



Shikhar Insurance Company Ltd.

## 21<sup>st</sup> Annual Report 2024-25

शिखर इन्स्योरेन्स कं. लि. (२१औं वार्षिक प्रतिवेदन २०८१/२०८२)



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**ASSURED.**  
**RELAXED.**  
**CONFIDENT.**  
**SECURED.**  
**PEACE**  
**OF MIND.**



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## शिखर इन्स्योरेन्स कम्पनी लिमिटेडको

### २१ औं वार्षिक साधारण सभा बस्ने सम्बन्धी सूचना

सम्पूर्ण शेयरधनी महानुभावहरू,  
मिति २०८२/९/४ गते शुक्रबार बिहान ९ बजे बसेको यस कम्पनीको संचालक समितिको ३६७ औं बैठकको निर्णय अनुसार कम्पनीको २१ औं वार्षिक साधारण सभा निम्न मिति, समय तथा स्थानमा निम्न प्रस्ताव उपर छलफल तथा निर्णय गर्न बस्ने भएकाले सम्पूर्ण शेयरधनी महानुभावहरूमा उपस्थितिको लागि अनुरोध गरिन्छ ।

#### मिति, समय र स्थान:

**मिति** : २०८२ साल पौष २९ गते मंगलबार (तदनुसार २०२६ जनवरी १३ )

**समय** : बिहान ११ बजे

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

#### छलफलका विषयहरू

##### १. सामान्य प्रस्ताव

- १.१ आ.व. २०८१/८२ को संचालक समितिको वार्षिक प्रतिवेदन उपर छलफल गरी सोलाई पारित गर्ने बारे ।
- १.२ आ.व. २०८१/८२ को लेखापरीक्षण प्रतिवेदन सहितको वित्तीय विवरणहरू उपर छलफल गरी सोलाई पारित गर्ने बारे ।
- १.३ आ.व. २०८२/८३ का लागि लेखापरीक्षकको नियुक्ति गर्ने तथा पारिश्रमिक तोक्ने बारे ।
- १.४ संचालक समितिबाट प्रस्ताव गरिएको कम्पनीको हाल कायम चुक्ता पुँजीमा ०.३१५८ प्रतिशतका दरले नगद लाभांश रु. ९,२३१,१४७ (अक्षरेपी रु. बयानबन्ने लाख एकतीस हजार एक सय सत्चालीस मात्र) पारित गर्ने बारे (प्रस्तावित लाभांश कर प्रायोजनार्थ) ।
- १.५ कम्पनीको सर्वसाधारण शेयरधनीहरूका तर्फबाट मिति २०७७/१२/१ मा निर्वाचित संचालक श्री दिनेश बज्र बज्राचार्य तथा श्री स्कन्द अमात्यको संचालक पदको पदावधि समाप्त भएपश्चात् आगामी वार्षिक साधारण सभासम्मको लागि पदावधि थप गर्ने सम्बन्धमा कम्पनीको संचालक समितिको बैठकबाट भएको निर्णय अनुमोदन गर्ने तथा संचालक श्री दिनेश बज्र बज्राचार्यज्यूको राजिनामा पश्चात् मिति २०८२/५/१५ गते सम्पन्न संचालक समितिको बैठकबाट श्री आशमाङ्ग कार्कीलाई आगामी वार्षिक साधारण सभासम्मको लागि संचालक पदमा नियुक्त गर्ने बारे संचालक समितिको निर्णयलाई अनुमोदन गर्ने बारे ।
- १.६ कम्पनीको प्रबन्धपत्र तथा नियमावली बमोजिम सर्वसाधारण समूह "ख" का शेयरधनीबाट निर्वाचित हुने २ (दुई) संचालकका लागि प्रचलित कानुनी व्यवस्थाको अधीनमा रही शिखर इन्स्योरेन्स कम्पनी लिमिटेडको संचालक निर्वाचन सम्बन्धी निर्देशिका, २०६३ बमोजिम निर्वाचन गर्ने बारे ।
- १.७ विविध

##### २. विशेष प्रस्ताव

- २.१ सञ्चालक समितिबाट प्रस्ताव गरिएको कम्पनीको हाल कायम चुक्ता पुँजीमा ६ प्रतिशतका दरले रु. १७५,३८५,९४० (अक्षरेपी रु. सत्र करोड त्रिपन्न लाख पचासी हजार नौ सय चालिस मात्र) को बोनस शेयर पारित गर्ने बारे ।
- २.२ कम्पनीबाट गरिएको चन्दा तथा सामाजिक उत्तरदायित्व अन्तर्गतका खर्चहरू अनुमोदन गर्ने बारे ।
- २.३ कम्पनीको चुक्ता पुँजी सम्बन्धमा प्रबन्धपत्र र नियमावलीमा आवश्यक संशोधन गर्ने र सो कार्य सम्पन्न गर्न संचालक समितिलाई आवश्यक सम्पूर्ण अधिकार प्रत्यायोजन गर्ने बारे । संशोधित प्रबन्धपत्र तथा नियमावली अभिलेख वा स्वीकृत गर्ने निकायबाट कुनै फेरबदल गर्न निर्देशन प्राप्त भएमा सो अनुसार फेरबदल गर्न संचालक समितिलाई पूर्ण अख्तियारी प्रदान गर्ने बारे ।

## शिखर इन्स्योरेन्स कम्पनी लिमिटेडको

### साधारण सभा सम्बन्धी अन्य जानकारी

१. सभामा भाग लिन आउनु हुने शेयरधनी महानुभावहरूले आफ्नो शेयर प्रमाणपत्र वा कम्पनीको शेयर अभौतिकीकरण गरेको देखिने अभौतिकीकरण खाताको विवरण प्रस्तुत गरेपछि मात्र सभा कक्षमा प्रवेश गर्न पाइने छ ।
२. सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनी महानुभावहरूले प्रतिनिधि (प्रोक्सी) फाराम सभा हुने दिनभन्दा ४८ घण्टा अगावै बिहान ११ बजेभित्र कम्पनीको केन्द्रीय कार्यालयमा दर्ता गराई सक्नु पर्नेछ । एकभन्दा बढी प्रतिनिधि (प्रोक्सी) नियुक्त गर्न सकिने छैन । एकभन्दा बढी प्रतिनिधि (प्रोक्सी) नियुक्त भएको पाइएमा सबैभन्दा पहिला कम्पनीमा दर्ता भएको प्रतिनिधि (प्रोक्सी) मात्र मान्य हुनेछ । प्रतिनिधि (प्रोक्सी) नियुक्त गरिसकेपछि प्रतिनिधि (प्रोक्सी) बदर नगरी कुनै शेयरधनीले सभामा भाग लिन चाहेमा भाग लिन सक्नु हुनेछ । तर मतदान गर्न पाउनु हुने छैन ।
३. नाबालक र विकीप्त शेयरधनीको तर्फबाट कम्पनीको शेयरधनीहरूको लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएको ब्यक्तिलाई मात्र संरक्षकको रूपमा मान्यता दिइने छ ।
४. संयुक्त रूपमा रहेको शेयरधनीको हकमा शेयरधनीको लगत किताबमा पहिलो नाम उल्लेख भएको ब्यक्तिले अथवा सर्वसम्मतिबाट प्रतिनिधि (प्रोक्सी) नियुक्ति गरिएको एक जना ब्यक्तिले मात्र सभामा भाग लिन पाइने छ ।
५. सभाको दिन सभा शुरू हुनुभन्दा अगावै सभा कक्षमा उपस्थित भई दिन हुन सम्पूर्ण शेयरधनी महानुभावहरूलाई अनुरोध गरिन्छ ।
६. मिति २०८२ साल पौष १४ गतेदेखि साधारण सभा सम्पन्न नहुन्जेलसम्म शेयर दाखिला खारेज बन्द गरिने छ ।
७. छलफलको बिषय अन्तर्गत विविध शीर्षक सम्बन्धमा शेयरधनी महानुभावहरूले छलफल गर्न चाहनु भएको विषयबारे २०८२ साल पौष २५ गतेसम्ममा कम्पनी सचिव मार्फत संचालक समितिको अध्यक्षलाई लिखित जानकारी दिनु पर्नेछ । त्यस्तो विषय संचालक समितिको अध्यक्षलाई उचित लागेमा मात्र छलफलका लागि समावेश गरिनेछ ।
८. कम्पनीको संचालक पदको निर्वाचन सम्बन्धी सम्पूर्ण सूचना एवं जानकारी कम्पनीको केन्द्रीय कार्यालयको सूचना पाटीमा टाँस गरिनेछ । साथै निर्वाचन सम्बन्धी बिस्तृत जानकारी कम्पनीको केन्द्रीय कार्यालयमा रहेको निर्वाचन अधिकृतको कार्यालयबाट कार्यालय समयभित्र प्राप्त गर्न सकिनेछ ।
९. 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 ।
१०. सभा सम्बन्धी अन्य जानकारीका लागि कम्पनीको केन्द्रीय कार्यालय, शिखर बिज सेन्टर, थापाथली, काठामाडौंमा, कार्यालय समयभित्र सम्पर्क राख्न अनुरोध गरिन्छ ।

**संचालक समितिको आज्ञाले**

कम्पनी सचिव



# Leadership Built on Trust



## अध्यक्षको मन्तव्य

नमस्कार,

यस शिखर इन्स्योरेन्स कम्पनी लि. को २१ औं वार्षिक साधारण सभामा उपस्थित हुनु भएका आदरणीय शेयरधनी महानुभावहरू, संचालक समितिका सदस्य साथीहरू, कर्मचारी वर्ग, हाम्रो निमन्त्रणा स्वीकार गरी पाल्नुभएका अतिथिगण, संचार गृहबाट पाल्नु भएका मित्रहरू तथा उपस्थित सम्पूर्ण महानुभावहरूमा हार्दिक स्वागत अभिवादन व्यक्त गर्न चाहन्छु ।

आर्थिक वर्ष २०८१/८२ मा देशको समग्र आर्थिक अवस्थामा यथोचित विकास नभए तापनि बीमा क्षेत्रले विगतका तुलनामा सन्तोषजनक वृद्धिदर हासिल गरेको छ । कम्पनीले आ.व. २०८१/८२ मा समेत विगतका वर्षहरूमा भैं नेपालको अग्रणी निर्जीवन बीमा कम्पनीका रूपमा आफूलाई स्थापित गर्न सफल रह्यो । अन्य बीमा कम्पनीहरू एक आपसमा गाभिएर संयुक्त कारोबार गरिसकेको अवस्थामा समेत आ.व. २०८१/८२ मा सर्वाधिक १३ प्रतिशतको बजार हिस्सा सहित रु. ५७९ करोडको कुल बीमाशुल्क आर्जन गर्न सफल भएको छ जुन गत आ.व. को तुलनामा रु. ३८ करोडले अधिक रहेको छ । राष्ट्रको बीमा क्षेत्रमा भइरहेको क्रमिक वृद्धि तथा सुधार, कम्पनीको सञ्जाल तथा बीमालेख विस्तार लगायत अन्य व्यावसायिक रणनीतिका साथ आगामी ३ वर्षभित्र रु. १,००० करोडको बीमाशुल्क आर्जन गर्ने व्यावसायिक लक्ष्य लिएका छौं । यहाँहरूको निरन्तर साथ सहयोग तथा सुभावाका साथ कम्पनीले लिएको व्यावसायिक लक्ष्य हासिल गर्न सफल हुने कुरामा हामीलाई दृढ विश्वास रहेको छ ।

आ.व. २०८१/८२ मा विभिन्न समयमा देश भर परेको वर्षाका कारण आएको बाढीले बीमा दाबी रकममा वृद्धि भएको छ । आ.व. २०८१/८२ मा कुल रु. ३५३ करोडको दाबी व्यवस्थापन गरेका छौं जसमध्ये कम्पनीको खुद हिस्सामा रु. १०२ करोड रहेको छ । कुल दाबी रकम र खुद दाबी रकममा गत आ.व. को तुलनामा क्रमशः ५२ प्रतिशत र १८ प्रतिशतले वृद्धि भएको छ । कम्पनीले अवलम्बन गरेको पुनर्बीमा नीतिका कारण कम्पनीको कुल दाबी वृद्धिको तुलनामा खुद दाबी वृद्धि प्रतिशत न्यून रहेको छ । सोही कारण कम्पनीको Net Combined Ratio आ.व. २०८०/८१ मा ६८ प्रतिशत रहेकोमा आ.व. २०८१/८२ मा ६० प्रतिशतमा कायम भएको छ । तथापी, बैंक ब्याजदरमा आएको कमीका कारण लगानी आम्दानी प्रभावित भएको हुँदा खुद नाफामा न्यून दरले मात्र वृद्धि भएको छ ।

आ.व. २०८१/८२ मा कम्पनी वित्तीय रूपमा थप सबल भएको छ । कम्पनीको चुक्ता पुँजी तथा लगानीमा भएको वृद्धि संगै परिमार्जित RBC Directive बमोजिम कम्पनीको सोल्भेन्सी मार्जिनमा उल्लेख्य रूपमा सुधार भई ४७४ प्रतिशत कायम भएको छ । साथै आ.व. २०८१/८२ मा कम्पनीले इक्रा नेपालबाट प्रदान गरेको क्रेडिट रेटिङ्गमा थप सुधार भई AA- को क्रेडिट रेटिङ प्राप्त गरेको छ । शिखर इन्स्योरेन्स नेपालमा AA- को क्रेडिट रेटिङ्ग प्राप्त गर्ने पहिलो



तथा एकमात्र निर्जीवन बीमा कम्पनीका रूपमा रहेको सहर्ष जानकारी गराउन चाहन्छौं ।

कम्पनीले चालु आवको पहिलो त्रैमासमा नेपाल बीमा प्राधिकरणबाट जारी गरिएको वित्तीय विवरण तयार गर्ने सम्बन्धी निर्देशिका बमोजिम तयार गरिएको त्रैमासिक वित्तीय विवरणका साथै NFRS 17 "Insurance Contracts" बमोजिम तयार गरिएको त्रैमासिक वित्तीय विवरण समेत प्रकाशित गरेका छौं । NFRS 17 "Insurance Contracts" बमोजिम वित्तीय विवरण तयार तथा प्रकाशन गर्ने पहिलो बीमा कम्पनीका रूपमा रहेको यस कम्पनी नियमनकारी निकायहरूबाट जारी सम्पूर्ण निर्देशिकाहरू तथा मापदण्डको समयमै कार्यान्वयन गरी संस्थागत सुशासन तथा पारदर्शिता कायम गर्न सदैव प्रतिबद्ध रहेको जानकारी गराउन चाहन्छौं । हामीले आव. २०८१/८२ मा सूचना सुरक्षा व्यवस्थापन प्रणाली (Information System Management System) को लागि अन्तर्राष्ट्रिय स्तरको ISO/IEC 27001:2022 प्रमाणपत्र प्राप्त गरेका छौं । नेपालको निर्जीवन बीमा कम्पनीहरूमध्ये यो प्रमाणपत्र प्राप्त गर्ने शिखर इन्स्योरेन्स पहिलो र एक मात्र कम्पनीका रूपमा रहेको छ । साथै, कम्पनीको आव. २०८०/८१ को वार्षिक प्रतिवेदनका लागि लागि South Asian Federation of Accountants बाट प्रदान गरिने SAFA Best Presented Award मा Financial Year 2023-24 को Annual Report का लागि मेरिट सर्टिफिकेटबाट सम्मानित भएका छौं । नेपालको बीमा क्षेत्रमा यस Award बाट सम्मानित हुने शिखर इन्स्योरेन्स पहिलो कम्पनीका रूपमा रहेको छ । यी सब कुराहरूले शिखर इन्स्योरेन्स नेपालको सुदृढ बीमा कम्पनीका रूपमा रहेको र संस्थागत सुशासन, वित्तीय पारदर्शिता, जोखिम व्यवस्थापन तथा आन्तरिक नियन्त्रणमा नेपालको बीमा क्षेत्रमा अग्रणी स्थानमा रहेको थप पुष्टि गर्दछ ।

कम्पनीको संचालक समितिको बैठकबाट कम्पनीको हाल कायम चुक्ता पुँजीमा ६ प्रतिशतका दरले बोनस शेयर तथा कर प्रयोजनका लागि ०.३१५८ प्रतिशतका दरले नगद लाभांशको प्रस्ताव गरेका छौं । नेपाल बीमा प्राधिकरणबाट जारी गरिएको RBC Directive बमोजिम यथ्यस्थ पुँजी उपलब्ध रहेको अवस्थामा कम्पनीबाट जारी हुने बोनस शेयरले कम्पनीको चुक्ता पुँजीमा थप वृद्धि भई प्राधिकरणबाट जारी ORSA Directive बमोजिम समेत यथ्यस्थ मात्रामा चुक्ता पुँजी तथा सोल्भेन्सी कायम हुने जानकारी गराउन चाहन्छौं । यसले कम्पनीको भविष्यमा विस्तार हुने व्यवसायका लागि समेत कम्पनीले निरन्तर रूपमा आफ्नो जोखिम धारण क्षमता विस्तार गर्दै जान सक्ने थप क्षमता कायम रहने छ । यस साधारण सभामा प्रस्ताव गरिएको बोनस शेयरको वितरण पश्चात कम्पनीको चुक्ता पुँजी करिब रु. ३१० करोड पुग्नेछ जुन हालसम्मको नेपाली निर्जीवन बीमा कम्पनीहरूमध्ये सर्वाधिक चुक्ता पुँजीका रूपमा रहनेछ ।

प्रस्तावित बोनस शेयर जारी पश्चात् चुक्ता पुँजीमा हुने वृद्धिका कारण आगामी समयमा चुक्ता पुँजीमा आकर्षक प्रतिफल प्रदान

गर्न चुनौती रहे तापनि 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 । कम्पनीबाट भएको दिर्घकालीन महत्वका लगानीहरूले आगामी दिनहरूमा आकर्षक प्रतिफल प्रदान गर्न मद्दत गर्ने कुरामा आशावादी छौं ।

पर्यावरण संरक्षणमा कम्पनीको उत्तरदायित्वलाई मनन गर्दै कम्पनीको प्रधान कार्यालय भवनमा ४० किलोवाट क्षमताको सौर्य विजुली प्यानल प्रणाली जडान गरेका छौं भने कार्यालय प्रयोजनका लागि सवारी साधनहरू खरिद गर्दा विद्युतीय गाडिलाई प्राथमिकता दिँदै आएका छौं । साथै, कार्यालय प्रयोजनका लागि प्लाष्टिकका वस्तुहरूको प्रयोगलाई दुरुत्साहित गर्दै आएका छौं ।

देशभर बीमाको पहुँचलाई थप अभिवृद्धि गर्न कम्पनीले आव. २०८१/८२ मा थप शाखा कार्यालय, उपशाखा कार्यालय तथा एकसटेन्सन काउन्टरहरू स्थापना गरेका छौं । हाल देशभर कम्पनीको कार्यालय संख्या १२९ वटा पुगेको छ । बीमाको पहुँच अभिवृद्धिका लागि कम्पनीले शाखा कार्यालयको विस्तारका अलावा डिजिटल तथा अनलाईन बीमा सेवालाई समेत प्रवर्द्धन गर्दै आएका छौं भने ग्राहक सेवाका लागि सातै दिन तथा चौविसै घण्टा उपलब्ध हुने कल सेन्टर सेवाको समेत थालनी गरेका छौं । साथै, राष्ट्रको आवश्यकता बमोजिम गर्दै थप तीन बीमालेखको सुरुवात गरेका छौं । यी पहलहरूले निरन्तर सुधार र ग्राहक केन्द्रित सेवाप्रति हाम्रो समर्पणलाई प्रतिबिम्बित गर्दछ ।

कम्पनीका कर्मचारीहरू कम्पनीको सफलताको अभिन्न अंगका रूपमा रहने कारण कर्मचारीहरूको क्षमता विकासका लागि नियमित तालिम तथा वृत्ति विकासका कार्यक्रमहरू संचालन गर्दै आएका छौं भने सम्पूर्ण नियमित कर्मचारीहरूलाई रु. पाँच लाखको सावधिक जीवन बीमा लगायत अन्य सुबिधाहरू प्रदान गर्दै आएका छौं ।

अन्त्यमा, आव. २०८१/८२ सँग 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 अमूल्य 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** हासकट्टि फिर्ता  
(Depreciation  
write back)

**2** मर्मतको बेला  
यातायात  
खर्च सुबिधा

**3** पूर्ण क्षति  
भएमा नयाँ  
सवारी साधन  
पुनर्स्थापना

थप जानकारीका लागि नजिकैको  
शिखर इन्स्योरेन्स कम्पनीका शाखाहरूमा सम्पर्क गर्नुहोस ।

## संचालक समितिको वार्षिक प्रतिवेदन आर्थिक वर्ष २०८१/८२

शिखर इन्स्योरेन्स कम्पनी लिमिटेडको २१औं वार्षिक साधारण सभामा उपस्थित शेयरधनी तथा आमन्त्रित महानुभावहरूमा संचालक समितिको तर्फबाट हार्दिक स्वागत अभिवादन व्यक्त गर्दछौं । आर्थिक वर्ष २०८१/८२ मा कम्पनीले हासिल गरेका उपलब्धि, आर्थिक वर्षको समग्र वित्तीय कार्यसम्पादन, औद्योगिक तथा आर्थिक परिदृश्य लगायत कम्पनी ऐन तथा कम्पनी निर्देशिकाले निर्दिष्ट गरे बमोजिमका अन्य विवरणहरू यस प्रतिवेदन मार्फत प्रस्तुत गरेका छौं । संचालक समितिको यस प्रतिवेदन संगै आ.व. २०८१/८२ को वार्षिक प्रतिवेदनमा नेपाल बीमा प्राधिकरण लगायत अन्य नियमनकारी निकायहरूबाट जारी भएका निर्देशनहरू बमोजिमको थप विवरणहरू एवं कम्पनीले जोखिम व्यवस्थापन तथा आन्तरिक नियन्त्रण प्रणालीका लागि अपनाइएका नीति तथा प्रणाली, सुशासन तथा अनुपालनको स्थिति, मानव संसाधन तथा संस्थागत विकास, संस्थागत सामाजिक उत्तरदायित्व, कम्पनीको विभिन्न योजना तथा रणनीतिहरू लगायत अन्य विषयहरू उपरको विभिन्न विवरणहरू तथा जानकारी समावेश गरेका छौं । यस वार्षिक प्रतिवेदनसंगै कम्पनी ऐनको दफा १०९ बमोजिम तयार गरिएको आर्थिक वर्ष २०८१/८२ को लेखापरीक्षकको प्रतिवेदन सहितको वित्तीय विवरणहरू पारित गर्नका लागि यहाँहरू समक्ष प्रस्तुत गरेका छौं ।

### १. विगत वर्षको कारोवारको सिंहावलोकन

आर्थिक वर्ष २०८१/८२ मा देशको समग्र आर्थिक अवस्थामा यथोचित विकास नभए तापनि बीमा क्षेत्रले विगतका तुलनामा सन्तोषजनक वृद्धिदर हासिल गरेको छ । समीक्षा वर्षमा राष्ट्रिय अर्थतन्त्र तथा आर्थिक गतिविधि सुस्त रहँदा निजी लगानी तथा कर्जा प्रवाहमा संकुचन देखियो, जसको असर बीमा व्यवसायको विस्तारमा पनि परेको देखिन्छ । तथापि, विगत वर्षहरूको तुलनामा आ.व. २०८१/८२ मा नेपालको निर्जीवन बीमा व्यवसायको प्रमुख सूचांकहरू सकारात्मक देखिन्छ ।

आर्थिक वर्ष २०८१/८२ मा नेपालको निर्जीवन बीमा अन्तर्गत रु.४४ अर्ब ९१ करोडको कुल बीमाशुल्क संकलन भएको छ । राष्ट्रको कुल गार्हस्थ्य उत्पादनमा बीमा क्षेत्रको योगदान समेत क्रमिक रूपमा वृद्धि हुँदै आएको देखिन्छ । राष्ट्रको कुल गार्हस्थ्य उत्पादनमा बीमा क्षेत्रको योगदान आ.व. २०७९/८०

मा ३.४१ प्रतिशत र आ.व. २०८०/८१ मा ३.४७ प्रतिशत रहेकोमा आ.व. २०८१/८२ मा ३.७२ प्रतिशतमा रह्यो, जसमध्ये जीवन बीमाको अनुपात २.९ प्रतिशत र निर्जीवन बीमाको अनुपात ०.७४ प्रतिशत रहेको छ ।

कम्पनीले आ.व. २०८१/८२ मा समेत विगतका वर्षहरूमा भैं नेपालको अग्रणी निर्जीवन बीमा कम्पनीका रूपमा आफूलाई स्थापित गर्न सफल रह्यो । अन्य बीमा कम्पनीहरू एक आपसमा गाभिएर संयुक्त कारोबार गरिसकेको अवस्थामा समेत कम्पनीले आफ्नो बजार हिस्सालाई कायमै राख्न सफल भएको छ । आ.व. २०८१/८२ मा समेत कम्पनीले निर्जीवन बीमा क्षेत्रमा सबैभन्दा अधिक १३ प्रतिशतको बजार हिस्सा कायम राख्न सफल रहेको छ । कम्पनीले आफ्नो स्थापनाकालदेखि नै नेपालको निर्जीवन बीमा क्षेत्रमा निरन्तर रूपमा बीमाको पहुँच अभिवृद्धि तथा दायरा विस्तार गरी अग्रणी बीमा कम्पनीका रूपमा स्थापित हुँदै आएको छ । कम्पनीले आ.व. २०८१/८२ मा सर्वाधिक १३ प्रतिशतको बजार हिस्सा सहित रु. ५७९ करोडको कुल बीमाशुल्क आर्जन गर्न सफल भएको छ भने आगामी ३ वर्षभित्र रु. १,००० करोडको बीमाशुल्क आर्जन गर्ने व्यावसायिक लक्ष्य लिएको छ । राष्ट्रको बीमा क्षेत्रमा भइरहेको क्रमिक वृद्धि तथा सुधार, कम्पनीको सञ्जाल तथा बीमालेख विस्तार लगायत अन्य व्यावसायिक रणनीति र यहाँहरूको निरन्तर साथ सहयोग तथा सुभावाका साथ कम्पनीले लिएको व्यावसायिक लक्ष्य हासिल गर्न सफल हुने कुरामा हामीलाई दृढ विश्वास रहेको छ ।

### बीमाशुल्क आर्जनको समीक्षा

कम्पनीले आर्थिक वर्ष २०८०/८१ मा रु. ५४९ करोडको कुल बीमाशुल्क आर्जन गरेकोमा आ.व. २०८१/८२ मा कुल बीमाशुल्क आर्जनमा रु. ३८ करोडले वृद्धि भई रु. ५७९ करोड पुगेको छ । देशको पूँजीगत खर्चमा भएको कमी, बैंक तथा वित्तीय संस्थाको ऋण मागमा भएको कमी एवं देशकै समग्र अर्थतन्त्रमा आएको सुस्तताका बाबजुद कम्पनीले आफ्नो व्यावसायिक रणनीति अनुरूप व्यवसाय विस्तार गर्न सफल रहेको छ । बदालैंदो परिस्थितिलाई मध्यनजर गर्दै कम्पनीको व्यवसाय वृद्धिका लागि आवश्यक रणनीतिहरू तर्जुमा गर्दै आइरहेका छौं ।

कम्पनीले आ.व. २०८१/८२ मा संकलन गरेको बीमाशुल्कको तुलनात्मक विवरण निम्न बमोजिम रहेको छ ।

बीमाको किसिम	आ.व. २०८१/८२	आ.व. २०८०/८१	थप (घट)	प्रतिशत
सम्पत्ति	१,४८६,४९५,३४९	१,३७०,६२८,९१६	११५,८६६,४३३	८%
मोटर	१,६४५,४१५,२७६	१,४४९,१०३,९४०	१९६,३११,३३६	१४%
सामुद्रिक	३३०,०४१,२३०	१८०,८२१,६२८	१४९,२१९,६०२	८३%
इन्जिनियरिङ्ग	१,३००,४७१,९४२	१,०६४,७०२,३२०	२३५,७६९,६२२	२२%
लघु बीमा	६६४,८१९	१,८४५,२०६	(१,१८०,३८७)	-६४%
हवाई	७४,२६३,७७७	११६,३२६,७५२	(४२,०६२,९७५)	-३६%
पशुपंक्षी तथा बाली	३६४,३६९,५४२	७२३,१०८,५०४	(३५८,७३८,९६२)	-५०%
विविध	५८८,७२५,६०५	५०७,२६२,४६६	८१,४६३,१३९	१६%
<b>कुल बीमाशुल्क</b>	<b>५,७५०,४४७,५४०</b>	<b>५,४१३,७५५,७३२</b>	<b>३३६,६९१,८०८</b>	<b>७%</b>

विगत वर्षहरूको तुलनामा देशको आयात निर्यातको कारोबारमा भएको सुधार, पूर्वाधारमा भएको विकास तथा सवारी बिक्रीको संख्यामा भएको बृद्धिका कारण मोटर, सम्पत्ति, इन्जिनियरिङ्ग, सामुद्रिक बीमामा तथा विविध बीमामा वृद्धिदर हासिल भएको छ । कृषि बीमा अन्तर्गत बीमा कम्पनीहरू आफैले नेपाल बीमा प्राधिकरणबाट स्वीकृति लिई जारी गरेको बीमालेखमा नेपाल सरकारबाट प्राप्त हुने अनुदानमा स्पष्ट व्यवस्था नभएको कारण कम्पनीबाट कर्णाली प्रदेशमा जारी हुँदै आएको स्याउ बीमालाई आ.व. २०८१/८२ मा निरन्तरता दिन नसकेको कारण तथा कृषि बीमालेख जारी गर्दा नेपाल बीमा प्राधिकरणको सफ्टवेयर मार्फत बीमालेख जारी गर्नुपर्ने र सोको प्रक्रियागत जटिलताको कारण कम्पनीको कृषि तथा पशुपंक्षी बीमालेखमा करिब ५० प्रतिशतले कमी भएको छ । साथै, लघु बीमा कम्पनीहरूको स्थापना पश्चात् बीमा कम्पनीहरूबाट जारी हुने लघु बीमा प्रभावित भएसँगै कम्पनीको लघु बीमाशुल्कमा पनि कमी आएको छ ।

वित्तीय विवरण अन्तर्गत Statement of Profit or Loss तयार गर्दा Unexpired Risk Reserve तथा Unearned Premium Reserve का अलावा Risk Based Capital Directive को व्यवस्था बमोजिम गणना गरिएको Earthquake Reserve बापतको व्यवस्थालाई समेत समायोजन गरी आम्दानी गणना गरिन्छ । आ.व. २०८१/८२ मा Unexpired Risk Reserve र Earthquake Reserve बापत क्रमशः थप रू. १५,०१,२४,८०७ र १,०४,६८,०४४ व्यवस्था गरिएको छ । आ.व. २०८१/८२ मा कुल बीमाशुल्कमा पुनर्बीमा शुल्क कट्टा गरी URR, UPR र Earthquake Reserve बापतको थप रकम समायोजन गरी रू. १,७६,७१,०८,१५७ खुद बीमाशुल्क आम्दानी लेखाङ्कन गरिएको छ जुन गत आ.व. को तुलनामा ३६ प्रतिशतले अधिक रहेको छ । यसले कम्पनीको वित्तीय दायित्व फछ्यौट गर्ने क्षमतामा थप वृद्धि हुने जानकारी गराउन चाहन्छौं ।

### दाबी

कम्पनीबाट आ.व. २०८१/८२ मा व्यवस्थापन भएको दाबी खर्चको (दाबी भुक्तानी तथा भुक्तानी हुन बाँकी दाबीमा भएको परिवर्तन) तुलनात्मक विवरण निम्न बमोजिम रहेको छ ।

बीमाको किसिम	आ.व. २०८१/८२	आ.व. २०८०/८१	थप (घट)	प्रतिशत
सम्पत्ति	१,१७३,७०६,१११	१२२,९०७,९३०	१,०५०,७९८,१८१	८५५%
मोटर	१,०५३,७२०,१३१	८२४,७५५,८२८	२२८,९६४,३०३	२८%
सामुद्रिक	२४१,०८६,५०८	८३,९८२,१३४	१५७,१०४,३७४	१८७%
इन्जिनियरिङ्ग	१२८,३९०,५४६	१५१,३९६,१५६	(२३,००५,६१०)	-१५%
लघु बीमा	७१२,२०९	५,३४०,८६०	(४,६२८,६५१)	-८७%
हवाई	(२९,७१०,६२२)	२९,१७८,७६९	(५८,८८९,३९१)	-२०२%
पशुपंक्षी तथा बाली	५११,७५३,९४१	६९६,३४७,६४६	(१८४,५९३,७०५)	-२७%
विविध	४५५,५३८,४२७	४११,१४८,०८४	४४,३९०,३४३	११%
<b>कुल</b>	<b>३,५३५,१५७,२५१</b>	<b>२,३२५,०५७,४०७</b>	<b>१,२१०,१३५,८४४</b>	<b>५२%</b>

आ.व. २०८०/८१ मा रु. २३२ करोडको कुल दावी खर्च भएकोमा आ.व. २०८१/८२ मा रु. ३५३ करोडको कुल दावी खर्च दावी भएको छ । आ.व. २०८१/८२ को आश्विन महिनामा देश भर परेको अविरल वर्षाका कारण सृजना भएको बाढी दावी लगायत विभिन्न समयमा देशको अन्य भूभागमा परेको बाढीको बीमा दावीका कारण आ.व. २०८१/८२ मा सम्पत्ति बीमा तथा मोटर बीमाको बीमा दावीमा उल्लेखनीय रूपमा वृद्धि भएको छ । हवाई बीमा अन्तर्गत गत आ.व.मा भुक्तानी हुन बाँकी वापत व्यवस्था गरिएको रकमभन्दा न्यून रकम भुक्तानी गर्नु परेको र समीक्षा वर्षमा थप बीमा दावी नपरेको कारण दावी खर्च रकम ऋणात्मक देखिएको हो । आर्थिक वर्ष २०८१/८२ मा विभिन्न स्थान तथा समयमा आएको बाढीको क्षति वापत कम्पनीमा रु. १३५ करोडको बीमा दावी परेको छ तथापि कम्पनीले अवलम्बन गरेको सुदृढ पुनर्बीमा व्यवस्थापनका कारण खुद बीमा दावी रकम कुल दावी रकमको तुलनामा न्यून मात्राले वृद्धि भएको देखिन्छ ।

वित्तीय विवरण अन्तर्गतको नाफा-नोक्सान हिसाब (Statement of Profit or Loss) मा खुद दावी खर्च लेखाङ्कन गर्दा खुद दावी भुक्तानी रकममा भुक्तानी हुन बाँकी व्यवस्था तथा दायित्व पर्याप्तता परीक्षण (Liability Adequacy Test) गरी यकिन हुने Incurred But Not (Enough) Reported (IBN(E)R) वापतको व्यवस्थामा हुने परिवर्तन (Change in Insurance Contract Liabilities) वापतको रकम मिलान गरी खुद दावी खर्च प्रस्तुत गरिन्छ । साथै, नेपाल बीमा प्राधिकरणबाट जारी गरिएको Risk Based Capital Directive को व्यवस्था बमोजिम Margin Over Best Estimate (MOBE) वापत थप व्यवस्थालाई दावी खर्चमा समायोजन गरी खुद दावी खर्च लेखाङ्कन गरिन्छ । आ.व. २०८१/८२ मा कुल दावी भुक्तानी रकममा पुनर्बीमकबाट प्राप्त हुने रकम, भुक्तानी हुन बाँकी दावी रकम, IBNR, IBNER, MOBE मा भएको परिवर्तन बापतको रकम समायोजन गरी रु. १,०२९,३१७,७४५ खुद दावी खर्च लेखांकन गरिएको छ जुन गत आ.व.को तुलनामा १८ प्रतिशतले अधिक रहेको छ ।

कम्पनीले समयमै दावी भुक्तानीलाई प्रथम प्राथमिकतामा राखी आफ्नो दावी व्यवस्थापन कार्यलाई थप चुस्त बनाउँदै आएका छौं । कम्पनीले सूचना प्रविधि क्षेत्रमा गरेको विकासका कारण समेत कम्पनीको दावी व्यवस्थापनमा थप सहजता प्राप्त भएको छ । आ.व. २०८१/८२ मा खुद बीमा दावी रकम वृद्धि भए तापनि कम्पनीको Net Combined Ratio भने घटेको छ । आ.व. २०८०/८१ मा कम्पनीको Net Combined Ratio ६८ प्रतिशत रहेको थियो भने आ.व. २०८१/८२ मा Net Combined Ratio ६० प्रतिशत रह्यो ।

कोरोना बीमा दावी अन्तर्गत कुल १०,२२५ वटा बीमा दावी बापत नेपाल सरकारबाट प्राप्त भई भुक्तानी गर्नुपर्ने रु. ९५ करोडको बीमा दावी भुक्तानी गर्न बाँकी रहेको छ । सम्पूर्ण बीमा कम्पनीहरूको समान हिस्सा रहने गरी बीमा पुलको अवधारणामा जारी भएको कोरोना बीमाको नेपाल सरकारबाट प्राप्त हुनुपर्ने बीमा दावीको लागि नेपाल बीमक संघबाट नेपाल सरकार विरुद्ध दायर मुद्दा विचाराधीन अवस्थामा रहेको छ । नेपाल बीमा प्राधिकरणबाट जारी कोरोना बीमा सम्बन्धी मापदण्ड बमोजिम बीमा कम्पनीहरूले आफ्नो हिस्साको बीमा दावीका अतिरिक्त थप रकम समेत भुक्तानी गरिसकेको अवस्थामा समेत नेपाल सरकारबाट कबुल भए बमोजिमको बीमा रकम प्राप्त हुन बाँकी भएको कारण कोरोना बीमा दावी बापतको रकम भुक्तानी हुन बाँकी भएको हो ।

### भाद्र २०८२ को हूलदंगा बीमा दावीको प्रभाव

२०८२ भाद्र महिनाको २३ तथा २४ गते देशभर घटेको घटनाका कारण हूलदंगा तथा आतङ्कवाद बीमा दावी अन्तर्गत कम्पनीमा ४४८ वटा बीमा दावी बापत रु. २४२ करोडको बीमा दावी प्राप्त भएको छ । हूलदंगा तथा आतङ्कवादको पुनर्बीमा प्रचलित व्यवस्था बमोजिम नेपाल पुनर्बीमा कम्पनीमा गरिएको छ । नेपाल पुनर्बीमा कम्पनीमा गरिएको पुनर्बीमा व्यवस्था अन्तर्गत रु. १० करोडसम्मको बीमा जोखिमको लागि ३५ प्रतिशत कम्पनीले खुद धारण गरी ६५ प्रतिशत पुनर्बीमा गरिन्छ भने रु. १० करोडभन्दा अधिक रकमको सम्पूर्ण बीमा जोखिम नेपाल पुनर्बीमा कम्पनी लि.मा पुनर्बीमा गरिन्छ । सोही पुनर्बीमा व्यवस्था बमोजिम कम्पनीमा परेको कुल बीमा दावी रकममध्ये कम्पनीको खुद हिस्सामा करिब रु. ३७ करोडको बीमा दावी पर्ने देखिन्छ । भाद्र २३ तथा २४ को घटनाले हूलदंगा तथा आतङ्कवाद जोखिमको पुनर्बीमाको देशबाहिर समेत विविधीकरण गर्न आवश्यक देखिएको तथा excess of loss reinsurance को व्यवस्थापन समेत गर्न आवश्यक देखिएको हुँदा सो सम्बन्धमा आवश्यक रणनीति निर्माण गरी नेपाल बीमा प्राधिकरणबाट जारी निर्देशनको अधीनमा रही हूलदंगा तथा आतङ्कवाद बीमाको पुनर्बीमा विविधीकरण गर्ने योजना रहेको समेत जानकारी गराउन चाहन्छौं ।

### खुद नाफा

आ.व. २०८१/८२ मा कम्पनीको खुद बीमाशुल्क आम्दानीमा ३६ प्रतिशतको वृद्धि भए तापनि बीमा दावीमा भएको वृद्धि र सोको कारण पुनर्बीमा कमिशनमा आएको कमी तथा बैंक व्याजदरमा भएको कमीका कारण लगानी आम्दानीमा परेको प्रभावका कारण खुद नाफामा उल्लेख्य वृद्धि हुन सकेन । कम्पनीले आ.व. २०८०/८१ मा रु. ४४ करोड ५३

लाखको खुद नाफा आर्जन भएकोमा आव २०८१/८२ मा खुद नाफा रकम ४५ करोड २० लाख रहन गयो । खुद नाफा रकममा वृद्धि भए तापनि चुक्ता पुँजीमा समेत वृद्धि भएको कारण प्रति शेयर आम्दानीमा भने कमी भएको छ । आव. २०८०/८१ मा प्रति शेयर आम्दानी रु. १६.७७ रहेकोमा आव. २०८१/८२ मा प्रति शेयर आम्दानी रु. १५.४६ रहेको छ ।

नेपाल सरकारबाट प्राप्त हुन बाँकी कृषि तथा पशुपन्छी बीमाको अनुदान रकम र कोरोना बीमा दावी वापतको 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 परेता पनि दीर्घकालीन लगानीले आगामी दिनमा कम्पनीले आकर्षक प्रतिफल प्राप्त गर्ने अपेक्षा गरेका छौं ।

### गत आर्थिक वर्षमा कम्पनीले हासिल गरेका अन्य उपलब्धिहरू

#### क्रेडिट रेटिङ्गमा अभिवृद्धि

यस कम्पनीले इक्रा नेपालबाट आफ्नो क्रेडिट रेटिङ्ग गर्दै आएका छौं । इक्रा नेपालबाट कम्पनीको वित्तीय क्षमता, दावी व्यवस्थान, पुनर्बीमा व्यवस्थापन, जोखिम व्यवस्थापन तथा अन्य विविध व्यवस्थापकीय पक्षहरूको अध्ययन पश्चात् कम्पनीको क्रेडिट रेटिङ्गलाई अभिवृद्धि गरी ICRA NP-IRAA- को रेटिङ्ग प्रदान गरेको छ । AA- रेटिङ्ग नेपालको निर्जीवन बीमा कम्पनीहरूले प्राप्त गरेको रेटिङ्ग मध्ये सबै भन्दा उच्च स्तरको रेटिङ्ग हो । हालसम्म पनि AA- रेटिङ्ग प्राप्त गर्ने पहिलो तथा एक मात्र निर्जीवन बीमा कम्पनीका रूपमा शिखर इन्स्योरेन्स रहेको छ । यसले शिखर इन्स्योरेन्सको वित्तीय सबलता, पुनर्बीमा व्यवस्थापन, जोखिम व्यवस्थापनमा तथा आफ्नो दायित्व फर्छ्यौट गर्ने क्षमतामा नेपालको अन्य बीमा कम्पनीहरूभन्दा धेरै अब्बल रहेको पुष्टि गर्दछ ।

#### NFRS 17 को कार्यान्वयन

नेपाल लेखामान बोर्डबाट जारी गरिएको वित्तीय प्रतिवेदनमान NFRS 17, Insurance Contract चालु आव. देखि लागु हुँदैछ । कम्पनीले NFRS 17 को समयमै कार्यान्वयनका लागि आवश्यक रूपमा थप दक्ष जनशक्ति तथा पूर्वाधारको विकास गरी प्रतिस्थित अन्तर्राष्ट्रिय लेखा व्यवसायी संस्था केपिएमजी संग सहकार्य गरी NFRS 17 को तोकिएको समयमै कार्यान्वयनका लागि कार्य गर्दै आएका छौं । सोही बमोजिम कम्पनीले चालु आव.को पहिलो त्रैमासमा नेपाल बीमा प्राधिकरणबाट जारी गरिएको वित्तीय विवरण तयार गर्ने

सम्बन्धी निर्देशिका बमोजिम तयार गरिएको त्रैमासिक वित्तीय विवरणका साथै NFRS 17 बमोजिम तयार गरिएको त्रैमासिक वित्तीय विवरण समेत प्रकाशित गरेका छौं । NFRS 17 बमोजिम वित्तीय विवरण तयार तथा प्रकाशन गर्ने पहिलो बीमा कम्पनीका रूपमा रहेको कम्पनीले नियमनकारी निकायहरूबाट जारी सम्पूर्ण निर्देशिकाहरू तथा मापदण्डको समयमै कार्यान्वयन गरी संस्थागत सुशासन तथा पारदर्शिता कायम गर्न कम्पनी सदैव प्रतिबद्ध रहेको जानकारी गराउन चाहन्छौं । एशियाका अन्य धेरै मुलुकहरूले समेत हालसम्म IFRS 17 कार्यान्वयन गर्न नसकेको अवस्थामा कम्पनीबाट भएको NFRS 17 को कार्यान्वयन नेपालको बीमा क्षेत्रमा आफैमा पनि एक कोशेदुगाका रूपमा स्थापित भएको छ ।

#### SAFA BPA Award

कम्पनीको आव. २०८०/८१ को वार्षिक विवरणको लागि South Asian Federation of Accountants बाट प्रदान गरिने SAFA Best Presented Award मा मेरिट सर्टिफिकेटबाट सम्मानित भएको छ । नेपालको बीमा क्षेत्रमा यस Award बाट सम्मानित हुने शिखर इन्स्योरेन्स पहिलो कम्पनीका रूपमा रहेको छ । यस सम्मानले संस्थागत सुशासन, वित्तीय पारदर्शिता, जोखिम व्यवस्थापन तथा आन्तरिक नियन्त्रणमा नेपालको बीमा क्षेत्रमा शिखर इन्स्योरेन्स अग्रणी स्थानमा रहेको थप पुष्टि गर्दछ ।

#### ISO 27001 को प्रमाणपत्र हासिल गर्न सफल

शिखर इन्स्योरेन्सले सूचना सुरक्षा व्यवस्थापन प्रणाली (Information System Management System) को लागि अन्तर्राष्ट्रिय स्तरको ISO/IEC 27001:2022 प्रमाणपत्र प्राप्त गरेका छौं । नेपालको निर्जीवन बीमा कम्पनीहरूमध्ये यो प्रमाणपत्र प्राप्त गर्ने शिखर इन्स्योरेन्स पहिलो र एक मात्र कम्पनीका रूपमा रहेको छ । यो प्रमाणपत्रले कम्पनीले आफ्ना ग्राहक, साभेदार र नियामक निकायको संवेदशील जानकारी तथा सूचनालाई सुरक्षित राख्ने प्रतिवद्धता तथा क्षमता प्रमाणित गर्दछ । यस किसिमको प्रमाणपत्रले कम्पनी सूचना सुरक्षा, जोखिम व्यवस्थापन, र व्यवसाय निरन्तरतामा उच्च मानक कायम गर्दै कम्पनीले विश्वस्तरको बीमा सेवा प्रदान गर्न सक्षम रहेको समेत पुष्टि गर्दछ । शिखर इन्स्योरेन्सको यो उपलब्धि नेपालमा बीमा क्षेत्रको लागि एक महत्वपूर्ण कोशेदुगा हो, जसले डिजिटल युगमा सूचना सुरक्षालाई प्राथमिकता दिनुपर्ने आवश्यकता स्पष्ट पार्दछ ।

#### नयाँ बीमालेखहरू तथा बीमा सेवाको विस्तार

यस कम्पनीले नेपालमा सर्वाधिक ७८ वटा बीमालेख जारी गर्दै आएको छ जसमध्ये ८ वटा बीमालेख कम्पनी आफैले विकास गरेको हो । नेपालमा बीमाको पहुँच अभिवृद्धि गर्ने

तथा बीमाको दायरा विस्तार गर्ने उद्देश्य सहित हरेक वर्ष नयाँ बीमालेखहरूको थालनी गर्दै आएका छौं । आ.व. २०८१/८२ मा समेत थप ३ बीमालेखहरू थालनी गरी राष्ट्रको बीमा विस्तारमा थप योगदान पुऱ्याउन सफल रहेको जानकारी गराउन चाहन्छौं ।

कृषि बीमा अनुदान सम्बन्धी नेपाल बीमा प्राधिकरणबाट जारी मापदण्ड अनुसार बीमा कम्पनीहरू आफैले प्रवर्द्धन गरेको कृषि बीमामा नेपाल सरकारबाट प्राप्त हुने अनुदान उपलब्ध हुने सम्बन्धमा अस्पष्ट व्यवस्था रहेको छ । यो व्यवस्थाका कारण कम्पनीबाट प्रवर्द्धित केही कृषि बीमाको विस्तार चुनौतीपूर्ण रहँदै आएको थियो । यस चुनौतीलाई निराकरण गरी कम्पनीबाट प्रवर्द्धित सूचांकमा आधारित बाढी बीमाको विस्तारका लागि जर्मन विकास परियोजना Insuresilence fund (ISF) बाट बीमाशुल्कको ५० प्रतिशत अनुदान प्रदान गर्ने सम्झौता सम्पन्न गरी सूचांकमा आधारित बाढी बीमाको विस्तार गर्दै आएका छौं । यस सम्झौताबाट तीन वर्षको लागि सूचांकमा आधारित बाढी बीमाको बीमाशुल्क रकमको ५० प्रतिशत अनुदान बापत युरो ३३९,४८० प्राप्त हुनेछ । नेपालमा कृषि बीमाको विस्तारको लागि हातेमालो गर्न अघि सरेको Insuresilence Fund लाई हार्दिक धन्यवाद दिन चाहन्छौं । नेपालको बीमा क्षेत्रमा नेपाल बीमा प्राधिकरणबाट जारी भएको बीमालेखहरू अलावा बीमा कम्पनीहरू आफैले प्राधिकरणको स्वीकृति प्राप्त गरी जारी गरेको नवीनतम बीमालेखहरूमा शिखर इन्स्योरेन्सको उल्लेखनीय योगदान रहेको सहर्ष जानकारी गराउन चाहन्छौं ।

### **Climate Change Risk Management and Sustainability Initiatives**

शिखर इन्स्योरेन्सले जलवायु परिवर्तनबाट उत्पन्न हुने जोखिमलाई न्यूनीकरण गर्न आवश्यक रणनीति तथा कार्ययोजनाहरू लागु गरेको छ । कम्पनीले जलवायु जोखिम व्यवस्थापनलाई आफ्नो व्यावसायिक रणनीतिमा समावेश गर्दै नियमित रूपमा जोखिमको मूल्यांकन गरी न्यूनीकरणका उपायहरू अपनाउँदै आएका छौं । पर्यावरणीय संरक्षणका लागि कम्पनीले सौर्य ऊर्जाको प्रयोग गर्ने नीति लागु गरेको छ । सोही अनुरूप कम्पनीको थापाथलीस्थित प्रधान कार्यालय भवनमा ४० कि.वा. क्षमताको सौर्य उर्जा प्यानल तथा उपकरण जडान गरेका छौं । साथै, कार्यालय प्रयोजनका लागि Internal Combustion Engine (ICE) Vehicle लाई Electric Vehicle मा प्रतिस्थापन गर्ने नीति लागु गरिएको छ र EV खरिद गर्ने कर्मचारीलाई अतिरिक्त सुबिधा प्रदान गर्ने नीति लागु गरेका छौं ।

बीमा सेवा मार्फत जलवायु जोखिम न्यूनीकरणका लागि कम्पनीले अन्तर्राष्ट्रिय साझेदारहरूसँग सहकार्य गर्दै आएको

छ । कम्पनी आफैले विकास गरेको कृषि बीमालेखमा नेपाल सरकारबाट अनुदान प्रदान हुने स्पष्ट व्यवस्था नभएका कारण कम्पनीले विकास गरेको Index Based Flood Insurance अन्तर्गत कर्णाली प्रदेशमा धानको बीमा गर्नका लागि किसानहरूले तिनुपर्ने बीमाशुल्कमा ५० प्रतिशत अनुदानको लागि जर्मन विकास साझेदार InsuResilience Fund बाट तीन वर्षको लागि अनुदान सम्झौता गरेका छौं । यी पहलहरूले नेपालको बीमा क्षेत्रमा शिखर इन्स्योरेन्सलाई जलवायु जोखिम न्यूनीकरण र हरित व्यावसायिक अभ्यासमा अग्रणी बनाएको छ ।

### **जोखिम व्यवस्थापन तथा पुनर्बीमा नीति**

शिखर इन्स्योरेन्सले आफ्नो व्यावसायिक रणनीतिमा जोखिम व्यवस्थापनलाई अन्यन्तै महत्वपूर्ण स्थान दिएको छ । कम्पनीले Enterprise Risk Management (ERM) प्रणालीको विकास तथा विस्तार गरी सम्भावित जोखिमहरूको पहिचान, मूल्यांकन र न्यूनीकरण गर्ने कार्यलाई प्राथमिकता दिएको छ । कम्पनीको जोखिम व्यवस्थापनलाई थप सुदृढ बनाउन अलग्गै जोखिम व्यवस्थापन विभागको सृजना गरी एक्युअरी 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 Risk Capacity, Risk Appetite तथा Risk Tolerance Level बमोजिम आफ्नो खुद धारण नीति (Retention Strategy) अवलम्बन गर्दै आएको छ । कम्पनीले Risk Capacity, Risk Appetite तथा Risk Tolerance Level तथा Retention Strategy को लागि कम्पनीको एक्युअरी Raunak Jha & Co. बाट Retention and Reinsurance optimization Study गरी कम्पनीले आफ्नो धारण नीति निर्माण गर्दै आएको समेत जानकारी गराउन चाहन्छौं ।

कम्पनीको नेटवर्थमा भएको वृद्धिसंगै आगामी दिनमा समेत कम्पनीको एक्युअरील मूल्यांकन तथा अध्ययन बमोजिम कम्पनीले आफ्नो खुद धारण नीति तथा पुनर्बीमा नीतिलाई क्रमिक रूपमा परिमार्जन गर्दै जाने जानकारी गराउन चाहन्छौं ।

आफ्नो व्यवसाय तथा जोखिमको प्रकृति अनुरूप जोखिमांकन नीति, पुनर्बीमा नीति तथा जोखिम व्यवस्थापन नीति अवलम्बन गरी नेपाल बीमा प्राधिकरणबाट जारी निर्देशिकाहरूको अधीनमा रही आवश्यक रूपमा जोखिम व्यवस्थापन तथा

पुनर्बीमा व्यवस्थापन गर्दै आएका छौं । नेपाल बीमा प्राधिकरणबाट जारी निर्देशन बमोजिम कम्पनीले पुनर्बीमा गर्दा देशभित्रैका पुनर्बीमा कम्पनीहरूलाई प्रथम प्राथमिकता दिनुपर्ने व्यवस्था बमोजिम कम्पनीले मोटर बीमा, कृषि तथा पशुपन्छी बीमा तथा विविध बीमा अन्तर्गतका बीमालेखहरूको पुनर्बीमा नेपाली पुनर्बीमा कम्पनीहरू मार्फत 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 ।

भूकम्प, बाढी पहिरो 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 केही असर परे तापनि कम्पनीको स्थायित्व तथा शेयरधनीहरूको पूँजीको 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 दावीको उचित व्यवस्थापन गर्न सफल रहँदै आएका छौं ।

हूलदंगा तथा आतंकवादको जोखिम अन्तर्गत कम्पनीले नेपाल बीमा प्राधिकरणबाट जारी भएको निर्देशनको अधीनमा रही नेपाल पुनर्बीमा कम्पनीबाट पुनर्बीमा व्यवस्थापन गर्दै आएका छौं । बदलिँदो अर्थ राजनीतिक अवस्थाका कारण हूलदंगा आतंकवादको जोखिमको प्रकृति फरक हुन थालेको कारण आगामी वर्षहरूमा हूलदंगा तथा आतंकवाद जोखिमको लागि समेत Excess of Loss reinsurance को आवश्यकता महसूस भएको छ । यस तर्फ कम्पनीले रणनीतिक योजना बनाई अगाडि बढ्ने नै छ ।

### चुक्ता पूँजी तथा नेटवर्थ

नेपाल बीमा प्राधिकरणबाट तोकिएको न्यूनतम चुक्ता पूँजी अन्य बीमा कम्पनीहरूसँग नगाभिकनै आफ्नै जगेडा कोषबाट बोनस शेयरको माध्यमबाट कायम गर्न सफल यस कम्पनीले आ.व. २०८१/८२ को वितरण योग्य नाफाबाट बोनस शेयर वितरणको नै प्रस्ताव गरेका छौं । कम्पनीको मिति २०८२/११ गते सम्पन्न संचालक समितिको बैठकबाट कम्पनीको हाल कायम चुक्ता पूँजीमा ६ प्रतिशतका दरले बोनस शेयर तथा कर प्रयोजनका लागि ०.३१५८ प्रतिशतका दरले नगद लाभांशको प्रस्ताव गरेको छ । नेपाल बीमा प्राधिकरणबाट जारी गरिएको Risk Based Capital Directive बमोजिम

कम्पनीको Solvency Margin तथा Capital Adequacy अत्यधिक रहे तापनि Own Risk and Solvency Assessment Directive बमोजिम कम्पनीले भविष्यमा विस्तार गर्ने बीमा व्यवसाय, Risk Based Capital Directive मा समावेश नभएका अन्य जोखिमहरूको लागि Scenario Analysis तथा Stress Testing गर्दा थप पूँजीको आवश्यकता रहने कारणले गर्दा कम्पनीको भविष्यमा विस्तार हुने व्यवसायमा समेत कम्पनीले निरन्तर रूपमा आफ्नो जोखिम धारण क्षमता विस्तार गर्दै जान सक्ने आत्मविश्वास प्रदान गर्ने जानकारी गराउन चाहन्छौं ।

यस साधारण सभामा प्रस्ताव गरिएको बोनस शेयरको वितरण पश्चात कम्पनीको चुक्ता पूँजी करिब रु. ३१० करोड पुग्नेछ जुन हालसम्मको नेपाली निर्जीवन बीमा कम्पनीहरूमध्ये सर्वाधिक चुक्ता पूँजीका रूपमा रहनेछ ।

बोनस शेयर पश्चात् चुक्ता पूँजीमा हुने वृद्धिका कारण आगामी समयमा चुक्ता पूँजीमा आकर्षक प्रतिफल प्रदान गर्न चुनौती रहे तापनि 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 ।

### लगानी व्यवस्थापन

शिखर इन्स्योरेन्सको लगानी व्यवस्थापन नीति दीर्घकालीन स्थायित्व सहितको उत्तम प्रतिफल, नियामक अनुपालन र जोखिम नियन्त्रणमा आधारित छ । कम्पनीले नेपाल बीमा प्राधिकरणका निर्देशनहरू, बीमा ऐन, २०७९, तथा अन्तर्राष्ट्रिय बीमा पर्यवेक्षक संघ (IAIS) का Insurance Core Principles अनुसार आफ्नो लगानी रणनीति तयार गरेको छ । कम्पनीको लगानी व्यवस्थापन नीतिको मुख्य उद्देश्यहरू निम्न बमोजिम रहेको छ:

**पूँजी संरक्षण:** कम्पनीको मूल पूँजी सुरक्षित राखी बीमित व्यक्तित्वहरूको दाबी तथा अन्य दायित्व फछ्यौट गर्ने क्षमता कायम राख्ने ।

**उत्तम प्रतिफल:** दीर्घकालीन स्थायित्व सहित नियामक परिधि तथा जोखिम व्यवस्थापनको सिद्धान्तभित्र रही उत्तम प्रतिफल हासिल गर्नु ।

**तरलता व्यवस्थापन:** आकस्मिक दाबी र संचालन खर्चका लागि पर्याप्त तरलता सुनिश्चित गर्नु ।

**नियामक अनुपालन:** नेपाल बीमा प्राधिकरणबाट जारी लगानी सम्बन्धी निर्देशिका सहित RBC Directive तथा ORSA Directive सहित सबै नियामक प्रावधानको पालना गर्नु ।

**जोखिम विविधीकरण:** विभिन्न लगानीका क्षेत्र तथा बजार तथा लगानी उपकरणमा अल्पकालीन तथा दीर्घकालीन उद्देश्य सहित लगानी विविधीकरण गरी जोखिम न्यूनीकरण गर्नु ।

**उत्तरदायी लगानी:** वातावरणीय, सामाजिक र सुशासन (ESG) पक्षलाई प्राथमिकता दिँदै दीर्घकालीन स्थायित्वमा योगदान पुऱ्याउनु ।

कम्पनीले लगानी निर्णयहरू पारदर्शी र उत्तरदायी बनाउन कम्पनीले स्पष्ट अधिकार प्रत्यायोजन, आन्तरिक नियन्त्रण र नियमित अनुगमन प्रणाली लागु गरेको छ । लगानी सम्बन्धमा रणनीतिक निर्णयहरू गर्नका लागि संचालक समिति समक्ष आवश्यक सिफारिस गर्न, लगानी सम्बन्धी कार्यहरूको आवश्यक अनुगमन, मार्गदर्शन तथा आन्तरिक नियन्त्रण सम्बन्धी कार्यहरूका लागि नेपाल बीमा प्राधिकरणको निर्देशिकाको परिधिभित्र रही एक लगानी उपसमिति गठन गरिएको छ ।

कम्पनीले बैंक तथा वित्तीय संस्थाको मुद्दती निक्षेप तथा ऋणपत्र तथा धितोपत्रका अलावा दीर्घकालीन उद्देश्य सहित राष्ट्र विकासमा प्रत्यक्ष टेवा पुऱ्याउने पूर्वाधार क्षेत्र तथा कृषि क्षेत्रमा पनि लगानी गर्दै आएको छ । पूर्वाधार क्षेत्रमा गरिने लगानीले सुरुका केही वर्षमा प्रतिफल प्रदान नभई कम्पनीको आम्दानी प्रभावित भए पनि आउँदा वर्षहरूमा लगानी प्रतिफल वृद्धि भई खुद नाफा वृद्धि गर्न मद्दत मिल्ने कुरामा हामी आशावादी छौं । कम्पनीको आ.व. २०८१/८२ को अन्त्यसम्ममा कुल लगानी रु. ४९१ करोड रहेको र विभिन्न क्षेत्रमा गरेको लगानीको मिश्रण निम्न बमोजिम रहेको जानकारी गराउन चाहन्छौं ।

विवरण	प्रतिशत
मुद्दती निक्षेप	५९
ऋणपत्र	१९
दीर्घकालीन उद्देश्य सहितको शेयर लगानी	८
अल्पकालीन लाभको उद्देश्य सहितको शेयर लगानी	६
कृषि तथा पूर्वाधार	८

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

राष्ट्रको बैकिङ्ग क्षेत्रमा अधिक तरलताका कारण मुद्दती 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 मात्रमा विविधीकरण गरिएको जानकारी गराउन चाहन्छौं । कम्पनीले अन्य क्षेत्रमा गरेका लगानीहरूबाट आगामी दिनहरूमा आकर्षक प्रतिफल प्राप्त हुने कुरामा आशावादी छौं ।

### शाखा विस्तार

बीमाको पहुँचलाई देशव्यापी रूपमा विस्तार गर्ने उद्देश्य सहित कम्पनीले आफ्नो शाखा विस्तार गर्दै आइरहेको छ । शाखा कार्यालय, उपशाखा कार्यालय तथा एक्सटेन्सन काउण्टर सहित देशभर १२९ कार्यालय 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 निम्न बमोजिम रहेको छ ।

प्रदेश	कार्यालय संख्या
कोशी	१५
मधेश	११
बागमती	३८
गण्डकी	१६
लुम्बिनी	२४
कर्णाली	१४
सुदूर पश्चिम	११

कम्पनीबाट ग्रामीण तथा दुर्गम क्षेत्रमा समेत बीमा पहुँच अभिवृद्धि गर्ने उद्देश्यले घुम्ती बीमा कार्यक्रमलाई निरन्तरता दिँदै आएका छौं । घुम्ती बीमा कार्यक्रम मार्फत विशेष सवारी मार्फत गाउँ गाउँमा पुगेर बीमा सेवा प्रदान गर्दै वित्तीय सुरक्षा र बीमा सचेतना बढाउने कार्य गरिरहेका छौं ।

आगामी दिनहरूमा समेत व्यावसायिक सम्भाव्यता हेरी बीमाको थप सेवा विस्तारका लागि देशका अन्य स्थानहरूमा समेत शाखा संजाल विस्तार गर्दै जाने नीति रहेको छ भने शाखा संजाल विस्तारको साथै प्रविधिको समेत उच्चतम प्रयोग गरी डिजिटल प्रविधि मार्फत समेत बीमालेखको विस्तार गर्नका लागि कम्पनीले आवश्यक पूर्वाधारको विकास गरिसकेको समेत जानकारी गराउन चाहन्छौं । साथै कल सेन्टरको माध्यमबाट समेत २४ सै घण्टा ग्राहक सेवाका प्रदान गर्दै आइरहेको छौं ।

### मानव संसाधन

शिखर इन्स्योरेन्सले मानव संसाधनलाई संस्थागत विकासको मेरुदण्डका रूपमा लिएको छ । कम्पनीको रणनीति दक्ष,

प्रतिबद्ध र युवा जनशक्ति विकासमा केन्द्रित छ, जसले बीमा उद्योगमा प्रतिस्पर्धात्मक लाभ दिलाउँछ । हाल कम्पनीमा ६५० भन्दा बढी कर्मचारी कार्यरत छन्, जसमा करिब ४० प्रतिशत महिला प्रतिनिधित्व छ । औसत उमेर करिब ३५ वर्ष रहेको उर्जावान टोलीले देशभर उत्कृष्ट बीमा सेवा प्रदान गर्दै आएको छ । कम्पनीमा कार्यरत कर्मचारीहरूमध्ये ९५ प्रतिशतभन्दा बढी कर्मचारीहरूको पहिलो कार्य अनुभव शिखर इन्स्योरेन्समा रहेको समेत सहर्ष जानकारी गराउन चाहन्छौं ।

कम्पनीले नियमित तालिम कार्यक्रम मार्फत कर्मचारीहरूको क्षमता अभिवृद्धि गर्दै आएको छ । आकस्मिक आवश्यकता पूरा गर्न प्रत्येक विभागमा वैकल्पिक जनशक्ति व्यवस्था गरिएको छ । नियामक निकायका निर्देशन अनुसार HR नीति र प्रक्रियाहरू कार्यान्वयन गरी पारदर्शिता र उत्तरदायित्वलाई प्राथमिकता दिइएको छ । कम्पनीबाट समय समयमा Comprehensive HR Audit/HR Due Diligence समेत सम्पन्न गरी कम्पनीको मानव संसाधन सम्बन्धमा भएका कमी कमजोरीहरू तथा चुनौतीहरूको पहिचान गरी सोको निराकरण गर्न तथा मानव संसाधन क्षेत्रलाई सुदृढ गर्नका लागि आवश्यक नीति तथा कार्ययोजना तर्जुमा गर्दै आएका छौं ।

