile of the company over the near term. The impact on SICL's market leader positioning from large sized competitors formed through merger/acquisition of erstwhile players will also remain a monitorable. Although SICL remains adequately solvent and liquid despite the tax paid on premium collected on further public offering (FPO) of equity shares in the past, the recent buildup of receivables (including government subsidy receivable) and its future trend will also remain a monitorable.

### Key rating drivers

#### Credit strengths

**Long track record, strong market position and seasoned management team** – Operating since 2004, SICL has a long track record of operations in the Nepalese general insurance industry and stands as the largest player in terms of asset base, net worth and gross premium earnings (notwithstanding the moderation in net premium earnings because of the decline in premium retention from FY2019 onwards). The company's market position remains stable and strong, supported by one of the largest branch network in the country, which is likely to help in the long-term growth and diversification of business. Its management team comprises of seasoned professionals with long industry experience, which is a positive factor incorporated in the rating.

<sup>1</sup> Hannover Re's issuer credit rating has been affirmed at AA during the latest exercise by AM Best. (Published December 2023)

<sup>2</sup> Return indicators for FY2023 affected by tax related to prior period item (premium on equity raised through FPO)



**Strong reinsurance arrangements** – SICL's lead reinsurer – 'Hannover Re'<sup>3</sup>, Germany (for FY2024) has a strong credit profile which comforts the claims paying ability of the company. SICL's reinsurance arrangement has remained among the strongest in the industry and continues to remain so. SICL's adequate catastrophic reinsurance arrangement at the time of the April 2015 earthquake not only supported its claims-paying ability but also helped its branding, enabling it to become the largest player in the years following. The company continues to maintain adequate reinsurance arrangements, including a strong catastrophic risk coverage for FY2024, which is likely to support the company's solvency during similar catastrophic events.

**Strong solvency and liquidity profile** – On the solvency front, SICL's solvency margin as of mid-July 2023 (Actuarial Valuation based), calculated as per the regulatory directive, stood at ~3.33 times against ~3.41 times as of mid-July 2022, versus a regulatory minimum of 1.3 times. The company continues to remain adequately liquid despite the pressure on cashflows during FY2021-FY2023 because of elevated claims, higher management expense ratio and tax liabilities towards share premium. SICL's liquidity position remains adequate as reflected in liquid assets to net insurance contract liabilities (*gross contract insurance liabilities less reinsurance assets*) ratio of 3.81 times as at mid-July 2023 vs. 3.76 times as at mid-July 2022. However, the gradual buildup in receivables (including subsidy receivables from government) in the recent years could pressurize the liquidity profile to some extent.

**Adequate profitability profile** – SICL's profitability remains adequate despite the pressure on underwriting surplus as reflected in elevated combined ratio between FY2021-FY2023. Despite the pressure on underwriting surplus, SICL's profitability remains supported by investment income given the healthy yield (9.5% for FY2023). The profit level in FY2023 was also affected by higher tax provision for the year (due on prior period items related to tax on share premium). However, the return indicators remain on a moderating trend due to larger base effect of rising assets/net worth. Although H1FY2024 profitability has remained improved, its sustainability remains to be seen. Over the near term, low net premium levels and recent softening of banking sector deposit rates could dampen the profitability profile.

## Credit challenges

**Underwriting surplus under pressure from elevated claims and expense ratio** – SICL's claims ratio has remained generally elevated since FY2021. At the same time, the management expense ratio has also increased as a result of increased overhead to support network expansion, which is expected to bring in business growth with a lag. As such, the underwriting surplus has remained subdued in the last 2-3 years, despite the support from ceding commission from reinsurers. Although the company has reported an improved underwriting performance in H1FY2024 backed by a decline in claims ratio, its sustainability remains to be seen.

**Competitive landscape and industry fragmentation** – The competition in the already crowded general insurance industry had further increased since FY2018, following the licensing of new players. The recent mergers between industry players have resulted in larger players which could affect the industry dynamics and challenge the market leader position of SICL. While the low penetration of insurance industry in Nepalese market offers growth potential for all players, the recent economic slowdown and slow growth in banking sector credit could intensify the competition among the industry players.

**Changes in operating environment because of new regulations** – The players in the general insurance industry have been facing frequent changes in regulatory environment, especially those related to tariff and risk cover. Additionally, the other provisions like mandatory cession, licensing of new players, etc also affects the operating environment. While the regulatory changes are likely to eventually result in the strengthening of overall sector over the long-term, these regulatory changes could potentially impact the financial profile of all players over short to medium term.

**Analytical approach:** For arriving at the ratings, ICRA Nepal has applied its rating methodology as indicated below.

Links to applicable criteria:

<https://www.icranepal.com/wp-content/uploads/2019/11/IssuerRatingMethodology15042019.pdf>

<sup>3</sup> Rated "Superior" by AM Best in terms of its Financial Strength Rating and Issuer Credit Rating.