शिखर इन्स्योरेन्सले सकारात्मक कार्यसंस्कृति, समावेशीता र विविधतालाई प्रोत्साहन गर्दै आएको छ । महिला सहभागिता र समान अवसर सुनिश्चित गर्दै लैङ्गिक समानता प्रवर्द्धनमा समेत कम्पनी अग्रसर छ । कम्पनीमा महिला कर्मचारीहरूलाई थप प्रोत्साहनको लागि महिनाको एक दिन महिनावारी विदाको व्यवस्था गरिएको छ । साथै सम्पूर्ण नियमित कर्मचारीहरूको रु. ५ लाख वीमांकको 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 लगनशीलतामा निर्भर रहने भएकोले आफ्नो कर्मचारीहरूको कार्यदक्षता तथा मनोबल अभिवृद्धि गर्न विभिन्न प्रकारका आन्तरिक तथा बैदेशिक 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 गर्नु पर्ने व्यवस्था रहेको र यस कम्पनीले उक्त अनुपातभन्दा अधिक रूपमा आफ्ना कर्मचारीहरूको वृत्ति विकासमा खर्च गर्दै आएको समेत 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 ।

कम्पनीको रोजगारी त्याग गरी विदेश जाने कर्मचारी बाहेक कम्पनीको कर्मचारी turnover rate एक प्रतिशतभन्दा कम रहेको छ । यसले कर्मचारी सन्तुष्टि र दीर्घकालीन स्थायित्वमा कम्पनीको प्रतिबद्धता देखाउँछ ।

### 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 रूपमा 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 सीमान्तकृत 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 बीमाबाट रक्षावरण गर्दा हुने खर्च ।

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

कम्पनीले आ.व. २०८१।८२ मा निम्न बमोजिमको संस्थागत सामाजिक उत्तरदायित्व अन्तर्गतका कार्यक्रमहरू संचालन गरेको जानकारी गराउन चाहन्छौं ।

- नेपाल बाल संगठन नक्सालका बालबालिकाहरूको अध्ययन तथा पौष्टिक आहारको लागि आर्थिक सहयोग
- देशभर विभिन्न १८ वटा सामुदायिक विद्यालयहरूमा पूर्वाधार विकासको लागि तथा विद्यार्थीहरूको लागि आवश्यक पाठ्य पुस्तक, कम्प्यूटर उपकरण तथा पोशाकको लागि आर्थिक सहयोग

- सुस्त मनस्थिति भएका विद्यार्थीहरूको पठनपाठनका लागि आवश्यक कम्प्यूटर उपकरण तथा पाठ्य पुस्तक वितरण
- Special School for Disabled and Rehabilitation Center को भवन निर्माणका लागि आर्थिक सहयोग
- रोटरी, लायन्स क्लब, जेसिज, राउण्ड टेबल जस्ता सामाजिक संस्थाहरू मार्फत विभिन्न सामाजिक परियोजनाहरूको लागि आर्थिक सहयोग
- बीमा सचेतनाको विकासको लागि बीमा सम्बन्धी श्रव्य दृश्य सामग्रीको निर्माण तथा प्रसारण
- कम्पनीको वार्षिक उत्सवको अवसरमा हरेक वर्ष देशव्यापी रूपमा रक्तदान कार्यक्रमको संचालन

#### ४. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोवारमा परेको असर

नेपालको बीमा क्षेत्रमा पछिल्ला वर्षहरूमा उल्लेखनीय परिवर्तनहरू भइरहेका छन् । नयाँ बीमा ऐन, २०७९ तथा बीमा नियमावली, २०८१ लागु भएपछि बीमा व्यवसायलाई थप व्यवस्थित, प्रतिस्पर्धी र पारदर्शी बनाउनका लागि थप कानुनी आधारहरूको सृजना भएको छ । साथै, नेपाल बीमा प्राधिकरणबाट समय सापेक्ष पुराना निर्देशिकाहरूको संशोधन तथा नयाँ निर्देशिकाहरू जारी भैरहेका छन् । जसको प्रत्यक्ष तथा परोक्ष रूपमा कम्पनीको कारोबार तथा लगानी व्यवस्थापनमा असर परिरहेको हुन्छ । कृषि बीमा अनुदान व्यवस्थापनको लागि जारी गरिएको कार्यविधि बमोजिम बीमा कम्पनीहरू आफैले विकास गरेको बीमालेखमा अनुदान उपलब्ध हुने सम्बन्धमा स्पष्ट व्यवस्था नभएको कारण कम्पनीले कर्णाली प्रदेशमा जारी गर्दै आएको स्याउ बीमालाई निरन्तरता दिन सकिएन । जसकारण कम्पनीको कृषि तथा पशुपक्षी बीमामा कमी भएको छ ।

नेपाल बीमा प्राधिकरणबाट जारी भएका जोखिमाङ्कन सम्बन्धी निर्देशनहरू, दावी व्यवस्थापन सम्बन्धी निर्देशनहरू, पुनर्बीमा व्यवस्थापन सम्बन्धी निर्देशनहरूका साथै Own Risk and Solvency Assessment Directive, Climate Risk Management Directive लगायत NFRS 17 को सफल कार्यान्वयनका लागि कम्पनीको व्यवस्थापन खर्चमा वृद्धि हुने गर्दछ । साथै, अन्तर्राष्ट्रिय स्तरमा जलवायु जोखिम व्यवस्थापन र ESG (Environmental, Social, Governance) र सो सम्बन्धमा अन्य मापदण्डलाई प्राथमिकता दिइएको छ । जसलाई आउँदा दिनहरूमा यस कम्पनीले समेत क्रमिक रूपमा पालना गर्दै जानु पर्ने देखिन्छ । यस सम्बन्धमा UNDP, IMF, World Bank र अन्य अन्तर्राष्ट्रिय संस्थाहरूले नेपाल बीमा प्राधिकरणको नियमनकारी क्षमता

अभिवृद्धि गर्न तथा कमजोर वर्गसम्म बीमा सेवा पुऱ्याउनका लागि आवश्यक प्राविधिक तथा आर्थिक सहयोग प्रदान गर्दै आइरहेको छ ।

बैंकिङ्ग क्षेत्रको तरलता अवस्था, व्याजदर, राष्ट्रको पुँजीगत खर्चको स्थिति तथा समग्र राजनैतिक अवस्थाले कम्पनीको व्यवसायमा प्रत्यक्ष असर परिरहेको हुन्छ । बैंकिङ्ग तरलतामा हुने उतारचढावका कारण मुद्दती निक्षेपमा प्रदान हुने व्याजदरमा हुने घटबढले कम्पनीको लगानी प्रतिफलमा प्रभाव परेको हुन्छ । यसका लागि कम्पनीले आफ्नो लगानीलाई विविधीकरण गर्ने नीति अनुरूप लगानी व्यवस्थापनको कार्यहरू गर्दै आएका छौं ।

गत आ.व. २०८१/८२ का साथै चालु आ.व. २०८२/८३ मा देशका विभिन्न स्थानमा आएको बाढीका कारण कम्पनीको बीमा दाबी खर्चमा वृद्धि भएको छ । तथापि कम्पनीले अवलम्बन गरेको पुनर्बीमा नीति तथा पुनर्बीमा व्यवस्थापनका कारण बाढी तथा पहिरोबाट आएको दावी अन्तर्गत कम्पनीको खुद दाबी खर्च रु. ५ करोड मात्र रहने भएको हुँदा बाढी तथा पहिरोको बीमा दावीका कारण कम्पनीको नाफामा न्यून असर परेको छ । तथापि कुल दाबी खर्चमा भएको वृद्धिका कारण पुनर्बीमा शुल्कमा वृद्धि तथा पुनर्बीमा कमिशन आम्दानीमा कमी भएको छ । २०८२ भाद्र २३ र २४ गते देश भर घटेको घटनाका कारण कम्पनीको चालु आ.व.को नाफामा भने प्रभाव पर्ने देखिन्छ ।

अन्तर्राष्ट्रिय रूपमै बीमा क्षेत्रमा डिजिटल रूपान्तरण भैरहेको सन्दर्भमा यस कम्पनीले समेत अल्पकालीन तथा दीर्घकालीन डिजिटल रणनीति तर्जुमा गर्दै आइरहेको छौं । यसले कम्पनी तथा कम्पनीका कर्मचारीहरूको कार्यक्षमता वृद्धि गर्न, व्यवस्थापन खर्च कम गर्न तथा व्यवसाय विस्तार गर्न मद्दत गरेको छ । तर डिजिटल प्लेटफर्मको बढ्दो प्रयोगसँगै साइबर सुरक्षा जोखिम पनि बढेको छ, जसलाई सम्बोधन गर्न कम्पनीले ISO 27001 सूचना सुरक्षा व्यवस्थापन प्रणाली लागु गरेका छौं ।

नेपाल बीमा प्राधिकरणबाट जारी निर्देशन बमोजिम मोटर बीमा, कृषि बीमा लगायतका बीमाको पुनर्बीमा अनिवार्य रूपमा नेपाली पुनर्बीमा कम्पनीहरूसँग नै गर्नुपर्दछ भने अन्य बीमाहरूको हकमा समेत पुनर्बीमा गर्नका लागि नेपाली पुनर्बीमा कम्पनीहरूलाई प्रथम प्राथमिकता दिनुपर्ने प्रावधान रहेको छ । यस व्यवस्थाले गर्दा पुनर्बीमा व्यवस्थापनमा नेपाली कम्पनीहरू केही हदसम्म सजिलो भए तापनि नेपाली पुनर्बीमा कम्पनीहरू नाफामूलक व्यवसाय तर्फमात्र केन्द्रित हुन गएको कारण अन्तर्राष्ट्रिय पुनर्बीमा कम्पनीहरू नेपालमा पुनर्बीमा व्यवसाय गर्न बन्द वा कम गर्दै आएका छन् । जसले गर्दा नेपाली बीमा कम्पनीहरू र अन्तर्राष्ट्रिय पुनर्बीमा कम्पनीहरू माफ्र व्यावसायिक दूरी बढ्दै जाने देखिन्छ ।

स्तरीय पुनर्बीमा कम्पनीहरूको अभावमा नेपाली बीमा कम्पनीहरूको दीर्घकालीन स्थायित्वमा समेत असर पर्न सक्ने देखिन्छ ।

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

कम्पनीले NFRS 17 बमोजिम वित्तीय विवरण तयार गरी NFRS 17 कार्यान्वयन गर्ने पहिलो बीमा कम्पनी बन्न सफल भएको छ । साथै SAFA Best Presented Annual Award मा मेरिट सर्टिफिकेटबाट सम्मान प्राप्त गर्न सफल भएको छ ।

चालु आ.व. मा यो प्रतिवेदन तयार गरिएको मितिसम्ममा कम्पनीले आफ्नो व्यवसायमा करिब २५ प्रतिशतको वृद्धिदर हासिल गर्न सफल भएको छ । तथापि, देशको आर्थिक कारोबार अझै पनि स्थीर 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 सोही बमोजिमको कार्यक्रमहरू संचालन गर्दै आएका छौं । सोही अनुरूप कम्पनीले व्यावसायिक 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 । कम्पनीले आगामी वर्षहरूमा पारदर्शिता, सुशासन र नवप्रवर्द्धनलाई प्राथमिकता दिँदै रणनीतिक कार्ययोजना तयार गरी डिजिटल रूपान्तरणलाई सुदृढ बनाउँदै अनलाइन बीमा, मोबाइल एप र डिजिटल बीमा सेवालालाई अझ प्रभावकारी बनाउने लक्ष्य राखेको छ । जलवायु जोखिमसँग सम्बन्धित सूचांकमा आधारित बीमा, प्राकृतिक प्रकोप बीमा, साइबर बीमा, स्वास्थ्य बीमा लगायत राष्ट्रको आवश्यकता अध्ययन गरी आवश्यक रूपमा नयाँ बीमालेखहरूको विस्तार गरिनेछ । साथै, ESG अभ्यासलाई संस्थागत गर्दै कार्यालय संचालनमा नवीकरणीय उर्जा प्रयोग र कार्वन उत्सर्जन घटाउने रणनीति लागु गरिनेछ । सार्वजनिक विदाको दिन सोलार प्यानलबाट उत्पादन भएको विजुली वचत हुने हुँदा वचत हुने बिजुलीलाई नेपाल विद्युत प्राधिकरणको राष्ट्रिय ग्रीडमा जडान गरी थप आय आर्जन गर्न सकिने सम्भाव्यता समेत रहेको छ ।

नेपाल बीमा प्राधिकरणबाट जारी गरिएको Own Risk and Solvency Assessment Directive बमोजिम कम्पनीले आफ्नो व्यवसाय तथा कारोबारसँग 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 रूपमा कर्मचारीहरू नियुक्त गरी आवश्यक पूर्वाधारको समेत विकास गरिसकेका छौं । ग्राहक केन्द्रित सेवामा सुधार ल्याउनका लागि ग्रामीण तथा कमजोर वर्गका लागि Inclusive Insurance कार्यक्रमलाई प्राथमिकता दिइनेछ । साथै, २४/७ डिजिटल सेवा तथा कल सेन्टर सहायता विस्तार गरिनेछ ।

#### ६. औद्योगिक एवं व्यावसायिक सम्बन्ध

कम्पनीले आफ्नो व्यावसायिक रणनीति अनुरूप विभिन्न औद्योगिक घराना, व्यावसायिक प्रतिष्ठान तथा बहुराष्ट्रिय कम्पनीसँग सुमधुर सम्बन्ध कायम गर्दै आइरहेको छ । कम्पनीका हरेक शाखा कार्यालयहरूले समेत आआफ्नो क्षेत्रमा आफ्नो व्यावसायिक सम्बन्धलाई विस्तार गर्दै आएका छन् । कम्पनीले विभिन्न बीमा सेवाहरू मार्फत विभिन्न औद्योगिक तथा व्यावसायिक प्रतिस्थानहरू माफ्न आफ्नो सम्बन्ध विस्तार गर्दै आएका छौं ।

स्वदेशी तथा विदेशी पुनर्बीमकहरू, पुनर्बीमा ब्रोकर, बीमा अभिकर्ता तथा सर्भेयरहरूसँग समेत सुमधुर व्यावसायिक सम्बन्ध कायम गर्दै आएका छौं । कम्पनीले नेपाल पुनर्बीमा कम्पनी लि. तथा हिमालयन रिइन्स्योरेन्स कम्पनी लि., का अलावा निम्न बमोजिमको पुनर्बीमा कम्पनीहरूसँग पुनर्बीमा सेवा प्राप्त गरिरहेको छ ।

- ✦ Hannover Ruck Se, Malaysia
- ✦ GIC Re, India
- ✦ Swiss Re
- ✦ Ocean Re, West Indies
- ✦ Sava Re, Slovenia
- ✦ New India Insurance, India
- ✦ Kenya Re, Kenya
- ✦ Oman Re, Oman
- ✦ ADNIC, UAE
- ✦ GIC Bhutan Re, Bhutan
- ✦ Sirius International, UK
- ✦ China Re
- ✦ Singapore Re
- ✦ Exho Re

साथै KM Dastur Reinsurance Brokers Pvt. Ltd तथा JB Boda Reinsurance Brokers, AON, Manoj Re लगायत अन्य ब्रोकरहरूमार्फत अन्तर्राष्ट्रिय पुनर्बीमा कम्पनीहरूसँग पुनर्बीमा सम्बन्धी कारोबार गर्दै आएका छौं ।

कम्पनीले आफ्नो व्यवसायको विस्तार तथा व्यवस्थापनका लागि नेपालका सम्पूर्ण बैंक तथा वित्तीय संस्थाहरूसंग व्यावसायिक सम्बन्धमा कायम गर्दै आएका छौं । यस कम्पनी स्ट्याण्डर्ड चार्टर्ड बैंक नेपालको एक मात्र सूचीकृत निर्जीवन बीमा कम्पनीका रूपमा रहेको समेत जानकारी गराउन चाहन्छौं । यसका लागि स्ट्याण्डर्ड चार्टर्ड बैंक नेपाल प्रति विशेष धन्यवाद ज्ञापन गर्दछौं । साथै कम्पनीले बीमाशुल्क संकलनका लागि विभिन्न भुक्तानी प्रदायक संस्थाहरूसंग सहकार्य गर्दै आएका छौं ।

कम्पनीले स्वास्थ्य बीमाको विस्तारको लागि नेपालमा २८ वटा अस्पतालहरूसंग तथा भारतमा ६,००० भन्दा अधिक अस्पतालहरूसंग नगदरहित स्वास्थ्य बीमाका लागि सहकार्य गर्दै आएका छौं । यस कम्पनी नेपाल तथा भारतमा नगदरहित स्वास्थ्य बीमा सेवा प्रदान गर्ने पहिलो कम्पनीका रूपमा रहेको समेत जानकारी गराउन चाहन्छौं । साथै हालसालै नयाँ विशेषताहरू सहित शिखर स्वास्थ्य सुरक्षा बीमाको सुरुवात गरेका छौं ।

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

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

#### ७. संचालक समितिमा भएको हेरफेर र सोको कारण

कम्पनीको सर्वसाधारण शेयरधनीहरूका तर्फबाट मिति २०७७/१२/९ मा निर्वाचित संचालक श्री दिनेश बज्र बज्राचार्यज्यू तथा श्री स्कन्द अमात्यज्यूको संचालक पदको पदावधि मिति २०८१/१२/८ मा सम्पन्न भए पश्चात कम्पनीको संचालक समितिको बैठकबाट आगामी वार्षिक साधारण सभासम्मको लागि पदावधि थप गर्ने निर्णय भएको जानकारी गराउन चाहन्छौं । कम्पनीको सर्वसाधारण शेयरधनीका तर्फबाट निर्वाचित संचालक श्री दिनेश बज्र बज्राचार्यज्यूबाट आफ्नो व्यक्तिगत कारण संचालक पदबाट राजिनामा दिनुभएको तथा रिक्त संचालक पदमा श्री आशमाङ्गु कार्कीलाई कम्पनीको संचालक समितिको मिति २०८२/१५/१५ गते सम्पन्न संचालक समितिको बैठकबाट आगामी साधारण सभासम्मको लागि संचालक पदमा नियुक्त गरिएको जानकारी गराउन चाहन्छौं । संचालकको पदावधि थप गर्ने तथा संचालक नियुक्त गर्ने सम्बन्धमा कम्पनीको संचालक समितिको बैठकबाट भएको निर्णय अनुमोदनका लागि २९ औं वार्षिक

साधारण सभामा प्रस्ताव पेश गरेको समेत जानकारी गराउन चाहन्छौं । जसलाई यहाँहरूको समर्थनले पूर्णता पाउने विश्वास रहेको छ ।

#### ८. कारोवारलाई असर पार्ने मुख्य कुराहरू

यस कम्पनीको कारोबारलाई निम्न कुराहरूले प्रभाव पार्ने गरेको छ :

नियमनकारी वातावरण तथा नियमनकारी निकायहरूबाट समय समयमा जारी हुने निर्देशनहरू ।

- राष्ट्रिय तथा अन्तर्राष्ट्रिय आर्थिक वातावरण ।
- आमजनतामा बीमा साक्षरताको कमी ।
- बीमा कम्पनीहरूबीचको अस्वस्थ प्रतिस्पर्धा ।
- प्रविधिको विकास तथा साइबर सुरक्षा सम्बन्धी जोखिम ।
- भूकम्प, बाढी, हावाहुरी लगायत अन्य महाविपत्ती जोखिम तथा मौसम परिवर्तन सम्बन्धी जोखिमहरू ।
- राष्ट्रिय तथा अन्तर्राष्ट्रिय आर्थिक तथा राजनीतिक 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 ।
- पुँजी बजारमा हुने उतार चढावका कारण कम्पनीको लगानी प्रतिफलमा पर्ने प्रभाव

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

राष्ट्रको समग्र नकारात्मक आर्थिक अवस्थामा समेत कम्पनीको बीमा व्यवसायमा सन्तुलन कायम गर्नका लागि निम्न बमोजिमको रणनीति अवलम्बन गर्दै आएका छौं ।

- भौगोलिक रूपमा कार्यालयको विस्तार तथा नयाँ वितरण प्रणाली मार्फत बीमा सेवाको विस्तार गर्ने ।
- हरेक वर्ष राष्ट्रको आवश्यकतालाई अध्ययन गरी नयाँ बीमालेख जारी गर्ने ।
- आम जनतामा बीमाको पहुँच अभिवृद्धि गर्नका लागि लचिलो तथा किफायती बीमाशुल्क सहितको बीमालेखहरू विस्तार गर्ने ।
- आम जनतामा बीमा बजारप्रति विश्वास बढाउन बीमा दाबी कार्यलाई छिटो छरितो तथा सरलीकृत रूपमा दाबी फछ्यौट गर्ने ।

बीमा सचेतना वृद्धि तथा वित्तीय साक्षरता वृद्धिका लागि नेपाल बीमक संघ तथा नेपाल बीमा प्राधिकरणको संयुक्त पहलमा विद्यालय, कलेज र स्थानीय तहमा बीमा शिक्षा कार्यक्रम सञ्चालन गर्ने, सामाजिक अभियान, रेडियो, टेलिभिजन र डिजिटल मिडियामा जनचेतना फैलाउने, सरल भाषा र डिजिटल माध्यम प्रयोग गरेर बीमाको लाभ र सुरक्षा सम्बन्धमा आम जनतालाई सचेत पार्ने तथा बीमाप्रति आत्मविश्वास बढाउने जस्ता कार्यक्रमहरू गर्दै जानु आवश्यक रहेको छ । यस सम्बन्धमा कम्पनी आफैले समेत देश भर विभिन्न कार्यक्रमहरू संचालन गर्दै आएको 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 नियमित रूपमा आवश्यक तालिमको व्यवस्था गर्दै आएका छौं ।

भूकम्प, बाढी लगायतका महाविपत्ती जोखिमहरूबाट सृजना हुने बीमा जोखिमलाई न्यूनीकरण गर्नका लागि प्रयाप्त रूपमा महाविपत्ती पुनर्बीमाको व्यवस्था गरिएको छ । साथै कम्पनीले बीमालेख जारी गर्नु पूर्व गरिने जोखिमाङ्कन सम्बन्धी कार्यहरूलाई समेत थप प्रभावकारी बनाउँदै आएका छौं ।

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

प्रविधिको विकाससँगै सृजना हुने साइबर सुरक्षाको जोखिमलाई न्यूनीकरण गर्नका लागि कम्पनीले पर्याप्त मात्रामा पूर्वाधारको विकास गरेका छौं भने आफ्ना कर्मचारीहरूलाई साइबर सुरक्षा सम्बन्धमा नियमित तालिम प्रदान गर्दै आएका छौं । प्रविधिगत चुनौती र डिजिटल रूपान्तरणका लागि कम्पनीले डिजिटल प्लेटफर्म र कोर इन्स्योरेन्स सिस्टमको सुदृढीकरण गर्ने, डाटा एनालिटिक्स र साइबर सुरक्षा प्रणाली बलियो बनाउने तथा अनलाईन बीमा सेवा विस्तार गर्ने रणनीति लिएका छौं ।

व्याजदर जोखिम तथा अन्य बजार जोखिमलाई व्यवस्थापन गर्न कम्पनीले नेपाल बीमा प्राधिकरणबाट जारी निर्देशिकाहरूको अधीनमा रही अल्पकालीन तथा दीर्घकालीन रूपमा आफ्नो लगानीलाई विविधीकरण गर्दै आएको जानकारी गराउन चाहन्छौं ।

साथै कर्मचारी वृत्ति विकास तथा क्षमता अभिवृद्धिको लागि आवश्यक तालिम कार्यक्रमहरूको अध्ययन गरी नियमित रूपमा आन्तरिक तथा विशेषज्ञ व्यक्तिहरू मार्फत विभिन्न तालिम कार्यक्रमहरू संचालन गर्दै आएका छौं ।

## ९. लेखापरीक्षण प्रतिवेदनमा कैफियत प्रसङ्ग

आर्थिक वर्ष २०८१/८२ 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 ।

## १०. शेयर जफत सम्बन्धी

कम्पनीले आ.व. २०८१/८२ मा कुनै शेयर जफत नगरेको व्यहोरा शेरधनी महानुभावहरूमा जानकारी गराउँदछौं ।

## ११. 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 ।

## १२. 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 ।

## १३. विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी

कम्पनीलाई आधारभूत शेरधनीहरूबाट कुनै जानकारी प्राप्त नभएको व्यहोरा अवगत गराउँदछौं ।

## १४. 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 संचालक संलग्न नभएको व्यहोरा जानकारी गराउँदछौं ।

## १५. विगत आर्थिक वर्षमा कम्पनीसंग सम्बन्धित सम्भ्रौताहरूमा कुनै संचालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा

गत आ.व. कम्पनीका संचालक तथा निजको नजिकको नातेदारहरूसंग कम्पनीसंग सम्बन्धित कुनै पनि सम्भ्रौताहरूमा स्वार्थ नरहेको व्यहोरा अवगत गराउँदछौं ।

## १६. 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 ।

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

कम्पनीले आफ्नो संचालनलाई पारदर्शी, प्रभावकारी बनाउनका लागि सुदृढ आन्तरिक नियन्त्रण प्रणाली अवलम्बन गरेको छ । कम्पनीको आन्तरिक नियन्त्रण प्रणाली मार्फत कम्पनीको सम्पत्ति, वित्तीय विवरणको शुद्धता, जोखिम व्यवस्थापन, नियामक निकायहरूबाट जारी गरिएका निर्देशनहरूको पालना तथा उचित जोखिम व्यवस्थापनको सुनिश्चितताको लक्ष्य लिएको छ । कम्पनीको आन्तरिक नियन्त्रण प्रणाली अन्तर्गत संचालक समितिबाट जारी विभिन्न कार्यविधि तथा मापदण्डहरू जारी गरिएको छ । कम्पनीको आन्तरिक लेखापरीक्षण नेपाल बीमा प्राधिकरणबाट जारी निर्देशिकाको अधीनमा रही आन्तरिक लेखापरीक्षकबाट स्वतन्त्र रूपमा गरिन्छ । साथै, कम्पनीको लेखापरीक्षण समितिले लेखापरीक्षण सम्बन्धी कार्यको निगरानी तथा मार्गदर्शन प्रदान गर्दछ । कम्पनीले सूचना प्रविधिमा आधारित नियन्त्रण प्रणालीलाई समेत सुदृढ गरेको छ जसमा सुरक्षित सूचना व्यवस्थापन, पहुँच नियन्त्रण । यसले कम्पनीको कारोबारसंग सम्बन्धित सूचनाहरूको गोपनियता तथा सुरक्षाको सुनिश्चितता प्रदान गर्दछ ।

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

#### क. दावी 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, नायब प्रमुख कार्यकारी अधिकृत	: सदस्य

#### ख. लगानी समिति

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, अध्यक्ष	: 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 पुष्कर महत, संचालक	: संयोजक
श्री स्मृति घिमिरे जोखिम व्यवस्थापन विभाग प्रमुख:	सदस्य
श्री सुजन राज मरासिनी परिपालन अधिकृत	: सदस्य
श्री ओजश्वी श्रेष्ठ, कार्यान्वयन अधिकृत	: सदस्य सचिव

#### ङ. लेखा परीक्षण

श्री आशमाङ्ग कार्की, संचालक	: संयोजक
श्री रमेश कुमार लुईटेल, संचालक	: सदस्य
श्री पुष्कर महत, संचालक	: सदस्य
श्री प्रकाश प्रजापति	: सदस्य सचिव

#### च. जोखिम व्यवस्थापन समिति

श्री रमेश कुमार लुईटेल, संचालक	: संयोजक
श्री आशमाङ्ग कार्की, संचालक	: सदस्य
श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत	: सदस्य

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

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

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

लेखापरीक्षण समितिका सदस्यहरूको नामावली निम्नानुसार रहेको छ ।

श्री आशमाङ्ग कार्की	: संयोजक
श्री रमेश कुमार लुईटेल	: सदस्य
श्री पुष्कर महत	: सदस्य
श्री प्रकाश प्रजापति	: सदस्य सचिव

लेखापरीक्षण समितिले कम्पनी ऐन तथा नेपाल बीमा प्राधिकरणले जारी गरेको निर्देशनको अधीनमा 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 वाह्य लेखापरीक्षण प्रतिवेदन तथा सो उपर व्यवस्थापनले दिएको जवाफबारे छलफल गर्ने तथा आन्तरिक लेखापरीक्षण प्रतिवेदन, वाह्य लेखापरीक्षण प्रतिवेदनमा औल्याइएका कमी कमजोरीलाई निराकरण गर्न व्यवस्थापनलाई आवश्यक सुझाव र निर्देशन प्रदान गर्ने ।
- आन्तरिक तथा वाह्य 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 ।

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

**२१. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुबिधाको रकम**

संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा अन्य पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुबिधाको रकम निम्नानुसार रहेको छ :

विवरण	रकम रु.
संचालक समितिको बैठक भत्ता	३५,६०,०००
अन्य समितिको बैठक भत्ता	३९,३३,३००
प्रमुख कार्यकारी अधिकृत तथा अन्य प्रबन्धकलाई भुक्तानी गरेको तलव भत्ता	१५,०८,६९,४६०

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

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

**२३. दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण**

आर्थिक वर्ष २०८१/८२ मा पछिल्लो आर्थिक वर्षको सम्पत्तिको मूल्यको १५ प्रतिशतभन्दा बढी मूल्यको सम्पत्ति खरिद गरिएको छैन ।

**२४. 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 गराउंदछौं ।

**२५. यस ऐन तथा प्रचलित कानून बमोजिम संचालक 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 २१ वर्षको अवधिसम्म अविच्छिन्न रूपमा 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 विनियम 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 सूची 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 दाबी फर्छर्योट सम्बन्धी निर्णय उपर नेपाल बीमा प्राधिकरणमा केही मुद्दाहरू दायर भएका छन् ।  
आन्तरिक राजश्व कार्यालयबाट भएका कर निर्धारण सम्बन्धी निर्णयहरूका विरुद्ध कम्पनीले आन्तरिक राजश्व विभाग, तथा सर्वोच्च अदालतमा केही मुद्दाहरू दायर गरिएको छ ।  
कोरोना बीमा सम्बन्धमा नेपाल सरकारबाट प्राप्त हुनुपर्ने रकम प्राप्त नभएको सम्बन्धमा नेपालका अन्य बीमा कम्पनीहरूसँगै सामुहिक रूपमा 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. २०८१/८२ मा नेपालको समग्र शेयर बजारमा देखिएको उतारचढाव सँगै कम्पनीको शेयर मूल्य तथा शेयर कारोबारमा समेत असर गरेको छ ।

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

आ.व. २०८१/८२ मा समग्र धितोपत्र बजारमा आएको गिरावटसँगै कम्पनीको शेयर कारोबार संख्या तथा शेयर मूल्य समेत प्रभावित भएको छ । नेपालको अर्थ व्यवस्थामा हुने सुधारसँगै 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	१,१२०	७२०	८६५	२०,०५१	२,५८१,०६७
दोस्रो	९०५	७८१	७९३	५,२४६	५४५,१५४
तेस्रो	८९१	७४५	७६२	७,८९६	९,०७,०८१
चौथो	८७७	७०९	७७४	८,०५१	११,४१,६२५

### 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 महाविपत्ती जोखिम ।

बैंक तथा वित्तीय संस्थाहरूको मुद्दती निक्षेपमा व्याजदर जोखिम ।

अस्थिर राजनीतिक वातावरणबाट उत्पन्न आर्थिक तथा अन्य समस्याहरू ।

नयाँ बीमा कम्पनीको आगमनसँगै बजार प्रतिस्पर्धामा भएको वृद्धि ।

#### रणनीति

जनशक्ति विकास तथा परिचालनको लागि नियमित रूपमा 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 न्हासलाई न्यूनीकरण गर्न नेपाल बीमा प्राधिकरणबाट जारी निर्देशनभित्र रही कम्पनीको लगानीलाई विविधीकरण गर्दै जाने रणनीति रहेको छ ।

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

अस्वस्थ बजार प्रतिस्पर्धामा आफ्नो व्यवसाय वृद्धि गर्न आफ्नो जोखिमालुङ्कन तथा दाबी भुक्तानी सेवालार्ई समय सान्दर्भिक रूपमा प्रभावकारी बनाउँदै जाने नीति रहेको छ ।



# 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. Organizational 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 is one of the long term strategic objective of the company. 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 and supportive work environment.

## CODE OF CONDUCT AND ETHICAL PRINCIPLES

The company is always committed to following the code of conduct and ethical principle of the insurance industry to build trust of the stakeholders, enhance organizational reputation, promote ethical decision making and achieve long term sustainability of the company.

### 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, anti-money laundering policies, and data protection laws.

### 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, and disaster relief.



# ORGANIZATIONAL STRUCTURE OF THE COMPANY



## COMPANY PROFILE

Shikhar Insurance, established in 2004 as Nepal's 14th general insurance company (CRO reg. no. 878/060/61; IRD PAN: 301715445), is headquartered in Kathmandu and operates through 129 offices and digital platforms nationwide. The company provides over 78 general insurance products across various portfolios, including property, motor, marine, engineering, aviation, agriculture, micro, and miscellaneous insurance. Known for integrity and transparency, Shikhar Insurance currently holds a 13% overall market share, with significant presence in Karnali Province (50%) and agriculture/cattle insurance (20%). It is the first in Nepal's general insurance sector to surpass Rs. 100–500 crores in gross premiums, exceed 100 branch offices, and employ more than 500 staff.

Shikhar Insurance started with a paid-up capital of Rs. 10 crores, which has grown to Rs. 292 crores and now boasts a net worth of Rs. 581 crores. It is notably the first general insurer in Nepal to achieve the regulatory minimum of Rs. 250 crores in paid-up capital independently, without undergoing a merger. Shikhar Insurance is recognized as Nepal's strongest general insurer, holding an AA- rating from ICRA Nepal—the highest among insurance companies in the country. With a solvency ratio of 4.7 and comprehensive catastrophic reinsurance coverage, the company demonstrates robust financial stability and risk management capabilities. With strong financial backing and a reinsurance program, Shikhar Insurance provided efficient claim services during the 2015 earthquake and recent floods. Over 21 years, it has made more than 100,000 claims, paying out over Rs.25 billion.

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 Aviation Insurance consortium, 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 stands out in the Nepalese insurance market for its broad range of products, strong focus on customers, and dedication to innovation and social responsibility. The company has introduced more new insurance policies than any other provider in the country's general insurance sector. Additionally, Shikhar Insurance has achieved ISO 27001 certification for information security management and has been honored with merit certificate at the SAFA Best Presented Annual Report Award, recognizing its outstanding financial reporting, transparency, and corporate governance.

## BOARD OF DIRECTOR'S PROFILE



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 August 15, 2017. He is founding president of Nepalese Young Entrepreneurship Forum (NYEF)

**Mr. Gaurav Agrawal**  
Chairman

Mr. Ramesh Kumar Luitel has been serving as a director of Shikhar Insurance since July 8, 2012. 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. Mr. Luitel's deep understanding of regulatory frameworks and operational efficiency has enabled him to implement effective policies and foster a culture of compliance within the organizations he has served.



**Mr. Ramesh Kumar Luitel**  
Director



Dr. Shrujana Shrestha has been serving as a director at Shikhar Insurance since August 13, 2019. She is a dynamic professional with a strong academic and research background. 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.

**Dr. Shrujana Shrestha**  
Director

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. He offers extensive project management expertise, having efficiently directed numerous projects from start to finish. His ability to deliver results even under tight deadlines has continually advanced the growth and success of the organizations he serves.



**Mr. Skand Amatya**  
 Director (Public Shareholder)



Mr. Saurav J.B. Rana has been serving as a Director of Shikhar Insurance Co. Ltd. since August 13, 2019, bringing with him a wealth of experience in business leadership and management. Mr. Rana holds a Master of Business Administration degree. With years of experience as an entrepreneur, he has led multiple ventures including trading, the automotive sector, and startup ventures, and is skilled in both investment and portfolio management.

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

Mr. Ashmank Karki holds a Bachelor's Degree in Business Administration from EU Business School, Barcelona, and a Postgraduate Diploma in Global Hospitality Management from Les Roches, Switzerland. He currently leads Danfe Travel Services, overseeing daily operations and driving the company's growth. Additionally, he is engaged in developing a luxury resort in Pokhara that emphasizes wellness, thoughtful design, guest wellbeing, and long-term sustainability.



**Mr. Ashmank Karki**  
 Director (Public Shareholder)



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. He previously worked at Shikhar Insurance for more than a decade, where he made significant contributions to the company's growth.

**Mr. Puskar Mahat**  
 Independent Director

# Award and Recognition



*Receipt of ISO/IEC27001:2022  
Certification for Information Security Management System*



*Certificate of Merit in SAFA BPA Award*

*Certificate of Appreciation from Government Nepal  
for highest contribution in the government revenue  
from general insurance industry*



*Cash prize and Certificate of Appreciation  
as Best Insurance Co. of Nepal for agriculture  
insurance and claim management  
from Government of Nepal*

## Award and Recognition



*Best Managed General Insurance Company  
Newbiz Business Conclave  
2014, 2016, 2017, 2018 (runner up), 2019, 2022*



*Best Non-life Insurance Company  
Karoobar Excellence Award  
2018*



*"Karyanwayan Prize" with cash award of USD 50,000  
from UKaid for innovative Climate Change  
Adaptation in Nepal*

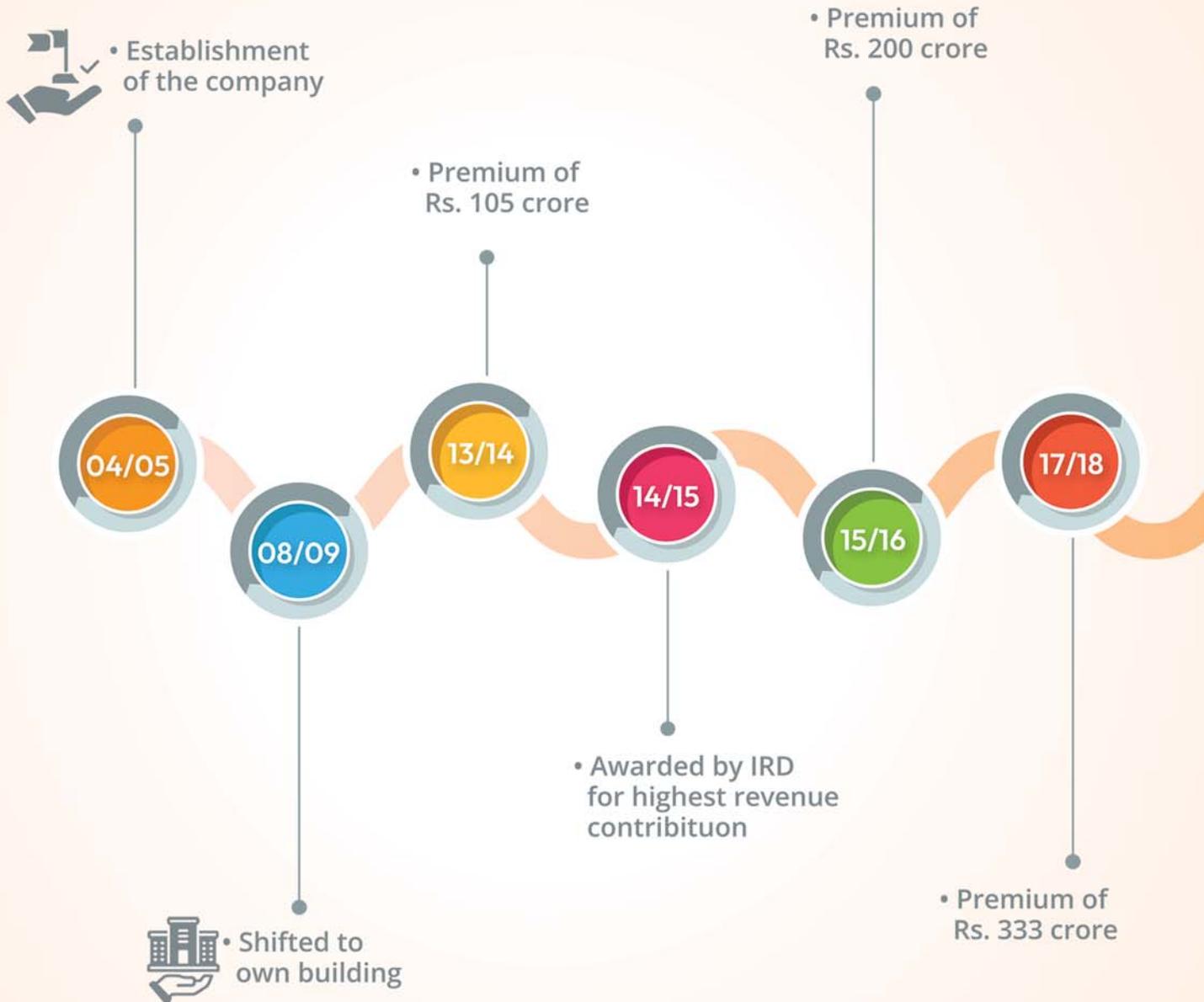


*Corporate Excellence for Insurance Services Award  
HRM Nepal Awards  
2022*



*Certificate of Appreciation from Nepal Re  
for ceding the highest amount of profitable  
reinsurance business*

# KEY MILESTONES



- Paid up capital of Rs. 105 crore
- 1st non life insurance company to open 100+ branch offices
- 1st non life insurance company to employ 500+ human resources

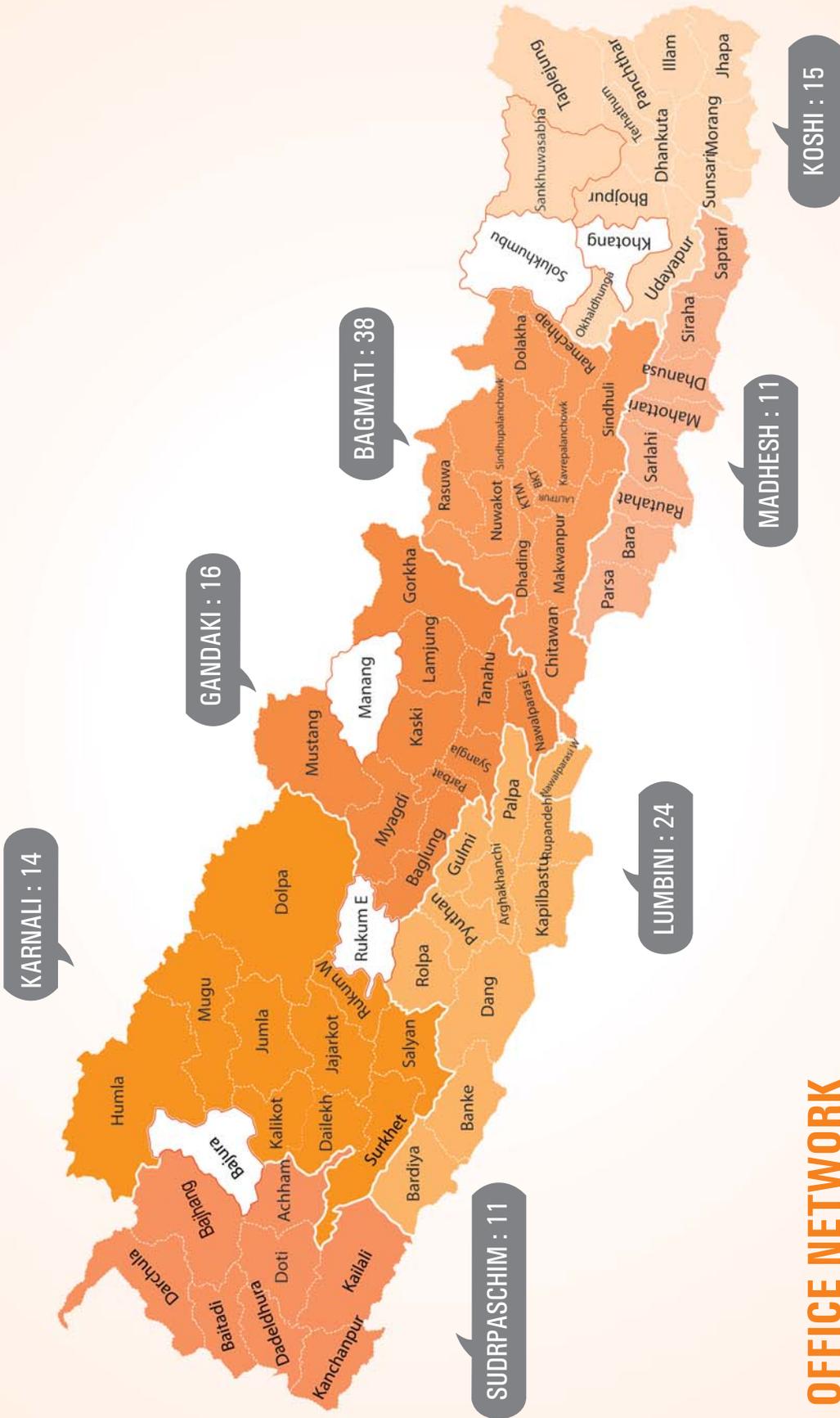
- Premium of Rs.501 crore
- "A+" credit rating from ICRA Nepal
- Awarded by Government of Nepal as Best agriculture insurance company of Nepal

- "AA-" credit rating from ICRA Nepal
- ISO/IEC 27001:2022
- Premium collection of Rs. 579 crore

- 1st company to meet paid up capital of Rs. 250 crore

- Premium of Rs.400 crore
- "A" rating from ICRA Nepal

- SAFA BPA Award for annual report of 2023-24 (Merit Certificate)
- 1st insurance company to implement NFRS 17 "Insurance Contract"
- Office network in 72 districts



**OFFICE NETWORK**

# NON FINANCIAL INFORMATION



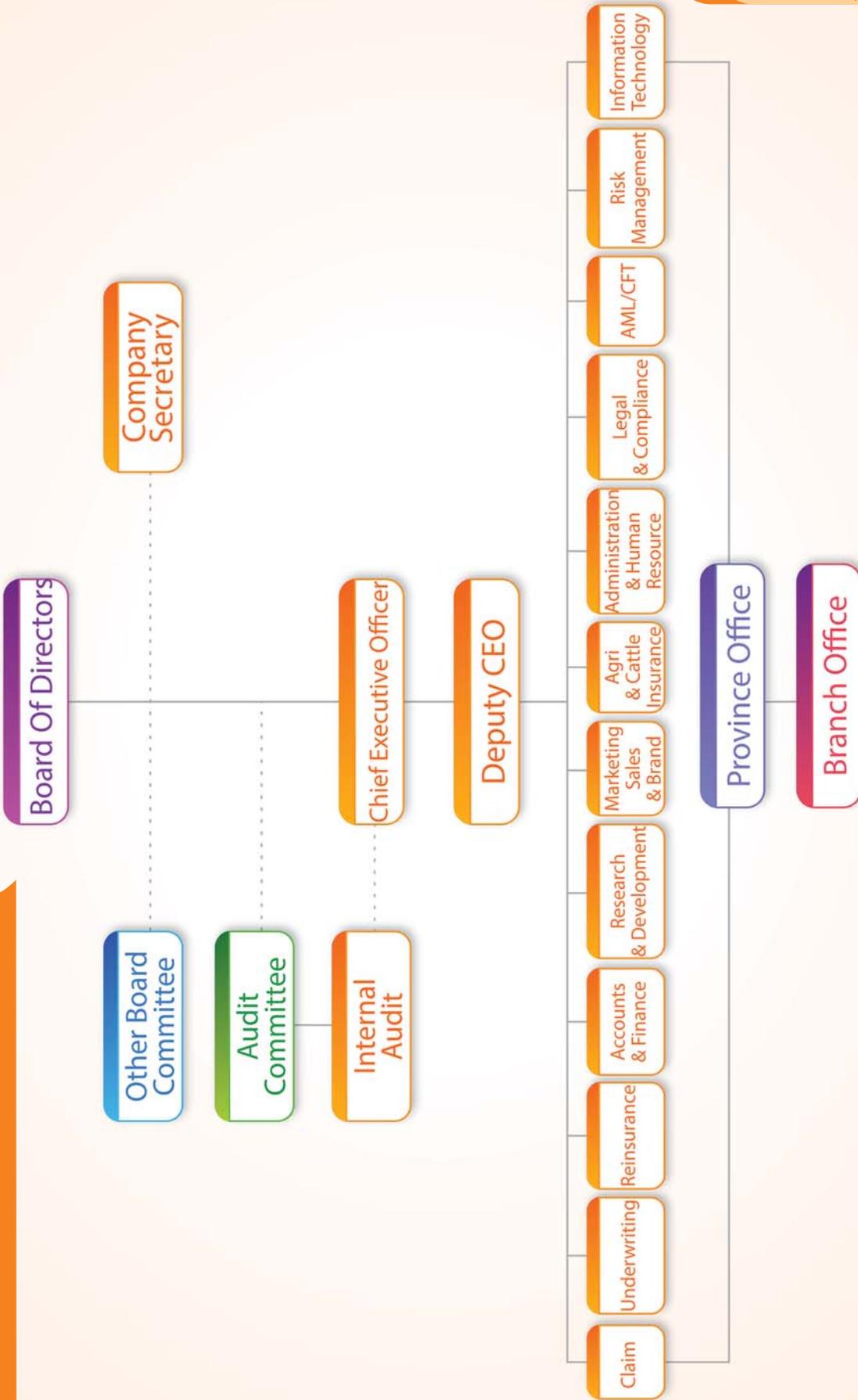
## Our Reinsurer



hannover re®



# ORGANIZATION STRUCTURE





## 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 ।



Shikhar Biz Center, Thapathali, Kathmandu, Nepal  
01-5346101, 5346102 | [www.shikharinsurance.com](http://www.shikharinsurance.com) | [shikharins@mos.com.np](mailto:shikharins@mos.com.np)

# SWOT ANALYSIS



## STRENGTHS

- ⇒ **Strong Market Presence:** Shikhar Insurance has established itself as a recognized brand in the general insurance industry of Nepal, with extensive reach across various regions. Shikhar Insurance has maintained the highest market share in the industry for more than a decade, demonstrating its strong competitive position and consistent customer trust. Shikhar Insurance commands over 13% of the market share among Nepal's 14 insurance companies and share in agricultural insurance exceeds 20%.
- ⇒ **Diverse Product Portfolio:** Shikhar Insurance provides a wide range of insurance solutions tailored for Nepal. In addition to traditional tariffed products, it features more than 10 innovative offerings, such as cashless health insurance, secured mind insurance, silage insurance, auto plus insurance s, index-based apple, index based paddy insurance, and cyber security policies.
- ⇒ **Experienced Management Team:** Shikhar Insurance benefits from a highly experienced and qualified management team with a proven track record in the insurance industry. Their strategic vision and expertise have played a pivotal role in driving the company's sustained growth and market leadership.
- ⇒ **Commitment to Corporate Governance:** Shikhar Insurance maintains strong corporate governance practices, ensuring transparency, accountability, and compliance with regulatory standards. This commitment ensures operational transparency, financial stability, and alignment with industry best practices. Shikhar Insurance is the first general insurance company in Nepal to get a Merit Award in the SAFA Best Presented Annual Report Award and to adopt NFRS 17 standards across the country, demonstrating its commitment to strong corporate governance and transparency.
- ⇒ **Proactive Risk Management:** Shikhar Insurance stands out through robust risk assessment and mitigation strategies, partnerships with leading A-rated reinsurers, and by holding Nepal's highest level of catastrophic reinsurance to ensure financial stability. The company safeguards customer data by adhering to international information security standards ISO 27001:2022 and makes all risk and reinsurance decisions based on comprehensive actuarial analysis, distinguishing itself from other insurers.
- ⇒ **Financial Strength and Credit Rating:** The company demonstrates robust financial strength with solid solvency ratio of 4.7, ensuring its capacity to service the liabilities and adhere to regulatory standards. Shikhar Insurance distinguishes itself as the first insurer to fulfill the regulatory minimum capital requirement of Rs. 2.5 billion without engaging in mergers. Furthermore, Shikhar Insurance has been assigned an AA- rating by ICRA Nepal, the highest among insurers in the country, indicating exceptional financial stability and creditworthiness. The company focuses on increasing its investment returns over time by strategically managing its portfolio with a long-term perspective.
- ⇒ **Technological Adaptation and Digital Transformation:** Shikhar Insurance has actively embraced digital transformation by investing in advanced technology platforms to streamline operations, enhance customer service, and enable digital sales. The company offers online policy issuance, claims management, and customer support, making insurance products more accessible and convenient for clients. Its adoption of digital tools has improved operational efficiency and positioned Shikhar Insurance as a forward-thinking leader in the Nepalese insurance sector.

## WEAKNESSES

- ↪ **Dependence on Traditional Distribution Channels:** Nepalese general insurance still relies heavily on traditional distribution for revenue, limiting reach and efficiency. Regulatory compliance issues hinder the adoption of digital sales across all lines of businesses. Further, although strides have been made in digital transformation, the reach and adoption of digital platforms remain limited compared to leading global insurers. This slower digital uptake can hinder customer engagement and the ability to quickly scale new services.
- ↪ **Market Concentration:** Business concentration in certain regions and sectors, may increase exposure to local economic and regulatory risks and may restrict growth opportunities in a diversified market.
- ↪ **Human Resources GAP:** The limited availability of industry-trained talent in Nepal can slow down innovation, hinder the adoption of new technologies, and impact overall service quality. Addressing this gap is crucial for sustaining growth and maintaining a competitive edge in the rapidly evolving insurance sector.
- ↪ **Investment Constraints:** The Nepalese financial market offers a limited range of domestic investment instruments. This restricts the company's ability to diversify its investment portfolio, which can lead to lower overall returns. Additionally, regulatory bodies' investment directives constrain the company's investment horizon, limiting its ability to achieve exceptional returns compared to global insurers.

## OPPORTUNITIES

- ↪ **Expanding Digitalization:** There is significant potential to further leverage digital technology for product distribution, customer engagement, and process automation, reaching tech-savvy and younger demographics. Online policy issuance, mobile insurance services and AI based fraud detection will help in generating more revenue and profitability in coming days.
- ↪ **Untapped Markets:** Rural and semi-urban areas offer growth potential due to low insurance penetration. The company can also expand in select commercial sectors where its presence is currently limited.
- ↪ **Rising Awareness:** Increased public awareness about the importance of insurance, fueled by educational campaigns and events, is driving greater demand for insurance products. This growing understanding among individuals and businesses presents an opportunity for Shikhar Insurance to expand its customer base and introduce innovative solutions tailored to new market needs.
- ↪ **Product Innovation:** Product innovation represents a significant opportunity for Shikhar Insurance to differentiate itself in a competitive market. By developing new insurance products tailored to emerging risks—such as cyber threats, climate change, or evolving health needs, the company can better meet the changing demands of its customers. Innovative solutions not only attract new clients but also help retain existing ones by addressing gaps in traditional coverage and responding proactively to future challenges.
- ↪ **Regulatory Reforms:** Favorable changes in insurance regulations may create opportunities for new products, improved service delivery, and investment diversification. Regulatory changes in regulations such as, bancassurance and alternative distribution channels, digital sales will widen the horizon of insurance growth.
- ↪ **Infrastructure & Hydropower Growth:** Nepal's ongoing investment in infrastructure and hydropower projects presents a significant opportunity for the insurance sector. As the nation moves toward an energy surplus, the environment will become increasingly conducive to large-scale construction and energy initiatives. This progression is expected to drive greater demand for engineering, property, and liability insurance to address project-related risks, equipment damage, and third-party liabilities.
- ↪ **Climate & Disaster Risk Products:** Climate and disaster risk products present a significant growth opportunity for Shikhar Insurance in Nepal's evolving insurance landscape. By offering customized coverage for events such as floods, landslides, and earthquakes, the company can address the increasing need for protection against natural disasters, which are prevalent in the region. As climate-related risks become more frequent and severe, the demand for comprehensive disaster insurance is expected to rise, making this a strategic area for innovation and market expansion.

## THREATS

- ⇒ **Intense Competition:** Intense competition poses a significant threat to Shikhar Insurance. With many companies vying for market share, pricing pressures increase, and lead to aggressive discounting. This environment requires Shikhar Insurance to continuously innovate, enhance customer service, and differentiate its offerings to retain existing clients and attract new customers.
- ⇒ **Economic Instability:** Fluctuations in inflation, currency exchange rates, or overall economic downturns can directly impact investment returns, premium collections, and claim patterns. Periods of recession or financial uncertainty may result in reduced demand for insurance products, affecting the company's financial health and growth prospects. Frequent changes in government, shifting policies, or civil unrest may disrupt economic activities, hinder regulatory consistency, and increase the risk of adverse legislative changes.
- ⇒ **Technological Disruption:** Rapid advances in technology can disrupt traditional insurance business models through new distribution channels and emerging technologies such as artificial intelligence, blockchain, and digital platforms may lead to disintermediation, Shikhar Insurance has been developing infrastructure to adapt quickly to stay relevant, or risk losing market share to more agile digital players and innovative service providers.
- ⇒ **Catastrophic Risk:** Catastrophic risk poses a significant threat to Nepalese insurance companies. These incidents can lead to a sudden surge in claims that may exceed the company's capacity to pay, impacting financial stability and solvency. Managing catastrophic risk requires robust risk assessment, adequate reinsurance arrangements, and proactive disaster planning to safeguard against severe losses and ensure continued service to policyholders. Shikhar Insurance has taken catastrophic reinsurance coverage of Rs.695 crores which is highest in the industry.
- ⇒ **Reinsurance Market Volatility:** Volatility in the reinsurance market poses a significant threat by driving up the cost of transferring risk and potentially limiting the availability of reinsurance coverage. When global or regional events lead to rising reinsurance premiums or reduced capacity, the company may face higher expenses to protect its own balance sheet, which can squeeze profit margins.
- ⇒ **Fraud and Moral Hazard:** Fraud and moral hazard represent significant threats to the insurance industry. This can lead to increased claim payments, higher operational costs, and ultimately erode the company's profitability. Effectively managing these threats is essential for maintaining financial stability and ensuring long-term business sustainability.

## PESTEL ANALYSIS

### P Political

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.



### E Economic

Nepal's overall economic performance influences insurance demand. Sluggish GDP growth or recession can reduce disposable income and lower insurance purchases. Economic uncertainty may depress premium growth.

Inflation affects claims costs, operational expenses, and investment returns. Rising prices can increase claim settlements, especially in property and motor insurance segments.



### S Social

Public awareness of insurance products — especially non-life types like property, motor, travel, and health — is still developing in Nepal, influencing market penetration and sales potential.

Instances of fraud or mismanagement within the insurance sector can undermine public trust and reduce uptake.



### T Technological

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.



### E Environmental

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. The Company has a robust risk management strategy and reinsurance programs to protect the solvency of the company due to the natural calamities.



### L Legal

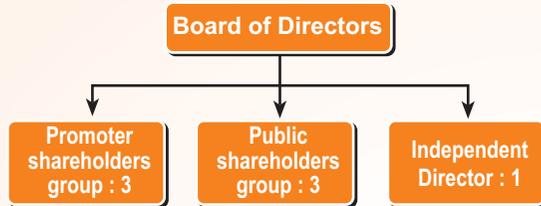
Compliance with the Insurance Act and regulations from the NIA is mandatory and shapes strategic decisions.

Legal frameworks governing disputes and claim settlements can affect costs and timelines in claim handling.



## COMPOSITION OF THE BOARD OF DIRECTORS

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:



The appointment of the board of directors from the promoter 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 term of the board of directors shall be of four years and shall be eligible for further tenures. However, the independent director shall be eligible for only one tenure as per the provision of the Insurance Act.

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

1. All functions to be performed and all powers to be exercised by the insurance 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. In accordance with current Nepalese legislation, all board members are required to serve in a non-executive capacity.
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 insurance 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 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 company,
- (c) To prepare policies for all activities to be performed by the company and to supervise the daily operations to manage the insurance 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, analyze 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 such as:
  - Governance and Oversight: Establishing policies and procedures to ensure the company's activities align with its mission and goals.
  - Strategic Planning: Participating in the development and approval of long-term strategies and business plans.
  - Fiduciary Duty: Acting in the best interests of shareholders and the company, ensuring prudent use of resources and adherence to legal standards.
  - Risk Management: Identifying and mitigating potential risks that could affect the company's operations and financial health.
  - Financial Oversight: Reviewing and approving budgets, financial statements, and ensuring the integrity of financial controls.

- **Performance Evaluation:** Assessing the performance of the CEO and other executive officers and ensuring proper succession planning.
- **Compliance:** Ensuring the company adheres to all regulatory requirements and ethical standards.
- **Stakeholder Communication:** Acting as a bridge between the company and its

shareholders, as well as other stakeholders such as employees, customers, and the community.

- **Corporate Culture:** Promoting and maintaining a positive corporate culture and ethical environment within the organization.
- **Advisory Role:** Providing guidance and expertise to the management team on various issues and opportunities.

## COMPOSITION OF OTHER BOARD COMMITTEES

### Audit Committee

#### 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. Ashmank Karki, Director	: Coordinator
Mr. Ramesh Kumar Luitel, Director	: Member
Mr. Puskar Mahat, Independent Director	: Member
Mr. Prakash Prajapati, In charge of Audit	: Member Secretary

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

- To review the financial statements of the company and ensure the basis, authenticity and reliability of information extracted from such financial statements,
- To ascertain whether the accounts, budget and internal control mechanism of the company insurer are appropriate or not,
- To ensure whether the purchase/procurement policy of the insurer is appropriate, efficient and economical and to supervise and regulate such purchase/procurement policy,
- To ensure whether the accounts, documents and records of internal audit systems and electronic records are maintained appropriately,
- 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,

- To ensure whether the accounts and the financial statements of the insurer or such documents are prepared according to the prevailing law, regulation and directives of the Nepal Insurance Authority,
- To Recommend to the board and the Annual General Meeting, appointment or reappointment including terms of appointment and remuneration of the auditor,
- Furnishing opinion on the subjects as required by the Board of Directors,
- Ensure whether the insurer had complied with the directives issued by the Nepal Insurance Authority.
- oversight of the work of the internal and statutory auditors and to review and monitor the performance, and effectiveness of audit process.
- Evaluation of internal financial controls and risk management systems.
- Review of management letters / letters of internal control weaknesses issued by the statutory auditors.
- Review the adequacy and coverage of internal audit function and internal control systems
- Discussion with internal auditors of any significant findings and follow up there on.
- Review of Internal audit reports relating to internal control weaknesses and compliance
- To review and recommend appropriate policy, standard operating procedures to the Board

## HR COMMITTEE

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:

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

## INVESTMENT COMMITTEE

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

- To develop, review and recommend to the board for approval of the Investment and Asset Liability Management Policy.
- Overseeing the implementation of the investment policy approved by the Board from time to time.
- Advise the Board of Directors on investment matters, highlighting risks, opportunities, and compliance status.
- Reviewing the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of the Company.
- Ensure all investments are made in approved instruments and within the limits set by the Nepal Insurance Authority's directives.
- Review of investment proposals, ensuring they adhere to prescribed asset allocation limits, risk appetite, and regulatory guidelines.
- Monitor the performance of the investment portfolio and ensure investments are diversified and prudently managed.
- Ensure regular reporting and disclosure of investment activities to relevant stakeholders, as mandated by the Authority.
- Assess and recommend revisions to the investment policy in line with changes in regulatory directives or market conditions.
- Oversee the due diligence process for major investments, ensuring appropriate risk assessments are conducted.
- Coordinate the risk management function, to ensure robust oversight of investment practices.
- Review of the investment report prepared by the investment unit of the company.
- To carry out any other function, if any, as may be decided by the Board.

## RISK MANAGEMENT COMMITTEE

The 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 Risk Management Committee is as follows:

Mr. Ramesh Kumar Luitel, Director : Coordinator  
 Mr. Ashmank Karki, Director : Member  
 Mr. Dip Prakash Panday, CEO : Member

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

- a. 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.
- b. To Evaluate and approve risk appetite and tolerance levels, ensuring alignment with organizational objectives and regulatory requirements.
- c. To review the solvency position of the Company on a regular basis.
- d. To review the Company's risk management and operational risk related policies/ frameworks
- e. Review and recommend the risk management strategy, framework, and policies for Board approval

in line with the Insurance Core Principle and relevant directives.

- f. Oversee the implementation of risk management processes, including risk identification, assessment, mitigation, and reporting.
- g. Monitor the organization's risk profile and emerging risks, ensuring alignment with the Risk-Based Capital Directive and ORSA requirements.
- h. Evaluate the adequacy of internal controls and risk mitigation measures across business functions.
- i. To Ensure timely and accurate reporting of risk exposures and management actions to the Board and relevant regulatory authorities.
- j. To Review and assess the effectiveness of the risk management system annually, proposing improvements as necessary.
- k. To Ensure the integration of risk management into strategic planning and decision-making processes across all business units.
- l. To facilitate and oversee Own Risk and Solvency Assessment in accordance with the ORSA toolkit and directives of NIA
- m. To carry out any other function, if any, as may be decided by the Board.

## CLAIM AND REINSURANCE COMMITTEE

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 Management 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:

- a. To develop a claim manual and SOP and recommend to the board for its approval.
- b. To delegate necessary authorization or recommend to the board for providing necessary authorization for approval of the claims.
- c. To review and approve the claims other than the limits authorized to the management.

- d. Reviewing the regular claim related reports
- e. To review the audit reports relating to the functioning of claim processing and claim management.
- f. To provide necessary recommendations to the board for making any decisions regarding claim management of the company.
- g. Develop and implement reinsurance strategies that align with the company's overall business goals.
- h. Monitor and evaluate the effectiveness of existing reinsurance programs and make necessary adjustments.
- i. To review the actuarial reports regarding the risk profiles and reinsurance programs of the company and provide necessary suggestions to the board.
- j. To ensure compliance with regulatory requirements and industry standards in all reinsurance activities.
- k. To analyze market trends and developments to identify opportunities for improving reinsurance arrangements.

## ANTI-MONEY LAUNDERING COMMITTEE

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. Puskar Mahat, Director	: Coordinator
Mrs. Smriti Ghimire, HOD Risk Department	: Member
Mr. Sujan Raj Marasini, Compliance Officer	: Member
Mrs. Ojashwy Shrestha, AML Implementation officer	: Member Secretary

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

- To develop and recommend to the board for the approval of policies and procedures that comply with the prevailing regulations.
- Reviewing and updating the company's AML/CFT policies and procedures periodically to ensure they remain effective and compliant.
- To maintain t reporting framework and ensuring timely submission of reports.
- To oversee the implementation of monitoring systems and ensure that any unusual or suspicious activities are reported to the appropriate authorities.
- Ensuring that all employees receive adequate training and resources to understand and implement AML/CFT measures.
- To conduct regular risk assessments to identify potential vulnerabilities within the organization.
- To arrange regular training programs to ensure that staff members are knowledgeable about current regulations, red flags, and reporting procedures.
- To ensure compliance with relevant laws and regulations is a fundamental responsibility of the AML and CFT committee.
- To review the audit reports relating to the effectiveness of AML and CFT measures and ensure that any deficiencies are identified and addressed promptly.
- To review the compliance report and other periodic report prepared by the implementation officer and compliance officer relating the AML/CFT.

## ORSA COMMITTEE

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	: Member
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 at all levels
- To review the ORSA gap analysis report and make necessary plans 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 & 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 steadfast commitment to robust governance practices and strategic oversight has played a key role in driving the company's growth and success throughout the past year.

### **Board Composition**

The board of Shikhar Insurance is made up of professionals who represent both depth of experience and youthful energy, coming from a range of fields. This diverse group brings a wealth of knowledge and expertise to our organization, enhancing the board's ability to address challenges and drive success. The board consists of seven non-executive members: three representing the promoter shareholder group, three from the public shareholder group, and one independent director. Collectively, our board members possess a strong understanding of the insurance industry, solid

financial acumen, and extensive leadership experience. This unique combination of backgrounds and skills allows us to effectively navigate complex issues and capitalize on new opportunities as they arise.

Committees have been established in accordance with the relevant directives of the NIA and aligned with the company's strategic objectives. These include the Human Resources Committee, Audit Committee, Risk Management Committee, AML Committee, Claims Committee, IT Committee, Investment Committee and ORSA Committee. Each committee meets regularly and provides regular updates, recommendations to the board, supporting informed decisions and oversight. These committees strengthen governance and board effectiveness. Their main activities and achievements are detailed in their individual reports.

### **Meetings, Key Decisions and Strategies**

During the year 2024/25, the board convened regularly, with a total of 22 meetings held. In addition

to scheduled meetings, the board organized special meetings with the management team and shareholders. These meetings were specifically held to discuss departmental issues and respond to emerging challenges as they arose.

By facilitating open dialogue and timely decision-making, the board was able to effectively support management and maintain organizational momentum during the year.

Over the past year, the board has implemented several strategic initiatives aimed at strengthening market position and operational resilience. Notable decisions include the formulation of the annual plan and strategies for each department and approval of budget, expansion of branch offices into emerging markets, development of new insurance products, investment decisions with long term investment return objectives, and the adoption of enhanced risk mitigation measures. Further the board also discussed and strategized on the compliance of the new regulations such as NFRS 17, ORSA, 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.

#### **Evaluation of the Effectiveness of the Board**

The strength of our board is evident in the strategic choices that have driven Shikhar Insurance's progress. This past year, we prioritized growing our market reach, broadening our product offerings, and investing in technology to make our operations more efficient. These efforts have helped us maintain our lead in the general insurance sector and consistently deliver outstanding value to both clients and shareholders.

I would like to highlight the effectiveness of the board through the following key points:

##### **a. Financial Performance**

Throughout the year, Shikhar Insurance achieved several significant financial milestones. The company's total business grew by Rs.38 crore, bringing the overall total to Rs. 579 crore. This growth enabled Shikhar Insurance to maintain its position as the market leader, holding the highest market share in the industry at 13%. Despite increase in the number of claims resulting from various natural calamities, combined ratio is

decreased and profitability is increased. Additionally, Shikhar Insurance's solvency margin saw a substantial improvement, reaching 474%. This significant increase demonstrates the company's robust financial health and strong ability to meet its obligations. The improved financial strength and outcomes are further validated by the upgrade in Shikhar Insurance's rating by ICRA Nepal to AA-, which reflects its increased financial strength and credibility within the industry. We are proud to share that we are the highest rated general insurance company in Nepal. Shikhar Insurance also led the way in regulatory compliance by becoming the first company in Nepal to implement NFRS 17 standards, highlighting its commitment to leadership and best practices in the insurance sector.

Despite increase in business, the net profit has increased marginally due to reduced interest rates on fixed deposits, higher claim expenses due to natural calamities, and lower reinsurance commission income resulting from increased gross claims. As a result, target double-digit dividend could not be proposed. Additionally, the distributable profit for this year will be affected by claims related to the September 8 and 9 incidents. Nevertheless, we remain committed to developing effective strategies aimed at delivering attractive returns on increased capital in the coming years. Our long-term investment portfolio is expected to help provide strong returns going forward.

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

The board's policies and procedures promote integrity, transparency, and accountability in all company operations. Shikhar Insurance has received the Merit Certificate in the BPA SAFA Award 2024, recognizing its strong corporate governance and transparency, adherence to industry best practices, and transparent financial and operational disclosures. During the year we have also earned the ISO 27001 Information Security Management System certification, highlighting its commitment to risk management and data protection. These achievements reflect the board's focus on continuous improvement and further strengthen Shikhar Insurance's corporate governance and risk management, establishing it as a leader in responsible business practices.

The company has strengthened its governance and risk management by developing and updating standard procedures and policies. We have also continued to take service of consulting actuary who focuses on risk management, pricing and regulatory compliances. Shikhar Insurance stands out in the market as the only company to hire a consulting actuary on a retainership basis, providing continuous expertise and oversight in these important areas.

**c. Innovation and Technology**

Recognizing the rapidly evolving landscape of the insurance industry, the board has taken steps to invest in advanced technologies. These investments are focused on streamlining operational processes, enhancing the company's data analytics capabilities, and strengthening risk management frameworks. By prioritizing digital transformation, we aim to position Shikhar Insurance at the forefront of industry developments.

**d. Sustainable Practices**

To support sustainability, the board has taken steps such as installing a 40 kW solar panel system at the office, switching office vehicles to electric models, and using recycled materials for supplies and furnishings. Single-use plastic items are discouraged across operations. These actions highlight the board's commitment to integrating environmental responsibility into Shikhar Insurance's business practices.

**e. Customer Centric Initiatives**

In line with our commitment to innovation and growth, Shikhar Insurance has actively pursued new product development to address the diverse and evolving needs of our clients. The company has expanded its branch operations, opening new locations in strategic areas to better serve our growing customer base and enhance accessibility reaching total 129 offices including sub branch and extension counters. Furthermore, a 24/7 call center has been established to deliver round-the-clock support, enabling clients to reach us at any time for assistance, inquiries, or claim services. Further, digital sales channels and an online platform are developed for policy issuance, allowing customers to buy and manage insurance easily via our website and mobile apps. These initiatives reflect our

dedication to continuous improvement and customer-centricity, positioning Shikhar Insurance as a leader in service excellence.

**f. Human Resource Development**

Shikhar Insurance prioritizes developing its workforce and boosting organizational efficiency. The company has established an extensive training program, investing more than what regulations require. These efforts, combined with leadership development initiatives, equip employees with the skills and knowledge needed to excel in the ever-evolving insurance sector. Shikhar Insurance also cultivates a workplace culture that values inclusivity and collaboration, promoting diversity across all levels. Women make up about 40% of the staff, and roughly half of senior management roles are held by women. The company is dedicated to providing a respectful and supportive environment, including measures to create dignified workplaces. Female employees receive one day of menstrual leave each month, and a rest (sick) room stocked with essential facilities is available onsite. Furthermore, every regular staff member benefits from an endowment life insurance policy with a sum assured of Rs. 5 lakhs.

Looking forward, the board of Shikhar Insurance remains committed to promoting sustainable growth and generating long-term value for stakeholders. We will utilize our combined expertise to effectively respond to industry changes and pursue promising opportunities. Our strategic objectives encompass targeted expansion into high-potential markets, ongoing innovation in product development, and continued investment in technology to improve operational efficiency.

In closing, I wish to express my sincere appreciation to the board members and all Shikhar team for their steadfast dedication and commitment to Shikhar Insurance. With our combine effort and support, I am confident that Shikhar Insurance will continue to prosper and achieve greater levels of success.

Thank you.

**Gaurav Agrawal**

Chairman of the Board



# Coverage Across Possibilities



Motor Insurance



Property Insurance



Miscellaneous Insurance



Agriculture Insurance



Marine Insurance



Engineering Insurance



Aviation Insurance



Micro Insurance



# MANAGEMENT REPORT FROM THE CEO

As the Chief Executive Officer of Shikhar Insurance, it is my privilege to present this management report. Over the past year, our company's growth and achievements have been shaped by our unwavering dedication to strong governance practices and strategic oversight. Shikhar Insurance completed its 21 years of operation, reflecting a long-standing tradition of excellence in the insurance sector. For more than a decade, we have consistently maintained a market share of over 13%, a testament to our leadership and prominent position within the industry. Our sustained success is rooted in our commitment to innovation and our relentless pursuit of excellence, ensuring that Shikhar Insurance remains at the forefront of industry advancements and continues to set new standards for quality and service. Over the past twenty one years, Shikhar Insurance has demonstrated remarkable resilience and adaptability amid shifting market dynamics and a range of challenges, including earthquakes, pandemics, and flood losses. Throughout these periods of uncertainty, the company has consistently achieved significant milestones, guided by its unwavering commitment to core values and the highest ethical standards.

## **Industry Outlook and Financial Performance of the Company**

In the period following the COVID-19 pandemic, fiscal year 2024-25 proved to be a favorable year for Nepal's insurance sector. Despite the broader economic slowdown affecting the country, the primary indicators for the industry remained satisfactory. The total industry premium reached Rs. 44 billion, signaling growth and resilience within the sector. Moreover, the insurance industry's contribution to the nation's Gross Domestic Product (GDP) also saw an increase, reflecting its growing significance in the overall economy.

The insurance sector in 2024-25 continues to evolve amid technological advancements, shifting consumer expectations, and regulatory changes. Digitization is transforming customer engagement, enabling more personalized solutions and efficient claims processing. However, the industry faces persistent challenges, including heightened competition, cybersecurity risks, and the need to adapt to global economic uncertainties. Regulatory bodies are



increasingly focused on transparency and consumer protection, prompting insurers to prioritize compliance and risk management. Opportunities lie in leveraging artificial intelligence, expanding into underserved markets, and developing products that address emerging risks such as climate change and cyber threats.

In recent years, there has been a noticeable increase in consumer awareness regarding the importance of insurance. The occurrence of several natural calamities during the fiscal year 2024-25, as well as the recent incidents on September 8 and 9, have further heightened public consciousness about the necessity of insurance coverage in Nepal. These events have underscored the value of insurance in safeguarding individuals and communities against unforeseen risks. Despite of the challenges posed by such events, the outlook for Nepal's insurance industry remains positive. The sector is projected to continue its steady growth, supported by rising demand and an increasing recognition of the role insurance plays in financial security and risk management.

### **Overall performance of Shikhar Insurance**

During the fiscal year 2024-25, Shikhar Insurance achieved strong financial and operational outcomes, illustrating the company's disciplined management approach and focus on delivering value to its stakeholders. Gross written premiums experienced a significant increase of Rs. 38 crores, bringing the total to Rs. 579 crores and maintaining a solid market share of 13%. This growth was driven by the successful implementation of targeted strategic initiatives designed to strengthen the company's market position. Despite mergers of many other companies Shikhar Insurance has been able to lead the insurance industry with highest market share.

During the fiscal year, Shikhar Insurance faced an increase in claims, primarily resulting from flood-related losses. In FY 2024-25 we managed gross demand of around Rs.3.5 billion and net claim of Rs. 1.02 billion, an increase in 52% and 18% respectively. Despite these heightened claims, the company successfully maintained a healthy net combined ratio of 60%, decrease in compared to previous year's ratio of 68%. This achievement highlights the strength and effectiveness of Shikhar Insurance's underwriting practices and claims management processes. The net profit saw only a marginal increase to Rs. 45.2 crores from 44.5 crores in previous year. This outcome was largely attributable to a decrease in investment returns during the year as result of decrease in the bank interest rate. The company has maintained strong

solvency and liquidity positions. The solvency ratio stood at 4.7 times, reflecting the company's robust financial foundation and prudent risk management approach.

During this fiscal year, Shikhar Insurance reached several notable milestones that underscore its position as an industry leader. The company's credit rating was elevated by ICRA Nepal to AA-, marking the highest rating ever awarded to an insurance provider in Nepal. This upgrade serves as a testament to Shikhar Insurance's robust financial health and its well-structured catastrophic reinsurance arrangements, reinforcing stakeholder confidence in the company's long-term stability.

Operational efficiency was markedly improved through process automation and a comprehensive digital transformation initiative, culminating in certification to the ISO 27001:2022 standard for information security management. The company also launched a suite of innovative products and digital insurance solutions, to better meet evolving customer needs.

Shikhar Insurance continues to uphold the highest regulatory standards and directives, reinforcing its commitment to operational excellence and compliance. Notably, the company became the first insurer in Nepal to implement the NFRS 17 standard, further demonstrating its dedication to regulatory leadership and best practices within the industry.

The company's sustainability efforts gained momentum during the year, with a strong emphasis on policies and practices designed to minimize environmental impact and foster community resilience. As part of its commitment to renewable energy and responsible business practices, Shikhar Insurance installed a 40 KW solar power system, supporting both operational efficiency and environmental stewardship.

### **Future Outlook**

Looking ahead, Shikhar Insurance is poised to capitalize on emerging opportunities in the insurance landscape. Our strategic direction focuses on continued innovation, market expansion, and operational excellence. We plan to deepen our investment in technology, particularly in artificial intelligence and machine learning, to enhance risk modeling and customer experience. Geographic expansion into high-growth markets is a priority, alongside the development of specialized products for sectors such as agriculture, health, and cyber insurance.

We anticipate further regulatory changes and will proactively strengthen our compliance framework to ensure transparency and trust. The company is committed to fostering a culture of agility and learning,

enabling us to respond swiftly to market shifts and client needs. Sustainable growth remains at the heart of our strategy, with an emphasis on responsible business practices and long-term stakeholder value.

### **Management Commitment**

The management team at Shikhar Insurance is firmly committed to upholding the highest standards of excellence, integrity, and ethical business practices. We will continue to invest in talent development, fostering an inclusive and collaborative workplace culture. Our focus on innovation and operational efficiency will enable us to deliver superior results, even in a dynamic and competitive environment.

We pledge to remain vigilant in risk management, compliance, and social responsibility, ensuring the long-term sustainability of our business. The trust of our stakeholders is our most valuable asset, and we will work tirelessly to honor it. As we look to the future, Shikhar Insurance stands ready to embrace change, lead with purpose, and deliver on our commitments to all those we serve.

### **Message to Stakeholders**

As CEO of Shikhar Insurance, I am deeply grateful for the trust and support of our shareholders, clients, and partners. Your confidence in our company inspires us to strive for excellence every day. We recognize that our success is built on the strength of our relationships and our unwavering commitment to service. We remain committed to transparent communication, ethical conduct, and the continuous improvement of our products and services.

On behalf of Shikhar Insurance, I extend my heartfelt thanks to all our stakeholders—including our esteemed shareholders, valued clients, dedicated staff, and the Nepal Insurance Authority. Your unwavering support, guidance, and commitment have been fundamental to our ongoing success and growth. To our team members at Shikhar Insurance, your professionalism, hard work, and passion continue to drive our achievements and inspire excellence across the organization. We are profoundly grateful for the collaborative spirit and trust that unites us, and we look forward to reaching new milestones together.

**Dip Prakash Panday**  
Chief Executive Officer

# REPORT OF BOARD COMMITTEES

## MONEY LAUNDERING PREVENTION COMMITTEE

The primary objective of the Anti-Money Laundering (AML) Committee is to oversee and ensure the implementation of effective measures to prevent money laundering and terrorist financing within the organization. The committee is responsible for reviewing AML/CFT policies, monitoring compliance with regulatory requirements, and advising the Board on necessary actions to strengthen the company's defenses against financial crimes.

The members of the Anti- Money Laundering Sub-Committee during the Fiscal Year 2081/82 are as follows:

Mr. Puskar Mahat (Director)	: Coordinator
Ms. Smriti Ghimire	: Member
Mr. Sujan Raj Marasini	: Member
Ms. Ojashwy Shrestha	: Member Secretary

Total nine meetings were conducted during the Fiscal year 2024-25. All members were fully present in the all meetings of the committee.

The major works performed by the Sub-Committee are as follows:

1. Reviewed the Company's quarterly AML/CFT activity reports and presented the same to the Board for information and oversight.
2. Reviewed the Company's AML/CFT institutional risk report and presented the findings to the Board.

3. Reviewed and analyzed the AML/CFT policy and program of F/Y 2024-25, including alignment with the prevailing regulatory requirements.
4. Conducted a detailed review and deliberation of the proposed AML/CFT policy and program for F/Y 2025-26 and submitted the same to the Board for consideration and approval.
5. Assessed the effectiveness of KYC, CDD, and Enhanced Due Diligence (EDD) procedures with particular emphasis on high-risk customers. Parameter for identifying High Net Worth customers was defined, and customer risk classification framework was updated accordingly.
6. Regular meetings were held to assess compliance status, monitor emerging risks, and review key regulatory developments, thereby strengthening the overall AML/CFT framework.
7. An independent AML/CFT compliance audit was conducted for F/Y 2024-25, strengthening assurance over regulatory compliance and control effectiveness.
8. Suspicious Transaction Reporting increased during the year, reflecting strengthened transaction monitoring mechanisms, enhanced staff awareness, and effective oversight by the AML/CFT Sub-Committee.

## AUDIT COMMITTEE

The Audit Committee of the company is a key governance body established by the Board of Directors to assist in fulfilling its oversight responsibilities relating to financial reporting, internal control systems, risk management, internal and external audit functions, and regulatory compliance. During the year under review, the Audit Committee discharged its responsibilities with due diligence and independence, ensuring transparency, accountability, and integrity in the Company's financial and operational processes.

### Composition of the Audit Committee

The Audit Committee is constituted by the Board of Directors and comprises of 3 board members including one independent director with appropriate financial literacy and governance expertise. The composition of the committee ensures independence and objectivity

in its deliberations. The performance of the members of the Audit Committee collectively and individually remained effective in discharging the respective roles and responsibilities assigned to the committee members along with identified opportunities for improvement. The structure of the committee is as follows:

Mr. Ashmank Karki, Director	: Coordinator
Mr. Ramesh Kumar Luitel, Director	: Member
Mr. Puskar Mahat, Independent Director	: Member
Mr. Prakash Prajapati, In-charge of Internal Audit Function	: Member Secretary

### Total Meetings Conducted:

During FY 2024-25 a total of 15 meetings of the committee were conducted.

### Major Activities of the Committee and Achievements

- Reviewed financial statements, ensuring transparency, accuracy, compliance with Nepal Financial Reporting Standards and timely publication of quarterly financial statements.
- Monitored internal controls and risk management systems.
- Ensured compliance with laws, regulations, and regulatory guidelines and directives.
- Maintained a strong relationship with external and internal auditors.
- Ensured independence, objectivity, and effective audit processes.
- Recommended names of auditors to be in compliant to the provisions of the Companies Act, 2063 and Insurance Act, 2079.
- Approved Annual Audit Plan of FY 2024-25 and regularly monitored whether internal audit assignments were conducted as per approved audit plan.
- Reviewed quarterly Internal Audit Reports, quarterly compliance reports, supervision reports from

regulatory authority, Information System Audit Reports, Preliminary Audit Reports and provided necessary guidance and instruction to the concerned department for the improvements as suggested in the reports.

- Reviewed External Auditor's report of FY 2023-24.
- Reviewed Annual Plans, Policies and Programs of FY 2024-25.
- Reviewed Annual Budget variances of FY 2024-25.
- Reviewed the reports issued by the external auditor in accordance with Sections 78 and 51 of the Companies Act, 2063, along with the Annual Corporate Governance Report prepared pursuant to the Corporate Governance Directive, 2074 issued by the Securities Board of Nepal for the financial year 2023-24.
- Reviewed the report prepared in accordance with the Quantitative Regulatory Reporting Templates (QRRT) as prescribed under the Risk-Based Capital and Solvency Directive, 2024 issued by the Nepal Insurance Authority.
- Reviewed the effectiveness of the Internal Audit Function.

## RISK COMMITTEE

The primary purpose of the Risk Committee is to oversee the company's risk management framework and ensure that significant risks are identified, assessed, and effectively mitigated. The committee aims to safeguard the organization's assets, reputation, and ongoing viability by providing guidance on regulatory compliance, internal controls, and overall risk strategy. Through regular review and recommendations, the Risk Committee supports informed decision-making and promotes a culture of prudent risk-taking within the company.

### Committee Structure

The Risk 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:

Coordinator : Mr. Ramesh Kumar Luitel, Director  
 Member : Mr. Ashmank Karki Director  
 Member : Mr. Dip Prakash Panday, Chief Executive Officer`

### Total Meetings conducted:

During FY 2024-25 a total of 4 meetings of the Risk committee were conducted.

### Major Activities of the Committee and Achievements

- a. Conducted regular risk assessments to identify, evaluate, and prioritize emerging risks impacting the company's operations and financial stability.
- b. Monitored compliance with internal risk management policies and regulatory requirements, ensuring adherence to the guidelines set by insurance regulators.
- c. Reviewed and updated the company's risk management framework, including risk appetite and tolerance levels, to align with evolving market conditions.
- d. Oversaw the implementation of risk mitigation strategies, including the development of contingency plans and insurance coverage optimization.
- e. Collaborated with other committees and departments to ensure a comprehensive, organization-wide approach to risk management.
- f. Reviewed reinsurance treaties to ensure adequacy of risk transfer and alignment with the company's risk appetite.
- g. Regularly assessed and updated the risk register and risk statements to maintain an up-to-date record of key risks and their mitigation measures.
- h. Reviewed regulatory solvency and risk reports

## HUMAN RESOURCE COMMITTEE

The primary purpose of the Human Resource (HR) Committee is to oversee and guide the company's human resource policies and practices, ensuring alignment with organizational goals and regulatory requirements. The committee is responsible for promoting a fair, safe, and inclusive workplace, supporting employee development, and safeguarding compliance with relevant labor laws and standards. Additionally, it plays a crucial role in reviewing HR strategies, addressing workforce needs, and fostering a positive organizational culture.

### 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:

Coordinator: Mr. Gaurav Agrawal, Chairman

Member : Dr. Shrujana Shrestha, Director

Member : Mr. Dip Prakash Panday, Chief Executive Officer

Member : Ms. Shikha Mainali, HOD HR Department

### Total Meetings conducted:

During FY 2024-25 a total of 11 meetings of the Human Resource Committee were conducted.

### Major Activities of the Committee and Achievements

a. The committee ensured the company's strict compliance with all labor regulations and

employment laws, including workplace safety, non-discrimination policies, and fair labor practices.

- b. It undertook the review and approval of the revised Human Resource Management Policy of the company, updating and strengthening HR governance.
- c. By addressing employee concerns, facilitating open communication between staff and management, and organizing various engagement activities, the committee played a key role in fostering a positive work environment. These efforts helped boost employee morale, reduce turnover, and create a more cohesive and motivated workforce.
- d. The committee established comprehensive performance evaluation systems, set clear performance standards, and provided regular feedback to employees. These initiatives ensured that individual goals were closely aligned with the company's strategic objectives.
- e. The committee developed and implemented an annual plan and budget for employee training and development programs. These initiatives enhanced employees' skills and supported career advancement, resulting in improved performance, increased retention rates, and several employees progressing to higher positions within the company.
- f. The committee continuously advocated for a dignified and respectful workplace for all employees, further boosting motivation levels across the organization.

## INVESTMENT COMMITTEE

The Investment Committee serves a critical function within the company by providing oversight and direction for all investment-related activities. Its primary responsibility is to ensure that the company's investment strategies and decisions are carefully aligned with the broader objectives and risk appetite of the organization. To fulfill this purpose, the committee undertakes thorough evaluations of potential investment opportunities, assessing their suitability and potential impact on the company's portfolio. In addition to considering new investments, the committee continuously monitors the performance of existing holdings, ensuring that they deliver expected returns and remain in line with company goals.

### Committee Structure

The Investment 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:

Coordinator: Mr. Saurav JB Rana, Director

Member : Mr. Puskar Mahat, Director

Member : Mr. Dip Prakash Panday, Chief Executive Officer

### Total Meetings conducted:

During FY 2024-25 a total of 9 meetings of the Investment Committee were conducted.

### Major Activities of the Committee and Achievements

- a. During FY 2081/82, the Investment Committee of Shikhar Insurance undertook activities to strengthen the company's investment portfolio and governance.
- b. The committee thoroughly reviewed and evaluated new investment proposals to ensure they were in line with the company's strategic objectives and regulatory requirements.
- c. Regular monitoring of existing investments was conducted, allowing the committee to make timely decisions regarding asset allocation and portfolio rebalancing to maximize returns and manage risks.
- d. The Investment Committee reviewed and enhanced the risk management framework for investment activities to ensure all relevant risks are effectively identified, assessed, and mitigated.
- e. Guidance was provided on compliance with statutory directives and internal investment policies, ensuring that all investment actions adhered to best practices and industry standards.
- f. Through diligent oversight and proactive management, the Investment Committee contributed to the stability and growth of Shikhar Insurance's investment assets during the fiscal year.

## CLAIM AND RE-INSURANCE COMMITTEE

The purpose of the Claim and Re-insurance Committee is to oversee the effective management and settlement of insurance claims, ensuring that claims are processed fairly, promptly, and in accordance with regulatory guidelines. Through its activities, the committee helps safeguard both the interests of policyholders and the company while promoting transparency and compliance within the claims and re-insurance processes.

### 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:

Coordinator: Mr. Skand Amatya, Director

Member : Dr. Shurajana, Director

Member : Mr. Dip Prakash Panday, Chief Executive Officer

Member : Bimal Raj Nepal, Deputy Chief Executive Officer

### Total Meetings conducted:

During FY 2024-25 a total of 24 meetings of the Claim committee were conducted. All members of the committee were presented in the all-committee meetings.

### Major Activities of the Committee and Achievements

The major activities and achievements of the committee during FY 2024-25 are as follows:

- a. Approval of claims above the limit of management and CEO. Total 102 claims files were approved by the claim committee during F/Y 2024-25 which includes 21 motor insurance claims, 47 property insurance claims, 9 claims under Engineering insurance, 14 claims under agriculture and cattle and 11 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.

## EVALUATION OF THE BOARD PERFORMANCE

The board of Shikhar Insurance has demonstrated a strong commitment to effective governance and comprehensive strategic oversight during the last year. Meetings have been convened regularly, and attendance among directors has remained consistently high, reflecting the board's sense of responsibility and engagement. During the year total 21 board meetings were conducted. Attendance of each board member is as follows:

Board Member	Meeting Attended
Mr. Gaurav Agrawal	20
Mr. Ramesh Kumar Luitel	20
Mr. Saurabh JB Rana	19
Dr. Shrujana Shrestha	20
Mr. Dinesh Bajra Bajracharya	17
Mr. Skanda Amatya	19
Mr. Puskar Mahat	13

Evaluating the board's performance involves several key aspects that reflect its efficacy and impact on business operations. These 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.

Shikhar Insurance's board has overseen notable improvements in several KPIs, including premium growth, claims settlement ratios, and customer satisfaction metrics. The company has achieved year-over-year increases in gross written premium and maintained a competitive loss ratio, reflecting effective underwriting and claims management. A summary of key performance indicators has been presented below:

### Gross Premium:

Increased by Rs. 38 crores to Rs.579 crores

### Combined Ratio:

Decreased to 60% in FY 2024-25 from 68% in FY 2023-24

### Net Profit:

Increased to Rs. 45.4 crores from 44.5 crores in previous year.

### Net Worth:

Increased to Rs. 581 crores from Rs.536 crores in previous year

### EPS:

Rs. 15.46 in compared to Rs.16.77 in previous year. Primarily due to increase in number of shares

### Solvency Margin:

474.3% significantly increased compared to 369% of previous year

### Yield on Investment:

5% in comparison to 8% previous year. largely due to decrease in fixed deposit rate

### Strategic Initiatives and Key Achievements in FY 2024-25

During the year, the board undertook several important strategic initiatives that resulted in the achievement of significant milestones and contributed to the company's continued growth. The following highlights some of the key achievements and milestones for the fiscal year 2024-25:

- Shikhar Insurance maintained its position as the market leader, achieving the highest market share even in the face of mergers and acquisitions within the industry.

- The company's credit rating was upgraded by ICRA Nepal to AA-, making it the highest-rated general insurance company in Nepal.
- Shikhar Insurance became the first and only company in the country to receive the ISO 27001:2022 certification for its Information Security Management System.
- The office network was expanded, reaching a total of 129 offices throughout Nepal, thereby enhancing accessibility and service coverage.
- The company was recognized with a Merit Certificate in the SAFA BPA Award for its Annual Report for FY 2023-24.
- Three new insurance products were successfully launched, broadening the company's portfolio and addressing emerging client needs.
- There was significant expansion of the company's digital and online platforms, improving operational efficiency and customer convenience.
- The commencement of a 24/7 call center service provided customers with round-the-clock support and strengthened service delivery.
- Various sustainability initiatives were implemented, including the installation of a 40 KW solar panel, the use of electric vehicles for office operations, and a reduction in single-use plastic materials.

Shikhar Insurance's board has driven long-term strategy by supporting digital upgrades, customer-focused programs, and new products tailored to client needs. The board's focus on innovation and efficient service while maintaining strong compliance with regulatory standards has resulted in a broader product suite, diversified channels, improved financial performance, and strengthened market position.

The board of Shikhar Insurance has demonstrated effective governance, regulatory compliance, and achievement of key performance metrics. By aligning more closely with global evaluation criteria and implementing recommended improvements, the board can further strengthen its leadership and ensure sustainable success in Nepal's insurance sector.



## EVALUATION OF THE AUDIT COMMITTEE

The Audit Committee of the company is a key governance body established by the Board of Directors to assist in fulfilling its oversight responsibilities relating to financial reporting, internal control systems, risk management, internal and external audit functions, and regulatory compliance. During the year under review, the Audit Committee discharged its responsibilities with due diligence and independence, ensuring transparency, accountability, and integrity in the Company's financial and operational processes.

### Composition of the Audit Committee

The Audit Committee is constituted by the Board of Directors and comprises of 3 board members including one independent director with appropriate financial literacy and governance expertise. The structure of the committee is as follows:

Mr. Ashmank Karki, Director	: Coordinator
Mr. Ramesh Kumar Luitel, Director	: Member
Mr. Puskar Mahat, Independent Director	: Member
Mr. Prakash Prajapati, In-charge of Internal Audit Function	: Member Secretary

### Meetings Conducted

During FY 2024-25 a total of 15 meetings of the committee were conducted. All members of the committee were fully present in all the meetings.

### Major Activities of the Committee and Achievements

#### A. Financial Oversight and Reporting

- The Audit Committee diligently reviewed financial statements, ensuring transparency, accuracy, compliance with Nepal Financial Reporting Standards and timely publication of quarterly financial statements.

#### B. Risk Management and Internal Controls

- The committee actively monitored internal controls and risk management systems.

#### C. Compliance and Ethical Standards

- The Audit Committee ensured compliance with laws, regulations, and regulatory guidelines and directives.

#### D. Approval of Annual Audit Plan

- The committee approved Annual Audit Plan of FY 2081/82 and regularly monitored whether internal audit assignments were conducted as per approved audit plan.
- The committee recommended names of auditors to be in compliant to the provisions of the prevailing regulations.

#### E. Timely Reviews

- The committee timely reviewed quarterly Internal Audit Reports, quarterly compliance reports, supervision reports from regulatory authority, Information System Audit Reports, Preliminary Audit Reports and provided necessary guidance and instruction to the concerned department for the improvements as suggested in the reports.
- Reviewed Annual Plans, Policies and Programs of FY 2024-25.
- Reviewed Annual Budget variances of FY 2024-25.
- Reviewed the reports issued by the external auditor in accordance with Sections 78 and 51 of the Companies Act, 2063, along with the Annual Corporate Governance Report prepared pursuant to the Corporate Governance Directive, 2074 issued by the Securities Board of Nepal for the financial year 2023-24.
- Reviewed the report prepared in accordance with the Quantitative Regulatory Reporting Templates (QRRT) as prescribed under the Risk-Based Capital and Solvency Directive, 2024 issued by the Nepal Insurance Authority.

#### F. Risk Mitigation Recommendations

- The committee provided actionable recommendations and instructions to management regarding observations and comments of audit reports.

#### G. Review of Effectiveness of Internal Audit Function

- The committee actively reviewed the effectiveness of the Internal Audit Function.

## शिखर इन्स्योरेन्स कम्पनी लिमिटेड

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

सूचीकृत संगठित संस्थाको नाम	शिखर इन्स्योरेन्स कम्पनी लिमिटेड
ठेगाना इमेल र वेबसाइट सहित	थापाथली, काठमाडौं Email : info@shikharinsurance.com Website : www.shikharinsurance.com
फोन नं.	०१-५३४६१०१, ०१-५३४६१०२
प्रतिवेदन पेश गरिएको आ.व.	२०८१/८२

#### १. सञ्चालक समिति सम्बन्धी विवरण

- (क) संचालक समितिको अध्यक्षको नाम तथा नियुक्ति मिति :  
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 गोपनियताको शपथ लिएको मिति	संचालक नियुक्तिको तरिका (विधि)
१	श्री गौरव अग्रवाल	संस्थापक सं. ३,५८८,३४४ सा. १४,११३	३,६०२,४५७	२०८०।१२।०९	२०८०।१२।०९	साधारण सभा/निर्वाचन
२	श्री रमेश कुमार लुईटेल	संस्थापक (बुद्ध एयर प्रा. लि.)	१,८०४,६४७ सं १,३१५,८०० सा. ४८८,८४७	२०८०।१२।०९	२०८०।१२।०९	साधारण सभा/निर्वाचन
३	डा. श्रुजना श्रेष्ठ	संस्थापक	५५४ सं. ४७० सा. ८४	२०८०।१२।०९	२०८०।१२।०९	साधारण सभा/निर्वाचन
४	श्री सौरभ ज.व.राणा	सर्वसाधारण	६००८ सं. १,३०५ सा. ४,७०३	२०८०।१२।०९	२०८०।१२।०९	साधारण सभा/निर्वाचन
५	श्री स्कन्द अमात्य	सर्वसाधारण	सा. ५६,४५१	२०७७।१२।०९	२०७७।१२।०९	साधारण सभा/निर्वाचन
६	श्री आश्माङ्क कार्की	सर्वसाधारण	सा. ४९९	२०८२।०५।१५	२०८२।०५।१५	संचालक समिति
७	श्री पुष्कर महत	स्वतन्त्र	—	२०८०।१२।०९	२०८०।१२।०९	साधारण सभा

(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	२०८१/०४/०१	५	-	२०८०/०४/२०
२	२०८१/०४/१८	६	-	२०८०/०४/२२
३	२०८१/०४/३१	६	-	२०८०/०४/२९
४	२०८१/०६/०३	७	-	२०८०/०५/२१
५	२०८१/०६/१६	६	-	२०८०/०६/२१
६	२०८१/०७/०१	७	-	२०८०/०६/२६
७	२०८१/०७/१३	६	-	२०८०/७/२०
८	२०८१/०७/२६	७	-	२०८०/०८/१४
९	२०८१/०८/१७	६	-	२०८०/०८/१९
१०	२०८१/१०/०२	७	-	२०८०/०८/२५
११	२०८१/१०/१५	७	-	२०८०/०८/२९
१२	२०८१/१०/२१	७	-	२०८०/०९/०४
१३	२०८१/११/१२	६	-	२०८०/०९/२०
१४	२०८१/११/१३	७	-	२०८०/१०/१०
१५	२०८१/१२/०७	६	-	२०८०/१०/२१
१६	२०८२/०१/०३	६	-	२०८०/१०/२३
१७	२०८२/०१/१७	५	-	२०८०/१०/२९
१८	२०८२/०२/२६	७	-	२०८०/११/०४
१९	२०८२/०३/०२	६	-	२०८०/११/१६
२०	२०८२/०३/१७	५	-	२०८०/११/२४
२१	२०८२/०३/२५	५	-	२०८०/१२/०६
२२	२०८२/०३/३२	५	-	२०८०/१२/०९
२३	-	-	-	२०८०/१२/२१
२४	-	-	-	२०८१/०१/०९
२५	-	-	-	२०८१/०१/१३
२६	-	-	-	२०८१/०१/२३
२७	-	-	-	२०८१/०२/१४
२८	-	-	-	२०८१/०२/२३
२९	-	-	-	२०८१/०२/३२
३०	-	-	-	२०८१/०३/३०

- 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	कारण
	२०८१/०४/०१	कार्य ब्यस्थतता/भ्रमण
	२०८१/०४/१८	कार्य ब्यस्थतता/भ्रमण
	२०८१/०४/३१	कार्य ब्यस्थतता/भ्रमण
	२०८१/०६/१६	कार्य ब्यस्थतता/भ्रमण
	२०८१/०७/१३	कार्य ब्यस्थतता/भ्रमण
	२०८१/०८/१७	कार्य ब्यस्थतता/भ्रमण
	२०८१/११/१२	कार्य ब्यस्थतता/भ्रमण
	२०८१/१२/०७	कार्य ब्यस्थतता/भ्रमण
	२०८२/०१/०३	कार्य ब्यस्थतता/भ्रमण
	२०८२/०१/१७	कार्य ब्यस्थतता/भ्रमण
	२०८२/०३/०२	कार्य ब्यस्थतता/भ्रमण
	२०८२/०३/१७	कार्य ब्यस्थतता/भ्रमण
	२०८२/०३/२५	कार्य ब्यस्थतता/भ्रमण
	२०८२/०३/३२	कार्य ब्यस्थतता/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):	४४ दिन	
सञ्चालक समितिको बैठक भत्ता निर्धारण सम्बन्धमा बसेको वार्षिक साधारण सभाको मिति	१८ औं तथा १९ 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	३५,६०,०००/-	

## 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 रूपमा सिकाई तथा पूनर्ताजगी कार्यक्रम सम्बन्धी विवरण :					सञ्चालकहरूका लागि AML/CFT तथा नियमनकारी निकायहरूबाट जारी नियमावली/निर्देशिका सम्बन्धमा अभिमुखीकरण कार्यक्रम सञ्चालन गर्ने गरेको ।
क्र.सं.	विषय	मिति	सहभागी संचालकको संख्या	तालिम संचालन भएको स्थान	
प्रत्येक सञ्चालकले आफू सञ्चालकको पदमा नियुक्त वा मनोनयन भएको पन्ध्र दिनभित्र देहायका कुराको लिखित जानकारी गराएको/नगराएको र नगराएको भए सोको विवरण:					गराएको
<ul style="list-style-type: none"> <li>➤ संस्थासंग 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 सुचिकृत संस्थाको सञ्चालक, तलवी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य गरेको भए सोको विवरण:					नभएको
संचालकहरूलाई 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 रमेश कुमार लुईटेल, संचालक : संयोजक

श्री आशमाङ्ग कार्की, संचालक : सदस्य

श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत : सदस्य

(आ) समितिको बैठक संख्या : ४

(इ) समितिको कार्य सम्बन्धी छोटो विवरण

जोखिम व्यवस्थापन समितिद्वारा यस कम्पनीमा पर्न जाने संभावित जोखिमहरू समयमै पहिचान गरी उक्त जोखिमहरूको असर न्यूनीकरण तथा उचित व्यवस्थापन कार्य गर्ने ।

(ग) आन्तरिक नियन्त्रण कार्यविधि भए/नभएको : भएको

(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, नायब प्रमुख कार्यकारी अधिकृत	:	सदस्य

#### २. जोखिम व्यवस्थापन

श्री रमेश कुमार लुईटेल, संचालक	:	संयोजक
श्री आशमाङ्गु कार्की, संचालक	:	सदस्य
श्री दिप प्रकाश पाण्डे, प्रमुख कार्यकारी अधिकृत	:	सदस्य

#### ३. लगानी व्यवस्थापन समिति

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

#### ४. 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

#### ५. सम्पत्ति शुद्धिकरण निवारण

श्री पुष्कर महत, संचालक	:	संयोजक
श्री स्मृति घिमिरे, जोखिम व्यवस्थापन प्रमुख	:	सदस्य
श्री सुजन राज मरासिनी, परिपालन अधिकृत	:	सदस्य
श्री ओजस्वी श्रेष्ठ, कार्यान्वयन अधिकारी	:	सदस्य सचिव

#### ६. लेखा परीक्षण

श्री आशमाङ्गु कार्की, संचालक	:	संयोजक
श्री रमेश कुमार लुईटेल, संचालक	:	सदस्य
श्री पुष्कर महत, स्वतन्त्र संचालक	:	सदस्य
श्री प्रकाश प्रजापति, आन्तरिक लेखापरीक्षण विभाग	:	सदस्य सचिव

#### ७. सूचना प्रविधि समिति

श्री स्कन्द अमात्य, संचालक	:	संयोजक
श्री सुरज राजबाहक, बित्त विभाग प्रमुख	:	सदस्य
श्री रमिनमान महर्जन, सूचना प्रविधि विभाग प्रमुख	:	सदस्य

#### ८. ओरसा (Own Risk Solvency Assessment Committee) समिति

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

(आ) समितिको बैठक संख्या

दाबी भुक्तानी तथा पुनर्बीमा	:	२४
जोखिम व्यवस्थापन	:	४
लगानी व्यवस्थापन समिति	:	६
मानव संसाधन	:	११
सम्पत्ति शुद्धिकरण निवारण	:	९
लेखा परीक्षण	:	१५
सूचना प्रबिधि समिति	:	८
ओरसा (Own Risk Solvency Assessment Committee) समिति	:	१

(इ) समितिको कार्य सम्बन्धी छोटो विवरण

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

(च) आर्थिक प्रशासन विनियमावली भए/नभएको : भएको

४. सूचना तथा जानकारी प्रवाह सम्बन्धी विवरण

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

विषय	माध्यम	सार्वजनिक गरेको मिति
वार्षिक साधारण सभाको सूचना	नागरिक दैनिक	२०८२/०९/०५
विशेष साधारण सभाको सूचना	-	-
बार्षिक प्रतिवेदन	नागरिक दैनिक	२०८२/०९/०५
त्रैमासिक प्रतिवेदन	नागरिक दैनिक,	२०८१/०७/३०, २०८१/१०/३०, २०८२/०१/२९, २०८२/०४/३०
धितोपत्रको मूल्यमा प्रभाव पार्ने मूल्य संवेदनशील सूचना	पत्राचार	२०८२/०९/०२
अन्य	-	-

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

(ग) पछिल्लो बार्षिक तथा विशेष साधारण सभा सन्पन्न भएको मिति : २०८१/११/१४ (२०८०/८१ )

५. संस्थागत संरचना र कर्मचारी सम्बन्धी विवरण

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

(ख) साङ्गठानिक 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)	३२ वर्ष
२	बिमल राज नेपाल	नायव प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर (बाणिज्य)	५५ वर्ष
३	सविता मास्के	नायव प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर (अर्थशास्त्र)	४३ वर्ष
४	उदित प्रसाद काफ्ले	महाप्रबन्धक	स्नातक (विज्ञान)	३१ वर्ष
५	प्रज्वल आचार्य	महाप्रबन्धक	स्नातक (बाणिज्य)	३१ वर्ष
६	सुरज राजबाहक	नायव महाप्रबन्धक	चार्टर्ड एकाउन्टेन्ट	१७ वर्ष
७	प्रकाश थापा	नायव महाप्रबन्धक	स्नातकोत्तर (समाजशास्त्र)	२६ वर्ष
८	कविता जोशी	नायव महाप्रबन्धक	स्नातक (मानविकी)	३० वर्ष
९	प्रार्थना शाही	सहायक महाप्रबन्धक	स्नातकोत्तर (बाणिज्य)	१२ वर्ष

(घ) कर्मचारी सम्बन्धी अन्य विवरण

संरचना अनुसार कर्मचारी पदपूर्ति गर्ने गरे/नगरेको :	गरेको
नयाँ कर्मचारीहरूको पदपूर्ति गर्दा अपनाएको प्रक्रिया :	विज्ञापन, खुला प्रतिस्पर्धा तथा सरुवा
व्यवस्थापन स्तरका कर्मचारीको संख्या:	६१
कुल कर्मचारीको संख्या:	६६६
कर्मचारीहरूको सक्सेसन प्लान भए/नभएको :	भएको
चालु आ.व. मा कर्मचारीहरूलाई दिइएको तालिम संख्या तथा सम्मिलित कर्मचारीको संख्या:	तालिम संख्या : ९८ सम्मिलित कर्मचारी : ५७९
आ.व.को कर्मचारी तालिम खर्च रु :	१,२९,९०,२१७
कुल खर्चमा कर्मचारी खर्चको प्रतिशत :	५८
कुल कर्मचारी खर्चमा कर्मचारी तालीम खर्चको प्रतिशत :	२.११

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:	२०८२/०९/०१
त्रैमासिक वित्तीय विवरण प्रकाशन गरेको मिति :	२०८१/०७/३०, २०८१/१०/३०, २०८२/०१/२९, २०८२/०४/३०
अन्तिम लेखापरीक्षण सम्पन्न भएको मिति :	२०८२/०९/०१
साधारण सभाबाट वित्तीय विवरण स्वीकृत भएको मिति :	२०८१/८२ को वित्तीय विवरण २०८२/०९/२९ गते बस्ने साधारण सभामा स्वीकृतिको लागि पेश गरिने
संस्थाको आन्तरिक लेखा परीक्षण सम्बन्धी विवरण :	
(अ) आन्तरिक रूपमा लेखा परीक्षण गर्ने गरिएको वा वाह्य विज्ञ नियुक्त गर्ने गरिएको	वाह्य विज्ञ नियुक्त गर्ने गरिएका
(आ) वाह्य विज्ञ नियुक्त गरिएको भए सोको विवरण	<b>Deoki Bijay &amp; Co. Chartered Accountants</b>
(इ) आन्तरिक लेखापरीक्षण कति अवधिको गर्ने गरिएको (त्रैमासिक, चौमासिक वा अर्धवार्षिक)	त्रैमासिक

(ख) लेखापरीक्षण समितिसम्बन्धी विवरण

संयोजक तथा सदस्यहरूको नाम, पद तथा योग्यता :	<p><b>संयोजक</b></p> <p>नाम : श्री आशमाङ्गु कार्की</p> <p>पद : संचालक</p> <p>योग्यता : स्नातकोत्तर</p> <p><b>सदस्य</b></p> <p>नाम : श्री रमेश कुमार लुइटेल्</p> <p>पद : संचालक</p> <p>योग्यता : स्नातक</p> <p><b>सदस्य</b></p> <p>नाम : श्री पुष्कर महत</p> <p>पद : स्वतन्त्र संचालक</p> <p>योग्यता : स्नातकोत्तर</p>
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वैठक बसेको मिति तथा उपस्थित सदस्य संख्या :	२०८१/०४/१८, २०८१/०५/२४ २०८१/०६/१५, २०८१/०७/१३ २०८१/०८/१३, २०८१/०८/१४ २०८१/०८/१७, २०८१/०८/२७ २०८१/०९/२९, २०८१/१०/२० २०८१/११/११, २०८१/११/२६ २०८२/०१/२८, २०८२/०२/२३ २०८२/०२/२९
प्रति वैठक भत्ता रू. :	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 बित्तीय संस्थाबाट ऋण वा सापटी वा अन्य कुनै रूपमा रकम लिए/नलिएको	नलिएको
प्रचलित कानून बमोजिम कम्पनीको सञ्चालक, शेयरधनी, कर्मचारी, सल्लाहकार, परामर्शदाताको हैसियतमा पाउने सुविधा वा लाभ बाहेक सूचिकृत सङ्गठित संस्थाको वित्तीय स्वार्थ भएको कुनै व्यक्ति, फर्म, कम्पनी, कर्मचारी, सल्लाहकार वा परामर्शदाताले संस्थाको कुनै सम्पत्ति कुनै किसिमले भोगचलन गरे/नगरेको	भोगचलन नगरेको
नियमनकारी निकायले इजाजतपत्र जारी गर्दा तोकेको शर्तहरूको पालना भए/नभएको	पालना भएको
नियमनकारी 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	- अनिल श्रेष्ठ बिरुद्ध शिखर इन्स्योरेन्स, माधव गौतम बिरुद्ध शिखर इन्स्योरेन्स समेत, महेश थापा बिरुद्ध शिखर इन्स्योरेन्स  - आ.व. २०६३/६४, २०६४/६५, २०६५/६६, २०६६/६७, २०६७/६८, २०७२/७३, २०७३/७४, २०७४/७५, २०७५/७६ र २०७६/०७७ को आन्तरिक राजश्व कार्यालयले निर्धारण गरेको थप कर तथा जरिवना विरुद्ध ।

परिपालन अधिकृतको नाम	: सुजन राज मरासिनी	लेखापरीक्षकको नाम	: अशेष राजबहाक
पद	: प्रवन्धक	पद	: साभेदार
मिति	: २०८२/०९/०४		
संस्थाको छाप	:		

प्रतिवेदन संचालक समितिबाट स्वीकृत मिति : २०८२/०९/०४

## परिपालना सम्बन्धी संक्षिप्त विवरण

### १. पृष्ठभूमि

वि.सं. २०६१ सालमा तत्कालीन 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 दाबी भुक्तानी र प्रचलित कानून, नियमावली, निर्देशिका तथा निर्देशनको पालना गरी सुशासन प्रति प्रतिबद्ध रहेको सन्देश दिएकोछ ।

### 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, २०८१	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 दाबी 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	कृषी 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 पुर्ण पालना गर्न कम्पनी प्रतिबद्ध छ ।

### ३. कम्पनीले पालना गर्न नसकेका बिषयको संक्षिप्त 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,

सुजन राज मरासिनी  
परिपालन अधिकृत

## REPORT ON COMPLIANCE

### 1. Background

This company was established in 2061 B.S. with the objective of conducting general insurance business. It officially commenced operations on Kartik 27, 2061 B.S., following regulatory approval. With strong leadership and skilled workforce, the company has successfully positioned itself as a trusted and efficient organization.

By closely conducting market research, the company is developing new insurance policies, ensuring timely payment of claims and benefits, complying with legal and regulatory requirements, which shows the commitment to good governance.

### 2. Status of Compliance with Laws and Directives

S.N.	Laws and Directives	Compliance Status	Remarks
1.	Insurance Act, 2079	Complied	
2.	Insurance Regulation, 2081	Complied	
3.	Corporate Governance Directive for Insurance Companies, 2080	Complied	
4.	Directive on Prevention of Money Laundering and Terrorism Financing (First Amendment), 2081	Partially Complied	
5.	Claim Payment Guideline, 2081	Complied	
6.	Reinsurance Directive, 2080	Complied	
7.	Directive on Branch Offices of Insurers, 2079	Partially Complied	
8.	Investment Directive for Insurers, 2075	Complied	
9.	Directive on trading of Promoters' Shares of Insurers, 2077	Complied	
10.	Insurers Information Technology Guideline, 2076	Complied	
11.	Micro Insurance Directive, 2079	Complied	
12.	Agriculture Insurance Directive, 2079	Complied	
13.	Directive on Actuarial Valuation of Non-life insurers and Reinsurers, 2076	Complied	

In addition to the above laws and directives, the company has also complied with other applicable laws and directives issued by the Nepal Insurance Authority

### 3. Brief Details of Non-Compliance

Due to various operational challenges, the company has not been able to fully comply with the following directives:

- 3.1. Some provisions of Directive on Branch Offices of Insurers, 2079
- 3.2. Some provisions of Directive on Prevention of Money Laundering and Terrorism Financing (First Amendment), 2081

**Sujan Raj Marasini**  
 Compliance Officer

## 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.

**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.

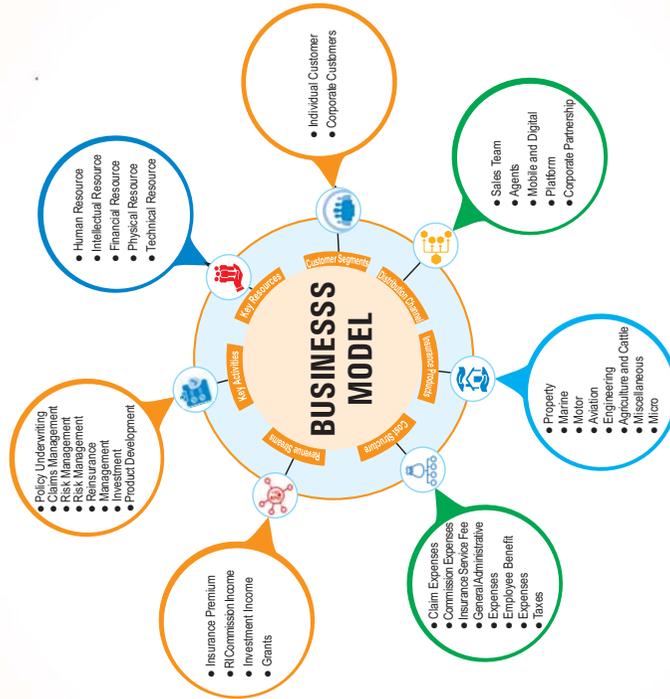
**18.**
**Standard Operating  
Procedures**

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



## SIX CAPITAL

**FINANCIAL**  
A strong financial capital forms the foundation of our operations.

**MANUFACTURED**  
Our manufactured capital to strengthen its nationwide presence and operational capability. It includes branch network and IT infrastructure.

**INTELLECTUAL**  
Our brand image and strong internal control system and processes.

**HUMAN**  
We recognize our people, culture and their capabilities and ensure their enhancement.

**SOCIAL & RELATIONSHIP**  
We value our relationship with our stakeholders.

**NATURAL**  
We recognize that environmental and climatic factors on our daily operations.

## INPUTS

**FINANCIAL**  
-2.92 billion capital  
-Strong liquidity and capital  
-4.7 times solvency margin

**MANUFACTURED**  
-129 branches across Nepal  
-78 insurance products  
-Focus on well-equipped infrastructure

**INTELLECTUAL**  
-Strong IT process and system  
-Strong brand image  
-Focus on newly launched mobile app

**HUMAN**  
-650+ employees  
-High focus on learning and development  
-Focus on diversity & Inclusion

**SOCIAL & RELATIONSHIP**  
-Established trust with our stakeholders  
-Focus on insurance awareness among the people

**NATURAL**  
-Green Initiatives  
-Focus on Climate related risk  
-Use of solar power

## OUTPUTS

**SHAREHOLDERS**  
-Growth  
-Profit  
-Dividend  
-Long term value creation

**POLICY HOLDER**  
-Claim settlement  
-Automation of services  
-Range of product & Services

**EMPLOYEES**  
-Operational efficiency  
-Sustainable income  
-Award & recognition

**BUSINESS PARTNER**  
-Risk transfer  
-Market access

**REGULATORS**  
-Regulatory compliance  
-Regulation fee

**SOCIETY**  
-CSR activities  
-Sustainable practices  
-Improved financial literacy

## OUTCOME TO STAKEHOLDERS

**SHAREHOLDERS**  
>310% paid as Dividend  
-Increase in Networth & Market Capitalization

**POLICYHOLDERS**  
-NPR 302 crore paid as claim  
-Fast claim processing and encouraging digital payment  
-15 days claim settlement

**EMPLOYEES**  
-NPR 60 crore as remuneration  
-NPR 1.2 crore as training to employees this year

**BUSINESS PARTNERS**  
-NPR 390 crore as Reinsurance premium

**REGULATORS**  
-Compliance to all the rules and regulations issued by NIA  
-NPR 4.34 crore as regulation fee

**SOCIETY**  
-Corporate Social Value  
-NPR 0.49 crore as corporate social responsibility

## DESCRIPTION OF THE BUSINESS MODEL OF THE COMPANY

### 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 306 surveyors for claim management.

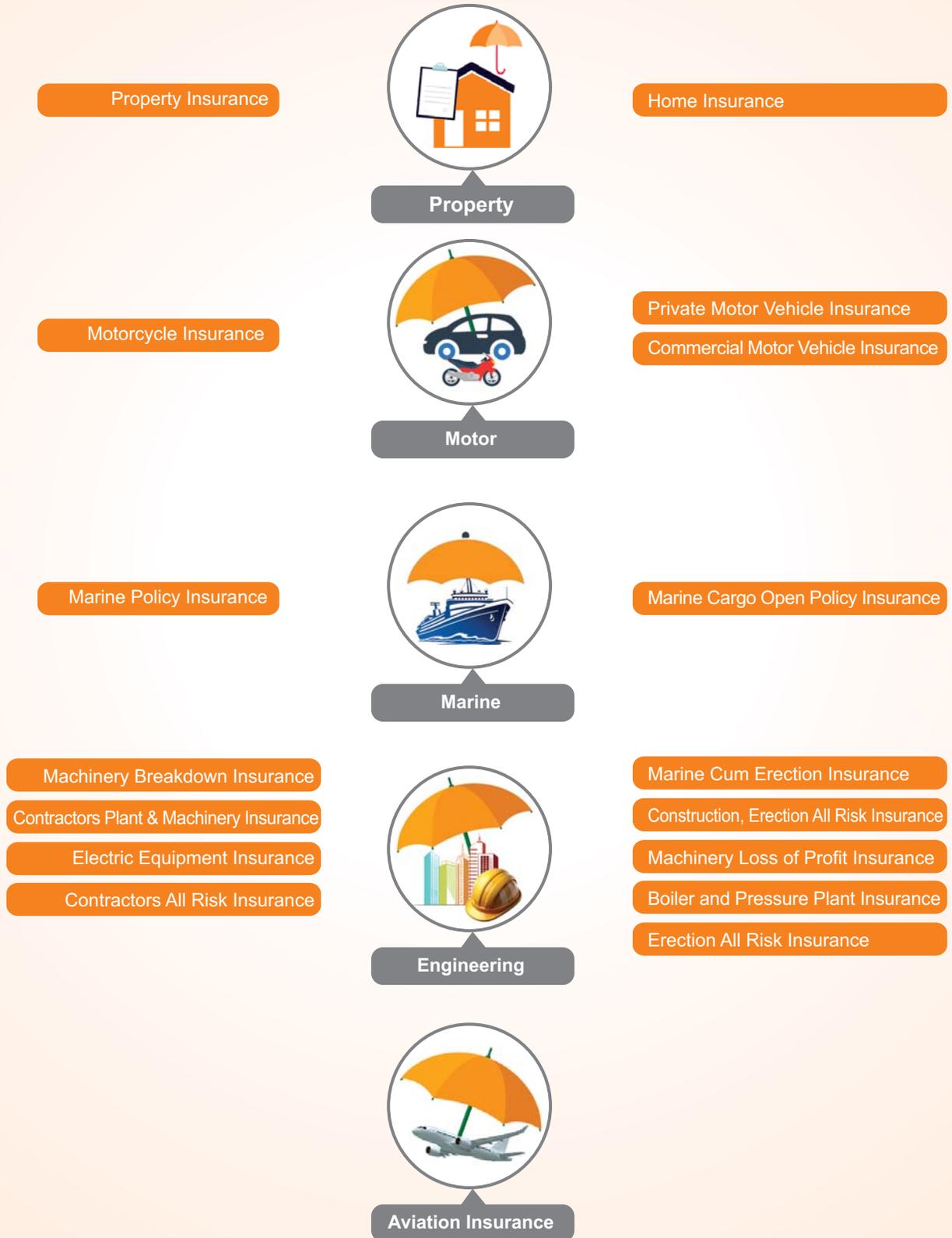
#### f. Insurance Agents

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 164 corporate and individual agents for the distribution of insurance policies.

## 2 Insurance Products

The company provides insurance services through 78 different insurance products.

The list of insurance products is as follows:



- Cyber Insurance
- Group Personal Accident Insurance
- Personal Accident Insurance
- Health Insurance
- Travel medical Insurance
- Trekking Insurance
- Depositors Insurance
- Secure Mind Insurance
- Cash Insurance
- Bankers Blanket Insurance
- Fidelity Guarantee Insurance
- Public Liability Insurance
- Product Liability Insurance



Miscellaneous

- Auto Plus Insurance
- Clinical Trial Liability Insurance
- Credit Card Insurance
- International Card Insurance
- Professional Indemnity Insurance
- Voyager Travel Insurance
- Professional Indemnity
- Errors and Omissions Insurance
- Project Specific Liability Insurance
- Commercial General Liability Insurance
- Group Medical Insurance
- Burglary and House Breaking Insurance
- Extended Warranty Insurance

- 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



Agriculture and Cattle

- 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 Property Insurance



Micro 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**

Most of the retail insurance products targeted to the individual customers are distributed through the agents. 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 partnerships 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 30% of total investment. If investment in government bonds is not possible, funds should be allocated to fixed deposits with a commercial bank or an 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 15% of total Investment.
4	Fixed Deposit of Finance Companies	Up to 7% 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.
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 7% 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 expenses, 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.

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

### 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 654 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 AA- rating from ICRA Nepal. A company with AA- 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 employ more than 600 employees in the Nepalese General Insurance industry. Out of the total employees, more than 95% 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 21 years of operation of the company, Shikhar Insurance has provided cumulative dividend % of around 310% to its shareholders which is highest in the industry. In 20 years', time the net worth of the company has crossed Rs. 5.81 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.

# INFORMATION ON SIX MAJOR CAPITALS AND THEIR INTERRELATIONSHIP AND INTERDEPENDENCE

We ensure the inclusion of six capitals framework in our organization which holistically measures and communicates our value creation beyond financial insights. Through strong governance, prudent risk management, and strategic decision-making, the Company seeks to preserve, enhance, and balance these capitals in the best interests of policyholders, shareholders, regulators, and other stakeholders.

## 1. Financial Capital

As strong financial capital forms the foundation of our operations, we stand with strong shareholders' equity, insurance reserves, premium income, investment income, and other financial resources. We manage our financial capital prudently to maintain adequate solvency margins, meet policyholder obligations as they fall due, absorb potential losses, and support sustainable growth in line with regulatory requirements.

9%	4%	2.92 Billion	5.81 Billion	4.7 times
Return on Equity	Return on Assets	Capital	Net Worth	Solvency Margin

### Key Highlights

This year premium growth has been observed across individual and corporate segments even though there were some constraints like government subsidy in agriculture premiums and highly competitive market. We stand with strong credit rating (ICRA-NP IR AA-) along with strong solvency margin of 4.7% and we are under good reinsurance protection including catastrophic coverage with high rated reinsurers in international market as well. We have our strong dividend history (~310% cumulative) and retained earnings policy (transfers to Insurance Fund and Catastrophic Reserve) which influence internal capital cost and availability.

### Expectation

We are expecting continued premium growth with continuing highest market share in the industry, expecting growth in reinsurance commissions, and diversified investment returns per NIA limits; capital plan integrates paid-up capital, reserves, and reinsurance to maintain adequacy.

Further we ensure that financial capital funds technology upgrades in our company with digital platforms, cybersecurity, analytics, human development and product innovation, that creates performance gains that recycle into premiums and investment capacity.

## 2. Manufactured Capital

We continue to invest in manufactured capital to strengthen its nationwide presence and operational

capability. We have been investing in physical offices including corporate, provincial and branches to ensure accessibility, effective service delivery, and proximity to policyholders across all regions. In parallel, we are making significant investments in information technology and operational equipment. This includes a robust core insurance system, integrated mobile applications and web-based platforms for sales and claims.

78+	129
Insurance Products	Branch offices

### Key Highlights

We continued in successful deployment of a wide network of offices and digital platforms, enabling customers to access insurance services through both physical and digital channels. The implementation of sophisticated core systems, automation, and data analytics has enhanced operational control, improved decision-making, and strengthened risk management.

### Expectation

We expect to continue in digital transformation to deliver faster turnaround times, lower operating costs, and improved customer experience, leading to higher customer retention and sustained premium growth. Strengthening cybersecurity capabilities remains a key focus to protect data integrity, ensure operational continuity, and safeguard financial outcomes. Strategic investment of financial capital into manufactured capital—through systems, digital platforms, and physical offices—has a multiplier effect across other capitals.

## 3. Intellectual Capital

We view our intellectual capital as a key driver of our long-term growth and value creation. It comprises our intangible assets, including advanced technology platforms, internal systems, policies, processes, proprietary software, and the strength of our brand. At the same time, we actively strengthen our brand image through consistent service quality, innovative product offerings, and proactive engagement with our customers and stakeholders. Together, these investments in intellectual capital allow us to innovate, optimize decision-making, maintain regulatory compliance, and create sustainable value for our policyholders, employees, and shareholders.

ISO 27001 certification	80,000+
	Social media followers

### Key Highlights

The Company's brand image was further strengthened during the year through consistent service quality, reliable claims settlement, and increased digital engagement with customers and intermediaries by launching a mobile application to ensure smooth transactions by the customers.

A key milestone during the year was the achievement of ISO 27001 certification, reflecting the Company's commitment to information security, data protection, and robust governance of information assets. This certification strengthens intellectual capital by embedding internationally recognized information security management practices across systems, processes, and people.

### Expectations

The Company expects to further strengthen its intellectual capital through continuing investing in IT infrastructure and the development of digital capabilities through which we want to enhance our ability to underwrite risks effectively, automate operations, and deliver seamless and reliable customer experience. We also aim to significantly increase mobile platform adoption by expanding functionality, improving user experience, and integrating end-to-end services such as policy issuance, renewals, endorsements, and claims tracking. Higher mobile user engagement is expected in upcoming years to enhance customer convenience, reduce service turnaround times, and lower acquisition and servicing costs.

## 4. Human Capital

We recognize that our employees are central to delivering high-quality insurance services and sustaining long-term value creation. Our workforce of 654 employees, of which around 40% are female, reflects a strong commitment to diversity, regional representation, and inclusion. For more than 95% of our staff, their role with us provides first-job experience, underscoring our focus on developing talent from the outset of their careers.