## शिखर इन्स्योरेन्स कम्पनी लिमिटेड

### २० औं वार्षिक साधारण सभाबाट कम्पनीको प्रबन्ध-पत्रमा प्रस्तावित संशोधन

प्रबन्ध-पत्रको दफा	हालको व्यवस्था	प्रस्तावित संशोधन	संशोधन गर्नुपर्ने कारण
दफा २(क)	यस कम्पनीको रजिष्टर्ड कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं ३५ मा रहेनेछ ।	यस कम्पनीको रजिष्टर्ड कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं ११ मा रहेनेछ ।	कम्पनीको रजिष्टर्ड ठेगाना परिवर्तन गर्न
दफा २(ख)	कम्पनीको कारोबार गर्ने स्थान: यस कम्पनीको कारोबार गर्ने स्थान काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं ३५ मा रहेनेछ	कम्पनीको कारोबार गर्ने स्थान: यस कम्पनीको कारोबार गर्ने स्थान काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं ११ मा रहेनेछ	कम्पनीको रजिष्टर्ड ठेगाना परिवर्तन गर्न
दफा ५(ख)	कम्पनीको जारी पुँजी रु.२,६५४,९४७,३०० /- (दुई अरब पैसठ्ठी करोड उनन्चास लाख सठ्चालिस हजार तीन सय मात्र) हुनेछ । जसलाई रु.१०० का दरका २६,५४९,४७३ (दुई करोड पैसठ्ठी लाख उनन्चास हजार चार सय त्रिहत्तर थान) साधारण शेयरहरुमा विभाजन गरिनेछ ।	कम्पनीको जारी पुँजी रु.२,९२०,४४२,१००/- (दुई अरब बयानब्बे करोड चार लाख बयालिस हजार एक सय मात्र) हुनेछ । जसलाई रु.१०० का दरका २९,२०४,४२१ (दुई करोड बयानब्बे लाख चार हजार चार सय एकाइस थान) साधारण शेयरहरुमा विभाजन गरिनेछ ।	प्रस्तावित बोनस शेयरको माध्यमबाट पुँजी वृद्धि गर्न
दफा ५(ग)	कम्पनीको चुक्ता पुँजी रु.२,६५४,९४७,३०० /- (दुई अरब पैसठ्ठी करोड उनन्चास लाख सठ्चालिस हजार तीन सय मात्र) हुनेछ । जसलाई रु.१०० का दरका २६,५४९,४७३ (दुई करोड पैसठ्ठी लाख उनन्चास हजार चार सय त्रिहत्तर थान) साधारण शेयरहरुमा विभाजन गरिनेछ ।	कम्पनीको चुक्ता पुँजी रु.२,९२०,४४२,१००/- (दुई अरब बयानब्बे करोड चार लाख बयालिस हजार एक सय मात्र) हुनेछ । जसलाई रु.१०० का दरका २९,२०४,४२१ (दुई करोड बयानब्बे लाख चार हजार चार सय एकाइस थान) साधारण शेयरहरुमा विभाजन गरिनेछ ।	प्रस्तावित बोनस शेयरको माध्यमबाट पुँजी वृद्धि गर्न

### २० औं वार्षिक साधारण सभाबाट कम्पनीको नियमावलीमा प्रस्तावित संशोधन

नियमावलीको नियम	हालको व्यवस्था	प्रस्तावित संशोधन	उद्देश्य
नियम २	कम्पनीको रजिष्टर्ड कार्यालय: यस कम्पनीको रजिष्टर्ड कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं. ३५ काठमाण्डौमा रहेनेछ । वीमा समिति वा सम्बन्धित निकायबाट स्वीकृति लिई नेपाल अधिराज्यभित्र वा विदेशमा आवश्यकताअनुसार शाखा, उपशाखा वा अन्य कार्यालयहरु खोल्न सकिनेछ ।	कम्पनीको रजिष्टर्ड कार्यालय: यस कम्पनीको रजिष्टर्ड कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं ११ काठमाण्डौमा रहेनेछ । नेपाल बीमा प्राधिकरण वा सम्बन्धित निकायबाट स्वीकृति लिई नेपाल अधिराज्यभित्र वा विदेशमा आवश्यकता अनुसार प्रदेश कार्यालय, शाखा, उपशाखा वा अन्य कार्यालयहरु खोल्न सकिनेछ ।	कम्पनीको रजिष्टर्ड ठेगाना परिवर्तन भएको कारण
नियम ५(ख)	कम्पनीको जारी पुँजी रु.२,६५४,९४७,३०० /- (दुई अरब पैसठ्ठी करोड उनन्चास लाख सठ्चालिस हजार तीन सय मात्र) हुनेछ । जसलाई रु.१०० का दरका २६,५४९,४७३ (दुई करोड पैसठ्ठी लाख उनन्चास हजार चार सय त्रिहत्तर थान) साधारण शेयरहरुमा विभाजन गरिनेछ ।  कम्पनीको चुक्ता पुँजी रु.२,६५४,९४७,३०० /- (दुई अरब पैसठ्ठी करोड उनन्चास लाख सठ्चालिस हजार तीन सय मात्र) हुनेछ । जसलाई रु.१०० का दरका २६,५४९,४७३ (दुई करोड पैसठ्ठी लाख उनन्चास हजार चार सय त्रिहत्तर थान) साधारण शेयरहरुमा विभाजन गरिनेछ ।	कम्पनीको जारी पुँजी रु.२,९२०,४४२,१००/- (दुई अरब बयानब्बे करोड चार लाख बयालीस हजार एक सय मात्र) हुनेछ । जसलाई रु.१०० का दरका २९,२०४,४२१ (दुई करोड बयानब्बे लाख चार हजार चार सय एकाइस थान) साधारण शेयरहरुमा विभाजन गरिनेछ ।  कम्पनीको चुक्ता पुँजी रु.२,९२०,४४२,१००/- (दुई अरब बयानब्बे करोड चार लाख बयालिस हजार एक सय मात्र) हुनेछ । जसलाई रु.१०० का दरका २९,२०४,४२१ (दुई करोड बयानब्बे लाख चार हजार चार सय एकाइस थान) साधारण शेयरहरुमा विभाजन गरिनेछ ।	प्रस्तावित बोनस शेयरको माध्यमबाट पुँजी वृद्धि गर्न