654 Employees	Maintaining Diversity	Strong Focus on Training
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### Key Highlights

We place a heavy emphasis on recruiting, training, and retention, scaling HR capacity across underwriting, claims, sales, finance, compliance, and strategy. Continuous learning is supported through both in-house through Shikhar's own online learning platform and international training programs, structured wellbeing initiatives, and comprehensive leave policies including

mensuration leave to our female employees once a month, all designed to enhance employee engagement, performance, and professional growth. Employee benefits, including medical, accident, and life insurance policies, are carefully structured to support retention, reduce turnover costs, and maintain a motivated workforce. Employee well-being and safety are central to our HR strategy. We implemented special health and safety policies to ensure workplace ergonomics and run wellness initiatives to support physical and mental health. Also, we introduced the concept of sick room where employees can rest if they feel uneasy during working hours.

### Expectation

We plan to continue investing in recruitment, training, wellbeing, and diversity & inclusion initiatives to sustain service quality, innovation capacity, and customer satisfaction. These measures are designed to secure long-term workforce resilience and support the Company's strategic objectives, including premium growth, operational efficiency, and superior customer experience.

## 5. Social & Relationship Capital

We recognize that strong relationships with our stakeholders are critical to sustainable growth and long-term value creation. Our social and relationship capital comprises connections with policyholders (individuals and corporates), agents, brokers, and surveyors, reinsurers (domestic and international), regulators, strategic partners, and the wider community through our CSR initiatives.

### Key Highlights

Our extensive distribution network—including agents, sales teams, digital platforms, and corporate partnerships ensures broad accessibility of our insurance products, including subsidized agriculture covers, enhancing financial inclusion. Maintaining the highest market share over a decade and an AA- credit rating reinforces stakeholder trust and relationship strength. Efficient channels and government premium subsidies reduce customer acquisition costs and make policies more affordable for targeted segments.

### Engaging with Key Stakeholders: Government, Regulators and Industry

We actively engage with regulators, government authorities, and other key stakeholders to strengthen the insurance industry, ensure compliance, and enhance market awareness. Our engagement activities include:

- Cultivating a zero-tolerance culture for regulatory non-compliance and promoting ethical business practices.

- Participating in discussions on critical issues affecting customers and the broader market.
- Operating with financial prudence and integrity, ensuring transparency and fairness in all customer dealings.
- Conducting seminars on relevant topics and hosting annual surveyors' seminars to enhance technical capacity, improve underwriting quality, and build awareness of insurance products among intermediaries and the public.
- Ensuring compliance with Anti-Money Laundering (AML) regulations and safety protocols, safeguarding the integrity of our operations and protecting customers.

### Expectations

We will continue to strengthen partnerships with firms and corporate clients, while expanding CSR activities to enhance brand equity, customer loyalty, and group policy flows. Continued emphasis on AML compliance, regulatory adherence, and operational safety ensures ethical conduct, mitigates financial crime risk, and safeguards customer and stakeholder trust. Proactive engagement, combined with a diversified distribution network, reduces operational, conduct, and concentration risks, supporting sustainable financial outcomes. Strong social and relationship capital underpins consistent premium inflows i.e financial capital and efficient claims resolution i.e leveraging manufactured and human capital, contributing to improved retention, operational efficiency, and sustainable growth for all stakeholders.

## 6. Natural Capital

We recognize that environmental and climatic factors have a direct impact on our risk profile, product design, and insurance demand. Our natural capital

encompasses the resources, climate-related risks, and environmental considerations that influence our operations, particularly in agriculture, cattle, and climate-indexed insurance lines. We actively manage these risks through innovative products, sustainable operational practices, and climate resilience initiatives.

### Key Highlights

Our product precision and fairness are strengthened using weather and flood indices, coupled with advanced actuarial models, enhancing customer trust. Efficient reinsurance arrangements lower costs for customers in climate-exposed segments.

In addition, the Company integrates environmentally responsible practices into its operations. These include paperless communication, energy-efficient infrastructure such as solar panels at our head office, waste management and water conservation, promotion of green initiatives like loan facilities for electric vehicles for employees, and strict adherence to environmental norms.

### Expectations

We plan to expand climate-linked insurance products, including weather-indexed, flood, and crop coverage, alongside health and wellness initiatives in rural areas. Our catastrophic reinsurance programs, along with strong reserves such as the Insurance Fund and Catastrophic Reserve, protect financial capital and ensure solvency in the event of major losses. Climate-resilient products not only generate premium inflows i.e financial capital but also encourage better risk practices among customers and partners i.e social and intellectual capital. Delivering these products effectively requires robust IT systems, digital platforms, and a skilled workforce i.e manufactured and human capital, ensuring accurate risk assessment, efficient claims management, and long-term sustainability.

## COMPANY'S PLAN FOR RESOURCE USAGE AND MAJOR PROGRAMS AND THEIR 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:

- **Recruitment and Training:** Enhancing the recruitment process to attract top talent and implementing robust training programs to ensure continuous professional development.
- **Employee Wellbeing:** Introducing wellness programs and flexible working arrangements to promote a healthy work-life balance.
- **Diversity and Inclusion:** Fostering a diverse and inclusive 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:

- **Digital Transformation:** Investing in digital platforms to streamline operations, enhance customer experience, and improve data management.
- **Cybersecurity:** Strengthening cybersecurity measures to protect sensitive information and maintain trust with clients.
- **Data Analytics:** 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:

- **Investment Diversification:** Strategically diversify the investment with due compliance of the provision of the regulatory body to achieve long term sustainable investment return objectives.
- **Cost Optimization:** Implement cost-saving initiatives and automation processes to improve operational efficiency and reduce expenses.
- **Risk Management:** 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:

- **Customized Solutions:** Creating tailored insurance solutions for different customer segments, including individuals, businesses, and specialized industries.
- **Climate Change Risk Management Insurance:** Developing insurance products that mitigate climate change related risks and promote sustainability and environmental responsibility.
- **Health insurance:** 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:

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



# PERFORMANCE EVALUATION AND KPI

## Key Financial Highlights

Paid Up  
Capital Rs. 292  
Crores

Net  
Worth Rs. 581  
Crores

Total  
Assets Rs. 1,296  
Crores

Total  
Investment Rs. 490  
Crores

Gross  
Written  
Premium Rs. 579  
Crores

Market  
Share >13%

Net  
Profit Rs. 45  
Crores

Gross  
Claim  
Paid Rs. 302  
Crores

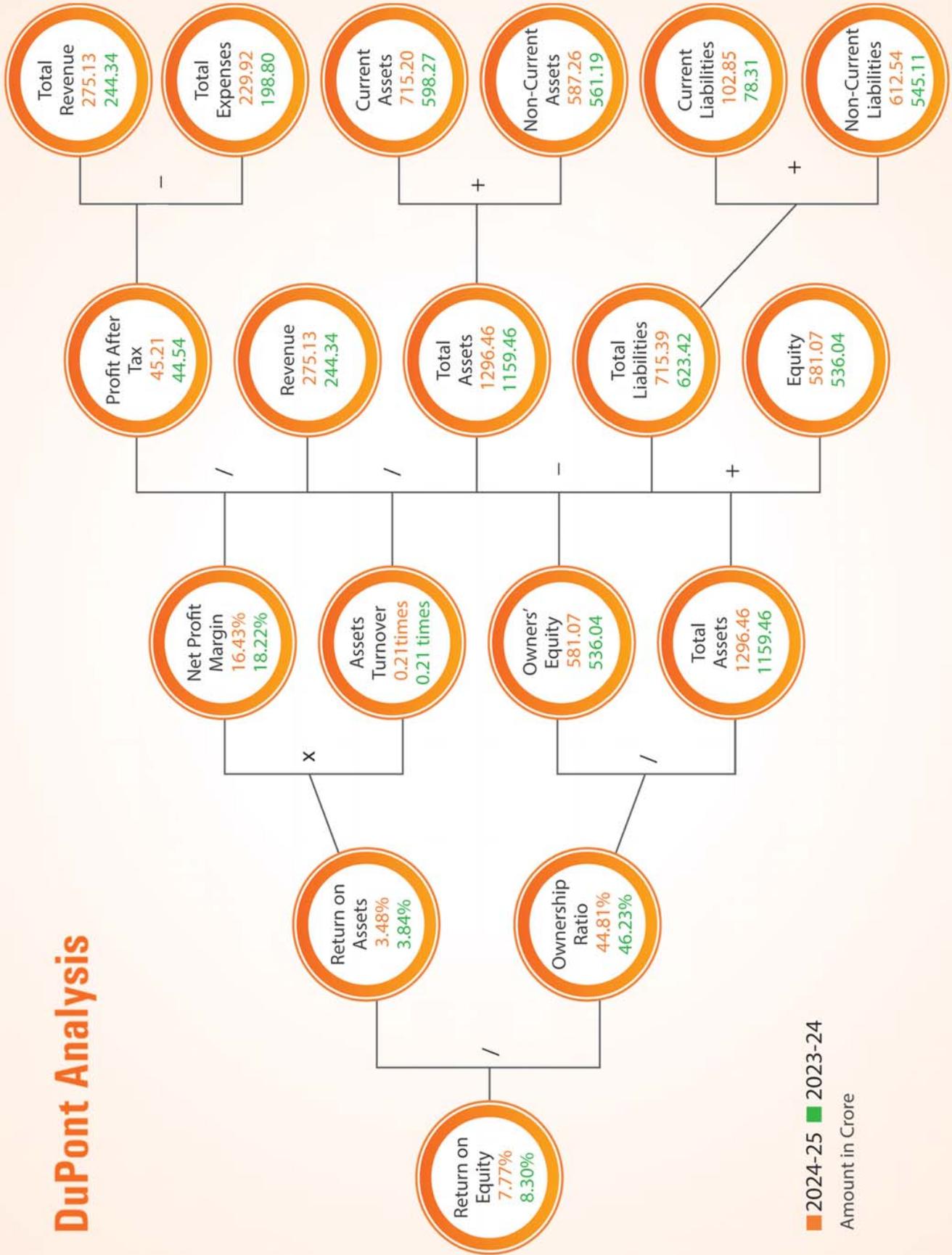
Earning  
Per Share Rs. 15

Combined  
Ratio 60%

Return On  
Assets 6%

Solvency  
Margin 474%

# DuPont Analysis

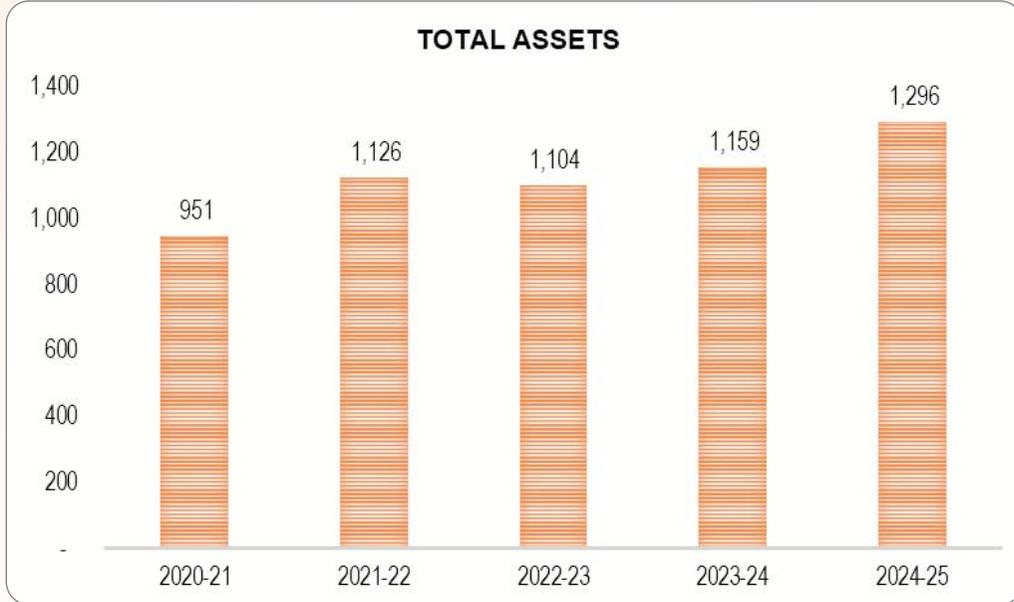


■ 2024-25 ■ 2023-24  
Amount in Crore

## OVERVIEW OF FINANCIAL POSITION AND PERFORMANCE

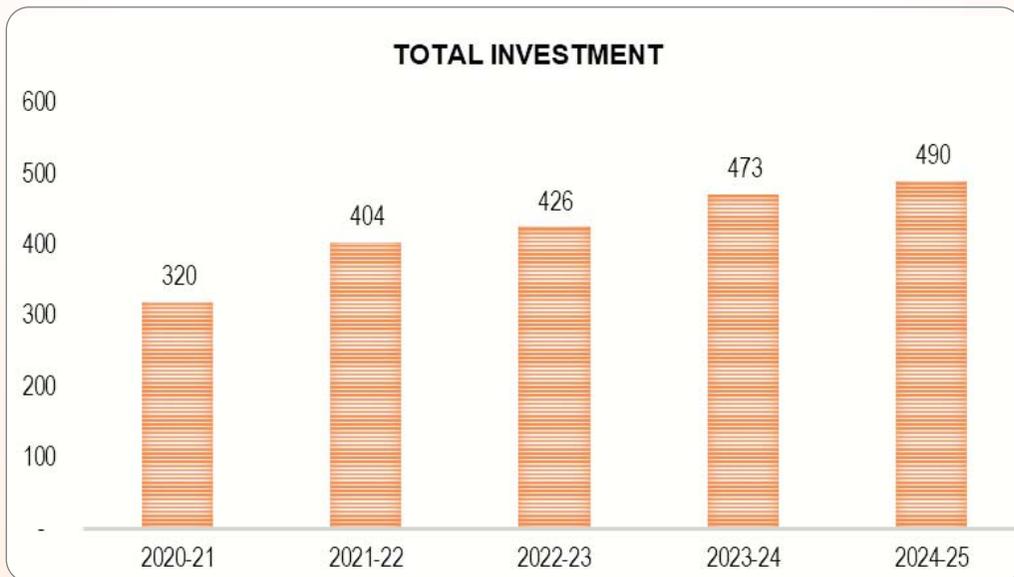
### 1) TOTAL ASSETS

Amount in Crore



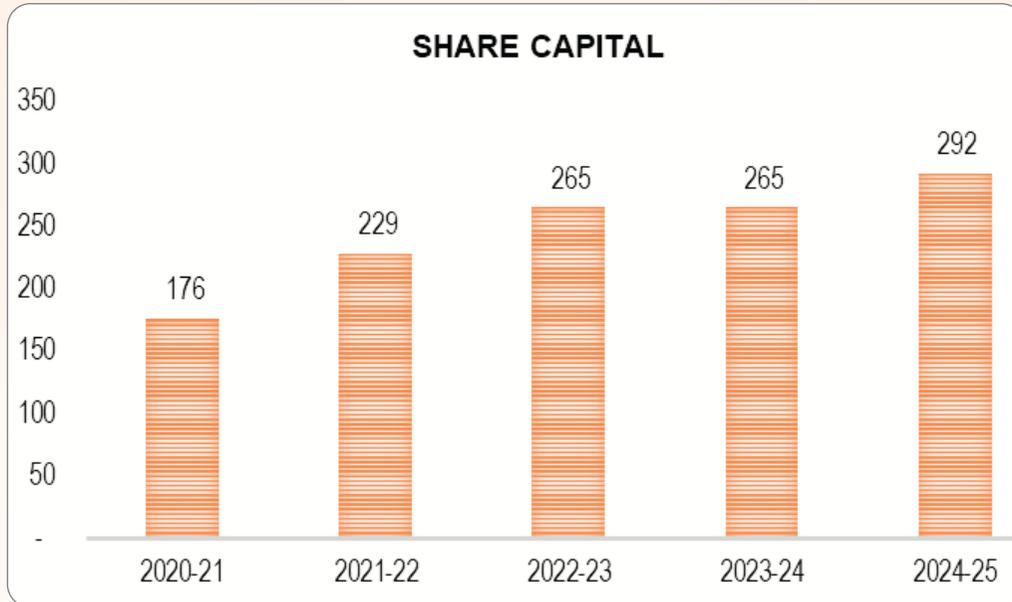
### 2) TOTAL INVESTMENT

Amount in Crore



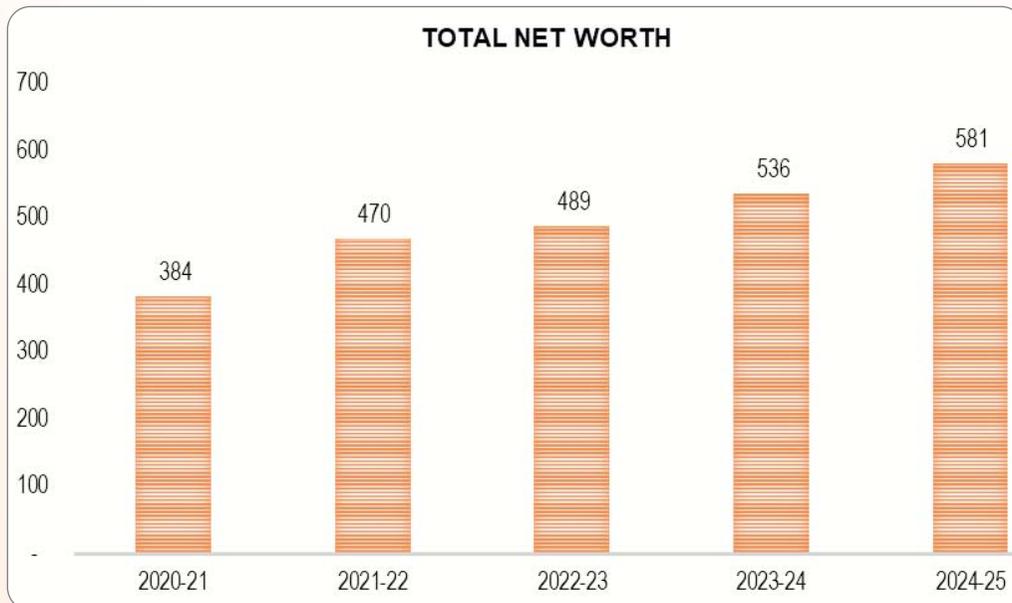
### 3) SHARE CAPITAL

Amount in Crore

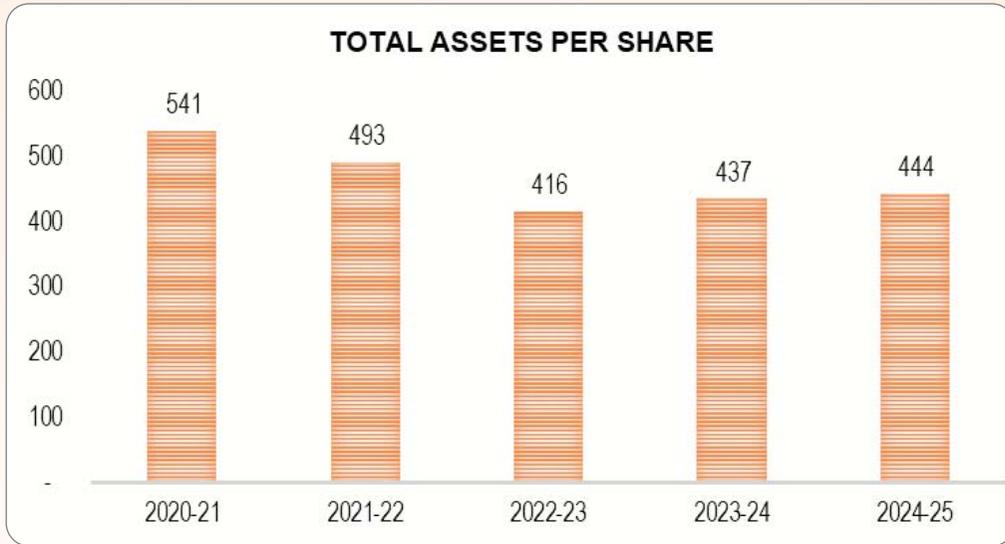


### 4) TOTAL NET WORTH

Amount in Crore

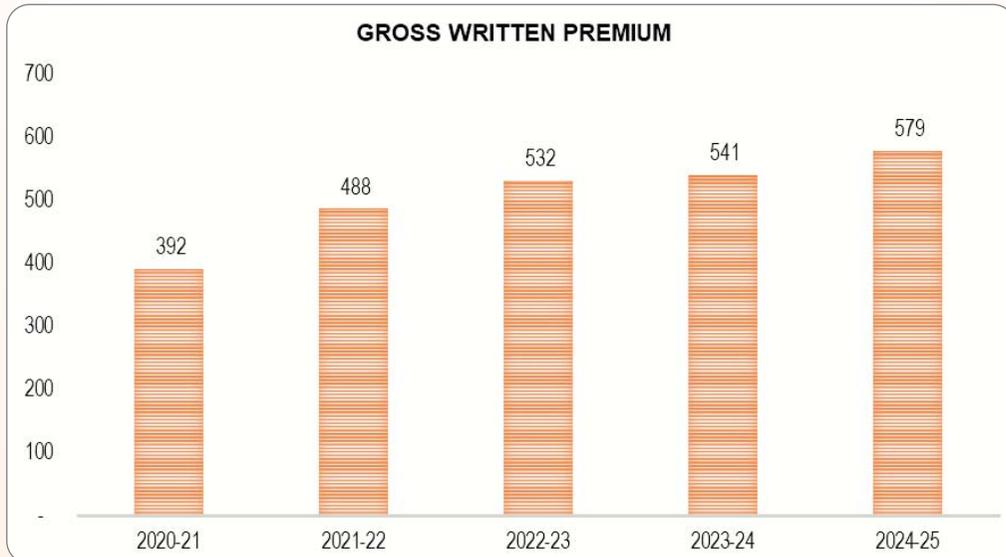


### 5) TOTAL ASSETS PER SHARE



### 6) GROSS WRITTEN PREMIUM

Amount in Crore



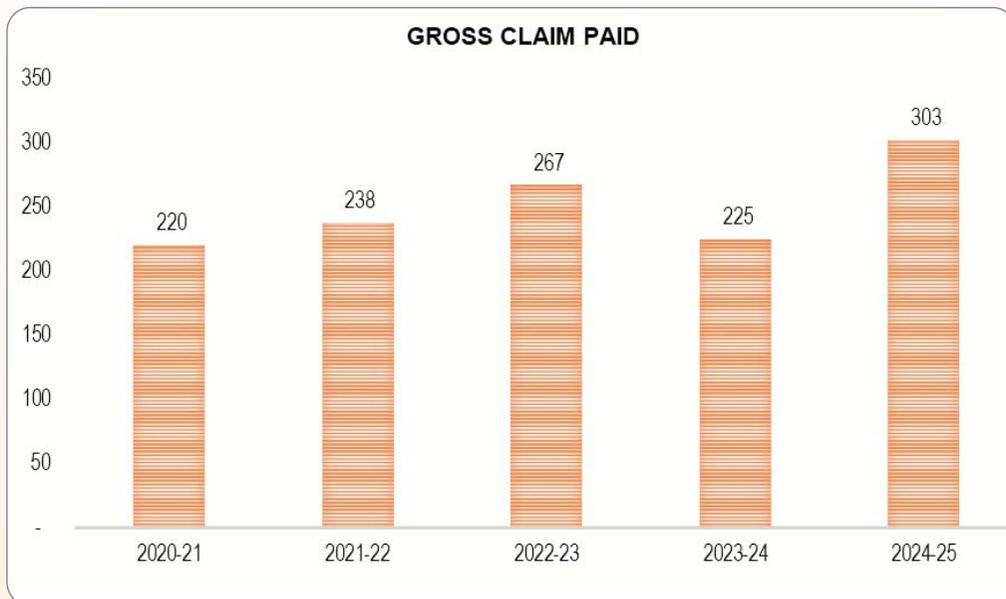
### 7) NET EARNED PREMIUM

Amount in Crore



### 8) GROSS CLAIM PAID

Amount in Crore



### 9) NET PROFIT

Amount in Crore



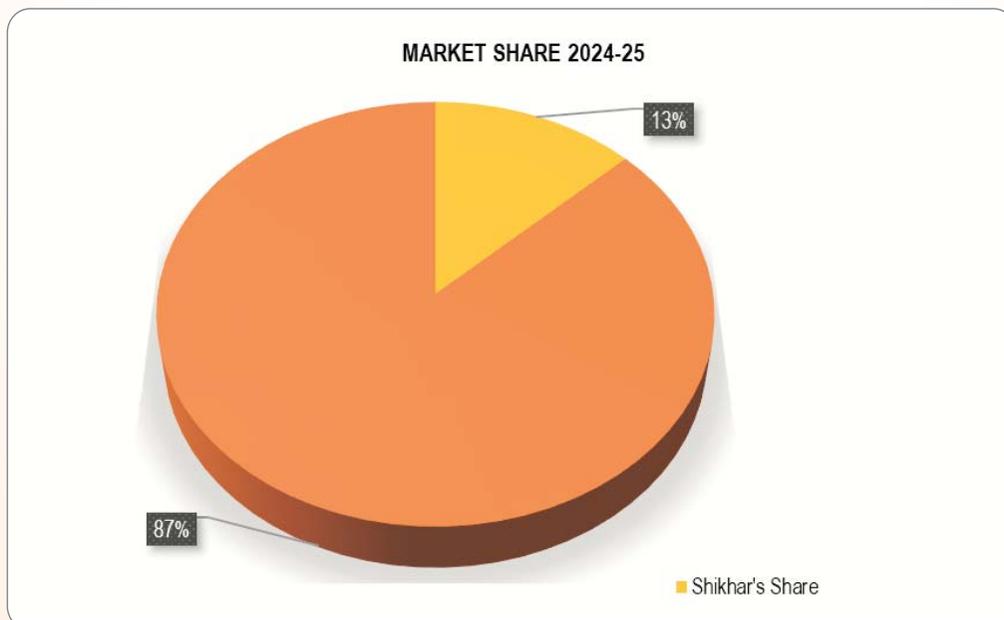
### 10) EARNING PER SHARE



### 11) CLOSING SHARE PRICE

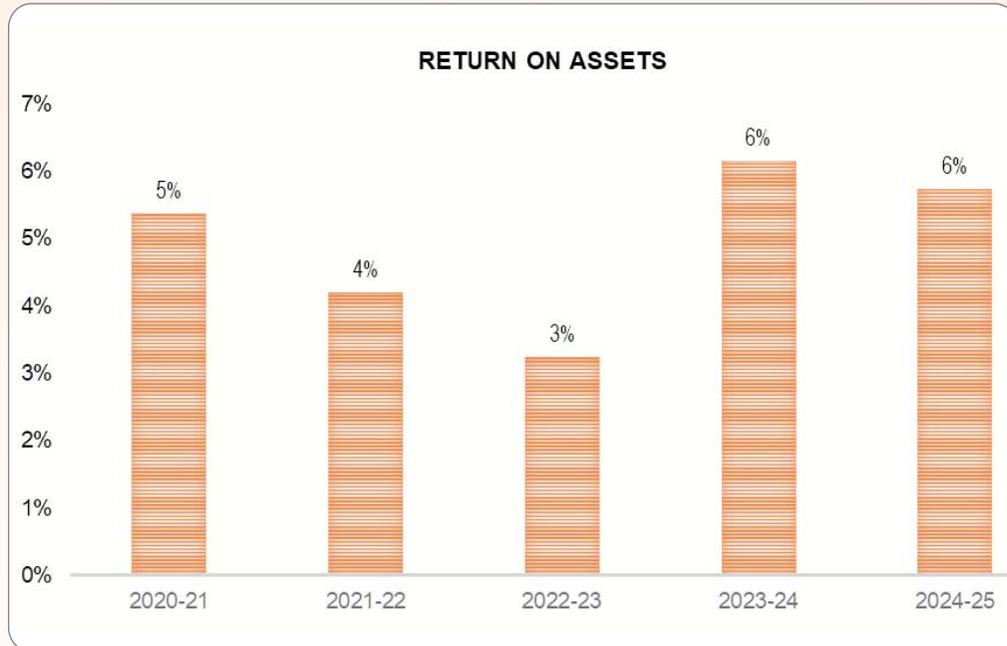


### 12) MARKET SHARE 2024-25



The chart shows that the market premium for non-life insurance reached NPR 4,491 crores by the end of the 2024-25 financial year, while the company's premium collection reached NPR 579 crores. Both the market premium and the company's premium collection have hit their highest levels to date. Over the five-year span from 2020-21 to 2024-25, the market premium grew by 50%, while the company's premium collection saw a 48% growth.

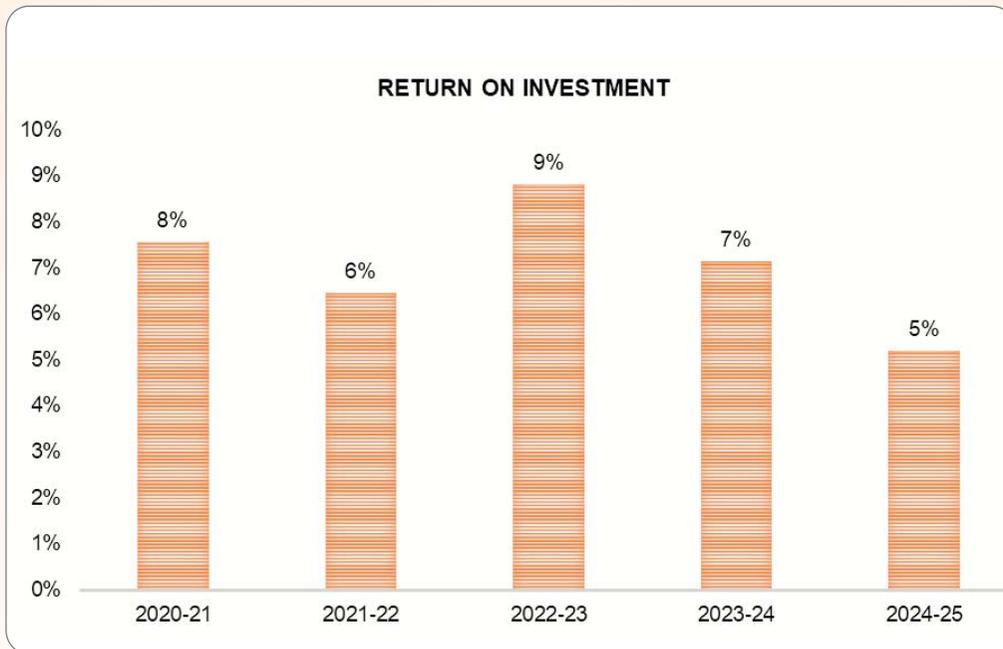
### 13) RETURN ON ASSETS



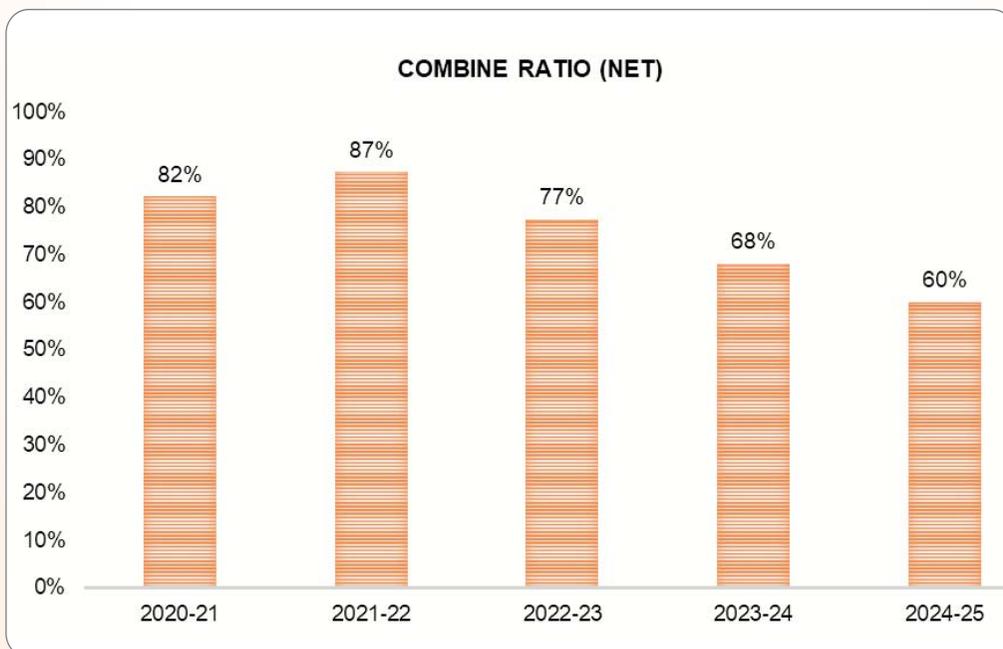
### 14) RETURN ON EQUITY



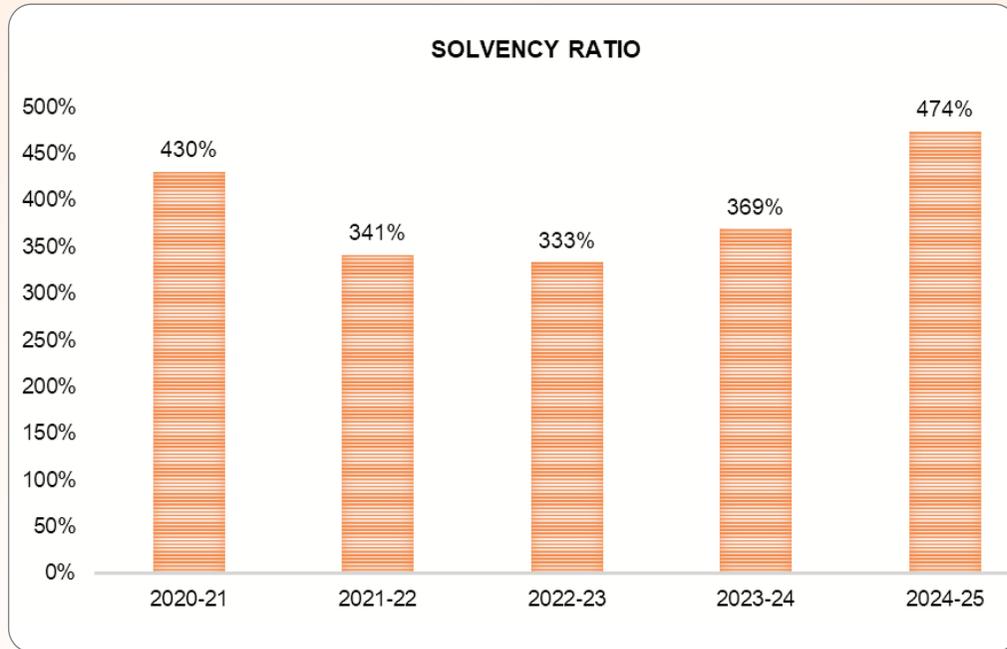
### 15) RETURN ON INVESTMENT



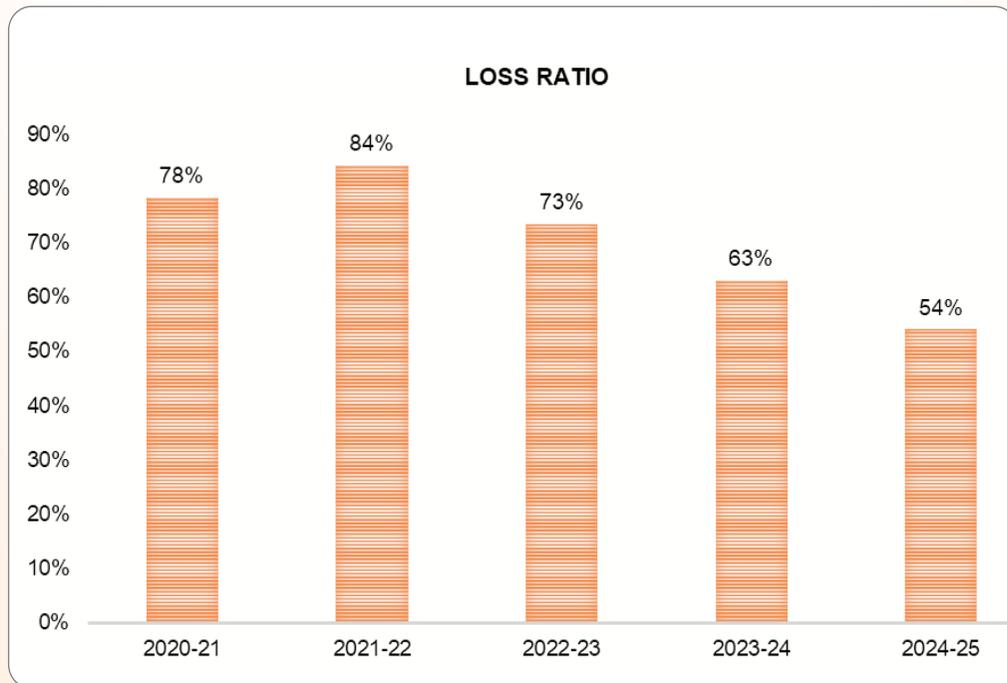
### 16) COMBINED RATIO



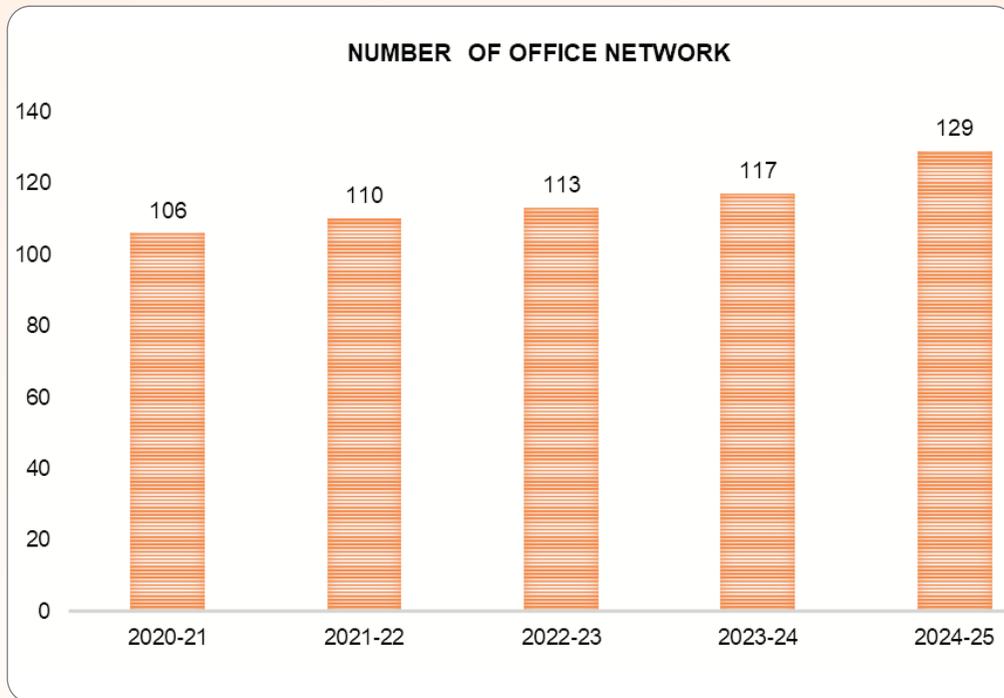
### 17) SOLVENCY RATIO



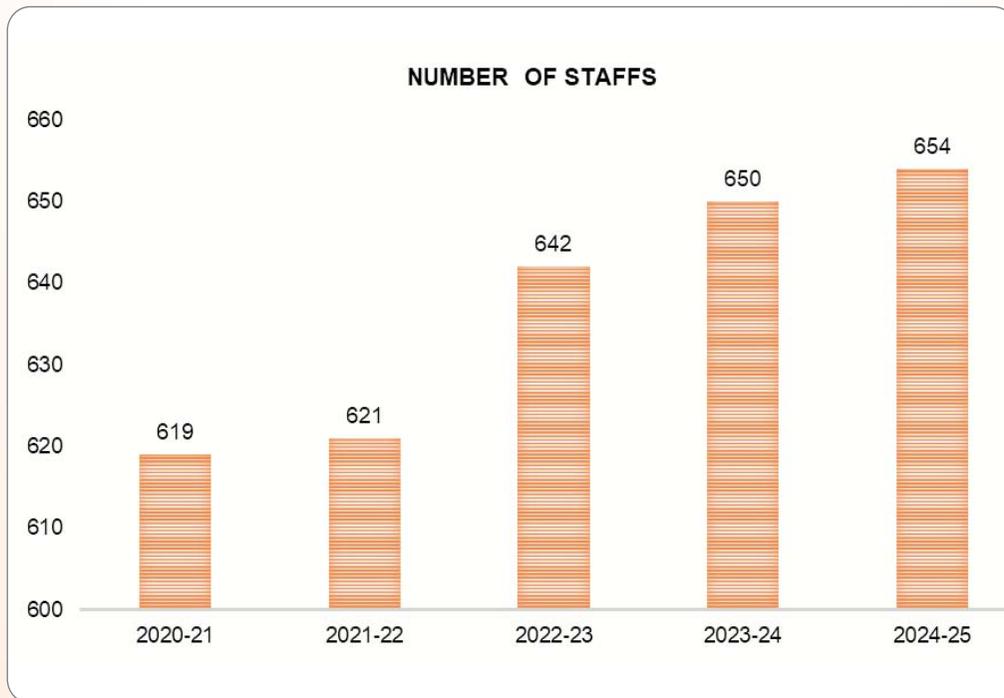
### 18) LOSS RATIO



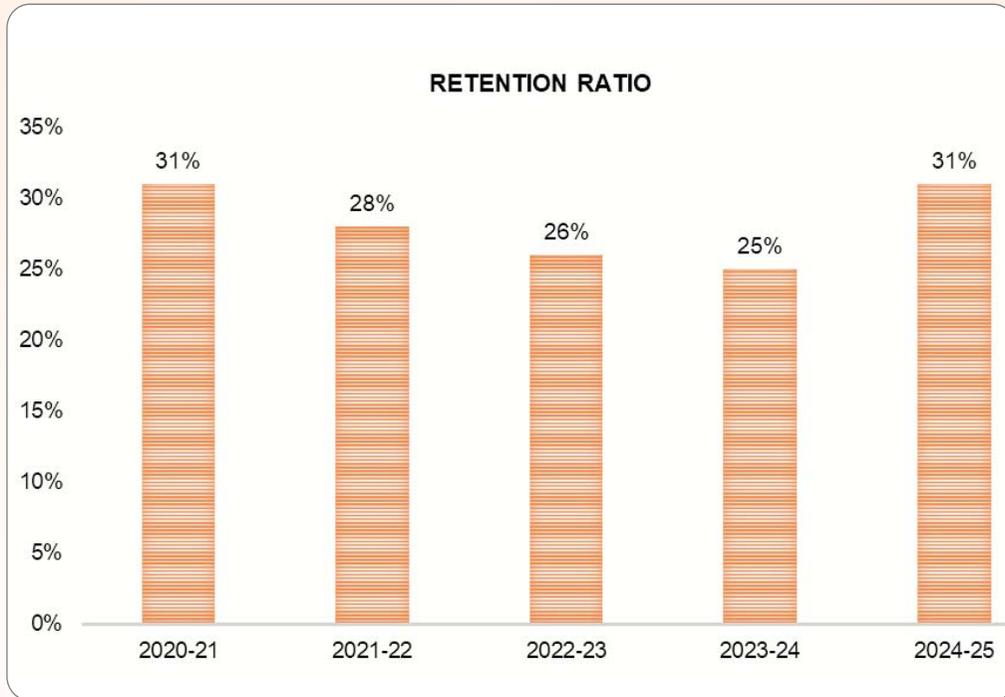
### 19) NUMBER OF OFFICE NETWORK



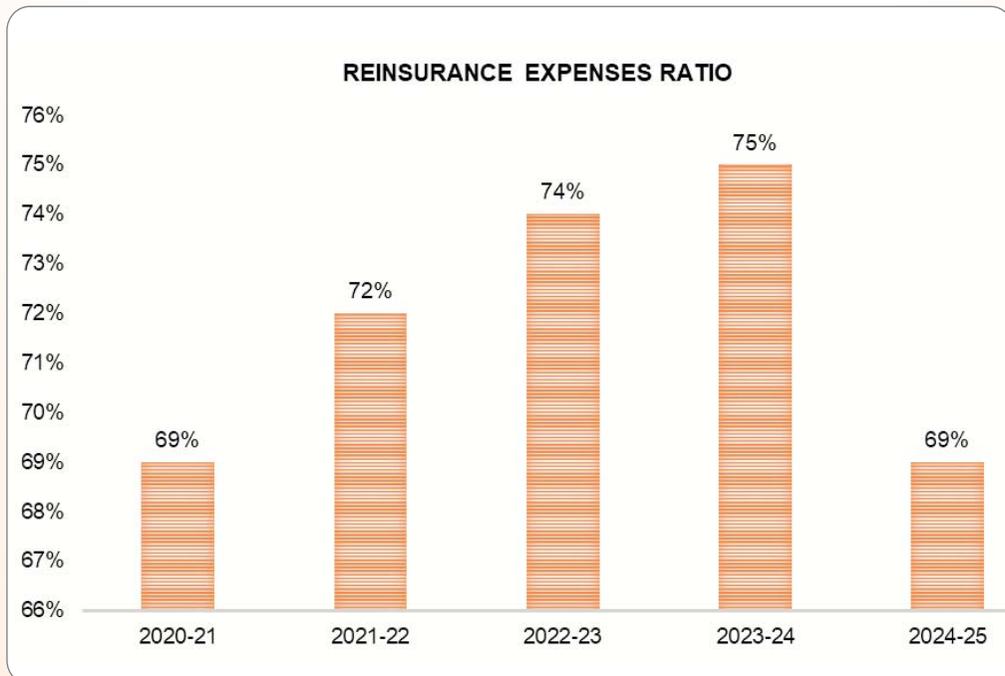
### 20) NUMBER OF STAFFS



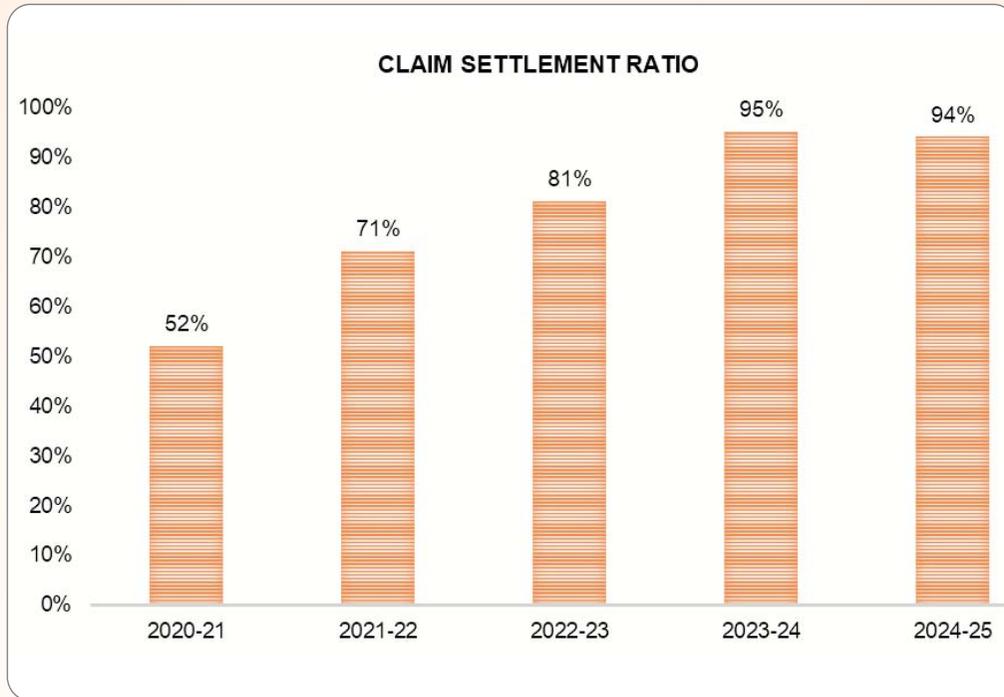
## 21) RETENTION RATIO



## 22) REINSURANCE EXPENSES RATIO

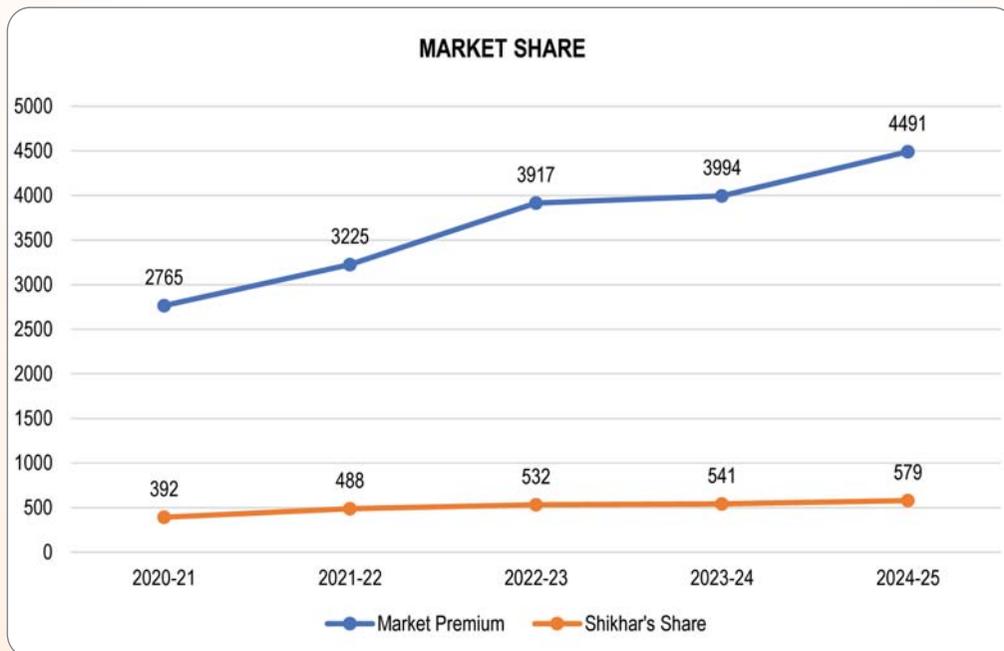


### 23) CLAIM SETTLEMENT RATIO

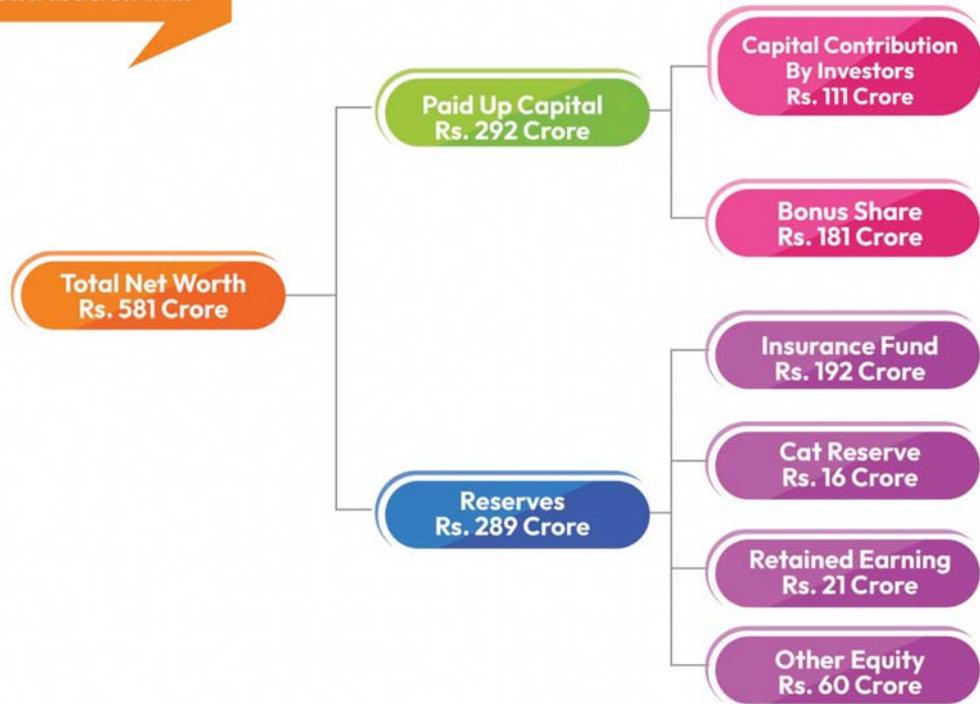


### 24) NON LIFE INSURANCE MARKET PREMIUM AND SHIKHAR'S PREMIUM COLLECTION

Gross Premium Amount in Crore



**Summary of the company's  
Net Worth, Reserve and  
Capital Contribution Mix**



## BUSINESS AND INSURANCE POLICIES SUMMARY

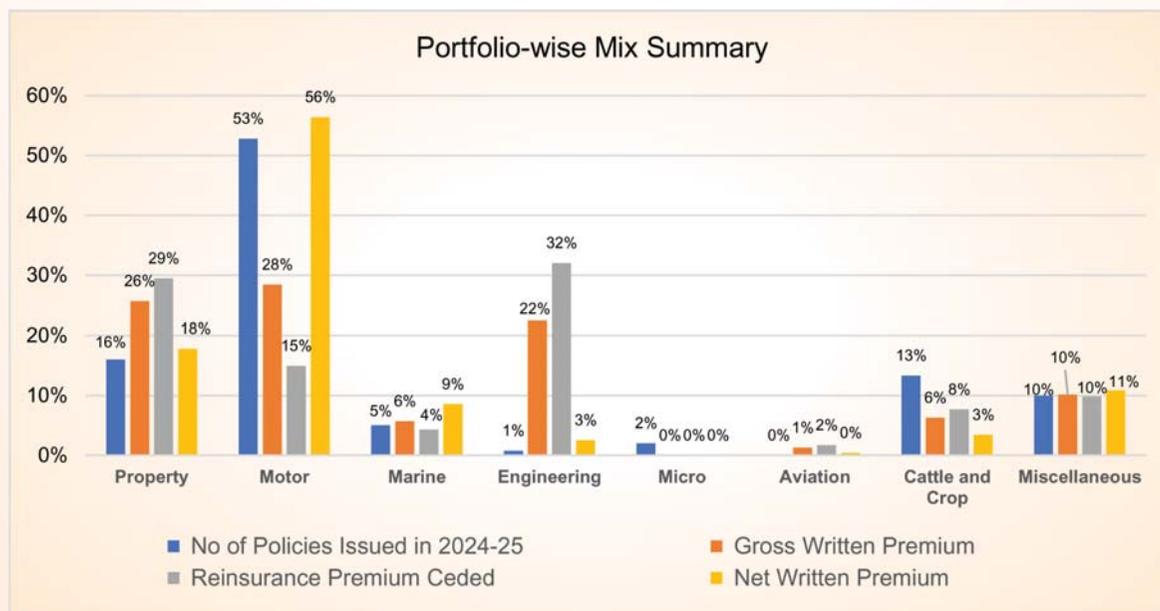
The following are the summaries of the company's overall business in terms of number of policies, gross written premiums, and net written premiums for FY 2024-25.

Amount in NPR

Particulars	No of Policies Issued	Gross Written Premium	Reinsurance Premium Ceded	Net Written Premium
Property	49,668	1,486,495,349	1,151,798,303	334,697,046
Motor	163,642	1,645,415,276	584,718,128	1,060,697,148
Marine	15,552	330,041,230	169,061,062	160,980,168
Engineering	2,436	1,300,471,942	1,252,862,331	47,609,611
Micro	6,320	664,819	489,307	175,512
Aviation	17	74,263,777	66,192,845	8,070,932
Cattle and Crop	41,291	364,369,542	300,240,536	64,129,006
Miscellaneous	30,937	588,725,605	384,634,981	204,090,624
<b>Total</b>	<b>309,863</b>	<b>5,790,447,540</b>	<b>3,909,997,493</b>	<b>1,880,450,047</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 52.81 of the total policies, 28.42% of the total gross written premium and 56.41% of the total net written premium for the fiscal year 2024-25. Property and Motor class in combination contribute to 68.84% of the total policies, 54.09 % of the total gross written premium and 74.21% of the total net written premium for the FY 2024-25. The engineering portfolio represents just

0.79% of the total policy count, yet it contributes 22.46% of the gross written premium, making it the third-largest class in terms of gross written premium. The cattle and crop portfolio accounts for 13.33% of the total policy count, making it the third largest in terms of policy count, contributing 6.29% to the gross written premiums and 3.41% to the total net written premiums. The other portfolio includes marine, micro, aviation and aviation which contributes 19.85% 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.

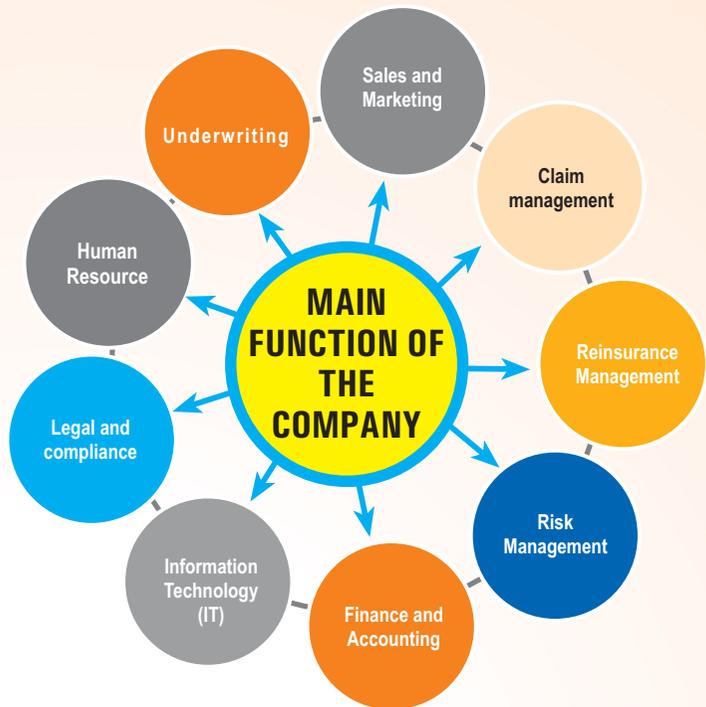
#### 7) Information Technology (IT)

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 OF FINANCIAL STATEMENT

### Statement of Financial Position

Particulars	2024-25 vs 2023-24 Change in Values	2024-25 vs 2023-24 Change in Percentage (%)	2023-24 vs 2022-23 Change in Values	2023-24 vs 2022-23 Change in Percentage (%)
<b>Fixed Assets</b>				
Goodwill & Intangible Assets	2,133,941	22	796,201	9
Property and Equipment	38,188,436	5	26,481,301	4
<b>Investment</b>				
Investment Properties	(2,049,961)	(3)	(4,225,116)	(5)
Investment in Associates	77,566,442	47	90,719,633	124
Other Investment	100,244,093	2	376,973,893	9
<b>Other Assets</b>				
Deferred Tax Assets	(15,434,266)	(21)	(19,970,803)	(22)
Reinsurance Assets	498,921,330	12	168,363,760	4
Current Tax Assets	(51,257,490)	(40)	123,204,042	2,082
Insurance Receivables	557,582,537	103	(383,610,659)	(41)
Other Assets	125,444,318	34	20,636,194	6
Other Financial Assets	58,700,484	8	123,766,620	21
Cash and Cash Equivalent	(20,014,856)	(14)	27,999,294	24
<b>Total Assets</b>	<b>1,370,025,009</b>	<b>12</b>	<b>551,134,360</b>	<b>5</b>
<b>Equity &amp; Liabilities</b>				
<b>Equity</b>				
Share Capital	268,151,700	10	-	-
Share Premium	-	-	-	-
Special Reserves	230,160,270	14	225,168,589	15
Catastrophe Reserves	23,016,027	17	22,516,859	19
Retained Earnings	(77,019,708)	(27)	198,052,678	221
Other Equity	5,991,917	1	27,909,665	5
<b>Liabilities</b>				
Provisions	16,894,887	13	24,486,668	18
Gross Insurance Contract Liabilities	657,416,425	13	231,855,528	0
Insurance Payable	(206,936,558)	(171)	93,428,767	1
Borrowings	69,201,486	47	(120,801,819)	(82)
Other Liabilities	(14,199,126)	(4)	30,747,299	8
Other Financial Liabilities	397,347,689	129	(182,229,873)	(59)
<b>Total Equity and Liabilities</b>	<b>1,370,025,009</b>	<b>12</b>	<b>551,134,360</b>	<b>5</b>

## HORIZONTAL ANALYSIS OF FINANCIAL STATEMENT

### Statement of Financial Performance

Particulars	2024-25 vs 2023-24 Change in Values	2024-25 vs 2023-24 Change in Percentage (%)	2023-24 vs 2022-23 Change in Values	2023-24 vs 2022-23 Change in Percentage (%)
<b>Income</b>				
Gross Earned Premiums	371,674,286	7.07	(38,017,202)	(1)
Premiums Ceded	(97,556,981)	(2.46)	41,898,973	1
<b>Net Earned Premiums</b>	<b>469,231,268</b>	<b>36.15</b>	<b>(79,916,175)</b>	<b>(6)</b>
Commission Income	(60,350,919)	(8.39)	73,919,132	11
Other Direct Income	(2,016,669)	(5.19)	25,463,642	191
Income from Investments & Loans	(82,538,414)	(24.49)	(38,363,781)	(10)
Net Gain/ (Loss) on Fair Value Changes	-		-	
Net Realised Gains/ (Losses)	26,255,512	(1,179.93)	14,334,823	(87)
Other Income	(42,945,300)	(82.79)	(615,470)	(1)
<b>Total Income</b>	<b>307,635,478</b>	<b>12.59</b>	<b>(5,177,829)</b>	<b>(0)</b>
<b>Expenses:</b>				
Gross Claims Paid	779,129,956	35	(426,168,923)	(16)
Claims Ceded	(670,862,521)	49	173,720,333	(11)
Gross Change in Contract Liability	420,587,376	551	432,033,399	(121)
Change in Contract Liability Ceded to Reinsurers	(371,143,235)	461	(369,088,126)	(128)
<b>Net Claims Incurred</b>	<b>157,711,575</b>	<b>18</b>	<b>(189,503,317)</b>	<b>(18)</b>
Commission Expenses	38,658,343	113	5,531,755	19
Service Fees	3,432,890	31	(364,542)	(3)
Other Direct Expenses	973,057	5	4,414,715	26
Employee Benefits Expenses	46,671,629	8	52,290,838	10
Depreciation and Amortization Expenses	4,112,917	8	11,619,719	32
Impairment Losses	(6,375,000)	(100)	(30,448,135)	(83)
Other Operating Expenses	39,556,260	17	9,704,174	4
Finance Cost	(12,646,075)	(39)	(9,136,179)	(22)
<b>Total Expenses</b>	<b>272,095,596</b>	<b>13.87</b>	<b>(145,890,972)</b>	<b>(7)</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>	<b>35,539,881</b>	<b>6</b>	<b>140,713,143</b>	<b>29</b>
Share of Net Profit of Associates accounted using Equity Method	272,834	93	333,035	(845)
<b>Profit Before Tax</b>	<b>35,812,715</b>	<b>6</b>	<b>141,046,178</b>	<b>29</b>
Income Tax Expense	29,109,098	16	(78,135,527)	(30)
<b>Net Profit/(Loss) For The Year</b>	<b>6,703,617</b>	<b>2</b>	<b>219,181,706</b>	<b>97</b>
Basic EPS	(1)	(8)	8	97
Diluted EPS	(1)	(8)	8	97

## VERTICAL ANALYSIS OF FINANCIAL STATEMENT

### Statement of Financial Position

Particulars	2024-25 vs 2019-20 Change in percentage (%)	2023-24 vs 2019-20 Change in percentage (%)	2022-23 vs 2019-20 Change in percentage (%)	2021-22 vs 2019-20 Change in percentage (%)	2020-21. vs 2019-20 Change in percentage (%)
<b>Fixed Assets</b>					
Goodwill & Intangible Assets	1,259	1,014	923	14	(100)
Property and Equipment	22	16	12	25	6
<b>Investment</b>					
Investment Properties	100	100	100.00	-	-
Investment in Associates	204	106	(8)	(33)	(33)
Other Investment	54	50	38	31	4
<b>Other Assets</b>					
Deferred Tax Assets	(25)	(4)	22	71	19
Reinsurance Assets	119	95	87	103	78
Current Tax Assets	15	91	(91)	48	(3)
Insurance Receivables	(10)	(55)	(24)	(30)	(35)
Other Assets	117	61	52	76	64
Other Financial Assets	419	380	298	174	71
Cash and Cash Equivalent	(77)	(73)	(78)	(41)	(35)
<b>Total Assets</b>	<b>60</b>	<b>43</b>	<b>36</b>	<b>39</b>	<b>17</b>
<b>Equity &amp; Liabilities</b>					
<b>Equity</b>					
Share Capital	176	151	151	116	66
Share Application Money Pending Allotment	(100)	(100)	(100)	(100)	(100)
Share Premium	-	-	-	100	100
Special Reserves	81	60	38	26	15
Catastrophe Reserves	22	4	(13)	(5)	(16)
Retained Earnings	(51)	(33)	(79)	(36)	(56)
Other Equity	32	31	25	14	6
<b>Liabilities</b>					
Provisions	13	2	(14)	13	(22)
Gross Insurance Contract Liabilities	90	69	61	72	53
Insurance Payable	(99)	(78)	(88)	(75)	(86)
Borrowings	(48)	(85)	(19)	9	18
Other Liabilities	297	311	280	336	(16)
Other Financial Liabilities	132	(44)	37	(51)	30
<b>Total Equity and Liabilities</b>	<b>60</b>	<b>43</b>	<b>36</b>	<b>39</b>	<b>17</b>

## STATEMENT OF FINANCIAL PERFORMANCE

### Statement of Financial Performance

Particulars	2024-25 vs 2019-20 Change in percentage (%)	2023-24 vs 2019-20 Change in percentage (%)	2022-23 vs 2019-20 Change in percentage (%)	2021-22 vs 2019-20 Change in percentage (%)	2020-21 vs 2019-20 Change in percentage (%)
Gross Earned Premiums	70	59	60	33	14
Premiums Ceded	(284)	(289)	(287)	(251)	24
<b>Net Earned Premiums</b>	<b>46</b>	<b>7</b>	<b>14</b>	<b>2</b>	<b>(4)</b>
Commission Income	22	34	20	24	(8)
Other Direct Income	100	100	100	100	-
Income from Investments & Loans	(7)	23	37	(5)	(11)
Net Gain/ (Loss) on Fair Value Changes	(100)	(100)	(100)	(100)	1,423
Net Realised Gains/ (Losses)	31	(112)	(190)	(82)	324
Other Income	339	2,452	2,482	2,615	1,485
<b>Total Income</b>	<b>35</b>	<b>20</b>	<b>20</b>	<b>9</b>	<b>(0)</b>
<b>Expenses:</b>					
Gross Claims Paid	82	35	61	43	32
Claims Ceded	155	71	93	66	63
Gross Change in Contract Liability	(893)	(222)	468	(260)	(2,510)
Change in Contract Liability Ceded to Reinsurers	4,175	663	(2,831)	568	13,951
<b>Net Claims Incurred</b>	<b>30</b>	<b>10</b>	<b>34</b>	<b>36</b>	<b>17</b>
Commission Expenses	144	15	(4)	(11)	15
Service Fees	28	(2)	1	11	3
Other Direct Expenses	100	100	100	100	-
Employee Benefits Expenses	54	43	30	18	2
Depreciation and Amortization Expenses	191	169	104	81	12
Impairment Losses	-	100	100	100	100
Other Operating Expenses	68	44	38	8	12
Finance Cost	(6)	55	100	16	(57)
<b>Total Expenses</b>	<b>47</b>	<b>27</b>	<b>38</b>	<b>30</b>	<b>12</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>	<b>7</b>	<b>2</b>	<b>(21)</b>	<b>(38)</b>	<b>(28)</b>
Share of Net Profit of Associates accounted using Equity Method	(101)	(100)	(100)	(100)	(92)
<b>Profit Before Tax</b>	<b>20</b>	<b>13</b>	<b>(12)</b>	<b>(31)</b>	<b>(20)</b>
Income Tax Expense	45	25	79	(26)	(11)
<b>Net Profit/(Loss) For The Year</b>	<b>10</b>	<b>9</b>	<b>(45)</b>	<b>(33)</b>	<b>(24)</b>
<b>Earning Per Share</b>					
Basic EPS	(60)	(57)	(78)	(63)	(53)
Diluted EPS	(49)	(45)	(72)	(52)	(40)

## VALUE ADDED STATEMENT

Value added statement of the company shows the total value (wealth) created and how it was distributed to the shareholders, employees, government, community and the portion retained for the continued operation and expansion of the company, while the income statements report on the income to the shareholders.

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 16th July 2025

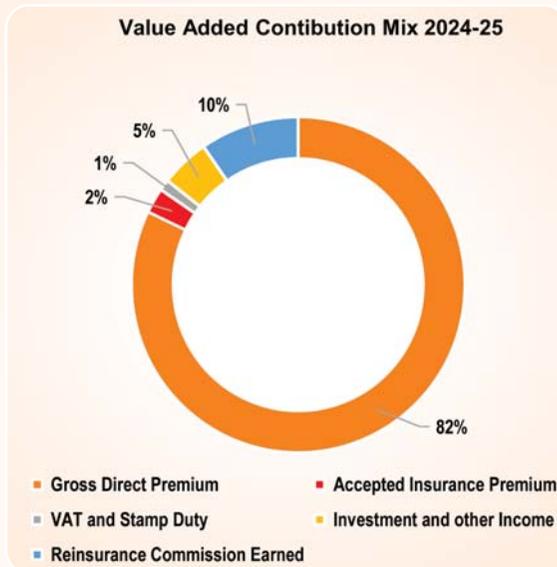
S.N.	Value Added Particulars	2024-25		2023-24		Increased/ (Decreased in 2024-25)	%
		Amount	%	Amount	%		
1	Gross Direct Premium	5,623,283,156	82	5,268,884,546	75	354,398,610	7
2	Accepted Insurance Premium	167,164,384	2	144,915,186	2	22,249,198	15
3	VAT and Stamp Duty	73,182,636	1	497,239,637	7	(424,057,001)	(85)
4	Investment and other Income	324,826,102	5	425,798,139	6	(100,972,037)	(24)
5	Reinsurance Commission Earned	659,375,996	10	719,726,915	10	(60,350,919)	(8)
	<b>Total Value Added During the Year</b>	<b>6,847,832,274</b>	<b>100</b>	<b>7,056,564,423</b>	<b>100</b>	<b>(208,732,149)</b>	<b>(3)</b>

### APPLICATION OF FUND

For the Year Ended 16th July 2025

S.N.	Value added contribution to/ Application of value added Particulars	2024-25		2023-24		Increased/ (Decreased in 2024-25)	%
		Amount	%	Amount	%		
<b>A</b>	<b>Employee Expenses</b>						
	Salary and Allowances	366,471,733	60	345,168,434	61	21,303,299	6
	Training Expenses	12,990,217	2	9,696,340	2	3,293,877	34
	Festival Allowances	29,327,403	5	27,624,931	5	1,702,472	6
	Other Allowances	132,526,968	22	123,102,952	22	9,424,016	8
	Bonus	73,666,927	12	62,718,962	11	10,947,965	17
	<b>Sub-total</b>	<b>614,983,248</b>	<b>100</b>	<b>568,311,619</b>	<b>100</b>	<b>46,671,629</b>	<b>8</b>
<b>B</b>	<b>Management Expenses</b>						
	Reinsurance Cost	3,909,997,493	72	4,048,140,140	77	(138,142,647)	(3)
	Change in Unearned Premium Reserve	113,341,890	2	67,782,701	1	45,559,189	67
	Management Expenses	292,246,556	5	251,717,239	5	40,529,317	16
	Provision	-	-	6,375,000	0	(6,375,000)	(100)
	Commission Expenses	72,996,826	1	34,338,483	1	38,658,343	113
	Net Claims Incurred	1,021,317,745	19	863,606,169	16	157,711,575	18
	<b>Sub-total</b>	<b>5,409,900,509</b>	<b>100</b>	<b>5,271,959,732</b>	<b>100</b>	<b>137,940,777</b>	<b>3</b>
<b>C</b>	<b>Government</b>						
	Service Fee	14,592,405	5	11,159,515	2	3,432,890	(1)
	Corporate Tax Paid	210,991,707	71	181,882,609	26	29,109,098	(7)
	Vat and Stamp Duty	73,182,636	24	497,239,637	72	(424,057,001)	108
	<b>Sub-total</b>	<b>298,766,748</b>	<b>100</b>	<b>690,281,761</b>	<b>100</b>	<b>(391,515,013)</b>	<b>(57)</b>
<b>D</b>	<b>Providers to Capital</b>						
	Interest on loan and debenture	19,588,102	9	32,234,177	14	(12,646,075)	(39)
	Dividend to shareholders	-	-	-	-	-	-
	Retained Earning	194,231,135	91	193,118,202	86	1,112,933	-
	<b>Sub-total</b>	<b>213,819,237</b>	<b>100</b>	<b>225,352,379</b>	<b>100</b>	<b>(11,533,142)</b>	<b>(5)</b>
<b>E</b>	<b>Company-For Expansion and Growth</b>						
	Depreciation	52,583,030	17	48,470,113	16	4,112,917	8
	Other Reserves	257,779,502	83	252,188,819	84	5,590,683	2
	Net Profits	-	-	-	-	-	-
	<b>Sub-total</b>	<b>310,362,532</b>	<b>100</b>	<b>300,658,932</b>	<b>100</b>	<b>9,703,600</b>	<b>3</b>
	<b>Total Distribution and Growth (A+B+C+D)</b>	<b>6,847,832,274</b>	<b>-</b>	<b>7,056,564,423</b>	<b>-</b>	<b>(208,732,149)</b>	<b>(3)</b>

## VALUE ADDED CONTRIBUTION MIX 2024-25



The value-added contribution mix for FY 2024–25 indicates that the company’s value creation is predominantly driven by its core insurance operations. Gross Direct Premium accounts for 82% of the total contribution, highlighting the company’s strong focus on direct underwriting activities and its ability to generate value primarily through its principal line of business.

This high proportion reflects a stable premium base, effective market presence, and consistent operational performance.

The reinsurance commission earned contributes 10% to the overall mix, demonstrating the effective use of reinsurance arrangements as both a risk management tool and a supplementary income source. Investment and other income represent 5% of the value added, providing diversification beyond underwriting activities and contributing to financial stability, although it remains a secondary source compared to premium-related income. The accepted premium insurance and other activities contribute 3%, indicating that these activities play a relatively limited role in the company’s overall value creation strategy.

Overall, the contribution mix for FY 2024–25 reflects a business model that is strongly centered on direct insurance operations, supported by reinsurance income and modest investment returns. The structure suggests a stable and sustainable value creation profile, with opportunities to further strengthen income diversification while maintaining the company’s core underwriting focus.

## MARKET VALUE ADDED STATEMENT

Market Value Added (MVA) is the difference between the market value of the company and the capital contributed by the shareholders. The positive market value added shows that the management has generated wealth above the fund invested by the investors.

Particulars	FY 2024-25	FY 2023-24
Market price per share (NPR)	774	723
No of Shares	29,230,990	26,549,473
Total Market Value (Amount in crores)	2,261	1,920
Total Book Value (Amount in crores)	581	536
Book value per share (NPR)	199	202
Market value added per share	575	521
<b>Total Market Value Added (Amount in crores)</b>	<b>1,680</b>	<b>1,383</b>



# STRATEGIC PLAN AND DEVELOPMENT

## STRATEGIC PLAN AND DEVELOPMENT

### Short-Term Plan

In the short term, Shikhar Insurance is focused on several key strategies designed to strengthen its operational foundation and improve customer experience. These strategies are primarily aimed at building internal capacity, optimizing processes, and leveraging technology for immediate impact.

**a. NFRS 17 Implementation:** In accordance with regulatory requirements, insurance companies are now mandated to prepare and disclose their financial statements in compliance with NFRS 17 starting from the fiscal year 2025-26. Demonstrating its commitment to transparency and regulatory adherence, Shikhar Insurance has already taken proactive steps by publishing its first quarterly financial statement aligned with NFRS 17. Furthermore, the company has outlined plans to prepare and release its annual financial statements for the fiscal year 2025-26, ensuring that these documents meet the full compliance standards of both NFRS 17 and NFRS 9.

**b. ORSA Implementation:** Shikhar Insurance is placing a strong emphasis on the implementation of the Own Risk and Solvency Assessment (ORSA) framework, in alignment with the directives set forth by the NIA. Through the adoption of the ORSA framework, the company seeks to strengthen its ability to identify, assess, and manage risks across all operations. By embedding ORSA into its processes, Shikhar Insurance ensures that its capital and solvency needs are not only met but also addressed proactively. This commitment to ORSA supports continuous regulatory compliance while also enhancing the organization's overall risk governance structure, providing a more resilient foundation for future growth and stability.



**c. Strengthening Reinsurance Management:** Shikhar Insurance is optimizing reinsurance management by reviewing treaties, building strong relationships with reputable reinsurers, and diversifying partners to secure favorable terms. These initiatives aim to ensure effective risk transfer, protect against major losses, and support growth in a dynamic market. Additionally, we plan to obtain excess of loss protection for RSMDT risk.

**d. Market Expansion and Product Innovation:** Shikhar Insurance aims to significantly increase its market share by expanding into new geographical areas and customer segments. To enhance market share and increase insurance penetration, Shikhar Insurance is implementing plans to open new branch offices and introduce digital channels for service delivery. The company will focus on penetrating underserved markets and introducing innovative insurance products tailored to changing customer needs, such as micro-insurance, health and wellness products, and coverage for emerging risks. An independent research and development department will play a key role in identifying trends and bringing 2-3 new products to market each year, ensuring the company remains ahead of competitors.

**e. Enhancement of IT Infrastructure:** The company is investing in upgrading its IT systems and recruiting skilled personnel for its IT department. This enables faster adoption of digital

tools, improved data management, and enhanced cybersecurity, which are crucial for supporting daily operations and preparing for future digital transformation initiatives.

**f. Strengthening Claim Management:**

Shikhar Insurance has allocated dedicated staff to the claims department and empowered provincial and branch offices with authority to process and approve claims. By doing so, the company aims to reduce claim turnaround times, streamline workflows, and deliver quicker, more efficient service to policyholders.

**g. Risk Management Capacity Building:**

The company is actively recruiting experienced professionals and investing in ongoing training for its risk management team. Additional focus is placed on cybersecurity measures and enlisting actuarial expertise to safeguard the company’s solvency and proactively address new and emerging risks.

**h. Continuous Human Resource Development:**

Shikhar Insurance is prioritizing continuous human resource development as a key short-term initiative. The company is investing in regular employee training programs, skill-building workshops, and cross-functional learning opportunities to enhance staff capabilities and support operational excellence. By fostering a culture of ongoing professional growth, Shikhar Insurance aims to ensure its workforce remains agile, knowledgeable, and prepared for evolving industry demands.

Collectively, these short-term strategies are designed to create a robust platform for growth, improve operational efficiency, and position Shikhar Insurance as a leader in the market. By focusing on technology, people, and process optimization, the company is setting the stage for successful execution of its medium- and long-term goals.

**Medium- and Long-Term Plan**

In addition to its short-term plan and strategies, Shikhar Insurance has established comprehensive medium- and long-term strategies aimed at sustaining growth, strengthening competitiveness, and ensuring resilience in a rapidly evolving insurance landscape. These strategies are designed to



build on the operational foundation laid in the short term and to achieve ambitious objectives over the next several years.

**a. Digital Transformation:**

Over the medium and long term, Shikhar Insurance is committed to a complete digital transformation of its operations. This includes automating core business processes, integrating advanced analytics for better decision-making, and deploying artificial intelligence and machine learning tools to enhance underwriting, pricing, and customer service. The company aims to create a seamless digital experience for both customers and employees, leveraging mobile apps, online platforms, and cloud-based solutions. By investing in digital capabilities, Shikhar Insurance seeks to improve efficiency, reduce operational costs, and meet the evolving expectations of tech-savvy customers.

**b. Claim Management Excellence:**

In the long run, the company plans to further streamline the claims process by adopting sophisticated claims management systems, utilizing data analytics to detect fraud, and continuously refining workflows for faster settlements. Shikhar Insurance will focus on predictive analytics to anticipate claim trends and proactively address potential issues. The integration of digital tools will also enable real-time tracking of claims, improving transparency for policyholders and enhancing customer satisfaction.

**c. Comprehensive Risk Management:**

Shikhar Insurance envisions a robust, forward-looking risk management framework that not only addresses current risks but is agile enough to respond to emerging threats such as cyberattacks, climate change, and evolving regulatory requirements. This

includes regular scenario analysis, stress testing, and the adoption of enterprise risk management systems. The company will continue to invest in developing leadership in risk management, recruiting specialized talent, and fostering a culture of risk awareness throughout the organization.

**d. Talent Development and Organizational Excellence:**

Recognizing that people are at the core of its success, the company's medium- and long-term strategies include ongoing investment in employee training, leadership development, and succession planning. Shikhar Insurance will foster a culture of continuous improvement, innovation, and ethical business practices to attract and retain top talent. The company also intends to promote diversity and inclusion, ensuring a dynamic and resilient workforce for the future.

**e. Customer-Centric Approach:**

Long-term success will be driven by a steadfast commitment to customer satisfaction. Shikhar Insurance plans to implement advanced customer relationship management (CRM) systems, personalize product offerings, and actively seek customer feedback to refine its services. The company aspires to set new standards for customer experience within the insurance industry.

**f. ESG Integration and Long-Term Sustainability:**

As part of its long-term strategy, Shikhar Insurance

is committed to embedding Environmental, Social, and Governance (ESG) principles into every aspect of its operations. The company aims to minimize environmental impact by adopting green practices, promoting resource efficiency, and supporting sustainable investments. Social responsibility is emphasized through community engagement, financial inclusion initiatives, and the development of products that address the unique needs of vulnerable populations. Governance is strengthened by upholding transparency, ethical business conduct, and robust compliance frameworks.

**g. Multi-Channel Growth Strategy:**

As part of its long-term vision, Shikhar Insurance is committed to a multi-channel growth strategy designed to maximize reach and accessibility for diverse customer segments. In addition, the company will aggressively grow its digital footprint by enhancing online platforms, mobile applications, and leveraging social media and digital marketing to engage tech-savvy customers.

Through these medium- and long-term strategies, Shikhar Insurance positions itself not just as a market leader, but as a forward-thinking company capable of adapting to industry changes, managing risks proactively, and delivering sustained value to its stakeholders.

## COMPANY'S STRATEGY FOR INSURANCE DEVELOPMENT, INSURANCE PRODUCTS AND INSURANCE SERVICES

In the ever-evolving landscape of the insurance industry, Shikhar Insurance must continuously innovate and adapt to meet the needs of their clients while staying ahead of the competition. Following strategies shall be applied to ensure sustained growth, customer satisfaction, and market leadership.

### Insurance Development Strategy

- Conduct market research and trend analysis to understand customer needs, industry shifts, and emerging opportunities both nationally and globally.
- Leverage advanced data analytics and scenario planning to identify potential threats and areas for growth, ensuring the company remains agile and forward-thinking.
- working closely with local government bodies. By collaborating with regulators and municipal agencies, the company tailors its products and services to meet community needs and align with public policy.
- Foster strategic partnerships with key sectors such as healthcare and automotive to expand the scope and reach of insurance offerings.
- Expanding the reach of Ghumti Beema Program

### Insurance Products Strategy

- Cooperation with international development organizations and regulatory bodies for new products to promote financial inclusion
- Develop new and customized insurance products tailored to the evolving demands of the economy and niche segments, including underserved communities.
- Incorporate innovation and technology in product design, such as digital platforms, artificial intelligence, and machine learning for improved underwriting and risk assessment.
- Introduce insurance products that address specific needs, including financial inclusion and protection for vulnerable populations, while ensuring compliance with ESG principles.

### Insurance Services Strategy

- Strengthen customer service through ongoing training, development, and the provision of 24/7

support across multiple channels to enhance overall customer experience.

- Simplify and digitize the claims process using artificial intelligence, machine learning, and real-time tracking for faster settlements and improved transparency.
- Enhance value-added services, such as personalized product offerings and continuous feedback integration, to exceed customer expectations and foster loyalty.
- Utilize advanced CRM systems to deepen customer relationships and deliver seamless, efficient service interactions.

### Review of the future business prospects

The insurance industry in Nepal has undergone significant evolution since its inception. Over the decades, the industry expanded with the entry of new insurers and the gradual introduction of diverse insurance products. As economic development accelerated, rising awareness of risk management, financial inclusion initiatives, and urbanization fueled growth in insurance demand. Modern reforms have focused on digitization, compliance, and innovative product development, positioning the industry for continued expansion and adaptation to emerging risks and customer needs.

The Nepalese insurance industry stands at a pivotal juncture, poised for significant transformation and growth in the coming years. The sector has experienced steady expansion driven by rising awareness about risk management, increasing urbanization, and the government's commitment to financial inclusion. Further, the competitive dynamics of the insurance industry have been changed after mergers of few companies.

The introduction of the new Insurance Act and updated insurance regulations in Nepal has had a profound impact on the insurance business landscape. These legislative changes have strengthened regulatory oversight, raising standards for transparency, solvency, and corporate governance among insurance companies. The implementation of NFRS 17 and ORSA will also have a considerable impact on the operation of the insurance companies.

In FY 2024-25, industry premiums rose to Rs. 44 billion, marking an 8% growth, the highest since the COVID

pandemic. Despite slower economic activity and excess liquidity in the banking sector, growth remains steady. However, declining fixed deposit interest rates due to surplus liquidity have significantly reduced the company's investment returns. It seems that this run will continue for few more years resulting in significant deterioration in investment returns in coming years.

Furthermore, the incidents occurred in the past years will also have a significant impact on the Nepalese Insurance Industry.

**Gen Z RSMDT Claims:** Recent Gen Z RSMDT (Riot, Strike, Malicious Damage and Terrorism) claims highlights shifting of risk profiles and exposure of socio-political disruptions. Even though this has increased further awareness among the public regarding the necessity of insurance protection, this may drive insurers to review underwriting strategies, review premium amount, change reinsurance strategy for the RSMDT risk.

**Flood Claims:** The frequency and severity of flood-related claims have been rising, largely due to climate change and erratic weather patterns. These claims place significant pressure on insurers' reserves and may prompt the industry to recalibrate pricing models, enhance disaster risk assessment, and encourage greater uptake of catastrophe insurance products.

**Economic Condition:** Nepal's ongoing economic challenges, such as inflation, fluctuating GDP growth, and unemployment, directly influence the purchasing power of customers and their ability to pay premiums. Economic uncertainty can lead to a slowdown in new business, increased policy lapses, and heightened claims ratios, requiring insurers to adopt agile business models, strengthen risk management, and focus on operational efficiency.

**Global Re-insurance scenario:** The global reinsurance market has experienced considerable volatility in recent years, driven by the increasing frequency of natural disasters, geopolitical tensions, and economic uncertainty. Major reinsurers have responded by tightening underwriting standards, raising premiums, and recalibrating their risk appetite for catastrophe-prone regions. Emerging risks such as climate change, cyber threats, and pandemic exposures are prompting reinsurers to develop innovative products and reconsider traditional risk transfer mechanisms.

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

Ongoing digital transformation is set to shape the insurance industry's future achievements. By adopting digital platforms for policy underwriting, customer support, and claims handling, insurers can boost both efficiency and satisfaction levels among clients. Incorporating advanced technologies like artificial intelligence, machine learning, and big data analytics is poised to transform general insurance. With these innovations, insurers will be able to customize their offerings, refine risk evaluation, deliver better customer experiences, and optimize their operations.

### Collaborative Efforts

Effective collaboration among government entities, the private sector, and international organizations is essential for addressing challenges and capitalizing on opportunities within the insurance market. Coordinated initiatives can contribute to enhancing regulatory frameworks, advancing insurance literacy, and fostering sustainable growth. The establishment of robust and supportive regulatory systems will be instrumental in determining the industry's future trajectory.

### Customer-Centric Approach

Insurers must adopt a customer-centric approach to remain competitive. Success will depend on understanding client needs, offering flexible options, and delivering superior service. Building strong relationships and enhancing value are essential for retaining and attracting customers.

### Innovation and Product Diversification

Innovation is key to industry growth. Creating insurance products for changing consumer needs will generate new opportunities. Insurers should target niche markets with customised solutions for small businesses, agriculture, and health.

### Education and Awareness

It is essential to advance education and awareness regarding insurance. Programs focused on increasing financial literacy and comprehension of insurance products can play a pivotal role in fostering consumer trust and promoting informed decision-making.

## EFFECT OF EXTERNAL ENVIRONMENT ON THE COMPANY'S BUSINESS

The general insurance industry in Nepal, much like its counterparts globally, is shaped by a range of external environmental factors. The external environment has a powerful influence on a company's operations, strategic planning, and overall success. Major elements of the external environment include:

### Political Situation

Political developments in Nepal play a major role in shaping the insurance industry. When politics are unstable, the resulting uncertainty can decrease consumer trust and slow down investments. For Shikhar Insurance, regular shifts in government policies and regulations mean they must quickly adjust their strategies and meet new requirements, adding to both operational challenges and costs. Economic disruptions during these unstable periods can also reduce interest in buying insurance, as people and businesses often postpone or cut back on coverage. On the other hand, when the political climate is stable, the insurance market tends to thrive—with greater investor confidence, increased economic activity, and better opportunities for the company to launch new products and grow its customer base.

### Economic Conditions

The current economic condition in Nepal presents both challenges and opportunities for Shikhar Insurance. In recent years, the Nepalese economy has faced significant headwinds, including the aftermath of the COVID-19 pandemic and instability within the banking and cooperative sectors. These factors have led to reduced consumer spending, making it difficult for insurance companies to expand their customer base and grow premium income. Volatile inflation rates have also impacted the industry, as rising costs reduce disposable income and dampen demand for insurance products. However, periods of economic recovery can encourage higher investment and create new opportunities for product innovation and market expansion, allowing Shikhar Insurance to adapt and offer solutions tailored to emerging needs.

### Interest Rates

Interest rates play a critical role in shaping the financial performance of Shikhar Insurance. As a significant portion of the company's investments are required to be placed in fixed deposits with commercial banks,

fluctuations in interest rates directly influence the investment returns that the company can earn. When interest rates are low, Shikhar Insurance faces reduced investment income, which can negatively impact overall profitability and limit resources available for growth and innovation. Conversely, higher interest rates enhance investment yields, strengthening the company's financial position and enabling greater flexibility in offering competitive insurance products to customers.

### Change in Regulatory Environment

In recent years, the regulatory framework governing the insurance sector in Nepal has undergone significant changes that directly impact the business operations of Shikhar Insurance. The enactment of the new Insurance Act and the corresponding Insurance Regulation has introduced stricter compliance requirements, enhanced corporate governance standards, and more rigorous risk management protocols. Additionally, the Nepal Insurance Authority has issued several directives aimed at all verticals of the insurance operation. As a result, Shikhar Insurance must adapt its strategies to remain compliant, often investing in staff training and technology upgrades to meet evolving standards. While these changes can increase operational costs and complexity, they also foster a more resilient and trustworthy insurance industry, ultimately benefiting both the company and its customers.

In addition to the NIA, Shikhar Insurance is also subject to the regulations of the Securities Board of Nepal (SEBON), the Nepal Stock Exchange (NEPSE), the Inland Revenue Department (IRD), and the Company Registrar's Office (CRO), as well as accounting standards set by the national accounting standard board.

Compliance with this comprehensive regulatory framework requires Shikhar Insurance to maintain transparent accounting, accurate financial reporting, and rigorous internal controls. Regulatory changes can lead to additional operational costs and necessitate frequent adjustments in company policies and procedures. However, a robust regulatory environment also enhances consumer confidence in the insurance industry, supporting long-term growth and the stability of businesses like Shikhar Insurance.

### Government Policies

Government policies have a profound influence on the business operations of Shikhar Insurance. Policies related to taxation, investment regulations, and insurance sector reforms can alter the competitive landscape, requiring the company to adjust its offerings and compliance strategies. Additionally, incentives or subsidies introduced by the government for specific types of insurance, such as agricultural or health insurance, can open up new markets and drive business growth. The company must stay vigilant and responsive to policy changes to maintain compliance and leverage emerging opportunities.

### Technological Advancements

Technological advancements have had a transformative impact on the business operations of Shikhar Insurance. The adoption of digital platforms and automation tools has streamlined policy issuance, premium collection, and claims processing, resulting in greater efficiency and improved customer satisfaction. Enhanced data analytics and artificial intelligence enable the company to better assess risks, personalize insurance products, and detect fraudulent activities more effectively. Furthermore, the integration of mobile applications and online customer service portals has expanded Shikhar Insurance's reach, making it easier for customers to access information and manage their policies remotely. However, these advancements also require continuous investment in cybersecurity infrastructure to safeguard sensitive data and maintain regulatory compliance. By embracing innovation, Shikhar Insurance is better positioned to respond to evolving market demands and enhance its competitive edge in the insurance sector.

### Natural Calamities

Natural calamities pose significant challenges to the business operations of an insurance company in Nepal. Events such as earthquakes, floods, and landslides can lead to a surge in claims, which may strain the company's financial resources and impact profitability. To mitigate these risks, Shikhar Insurance must adopt

comprehensive risk assessment strategies and maintain adequate reinsurance coverage to ensure the stability and resilience of its operations. Additionally, the company needs to continually update its policies and risk models to reflect changing environmental conditions and improve its ability to serve affected customers efficiently.

### Competitive Dynamics

Competitive dynamics play a crucial role in shaping the strategic direction and market performance of Shikhar Insurance. The company operates in an environment where numerous insurance providers vie for market share, driving innovation and compelling firms to differentiate their products and services. Intense competition encourages Shikhar Insurance to enhance customer experience, invest in technology, and develop tailored insurance solutions that meet evolving client needs. As the industry continues to evolve, adaptability and a proactive approach to market trends are essential for sustaining long-term success.

### International Reinsurance Market

The international reinsurance market plays a crucial role in shaping the operational landscape of Shikhar Insurance. By partnering with global reinsurers, Shikhar Insurance is able to transfer portions of its risk exposure, particularly for large or catastrophic events, thereby safeguarding its financial stability. Fluctuations in global reinsurance capacity, pricing, and terms—often driven by worldwide natural disasters, regulatory changes, or macroeconomic trends—directly affect the cost and availability of coverage for Shikhar Insurance. As the international market evolves, the company must continuously adapt its risk management strategies and product offerings to remain competitive and resilient. Access to strong reinsurance partners also enhances Shikhar Insurance's credibility, enabling it to underwrite more diverse and higher-value policies with greater confidence.



# SUSTAINABILITY AND CLIMATE RELATED DISCLOSURE

## SUSTAINABILITY AND CLIMATE RELATED DISCLOSURE

Shikhar Insurance is committed to advancing sustainability and responsible business practices by embedding Environmental, Social, and Governance (ESG) principles at the core of our operations. Our efforts encompass environmental stewardship, social responsibility, and robust governance, positioning Shikhar Insurance as a trusted leader in sustainable insurance solutions.

Shikhar Insurance recognizes the importance of minimizing our environmental footprint. We have implemented energy-efficient practices across our offices, adopted digital solutions to reduce paper usage, and promoted responsible resource consumption. Our procurement policies prioritize environmentally friendly products and services, discouraging single use plastic material and we actively encourage partners and suppliers to adhere to similar standards.

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:

### Governance

At Shikhar Insurance, the governance structure is designed to embed sustainability, Environmental, Social, and Governance (ESG) principles, and climate risk management into every level of organizational oversight and decision-making. The Board of Directors plays a central role in setting the company's strategic direction and ensuring that sustainability and ESG objectives are integrated into core business strategies. The board maintains a balanced composition, incorporating members with expertise in sustainability, risk management, insurance operations, and ethical business practices.

The Risk Management Committee focuses on identifying, assessing, and mitigating climate-related and other emerging risks. Through rigorous oversight, the committee ensures that climate risk is incorporated into the company's enterprise risk management

framework. This includes scenario analysis, stress testing, and the integration of climate risk factors into underwriting and investment decisions. The committee collaborates closely with operational teams to embed risk awareness throughout the organization.

Transparency and accountability are reinforced through regular board and committee reporting, external audits, and stakeholder engagement. The governance framework mandates clear delineation of roles and responsibilities at all levels, ensuring that sustainability and climate risk objectives are actionable and measurable. Cross-functional teams, including representatives from compliance, operations, and product development, work together to implement ESG initiatives and monitor progress.

### Ethical Practices and Compliance

Shikhar Insurance upholds the highest standards of ethical practices and compliance as fundamental pillars of our Environmental, Social, and Governance (ESG) framework and climate risk management strategy. We are dedicated to ensuring that all business operations adhere to relevant laws, regulations, and industry best practices, particularly as they relate to environmental responsibility and transparent governance. Our Code of Conduct explicitly addresses ESG considerations, guiding employees to make decisions that reflect our commitment to sustainability, fairness, and accountability.

Compliance programs are continuously updated to reflect evolving regulatory requirements and industry standards. We maintain robust internal controls, conduct periodic audits, and offer confidential reporting channels for ethical concerns, thereby fostering a culture where transparency and responsible business conduct are integral to our success. This approach not only mitigates risks but also builds stakeholder trust, positioning Shikhar Insurance as a leader in ethical and sustainable insurance practices.

### ESG Integration

Shikhar Insurance demonstrates a strong commitment to Environmental, Social, and Governance (ESG) integration, embedding these principles into its business strategy and daily operations. The company's approach ensures that sustainability is not only a guiding value but also a practical consideration in decision-making

processes across all departments. ESG assessments are systematically incorporated into product development, underwriting, and investment activities to align business growth with long-term environmental and social responsibility. This holistic integration of ESG not only supports risk management and regulatory compliance but also enhances the company's reputation as a responsible and forward-thinking insurer.

### 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 implemented following initiatives:

- Installation of 40KW solar electricity panels at the corporate office of Shikhar Insurance
- 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.
- Discouraging use of single use plastic materials

### Product and Services

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.

### Diversity and Inclusion

Diversity and inclusion are integral to our culture. We have established policies promoting equal opportunity, fair recruitment, and anti-discrimination. Training programs foster awareness and inclusivity, helping to build a workforce that reflects the diversity of our clients and communities. Out of total workforce of Shikhar

Insurance 40% are female staff and Shikhar Insurance promotes more diverse and inclusive workforce. Shikhar Insurance supports for the dignified workplaces for all staff of the company.

### Sustainable 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 areas such as hydroelectricity projects, power transmission projects, grain warehousing, and other infrastructure projects 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. To strengthen its resilience against climate change risks, Shikhar Insurance has established robust reinsurance arrangements with reputable international reinsurers. These partnerships enable the company to transfer a portion of its exposure to catastrophic events, such as floods and severe weather, ensuring financial stability and prompt claims settlement for affected clients.

### Collaborative Partnerships

We have Collaborated 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. Shikhar Insurance developed index based apple insurance in partnership with UKAid and index based flood insurance in partnership with ISF Germany.

### Community Engagement

Shikhar Insurance actively invests in community development through educational outreach, disaster relief support, and partnerships with local organizations. Our commitment extends to financial literacy programs and initiatives that promote social well-being, especially among underserved groups.

### Challenges and Opportunities

Shikhar Insurance faces challenges such as evolving regulatory requirements, climate-related risks, and the need for ongoing stakeholder engagement. However, these challenges present opportunities to innovate, strengthen our risk management, and differentiate our offerings. Future plans include expanding green insurance products, enhancing data transparency, and deepening community partnerships.

## COMPANY'S INITIATIVES FOR STAFF WELFARE

We prioritize a safe, inclusive, and supportive workplace. Comprehensive health and wellness programs, professional development opportunities, and a focus on work-life balance are central to our employee value proposition.

### 1. Health, safety and wellbeing

- a. To ensure a safe and healthy work environment, Shikhar Insurance has established a dedicated team responsible for monitoring and reviewing workplace safety standards.
- b. Shikhar Insurance is committed to supporting the health and well-being of its female employees. As part of our staff welfare initiatives, all female employees are entitled to one day of menstruation leave each month. In addition to menstruation leave, sanitary pads are made available on office premises.
- c. Shikhar Insurance ensures that staff members have access to essential amenities that contribute to their overall comfort and well-being at work. One of the key facilities provided is a dedicated canteen, offering employees a convenient space to take breaks and enjoy meals during their workday.
- d. Shikhar Insurance has established a dedicated room equipped with basic medical facilities to support the health and comfort of employees. This space is specifically available for staff members who may feel unwell during the workday and require a place to rest and recover.
- e. Office workspace is well-designed, healthy, and properly maintained. We ensure that the physical environment supports employee well-being and comfort, contributing to a positive and productive atmosphere.
- f. Shikhar Insurance goes beyond the standard requirements set by labor laws by providing employees with additional leave benefits.

### 2. Employee Benefits and Welfare

- a. In addition to the standard Social Security Fund (SSF) benefits, Shikhar Insurance provides supplementary medical and personal accident insurance coverage for all employees.
- b. As part of the company's commitment to employee welfare, Shikhar Insurance provides every regular staff member with an endowment life insurance benefit valued at Rs. 5 lakhs.

- c. All staff members at Shikhar Insurance are provided with a competitive salary structure, ensuring fair compensation for their roles and responsibilities.

### 3. Professional Development and Growth

Shikhar Insurance is dedicated to empowering employees and enhancing their professional skills through regular training programs. These initiatives are designed to build individual capabilities, foster personal growth, and support career advancement within the organization. By investing in continuous learning and development, Shikhar Insurance ensures that staff members are equipped with the knowledge and competencies needed to excel in their roles and adapt to evolving industry standards.

### 4. Diversity, Equity and Inclusion

Shikhar Insurance is committed to fostering a workplace that values and respects the diverse backgrounds, religious beliefs, cultures, and traditions of all employees. The company recognizes the importance of creating an environment where every individual feels welcomed and respected, regardless of their personal or cultural differences.

Women represent approximately 40% of Shikhar Insurance's staff, reflecting the company's dedication to gender diversity and inclusion. By promoting a dignified and respectful workplace, Shikhar Insurance ensures that every employee is treated fairly and has the opportunity to thrive professionally.

### 5. Recognition and Rewards

- a. Shikhar Insurance demonstrates its appreciation for long-serving employees by recognizing their loyalty and dedication through special awards. Employees who have completed more than 20 years of service are honored with certificate of appreciation and gold coin, while those who have served for over 10 years are honored with certificate of appreciation and a silver coin. These tokens serve as a symbol of the company's gratitude for their sustained commitment and valuable contributions over the years.
- b. Through a system of awards and additional incentives, the company celebrates outstanding performance, dedication, and contributions that go above and beyond regular responsibilities. These recognitions not only motivate employees but also foster a culture of excellence and continuous improvement within the organization.



# **CORPORATE SOCIAL RESPONSIBILITY**

## 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.

## 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.

## 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.

## CORPORATE SOCIAL RESPONSIBILITY

### a. 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 more than Rs. 1 billion each year to the government revenue through direct, indirect and withholding taxes. During the 21-year period Shikhar Insurance has contributed around 17 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. Shikhar Insurance has invested in hydroelectric and solar power plants, grain warehousing, power transmission lines and other infrastructure projects.

#### 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. Out of total staff of Shikhar insurance, more than 95% staff have first job experience in Shikhar Insurance.

#### 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.

### b. Information on action taken by the company to become more sustainable and contribute to a sustainable global economy

Shikhar Insurance has made significant progress in adopting sustainable practices, aligning itself with international efforts to address climate change and build a more sustainable global economy. In response to how climate change is affecting the insurance sector, Shikhar Insurance has upgraded its strategies for managing climate-related risks within its product development. The detail report on sustainability is disclosed separately in sustainability and climate related disclosure

### c. 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.

#### d. 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 2024-25.

#### Blood Donation Program

Each year Shikhar insurance has been running blood donation programs as CSR initiatives. Shikhar Insurance conducted blood donation programs in all seven provinces. The total cost of the blood donation Program conducted throughout the country was around Rs.10 lakhs. Through the blood donation campaign, more than 1500 pints of blood were collected that helped to provide critical blood supplies essential for saving lives during dengue outbreaks and accidents cases.

#### Food Support for Students of Nepal Bal Sangathan

In the fiscal year 2024/25, Shikhar Insurance extended financial support to Nepal Bal Sangathan, located in Naxal, to assist with food provisions for its students. The total amount contributed by the company for this purpose was approximately Rs. 5 lakhs. This initiative reflects Shikhar Insurance's ongoing commitment to addressing the basic needs of underprivileged children as part of its corporate social responsibility efforts.

#### Support for Special School for Disable and Rehabilitation Center (SSDRC)

Shikhar Insurance contributed Rs. 10 lakhs in financial aid for the construction of a building for the Special School for Disable and Rehabilitation Center (SSDRC). SSDRC operates as a nonprofit center that provides educational opportunities, therapy, and vocational care to children with Autism Spectrum Disorder who come from underprivileged families. This support reflects Shikhar Insurance's commitment to enhancing access to specialized resources and care for marginalized children in need.

#### Support for Educational Institutions Across Provinces

In the fiscal year 2024-25, Shikhar Insurance extended its commitment to education by offering financial assistance and distributing educational materials to various schools throughout the country. The company provided education material, computers, printers and financial aid valued at approximately Rs. 15 lakhs to 18 different schools, ensuring that all seven provinces benefited from this support. This initiative was designed to enhance educational resources and opportunities for students, further demonstrating Shikhar Insurance's dedication to promoting learning and development as part of its corporate social responsibility efforts.

#### Grants and Financial Support to Social Organizations

In addition to its targeted corporate social responsibility initiatives, Shikhar Insurance also extended grants and financial assistance to various social organizations and nonprofit entities during the fiscal year 2024-25. The total amount allocated for these contributions was around Rs. 9 lakhs. Through this support, Shikhar Insurance aimed to empower a range of social programs run by these organizations, reinforcing the company's commitment to fostering social welfare and community development.

#### Insurance Awareness Activities

A number of Insurance awareness activities have been conducted throughout the country in all provinces. Insurance awareness activities include door to door awareness campaign, formal insurance orientation programme conducted in association with different organisations and audio visual programme published through social media, TV and FM station.

# CSR Activities



Krish Yadav SIC  
30 April 2023



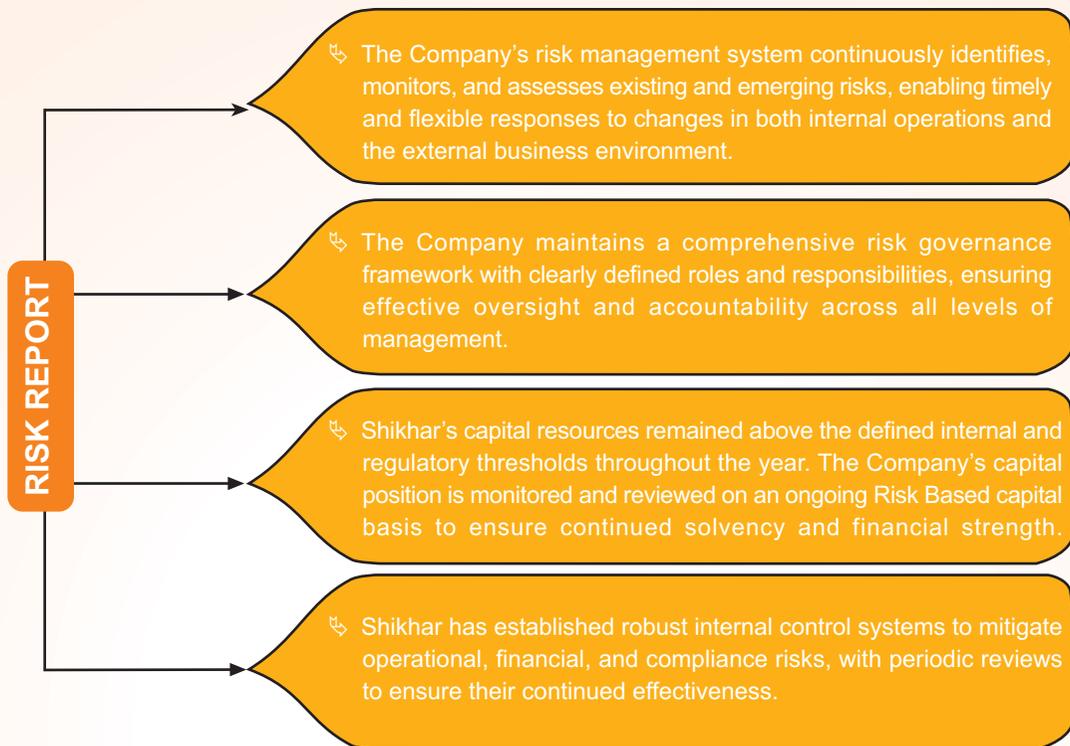
# CSR Activities





# **RISK MANAGEMENT AND INTERNAL CONTROL**

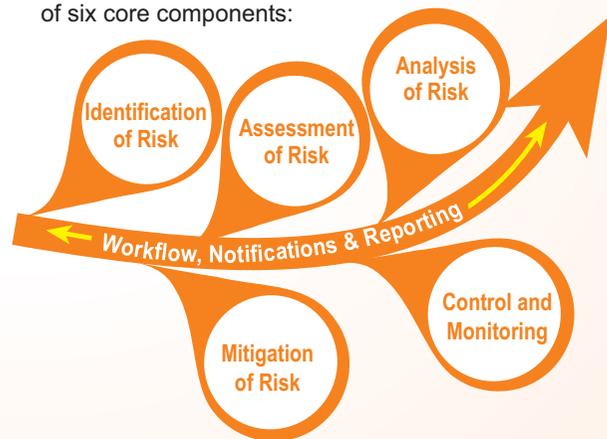
# RISK REPORT



## 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.

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



### - Risk Identification

We encourage input from all functional departments which enable in recognition of risks that may influence strategy, day-to-day operations, financial stability, and the external environment.

- **Risk Registers:** All the identified risks are documented in an integrated risk register maintained by the company which is organized by category, source, and potential business impact.

## RISK MANAGEMENT FRAMEWORK

We identify, analyze, and assess risks of all kinds, and then manage and control them. Our risk management

- **Continuous Risk Monitoring:** We ensure ongoing surveillance of economic conditions, regulatory developments, market dynamics, and geopolitical events to capture emerging risks in a timely manner. Qualitative Risk Reporting Template (QRRT) issued by NIA is also used from last year to determine the capital requirements as per risk-based capital model and solvency of the company.

#### - Risk Assessment and analysis

Our Risk Assessment and measurement process where risks are evaluated using a structured methodology that balances professional judgement with analytical techniques. This process combines both qualitative and quantitative methods that evaluate the likelihood and impact of risks. Various methods are used for risk assessment which includes:

- **Risk Scoring Framework:** Risks are assessed based on likelihood, potential impact, and measure speed of occurrence.
- **Scenario & Sensitivity Analysis:** We will be moving towards this approach where key assumptions and adverse scenarios are analyzed to evaluate potential outcomes and stress points.
- **Risk Indicators & Triggers:** We are planning on including risk triggers in our system where quantitative and qualitative indicators are defined to monitor risk movement and provide early warning signals.

#### - Risk Mitigation Strategies

We design risk mitigation strategies in line with the organization's risk appetite and strategic priorities.

- **Internal Control Environment:** We ensure preventive, detective, and corrective internal controls are implemented to manage risk exposures effectively.
- **Risk Transfer & Protection:** Under the guidelines issued by NIA, we are using reinsurance arrangements to transfer risks and reduce financial volatility.
- **Business Resilience Planning:** In our company, business continuity and disaster recovery plans are maintained and tested to ensure operational preparedness.

#### - Risk Control & Monitoring

In Shikhar we ensure transparent communication which ensures stakeholders remain informed and engaged including Board, Management committee and NIA.

- **Periodic Risk Reporting:** Each Department prepares Regular risk reports which highlight key exposures, control effectiveness, and changes in risk profile.

- **Management Dashboards:** We are in the process of inbuilding real-time visibility into risk status, mitigation progress, and emerging threats Visual tools track risk trends, indicators, and mitigation progress.

- **Escalation & Incident Reporting:** We have incorporated formal procedures which ensure timely escalation of significant risk events and breaches of tolerance levels.

#### - Risk Governance

Our structured governance framework ensures accountability and oversight.

- **Governance structure:** There are defined accountabilities across the Board, Management Committee, and defined risk owners in the relevant departments.
- **Risk Appetite & Tolerance:** We have set clear articulation of acceptable risk levels aligned with strategic objectives.
- **Continuous Improvement:** There is always ongoing refinement of the framework, incorporating lessons learned and adapting to evolving conditions.
- **Compliance & Ethical Standards:** We have ensured alignment with regulatory standards, ethical principles, and industry best practices.

## THREE LINES OF DEFENSE

In Shikhar, we organize our risk control framework along three lines of defense, in line with the principle of independent risk control, with progressively increasing levels of independence. This approach is designed to promote a strong, consistent, and company-wide risk culture founded on clear ownership and accountability.

- **First Line of Defense:** The first line comprises day-to-day risk control activities carried out by business units and corporate functions. This includes the proactive identification, assessment, and monitoring of risks, as well as the establishment, implementation, and operation of effective internal control systems.
- **Second Line of Defense:** The second line consists of independent oversight provided by the Risk Management. These functions are responsible for setting risk management frameworks and policies, monitoring adherence, and providing guidance and challenge to the first line.
- **Third Line of Defense:** The third line comprises independent assurance provided through audits of processes and procedures conducted by Internal Audit and, where applicable, external auditors. This line provides objective assurance that the risk management and control activities performed by the first and second lines are functioning effectively.

## Board of Directors

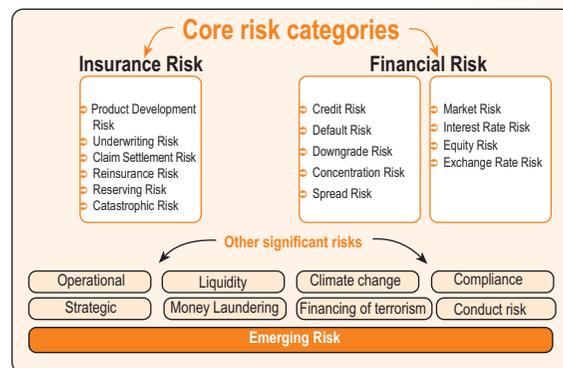
Board of Directors			
Role	1st line of defense	2nd line of defense	3rd line of defense
Example responsibilities	Business unit	Risk management	Internal audit
	Take and manage risk	Set risk policy and monitor	Validate
	<ul style="list-style-type: none"> <li>Conduct business in accordance with agreed strategy and related risk appetite and limits</li> <li>Promote a strong risk culture and sustainable risk-return decision making</li> <li>Establish and operate business unit risk and control structure able to ensure operation within agreed policies and risk limits</li> <li>Conduct rigorous self-testing against established policies, procedures, and limits</li> <li>Perform thoughtful, periodic risk</li> <li>Report and escalate risk limits breaches</li> </ul>	<ul style="list-style-type: none"> <li>Establish risk management policies and procedures, methodologies and tools, including risk appetite framework, and make available throughout enterprise</li> <li>Facilitate establishment of risk appetite statement with input from senior management and the board and approval of the board and set risk limits</li> <li>Monitor risk limits and communicate with the CEO and the board regarding exceptions</li> <li>Provide independent risk oversight across all risk types, business units, and locations</li> </ul>	<ul style="list-style-type: none"> <li>Perform independent testing and assess whether the risk appetite framework, risk policies, risk procedures, and related controls are functioning as intended</li> <li>Perform independent testing and validation of business unit risk and control elements</li> <li>Provide assurance to management and the board related to the quality and effectiveness of the risk management program, including risk appetite processes</li> </ul>

## KEY RISK MANAGEMENT FUNCTIONS

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.

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.

Independent audit monitoring is done above all to ensure the proper risk management framework within the organization.



## PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE ORGANIZATION

### Key Risks

#### 1. Market Risk

Market risk arises from adverse movements in financial markets that may affect the value of the Company's assets and overall financial performance.

#### Risk Affecting Factors

- Changes in interest rates impacting investment income and asset valuations
- Volatility in equity, bond and capital markets.
- Foreign exchange fluctuations on foreign currency exposures
- Concentration risk within the investment portfolio

## SHIKHAR INSURANCE'S RISK LANDSCAPE

Shikhar is exposed to a wide range of risks arising from internal processes and the external operating environment. These risks are consciously accepted, managed, and monitored in alignment with the opportunities pursued by the Company. The risk appetite defined by the Board and senior management, supported by assessments of capital adequacy and risk-bearing capacity, forms the basis for risk-taking decisions.

The risk landscape of Shikhar encompasses as mentioned below:

### Mitigation Strategies

By implementing the approach as mentioned we have mitigated the risks and managed it in efficient manner.

- Implementation of a prudent investment policy aligned with the company strategy and NIA guidelines.
- We have diversified our investments across asset classes, maturities, and counterparties. Whenever possible Shikhar has always given priority to high return assets taking into consideration declining interest rates.
- We ensure there is regular asset–liability monitoring and investment performance reviews on regular basis.

## 2. Insurance Risk

Insurance risk relates to uncertainties in underwriting, claims experience, product design, reinsurance and reserving which may result in losses exceeding expectations.

### Risk Affecting Factors

- Inaccurate underwriting assumptions
- Higher-than-expected claim frequency or severity
- Exposure to catastrophic and large loss events
- Changes in policy terms or coverage conditions

### Mitigation Strategies

By implementing the approach as mentioned we have managed it in efficient manner.

- We ensure strong underwriting standards and pricing controls within our company is aligned with the tariff guidelines issued by NIA.
- We are purchasing high Catastrophic cover with top rated reinsurers to manage large and catastrophic losses.
- There are always ongoing monitoring of claims trends and loss ratios and use of consulting actuaries to regularly monitor them so that we can be updated on the worse case scenarios.
- Use of risk and actuarial analysis, historical loss data to support sound underwriting decisions and clear reserving exercise.

## 3. Credit Risk

Credit risk arises from the possibility that counterparties may fail to meet their financial obligations to the Company.

### Risk Affecting Factors

- Default risk of reinsurers, brokers, or investment counterparties

- Delays in premium collections and reinsurance recoveries
- Concentration of exposure to a limited number of counterparties

### Mitigation Strategies

By implementing the approach as mentioned we have managed credit risk in efficient manner.

- We are tied up with top rated securities in the international reinsurance market which are also aligned with NIA guidelines on reinsurance.
- The credit exposures are diversified across multiple counterparties, sectors, and instruments to reduce dependency on any single entity.
- We have ensured there are structured processes in place to ensure timely collection of premiums and reinsurance recoveries, including follow-ups, reconciliation procedures, and escalation mechanisms for overdue balances

## 4. Operational Risk

Operational risk results from inadequate or failed internal processes, people, systems, or external events.

### Risk Affecting Factors

- Human error and process inefficiencies
- IT system lag and cyber security threats
- Fraud, misconduct, or unauthorized activities
- Weak internal controls or oversight

### Mitigation Strategies

By implementing the approach as mentioned we have managed operational risk in efficient manner.

- We have clearly documented policies, procedures, and internal control frameworks in place to ensure operational effectiveness in the company. We stay updated with regulatory requirements and industry standards.
- Since long period of time, we have made good investment in secure and reliable IT systems which was always our topmost priority. Further we have also maintained strong IT security framework within our company which is within ISO 27000 standards.
- Realizing the importance of human resources we have invested on our regular staff training, awareness programs, and there is proper segregation of duties within our company.
- There is always regular conduct of internal audits and incident reporting mechanisms are in place within our company.

## 5. Climate Change Risks

Climate change risks include both physical and transition risks that may affect underwriting results, investments, and long-term sustainability.

### Risk Affecting Factors

- Increased frequency and severity of natural catastrophes
- Regulatory and policy changes related to climate transition

### Mitigation Strategies

By implementing the approach mentioned we have managed climate change risk in efficient manner.

- Climate-related considerations are incorporated into underwriting guidelines and pricing decisions, particularly for products exposed to weather-related and catastrophe risks. We have also tailored innovative insurance products to address climate change-related risks, particularly in agriculture.
- Reinsurance arrangements are structured to provide protection against increased frequency and severity of climate-related losses, including catastrophe and extreme weather events.
- Training and awareness programs are conducted to strengthen understanding of climate risks across underwriting, claims, and investment functions, supporting informed decision-making.

## 6. Strategic Risk

Strategic risk arises from adverse business decisions or failure to respond effectively to changes in the business environment.

### Risk Affecting Factors

- Ineffective business strategies or execution challenges
- Competitive pressures and market changes
- Technological disruption and innovation gaps
- Economic and industry-wide uncertainties

### Mitigation Strategies

By implementing the approach mentioned we have managed strategic risk in efficient manner.

- The Board of Directors and Senior Management provide active oversight of the strategic planning process. Key strategic initiatives, budgets, investments, and business plans are reviewed and approved to ensure consistency with long-term objectives. Periodic review of business objectives and performance
- Clear accountability, timelines, and governance structures are established for major strategic

initiatives to ensure effective execution and risk control.

- Proper investment, compliance and underwriting practices are implemented to smoothen the operations and minimize potential losses.
- Continuous monitoring of market trends, customer expectations, and technological developments supports timely adaptation of business strategies

## 7. Compliance Risk

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

### Risk Affecting Factors

- Changes in regulatory requirements and supervisory expectations
- Inadequate understanding or implementation of regulations
- Delays or errors in regulatory reporting

### Mitigation Strategies

By implementing the approach mentioned we have managed compliance risk in efficient manner.

- We have provided dedicated compliance functions who is involved in regulatory monitoring and ensuring proper compliance is in place within the company and timely reporting to NIA.
- We conduct regular training and awareness programs for employees regarding legal and compliance issues.
- There are always ongoing compliance reviews and internal assessments including compliance audit.
- We have maintained zero tolerance policy for noncompliance issues.

## 8. 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 conduct requirements by the insurer and/or its representatives.

### Risk Affecting Factors

- Inadequate product disclosures and communication
- Weak complaints handling mechanisms

### Mitigation Strategies

By implementing the approach mentioned we have managed conduct risk in efficient manner.

- There are proper policies and procedures to ensure that customers receive clear, timely, and understandable information on product terms, benefits, exclusions, and claims processes.
- We regularly monitor regulatory changes and requirements to ensure adherence to the rules and regulations.
- We have dedicated complaints handling officer and we have recently invested in inhouse call center where proper communication is provided to our clients.

#### 9. Money Laundering & Financing of Terrorism (ML/FT) Risk

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

##### Risk Affecting Factors

- Weak customer identification and due diligence processes

- Inadequate monitoring of transactions
- Exposure to high-risk customers or jurisdictions

##### Mitigation Strategies

- In recent years we have invested in robust AML/CFT policies and procedures within our company in compliance with guidelines provided by NIA.
- We have our strong procedures in Know Your Customer (KYC) and ongoing due diligence measures which help us to mitigate this risk.
- Our AML team is actively involved in regular transaction monitoring and suspicious activity reporting.
- Within our company we have Regular AML/CFT trainings and independent AML audits. Further there is oversight of overall AML process by AML committee and including Board.

## 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 ensures that issues are escalated and resolved in a timely manner.

## IT SYSTEMS AND CONTROL

During the current fiscal year, Shikhar Insurance Company Limited has further strengthened its information technology systems and internal controls to support business continuity, regulatory compliance, data security, and operational scalability. Building on the foundational IT framework established in the previous year, the company has focused on improving governance maturity, enhancing system resilience, expanding customer support capabilities, and introducing greater automation and reporting discipline across operations.

The company's IT strategy continues to emphasize the confidentiality, integrity, and availability of information assets while enabling digital service delivery and controlled innovation aligned with business objectives.

### IT Infrastructure and Systems Environment

Shikhar Insurance operates a hybrid IT infrastructure designed to ensure reliability, scalability, and resilience across head office, provincial offices, branch locations, and centralized service functions.

### Server and Hosting Environment

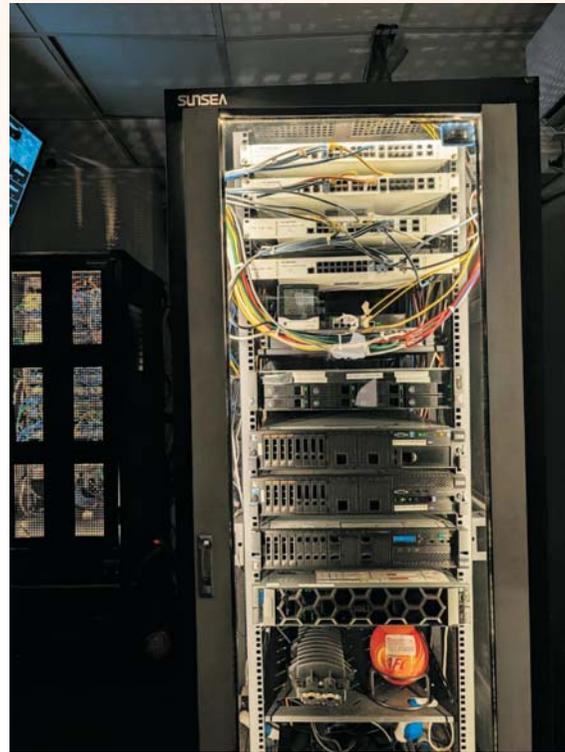
The IT environment consists of a combination of virtualized on-premises servers and secure cloud-hosted platforms. Critical workloads are logically segregated into production, backup, and support environments to reduce operational risk and support-controlled system changes. Infrastructure capacity and performance are periodically reviewed to ensure adequate support for growing transaction volumes and digital services.

### Data Storage and Backup Architecture

Centralized backup management is in place with defined retention periods, access controls, and recovery procedures. Multiple backup copies are maintained across on-premises and cloud-based storage environments to ensure data redundancy, integrity, and recoverability. Backup processes are monitored and periodically tested as part of business continuity readiness.

### Network Connectivity and Security

All branches and offices are connected through secure private communication channels. Network segmentation, firewall controls, and monitoring mechanisms are implemented to protect internal systems and reduce exposure to unauthorized access or operational disruptions.



### Enterprise Applications

Core insurance systems and supporting enterprise applications including CRM, HRMS, AML, asset management, and productivity platforms support underwriting, claims, finance, HR, compliance, and operational processes. During the fiscal year, integration and reporting improvements were made to reduce manual intervention, improve data consistency, and strengthen operational visibility.

### End-User Computing Environment

The company maintains a standardized end-user computing environment, with laptops deployed at head office and desktops at branch locations. Endpoint configurations, updates, and security controls are centrally managed to ensure consistency and compliance.

### Call Center and Customer Service Systems

During the fiscal year, Shikhar Insurance established a centralized call center to strengthen customer service delivery and internal coordination.

Call center operations are supported by defined workflows, system access controls, and monitoring mechanisms. Call logging and reporting enable service tracking, accountability, and performance analysis.

Access to customer information is governed through role-based controls to ensure confidentiality and appropriate use of data. The call center complements digital channels and branch operations, supporting a more responsive and structured customer service model.

#### **IT Governance and Control Framework**

IT governance has continued to mature during the fiscal year, moving beyond policy definition toward consistent implementation and oversight.

#### **Policy Framework and Standards Alignment**

Approved IT and information security policies are operational across the organization. Additional policies and procedures aligned with ISO/IEC 27001 requirements along with other industry standard guidelines are being implemented with defined ownership, review cycles, and evidence-based monitoring to support ongoing compliance and audit readiness.

#### **IT Committee Oversight**

The IT Committee provides structured oversight of major IT initiatives, system upgrades, procurement decisions, and risk mitigation measures. Technology investments are evaluated based on business need, security implications, regulatory expectations, and long-term sustainability.

#### **Access and Change Management**

Role-based access control is enforced across critical systems. Periodic user access reviews are conducted to ensure access remains appropriate and auditable. Formal change management procedures govern system changes and enhancements to reduce operational and security risks.

#### **Information Security Controls**

The company has implemented layered information security controls encompassing technical, administrative, and physical safeguards.

#### **Identity and Access Management**

Role-based access controls and structured user provisioning and de-provisioning procedures are in place. Multi-factor authentication is implemented on key systems and privileged accounts to reduce credential-related risks.

#### **Endpoint and Software Security**

All operating systems and software used by the company are licensed and centrally managed. Enterprise productivity tools are deployed across the organization to support secure collaboration, version control, and timely application of security updates.

#### **Network and Perimeter Security**

Firewall systems, intrusion monitoring, and traffic control mechanisms are actively used to protect the IT environment from internal and external threats. Security configurations are periodically reviewed and updated.

#### **Data Protection and Encryption**

Sensitive data is protected using encryption mechanisms both in transit and at rest. Backup data is also encrypted to mitigate the risk of unauthorized access in the event of compromise.

#### **Physical Security**

CCTV monitoring and controlled access mechanisms are deployed in critical areas to safeguard IT infrastructure and assets.

#### **Risk Management, Compliance, and Audit Readiness**

IT risk management is conducted through a structured and documented approach.

#### **IT Risk Register**

A centralized IT risk register is maintained to identify technology-related risks, assess potential impact, document mitigation measures, assign ownership, and track review timelines.

#### **Assessments and Audits**

Internal reviews and external assessments are conducted periodically to evaluate control effectiveness, identify gaps, and support regulatory compliance and continuous improvement.

#### **Patch and Vulnerability Management**

Operating systems, applications, and infrastructure components are updated in accordance with defined patch management schedules and risk prioritization.

#### **Incident Management**

A formal incident response framework is maintained to support incident reporting, escalation, investigation, corrective action, and documentation.

#### **Disaster Recovery and Business Continuity**

The company continues to strengthen its disaster recovery and business continuity arrangements to ensure operational resilience.

Multiple backup layers are maintained across on-premises and cloud environments. Disaster recovery procedures are documented and periodically tested to validate restoration readiness, response coordination, and recovery timelines.

#### **IT Operations, Monitoring, and Reporting**

Operational visibility and control have been enhanced through improved monitoring and reporting mechanisms.

### System Monitoring and Alerts

Automated dashboards and alerting mechanisms are used to monitor infrastructure health, application availability, and critical services, enabling timely response to potential issues.

### In-House Reporting and Dashboards

During the fiscal year, the IT team further developed in-house reporting modules and operational dashboards to support management reporting, underwriting and claims analysis, and decision-making. These initiatives reduced reliance on manual reporting processes and improved data timeliness and transparency.

### Process Automation

Automation tools have been introduced and expanded for selected internal workflows to improve efficiency, reduce manual processing, and minimize operational errors.

### Digital Enablement and Integrations

Digital platforms continue to support policy issuance, service delivery, and customer engagement. Controlled integrations with third-party systems and partners enable B2B and B2C interactions while maintaining data security, access governance, and auditability.

### Future IT Direction

Looking ahead, Shikhar Insurance Company Limited will continue to strengthen its IT capabilities through phased and well-governed initiatives that support sustainable growth, operational efficiency, and regulatory readiness. Future initiatives are designed to build on existing systems and controls while carefully adopting new technologies in a controlled and compliant manner.

### Digital Revenue Enablement and Platform Expansion

The company plans to further enhance its digital platforms and system integrations to support increased revenue generation through digital channels. This includes expanding controlled integrations with third-party platforms and partners to enable digitally sourced business through both B2C and B2B models.

Future initiatives will focus on scalability, transaction integrity, and reconciliation controls to ensure that digitally generated business remains subject to the same underwriting, financial, and compliance standards as traditional distribution channels.

### Broader Adoption of Digital Signatures and Paperless Workflows

The company plans to expand the use of digital signatures and electronic approvals across additional

workflows and document types. This initiative aims to further reduce manual processing, improve turnaround time, and strengthen document traceability and audit trails.

Digital signature usage will continue to be governed through defined access controls and authorization mechanisms to ensure authenticity, non-repudiation, and compliance with internal policies and regulatory requirements.

### Applied Artificial Intelligence and Generative AI (Controlled Adoption)

Shikhar Insurance is progressing work on applied AI and generative AI capabilities, with a focus on secure, governance-led use cases. Initial applications will emphasize internal knowledge access, operational assistance, reporting support, and productivity enhancement.

External exposure and unmanaged data usage will be strictly controlled, with AI initiatives operating within the company's existing information security, data protection, and governance frameworks.