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### Karnali Province

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### Bagmati Province

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अनुसूची -२७  
(कम्पनी ऐन, २०६३ को दफा ७१ (३) सँग सम्बन्धित)

## प्रतिनिधि नियुक्त गर्ने फाराम (प्रोक्सी)

श्री संचालक समिति  
शिखर इन्स्योरेन्स कम्पनी लि.  
शिखर विज सेन्टर, थापाथली काठमाडौं ।

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

.....जिल्ला.....म.न.पा./न.पा./गा.पा. वडा नं. .... बस्ने  
म/हामी .....ले त्यस कम्पनीको शेयरधनीको हैसियतले मिति २०८१ साल  
फाल्गुन १३ गते मंगलबारका दिन हुने २० औं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी  
हुन नसक्ने भएकोले उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका लागि .....जिल्ला  
.....म.न.पा./न.पा./गा.पा. .... वडा नं. बस्ने श्री.....लाई  
मेरो/हाम्रो प्रतिनिधि मनोनयन गरी पठाएको छु/छौं ।

### प्रतिनिधि नियुक्त भएको व्यक्तिको

हस्ताक्षरको नमूना: .....  
शेयरधनी भए शेयर प्रमाणपत्र नं./Demat Account No.: .....  
शेयरधनी नभए नागरिकताको प्रमाण-पत्र नं.: .....  
मिति: .....

### निवेदक,

दस्तखत: .....  
नाम: .....  
ठेगाना: .....  
शेयर प्रमाणपत्र नं./Demat Account No.: .....  
शेयर संख्या: .....

द्रष्टव्य: यो प्रोक्सी फाराम साधारण सभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको केन्द्रीय कार्यालयमा पेश गरी सक्नु पर्नेछ ।

## शिखर इन्स्योरेन्स कम्पनी लि.

शिखर विज सेन्टर, थापाथली, काठमाडौं

### प्रवेश-पत्र

शेयरधनीको नाम .....  
शेयर प्रमाण पत्र नं./Demat Account No. .... शेयर संख्या .....  
शिखर इन्स्योरेन्स कम्पनी लिमिटेडको मिति २०८१/११/१३ गतेका दिन हुने २० औं वार्षिक साधारण सभामा उपस्थित हुन  
जारी गरिएको प्रवेश पत्र ।

.....  
शेयरधनीको दस्तखत

(सभा कक्षमा प्रवेश गर्न यो प्रवेश-पत्र अनिवार्य रूपमा लिई आउनु हुन अनुरोध छ ।)

कम्पनी सचिव



## १८ औं वार्षिक साधारण सभाको भलक





## १८ औं वार्षिक साधारण सभाको भलक





## १८ औं वार्षिक साधारण सभाको भलक





## बीमा सचेतना कार्यक्रम









## २० औं वार्षिकोत्सव कार्यक्रम





## रक्तदान कार्यक्रम







# Management Team



**Bimal Raj Nepal**  
Deputy Chief Executive Officer



**Sabita Maskey**  
Deputy Chief Executive Officer



**Dip Prakash Panday**  
Chief Executive Officer



**Udit Kafle**  
General Manager



**Prajwal Acharya**  
General Manager



**Prakash Thapa**  
Deputy General Manager



**Suraj Rajbahak**  
Deputy General Manager  
Company Secretary



**Kabita Joshi**  
Deputy General Manager



**Prarthana Shahi**  
Assistant General Manager

Shikhar Insurance Co. Ltd.

**Head Office**

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