### Expanded Automation and Analytics

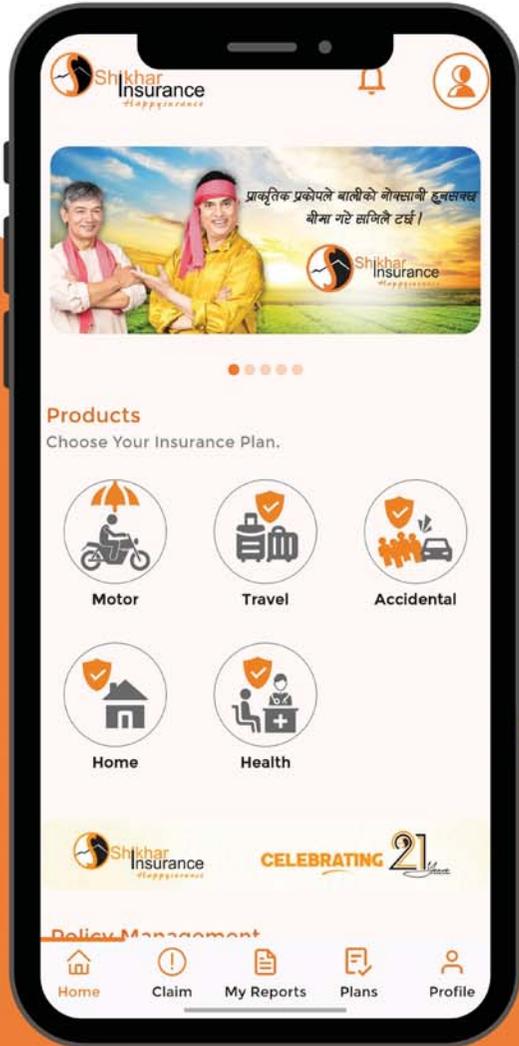
The company plans to further expand the automation of repeatable workflows and enhance analytics capabilities across core operational areas. These initiatives are intended to improve efficiency, reduce processing time, and support more consistent, data-driven decision-making while maintaining appropriate oversight and control.

### Risk and Compliance Systems

To strengthen enterprise-wide governance, the company plans to evaluate and implement dedicated risk and compliance management software. These systems will support centralized risk tracking, compliance monitoring, control assessment, and audit evidence management, further improving transparency and regulatory readiness.

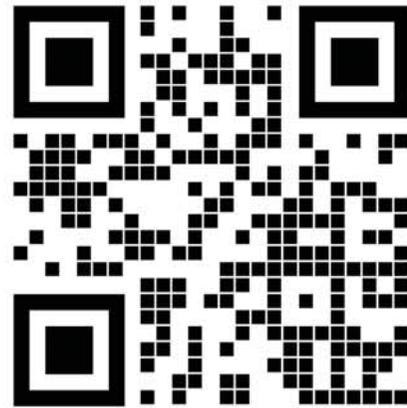
### NFRS 17 Systems Readiness

Preparatory work will continue to assess data, system, and integration requirements for NFRS 17 compliance. This includes evaluation of specialized solutions, assessment of data availability and quality, and implementation planning to support a structured and timely transition.



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# FINANCIAL STATEMENTS AND RELATED DISCLOSURES

# STATEMENT OF RESPONSIBILITY OF CHIEF FINANCIAL OFFICER IN RESPECT OF THE FINANCIAL STATEMENTS

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

## 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 to produce comprehensive and accurate financial statements.
- Providing clear and accurate explanations of financial performance and any significant variances from expected results.

## 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.

## 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:

- 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.

## 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.
- Advising the board of directors and executive management on financial matters, including investment opportunities, capital structure, and funding options.

## In relation to the Annual Financial Statements of FY 2024-25, I confirm that;

- To the best of my knowledge, the financial statements fairly present in all material respects the financial condition, results of the operation and the cash flows of the company during the period under review.
- The company has complied with all applicable laws, regulations, standards and prudential requirements and there is no material non-compliance.

**Suraj Rajbahak**  
Chief Financial Officer

### CERTIFICATION BY APPOINTED ACTUARY

I, Shryans Baid, the Appointed Actuary of Shikhar Insurance Company Limited, hereby certify that,

- a) I have complied with the Risk Based Capital and Solvency Directive, 2025 (2082) 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.



-----  
SHRYANS BAID, FIAI, FIA

Appointed Actuary, Shikhar Insurance Company Limited

Date: 01 Dec 2025

# 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 32, 2082 (July 16, 2025), 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 32, 2082 (July 16, 2025) 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. Claims Incurred but Not Reported (IBNR) &amp; Incurred but Not Enough Reported (IBNER) are recognized based on estimates determined using 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 32<sup>nd</sup>, 2082 (16.07.2025) is as certified by the company's appointed actuary and we had verified the amount and related liability based on such report.</li> </ol>

Kamalpokhari, Kathmandu, Nepal, t: +977-1-4515682, 4515823, e: info@gpr.com.np, w: www.gpr.com.np

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>

**Other Information**

Management is responsible for the presentation of other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor’s report thereon.

Our opinion on the Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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.

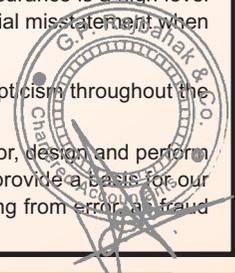
Those charged with governance are responsible for overseeing the Company’s financial reporting process.

**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 disclosures 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: 16<sup>th</sup> December 2025  
Place: Kathmandu, Nepal

UDIN: 251216CA00278A23Yw

**Shikhar Insurance Company Ltd.**  
**Statement of Financial Position**  
**As At 16th July, 2025 (Ashad End 2082)**

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>Assets</b>			
Goodwill & Intangible Assets	4	11,865,631	9,731,690
Property and Equipment	5	763,662,715	725,474,278
Investment Properties	6	76,377,810	78,427,771
Deferred Tax Assets	7	57,008,490	72,442,756
Investment in Subsidiaries	8	-	-
Investment in Associates	9	241,177,681	163,611,239
Investments	10	4,662,543,291	4,562,299,198
Loans	11	-	-
Reinsurance Assets	12	4,581,613,373	4,082,692,043
Current Tax Assets	21	77,864,897	129,122,387
Insurance Receivables	13	1,098,365,462	540,782,925
Other Assets	14	489,499,366	364,055,047
Other Financial Assets	15	778,906,439	720,205,955
Cash and Cash Equivalent	16	125,837,432	145,852,288
<b>Total Assets</b>		<b>12,964,722,586</b>	<b>11,594,697,578</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	17(a)	2,923,099,000	2,654,947,300
Share Application Money Pending Allotment	17(b)	-	-
Share Premium	17(c)	-	-
Special Reserves	17(d)	1,917,651,589	1,687,491,319
Catastrophe Reserves	17(e)	161,153,794	138,137,767
Retained Earnings	17(f)	210,489,233	287,508,943
Other Equity	17(g)	598,320,956	592,329,039
<b>Total Equity</b>		<b>5,810,714,572</b>	<b>5,360,414,367</b>
<b>Liabilities</b>			
Provisions	18	173,969,935	157,075,048
Gross Insurance Contract Liabilities	19	5,951,509,816	5,294,093,391
Deferred Tax Liabilities	7	-	-
Insurance Payable	20	7,797,944	214,734,502
Current Tax Liabilities	21	-	-
Borrowings	22	96,201,486	27,000,000
Other Liabilities	23	402,064,321	416,263,447
Other Financial Liabilities	24	522,464,512	125,116,823
<b>Total Liabilities</b>		<b>7,154,008,014</b>	<b>6,234,283,211</b>
<b>Total Equity and Liabilities</b>		<b>12,964,722,586</b>	<b>11,594,697,578</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

**CA Suraj Rajbahak**  
Chief Financial Officer

**Ashmank Karki**  
Director

**Skand Amatya**  
Director

**Dr. Shrujana Shrestha**  
Director

**Puskar Mahat**  
Director

Date: 16<sup>th</sup> December 2025  
Place: Kathmandu

**Shikhar Insurance Company Ltd.**  
**Statement of Profit or Loss**  
**For the Period 16th July, 2024 - 16th July, 2025**  
**(For the Year Ended Ashad 2082)**

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>Income:</b>			
Gross Earned Premiums	25	5,629,900,221	5,258,225,936
Premiums Ceded	26	3,862,792,064	3,960,349,045
<b>Net Earned Premiums</b>		<b>1,767,108,157</b>	<b>1,297,876,891</b>
Commission Income	27	659,375,996	719,726,915
Other Direct Income	28	36,809,349	38,826,018
Income from Investments & Loans	29	254,491,076	337,029,490
Net Gain/ (Loss) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	24,030,328	(2,225,184)
Other Income	32	8,928,907	51,874,207
<b>Total Income</b>		<b>2,750,743,813</b>	<b>2,443,108,337</b>
<b>Expenses:</b>			
Gross Claims Paid	33	3,027,905,632	2,248,775,676
Claims Ceded	33	(2,051,741,094)	(1,380,878,573)
Gross Change in Contract Liability	34	496,869,107	76,281,731
Change in Contract Liability Ceded to Reinsurers	34	(451,715,900)	(80,572,665)
<b>Net Claims Incurred</b>		<b>1,021,317,745</b>	<b>863,606,169</b>
Commission Expenses	35	72,996,826	34,338,483
Service Fees	36	14,592,405	11,159,515
Other Direct Expenses	37	22,188,480	21,143,522
Employee Benefits Expenses	38	614,983,248	568,311,619
Depreciation and Amortization Expenses	39	52,583,030	48,470,113
Impairment Losses	40	-	6,375,000
Other Operating Expenses	41	270,058,076	230,573,717
Finance Cost	42	19,588,102	32,234,177
<b>Total Expenses</b>		<b>2,088,307,912</b>	<b>1,816,212,315</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>		<b>662,435,902</b>	<b>626,896,022</b>
Share of Net Profit of Associates accounted using Equity Method	9	566,442	293,608
<b>Profit Before Tax</b>		<b>663,002,344</b>	<b>627,189,630</b>
Income Tax Expense	43	210,991,707	181,882,609
<b>Net Profit/(Loss) For The Year</b>		<b>452,010,637</b>	<b>445,307,021</b>
<b>Earning Per Share</b>	51		
Basic EPS		15.46	16.77
Diluted EPS		15.46	16.77

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

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

CA Suraj Rajbahak  
Chief Financial Officer

Ashmank Karki  
Director

Skand Amatya  
Director

Dr. Shrujana Shrestha  
Director

Puskar Mahat  
Director

Date: 16<sup>th</sup> December 2025  
Place: Kathmandu

**Shikhar Insurance Company Ltd.**  
**Statement of Other Comprehensive Income**  
 For the Period 16th July, 2024 - 16th July, 2025  
 (For the Year Ended Ashad 2082)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>Net Profit/(Loss) For the Year</b>		<b>452,010,637</b>	<b>445,307,021</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
Income Tax Relating to Above Items		-	(27,127,808)
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		24,390,302	(40,781,784)
Revaluation of Property and Equipment/ Goodwill & Intangible Assets		-	663,000
Remeasurement of Post-Employment Benefit Obligations		(642,429)	(505,082)
Share of other comprehensive income of associates accounted for using the equity method	9	-	-
Income Tax Relating to Above Items		(7,124,362)	12,187,160
<b>Total Other Comprehensive Income For the Year, Net of Tax</b>		<b>16,623,511</b>	<b>34,861,511</b>
<b>Total Comprehensive Income For the Year, Net of Tax</b>		<b>468,634,148</b>	<b>480,168,532</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

CA Suraj Rajbahak  
Chief Financial Officer

Ashmank Karki  
Director

Skand Amatya  
Director

Dr. Shrujana Shrestha  
Director

Puskar Mahat  
Director

Date: 16<sup>th</sup> December 2025  
Place: Kathmandu

## Shikhar Insurance Company Ltd.

### Statement of Cash Flows

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

(For the Year Ended Ashad 2082)

Fig. in NPR

Particulars	Current Year	Previous Year
<b>Cash Flow From Operating Activities:</b>		
<b>Cash Received</b>		
Gross Premium Received	5,790,447,540	5,413,799,732
Reinsurance Commission Received	634,034,336	736,782,056
Claim Recovery Received from Reinsurers	1,494,158,557	1,764,489,232
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	-	346,369
Other Direct Income Received	36,809,349	38,826,018
Others	8,913,494	49,673,350
<b>Cash Paid</b>		
Gross Benefits and Claims Paid	(2,668,896,419)	(2,248,775,676)
Reinsurance Premium Paid	(4,088,099,759)	(3,925,267,392)
Commission Paid	(58,614,458)	(54,244,041)
Service Fees Paid	(73,196,053)	(41,634,309)
Employee Benefits Expenses Paid	(603,855,645)	(548,932,842)
Other Expenses Paid	(237,071,501)	(525,700,046)
Other Direct Expenses Paid	(22,188,480)	(21,215,423)
Others (to be specified)	-	-
Income Tax Paid	(151,424,313)	(300,056,495)
<b>Net Cash Flow From Operating Activities [1]</b>	<b>61,016,648</b>	<b>338,090,533</b>
<b>Cash Flow From Investing Activities</b>		
Acquisitions of Intangible Assets	(3,389,488)	(1,873,000)
Proceeds From Sale of Intangible Assets	-	-
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Acquisitions of Property & Equipment	(49,274,715)	(50,530,811)
Proceeds From Sale of Property & Equipment	725,673	202,699
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	(10,000,000)	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	(182,614,362)	-
Proceeds from Sale of Equity Instruments	-	(146,305,016)
Purchase of Mutual Funds	(19,132,648)	(27,138,004)
Proceeds from Sale of Mutual Funds	-	-
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	(100,865,924)	(31,671,000)
Proceeds from Sale of Debentures	-	-
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	-	-
Investments in Deposits	70,000,000	(213,500,000)
Maturity of Deposits	-	-
Loans Paid	-	-
Proceeds from Loans	-	-
Rental Income Received	19,680,439	19,034,979
Proceeds from Finance Lease	-	-

Continue...

**Shikhar Insurance Company Ltd.**  
**Statement of Cash Flows**  
**For the Period 16th July, 2024 - 16th July, 2025**  
**(For the Year Ended Ashad 2082)**

Fig. in NPR

Particulars	Current Year	Previous Year
Interest Income Received	227,289,935	316,102,944
Dividend Received	6,556,515	1,553,841
Investment in CIT	(597,323)	(1,366,840)
Advance Against Investment	(57,500,000)	-
<b>Total Cash Flow From Investing Activities [2]</b>	<b>99,121,898</b>	<b>(135,490,209)</b>
<b>Cash Flow From Financing Activities</b>		
Interest Paid	(7,525,145)	(22,469,299)
Proceeds From Borrowings	69,201,486	-
Repayment of Borrowings	-	(120,801,819)
Payment of Finance Lease	(25,252,002)	(24,809,171)
Proceeds From Issue of Share Capital	-	-
Share Issuance Cost Paid	-	-
Dividend Paid	-	-
Dividend Distribution Tax Paid	(14,113,247)	-
Others (to be specified)	-	(1,988,618)
Utilization of CSR Expenses	(4,220,699)	(4,532,123)
<b>Total Cash Flow From Financing Activities [3]</b>	<b>18,090,393</b>	<b>(174,601,030)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents [1+2+3]</b>	<b>(20,014,857)</b>	<b>27,999,294</b>
Cash & Cash Equivalents At Beginning of The Year/Period	145,852,288	117,852,994
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	-
<b>Cash &amp; Cash Equivalents At End of The Year/Period</b>	<b>125,837,431</b>	<b>145,852,288</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash In Hand	34,585	68,111
Cheuqe in Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)	-	-
Gold Coin	1,377,322	1,207,822
Balance With Banks	124,425,525	144,576,355

**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.**  
Chartered Accountants

**CA Suraj Rajbahak**  
Chief Financial Officer

**Ashmank Karki**  
Director

**Skand Amatya**  
Director

**Dr. Shrujana Shrestha**  
Director

**Puskar Mahat**  
Director

Date: 16<sup>th</sup> December 2025  
Place: Kathmandu

**Shikhar Insurance Company Ltd.**  
**Statement of Changes in Equity**  
**For the Period 16th July, 2024 - 16th July, 2025**  
**(For the Year Ended Ashad 2082)**

Fig. in NPR

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserves	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as 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
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at 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
Profit/(Loss) For the Year	-	-	-	-	444,307,020	-	-	-	-	-	-	-	-	-	-	444,307,020
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	-	-	-	-	-	-	-	-	-	-	-	(28,547,249)	-	-	-	(28,547,249)
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets	-	-	-	-	464,100	-	-	-	-	-	-	-	(353,557)	-	-	464,100
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,298,218	63,298,218
vii) Investment in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	4,503,372	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(252,188,819)	-	225,166,588	-	-	-	-	-	-	-	-	-
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	-	-	-	-	1,892,940.00	(1,892,940.00)	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Catastrophe Reserve to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	(4,532,123)
Balance as on Ashadh end, 2081	2,654,947,300	-	-	-	287,508,943	399,982,543	1,687,491,319	-	138,137,767	228,260	-	(6,976,539)	(7,693,727)	143,504,375	63,284,127	5,360,414,367

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, 2081	2,654,847,300	-	-	-	287,508,943	399,882,543	1,687,491,319	-	138,137,767	228,260	-	(6,976,539)	(7,693,727)	143,504,375	63,284,427	5,360,444,367
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at Shrawan 1, 2081	2,654,847,300	-	-	-	287,508,943	399,882,543	1,687,491,319	-	138,137,767	228,260	-	(6,976,539)	(7,693,727)	143,504,375	63,284,427	5,360,444,367
Profit/(Loss) For the Year	-	-	-	-	452,010,637	-	-	-	-	-	-	-	-	-	-	452,010,637
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	-	-	-	-	-	-	-	-	-	-	-	17,073,211	-	-	-	17,073,211
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vii) Investment in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
viii) Transfer to Retained Earning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves/ Funds	-	-	-	-	(257,779,502)	-	230,160,270	-	-	-	-	-	(449,700)	-	-	(449,700)
Transfer to Deferred Tax Reserves	-	-	-	-	9,121,164	-	-	-	23,016,027	4,803,205	-	-	-	(9,121,164)	-	-
Transfer to Fair Value Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	1,882,939.00	(1,882,939)	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Catastrophe Reserve to Retained Earning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Regulatory Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ Distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Bonus Share Issued	288,151,700.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	(268,151,700)	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(14,113,247)	-	-	-	-	-	-	-	-	-	-	(14,113,247)
iv) Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others - Prior Period Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others - CSR Reserve used during this year	-	-	-	-	-	-	-	-	-	(4,220,699)	-	-	-	-	-	(4,220,699)
Balance as on Ashadh end, 2082	2,923,699,000	-	-	-	210,489,233	398,889,604	1,917,651,589	-	161,153,794	610,766	-	10,096,672	(6,143,427)	134,383,211	63,284,427	5,816,714,572

The accompanying notes form an Integral Part of Financial Statements.

As per our report on even date

**Dip Prakash Panday**  
Chief Executive Officer

**CA Suraj Rajbatah**  
Chief Financial Officer

Date: 16<sup>th</sup> December 2025  
Place: Kathmandu

**Ramesh Kumar Luitel**  
Director

**Ashmank Karki**  
Director

**Saurav J.B. Rana**  
Director

**Dr. Shrujana Shrestha**  
Director

**Gaurav Agrawal**  
Chairman

**Puskar Mahat**  
Director

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

**Shikhar Insurance Company Ltd.**  
**Statement of Distributable Profit or Loss**  
**For the Period 16th July, 2024 - 16th July, 2025**  
**(For the Year Ended Ashad 2082)**

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	287,508,943	89,456,263
Transfer from OCI reserves to retained earning in current year	-	-
Net profit or (loss) as per statement of profit or loss	452,010,637	445,307,021
<b>Appropriations:</b>		
i) Transfer to Insurance Fund	-	-
ii) Transfer to Special Reserve	(230,160,270)	(225,168,588)
iii) Transfer to Catastrophe Reserve	(23,016,027)	(22,516,859)
iv) Transfer to Capital Reserve	-	-
v) Transfer to CSR reserve	(4,603,205)	(4,503,372)
vi) Transfer to/from Regulatory Reserve	-	-
vii) Transfer to Fair Value Reserve	-	-
viii) Transfer of Deferred Tax Reserve	9,121,164	5,030,156
ix) Transfer to OCI reserves due to change in classification	-	-
x) Others (to be Specified)	-	-
Add: Transfer from Catastrophe Reserve	-	-
Add: Share Premium	-	-
Less: Bonus Share Issue	-	-
Less: Cash Dividend	-	-
<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	(3,256,159)	(2,859,650)
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	(282,264,947)	-
xiv) Deduction as per Sec 17 of Financial directive of NIA	-	-
xiv) Deduction as per Sec 18 of Financial directive of NIA	-	-
xv) Prior Period Expenses	-	(1,988,618)
xvi) Transaction costs on issue of share	-	-
xvii) Actuarial Reserve	-	-
<b>Adjusted Retained Earning</b>	<b>205,340,135</b>	<b>282,756,353</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>205,340,135</b>	<b>282,756,353</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

CA Suraj Rajbahak  
Chief Financial Officer

Ashmank Karki  
Director

Skand Amatya  
Director

Dr. Shrujana Shrestha  
Director

Puskar Mahat  
Director

G.P. Rajbahak & Co.  
Chartered Accountants

Date: 16<sup>th</sup> December 2025  
Place: Kathmandu

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements For the year ended Ashadh 32, 2082 (July 16<sup>th</sup>, 2025)

#### 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 2079.

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 2081 to 32<sup>nd</sup> Ashadh 2082 with the corresponding previous year from 1<sup>st</sup> Shrawan 2080 to 31<sup>st</sup> Ashadh 2081. These financial statements have been approved by the Board of Directors on Poush 1, 2082.

##### (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.

## (l) Employee Benefits

### i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit 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, 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>As on Ashadh 31, 2081</b>	<b>15,372,205</b>	-	-	<b>15,372,205</b>
Additions during the year	3,389,488	-	-	3,389,488
Acquisition	-	-	-	-
Internal Development	-	-	-	-
Business Combination( to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/Adjustment	-	-	-	-
<b>Balance as at Ashadh 32, 2082</b>	<b>18,761,693</b>	-	-	<b>18,761,693</b>
<b>Accumulated amortization and impairment</b>				
<b>As at Shrawan 01, 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>As on Ashadh 31, 2081</b>	<b>5,640,515</b>	-	-	<b>5,640,515</b>
Additions during the year	1,255,547	-	-	1,255,547
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
<b>Balance as at Ashadh 32, 2082</b>	<b>6,896,062</b>	-	-	<b>6,896,062</b>
<b>Capital Work-In-Progress</b>				
<b>As at Shrawan 01, 2080</b>	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
<b>As on Ashadh 31, 2081</b>	-	-	-	-
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
<b>Balance as at Ashadh 32, 2082</b>	-	-	-	-
<b>Net Carrying Amount</b>				
<b>As on Ashadh 31, 2081</b>	<b>9,731,690</b>	-	-	<b>9,731,690</b>
<b>As on Ashadh 32, 2082</b>	<b>11,865,631</b>	-	-	<b>11,865,631</b>

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
Gross carrying amount	377,870,000	107,036,113	-	55,649,213	48,548,190	33,720,065	72,056,059	16,993,820	711,873,460
As at Sharawan 01 2080	-	1,942,674	-	16,461,466	20,066,147	6,479,099	-	5,581,426	50,530,812
Additions during the year	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-	-	-	-
Capitalization	-	-	-	(506,355)	-	(909,875)	-	-	(1,416,230)
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	5,655,000	(2,816,844)	-	-	-	-	-	-	2,838,156
Transfer adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	383,525,000	106,161,943	-	71,604,324	68,614,337	39,289,289	72,056,059	22,575,246	763,826,198
Additions during the year	-	-	-	20,914,896	7,305,528	5,734,547	5,603,205	9,716,539	49,274,715
Acquisition	-	-	-	-	-	-	-	-	-
Capitalization	-	-	-	-	(6,152,014)	-	-	-	(7,137,843)
Disposals during the year	-	-	-	(985,829)	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	383,525,000	106,161,943	-	91,533,391	69,767,851	45,023,836	77,659,264	32,291,785	805,963,070
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-
As at Sharawan 01 2080	-	-	-	10,436,930	31,842,595	12,762,597	22,399,634	12,313,991	89,755,747
Depreciation during the year	-	2,704,200.00	-	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)	-	-	(668,996)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 31, 2081	-	2,704,200.00	-	13,355,889	39,188,734	15,792,076	29,902,582	13,335,949	114,279,430
Depreciation during the year	-	2,704,199.00	-	4,216,999	9,247,145	3,954,171	7,663,121	2,431,491	30,217,126
Disposals during the year	-	-	-	(380,171)	(6,047,413)	-	-	-	(6,427,584)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer adjustments	-	-	-	-	-	-	-	-	-
Balance as on Ashadh 32, 2082	-	5,408,399.00	-	17,192,717	42,388,466	19,746,247	37,565,703	15,767,440	138,068,972

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 2080	-	-	-	-	-	-	-	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, 2081</b>	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 32, 2082</b>	-	-	-	-	-	-	-	-	-
<b>Net Carrying Amount</b>									
Balance as on Ashadh 31, 2081	383,525,000	103,457,743	-	58,248,455	29,425,603	23,497,213	42,153,477	9,239,297	649,546,768
Balance as on Ashadh 32, 2082	383,525,000	100,753,544	-	74,340,673	27,379,386	25,277,389	40,093,561	16,524,345	667,894,098
<b>Right-of-Use Assets (after Implementation of NFRS 16)</b>									
Gross carrying amount	-	121,619,889	-	-	-	-	-	-	121,619,889
As at Sharawan 01 2080	-	37,379,072	-	-	-	-	-	-	37,379,072
Additions during the year	-	(18,176,153)	-	-	-	-	-	-	(18,176,153)
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	-	140,822,808.00	-	-	-	-	-	-	140,822,808.00
Additions during the year	-	38,901,502	-	-	-	-	-	-	38,901,502
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 32, 2082</b>	-	179,724,310	-	-	-	-	-	-	179,724,310
<b>Accumulated depreciation</b>									
As at Sharawan 01 2080	-	44,744,625	-	-	-	-	-	-	44,744,625
Depreciation during the year	-	20,150,673	-	-	-	-	-	-	20,150,673
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, 2081</b>	-	<b>64,895,298</b>	-	-	-	-	-	-	<b>64,895,298</b>
Depreciation during the year	-	19,060,396	-	-	-	-	-	-	19,060,396
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 32, 2082</b>	-	<b>83,955,694</b>	-	-	-	-	-	-	<b>83,955,694</b>
<b>Net Carrying Amount</b>									
<b>Balance as on Ashadh 31, 2081</b>	-	<b>75,927,510</b>	-	-	-	-	-	-	<b>75,927,510</b>
<b>Balance as on Ashadh 32, 2082</b>	-	<b>95,768,616</b>	-	-	-	-	-	-	<b>95,768,616</b>
<b>Grand Total</b>									
Balance 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
Balance as on Ashadh 32, 2082	383,525,000	196,522,161	-	74,340,673	27,379,386	25,277,589	40,093,561	16,524,345	763,662,715

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

#### 6 Investment Properties

##### Investment Properties at Cost

Fig. in NPR

Particulars	Land	Building	Total
<b>Gross carrying amount</b>			
<b>As at Sharawan 01 2080</b>	-	82,652,887	82,652,887
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>	-	80,477,731	80,477,731
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluation/Adjustment	-	-	-
<b>Balance as on Ashadh 32, 2082</b>	-	80,477,731	80,477,731
<b>Accumulated depreciation and impairment</b>			
<b>As at Sharawan 01 2080</b>	-	2,049,960	2,049,960
Depreciation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	-	2,049,960	2,049,960
Depreciation during the year	-	2,049,961	2,049,961
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
<b>Balance as on Ashadh 32, 2082</b>	-	4,099,921	4,099,921
<b>Capital Work-In-Progress</b>			
<b>As at Sharawan 01 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>	-	-	-
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
<b>Balance as on Ashadh 32, 2082</b>	-	-	-
<b>Net Carrying Amount</b>			
<b>Balance as on Ashadh 31, 2081</b>	-	78,427,771	78,427,771
<b>Balance as on Ashadh 32, 2082</b>	-	76,377,810	76,377,810

Continue...

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

#### (i) Amounts recognised in statement of profit or loss

Fig. in NPR

Particulars	Current Year	Previous Year
Rental income	19,680,439	19,034,979
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>19,680,439</b>	<b>19,034,979</b>
Depreciation charge	2,049,961	2,049,960
<b>Profit from investment properties</b>	<b>17,630,478</b>	<b>16,985,019</b>

#### 7 Deferred Tax Assets/(Liabilities)

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Intangible Assets	(591,196)		(591,196)	(520,211)		(520,211)
Property and Equipment	1,161,173	(49,415,847)	(48,254,674)	2,930,255	(50,227,107)	(47,296,852)
Financial Assets at FVPTL	-	-	-	-	-	-
Financial Assets at FVTOCI	-	(4,327,145)	(4,327,145)	-	2,989,945	2,989,945
Provision for Leave	13,055,024	3,490,040	16,545,064	11,404,954	3,297,312	14,702,266
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	6,398,494	-	6,398,494	3,258,080	-	3,258,080
Unearned Premiums Reserve	(16,653,660)	-	(16,653,660)	-	-	-
Incurred But Not Reported including IBNER	31,245,677	-	31,245,677	47,169,724	-	47,169,724
Margin For Adverse Deviation	22,279,117	-	22,279,117	3,403,611	-	3,403,611
Premium Deficiency Reserve	2,747,524	-	2,747,524	1,745,902	-	1,745,902
Carry forward of unused tax losses	-	-	-	-	-	-
Changes in tax rate	-	-	-	-	-	-
Others (specify if any)	-	-	-	-	-	-
- Unamortized portion of Bond	-	-	-	-	-	-
- Deferred Agency Commission	(8,571,750)	-	(8,571,750)	(13,299,274)	-	(13,299,274)
- Insurance Contract Liabilities net of Insurance Assest	-	-	-	-	-	-
- Lease Expenses (NFRS 16 Impact)	5,218,226	-	5,218,226	3,456,821	-	3,456,821
- Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	-
- Deferred Commission Income	51,783,165	-	51,783,165	59,385,663	-	59,385,663
- Provision for Other Loss	4,642,500	-	4,642,500	2,730,000	-	2,730,000
- Share of Net Profit of Associates using Equity Method	(1,395,497)	(27,121,769)	(28,517,266)	(1,225,564)	(27,121,769)	(28,347,333)
<b>Total</b>	<b>134,383,211</b>	<b>(77,374,721)</b>	<b>57,008,490</b>	<b>143,504,375</b>	<b>(71,061,619)</b>	<b>72,442,756</b>
<b>Deferred Tax Asstes</b>	<b>-</b>	<b>-</b>	<b>57,008,490</b>	<b>-</b>	<b>-</b>	<b>72,442,756</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
<b>As at Shrawan 1, 2081</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>
Charged/(Credited) to Statement of Profit or Loss	(9,121,164)	-	(9,121,164)	(5,030,156)	-	(5,030,156)
Charged/(Credited) to Other Comprehensive Income	-	(6,313,102)	(6,313,102)	-	(14,940,647)	(14,940,647)
<b>As at Ashadh 32, 2082</b>	<b>134,383,211</b>	<b>(77,374,721)</b>	<b>57,008,490</b>	<b>143,504,375</b>	<b>(71,061,619)</b>	<b>72,442,756</b>

#### 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	241,177,681	163,611,239
Less: Impairment Losses	-	-
<b>Total</b>	<b>241,177,681</b>	<b>163,611,239</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
700,000 Shares of Rs 100 each of Kriti Venture Fund	70,000,000	-	70,000,000	60,000,000	-	60,000,000
670,000 Shares of Rs 100 each of White Lotus Power Ltd.	67,000,000	-	67,000,000	-	-	-
Add: Share of Profit or Loss for Earlier Years	-	-	4,085,214	-	-	3,791,606
Add: Share of OCI Income /(loss) for Previous years	-	-	90,426,025	-	-	-
Add: Share of Profit or Loss for Current Year	-	-	566,442	-	-	293,608
Add: Share of OCI Income/(loss) for Current Year	-	-	-	-	-	90,426,025
<b>Total</b>	<b>146,100,000</b>	<b>-</b>	<b>241,177,681</b>	<b>69,100,000</b>	<b>-</b>	<b>163,611,239</b>

#### Information Relating to Associates

Particulars	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Name	White Lotus Power Ltd.		Machhapuchchhre Capital Limited		Kriti Venture Fund	
Place of Business	Kathmandu		Kathmandu		Kathmandu	
Accounting Method	Equity		Equity		Equity	
% of Ownership	19.85%	-	3.97%	3.97%	20.00%	20.00%
Current Assets	114,232,018	-	252,586,999	224,851,061	189,527,708	189,527,708
Non-Current Assets	555,102,852	-	90,343,158	93,909,915	723,316,414	723,316,414
Current Liabilities	57,958,030	-	12,071,021	4,404,063	453,474	453,474
Non-Current Liabilities	274,681,520	-	16,990,260	16,427,110	139,583,973	139,583,973
<b>Income</b>						
Net Profit or Loss	(392,613)	-	16,230,619	73,571	1,453,434	1,453,434
Other Comprehensive Income	-	-	-	-	452,130,126	452,130,126
Total Comprehensive Income	(392,613)	-	16,230,619	73,571	453,583,560	453,583,560
<b>Company's share of profits</b>						
Net Profit or Loss	(77,914)	-	644,356	2,921	290,687	290,687
Other Comprehensive Income	-	-	-	-	90,426,025	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>3,760,486,410</b>	<b>3,729,023,164</b>
i) Investment in Preference Shares of Bank and Financial Institutions	-	-
ii) Investment in Debentures	863,682,924	762,817,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
iv) Fixed Deposits in "A" Class Financial Institutions	2,433,500,000	2,447,500,000
v) Fixed Deposits in Infrastructure Banks	-	-
iv) Fixed Deposits in "B" Class Financial Institutions	425,500,000	467,000,000
iv) Fixed Deposits in "C" Class Financial Institutions	20,000,000	34,500,000
v) Investment in Gratuity Fund (CIT)	17,803,486	17,206,164
vi) Others	-	-
Less: Impairment Losses	-	-
<b>Investments at FVTOCI</b>	<b>902,056,881</b>	<b>833,276,033</b>
i) Investment in Equity Instruments (Quoted)	611,540,062	269,840,494
ii) Investment in Equity Instruments (Unquoted)	172,168,045	464,219,413
iii) Investment in Mutual Funds	118,348,774	99,216,126
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>4,662,543,291</b>	<b>4,562,299,198</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)	611,540,062	269,840,494
Investment in Equity Instruments (Unquoted)	-	-
Investment in Mutual Funds	118,348,774	99,216,126
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	2,433,500,000	2,447,500,000
Fixed Deposit with Infrastructure Banks	-	-
Fixed Deposit with "B" Class Financial Institutions	425,500,000	467,000,000
Fixed Deposit with "C" Class Financial Institutions	20,000,000	34,500,000
Others -Investment in CIT	-	-
<b>Total</b>	<b>3,608,888,836</b>	<b>3,318,056,620</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.	11,618	4,305,048	3,800,596	4,200	1,479,324	1,234,800
Asha Laghubitta Bittiya Sanstha Ltd.	1,585	1,479,867	1,419,859	-	-	-
Api Power Company Ltd.	5,400	1,619,626	1,597,968	-	-	-
Arun Valley Hydropower Development Company Limited.	-	-	-	5,543	1,459,971	986,100
Asian Life Insurance Company Limited	-	-	-	1,925	1,337,221	1,199,275
Bishal Bazar Company Ltd.	-	-	-	23	87,252	94,001
Bottlers Nepal (Terai) Limited	100	1,200,100	1,280,000	100	1,200,100	1,300,000
Central Finance Company Ltd. Promoter Share	188,016	15,000,000	31,586,688	188,016	15,000,000	31,586,688
Chimmek Laghubitta Bittiya Sanstha Ltd.	5,081	4,706,348	5,263,814	2,623	2,705,772	2,360,700
CEDB Holdings Limited	7,164	16,708,364	18,927,216	-	-	-
Chilime Hydropower Company Limited.	3,004	1,605,224	1,602,484	1,321	648,120	614,265
Chandragiri Hills Limited	649	660,708	620,457	100	80,559	90,800
Citizen Investment Trust	1,133	2,226,333	2,238,491	-	-	-
Citizens Bank International Limited.	16,006	5,111,996	3,653,850	15,390	5,111,942	2,977,965
City Hotel Ltd.	-	-	-	700	453,390	520,800
Deprosc Laghubitta Bittiya Sanstha Ltd.	6	4,068	5,294	1,000	813,560	841,000
Dordi Khola Jal Bidyut Company Limited	1,000	321,230	337,150	-	-	-
Everest Bank Limited.	25,031	19,486,007	17,560,748	20,687	19,486,007	11,584,720
Forward Microfinance Lagubitta Bittiya Sanstha Limited.	2,329	2,987,583	3,013,400	1,004	1,344,432	1,418,652
Garima Bikash Bank Ltd.	1	-	428	9,102	3,797,210	3,505,180
Global IME Bank Limited.	5,191	1,956,073	1,347,428	4,919	1,956,090	955,270
Gurkhas Finance Ltd.	-	-	-	100	67,043	72,000
First Microfinance Development Bank Limited	-	-	-	500	349,225	340,500
Hathway Investment Nepal Limited	2,914	4,153,262	3,555,488	-	-	-
Himalayan Bank Limited.	1	-	237	2,670	714,144	545,214
Himalayan Distillery Limited.	805	985,861	995,415	2	3,556	2,768
Hydroelectricity Investment and Development Company Ltd.	15,000	4,369,800	4,389,150	-	-	-
Hydroelectricity Investment and Development Company Ltd. (promoter)	-	-	-	9,000	918,000	927,000
Himalayan Life Insurance Limited.	740	327,174	301,261	3,105	1,320,436	1,214,055
Himalayan Reinsurance Limited	6,559	6,233,096	6,052,514	-	-	-
ICFC Finance Limited.	-	-	-	4,708	2,765,307	2,730,640

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
Jyoti Bikas Bank Limited.	9,277	4,192,276	3,261,237	9,277	4,192,276	2,912,978
Kamana Sewa Bikas Bank Limited.	-	-	-	3,000	1,259,970	1,248,000
Kumari Bank Limited.	-	-	-	2,094	370,980	321,848
Kumari Bank Limited Promoter Share.	358,211	39,011,950	39,761,421	358,211	39,011,950	37,253,944
Life Insurance Company Nepal.	4,375	2,914,330	3,890,381	3,102	4,643,082	4,460,676
Lumbini Bikas Bank Ltd.	1,030	489,744	495,111	-	-	-
Machhapuchchhre Bank Limited.	16,226	4,284,351	4,209,187	1,135	218,665	227,000
Mandu Hydropower Limited	140	152,730	126,494	-	-	-
Madhya Bhotekoshi Jalavidyut Company Limited	300	94,605	94,815	-	-	-
Manjushree Finance Limited.	400	288,640	249,308	1,000	564,240	602,900
Molung Hydropower Company Limited	-	-	-	2,000	825,180	820,000
Mountain Energy Nepal Limited	1,100	633,740	703,109	1,025	594,699	611,925
Muktinath Bikas Bank Limited.	13,001	5,599,384	5,277,366	5,739	2,598,580	2,106,213
Muktinath Krishi Company Ltd.	334	537,917	499,467	200	234,856	278,000
Nabil Bank Limited.	6,576	3,993,285	3,560,049	792	539,740	415,008
National Hydropower Company Limited.	-	-	-	1,000	171,900	162,900
National Life Insurance Company Limited.	12,372	8,286,538	7,714,932	7,364	5,349,501	4,381,580
Nepal Bank Limited	921	365,766	268,416	921	365,766	211,370
Nepal Republic Media Limited	1,000	471,650	454,490	1,000	419,220	437,400
Nepal Finance (Promotor) Ltd.	100,000	10,000,000	16,300,000	-	-	-
Ngadi Group Power Limited	-	-	-	800	254,336	272,800
Nepal Doorsanchar Company Limited.	1,400	1,373,265	1,228,178	990	840,920	836,550
Nepal Infrastructure Bank Limited.	1,080	493,830	304,160	1,080	493,830	246,240
Nepal Investment Mega Bank Limited.	60,225	15,541,913	13,913,246	1,171	298,394	205,042
Nepal Investment Mega Bank Limited Promoter Share.	7,262	2,092,819	1,220,016	47,823	12,329,051	6,642,655
Nepal Life Insurance Company Limited.	-	-	-	1,235	764,971	764,465
Nepal Reinsurance Company Limited (Promoter Shares)	2,171,935	161,816,865	161,816,865	2,075,276	163,089,374	163,093,507
Nepal SBI Bank Ltd.	-	-	-	1	284	328
Nerude Mirmire Laghubitta Bittiya Sanstha Limited	-	-	-	1	-	720
NIC Asia Bank Limited.	14,810	7,878,334	6,220,941	13,610	7,883,697	6,031,952
NIC Asia Laghubitta Bittiya Sanstha Ltd.	-	-	-	500	357,000	352,500
NMB Bank Limited.	14,501	3,911,799	3,911,210	1	-	218
Nirdhan Utthan Laghubitta Bittiya Sanstha Ltd.	2,510	2,730,780	1,929,462	2,510	2,730,780	1,786,869
Oriental Hotel Ltd.	-	-	-	200	146,626	157,000
Prabhu Bank Limited.	8,253	1,860,173	1,831,258	303,684	34,495,073	49,713,071
Prabhu Bank Limited Promoter Share.	485,355	47,710,954	53,389,050	189,924	15,076,054	18,992,400
Prabhu Mahalaxmi Life Insurance Limited.	-	-	-	1,000	616,790	564,100
Prime Commercial Bank Limited.	10,663	4,396,355	2,946,294	10,663	4,396,355	2,365,053
Reliable Nepal Life Insurance Limited	1,200	629,724	572,016	-	-	-
Sana Kisan Bikash Laghubitta Bittiya Sanstha Ltd.	300	149,670	265,323	661	-	564,296
Shangrila Development Bank	3,109	1,264,524	1,438,907	-	-	-
Salt Trading Corporation Limited.	450	2,690,069	2,380,500	33	152,134	161,865
Sanima Bank Limited.	16,338	6,091,623	6,122,992	16,338	6,091,623	4,558,302
Sarbotam Cement Ltd.	-	-	-	200	161,602	161,300
Sanima Mai Hydropower Limited.	1,211	371,543	759,188	5,497	2,349,130	1,866,232
Sanima Reliance Life Insurance Limited.	4,020	1,737,685	1,648,964	1,558	874,614	735,999
Sagarmatha Jalbidhyut Company Ltd.	-	-	-	500	204,730	203,000
Sahas Urja Limited	200	100,018	128,008	-	-	-
Shivam Cements Limited.	10,911	5,720,871	5,837,821	5,592	3,076,145	2,808,862
Siddhartha Bank Ltd.	11,466	4,361,643	4,400,307	8,766	3,447,317	2,480,778

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
Standard Chartered Bank Ltd.	-	-	-	6,440	3,344,930	3,876,880
Soaltee Hotel Limited	5,672	2,933,740	3,276,034	3,000	1,384,000	1,326,000
Samling Power Company Limited	4,522	2,951,012	2,433,605	-	-	-
Sonapur Minerals and Oil Ltd.	1,500	699,120	696,165	2,100	976,470	957,810
Super Madi Hydropower Limited.	-	-	-	465	205,005	289,230
Synergy Power Development Ltd.	-	-	-	1,000	249,410	254,900
Laxmi Sunrise Bank Limited.	20,826	7,449,026	4,971,999	18,536	7,449,026	3,243,800
Sun Nepal Life Insurance Company Ltd.	20,280	11,458,164	9,950,179	1,500	892,500	766,950
Suryajyoti Life Insurance Company Limited.	7,500	4,222,800	3,350,175	5,292	3,242,091	2,275,031
Swabalamban Laghubitta Bittiya Sanstha Limited.	3,656	3,689,790	3,222,545	2,274	2,263,485	2,137,560
Taragaon Regency Hotel Ltd.	-	-	-	200	145,566	161,400
United IDI Mardi RB Hydropower Limited	1,500	708,825	917,535	-	-	-
Universal Power Company Limited.	-	-	-	3,256	829,238	671,062
Unilever Nepal Ltd.	10	483,688	463,400	-	-	-
Sanima Middle Tamor Hydropower Ltd. (Promoter Shares)	213,280	21,328,000	21,328,000	213,280	21,328,000	21,328,000
Trishuli Jalvidhyut Company Limited	-	-	-	500	268,500	248,500
Citizen Life Insurance Company Ltd. (Promoter Shares)	430,000	32,250,000	32,250,000	322,500	32,250,000	32,250,000
Nepal Warehousing Ltd. (Promoter Shares)	600,000	60,000,000	60,000,000	600,000	60,000,000	60,000,000
<b>Investment in Equity Instruments (Unquoted)</b>						
Lower Erkhwa 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
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 Ltd.	21,380	2,138,045	2,138,045	21,333	2,133,333	2,133,333
Shreenagar Agritech Industires Ltd.	1,000,000	100,000,000	100,000,000	1,000,000	100,000,000	100,000,000
<b>Total</b>	<b>6,682,221</b>	<b>770,031,339</b>	<b>783,708,107</b>	<b>6,646,081</b>	<b>734,570,863</b>	<b>734,059,907</b>

d) The company has earmarked investments amounting to NPR 2,879,000,000 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>

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### 12 Reinsurance Assets

Particulars	Current Year	Previous Year
<b>Reinsurance Assets on:</b>		
Unearned Premiums Reserve (UPR)	2,070,948,958	2,020,359,256
Unexpired Risk Reserve (URR)	5,794,278	9,178,550
Earthquake Premium Reserve	-	-
Incurred but not reported (IBNR)	66,677,216	93,459,687
Incurred but not enough reported (IBNER)	150,153,081	309,720,096
Outstanding Claims	2,288,039,840	1,649,974,454
Others- Margin over best estimate	-	-
Less: Impairment Losses	-	-
<b>Total</b>	<b>4,581,613,373</b>	<b>4,082,692,043</b>

#### 13 Insurance Receivables

Particulars	Current Year	Previous Year
Receivable from Reinsurer	439,047,678	231,826,754
Receivable from Other Insurance Companies	696,140,919	345,779,306
Others (to be Specified)	-	-
Less: Impairment Losses	(36,823,135)	(36,823,135)
<b>Total</b>	<b>1,098,365,462</b>	<b>540,782,925</b>

##### a) Expected receivable within 12 months

Particulars	Current Year	Previous Year
Receivable from Reinsurer	439,047,678	231,826,754
Receivable from Other Insurance Companies	696,140,919	345,779,306
Others (to be Specified)	-	-
<b>Total</b>	<b>1,135,188,597</b>	<b>577,606,060</b>

#### 14 Other Assets

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	16,048,950	24,506,051
Claim Advances	187,178,687	72,791,895
Advance To Suppliers	-	-
VAT Receivable	-	-
Staff Advances	43,997,218	39,505,152
Printing and Stationary Stocks	-	-
Stamp Stocks	-	-
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	-	-
Deferred Agent Commission Expenses	28,572,500	44,330,913
Lease Receivables	-	-
Other Receivable	31,109,478	328,504
Covid Insurance Claim Receivable	182,592,532	182,592,532
Less: Provision for doubtful debt	-	-
<b>Total</b>	<b>489,499,366</b>	<b>364,055,047</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	16,048,950	24,506,051
Claim Advances	187,178,687	72,791,895
Advance To Suppliers	-	-
VAT Receivable	-	-
Staff Advances	43,997,218	39,505,152
Printing and Stationary Stocks	-	-
Stamp Stocks	-	-
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	-	-
Deferred Agent Commission Expenses	28,572,500	44,330,913
Lease Receivables	-	-
Other Receivable	31,109,478	328,504
Covid Insurance Claim Recovery	182,592,532	182,592,532
Less: Provision for doubtful debt	-	-
<b>Total</b>	<b>489,499,366</b>	<b>364,055,047</b>

#### 15 Other Financial Assets

Particulars	Current Year	Previous Year
Security Deposits	119,568,661	77,614,297
Accured Interest	32,960,639	31,996,452
Other Receivables	-	-
Other Deposits	1,390,689	1,390,689
Sundry Debtors	8,321,573	1,876,323
Bank Guarantee Margin	566,483	752,124
Rent Receivable	-	-
Water and Electricity Receivable	-	-
Subsidy Receivable	558,598,394	606,576,070
Advance Against Investment	57,500,000	-
Less: Provision for other losses	-	-
<b>Total</b>	<b>778,906,439</b>	<b>720,205,955</b>

#### a) Expected maturities within 12 months

Particulars	Current Year	Previous Year
Security Deposits	119,568,661	77,614,297
Accured Interest	32,960,639	31,996,452
Other Receivables	-	-
Other Deposits	1,390,689	1,390,689
Sundry Debtors	8,321,573	1,876,323
Other -Bank Guarantee Margin	566,483	752,124
Rent Receivable	-	-
Water and Electricity Receivable	-	-
Subsidy Receivable	558,598,394	606,576,070
Advance Against Investment	57,500,000	-
Less: Provision for other losses	-	-
<b>Total</b>	<b>778,906,439</b>	<b>720,205,955</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	34,585	68,111
Cheque in Hand	-	-
<b>Bank Balances</b>	-	-
i) Balance With "A" Class Financial Institutions	90,056,240	119,953,673
ii) Balance With Infrastructure Banks	-	-
iii) Balance With "B" Class Financial Institutions	32,521,285	19,305,808
iv) Balance With "C" Class Financial Institutions	1,848,000	5,316,874
Less: Impairment Losses	-	-
Deposit with initial maturity upto 3 months	-	-
Others (Gold Coins)	1,377,322	1,207,822
Less: Impairment Losses	-	-
<b>Total</b>	<b>125,837,432</b>	<b>145,852,288</b>

#### 17 (a) Share Capital

Particulars	Current Year	Previous Year
<b>Ordinary Shares</b>		
<b>As at Shrawan 1, 2081</b>	<b>2,654,947,300</b>	<b>2,654,947,300</b>
Additions during the year	-	-
i) Bonus Share Issue	268,151,700	-
ii) Right Share Issue	-	-
<b>As at Ashadh 32, 2081</b>	-	-
<b>Convertible Preference Shares (Equity Component Only)</b>	-	-
As at Shrawan 1, 2081	-	-
Additions during the year	-	-
<b>As at Ashadh 32, 2082</b>	-	-
<b>Irredeemable Preference Shares (Equity Component Only)</b>	-	-
As at Shrawan 1, 2081	-	-
Additions during the year	-	-
<b>As at Ashadh 32, 2082</b>	-	-
<b>Total</b>	<b>2,923,099,000</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>		
29,230,990 Equity Share @ Rs. 100	2,923,099,000	2,654,947,300
<b>Subscribed and Paid Up Capital:</b>		
29,230,990 Equity Share @ Rs. 100	2,923,099,000	2,654,947,300
<b>Total</b>	<b>2,923,099,000</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>	<b>-</b>	<b>-</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	1,887,895	2,350,339	6.46%	8.86%
Nepali Citizens	13,019,910	11,189,891	44.54%	42.14%
Foreigners	-	-	-	-
Others (to be Specified)	-	-	-	-
<b>Total (A)</b>	<b>14,894,253</b>	<b>13,540,230</b>	<b>51.00%</b>	<b>51.00%</b>
<b>Other than Promoters</b>				
General Public	14,323,185	13,009,243	49.00%	49.00%
Others ( to be Specified)	-	-	-	-
<b>Total (B)</b>	<b>14,336,737</b>	<b>13,009,243</b>	<b>49.00%</b>	<b>49.00%</b>
<b>Total (A+B)</b>	<b>29,230,990</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	879,417	953,744	3.01%	3.59%
Buddha Air Pvt. Ltd.	1,804,647	1,639,501	6.17%	6.18%
Gaurav Agrawal	3,602,457	3,271,999	12.32%	12.32%
Kailash Prasad Sirohiya	862,721	973,637	2.95%	3.67%
Pabitra Kumar Karki	489,616	444,810	1.67%	1.68%
Shekhar Basnet	306,020	278,015	1.05%	1.05%
Rajendra Prasad Shrestha	792,541	968,277	2.71%	3.65%
Lomush Investment Pvt. Ltd.	784,641	712,837	2.68%	2.68%
Jitendra Baheti	410,413	376,112	1.40%	1.42%
Kiran Prakash Pandey	311,551	298,909	1.07%	1.13%
Pawan Kumar Agrawal	503,448	457,372	1.72%	1.72%
Shashikanta Agrawal	1,452,672	1,149,485	4.97%	4.33%
Chanda Sherpa	1,755,896	1,694,701	6.01%	6.38%
Birendra Bahadur Basnet	490,067	491,852	1.68%	1.85%

## 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, 2081</b>	<b>-</b>	<b>-</b>
Increase due to issue of shares at premium	-	-
Decrease due to issue of bonus shares	-	-
Transaction costs on issue of share	-	-
Others (to be Specified)	-	-
<b>As at Ashadh 32, 2082</b>	<b>-</b>	<b>-</b>

#### 17 (d) Special Reserves

Particulars	Current Year	Previous Year
<b>As on Shrawan 1, 2081</b>	<b>1,687,491,319</b>	<b>1,462,322,731</b>
Additions	230,160,270	225,168,588
Utilizations	-	-
<b>As at Ashadh 32, 2082</b>	<b>1,917,651,589</b>	<b>1,687,491,319</b>

#### 17 (e) Catastrophe Reserves

Particulars	Current Year	Previous Year
<b>As on Shrawan 1, 2081</b>	<b>138,137,767</b>	<b>115,620,908</b>
Additions	23,016,027	22,516,859
Utilizations	-	-
<b>As at Ashadh 32,2082</b>	<b>161,153,794</b>	<b>138,137,767</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, 2081	287,508,943	89,456,263
Opening Adjustment	-	-
Restated Balance as on Shrawan 1, 2080	287,508,943	89,456,263
Net Profit or Loss	452,010,637	445,307,021
Items of OCI recognised directly in retained earnings	-	-
Remeasurement of Post-Employment Benefit Obligations	-	-
Transfer to reserves	-	-
Revaluation Reserves	-	-
Special Reserves	(230,160,270)	(225,168,588)
Capital Reserves	-	-
Catastrophe Reserves	(23,016,027)	(22,516,859)
Corporate Social Responsibility (CSR) Reserves	(4,603,205)	(4,503,372)
Insurance Fund including Insurance Reserves	-	-
Fair Value Reserves	-	-
Actuarial Reserves	-	-
Deferred Tax Reserves	9,121,164	5,030,156
Other Reserve	-	-
Share Premium	-	-
Transfer from Catastrophe Reserves	-	-
Transfer from Regulatory Reserve	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	1,892,939	1,892,940
Transfer of Disposal of Revalued Property and Equipment	-	-
Transfer of Disposal of Equity Instruments Measured at FVTOCI	-	-
Issue of Bonus Shares	-	-
Transaction costs on issue of Shares	-	-
Dividend Paid	(268,151,700)	-
Cash Dividend (Dividend Distribution Tax)	(14,113,247)	-
Others -Prior Period Expenses	-	(1,988,618)
<b>As at Ashadh 32, 2082</b>	<b>210,489,233</b>	<b>287,508,943</b>

#### 17 (g) Other Equity

Particulars	Current Year	Previous Year
Revaluation Reserves	398,089,604	399,982,543
Capital Reserves	-	-
Corporate Social Responsibility (CSR) Reserves	610,766	228,260
Insurance Fund including Insurance Reserves	-	-
Regulatory Reserves	-	-
Fair Value Reserves	10,096,672	(6,976,539)
Actuarial Reserves	(8,143,427)	(7,693,727)
Deferred Tax Reserve	134,383,211	143,504,375
Other Reserve-Investment in Associates	63,284,129	63,284,127
<b>Total</b>	<b>598,320,956</b>	<b>592,329,039</b>

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### 18 Provisions

Particulars	Current Year	Previous Year
<b>Provision for employee benefits</b>		
i) Provision for Leave	43,991,635	38,016,513
ii) Provision for Gratuity	40,058,242	40,058,242
iii) Termination Benefits	-	-
iv) Other Employee Benefit obligations- Bonus	74,445,058	63,525,293
Provision for tax related legal cases	-	-
Provision for non-tax legal cases	-	-
Others-Provision for losses for Investment	15,475,000	15,475,000
<b>Total</b>	<b>173,969,935</b>	<b>157,075,048</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
<b>Provision for employee benefits</b>		
i) Provision for Leave	43,991,635	38,016,513
ii) Provision for Gratuity	40,058,242	40,058,242
iii) Termination Benefits	-	-
iv) Other Employee Benefit obligations (to be Specified)	74,445,058	63,525,293
Provision for tax related legal cases	-	-
Provision for non-tax related legal cases	-	-
Others-Provision for losses for Investment	15,475,000	15,475,000
<b>Total</b>	<b>173,969,935</b>	<b>157,075,048</b>

#### 19 Gross Insurance Contract Liabilities

Particulars	Current Year	Previous Year
Unearned Premiums Reserves (UPR)	2,955,661,782	2,805,536,976
Unexpired Risk Reserves (URR)	14,952,691	14,998,223
Earthquake Risk Reserve	21,328,312	10,860,268
Margin Over Best Estimates (MOBE)	74,263,724	11,345,369
Incurred but not reported (IBNR)	115,272,647	139,542,135
Incurred but not enough reported (IBNER)	241,746,548	452,300,397
Outstanding Claims	2,528,284,112	1,859,510,024
Others	-	-
<b>Total</b>	<b>5,951,509,816</b>	<b>5,294,093,391</b>

Continue...

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, 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	253,631,233	2,805,536,975
Unexpired Risk Reserves	-	-	-	-	32,291	-	11,099,087	3,866,844	14,998,223
Earthquake Premium Reserves	6,611,647	2,665,176	82,554	520,643	662	-	869,798	109,788	10,860,268
Margin Over Best Estimate	437,152	6,314,428	64,780	111,076	3,003	3,796	3,713,387	697,748	11,345,369
Incurred but not reported (IBNR)	15,632,599	33,702,785	3,035,931	2,694,229	-	-	81,550,052	2,926,539	139,542,134.68
Incurred but not enough reported (IBNER)	18,382,555	229,115,176	7,334,843	22,698,812	1,739,183	5,723,336	122,343,662	50,962,830	452,300,397
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	1,859,510,024
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>943,316,369</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>	<b>5,294,093,390</b>
<b>Changes during the year</b>									
Unearned Premiums Reserves	116,401,517	13,601,149	(47,572,260)	210,677,782	(618,015)	12,693,682	(186,349,671)	31,290,624	150,124,807
Unexpired Risk Reserves	-	-	-	-	57,420	-	(9,553,412)	9,450,460	(45,532)
Earthquake Premium Reserves	5,529,396	3,185,936	621,872	549,432	263	-	480,967	100,178	10,468,044
Margin Over Best Estimate	10,217,339	31,498,013	1,991,044	5,519,065	620,070	200,010	6,916,935	5,955,881	62,918,355
Incurred but not reported (IBNR)	4,645,170	24,264,138	(84,388)	1,933,962	128,283	3,078,505	(71,645,207)	13,410,049	(24,269,488)
Incurred but not enough reported (IBNER)	(11,520,819)	(89,083,225)	(283,052)	(8,740,938)	(1,739,183)	(5,723,336)	(68,389,462)	(25,073,835)	(210,553,849)
Outstanding Claims	324,005,629	38,133,226	131,937,921	(11,072,389)	(339,284)	(30,000,000)	224,274,613	(8,165,629)	668,774,088
Others	-	-	-	-	-	-	-	-	-
<b>Total changes during the year</b>	<b>449,278,232</b>	<b>21,599,236</b>	<b>86,611,138</b>	<b>198,866,914</b>	<b>(1,890,445)</b>	<b>(19,751,140)</b>	<b>(104,265,237)</b>	<b>26,967,728</b>	<b>657,416,426</b>
<b>As at Ashadh 32, 2082</b>									
Unearned Premiums Reserves	801,715,975	738,153,119	141,475,663	743,028,942	304,588	70,857,058	175,204,581	284,921,857	2,955,661,782
Unexpired Risk Reserves	-	-	-	-	89,711	-	1,545,676	13,317,304	14,952,691
Earthquake Premium Reserves	12,141,043	5,851,112	704,426	1,070,075	925	-	1,350,765	209,966	21,328,312
Margin Over Best Estimate	10,654,491	37,812,440	2,055,824	5,630,140	623,073	203,806	10,630,322	6,653,629	74,263,724
Incurred but not reported (IBNR)	20,277,769	57,966,923	2,951,543	4,628,191	128,283	3,078,505	9,904,845	16,336,588	115,272,647
Incurred but not enough reported (IBNER)	6,861,736	134,031,951	7,051,791	13,957,875	-	-	53,954,200	25,888,995	241,746,548
Outstanding Claims	540,943,588	270,750,619	189,808,081	212,089,581	952,689,597	-	332,642,819	29,359,828	2,528,284,112
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,392,594,601</b>	<b>1,244,566,164</b>	<b>344,047,328</b>	<b>980,404,803</b>	<b>953,836,177</b>	<b>74,139,369</b>	<b>585,233,207</b>	<b>376,688,167</b>	<b>5,951,509,816</b>

Continue...

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

Particulars	Line of Business								Total	
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous		
<b>b) Reinsurance Assets</b>										
<b>As at Shrawan 1, 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	2,020,359,256	
Unexpired Risk Reserves	-	-	-	-	32,291	-	8,646,886	499,373	9,178,550	
Earthquake Premium Reserves	-	-	-	-	-	-	-	-	-	
Margin Over Best Estimate	11,933,625	9,722,342	2,250,208	2,297,622	-	-	65,369,901	1,885,990	93,459,687	
Incurred but not reported (IBNR)	13,338,489	120,807,066	6,824,964	21,984,664	1,679,124	5,647,416	101,389,944	38,048,429	309,720,096	
Outstanding Claims	190,026,565	88,892,906	49,915,331	216,045,863	952,943,382	29,700,000	89,966,126	32,484,281	1,649,974,454	
Others	-	-	-	-	-	-	-	-	-	
<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>	
<b>Changes during the year</b>										
Unearned Premiums	5,903,576	(14,721,820)	(8,768,391)	203,276,218	(477,898)	4,992,990	(157,282,494)	17,667,521	50,589,702	
Unexpired Risk Reserves	-	-	-	-	28,757	-	(7,781,622)	4,368,593	(3,384,272)	
Earthquake Premium Reserves	-	-	-	-	-	-	-	-	-	
Margin Over Best Estimate	4,173,527	12,897,783	(193,798)	2,079,049	96,720	3,059,993	(57,254,670)	8,358,924	(26,782,471)	
Incurred but not reported (IBNR)	(10,748,583)	(54,159,773)	(853,275)	(8,764,891)	(1,679,124)	(5,647,416)	(56,806,610)	(20,907,344)	(159,567,015)	
Outstanding Claims	326,819,056	48,240,535	121,105,310	(6,440,887)	(253,785)	(29,700,000)	186,584,776	(8,289,618)	638,065,386	
Others	-	-	-	-	-	-	-	-	-	
<b>Total changes during the year</b>	<b>326,147,576</b>	<b>(7,743,276)</b>	<b>111,289,847</b>	<b>190,149,490</b>	<b>(2,285,329)</b>	<b>(27,294,433)</b>	<b>(92,540,621)</b>	<b>1,198,077</b>	<b>498,921,330</b>	
<b>As at Ashadh 32, 2082</b>										
Unearned Premiums	621,202,818	265,634,136	72,469,812	715,827,033	224,177	63,156,366	146,285,225	186,149,391	2,070,948,958	
Unexpired Risk Reserves	-	-	-	-	61,048	-	865,264	4,867,966	5,794,278	
Earthquake Premium Reserves	-	-	-	-	-	-	-	-	-	
Margin Over Best Estimate	16,107,152	22,620,125	2,056,410	4,376,671	96,720	3,059,993	8,115,231	10,244,914	66,677,216	
Incurred but not reported (IBNR)	2,589,906	66,647,293	5,971,690	13,219,773	-	-	44,583,334	17,141,085	150,153,081	
Outstanding Claims	516,845,620	137,133,440	171,020,642	209,604,976	952,689,597	-	276,550,902	24,194,663	2,288,039,840	
Others	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>1,156,745,497</b>	<b>492,034,994</b>	<b>251,518,553</b>	<b>943,028,453</b>	<b>953,071,542</b>	<b>66,216,359</b>	<b>476,399,955</b>	<b>242,598,019</b>	<b>4,581,613,373</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	530,965,054	2,487,585	7,490,949	-	9,978,534	540,943,588	516,845,620	24,097,967
2	Motor	230,425,524	35,226,473	4,605,282	493,340	40,325,095	270,750,619	137,133,440	133,617,179
3	Marine	163,313,199	23,509,632	2,985,250	-	26,494,882	189,808,081	171,020,642	18,787,439
4	Engineering	90,178,191	29,223,308	29,688,082	63,000,000	121,911,390	212,089,581	209,604,976	2,484,605
5	Micro	-	-	-	952,689,597	952,689,597	952,689,597	952,689,597	-
6	Aviation	-	-	-	-	-	-	-	-
7	Cattle and Crop	331,938,819	704,000	-	-	704,000	332,642,819	276,550,902	56,091,917
8	Miscellaneous	8,344,828	20,000,000	1,015,000	-	21,015,000	29,359,828	24,194,663	5,165,165
	<b>Total</b>	<b>1,355,165,615</b>	<b>111,150,998</b>	<b>45,784,563</b>	<b>1,016,182,937</b>	<b>1,173,118,497</b>	<b>2,528,284,112</b>	<b>2,288,039,840</b>	<b>240,244,272</b>

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### 20 Insurance Payable

Particulars	Current Year	Previous Year
Payable to Reinsurer	3,930,258	214,734,502
Payable to Other Insurance Companies	3,867,687	-
Withdrawal Premium	-	-
Withdrawal Claims	-	-
Others -Payable to Local Reinsurers	-	-
<b>Total</b>	<b>7,797,944</b>	<b>214,734,502</b>

#### Payable within 12 months

Particulars	Current Year	Previous Year
Payable to Reinsurer	3,930,258	214,734,502
Payable to other Insurance Companies	3,867,687	-
Withdrawal Premium	-	-
Withdrawal Claims	-	-
Others (to be Specified)	-	-
<b>Total</b>	<b>7,797,944</b>	<b>214,734,502</b>

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

Particulars	Current Year	Previous Year
Income Tax Liabilities	155,833,702	174,685,072
Income Tax Assets	233,698,599	303,807,459
<b>Total</b>	<b>77,864,897</b>	<b>129,122,387</b>

#### 22 Borrowings

Particulars	Current Year	Previous Year
Bonds	-	-
Debentures	-	-
Term Loans-Bank and Financial Institution	-	-
Bank Overdrafts	96,201,486	27,000,000
Others -Short term loan	-	-
<b>Total</b>	<b>96,201,486</b>	<b>27,000,000</b>

#### Payable within 12 months

Particulars	Current Year	Previous Year
Bonds	-	-
Debentures	-	-
Term Loans-Bank and Financial Institution	-	-
Bank Overdrafts	96,201,486	27,000,000
Others (to be Specified)	-	-
<b>Total</b>	<b>96,201,486</b>	<b>27,000,000</b>

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### 23 Other Liabilities

Particulars	Current Year	Previous Year
TDS Payable	19,365,535	17,991,760
VAT Payable	74,510,695	64,383,418
Unidentified deposits	11,253,108	5,813,636
Advance Premiums	-	-
Insurance Service Fee Payable	10,834,140	40,603,498
Lease Liability	113,162,703	87,450,246
Deferred Reinsurance Commission Income	172,610,549	197,952,209
Deferred Income	-	-
Micro Insurance Payable	327,590	2,068,680
<b>Total</b>	<b>402,064,321</b>	<b>416,263,447</b>

#### Payable within 12 months

Particulars	Current Year	Previous Year
TDS Payable	19,365,535	17,991,760
VAT Payable	74,510,695	64,383,418
Unidentified Deposits	11,253,108	5,813,636
Advance Premiums	-	-
Insurance Service Fee Payable	10,834,140	40,603,498
Lease Liability	113,162,703	87,450,246
Deferred Reinsurance Commission Income	172,610,549	197,952,209
Deferred Income	-	-
Micro Insurance Payable	327,590	2,068,680
<b>Total</b>	<b>402,064,321</b>	<b>416,263,447</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	21,864,017	13,561,382
Payable to Agents	23,964,408	25,340,454
Payable to Surveyor	37,617,164	15,977,717
Sundry Creditors	44,874,332	29,600,967
Retention and deposits	1,679,488	944,907
Short-term employee benefits payable	-	-
i) Salary Payables	795,299	1,713,155
ii) Bonus Payables	13,274,828	13,802,214
iii) Other employee benefit payable (to be Specified)	16,455,461	20,135,074
Audit Fees Payable	1,145,000	624,400
Actuarial Fees Payable	765,000	1,681,575
Dividend Payable	-	-
Petty Cash Payable	811,302	1,525,978
Other Payable	359,009,213	-
<b>Total</b>	<b>522,464,512</b>	<b>125,116,823</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	21,864,017	13,561,382
Payable to Agents	23,964,408	25,340,454
Payable to Surveyor	37,617,164	15,977,717
Sundry Creditors	44,874,332	29,600,967
Retention and deposits	1,679,488	944,907
Short-term employee benefits payable	-	-
i) Salary Payables	795,299	1,713,155
ii) Bonus Payables	13,274,828	13,802,214
iii) Other employee benefit payable (to be Specified)	16,455,461	20,135,074
Audit Fees Payable	1,145,000	624,400
Actuarial Fees Payable	765,000	1,681,575
Dividend Payable	-	-
Petty Cash Payable	811,302	1,525,978
Other Payable	359,009,213	-
<b>Total</b>	<b>522,464,512</b>	<b>125,116,823</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	1,485,601,014	1,370,628,916	894,335	-	121,930,913	(32,393,290)	1,364,564,437	1,338,235,626
Motor	1,479,145,227	1,304,188,754	166,270,049	144,915,186	16,787,085	(109,915,438)	1,628,628,191	1,339,188,502
Marine	330,041,230	180,821,628	-	-	(46,950,388)	(20,003,839)	376,991,618	160,817,789
Engineering	1,300,471,942	1,064,702,320	-	-	211,227,214	65,774,948	1,089,244,728	1,130,477,268
Micro	664,819	1,845,206	-	-	(560,332)	1,795,918	1,225,151	3,641,124
Aviation	74,263,777	116,326,752	-	-	12,693,682	(1,860,026)	61,570,095	114,466,726
Cattle and Crop	364,369,542	723,108,504	-	-	(195,422,116)	(70,503,423)	559,791,658	652,605,081
Miscellaneous	588,725,605	507,262,466	-	-	40,841,262	11,531,354	547,884,343	518,793,820
<b>Total</b>	<b>5,623,283,156</b>	<b>5,268,884,546</b>	<b>167,164,384</b>	<b>144,915,186</b>	<b>160,547,319</b>	<b>(155,573,796)</b>	<b>5,629,900,221</b>	<b>5,258,225,936</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	1,485,601,014	1,370,628,916	-	-	-	-	1,485,601,014	1,370,628,916
Motor	1,479,145,227	1,304,188,754	-	-	-	-	1,479,145,227	1,304,188,754
Marine	330,041,230	180,821,628	-	-	-	-	330,041,230	180,821,628
Engineering	1,300,471,942	1,064,702,320	-	-	-	-	1,300,471,942	1,064,702,320
Micro	664,819	1,845,206	-	-	-	-	664,819	1,845,206
Aviation	74,263,777	116,326,752	-	-	-	-	74,263,777	116,326,752
Cattle and Crop	364,369,542	723,108,504	-	-	-	-	364,369,542	723,108,504
Miscellaneous	588,725,605	507,262,466	-	-	-	-	588,725,605	507,262,466
<b>Total</b>	<b>5,623,283,156</b>	<b>5,268,884,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,623,283,156</b>	<b>5,268,884,546</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	1,151,798,303	1,230,598,484	5,903,576	(45,529,199)	1,145,894,727	1,185,069,285
Motor	584,718,128	560,711,912	(14,721,820)	(172,559,759)	599,439,948	388,152,153
Marine	169,061,062	162,476,406	(8,768,391)	62,292,534	177,829,453	224,768,940
Engineering	1,252,862,331	1,025,101,630	203,276,218	83,084,729	1,049,586,113	1,108,186,359
Micro	489,307	1,404,150	(449,141)	1,387,481	938,448	2,791,631
Aviation	66,192,845	123,748,380	4,992,990	(7,166,640)	61,199,855	116,581,740
Cattle and Crop	300,240,536	607,135,438	(165,064,116)	(70,727,055)	465,304,653	536,408,383
Miscellaneous	384,634,981	336,963,740	22,036,114	61,426,814	362,598,867	398,390,554
<b>Total</b>	<b>3,909,997,493</b>	<b>4,048,140,140</b>	<b>47,205,430</b>	<b>(87,791,095)</b>	<b>3,862,792,064</b>	<b>3,960,349,045</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	1,364,564,437	1,338,235,626	1,145,894,727	1,185,069,285	218,669,709	153,166,341
Motor	1,628,628,191	1,339,188,502	599,439,948	388,152,153	1,029,188,243	951,036,349
Marine	376,991,618	160,817,789	177,829,453	224,768,940	199,162,165	(63,951,151)
Engineering	1,089,244,728	1,130,477,268	1,049,586,113	1,108,186,359	39,658,615	22,290,909
Micro	1,225,151	3,641,124	938,448	2,791,631	286,703	849,493
Aviation	61,570,095	114,466,726	61,199,855	116,581,740	370,240	(2,115,014)
Cattle and Crop	559,791,658	652,605,081	465,304,653	536,408,383	94,487,005	116,196,698
Miscellaneous	547,884,343	518,793,820	362,598,867	398,390,554	185,285,477	120,403,266
<b>Total</b>	<b>5,629,900,221</b>	<b>5,258,225,936</b>	<b>3,862,792,064</b>	<b>3,960,349,045</b>	<b>1,767,108,157</b>	<b>1,297,876,891</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	257,487,484	279,512,727	5,928,979	(6,987,818)	-	25,156,145	263,416,463	297,681,054
Motor	114,562,996	62,233,253	(6,428,419)	(1,555,831)	-	28,004,964	108,134,577	88,682,386
Marine	67,414,961	60,982,180	(1,400,322)	(1,524,555)	-	914,733	66,014,639	60,372,358
Engineering	66,234,208	66,449,492	74,833	(1,661,237)	-	500,607	66,309,041	65,288,862
Micro	71,111	210,622	219,390	(5,266)	-	-	290,501	205,356
Aviation	1,005,797	13,711,763	250,996	(342,794)	-	-	1,256,793	13,368,969
Cattle and Crop	45,473,325	106,490,701	16,534,746	(2,662,268)	-	-	62,008,071	103,828,433
Miscellaneous	81,784,454	92,614,869	10,161,457	(2,315,372)	-	-	91,945,911	90,299,497
<b>Total</b>	<b>634,034,336</b>	<b>682,205,607</b>	<b>25,341,660</b>	<b>(17,055,141)</b>	<b>-</b>	<b>54,576,449</b>	<b>659,375,996</b>	<b>719,726,915</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	36,809,349	37,002,018	-	-	36,809,349	37,002,018
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	1,824,000	-	-	-	1,824,000
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total</b>	<b>36,809,349</b>	<b>38,826,018</b>	<b>-</b>	<b>-</b>	<b>36,809,349</b>	<b>38,826,018</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	122,879,990	198,344,129
ii) Fixed Deposit with Infrastructure Bank	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	25,954,019	36,861,099
iv) Fixed Deposit with "C" Class Financial Institutions	1,753,506	4,019,984
v) Debentures	73,313,706	72,446,744
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
vii) Bank Deposits other than Fixed Deposit	3,619,137	3,538,314
xiii) Employee Loans	-	-
ix) Other Interest Income (CIT)	733,764	1,230,400
<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	6,556,515	1,553,841
iii) Other Interest Income (to be specified)	-	-
Rental Income	19,680,439	19,034,979
Others-Miscellaneous Income	-	-
<b>Total</b>	<b>254,491,076</b>	<b>337,029,490</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	24,030,328	(2,225,184)
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>24,030,328</b>	<b>(2,225,184)</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	15,413	(544,533)
Amortization of Deferred Income	-	-
Stamp Income	-	-
<b>Others</b>		
- Gain on Remeasurement of Lease	-	2,399,021
- Provision written back	-	-
- Miscellaneous	8,913,494	49,673,350
<b>Total</b>	<b>8,928,907</b>	<b>51,874,207</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	840,829,396	349,396,691	779,525,305	284,721,645	61,304,091	64,675,046
Motor	1,045,722,044	838,687,603	432,736,611	299,111,657	612,985,433	539,575,946
Marine	106,903,110	50,879,227	79,230,269	39,768,980	27,672,841	11,110,247
Engineering	140,201,413	87,988,773	132,352,290	69,118,908	7,849,123	18,869,865
Micro	1,984,639	4,594,182	1,386,044	769,438	598,595	3,824,744
Aviation	2,734,200	-	2,703,577	-	30,623	-
Cattle and Crop	429,669,507	477,894,524	356,077,640	393,167,935	73,591,867	84,726,589
Miscellaneous	459,861,323	439,334,676	267,729,358	294,220,010	192,131,965	145,114,666
<b>Total</b>	<b>3,027,905,632</b>	<b>2,248,775,676</b>	<b>2,051,741,094</b>	<b>1,380,878,573</b>	<b>976,164,538</b>	<b>867,897,103</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	840,829,396	349,396,691	-	-	840,829,396	349,396,691
Motor	1,045,722,044	838,687,603	-	-	1,045,722,044	838,687,603
Marine	106,903,110	50,879,227	-	-	106,903,110	50,879,227
Engineering	140,201,413	87,988,773	-	-	140,201,413	87,988,773
Micro	1,984,639	4,594,182	-	-	1,984,639	4,594,182
Aviation	2,734,200	-	-	-	2,734,200	-
Cattle and Crop	429,669,507	477,894,524	-	-	429,669,507	477,894,524
Miscellaneous	459,861,323	439,334,676	-	-	459,861,323	439,334,676
<b>Total</b>	<b>3,027,905,632</b>	<b>2,248,775,676</b>	<b>-</b>	<b>-</b>	<b>3,027,905,632</b>	<b>2,248,775,676</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	327,347,319	(226,488,761)	320,244,000	(215,310,450)	7,103,319	(11,178,311)
Motor	4,812,151	(13,931,775)	6,978,544	27,028,976	(2,166,393)	(40,960,750)
Marine	133,561,526	33,102,907	120,058,237	29,352,527	13,503,288	3,750,380
Engineering	(12,360,299)	63,407,383	(13,126,729)	62,464,477	766,429	942,906
Micro	(1,330,113)	746,678	(1,836,188)	1,151,822	506,074	(405,144)
Aviation	(32,444,822)	29,178,769	(32,287,423)	29,579,589	(157,399)	(400,821)
Cattle and Crop	91,156,879	218,453,122	72,523,495	178,285,553	18,633,384	40,167,569
Miscellaneous	(13,873,533)	(28,186,592)	(20,838,038)	(31,979,829)	6,964,504	3,793,237
<b>Total</b>	<b>496,869,107</b>	<b>76,281,731</b>	<b>451,715,900</b>	<b>80,572,665</b>	<b>45,153,207</b>	<b>(4,290,934)</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	16,870,582	8,823,054	93,414	-	(8,435,291)	(4,411,527)	15,564,708	4,411,527
Motor	7,067,693	5,985,087	-	-	(3,533,847)	(2,992,544)	8,893,777	2,992,543
Marine	1,400,141	588,671	-	1,000,647	(700,071)	(794,659)	1,729,897	794,659
Engineering	4,280,728	1,133,521	-	-	(2,140,364)	(566,761)	3,322,311	566,760
Micro	8,922	21,763	-	-	(4,461)	(10,882)	117,628	10,881
Aviation	-	-	-	-	-	-	-	-
Cattle and Crop	22,108,246	46,124,803	-	-	(11,054,123)	(23,062,402)	36,194,049	23,062,401
Miscellaneous	5,408,686	4,999,425	-	-	(2,704,343)	(2,499,713)	7,174,455	2,499,712
<b>Total</b>	<b>57,144,998</b>	<b>67,676,324</b>	<b>93,414</b>	<b>1,000,647</b>	<b>(28,572,500)</b>	<b>(34,338,488)</b>	<b>72,996,826</b>	<b>34,338,483</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	11,148,715	10,279,717	8,493,941	8,950,708	2,654,774	1,329,009
Motor	12,340,615	10,868,280	4,312,006	4,078,315	8,028,609	6,789,965
Marine	2,475,309	1,356,162	1,246,741	1,181,766	1,228,568	174,396
Engineering	9,753,540	7,985,267	9,239,238	7,456,035	514,302	529,232
Micro	3,324	13,839	3,608	10,213	(284)	3,626
Aviation	556,978	872,451	488,139	900,079	68,839	(27,628)
Cattle and Crop	2,732,772	5,423,314	2,214,125	4,415,975	518,647	1,007,339
Miscellaneous	4,415,442	3,804,468	2,836,492	2,450,892	1,578,950	1,353,576
<b>Total</b>	<b>43,426,695</b>	<b>40,603,498</b>	<b>28,834,292</b>	<b>29,443,983</b>	<b>14,592,405</b>	<b>11,159,515</b>

Service fee of 0.5% in micro insurance and 0.75% in other insurance portfolio is recognised.

#### 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	21,046,842	18,343,694	-	-	21,046,842	18,343,694
Marine	1,089,023	-	-	-	1,089,023	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	52,615	2,799,828	-	-	52,615	2,799,828
Miscellaneous	-	-	-	-	-	-
<b>Total</b>	<b>22,188,480</b>	<b>21,143,522</b>	<b>-</b>	<b>-</b>	<b>22,188,480</b>	<b>21,143,522</b>

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### 38 Employee Benefits Expenses

Particulars	Current Year	Previous Year
Salaries	148,470,065	143,352,738
Allowances	218,001,668	201,815,696
Festival Allowances	29,327,403	27,624,931
Medical Allowances	-	-
<b>Defined Benefit Plans</b>		
i) Gratuity	-	-
ii) Leave	36,086,244	36,847,303
<b>Defined Contribution Plans</b>		
i) Provident Fund/ Social Security Fund	29,666,818	28,670,548
ii) Gratuity	95,839	4,836,050
Leave Encashments	-	-
Termination Benefits	-	-
Training Expenses	12,990,217	9,696,340
Uniform Expenses	8,182,262	6,005,358
Staff Medical Expenses	-	-
Staff Insurance Expenses	17,182,174	11,877,983
Staff Welfare	11,757,445	9,045,728
Vehicle Allowance	23,118,982	20,231,948
Other Allowances	6,437,204	5,588,034
<b>Sub Total</b>	<b>541,316,321</b>	<b>505,592,657</b>
Employees Bonus	73,666,927	62,718,962
<b>Total</b>	<b>614,983,248</b>	<b>568,311,619</b>

#### 39 Depreciation and Amortization Expenses

Particulars	Current Year	Previous Year
Amortization of goodwill & Intangible Assets (Refer Note. 4)	1,255,547	1,076,799
Depreciation on Property and Equipment (Refer Note.5)	49,277,522	45,343,354
Depreciation on Investment Properties (Refer Note. 6)	2,049,961	2,049,960
<b>Total</b>	<b>52,583,030</b>	<b>48,470,113</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 Asssets	-	-
<b>Impairment Losses on Financial Assets</b>		
i) Investments	-	-
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	-	6,375,000
iii) Lease Receivables	-	-
iv) Others (Doubtful Debt)	-	-
<b>Total</b>	<b>-</b>	<b>6,375,000</b>

#### 41 Other Operating Expenses

Particulars	Current Year	Previous Year
Rent Expenses	27,562,699	25,792,436
Electricity and Water	5,958,028	5,302,316
<b>Repair &amp; Maintenance</b>		
i) Building	2,093,987	281,341
ii) Vehicle	3,160,032	2,668,181
iii) Office Equipments	4,277,385	4,440,409
iv) Others (to be Specified)	347,161	382,098
Telephone & Communication	15,674,420	13,253,749
Printing & Stationary	20,281,273	19,626,723
Office Consumable Expenses	18,961,894	12,361,146
Travelling Expenses	-	-
i) Domestic	5,933,134	4,333,287
ii) Foreign	5,423,447	3,345,648
Transportation & Fuel Expenses	26,888,176	27,213,379
Agent Training	12,520	98,649
Other Agent Expenses	-	-
Insurance Premium	6,967,005	6,789,070
Security & Outsourcing Expenes	6,305,789	6,073,537
Legal and Consulting Expenses	9,549,613	9,889,413
Newspapers, Books and Periodicals	405,649	147,009
Advertisement & Promotion Expenses	19,789,575	22,229,870
Business Promotion	4,916,095	14,063,517

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## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

Particulars	Current Year	Previous Year
Guest Entertainment	2,967,318	3,461,095
Gift and Donations	2,583,132	1,273,212
<b>Board Meeting Fees and Expenses</b>		
i) Meeting Allowances	3,560,000	4,302,000
ii) Other Allowances	500,018	407,567
<b>Other Committee/ Sub-committee Expenses</b>		
i) Meeting Allowances	3,933,300	3,347,800
ii) Other Allowances	1,465,182	989,359
Annual General Meeting Expenses	3,114,760	2,678,590
Actuarial Service Fee	6,782,824	2,684,865
Other Actuarial Expenses	-	-
<b>Audit Related Expenses</b>		
i) Statutory Audit	1,000,000	500,000
ii) Tax Audit	30,000	30,000
iii) Long Form Audit Report	30,000	30,000
iv) Other Fees	443,883	844,284
v) Internal Audit	1,000,000	600,000
vi) Other -Audit Expenses	621,823	1,304,480
Bank Charges	1,288,263	1,128,235
Fee and Charges	-	-
Postage Charges	5,285,197	5,195,919
Foreign Exchange Losses	2,013,996	-
Fines and Penalties	-	-
<b>Others (to be Specified)</b>		
a. Membership and subscription fees	365,023	120,000
b. Pooja expenses	866,186	634,564
c. Notice Expenses	2,665,735	1,407,353
d. Miscellaneous	35,465	1,924
e. Computer support service	8,612,066	6,308,428
f. Other Program Expenses	18,039,442	7,457,915
g. Ghumti Beema	241,705	378,727
h. CSR Expenses	718,472	1,914,822
i. Rate and Duties	5,320,100	4,744,678
j. Insurance Awareness program	2,277,753	536,122
k. Anniversary Expenses	6,903,516	-
l. NFRS 17 Implementation fee	2,884,435	-
<b>Total</b>	<b>270,058,076</b>	<b>230,573,717</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	12,062,957	9,764,878
Interest Expenses - Overdraft Loans	7,525,145	22,469,299
Others (to be Specified)	-	-
<b>Total</b>	<b>19,588,102</b>	<b>32,234,177</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	155,833,702	174,685,072
ii) Income Tax Relating to Prior Periods	46,848,101	2,167,381
<b>Deferred Tax For The Year</b>		
i) Originating and reversal of temporary differences	8,309,904	5,030,156
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>210,991,707</b>	<b>181,882,609</b>

##### (b) Reconciliation of Taxable Profit & the Accounting Profit

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	663,002,344	627,189,630
Applicable Tax Rate	30%	30%
<b>Tax at the applicable rate on Accounting Profit</b>	<b>198,900,703</b>	<b>188,156,889</b>
<b>Add: Tax effect of expenses that are not deductible for tax purpose</b>		
i) Donation	774,940	381,964
ii) Inadmissible Expenses	412,237	209,975
iii) Unabsorbed repairs	315,003	12,879
iv) Depreciation as per books	15,774,909	14,541,034
v) Provision for leave	1,650,070	808,692
v) Provision for Doubtful debt	-	-
vi) Tax effect of bonus share distributed from share premium	-	-
<b>Less: Tax effect on exempt income and additional deduction</b>		
i) Dividend Income	(1,966,955)	(466,152)
ii) Provision written back	-	-
iii) Depreciation as per the Act	(12,756,420)	(10,575,897)
iv) (Profit) Loss on Sale of Fixed Asset	(4,624)	-
Add: Adjustments to Current Tax for Prior Periods	46,848,101	2,167,381
<b>Add/ (Less): Others(to be Specified)</b>		
i) Adjustment for Profit as per NFRS and GAAP	(47,266,161)	(18,384,310)
ii) Fine and Penalties	-	-
<b>Income Tax Expense</b>	<b>202,681,803</b>	<b>176,852,453</b>
<b>Effective Tax Rate</b>	<b>31%</b>	<b>28%</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 32, 2082 (16th July, 2025 ) the company has recognised an amount of NPR. 10,358,602 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	4,818,803	4,437,806	2,344,478	2,077,849
Past service cost	-	-	-	-
Net interest cost	-	-	-	-
a. Interest expense on defined benefit obligation (DBO)	2,176,369	2,149,885	1,018,951	984,000
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>6,995,172</b>	<b>6,587,691</b>	<b>3,363,429</b>	<b>3,061,849</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	3,388,316	1,415,023	1,621,515	662,614
b. Actuarial (gain)/ loss due to experience on DBO	(11,153)	-	(15,335)	-
c. Actuarial (gain)/ loss due to demographic assumptions	(3,192,108)	(1,230,195)	(1,148,805)	(342,359)
d. Return on plan assets (greater)/ less than discount rate	-	-	-	-
<b>Total actuarial (gain)/ loss included in OCI</b>	<b>185,055</b>	<b>184,828</b>	<b>457,375</b>	<b>320,255</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	6,995,172	6,587,691	3,363,429	3,061,849
Remeasurements effects recognised in OCI	185,055	184,828	457,375	320,255
<b>Total cost recognised in Comprehensive Income</b>	<b>7,180,227</b>	<b>6,772,519</b>	<b>3,820,804</b>	<b>3,382,104</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	25,869,819	23,900,390	12,146,695	10,915,402
Service cost	4,818,803	4,437,806	2,344,478	2,077,849
Interest cost	2,176,369	2,149,885	1,018,951	984,000
Benefit payments from plan assets	(3,375,877)	(4,803,090)	(1,650,032)	(2,150,811)
Actuarial (gain)/ loss - financial assumptions	3,388,316	1,415,023	1,621,515	662,614
Actuarial (gain)/ loss - demographic assumptions	(11,153)	-	(1,148,805)	(342,359)
Actuarial (gain)/ Loss - experience	(3,192,108)	(1,230,195)	(15,335)	-
<b>Defined Benefit Obligation As At Year End</b>	<b>29,674,169</b>	<b>25,869,819</b>	<b>14,317,467</b>	<b>12,146,695</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	29,674,169	25,869,819	14,317,467	12,146,695
Fair Value of Plan Assets	-	-	-	-
<b>(Surplus)/Deficit Recognised in Statement of Financial Position</b>	<b>29,674,169</b>	<b>25,869,819</b>	<b>14,317,467</b>	<b>12,146,695</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	25,869,819	23,900,390	12,146,695	10,915,402
Defined benefit cost included in Statement of Profit or Loss	6,995,172	6,587,691	3,363,429	3,061,849
Total remeasurements included in OCI	185,055	184,828	457,375	320,255
Acquisition/ divestment	-	-	-	-
Employer contributions	(3,375,877)	(4,803,090)	(1,650,032)	(2,150,811)
<b>Net defined benefit liability/(asset)</b>	<b>29,674,169</b>	<b>25,869,819</b>	<b>14,317,467</b>	<b>12,146,695</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	185,055	184,828	457,374	320,255
<b>Cumulative OCI - (Income)/Loss</b>	<b>185,055</b>	<b>184,828</b>	<b>457,374</b>	<b>320,255</b>

#### l) Current/Non - Current Liability

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	3,622,326	3,448,711	1,745,340	1,642,170
Non - Current Liability	26,051,841	22,381,107	12,572,128	10,504,526
<b>Total</b>	<b>29,674,167</b>	<b>25,829,818</b>	<b>14,317,468</b>	<b>12,146,696</b>

#### m) Expected Future Benefit Payments

Particulars	Home Leave		Sick Leave	
	Current Year	Previous Year	Current Year	Previous Year
Within 1 year	3,746,964	3,642,321	1,805,393	1,714,476
Between 1-2 years	3,606,117	3,539,454	1,742,496	1,671,836
Between 2-5 years	3,421,561	6,844,847	1,650,949	4,537,957
From 6 years and beyond	41,588,412	3,907,263	20,014,319	16,296,684
<b>Total</b>	<b>52,363,054</b>	<b>17,933,885</b>	<b>25,213,157</b>	<b>24,220,953</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	27,883,760	24,444,795	13,465,506	11,484,081
Effect in Defined Benefit Obligation Due to 1% Decrease in Discount Rate	31,728,116	27,458,066	15,315,823	12,890,099
Effect in Defined Benefit Obligation Due to 1% Increase in Salary Escalation Rate	31,698,033	27,467,499	15,301,200	12,894,340
Effect in Defined Benefit Obligation Due to 1% Decrease in Salary Escalation Rate	27,875,922	24,422,146	13,461,857	11,468,939
Effect in Defined Benefit Obligation Due to 1% Increase in Attrition Rate	29,703,583	26,087,358	14,341,662	12,248,174
Effect in Defined Benefit Obligation Due to 1% Decrease in Attrition Rate	29,665,718	25,628,947	14,323,238	12,034,421

#### p) Assumptions

Particulars	Home Leave	Sick Leave
Discount Rate	7.00%	7.00%
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	-	611,540,062	-	-	269,840,494	-
Investment in Equity (Quoted)	3	-	172,168,045	-	-	464,219,413	-
ii) Investment in Mutual Funds	1	-	118,348,774	-	-	99,216,126	-
iii) Investment in Preference Shares of Bank and Financial Institutions		-	-	-	-	-	-
iv) Investment in Debentures	3	-	-	863,682,924	-	-	762,817,000
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3	-	-	-	-	-	-
vi) Fixed Deposits	3	-	-	2,879,000,000	-	-	2,949,000,000
vii) Others (to be specified)	3	-	-	17,803,486	-	-	17,206,164
Loans	3	-	-	-	-	-	-
Other Financial Assets	3	-	-	778,906,439	-	-	720,205,955
Cash and Cash Equivalents	3	125,837,432	-	-	145,852,288	-	-
<b>Total Financial Assets</b>		<b>125,837,432</b>	<b>902,056,881</b>	<b>4,539,392,849</b>	<b>145,852,288</b>	<b>833,276,033</b>	<b>4,449,229,119</b>
Loans and Borrowings		-	-	96,201,486	-	-	27,000,000
Other Financial Liabilities	3	-	-	522,464,512	-	-	125,116,823
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>618,665,998</b>	<b>-</b>	<b>-</b>	<b>152,116,823</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	863,682,924	863,682,924	762,817,000	762,817,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-
iv) Fixed Deposit	2,879,000,000	2,879,000,000	2,949,000,000	2,949,000,000
v) Others (to be Specified)	-	-	-	-
<b>Loans</b>				
i) Loan to Associates	-	-	-	-
ii) Loan to Employees	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Other Financial Assets	778,906,439	778,906,439	720,205,955	720,205,955
<b>Total Financial Assets at Amortised Cost</b>	<b>4,521,589,363</b>	<b>4,521,589,363</b>	<b>4,432,022,955</b>	<b>4,432,022,955</b>
<b>Loans and Borrowings</b>				
i) Bond	-	-	-	-
ii) Debenture	-	-	-	-
iii) Term Loan - Bank and Financial Institution	-	-	-	-
iv) Bank Overdraft	96,201,486	96,201,486	27,000,000	27,000,000
v) Others (to be Specified)	-	-	-	-
Other Financial Liabilities	522,464,512	522,464,512	125,116,823	125,116,823
<b>Total Financial Liabilities at Amortised Cost</b>	<b>618,665,998</b>	<b>618,665,998</b>	<b>152,116,823</b>	<b>152,116,823</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:

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

The significant risks arising under the Non-Life Insurance portfolio emanates from changes in the climate leading to natural disasters, 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.

*Continue...*

## 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...*

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%	2,815,134,355	881,744,238	801,585,671	561,109,970	2,231,922,813	896,992,825	815,448,023	570,813,616
Average Number of Claims	"+" 10%	-	-	-	-	-	-	-	-
Average Claim Cost	"-" 10%	(2,815,134,355)	(881,744,238)	(801,585,671)	(561,109,970)	(2,231,922,813)	(896,992,825)	(815,448,023)	(570,813,616)
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	-	-	-	-	-	-	-	-	3,684,190,787	3,684,190,787
One year later	-	-	-	-	-	-	-	-	983,774,532	983,774,532
Two year later	-	-	-	-	-	-	-	-	77,938,444	77,938,444
Three year later	-	-	-	-	-	-	-	-	1,167,305,175	1,167,305,175
Four year later	-	-	-	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-	-	-	-
<b>Current estimate of cumulative claims</b>	-	-	-	-	-	-	-	-	<b>5,913,208,938</b>	<b>5,913,208,938</b>
At end of incident year	-	-	-	-	-	-	-	-	2,137,662,131	2,137,662,131
One year later	-	-	-	-	-	-	-	-	856,927,894	856,927,894
Two year later	-	-	-	-	-	-	-	-	25,688,640	25,688,640
Three year later	-	-	-	-	-	-	-	-	7,626,968	7,626,968
Four year later	-	-	-	-	-	-	-	-	-	-
More than Four years	-	-	-	-	-	-	-	-	-	-
<b>Cumulative payments to date</b>	-	-	-	-	-	-	-	-	<b>3,027,905,632</b>	<b>3,027,905,632</b>
<b>Gross insurance contract outstanding claim provision</b>	-	-	-	-	-	-	-	-	<b>2,885,303,306</b>	<b>2,885,303,306</b>

Continue...

## 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		-	-	-	-	-	485,768,125	485,768,125
One year later		-	-	-	-	-	129,712,693	129,712,693
Two year later		-	-	-	-	-	10,276,344	10,276,344
Three year later		-	-	-	-	-	153,911,586	153,911,586
Four year later		-	-	-	-	-	-	-
More than Four years		-	-	-	-	-	-	-
<b>Current estimate of cumulative claims</b>		-	-	-	-	-	<b>779,668,749</b>	<b>779,668,749</b>
At end of incident year		-	-	-	-	-	281,855,144	281,855,144
One year later		-	-	-	-	-	112,987,704	112,987,704
Two year later		-	-	-	-	-	3,387,100	3,387,100
Three year later		-	-	-	-	-	1,005,631	1,005,631
Four year later		-	-	-	-	-	-	-
More than Four years		-	-	-	-	-	-	-
<b>Cumulative payments to date</b>		-	-	-	-	-	<b>399,235,579</b>	<b>399,235,579</b>
<b>Net insurance contract outstanding claim provision</b>		-	-	-	-	-	<b>380,433,169</b>	<b>380,433,169</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
Property	1,392,594,601	1,156,745,497	235,849,104	943,316,369	830,597,921	112,718,448
Motor	1,244,566,164	492,034,994	752,531,169	1,222,966,928	499,778,270	723,188,658
Marine	344,047,328	251,518,553	92,528,775	257,436,190	140,228,707	117,207,484
Engineering	980,404,803	943,028,453	37,376,350	781,537,889	752,878,964	28,658,925
Micro	953,836,177	953,071,542	764,635	955,726,623	955,356,871	369,752
Aviation	74,139,369	66,216,359	7,923,010	93,890,508	93,510,792	379,716
Cattle and Crop	585,233,207	476,399,955	108,833,252	689,498,444	568,940,577	120,557,867
Miscellaneous	376,688,167	242,598,019	134,090,148	349,720,439	241,399,942	108,320,496
<b>Total</b>	<b>5,951,509,816</b>	<b>4,581,613,373</b>	<b>1,369,896,444</b>	<b>5,294,093,390</b>	<b>4,082,692,043</b>	<b>1,211,401,347</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:**

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

*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 32, 2082

Particulars		Asset Group	Gross Carrying Amount	Expected Probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses	-	-	-	-	-
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses	-	-	-	-	-
Credit Risk has significantly increased and credit impaired		-	-	-	-	-

#### Expected Credit Losses for Financial Assets at Amortised Costs as at Ashad 32, 2081

Particulars		Asset Group	Gross Carrying Amount	Expected Probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses	-	-	-	-	-
Credit Risk has significantly increased and not credit impaired	Loss allowance measured at life-time expected credit losses	-	-	-	-	-
Credit Risk has significantly increased and credit impaired		-	-	-	-	-

#### Reconciliation of Loss Allowance Provision

Particulars	Measured at 12 months expected credit losses	Measured at life-time expected credit losses	
		Credit Risk has significantly increased and not credit impaired	Credit Risk has significantly increased and credit impaired
<b>Loss Allowance on Ashad 31, 2081</b>	-	-	-
Changes in loss allowances	-	-	-
Write-offs	-	-	-
Recoveries	-	-	-
<b>Loss Allowance on Ashad 32, 2082</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	96,201,486	-	-	27,000,000	-	-
Other Financial Liabilities	522,464,512	-	-	125,116,823	-	-
<b>Total Financial Liabilities</b>	<b>618,665,998</b>	<b>-</b>	<b>-</b>	<b>152,116,823</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	2,930,817	23,431,596	914,552	68,663,810
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>2,930,817</b>	<b>23,431,596</b>	<b>914,552</b>	<b>68,663,810</b>
Insurance Payables	28,563	-	25,930	-
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>28,563</b>	<b>-</b>	<b>25,930</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% *	27,093,126	8,295,467		-
NPR/ USD - Decreases by 10% *	(27,093,126)	(8,295,467)		-
<b>INR sensitivity</b>				
NPR/ Currency A - Increases by 10% *	2,626,799	7,697,556	-	-
NPR/ Currency A - Decreases by 10% *	(2,626,799)	(7,697,556)	-	-

\* 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%*	(431,205)	(611,806)
Interest Rate - Decrease By 1%*	431,205	611,806

\* 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 2.92 billion.

#### Dividend

Particulars	Current Year	Previous Year
<b>(i) Dividends recognised</b>		
Final dividend for the year ended Ashad 31, 2081 of NPR 282, 264,947 (amount of NPR 268,151,700 bonus share and amount NPR 14,113,247 cash dividend)	282,264,947	-
	<b>282,264,947</b>	<b>-</b>
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
Final dividend for the year ended Ashad 32, 2082 of NPR 184, 617,087 (amount of NPR 175,385,940 bonus share and amount NPR 9,231,147 cash dividend)	184,617,087	-
	<b>184,617,087</b>	<b>-</b>

#### 51 Earnings Per Share

Particulars	Current Year	Previous Year
Profit For the Year	452,010,637	445,307,021
Less: Dividend on Preference Shares	-	-
Profit For the Year used for Calculating Basic Earning per Share	452,010,637	445,307,021
Add: Interest saving on Convertible Bonds	-	-
Profit For the Year used for Calculating Diluted Earning per Share	452,010,637	445,307,021
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	29,230,990	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	29,230,990	26,549,473
Nominal Value of Equity Shares		
<b>Basic Earnings Per Share</b>	<b>15.46</b>	<b>16.77</b>
<b>Diluted Earnings Per Share</b>	<b>15.46</b>	<b>16.77</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) Property
- 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

#### a) Segmental Information for the year ended Ashad 32, 2082 (July 16, 2025)

Fig. in NPR

Particular	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
<b>Income:</b>										
Gross Earned Premiums	1,364,564,437	1,628,628,191	376,991,618	1,089,244,728	1,225,151	61,570,095	559,791,658	547,884,343	-	5,629,900,221
Premiums Ceded	1,145,894,727	599,439,948	177,829,453	1,049,586,113	938,448	61,199,855	465,304,653	362,598,867	-	3,862,792,064
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
<b>Net Earned Premiums</b>	<b>218,669,709</b>	<b>1,029,188,243</b>	<b>199,162,165</b>	<b>39,658,615</b>	<b>286,703</b>	<b>370,240</b>	<b>94,487,005</b>	<b>185,285,477</b>	<b>-</b>	<b>1,767,108,157</b>
Commission Income	263,416,463	108,134,577	66,014,639	66,309,041	290,501	1,256,793	62,008,071	91,945,911	-	659,375,996
Other Direct Income	-	36,809,349	-	-	-	-	-	-	-	36,809,349
Investment Income	31,491,841	148,219,124	28,682,451	5,711,458	41,290	53,320	13,607,599	26,683,992	-	254,491,076
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	2,164,171	2,582,971	597,901	1,727,520	1,943	97,649	887,818	868,933	-	8,928,907
<b>Total Segmental Income</b>	<b>515,742,185</b>	<b>1,324,934,284</b>	<b>294,457,156</b>	<b>113,406,833</b>	<b>620,437</b>	<b>1,778,003</b>	<b>170,990,494</b>	<b>304,784,314</b>	<b>-</b>	<b>2,726,713,485</b>
<b>Expenses:</b>										
Gross Claims Paid	840,829,396	1,045,722,044	106,903,110	140,201,413	1,984,639	2,734,200	429,669,507	459,861,323	-	3,027,905,632
Claims Ceded	779,525,305	432,736,611	79,230,269	132,352,290	1,386,044	2,703,577	356,077,640	267,729,358	-	2,051,741,094
Gross Change in Contract Liabilities	327,347,319	4,812,151	133,561,526	(12,360,299)	(1,330,113)	(32,444,822)	91,156,879	(13,873,533)	-	496,869,107
Change in Contract Liabilities Ceded to Reinsurers	320,244,000	6,978,544	120,058,237	(13,126,729)	(1,836,188)	(32,287,423)	72,523,495	(20,838,038)	-	451,715,900
<b>Net Claims Paid</b>	<b>68,407,410</b>	<b>610,819,040</b>	<b>41,176,129</b>	<b>8,615,552</b>	<b>1,104,669</b>	<b>(126,776)</b>	<b>92,225,251</b>	<b>199,096,469</b>	<b>-</b>	<b>1,021,317,745</b>
Commission Expenses	15,564,708	8,893,777	1,729,897	3,322,311	117,628	-	36,194,049	7,174,455	-	72,996,826
Service Fees	2,654,774	8,028,609	1,228,568	514,302	(284)	68,839	518,647	1,578,950	-	14,592,405
Other Direct Expenses	-	21,046,842	1,089,023	-	-	-	52,615	-	-	22,188,480
Employee Benefits Expenses	92,522,430	358,174,754	69,311,771	13,801,863	99,777	128,850	16,461,354	64,482,451	-	614,983,248
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Expenses	33,418,170	157,285,560	30,436,932	6,060,823	43,815	56,582	14,439,964	28,316,229	-	270,058,076
Finance Cost	-	-	-	-	-	-	-	-	-	-
<b>Total Segmental Expenses</b>	<b>212,567,491</b>	<b>1,164,248,582</b>	<b>144,972,320</b>	<b>32,314,851</b>	<b>1,365,606</b>	<b>127,495</b>	<b>159,891,880</b>	<b>300,648,554</b>	<b>-</b>	<b>2,016,136,780</b>
<b>Total Segmental Results</b>	<b>303,174,694</b>	<b>160,685,682</b>	<b>149,484,836</b>	<b>81,091,782</b>	<b>(745,169)</b>	<b>1,650,508</b>	<b>11,098,614</b>	<b>4,135,760</b>	<b>-</b>	<b>710,576,706</b>
<b>Segment Assets</b>	<b>1,422,965,214</b>	<b>809,772,234</b>	<b>325,067,738</b>	<b>1,155,534,669</b>	<b>953,310,563</b>	<b>78,228,377</b>	<b>585,612,517</b>	<b>349,487,522</b>	<b>-</b>	<b>5,679,978,835</b>
<b>Segment Liabilities</b>	<b>1,394,484,652</b>	<b>1,246,821,968</b>	<b>344,569,497</b>	<b>981,913,510</b>	<b>953,837,874</b>	<b>74,224,649</b>	<b>586,008,572</b>	<b>377,447,039</b>	<b>-</b>	<b>5,959,307,761</b>

Continue...

## Shikhar Insurance Company Ltd.

### Notes to the Financial Statements

Fig. in NPR

#### b) 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	518,793,820	-	5,258,225,936
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	388,390,554	-	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>120,403,266</b>	<b>-</b>	<b>1,297,876,891</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>174,191,011</b>	<b>3,148,150</b>	<b>19,720,030</b>	<b>268,292,461</b>	<b>249,073,278</b>	<b>-</b>	<b>2,445,333,521</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	499,334,676	-	2,248,775,676
Claims Ceded	284,721,645	299,111,657	39,788,980	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	17,381,265	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>282,537,892</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>287,266,760</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>17,336,987</b>	<b>17,498,533</b>	<b>-</b>	<b>716,200,495</b>
<b>Segment Assets</b>	<b>988,228,936</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>997,966,999</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>370,906,849</b>	<b>-</b>	<b>5,508,827,892</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>710,576,706</b>	<b>716,200,495</b>
Add: Net gains/(losses) on Fair Value Changes	-	-
Add: Net Realized Gain/Losses	24,030,328	(2,225,184)
Add: Other Income	566,442	293,608
Less: Depreciation and Amortization	(52,583,030)	(48,470,113)
Less: Non-cash expenses other than Depreciation and Amortization	-	(6,375,000)
Less: Unallocable Corporate Expenditures	-	-
Less: Finance Cost	(19,588,102)	(32,234,177)
<b>Profit Before Tax</b>	<b>663,002,344</b>	<b>627,189,629</b>

#### d) Reconciliation of Assets

Particulars	Current Year	Previous Year
<b>Segment Assets</b>	<b>5,679,978,835</b>	<b>4,623,474,968</b>
Goodwill and Intangible Assets	11,865,631	9,731,690
Property, Plant and Equipment	763,662,715	725,474,278
Investment Properties	76,377,810	78,427,771
Deferred Tax Assets	57,008,490	72,442,756
Investment in Subsidiaries	-	-
Investment in Associates	241,177,681	163,611,239
Investments	4,662,543,291	4,562,299,198
Loans	-	-
Current Tax Assets (Net)	77,864,897	129,122,387
Other Assets	489,499,366	364,055,047
Other Financial Assets	778,906,439	720,205,955
Cash and Cash Equivalents	125,837,432	145,852,288
<b>Total Assets</b>	<b>12,964,722,586</b>	<b>11,594,697,578</b>

#### e) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
<b>Segment Liabilities</b>	<b>5,959,307,761</b>	<b>5,508,827,892</b>
Provisions	173,969,935	157,075,048
Deferred Tax Liabilities	-	-
Current Tax Liabilities (Net)	-	-
Loans and Borrowings	96,201,486	27,000,000
Other Financial Liabilities	522,464,512	125,116,823
Other Liabilities	402,064,321	416,263,447
<b>Total Liabilities</b>	<b>7,154,008,015</b>	<b>6,234,283,210</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

White Lotus Power Ltd.

###### 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
Ashmank Karki	-	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	123,386,989	102,536,571
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>123,386,989</b>	<b>102,536,571</b>

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

Particulars	Current Year	Previous Year
Annual salary and allowances	14,950,000	12,473,324
<b>Performance based allowances</b>		
i) Employee Bonus	12,050,742	12,893,770
ii) Benefits as per prevailing provisions	-	-
iii) Incentives	-	-
<b>Insurance related benefits</b>		
i) Life Insurance	461,429	461,428
ii) Accident Insurance	3,900	3,900
iii) Health Insurance (including family members)	8,400	8,400
<b>Total</b>	<b>27,474,471</b>	<b>25,840,822</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 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Commission Income</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Rental Income</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Interest Income</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Sale of Property, Plant &amp; Equipment</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Purchase of Property, Plant &amp; Equipment</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Premium Paid</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Commission Expenses</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Dividend</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Meeting Fees</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	6,979,300	6,979,300
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	4,706,873	4,706,873
<b>Allowances to Directors</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Others</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-

#### (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 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Other Receivables</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Payables including Reinsurance Payables</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Other Payables</b>						
For The Year Ended Ashad 32, 2082 (July 16, 2025)	-	-	-	-	-	-
For The Year Ended Ashad 31, 2081 (July 15, 2024)	-	-	-	-	-	-

## 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>	<b>-</b>	<b>-</b>
Less: Effect of Discounting	-	-
<b>Finance lease liability recognised</b>	<b>-</b>	<b>-</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 19,680,439 (Ashad 31, 2081 NPR 19,034,979).

The Company building situated at Ward No.11, Thapathali, Kathmandu has 8.5 floors and the company has leased out 4 floors 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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	100,740,126	105,084,796
b) Indirect Taxes	9,822,942	15,065,942
c) Other	-	-
	<b>110,563,068</b>	<b>120,150,738</b>

#### 57 Events occurring after Balance Sheet

A significant claims event occurred on 8 and 9 September 2025 resulting in RSMDDT-related losses. As of the date of approval of the financial statements, the total reported loss amounts to is around Rs. 2.4 billion. The Company's estimated net claims expense arising from this event is approximately Rs. 36 crore and the remaining amount will be recovered from the reinsurance arrangements.

#### 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	201,000,000	60,500,000
Property, plant and equipment	559,510,000	559,510,000
Others	-	-
<b>Total</b>	<b>760,510,000</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.

The company has appropriated 1 % of its net profit as Corporate Social Responsibility Reserve. The company has utilized amount Rs 4,220,699 corporate social responsibility reserve during this financial year.

#### 60 Miscellaneous

- All amounts are in Nepalese Rupees unless otherwise stated.
- All figures are in the Nearest Rupee & Rounded off.

## Shikhar Insurance Company Ltd.

### Annexure III Major Financial Indicator

#### A. Equity

S.N.	Learning and Growth	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
1	Net worth	NRs.	5,810,714,572	5,360,414,367	4,886,766,576	4,696,198,780	3,843,602,198
2	Net Profit	NRs.	452,010,637	445,307,021	226,125,314	263,923,452	311,987,941
3	Number of Shares	Number	29,230,990	26,549,473	26,549,473	22,860,812	17,585,240
4	Earning per Shares (EPS)	NRs.	15.46	16.77	8.52	11.54	17.74
5	Book value per shares	NRs.	199	202	184	205	219
6	Dividend per Shares (DPS)	NRs.	6.14	10.53	-	16	-
7	Market Price per Shares (MPPS)	NRs.	773.54	723	845	807	1,952
8	Price Earning Ratio	Ratio	50	43	99	70	110
9	Change in Equity	%	8%	10%	4%	22%	16%
10	Return on Equity	%	8%	8%	5%	6%	8%
11	Affiliate Ratio	%	4.15%	3.05%	1.49%	1.13%	1.37%
12	Capital to Total Net Assets Ratio	%	35%	36%	38%	33.00%	30.88%
13	Capital to Technical Reserve Ratio	%	213%	219%	231%	197%	47%
14	Market Share (Direct Premium)	%	12.52%	12.71%	12.65%	11.91%	11.48%
15	Solvency Margin	%	4.73%	3.69%	3.33%	3.41%	4.30%

#### B. Income

S.N.	Learning and Growth	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
16	Net Earning Ratio	%	25.58%	34.31%	16.41%	21.38%	27.02%
17	Gross Earned Premium Growth Rate	%	7.07%	-0.72%	20.57%	17.01%	13.57%
18	Direct Premium Growth Rate						
	Property	%	8%	18%	5.32%	3.36%	42.36%
	Motor	%	13%	6%	-7.40%	1.58%	-5.75%
	Marine	%	83%	-39%	-18.65%	88.24%	1.37%
	Engineering	%	22%	-10%	31.50%	310.04%	27.49%
	Micro	%	-64%	-66%	23.23%	-92.73%	-2.72%
	Aviation	%	-36%	3%	-17.72%	-48.82%	1.57%
	Cattle and Crop	%	-50%	24%	56.64%	62.87%	108.46%
	Miscellaneous	%	16%	-5%	15.91%	27.85%	-20.81%
19	Retention Ratio	%	31%	25%	26.01%	28.10%	30.76%
20	Net Reinsurance inflow/(outflow)	Amount in Cr.	(122.42)	(198.51)	(177.64)	(157.22)	(77.65)
21	RI commission Income/Premium Ceded	%	16%	18%	15.30%	23.17%	20.86%
22	Gross Earned Premium to Equity	%	101%	103%	110.53%	102.87%	104.77%
23	Net Earned Premium to Equity	%	32%	25%	28.76%	28.91%	32.22%
24	Gross Earned Insurance Premium to Total Assets	%	46%	46%	47.52%	42.33%	42.65%
25	Gross Premium to Equity	%	100%	101%	108.81%	103.82%	102.02%
26	Net Profit to Gross Premium	%	8%	8%	4.25%	5.41%	7.96%
27	Yield on Investment and Loan	%	5%	8%	9.05%	7.20%	7.67%

Continue...

### C. Expenses:

S.N.	Learning and Growth	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
28	Reinsurance Ratio	%	69%	75%	73.99%	71.90%	69.24%
29	Management Expenses Ratio	%	17%	17%	16.08%	16.95%	16.82%
30	Regulatory Expenses Ratio	%	1.47	3%	2.06%	2.33%	2.21%
31	Employee Expenses Per Employee	NPR	943,226	788,756	740,153	691,954	578,870
32	Commission Ratio	%	1.30%	0.65%	0.54%	0.61%	0.92%
33	Employee Expenses to Total expenses (excluding claims & Benefits)	%	63%	63%	59.40%	63.11%	64.59%
34	Expenses Ratio	%	6%	5%	4%	3.09%	3.93%
35	Loss Ratio	%	54%	63%	73.43%	84.20%	78.21%
36	Combined Ratio	%	60%	68%	77%	87%	82%

### D. Assets

S.N.	Learning and Growth	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
37	Increment in Investment Held	%	3.76%	10.98%	5.14%	26.25%	2.75%
38	Increment in Loan	%	-	-	-	-	-
39	Liquidity Ratio	Times	2.42	2.26	2.06	2.00	2.43
40	Return on Assets	%	5.73%	6.15%	3.25%	4.20%	5.37%
41	Long Term Investment/Total Investments	%	22.22%	27.47%	21.68%	18.10%	21.39%
42	Short Term Investment/Total Investments	%	77.78%	73.10%	78.32%	81.90%	78.61%
43	Total Investment & loan/Gross Insurance Contract Liabilities	%	82.39%	89.27%	84.12%	74.84%	66.46%
44	Reinsurer Receivable/Total Assets	%	8.47%	4.66%	8.37%	7.58%	8.31%
45	Investment in Shares/Total Assets	%	6.04%	6.33%	5.71%	5.03%	4.62%
46	Investment in Unlisted Shares/Total Assets	%	1.33%	4.00%	1.60%	3.35%	0.01

### E. Liabilities

S.N.	Learning and Growth	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
47	Increment in Gross Insurance Contract Liabilities	%	12.42%	4.58%	-6.20%	12.11%	53.47%
48	Gross Technical Provision to Gross Earned Premium	%	105.71%	100.68%	95.58%	122.87%	128.23%
49	Gross Technical Provision to Total Equity	%	102.42%	98.76%	103.59%	114.92%	125.25%
50	Outstanding Claim Number/ Number of Claim Paid	%	7.03%	5.33%	5.12%	81.78%	105.82%
51	No of outstanding claims/No of Intimated Claims	%	6.24%	4.94%	19.00%	29.00%	48.00%
52	Total Number of Inforce Insurance Policies	Numbers	309,863	317,157	298,066	235,242	342,557
53	Total Number of Renewed Insurance Policy/ Last year's Total Number of In force Policies	%	30%	29%	30%	25%	26.85%

### Others

S.N.	Learning and Growth	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
54	Number of Offices	No.s	129	117	113	110	106
55	Number of Agents	No.s	164	155	135	93	143
56	Number of Employees	No.s	654	650	642	621	619
57	Number of Surveyor	No.s	306	437	227	392	105
58	Employee Expenses to Number of Employees	NPR	943,226	788,756	740,153	691,954	578,870

## Shikhar Insurance Company Ltd.

### Additional Financial Indicator

S.N.	Profitability Ratio	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
1	Return on Assets	%	5.73%	6.15%	3.25%	4.20%	5.37%
2	Gross Profit Ratio	%	31%	24%	26%	25%	29%
3	Net Profit Ratio	%	8%	8%	4%	6%	8%
4	Earning before interest, tax, depreciation and amortisation (EBITDA)	Amount in Cr.	73.51	70.79	56.44	43.71	47.08
5	Return on Capital Employed	%	8%	8%	5%	6%	8%
6	Return on Investment	%	5%	7%	9%	6%	8%
7	Return on Equity	%	8%	8%	5%	6%	8%

S.N.	Liquidity Ratio	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
1	Current Ratio	Times	2.50	2.43	2.07	2.08	2.52
2	Quick Ratio/Acid Test Ratio	Times	2.50	2.43	2.07	2.08	2.52

S.N.	Ratio Related to Insurance Sector	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
1	Net Claim Incurred /Net Premium Earned	%	58%	67%	76%	87%	80%
2	Premium Growth Ratio	%	7%	2%	9%	24%	19%
3	Claim Settlement Ratio	%	94%	95%	81%	71%	52%
4	Reinsurance claim recovery percentage	%	68%	61%	58%	56%	60%
5	Retention Ratio	%	31%	25%	26%	28%	31%
6	Combine Ratio	%	60%	68%	77%	87%	82%
7	Persistency Ratio	%	30%	29%	30%	25%	27%
8	Reinsurance Premium ceded on Gross Premium	%	69%	75%	74%	72%	69%
9	Reinsurance claims Recovery Percentage	%	68%	61%	58%	56%	60%
10	Expenses of Management to Gross Direct Premium Ratio	%	19%	18%	18%	17%	18%
11	Customer Retention Ratio	%	30%	29%	30%	25%	27%

S.N.	Learning and Growth	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
1	Training Expenses Ratio	%	2.40%	1.92%	1.92%	1.82%	0.41%
2	Training Expenses Per Employee	Amount in Rs	19,863	14,917	13,998	12,570	2,375
3	Employee Expenses to Number of Employees	Amount in Rs	943,226	788,756	740,153	691,954	578,870
4	Business Contribution per employee	Amount in Rs	8,853,895	8,328,923	8,282,169	7,851,572	6,334,777

S.N.	Market Ratios	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
1	Dividend Yield (based on year end price)	%	1%	1%	-	2%	-
2	PE Ratio	Times	50	43	99	70	110
3	Dividend Payout Ratio	%	40%	63%	-	139%	-

S.N.	Leverage Ratio	Indicators	Fiscal Year				
			2024-25	2023-24	2022-23	2021-22	2020-21
1	Debt to Equity Ratio	%	2%	1%	3%	4%	6%
2	Debt Ratio (Total Debt/Total Assets)	%	1%	0%	1%	2%	2%
3	Interest Coverage Ratio	Times	89	29	16	29	51

## 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	49,668	49,500	562,185,420,683	494,853,275,186	504,749,694,351	444,296,543,826	57,435,726,332	50,556,731,360
2	Motor	163,642	158,188	127,233,584,307	105,537,762,594	45,213,985,989	40,836,463,844	82,019,598,318	64,701,298,750
3	Marine	15,552	14,585	198,116,404,049	149,615,359,930	178,016,544,014	134,436,163,597	20,099,860,035	15,179,196,332
4	Engineering	2,436	2,477	47,034,099,975	36,862,658,847	45,312,205,691	35,491,583,854	1,721,894,284	1,371,074,993
5	Micro	6,320	12,760	1,051,500,000	2,935,905,150	773,904,342	2,234,141,454	277,595,658	701,763,696
6	Aviation	17	20	2,720,723,000	(4,686,467,400)	2,425,036,850	(4,985,463,264)	295,686,150	298,995,864
7	Cattle and Crop	41,291	50,626	7,211,110,402	12,526,625,730	5,941,955,635	10,517,589,486	1,269,154,766	2,009,036,243
8	Miscellaneous	30,937	29,001	166,228,542,552	155,284,221,657	108,602,907,302	103,152,027,993	57,625,635,250	52,132,193,664
	<b>Total</b>	<b>309,863</b>	<b>317,157</b>	<b>1,111,781,384,968</b>	<b>952,929,341,693</b>	<b>891,036,234,173</b>	<b>765,979,050,791</b>	<b>220,745,150,795</b>	<b>186,950,290,902</b>



# नेपाल बीमा प्राधिकरण

## NEPAL INSURANCE AUTHORITY

वि. वि. शा. : १०५ (२०८२/०८३) च.नं. ३४७२



मिति: २०८२/०९/०३

श्री शिखर इन्स्योरेन्स कम्पनी लिमिटेड,  
थापाथली, काठमाण्डौं।

<b>Shikhar Insurance Co. Ltd.</b>	
Received No. ....	1829
Date .....	2082/09/03
Time .....	

### विषय: आ.व. २०८१/८२ को वित्तीय विवरणको स-शर्त स्वीकृति बारे।

तहाँको मिति २०८२/०९/०२ (च.नं.१९७/०८२/०८३) को पत्र साथ प्राधिकरणमा पेश भएको आ.व. २०८१/८२ को वित्तीय विवरण सम्बन्धमा लेखिदैछ।

उपरोक्त सम्बन्धमा बीमक श्री शिखर इन्स्योरेन्स कम्पनी लिमिटेडबाट पेश भएको आ.व. २०८१/८२ 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.२०८१/८२ को वार्षिक वित्तीय विवरणलाई बीमा ऐन, २०७९ को दफा ८७ को उपदफा (८) तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ७, ८ र ९ बमोजिम वार्षिक प्रतिवेदनमा समावेश गर्न, साधारण सभामा पेश गर्न तथा प्रकाशित गर्न देहायको निर्देशन, शर्त तथा आदेश सहित स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउदछौं।

#### शर्तहरू:

१. बीमकले NFRS-17 Insurance Contracts लागु गर्न आवश्यक तयारी गर्ने।
२. बीमकको वित्तीय वीवरणमा देखिएको Unidentified Deposits रकमलाई पहिचान गरी लेखाङ्कन गर्ने संयन्त्र तयार गर्ने।
३. 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 आगामी दिनमा सो कैफियतलाई सुधार गर्ने।
४. बीमकको जोखिमाङ्कन तथा दाबी भुक्तानी प्रक्रियालाई थप प्रभावकारी गराउने।
५. बीमकले वार्षिक प्रतिवेदन तयार गर्दा मिति २०८१/०७/१३ गते प्राधिकरणबाट जारी परिपत्र (ने.बी.प्रा. ९५ (२०८१/०८२) च.नं. २०४०- वि.वि.शा. १) बमोजिमका बुँदाहरू समावेश गर्ने।
६. बीमकको लेखापरीक्षकहरूले औँल्याएका कैफियतहरू सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिन आवश्यक व्यवस्था गर्ने।
७. बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६०(साठी) दिन भित्र साधारण सभा गर्ने।

  
(सन्तोष कार्की)  
चार्टर्ड एकाउन्टेन्ट

पो.ब.नं. २१७२, ललितपुर-१०, कुपण्डोल, नेपाल, फोन: ०१-५४२१०७९, ५४३६७४३, फ्याक्स: ०१-५४२०९९९, टोल फ्री नं.: १६६०-०१-५६७८९  
P.O. Box No.: 2172, Lalitpur-10, Kupondole, Nepal, Phone: 01-5421079, 5438743, Fax: 01-5420119, Toll Free No.: 1660-01-56789  
Website: www.nia.gov.np, E-mail: info@nia.gov.np

## शिखर इन्स्योरेन्स कम्पनी लिमिटेड

### आ .व. २०८१।८२ को वित्तीय विवरण स्विकृतिका क्रममा नेपाल बीमा प्राधिकरणबाट तोकिएको शर्तहरू सम्बन्धमा कम्पनीको प्रत्युत्तर

- कम्पनीले तोकिएको समयभित्र Nepal Financial Reporting Standard (NFRS) 17, Insurance Contract लागु गर्नका लागि NFRS 17 Project Management Committee तथा Steering Committee को गठन गरी IFRS 17 को कार्यान्वयनको अनुभव भएको अन्तर्राष्ट्रिय प्रतिस्थित लेखा व्यवसायी संस्था KPMG संग सम्झौता गरी आवश्यक कार्यहरू गर्दै आइरहेको छौं । कम्पनीले चालु आ.व.को प्रथम त्रैमासिक वित्तीय विवरण प्राधिकरणबाट जारी वित्तीय विवरण तयार गर्ने सम्बन्धी निर्देशिका बमोजिम तयार गरिएको वित्तीय विवरणका साथै NFRS 17 बमोजिम तयार गरिएको वित्तीय विवरण समेत तयार गरी प्रकाशन गरिएको निवेदन गर्न चाहन्छौं । सोहि बमोजिम चालु आ.व. को वार्षिक वित्तीय विवरण समेत NFRS 17 बमोजिम तयार गर्न कम्पनी प्रतिवद्ध रहेको निवेदन गर्न चाहन्छौं ।
- वित्तीय विवरणमा देखिएका Unidentified Deposits लाई पहिचान गरी लेखांकन गर्ने कार्यको थालनी भैसकेको निवेदन गर्न चाहन्छौं ।
- कम्पनीको आ.व. २०८१।८२ को चौथो त्रैमासिक वित्तीय प्रतिवेदन र वार्षिक वित्तीय विवरणका विभिन्न शिर्षकहरूका केहि शिर्षकहरूमा १० प्रतिशत भन्दा बढी रकमले फरक देखिएको र आगामी दिनहरूमा सारभुत फरक नरहने किसिमले वित्तीय विवरण तयार गरिने जानकारी गराउन चाहन्छौं ।
- कम्पनीको वार्षिक प्रतिवेदन तयार गर्दा प्राधिकरणबाट मिति २०८१।७।१३ गते जारी परिपत्र वि.वि.शा. ९५ (८१।८२) च. नं. २०४० बमोजिमका अतिरिक्त विवरणहरू समावेस गरी वित्तीय विवरण तयार गरिने जानकारी गराउन चाहन्छौं । गत आ.व.मा समेत कम्पनीले तोकिए बमोजिमका विवरणहरूका साथै थप अतिरिक्त विवरणहरू समावेस गरी वार्षिक प्रतिवेदन तयार गरिएको र कम्पनीबाट तयार गरिएको वार्षिक प्रतिवेदनले SAFA BPA Award कार्यक्रममा मेरिट अवार्ड प्राप्त गरेको समेत जानकारी गराउन चाहन्छौं ।
- कम्पनीको अण्डरराइटिङ प्रकृया तथा दाबी भुक्तानी प्रकृयालाई 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 प्रकृयालाई थप प्रभावकारी बनाउन कम्पनीको सफ्टवेयरलाई समेत थप परिस्कृत गर्दै आइरहेको जानकारी गराउन चाहन्छौं ।
- लेखापरीक्षकले औल्याएका कैफियतहरू सुधार गर्न तथा त्यस्त कैफियतहरू पुनः दोहोरिन नदिनका लागि आवश्यक संयन्त्रको विकास गरेका छौं भने कर्मचारीहरूको क्षमता अभिवृद्धि गर्नका लागि आवश्यक तालिम कार्यक्रम तथा अनुगमन कार्य समेत गर्दै आएको जानकारी गराउन चाहन्छौं ।
- कम्पनीको वार्षिक साधारण सभा २०८२ पौष २९ गते तोकिएको जुन वित्तीय विवरण स्विकृत भएको मितिले ६० दिन भित्रै रहेको जानकारी गराउन चाहन्छौं ।

## 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:
- 2 Insurer license date: December 12,2004
- 3 Insurance business type, nature: Non-life Insurance Business
- 4 Date of commencement of business: December 17, 2004
- 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 2024-25.
- 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 2024-25 is 22,431 and the outstanding claim number as on 16<sup>th</sup> July 2025 is 2,279 (excluding COVID outstanding claims). The company has the policy to settle the outstanding claims within 15 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 16<sup>th</sup> July 2025 and its financial performance for the year ended 16<sup>th</sup> July 2025 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 2024-25.
- 15 Other disclosure: None

## Shikhar Insurance Company Ltd.

### Variance Report Annual Financial Position 2081-82 Vs 4th Qtr Financial Position 2081-82

Fig in NPR

Particulars	Final 2081-82	4th Qtr 2081-82	Difference	Variance %	Reason of Variance
<b>Assets</b>					
Goodwill & Intangible Assets	11,865,631	8,537,974	3,327,657	39	A few invoices for software acquisition were received after the preparation of 4th qtr report.
Property and Equipment	763,662,715	755,842,160	7,820,555	1	-
Investment Properties	76,377,810	(0)	(0)	(0)	-
Deferred Tax Assets	57,008,490	65,125,666	(8,117,176)	(12)	Deferred tax liability is calculated with the updated revised reserves.
Investment in Subsidiaries	-	-	-	-	-
Investment in Associates	241,177,881	163,611,239	77,566,442	(47)	Investment amount of Rs 67,000,000 in White Lotus Power Ltd is transferred from investment to investment in associates.
Investments	4,662,543,291	4,795,638,546	(133,095,255)	(3)	-
Loans	-	-	-	-	-
Reinsurance Assets	4,581,613,373	5,097,178,234	(515,564,861)	(10)	All reinsurance assets are booked as per the actuary valuation report.
Current Tax Assets	77,864,897	159,305,545	(81,440,647)	(51)	Actual tax liability is booked in annual financial statements.
Insurance Receivables	1,098,365,462	1,245,160,560	(146,795,098)	(12)	Difference is due to transfer of COVID receivable into other assets from insurance receivable
Other Assets	489,499,366	503,889,229	(14,389,863)	(3)	-
Other Financial Assets	778,906,439	863,230,632	(84,324,193)	(10)	Due to reclassification.
Cash and Cash Equivalent	125,837,432	70,582,935	55,254,497	78	Reconciliation was not completed at the time of preparation of 4th quarter report.
<b>Total Assets</b>	<b>12,964,722,586</b>	<b>13,804,480,528</b>	<b>(839,757,942)</b>	<b>(6)</b>	
<b>Equity &amp; Liabilities</b>					
<b>Equity</b>					
Share Capital	2,923,099,000	2,923,099,000	-	-	-
Share Application Money Pending Allotment	-	-	-	-	-
Share Premium	-	-	-	-	-
Special Reserves	1,917,651,589	1,913,850,910	3,800,679	0	-
Catastrophe Reserves	161,153,794	160,773,726	380,068	0	-
Retained Earnings	210,489,233	211,757,525	(1,268,292)	(1)	-
Other Equity	598,320,956	606,612,351	(8,291,395)	(1)	-
<b>Total Equity</b>	<b>5,810,714,572</b>	<b>5,816,093,512</b>	<b>(5,378,940)</b>	<b>(0)</b>	
<b>Liabilities</b>					
Provisions	173,969,935	228,767,696	(54,797,761)	(24)	Employee bonus was included in provision in 4th QTR report now transferred into other liabilities.
Gross Insurance Contract Liabilities	5,951,509,816	6,511,336,263	(559,826,447)	(9)	-
Deferred Tax Liabilities	-	-	-	-	-
Insurance Payable	7,797,944	195,536,194	(187,738,249)	(96)	Provisional insurance premium payable amount was booked while preparing the 4th quarter report.
Current Tax Liabilities	-	-	-	-	-
Borrowings	96,201,486	98,119,349	(1,917,863)	(2)	-
Other Liabilities	402,064,321	404,420,269	(2,355,949)	(1)	-
Other Financial Liabilities	522,464,512	550,207,245	(27,742,733)	(5)	-
<b>Total Liabilities</b>	<b>7,154,008,014</b>	<b>7,988,387,016</b>	<b>(834,379,002)</b>	<b>(10)</b>	
<b>Total Equity and Liabilities</b>	<b>12,964,722,586</b>	<b>13,804,480,528</b>	<b>(839,757,942)</b>	<b>(6)</b>	

**Variance Report  
Annual Financial Performance 2081-82 Vs 4th Qtr Financial Performance 2081-82**

Fig in NPR

Particulars	Final 2081-82	4th Qtr 2081-82	Difference	Variance %	Reason of Variance
<b>Income:</b>					
Gross Earned Premiums	5,629,900,221	5,702,638,580	(72,738,359)	(1)	
Premiums Ceded	3,862,792,064	3,990,625,680	(127,833,616)	(3)	
<b>Net Earned Premiums</b>	<b>1,767,108,157</b>	<b>1,712,012,900</b>	<b>55,095,257</b>	<b>3</b>	
Commission Income	659,375,996	690,992,962	(31,616,967)	(5)	
Other Direct Income	36,809,349	40,767,319	(3,957,970)	(10)	
Income from Investments & Loans	254,491,076	233,123,022	21,368,054	9	
Net Gain/ (Loss) on Fair Value Changes	-	-	-	-	
Net Realised Gains/ (Losses)	24,030,328	24,030,328	0	-	
Other Income	8,928,907	29,314,067	(20,385,160)	(70)	
<b>Total Income</b>	<b>2,750,743,813</b>	<b>2,730,245,598</b>	<b>20,498,215</b>	<b>1</b>	Due to transfer of rental income amount of Rs 19,680,439 from other income to investment income.
<b>Expenses:</b>					
Gross Claims Paid	3,027,905,632	3,074,356,064	-	-	
Claims Ceded	(2,051,741,094)	(2,084,851,821)	33,110,727	(2)	
Gross Change in Contract Liability	496,869,107	1,128,248,877	(631,379,770)	(56)	IBNR and IBNER for the quarterly financial statements were calculated as per the directives issued by the Nepal Insurance Authority and actual actuarial figures were not received at the time of preparation of the fourth quarter financial statements.
Change in Contract Liability Ceded to Reinsurers	(451,715,900)	(1,064,579,023)	612,863,123	(58)	
<b>Net Claims Incurred</b>	<b>1,021,317,745</b>	<b>1,053,174,097</b>	<b>(31,856,353)</b>	<b>(3)</b>	
Commission Expenses	72,896,826	67,226,277	5,770,549	9	
Service Fees	14,592,405	13,902,528	689,877	5	
Other Direct Expenses	22,188,480	22,276,194	(87,714)	(0)	
Employee Benefits Expenses	614,983,248	601,795,108	13,188,140	2	
Depreciation and Amortization Expenses	52,563,030	52,312,503	270,527	1	
Impairment Losses	0	-	-	-	
Other Operating Expenses	270,058,076	253,253,420	16,804,656	7	
Finance Cost	19,588,102	19,563,782	24,320	0	
<b>Total Expenses</b>	<b>2,068,307,912</b>	<b>2,083,503,909</b>	<b>4,804,003</b>	<b>0</b>	
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>	<b>662,435,902</b>	<b>646,741,689</b>	<b>15,694,213</b>	<b>2</b>	
Share of Net Profit of Associates accounted using Equity Method	566,442	0	566,442	100	Associates' financial statements were not received at the time of preparation of fourth quarter financial statements.
<b>Profit Before Tax</b>	<b>663,002,344</b>	<b>646,741,689</b>	<b>16,260,655</b>	<b>3</b>	
Income Tax Expense	210,991,707	194,022,507	16,969,200	9	
<b>Net Profit/(Loss) For The Year</b>	<b>452,010,637</b>	<b>452,719,182</b>	<b>(708,545)</b>	<b>(0)</b>	
<b>Earning Per Share</b>					
Basic EPS	15.46	15.49	(0)	(0)	
Diluted EPS	15.46	15.49	(0)	(0)	

## QUALITY OF ASSETS AND CAPITAL RESOURCES

### A: Quality of Assets

#### i) Composition of Assets

The composition of the assets of the company as at 16<sup>th</sup> July 2025 and corresponding to previous comparative period as at 15<sup>th</sup> July 2024 are as below:

Assets	As at 16th July 2025	As at 15th July 2024
Goodwill & Intangible Assets	11,865,631	9,731,690
Property and Equipment	763,662,715	725,474,278
Investment Properties	76,377,810	78,427,771
Deferred Tax Assets	57,008,490	72,442,756
Investment in Associates	241,177,681	163,611,239
Investments	4,662,543,291	4,562,299,198
Reinsurance Assets	4,581,613,373	4,082,692,043
Current Tax Assets	77,864,897	129,122,387
Insurance Receivables	1,098,365,462	540,782,925
Other Assets	489,499,366	364,055,047
Other Financial Assets	778,906,439	720,205,955
Cash and Cash Equivalent	125,837,432	145,852,288
<b>Total Assets</b>	<b>12,964,722,586</b>	<b>11,594,697,577</b>

The total assets of the company stood at NPR 1,296 crores at the end of the current year, which was NPR 1,159 crores at the end of the previous year. Reinsurance assets and investments are major assets of the company, both representing 71.30% of total assets. Other remaining assets comprise intangible assets, property plant 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 458 crores at the end of the current year, which was NPR 408 crores in the previous year.

The biggest share of the total assets is investment, which represents around 36% 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 by 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 can meet all its obligations related to claims and operations on time. 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 18 crores compared to the previous year and stood at 490 crores.

#### ii) 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 581 crore as at 16<sup>th</sup> July 2025 as against NPR 536 crore as at 15<sup>th</sup> July 2024. 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 130% as prescribed by the Nepal Insurance Authority. The company maintains its solvency ratio at 361% as at 15<sup>th</sup> July 2025 as per general purpose financial statements and 474.25% as per solvency balance sheet, which is well above the regulatory requirement of 130%.

The composition of the shareholders' fund of the company as at 16<sup>th</sup> July 2025 and corresponding to previous comparative period 15<sup>th</sup> July 2024 are as below:

Equity	As at 16th July 2025	As at 15th July 2024
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>

### ii) Return on Equity

The return on average equity for the current year is 15%, which was 17% in the previous year.

### iii) 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 474.25 % as per risk-based capital requirements. Considering the company's capital, solvency and liquidity position the board of directors at its meeting held on 16<sup>th</sup> December 2025, declared a dividend of 6.1358% (6% bonus and 0.1358 % cash dividend for tax purpose).

## FINANCIAL CALENDAR

Shikhar Insurance is very concerned about the interest of the company's stakeholders, including potential investors.

Shikhar's 21 years of financial experience help its clients make the best financial decisions. Our current and prospective investors will find the following historical data helpful in making decisions.

### Financial Calendar to the Stakeholders

Particulars	2024-25	2023-24
Publication of Financial Statements for the 1st Quarter	11/15/2024	11/17/2023
Publication of Financial Statements for the 2nd Quarter	2/12/2025	2/12/2024
Publication of Financial Statements for the 3rd Quarter	5/12/2025	5/12/2024
Publication of Financial Statements for the 4th Quarter	8/15/2025	8/14/2024
Annual Financial Statements Approved by the Board	12/16/2025	2/16/2025
Publishing notice for the Annual General Meeting	12/20/2025	2/4/2025
Dispatching of Annual Report	1/4/2026	2/18/2025
Holding of Annual General Meeting	1/13/2026	2/25/2025
Transfer/Distribution of dividend	2/26/2026	4/10/2025

### Comparative Shareholding Structure of Shikhar Insurance

Types of Shareholders	2024-25		2023-24	
	No of Shares	% of Shares	No of Shares	% of Shares
<b>Promoters</b>				
Institutions	1,887,895	6%	2,350,339	9%
Individuals	13,019,910	45%	11,189,891	42%
<b>Public Shareholders</b>				
Institutions	-	-	-	-
Individuals	14,323,185	49%	13,009,243	49%
<b>Total</b>	<b>29,230,990</b>	<b>100%</b>	<b>26,549,473</b>	<b>100%</b>

## Evaluation of Quarterly Performance 2024-25

Particulars	2024-25				2023-24				Total	
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3		Q4
Gross Premium Earned	816,732,318	1,233,610,972	1,683,514,971	1,968,780,319	5,702,638,580	794,491,182	1,147,455,093	1,630,060,446	1,813,075,018	5,385,081,739
Net Premium Earned	282,253,307	355,371,963.00	570,703,626	503,684,004	1,712,012,900	277,899,998	273,512,780	530,197,535	479,672,893	1,561,283,206
Reinsurance Income	155,682,495	180,099,011.22	64,372,434.97	290,839,021	690,992,962	156,149,690	175,134,285	97,674,578	196,870,706	625,829,259
Investment and other Income	113,804,727	76,159,639.00	60,736,464.00	76,538,906	327,239,736	128,243,235	86,272,888	59,912,512	124,988,657	399,417,292
Total Income	551,740,529	611,630,613.22	695,812,524.97	871,061,931	2,730,245,598	562,292,923	534,919,953	687,784,626	801,532,255	2,586,529,757
Claim Expenses	199,052,744	183,634,302.54	332,379,366	338,107,686	1,053,174,097	197,984,788	116,884,086	244,732,384	379,474,748	939,076,006
Employee Expenses	126,061,725	128,487,830.09	136,644,476.30	209,941,637	601,135,668	122,332,845	113,241,542	133,245,460	197,888,467	566,708,314
Management and other Expenses	68,768,974	91,861,810.00	102,371,781.00	166,191,580	429,194,145	86,447,321	91,527,694	119,781,779	94,532,499	392,289,293
Total Expenses	393,883,442	403,983,942.67	571,395,622.76	714,240,902	2,083,503,909	406,764,954	321,653,321	497,759,624	671,895,714	1,898,073,614
Net Profit Before Tax	157,857,087	207,646,670.55	124,416,902.21	156,821,029	646,741,689	155,527,969	213,266,631	190,025,001	129,636,541	688,456,143
Tax Expenses	42,621,414	65,529,713.57	24,715,123.02	61,156,256	194,022,507	43,113,737	63,979,989	50,863,878	7,608,798	165,566,402
Net Profit Before Tax	115,235,673	142,116,956.99	99,701,779.19	95,664,772	452,719,182	112,414,232	149,286,642	139,161,124	122,027,744	522,889,741
Earning Per Share	4	5	3	3	15	4	6	5	5	20

## SHARE PRICE SENSITIVITY ANALYSIS

The company's share price is affected by various internal and external factors as below:

- Operating performance of the company
- Performance of entities in which company has invested (impacts investment income of the company)
- Announcements of dividends
- Political stability
- Law and regulation
- General economic conditions

- Changes in regulatory environment
- Stock market sentiment

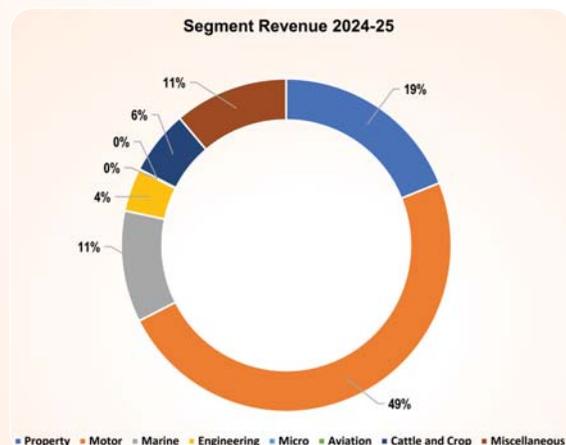
The summary overview of the company's share transactions is as below:

Financial Year	Maximum Price	Minimum Price	Closing Price	Numbers of shares traded during the year	Total Transaction Number
2024-25	1,120	708.70	773.54	5,174,927	41,244
2023-24	889	669.40	723	2,428,478	28,058
2022-23	1,010	682	845	3,237,993	40,462
2021-22	2,157	696	807	4,497,956	73,064
2020-21	3,021	1,010	1,952	12,573,971	129,724

## SEGMENT REPORTING SUMMARY AND ANALYSIS

Particulars	Segment Revenue	Segment Expenses	Segment Result
Property	515,742,185	212,567,491	303,174,694
Motor	1,324,934,264	1,164,248,582	160,685,682
Marine	294,457,156	144,972,320	149,484,836
Engineering	113,406,633	32,314,851	81,091,782
Micro	620,437	1,365,606	(745,169)
Aviation	1,778,003	127,495	1,650,508
Cattle and Crop	170,990,494	159,891,880	11,098,614
Miscellaneous	304,784,314	300,648,554	4,135,760
Inter Segment Elimination	-	-	-
<b>Total</b>	<b>2,726,713,485</b>	<b>2,016,136,779</b>	<b>710,576,706</b>

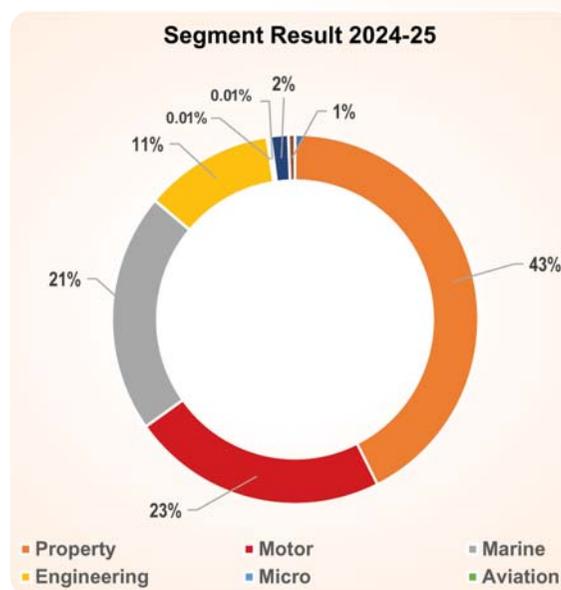
### Segment Revenue



### Analysis

The Company recorded total segment revenue of NPR 2.73 billion and segment expenses of NPR 2.02 billion, resulting in an overall segment profit of NPR 710.58 million during the year.

The Motor segment remained the largest revenue contributor with NPR 1.32 billion, generating a segment



result of NPR 160.69 million despite margin pressure from higher claims. The Property segment delivered the highest profitability, reporting a segment result of NPR 303.17 million, supported by effective underwriting and cost control.

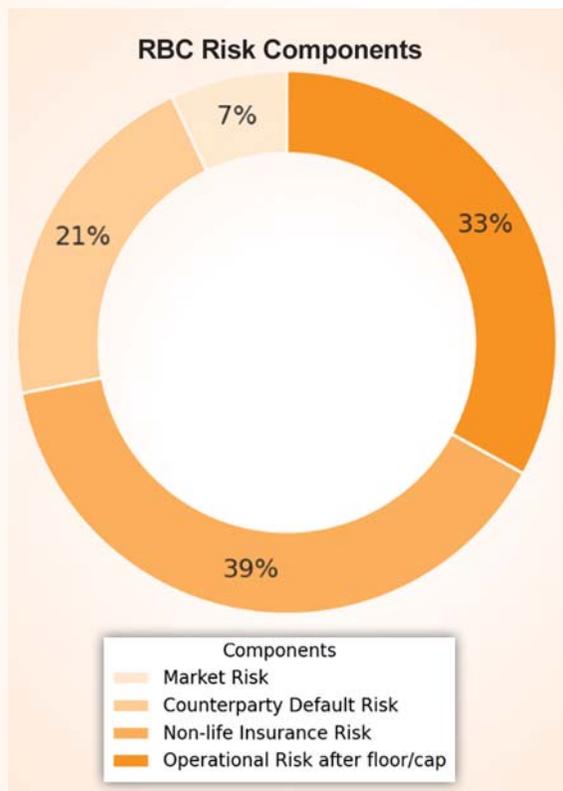
The Marine and Engineering segments also posted strong performances with segment profits of NPR 149.48 million and NPR 81.09 million, respectively. The Cattle and Crop and Miscellaneous segments remained marginally profitable, while the Aviation segment contributed modest profits.

The Micro segment reported a small loss due to higher claim expenses, highlighting the need for operational realignment. Overall, the Company maintained a well-diversified and profitable portfolio, driven by disciplined underwriting and prudent expense management.

## RISK BASED CAPITAL AND SOLVENCY

### Risk based capital

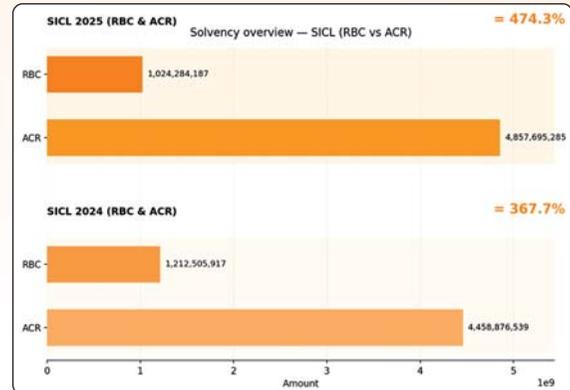
Under the revised risk-based capital assessment, Shikhar maintained a strong solvency position of 474.3% at year-end 2025, comfortably exceeding internal target levels and regulatory thresholds as defined in Risk Based Capital directives issued by Nepal Insurance Authority (NIA). In this year, non-life insurance risk accounted for biggest share of RBC Capital (39%), followed by Operational Risk (33%), counterparty default risk (21%) and Market Risk (7%).



### Summary of Solvency Margin

	2024-25
Total Solvency Available Capital Resources	4,857,695,285
Risk-Based Capital Requirement	1,024,284,187
Solvency surplus/deficit	3,833,411,098
<b>Solvency ratio</b>	<b>474.3%</b>

The risk-based capital stood at 474.3% as per RBC approach. The company's available capital resources as per solvency are NPR 485 crores and Risk based capital is NPR 102.4 crores. The company has surplus solvency capital of NPR 383.34 crores this fiscal year.



\* RBC refers to as Risk Based Capital, ACR refers as Total solvency Available capital resources

### Total Risk

Total Risk has been decreased by NPR 188,221,730 mainly decrement is seen in non-life insurance risk. Due to changes in various capital charges in comparison with previous years there has been change in the Risk based capital this year.

	2024-25	2023-24
Market Risk	443,787,260	477,984,280
Credit Risk	-	589,545,973
Counterparty Default Risk	283,323,400	-
Non-Life Insurance Risk	516,024,641	404,086,363
Operational Risk after floor cap	93,116,744	110,227,811
Diversification	-311,967,859	-369,338,511
<b>Total Risk Based capital</b>	<b>1,024,284,187</b>	<b>1,212,505,917</b>

### Market Risk

Market risk reflects the potential impact of adverse movements in financial markets on the Company's assets and liabilities. Effective management of market risk is critical to maintaining solvency and supporting long-term financial stability. The Company's total market risk capital requirement of NPR 443.79 million reflects the potential adverse impact of market movements on its investment portfolio. Equity risk remains the primary driver, while diversification across asset classes, instruments, and geographies significantly reduces overall exposure.

	2024-25	2023-24
Interest Rate Risk	126,599,962	143,998,521
Spread Risk	96,965,065	-
Equity Risk	291,944,683	296,659,214
Property Risk	18,483,047	19,057,832
Currency Risk	34,807,953	18,268,713
Diversification	-125,013,450	-
<b>Market Risk</b>	<b>443,787,260</b>	<b>477,984,280</b>

### Counterparty Default Risk

Counterparty default risk represents the potential loss arising from the failure of counterparties to meet their contractual obligations and is reflected in the Company's Risk-Based Capital (RBC) requirement. This risk primarily relates to exposures to reinsurers, intermediaries, banks, and other financial counterparties. Under the RBC framework, a capital charge is applied to cover potential losses resulting from the default or deterioration in the credit quality of counterparties. The charge reflects the probability of default and loss severity, considering the nature, duration, and concentration of exposures.

As counterparty default risk stands at NPR 283,323,400 this year which was previously incorporated as Credit Risk. Major portion of counterparty default risk lies in the reinsurance recoverability. Our reinsurance partners are carefully selected and constantly monitored, keeping in considerations with Reinsurance guidelines issued by NIA. During the annual reinsurance placement process the selection of reinsurer is made not only considering the minimum ratings issued by rating agencies as Standards and Poor, AM Best but also on basis of reinsurance optimization performed by our consulting actuary. Thus, reinsurance protects our capital, optimizes our results to perform better and enables us to serve our customers in case of extreme unexpected scenarios, i.e frequent flood events and other major catastrophic events. Counterparty default risks are risks related to our investment and reinsurance assets portion.

### Reinsurance assets at balance sheet date

	2024-25
AAA, AA or A equivalent securities	60.98%
≤ BBB equivalent	39.02 %
	<b>100.00%</b>

### Non-life Insurance Risk

Non-life insurance risk represents the risk of loss or adverse change in the value of insurance liabilities arising from the underwriting of non-life insurance contracts. Non-life insurance risk comprises the following sub-risks as Premium & Reserve Risk and Catastrophe Risk.

Premium and reserve risk arises from fluctuations in the timing, frequency, and severity of insured events relative to assumptions used in pricing and reserving where premium Risk refers to the risk that future claims and expenses exceed the premiums charged for policies written. Likewise reserve Risk refers to the risk that existing technical provisions are insufficient to cover ultimate claim payments. Whereas, Catastrophe risk reflects uncertainties in claims development patterns, inflation, legal or regulatory changes, and underwriting assumptions. Catastrophe risk captures exposure to low-frequency, high-severity events such as natural disasters, large industrial losses, or other extreme events that may result in significant claim accumulations.

The premium and reserve risk related to various portfolios and sub portfolios in comparison with previous as mentioned below.

	2024-25		2023-24	
	Outstanding claim reserve capital charge	Earned premium capital charge	Outstanding claim reserve capital charge	Earned premium capital charge
Property - Commercial	6,417,860	51,963,151	6,802,637	74,515,326
Property - Personal	67,667	982,706	246,187	2,932,527
Motor Own damage	15,952,290	107,763,623	23,931,579	116,334,300
Motor Third Party Liability	7,682,574	48,822,886	3,069,725	437,189
MARINE	5,190,668	62,379,167	2,312,608	29,093,548
ENGINEERING	694,845	-	1,645,372	25,156,506
AVIATION	3,702	-	75,184	-
Cattle Insurance	463,174	14,322,893	692,063	3,445,560
Crop Insurance	6,262,066	24,609,775	4,861,532	3,374,886
MICRO INSURANCE	3,156	110,377	14,556	335,546
Group Personal Accident	1,234,469	12,406,907	1,995,851	1,475,566
Personal Accident	-	-	-	323,976
Health	328,230	3,781,350	194,720	5,746,943
Trekking	484,651	7,697,833	487,885	19,901
Product Liability	51,673	-	49,169	-
Directors and Officers Liability	42,555	17,062	15,916	-
Public liability	-	-	-	-
Cash Insurance	65,477	1,802,598	44,024	354,285
Bankers Indemnity Insurance	949,394	2,297,357	488,146	1,201,104
Other miscellaneous	1,844,737	21,883,193	1,473,322	-
	<b>47,739,190</b>	<b>360,840,878</b>	<b>48,400,474</b>	<b>264,747,163</b>

### Non-life catastrophe Risk

As non-life catastrophe risk is a key component of Non-Life Underwriting Risk within the Risk Based Capital Framework requirement. This risk reflects the potential for large accumulation losses arising from natural or man-made catastrophes that impact multiple policies simultaneously. We have enough catastrophic cover protection for the earthquake losses. We are planning to use catastrophic model and stress testing in upcoming fiscal years to estimate potential losses under extreme scenarios and support capital adequacy assessments.

	2024-25	2023-24
Earthquake Risk exposure	107,444,573	90,938,726

### Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events and accordingly includes legal, cyber, reputational, data, human resource, IT, and process risks. To mitigate legal risk, the Company maintains robust compliance frameworks, legal review mechanisms, and adherence to contractual and regulatory requirements. Cyber and data risks are managed through strong information security controls, access management, system monitoring,

regular vulnerability assessments, and data protection policies. Reputational risk is addressed by promoting ethical conduct, transparent communication, effective customer grievance handling, and proactive stakeholder engagement. Human resource risk is mitigated through structured recruitment, training and development programs, succession planning, and clear segregation of duties. IT risk is managed via resilient system architecture, regular system upgrades, backup and disaster recovery arrangements, and controlled change management processes. Process risk is reduced through documented standard operating procedures, internal controls, automation, and continuous process reviews. Collectively, these measures strengthen the Company's operational resilience, reduce the likelihood and impact of operational failures, and support stable and compliant business operations.

The following table shows the required risk-based capital for operational risk as at July, 2025.

### Required Risk Capital

	2024-25	2023-24
Operational Risk	231,617,902	216,551,989

## Shikhar Insurance Company Ltd.

### 2.01 ANNUAL FINANCIAL STATEMENT AND SOLVENCY BALANCE SHEET As on Asadh End 2082

Fig. in NPR

ASSETS	Financial statement	Solvency balance sheet
Goodwill	-	-
Deferred acquisition costs	-	-
Intangible assets	11,865,631	-
Deferred tax assets	54,097,403	-
Pension benefit surplus	-	-
Property, plant & equipment held for own use	763,662,715	689,322,041
Investments (other than replicating unit portion index/unit-linked contracts)	4,980,176,696	5,055,054,009
Investments in properties (other than for own use)	76,377,810	76,377,810
Investment in subsidiaries	-	-
Investment in associates	174,255,595	174,255,595
Equities	850,708,107	850,708,108
Equities - listed in stock exchange licensed by SEBON	611,540,062	611,540,063
Equities - listed in stock exchange other than licensed by SEBON	-	-
Equities - unlisted	239,168,045	239,168,045
Bonds	863,682,924	963,398,065
Government Bonds	-	-
Corporate Bonds	863,682,924	963,398,065
Fixed-income bonds with no option	863,682,924	963,398,065
Floating rate notes	-	-
Other bonds with embedded interest rate derivatives	-	-
Structured notes	-	-
Collateralised securities	-	-
Collective Investments Undertakings	118,348,774	118,348,774
Derivatives	-	-
Deposits other than cash equivalents	2,879,000,000	2,854,162,172
Other investments	17,803,486	17,803,486
Loans and mortgages	-	-
Loans on policies	-	-
Other loans with collateral or guarantees	-	-
Other loans without collateral or guarantees	-	-
Assets replicating the unit portion of index/unit-linked contracts	-	-
Reinsurance recoverables from	5,679,978,835	5,283,562,483
Non-life technical reserves (after risk correction)	4,581,613,373	4,442,831,678
Life excluding index-linked and unit-linked technical reserves (after risk correction)	-	-
Life index-linked and unit-linked technical reserves (after risk correction)	-	-
Deposits to cedants (related to accepted reinsurance)	-	-
Reinsurance receivables	1,098,365,462	840,730,805
Current tax assets (net)	77,847,962	77,847,962
Insurance, coinsurance and intermediaries receivables	-	-
Receivables from insurers other than coinsurance	-	-
Receivables from coinsurance/pools	-	-
Receivables from intermediaries	-	-
Own shares (held directly)	-	-
Amounts due in respect own equity items called up but not yet paid in	-	-
Cash and cash equivalents	125,837,432	125,837,432
Any other assets, not elsewhere shown	1,268,405,805	1,268,405,805
<b>Total assets</b>	<b>12,961,872,478</b>	<b>12,500,029,733</b>

## Shikhar Insurance Company Ltd.

### 2.01 ANNUAL FINANCIAL STATEMENT AND SOLVENCY BALANCE SHEET As on Asadh End 2082

Fig. in NPR

LIABILITIES (WITHOUT transitionals)	Financial statement	Solvency balance sheet
<b>Technical provisions - non-life</b>	<b>5,951,509,816</b>	<b>5,958,743,565</b>
Best Estimate Direct Insurance (excluding Earthquake reserves)	5,855,917,780	5,855,917,780
Best estimate Direct Insurance Earthquake reserves	21,328,312	21,328,312
Margin over best estimate Direct insurance	74,263,724	81,497,473
Best estimate Accepted reinsurance (excluding Earthquake reserves)	-	-
Best estimate Accepted Earthquake reserves	-	-
Margin over best estimate Accepted reinsurance	-	-
Technical provisions - life (excluding index-linked and unit-linked)	-	-
Best Estimate Direct insurance participating life insurance	-	-
Best Estimate Direct insurance non-participating life insurance	-	-
Margin over best estimate Direct insurance	-	-
Best estimate Accepted reinsurance	-	-
Margin over best estimate Accepted reinsurance	-	-
Technical provisions - index-linked and unit-linked life insurance contracts	-	-
Technical provisions calculated as a whole (unit reserves)	-	-
Best Estimate (non unit reserves)	-	-
Margin over best estimate	-	-
Other technical provisions	-	-
Reinsurance deposits and payables	7,797,944	7,797,944
Deposits from reinsurers	-	-
Reinsurance payables	7,797,944	7,797,944
Insurance, coinsurance and intermediaries payables	61,581,572	61,581,572
Payables to insurers other than coinsurance	-	-
Payables to coinsurance/pools	-	-
Payables to intermediaries	61,581,572	61,581,572
Other payables (not related to insurance or reinsurance)	-	-
Debts owed to credit institutions	-	-
Other financing debts	-	-
Qualified as Tier 1 Available Capital Resources	-	-
Qualified as Tier 2 Available Capital Resources	-	-
Not qualified as Available Capital Resources	-	-
Derivatives	-	-
Current tax liabilities	-	-
Provisions other than technical provisions	84,692,306	84,692,306
Contingent liabilities	-	-
Pension benefit obligations	89,863,607	89,863,607
Deferred tax liabilities	-	-
Any other liabilities, not elsewhere shown	959,148,747	748,434,345
<b>Total liabilities</b>	<b>7,154,593,993</b>	<b>6,951,113,339</b>
<b>Excess of assets over liabilities</b>	<b>-</b>	<b>5,548,916,394</b>

EQUITY	
Share capital	2,923,099,000
Share application money pending allotment	-
Share premium	-
Special reserves	1,917,389,090
Catastrophe reserves	161,127,544
Retained earnings	209,446,973
Other equity	596,215,879
Revaluation reserves	398,089,604
Capital reserves	-
Corporate Social Responsibility Reserves (CSR)	605,516
Insurance Fund	-
Fair Value Reserves	10,096,672
Actuarial reserves	-8,143,427
Deferred Tax Reserves	132,283,384
Other reserves	63,284,129
<b>Total Equity</b>	<b>5,807,278,486</b>

## DISCLOSURE ON INSURANCE CONTRACT

### 1. Gross Earned Premium

Gross earned premium represents the portion of written premium that corresponds to expired policy coverage within the reporting period. The Company recorded total gross earned premium of NPR 5.63 billion in FY 2024–25 compared to NPR 5.26 billion in FY 2023–24, reflecting continued business expansion across major lines of business. The table below shows the portfolio-wise gross earned premium for the current and prior year.

Gross Earned premium	2024-25	2023-24
Property	1,364,564,437	1,338,235,626
Motor	1,628,628,191	1,339,188,502
Marine	376,991,618	160,817,789
Engineering	1,089,244,728	1,130,477,268
Micro	1,225,151	3,641,124
Aviation	61,570,095	114,466,726
Cattle and Crop	559,791,658	652,605,081
Miscellaneous	547,884,343	518,793,820
<b>Total</b>	<b>5,629,900,221</b>	<b>5,258,225,936</b>

### 2. Unearned Premium Reserves (UPR)

Unearned premium represents premium related to periods of risk extending beyond the reporting date. Based on the pro-rata calculation method, total gross unearned premium stood at NPR 2.96 billion, compared to NPR 2.80 billion in the previous year. The table below shows the portfolio-wise unearned premium reserve for the current and prior year.

Gross Unearned premium	2024-25	2023-24
Property	801,715,975	685,314,458
Motor	738,153,119	724,551,970
Marine	141,475,663	189,047,923
Engineering	743,028,942	532,351,160
Micro	304,588	922,603
Aviation	70,857,058	58,163,376
Cattle and Crop	175,204,581	361,554,252
Miscellaneous	284,921,857	253,631,233
<b>Total</b>	<b>2,955,661,782</b>	<b>2,805,536,975</b>

### 3. Unexpired Risk Reserve (URR)

Premium Deficiency Reserve is recognized where unearned premium is insufficient to cover expected future claims and expenses. The Company has maintained NPR 14.95 million as unexpired riskreserve in FY 2024–25, consistent with the level maintained in FY 2023–24. The table below shows the portfolio-wise unexpired risk reserve for the current and prior year.

Unexpired Risk Reserve	2024-25	2023-24
Micro	89,711	32,291
Cattle and Crop	1,545,676	11,099,087
Miscellaneous	13,317,304	3,866,844
<b>Total</b>	<b>14,952,691</b>	<b>14,998,223</b>

### 4. Gross Claim Paid

Gross claim expenses include both settlement disbursements and related investigation and administration costs such as surveyor and legal fees. Total gross claim paid for the current reporting period is amounted to NPR 3.03 billion, increasing from NPR 2.25 billion in FY 2023–24, attributable primarily to large-loss cases due to flood in property, motor, and cattle & crop portfolios.

Portfolio	2024-25	2023-24
Property	840,829,396	349,396,691
Motor	1,045,722,044	838,687,603
Marine	106,903,110	50,879,227
Engineering	140,201,413	87,988,773
Micro	1,984,639	4,594,182
Aviation	2,734,200	-
Cattle and Crop	429,669,507	477,894,524
Miscellaneous	459,861,323	439,334,676
<b>Total</b>	<b>3,027,905,632</b>	<b>2,248,775,676</b>

### 5. Reinsurance Claim Recovery

The reinsurance claim recovery represents the portion of losses reimbursed by reinsurers in accordance with reinsurance agreements. Reinsurance continues to play a significant role in

mitigating underwriting volatility. Reinsurance recoveries amounted to NPR 2.05 billion in FY 2024–25, compared to NPR 1.38 billion in the prior year. The table below shows the portfolio-wise reinsurance claim recovery for the current and prior year.

Portfolio	2024-25	2023-24
Property	779,525,305	284,721,645
Motor	432,736,611	299,111,657
Marine	79,230,269	39,768,980
Engineering	132,352,290	69,118,908
Micro	1,386,044	769,438
Aviation	2,703,577	-
Cattle and Crop	356,077,640	393,167,935
Miscellaneous	267,729,358	294,220,010
<b>Total</b>	<b>2,051,741,094</b>	<b>1,380,878,573</b>

## 6. Outstanding Claims Provision (OCR)

Outstanding claim provisions represent the estimated cost of claims incurred but not yet settled at year-end. As of FY 2024–25, the Company holds an OCR of NPR 2.53 billion, up from NPR 1.86 billion in FY 2023–24, reflecting reporting delays and major claims still under settlement across property, motor, and cattle & crop lines. The table below shows the portfolio-wise outstanding claim provision for the current and prior year.

Portfolio	2024-25	2023-24
Property	540,943,588	216,937,959
Motor	270,750,619	232,617,393
Marine	189,808,081	57,870,159
Engineering	212,089,581	223,161,969
Micro	952,689,597	953,028,881
Aviation	-	30,000,000
Cattle and Crop	332,642,819	108,368,206
Miscellaneous	29,359,828	37,525,457
<b>Total</b>	<b>2,528,284,112</b>	<b>1,859,510,024</b>

## 7. Provision for Incurred But Not (Enough) Reported Claims – IBN(E)R

Incurred But Not (Enough) Reported claim liability is determined based on actuarial reserving techniques such as Chain Ladder, Born-Huetter Ferguson, Expected Loss Ratio, and ACPC methodologies. The Company has recognized NPR 357.02 million under IBN(E)R in FY 2024–25, compared to NPR 591.84 million in the prior year, reflecting improved claim reporting timelines and settlement efficiency. The table below shows the portfolio-wise Incurred but not (enough) reported claims reserve for the current and prior year.

Portfolio	2024-25	2023-24
Property	27,139,505	34,015,153
Motor	191,998,874	256,817,961
Marine	10,003,334	10,370,774
Engineering	18,586,066	25,393,041
Micro	128,283	1,739,183
Aviation	3,078,505	5,723,336
Cattle and Crop	63,859,045	203,893,714
Miscellaneous	42,225,583	53,889,369
<b>Total</b>	<b>357,019,195</b>	<b>591,842,531</b>

## 8. Disclosure on actuarial valuation

Various Actuarial methods for the purpose of estimation have been performed and the final selection of the ultimate claims and reserves from various methods have been made based on the actuarial judgement. Various actuarial reserving methods used as Chain Ladder Method based on Paid Claims (Paid CLM), Chain Ladder Method based on Incurred Claims (Incurred CLM), Expected Loss Ratio Method (ELR), Bornhuetter-Ferguson (BF) Method based on Paid Claims, Bornhuetter-Ferguson Method (BF) based on Incurred Claims and Average Cost Per Claim Method (ACPC) based on both Paid and Incurred claims.

The overall approach to the estimation of best estimate of technical provisions has been made as directed by the guidelines and are in compliance with the regulations issued by NIA.

## 9. Disclosure on investment & Other Assets

The Company has valued all investments and other assets in full compliance with applicable regulatory requirements of NIA and relevant Nepal Accounting Standards.

Impairment assessment of investments has been carried out in accordance with the prescribed regulatory and accounting guidelines, and based on the assessment performed, no impairment of investments was required or recognized during the reporting period.

The quality of assets has been reviewed as per the requirements of the Risk Based Directives issued by the NIA, and the assets are of satisfactory quality.

## Conclusion

The Company has maintained prudent reserving practices in line with regulatory expectations and actuarial standards. The combined impact of strong reinsurance support, controlled claims management processes, and disciplined reserving has contributed to financial resilience during FY 2024–25.



## OTHER DISCLOSURES

## 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 information

### 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.

## ORGANISATIONAL RESILIENCE TO CATASTROPHIC LOSSES & OTHER LOSS

### MAJOR FLOOD EVENTS IN NEPAL – OCTOBER 2024 FLOOD AND JULY 2025 RASUWA FLOOD

Nepal experienced two major flood disasters in recent years that had significant human, economic, and insurance-sector impacts: the nationwide flood of October 2024 and the Rasuwa flash flood of July 2025.

In early October 2024, exceptionally heavy monsoon and post- monsoon rainfall between October 1–5 caused widespread river flooding and landslides across multiple provinces, particularly in the Terai and mid-hill regions. The event became one of the deadliest hydrometeorological disasters in recent history, with over 230 fatalities and thousands of people injured or displaced. More than 4,600 houses were destroyed and over 5,300 partially damaged, while roads, bridges, water supply systems, health facilities, and schools suffered extensive damage. Agricultural losses were also substantial, affecting crops, livestock, and food security across many districts.



From an insurance perspective, the October 2024 flood led to a sharp rise in non-life insurance claims nationwide. Data reported by the Nepal Insurance Authority indicates that approximately 434 claims were registered, with a total reported claim amount of around NPR 3.78 Arba. Claims were largely concentrated in property insurance, followed by engineering and contractor's risk, agriculture and crop insurance, and motor insurance.

Specific to Shikhar Insurance, 471 claims amounting to Rs. 89.6 Crores were reported. These included claims under Property Insurance, CAR/EAR, Agriculture and Crop Insurance, Motor Insurance, and Marine and other lines. Out of the total claims, 92% are already settled, and 5% of claims have been withdrawn due to covers not received as per policy wording, reflecting effective claims management during a large-scale catastrophe.

In contrast, the July 2025 Rasuwa flood was a highly localized but severe flash flood triggered by a glacial lake outburst combined with intense rainfall in the high Himalayan region near the Nepal–China border. The



sudden flood surge along the Trishuli/ Bhotekoshi river system resulted in fatalities and missing people and caused extensive damage to roads, bridges, hydropower-related infrastructure, customs yard facilities, and vehicles. The disaster disrupted cross- border trade and caused concentrated economic losses in a strategically important corridor.



Although the Rasuwa flood generated fewer claims, their average value was significantly higher. Early assessments recorded around 68– 78 insurance claims, with estimated losses ranging between NPR 84 Crores and NPR 98.6 Crores, mainly under property, engineering risk, marine/cargo, and motor insurance.

In case of Shikhar Insurance, 17 claims worth Rs. 14 Crores were reported, where 1 claim from engineering, 5 claims from Marine, 9 claims from Motor, and 2 claims from property insurance were included in the statistics. Among those, 4 claims have been withdrawn, and 6 have been settled, despite the complexity of infrastructure-related losses.

In conclusion, both flood events highlighted Nepal's growing exposure to climate- and glacier-related risks. It goes on to show that strong underwriting discipline, effective risk management practices, and adequate reserve maintenance in line with Nepal Insurance Authority (NIA) directives prove instrumental in enabling an insurer to manage and settle claims efficiently during these catastrophic events.

### GEN Z EVENT : BACKGROUND, IMPACT, AND ROLE OF SHIKHAR INSURANCE IN PROVIDING COMPENSATION

On September 8<sup>th</sup> and 9<sup>th</sup> of 2025, large-scale anti-corruption protests and demonstrations took place across Nepal, predominantly organized by Generation Z (Gen-Z) students and young citizens. In this encounter, at least 75 individuals were reported dead, and above 2000 individuals were injured.



Moreover, there had been severe damage due to arson in private properties, police stations, and government offices, where property insurance accounted for largest share of losses with 710 claims worth Rs. 1.9 Arab, 225 claims in Contractors' All Risk (CAR) and Erection All Risk (EAR) worth Rs. 555.5 crores.



General insurers had a huge responsibility of settling claims on time with utmost effectiveness. Without any delay, this is where Shikhar Insurance showed sheer proactiveness in understanding claim severity, deputing surveyors, assessing losses, and settling claims. It ranked third in terms of claim value, with 448 cases totaling Rs. 2.4 billion. Among total claims, 242 claims from motor, 11 miscellaneous claims, 79 engineering claims, and 116 property insurance claims were reported (as of Nov 16, 2025). Out of 448 claims, 154 have been fully settled. There are 280 claims still outstanding, of which 200 have received advance payments while 14 claims have been withdrawn.

In essence, this achievement goes on to continue the legacy of efficient claim settlement procedures adopted by Shikhar, and depicts the importance of good Risk Management, underwriting, and claim settlement teams in an organization.



## Shikhar Insurance Company Limited: Rating upgraded to [ICRANP-IR] AA-

May 15, 2025

Facility	Rated Amount	Rating Action
Issuer Rating	NA	[ICRANP-IR] AA-; upgraded from [ICRANP-IR] A+

### Rating action

ICRA Nepal has upgraded the issuer rating of Shikhar Insurance Company Limited (SICL) to [ICRANP-IR] AA- (pronounced ICRA NP Issuer Rating Double A Minus) from [ICRANP-IR] A+ (pronounced ICRA NP Issuer Rating A plus). Issuers with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such issuers carry very 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 upgrade mainly factors in the company's gradually increasing scalability, along with improvements in its claims ratio in recent years, thus leading to steady improvements in underwriting surplus and overall profitability. The rating continues to take comfort from the company's sustained leadership position (despite recent mergers in the industry) and strong competitive positioning as reflected in its highest share in gross premium earnings (GPE) of the industry (~12-13%), in addition to its long track record, wide network of branches, seasoned management team, strong risk management policy, strong reinsurance arrangement/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 company continues to report strong solvency profile despite its risk averse philosophy of maintaining relatively low retention, resulting in moderate profitability as compared to peers. SICL's turnaround time for claims settlement has remained relatively better in general, which was also evidenced recently, by a relatively better claim settlement ratio as compared to peers, in respect of September 2024's flood related claims. ICRA Nepal also positively factors in the growth prospects of the company/industry given the low penetration of insurance business in Nepal.

However, the rating concerns arise from fragmented nature of the industry amid the moderation in pace of business growth in the last 12-18 months (albeit in line with the broad economic trends) and the likely impact on SICL's market leader positioning from large sized competitors formed through recent mergers in the industry. Further, exposure to interest rate volatility with majority of investments being short-term in nature amid lack of long-term investment avenues (including government securities) remains a concern at the industry level. This has also impacted SICL through significant degrowth in investment yield/income in recent years (despite a growing investment portfolio), following the softening of interest rates. Additionally, regulatory changes affecting the motor portfolio may impact the business profile as a major portion of its net premium earned is still being derived from this segment. Incrementally, the company's ability to continue its leadership position, sustain the improvements in claims ratio and solvency profile, while ensuring adequate profitability would remain the key rating sensitivities.

### Key rating drivers

#### Credit strengths

**Long track record, strong market position and seasoned management team** – Operating since 2004, SICL has a long operational track record in the Nepalese general insurance industry. The company's market position continues to remain strong despite recent mergers in the industry, supported by one of the largest branch networks in the country, which is

<sup>1</sup> Hannover Re's issuer credit rating has been affirmed at AA during the latest exercise by AM Best. (Published December 2024)



likely to help in the long-term growth and diversification of business. Its management team comprises of seasoned professionals with long industry experience, which has been factored positively in the rating action.

**Strong reinsurance arrangements** – SICL’s lead reinsurer viz. ‘Hannover Re’<sup>2</sup>, Germany (for FY2025) has a strong credit profile which comforts the company’s claims paying ability. Further, 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. This has been cemented further through the relatively higher trends in claims settlement relating to the major floods of September 2024. The company continues to maintain adequate reinsurance arrangements, including a strong catastrophic risk coverage for FY2025, which is likely to support the company’s solvency during similar catastrophic events. While ICRA Nepal continues to take note of the company’s/industry’s sizable pending claims relating to the Covid-insurance, amid the commensurate delayed receipt of the same from the counterparty viz. Government of Nepal (GoN), strong counterparty profile remains a major comforting factor.

**Strong solvency and liquidity profile** – On the solvency front, SICL’s solvency margin as of mid-July 2024 (actuarial valuation based) stood at 3.67 times, as per the new Risk Based Capital reporting regime (3.33 times as of mid-July 2023, as per the earlier reporting framework), versus a regulatory minimum of 1.3 times. Additionally, the solvency profile is expected to remain largely intact over the near term given the retention of profits through stock dividend. 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 4.02 times as at mid-July 2024 as against 3.81 times as at mid-July 2023. Nonetheless, its net insurance contract liabilities to net premium earned ratio at ~93% remains moderate as compared to peers, which will remain a key rating sensitivity/monitorable.

**Adequate profitability profile with support from reduced claims ratio** – SICL’s profitability has improved in FY2024 owing to support from reduced claims ratio. With improvement in underwriting surplus along with the continued support from investment income in FY2024 (despite some Y-o-Y moderations), SICL’s profitability remained adequate vis-à-vis the peers. Incrementally, the reducing investment yields amid the exposure to interest rate volatility and the ongoing softening of rates, might result in lower investment income over the near to medium term. However, the recent increase in retention ratio in H1FY2025 to ~31% (albeit still remaining below the industry average of ~40%) and improved claims ratio is expected to aid the company’s profitability profile. Nonetheless, sustainability of the same over a longer time frame, remains to be seen.

### Credit challenges

**Competitive landscape and industry fragmentation** – The recent mergers in the general insurance industry have led to formation of larger players (which are now closer to SICL’s scalability), which could affect the industry dynamics and challenge the market leader position of SICL. At the same time, the industry continues to be fragmented due to the presence of 14 players (despite recent consolidation) and further licensing/addition of 4 micro insurance companies, which are likely to impact retail business segment to an extent. While the low penetration of insurance industry in Nepalese market offers growth potential for all players, the company’s ability to maintain its market leader position and compete with other large-scale players in the fragmented industry will determine its long-term growth and financial profile, especially amid the moderation in pace of business growth in the last 12-18 months in the industry. In line with the broad industry trends, motor portfolio continues to remain the major business segment for SICL (~25% in terms of GPE and ~73% in terms of NPE in FY2024). Hence, any regulatory/operational changes related to the segment could have a disproportionate impact on SICL’s business.

**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,

<sup>2</sup> Rated “Superior” by AM Best in terms of its Financial Strength Rating and Issuer Credit Rating.



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 rating, ICRA Nepal has applied its rating methodology as indicated below.

**Link to the applicable criteria:**

[Issuer Rating Methodology](#)

**Link to the previous rating rationale:**

[Rationale Shikhar Insurance Company Limited-Issuer Rating Surveillance May 2024](#)

### Company Profile

Established in March 2004, Shikhar Insurance Company Limited (SICL) is the 13<sup>th</sup> private sector general insurer in Nepal. SICL is a large-sized company in the industry, with ~12-13% market share in terms of the general insurance industry's gross premium written in FY2021-FY2024. As of mid-July 2024, the company was in operation with 117 branches spread across the nation for procuring business and extending after-sales services. SICL has recently obtained ISO 27001:2022 certification on Information System Risk Management. The company's paid-up capital and net worth as of mid-July 2024 was NPR 2,655 million and NPR 5,360 million, respectively. SICL has a 51:49 promoter-public shareholding ratio. The major shareholders as on mid-July 2024 included Mr. Gaurav Agarwal (~12%), Mrs. Chanda Sherpa (~6%), Buddha Air Private Limited (~6%), Mr. Shashikant Agrawal (~4%), Mr. Kailash Prasad Sirohiya (~4%), Mr. Rajendra Prasad Shrestha (~4%), and Mr. Bikas J.B. Rana (~4%), among others. SICL reported a PAT of ~NPR 445 million in FY2024 (~97% Y-o-Y growth) over an asset base of NPR 11,595 million as of mid-July 2024 (NPR 11,044 million as of mid-July 2023).

### Key Financial Indicators

Amounts in NPR Million	FY2020	FY2021	FY2022	FY2023	FY2024	H1FY2025
	Audited-NAS		Audited-NFRS			Unaudited
Gross premium written (GPW)	3,385	3,921	4,393	5,296	5,258	2,050
Net premium written (NPW)	1,144	1,174	1,235	1,378	1,298	638
Net premium earned (NPE)	1,208	1,155	1,235	1,378	1,298	638
Premium retention (NPW/GPW)	33.8%	29.9%	28.1%	26.0%	24.7%	31.1%
Claims ratio (Net claims incurred/NPE)- A	66.1%	78.7%	86.7%	76.4%	66.5%	60.0%
Management expense ratio (Management expense/NPE)-B	50.7%	52.8%	57.1%	58.2%	67.8%	59.1%
Commission expense ratio (Commission expense/NPE)-C	-42.1%	-44.6%	-51.8%	-44.8%	-52.8%	-48.4%
Combined ratio (A+B+C)	74.7%	87.0%	92.0%	89.9%	81.5%	70.6%
Underwriting surplus	305	151	99	140	240	187
Investment earnings	280	333	261	375	337	171
Average yield on investments	8.0%	9.3%	7.3%	9.5%	8.0%	7.7%
Profit after tax (PAT)	408	311	273	226	445	257
Return on equity	12.9%	8.4%	5.8%	4.6%	8.3%	9.1%
Return on assets	8.7%	6.2%	5.2%	3.8%	7.3%	7.7%

Source: Company data

For further details please contact:

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**About ICRA Nepal Limited:**

ICRA Nepal Limited, the first credit rating agency of Nepal, is a subsidiary of ICRA Limited (ICRA) of India. It was licensed by the Securities Board of Nepal (SEBON) on October 3, 2012. ICRA Nepal is supported by ICRA Limited through a technical support services agreement, which envisages ICRA helping ICRA Nepal in areas such as the rating process and methodologies, analytical software, research, training, and technical and analytical skill augmentation.

Our parent company, ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment information and credit rating agency. Today, ICRA and its subsidiaries together form the ICRA Group of Companies.

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# Certificate of Registration

This certificate has been awarded to

**Shikhar Insurance Company Limited**

Shikhar Biz Centre, Thapathali, Kathmandu, 44600, Nepal

In recognition of the organization's Information Security Management System which complies with

**ISO/IEC 27001:2022**

The scope of activities covered by this certificate is defined below

**Please refer to the Appendix**

Certificate Number **141145/A/0001/UK/En**

A certificate number of 0001, confirms the Client has a single site Certified & the site is their Head Office or Main site in relation to the Certified scope with URS. A certificate number of 0002, or greater (e.g.: xxx/0002/UK/En) refers to a client that has more than one site certified with URS, as such, the following statement shall apply: "The validity of this certificate depends on the validity of the main certificate"

Date of Issue of Certification Cycle	Issue Number	Certificate Expiry Date	Certification Cycle
15 April 2025	1	14 April 2028	1
Revision Date	Revision Number	Original Certificate Issue Date	Scheme Number
15 April 2025	0	15 April 2025	n/a

For detailed explanation for the data fields above, refer to <http://www.urs-holdings.com/logos-and-regulations>

Issued by

Mukesh Singhal - On behalf of the Schemes Manager



If there is any doubt as to the authenticity of this certificate, please do not hesitate to contact the Head Office of the Group on [info@urs-certification.com](mailto:info@urs-certification.com)



## Appendix to Certificate

The Information Security Management System Includes IT Processes and Services Related To The Management, Operation, And Maintenance Of Information Security Within The Organization, Specifically In The Provision Of Non-Life Insurance Services. Statement of Applicability SICL-ORG-SOA,v1, 2081-Shrawan-01.

Certificate Number 141145/A/0001/UK/En

A certificate number of 0001, confirms the Client has a single site Certified & the site is their Head Office or Main site in relation to the Certified scope with URS. A certificate number of 0002, or greater (e.g.: xxx/0002/UK/En) refers to a client that has more than one site certified with URS, as such, the following statement shall apply - "The validity of this certificate depends on the validity of the main certificate".

Date of Issue of Certification Cycle	Issue Number	Certificate Expiry Date	Certification Cycle
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For detailed explanation for the data fields above, refer to <http://www.urs-holdings.com/logos-and-regulations>

Issued by

Mukesh Singhal - On behalf of the Schemes Manager



If there is any doubt as to the authenticity of this certificate, please do not hesitate to contact the Head Office of the Group on [info@urs-certification.com](mailto:info@urs-certification.com).



**Date: 09 January 2025**

**Subject: Completion of IS Audit for FY 2024/25**

Dear Sir/Madam,

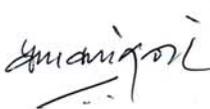
We are pleased to inform that Biz Serve IT has successfully completed the IS Audit for **Shikhar Insurance Company Limited** in accordance with the agreed scope, terms, and conditions.

The audit activities were conducted during the period from 24 November 2024 to 12 December 2024, and the final Report was submitted on 09 January 2025. The audit included a review of relevant information security policies, procedures, technical controls, and operational practices. Based on our audit, adequate controls were in place or in effect to provide reasonable assurance that Shikhar Insurance Company Limited comply with respect to the requirements specified in the IT Guidelines 2078 issued by Nepal Insurance Authority.

We appreciate the cooperation and support provided by your management and staff throughout the audit process. Should you require any clarification or further assistance related to the audit observations or recommendations, please feel free to contact us.

Thank you for the opportunity.

Sincerely,

  **BIZ SERVE IT**  
> Simplifying Cybersecurity

Prabhat Pokharel, CISA, CISSP, MCIS  
Chief Executive Officer

---

**Biz Serve IT Pvt. Ltd.**

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## शिखर इन्स्योरेन्स कम्पनी लिमिटेड

### २१ औं वार्षिक साधारण सभाबाट कम्पनीको प्रबन्ध-पत्रमा प्रस्तावित संशोधन

प्रबन्ध-पत्रको दफा	हालको ब्यबस्था	प्रस्तावित संशोधन	संशोधन गर्नुपर्ने कारण
दफा ५(ख)	कम्पनीको जारी पुँजी रु. २,९२,३०,९९,०००/- (दुई अरब बयानबन्ने करोड तीस लाख उनन्सय हजार मात्र) हुनेछ । जसलाई रु.१०० का दरका २,९२,३०,९९० (दुई करोड बयानबन्ने लाख तीस हजार नौ सय नब्बे थान) साधारण शेयरहरूमा विभाजन गरिनेछ ।	कम्पनीको जारी पुँजी रु. ३,०९,८४,८४,९४०/- (तीन अरब नौ करोड चौरासी लाख चौरासी हजार नौ सय चालीस मात्र) हुनेछ । जसलाई रु. १०० का दरका ३,०९,८४,८४९१४ (तीन करोड नौ लाख चौरासी हजार आठ सय उनान्चास दशमलव चार थान) साधारण शेयरहरूमा विभाजन गरिनेछ ।	प्रस्तावित बोनस शेयरको माध्यमबाट पुँजी वृद्धि गर्न
दफा ५(ग)	कम्पनीको चुक्ता पुँजी रु.२,९२,३०,९९,०००/- (दुई अरब बयानबन्ने करोड तीस लाख उनन्सय हजार मात्र) हुनेछ । जसलाई रु.१०० का दरका २,९२,३०,९९० (दुई करोड बयानबन्ने लाख तीस हजार नौ सय नब्बे थान) साधारण शेयरहरूमा विभाजन गरिनेछ ।	कम्पनीको चुक्ता पुँजी रु. ३,०९,८४,८४,९४०/- (तीन अरब नौ करोड चौरासी लाख चौरासी हजार नौ सय चालीस मात्र) हुनेछ । जसलाई रु. १०० का दरका ३,०९,८४,८४९१४ (तीन करोड नौ लाख चौरासी हजार आठ सय उनान्चास दशमलव चार थान) साधारण शेयरहरूमा विभाजन गरिनेछ ।	प्रस्तावित बोनस शेयरको माध्यमबाट पुँजी वृद्धि गर्न

### २१ औं वार्षिक साधारण सभाबाट कम्पनीको नियमावलीमा प्रस्तावित संशोधन

नियमावलीको नियम	हालको ब्यबस्था	प्रस्तावित संशोधन	उद्देश्य
नियम ५(ख)	कम्पनीको जारी पुँजी रु. २,९२,३०,९९,०००/- (दुई अरब बयानबन्ने करोड तीस लाख उनन्सय हजार मात्र) हुनेछ । जसलाई रु.१०० का दरका २,९२,३०,९९० (दुई करोड बयानबन्ने लाख तीस हजार नौ सय नब्बे थान) साधारण शेयरहरूमा विभाजन गरिनेछ ।  कम्पनीको चुक्ता पुँजी रु.२,९२,३०,९९,०००/- (दुई अरब बयानबन्ने करोड तीस लाख उनन्सय हजार मात्र) हुनेछ । जसलाई रु.१०० का दरका २,९२,३०,९९० (दुई करोड बयानबन्ने लाख तीस हजार नौ सय नब्बे थान) साधारण शेयरहरूमा विभाजन गरिनेछ ।	कम्पनीको जारी पुँजी रु. ३,०९,८४,८४,९४०/- (तीन अरब नौ करोड चौरासी लाख चौरासी हजार नौ सय चालीस मात्र) हुनेछ । जसलाई रु. १०० का दरका ३,०९,८४,८४९१४ (तीन करोड नौ लाख चौरासी हजार आठ सय उनान्चास दशमलव चार थान) साधारण शेयरहरूमा विभाजन गरिनेछ ।  कम्पनीको चुक्ता पुँजी रु. ३,०९,८४,८४,९४०/- (तीन अरब नौ करोड चौरासी लाख चौरासी हजार नौ सय चालीस मात्र) हुनेछ । जसलाई रु. १०० का दरका ३,०९,८४,८४९१४ (तीन करोड नौ लाख चौरासी हजार आठ सय उनान्चास दशमलव चार थान) साधारण शेयरहरूमा विभाजन गरिनेछ ।	प्रस्तावित बोनस शेयरको माध्यमबाट पुँजी वृद्धि गर्न

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##### Naxal

Naxal-1, Kamalpokhari  
01-4446138/4446139  
naxal@shikharinsurance.com

##### Kalimati

Kalimati-13, Kathmandu  
01-5389458  
kalimati@shikharinsurance.com

##### Chabahil

Chabahil, chuchchepati  
01-4481707 / 4481932  
chabahil@shikharinsurance.com

##### Gongabu

Buddha Mall, Machhapokhari, Gongabu  
01-4950722/4950793  
gongabu@shikharinsurance.com

##### Bhaktapur

Barahi sthan Suryabinayak, Bhaktapur  
01-6617471  
bhaktapur@shikharinsurance.com

##### Dhading

Nilakanth -3, Dhading besi, Shanta bazar  
01-0521300  
dhading@shikharinsurance.com

##### Nuwakot

Bidur - 2, Batar Nuwakot  
010-561829  
nuwakot@shikharinsurance.com

##### Kirtipur

Kirtipur, Bahiri Gaun-9, Nayabazar  
01-4334385  
kirtipur@shikharinsurance.com

##### Rasuwa

Kailika-2, Rasuwa  
010-594000  
rasuwa@shikharinsurance.com

##### Baneshwor

Baneshwor, Kathmandu, instead of  
Baneshwor-31/ Old Baneshwor  
011-4464193/01-4464184  
baneshwor@shikharinsurance.com

##### Banepa

Banepa-5, Tindobatok, Kavre  
011-663855  
banepa@shikharinsurance.com

##### Maharajgunj

Chakrapath, Maharajgunj  
01-4370190/01-4370089  
maharajgunj@shikharinsurance.com

**Tandi**  
Ratanagarpalika-1, Bakulahar chowk, Tandipur  
056-561114  
tandi@shikharinsurance.com

**Manthali**  
Manthali-1, Ramechhap  
048-540612  
manthali@shikharinsurance.com

**Thimi**  
Thimi, Gaththaghar, Bhaktapur  
01-6635765  
thimi@shikharinsurance.com

**New Baneshwor**  
Standard Chartered Bank, New Baneshwor  
01-5907542  
newbaneshwor@shikharinsurance.com

**Naubise**  
Dhuni-besi - 6, Dharke, Naubise  
010-414142  
naubise@shikharinsurance.com

**Madi**  
Basantapur-3 Madi, Chitwan  
056-501056  
madi@shikharinsurance.com

**Chapagaon**  
Godabari -11, Chapagaon, Lalitpur  
01-5265088  
chapagaon@shikharinsurance.com

**Gwarko**  
Gwarko - 7, Lalitpur  
01-5200783  
gwarko@shikharinsurance.com

**Bhainsepati**  
Sainbu, Bhainsepati - 4, Lalitpur  
01-5900633  
bhainsepati@shikharinsurance.com

**Thamel**  
Thamel- 27, Tridevi Marg, Kathmandu  
9841634669

**Charikot**  
Charikot, Dolakha  
049-421414  
charikot@shikharinsurance.com

**Chanauli**  
Bharatpur-20, Chanauli Bazar  
056-591979  
chanauli@shikharinsurance.com

**Lubhu**  
Mahalaxmi-8, Labhu, Lalitpur  
01-5580735  
lubhu@shikharinsurance.com

**Mulpani**  
Kageshwori, Mahanara-5, Thali, Mulpani  
01-4451565  
mulpani@shikharinsurance.com

**Satungal**  
Chandragiri-12, Gurjudhara, Kathmandu  
01-5919776  
satungal@shikharinsurance.com

**Thaiba**  
Godawari Na.Pa.-3, Taukhel  
01-5560830  
thaiba@shikharinsurance.com

**Palung**  
Thaha Nagarpalika -03, Shikharokot  
057-400074  
palung@shikharinsurance.com

**Bhandara**  
Rapti-5, Bhandara  
056-550137  
bhandara@shikharinsurance.com

**Salayantar**  
Tripurasundari-2, Salayantar  
063-440701  
salayantar@shikharinsurance.com

**Kurintar, Chautara**

**Jamal (In place of Thamel branch)**  
Jamal 27, Kathmandu  
01-5925657

**Banepa Ext Counter**  
9860430007  
Banepa-6, Kavre

**Khurkot Ext counter**  
Golanjor -7, Sinduli  
9802365940

## Gandaki Province

**Pokhara**  
Newroad, Pokhara  
061-573100/570333  
pokhara@shikharinsurance.com

**Dumre**  
Bandipur - 1, Dumre Bazar, Tanahu  
065-580380  
dumre@shikharinsurance.com

**Kawasoti**  
Kawasoti - 8, Savapati chowk  
078-541141/078-541142  
kawasoti@shikharinsurance.com

**Kushma**  
Kushma-6, Dhaneshwor Chowk, Parbat  
067-420497  
kushma@shikharinsurance.com

**Lekhnath**  
Talchowk- 27, Lekhnath, Pokhara  
061-561832  
lekhnath@shikharinsurance.com

**Waling**  
Waling - 3, Syangja  
063-440701  
waling@shikharinsurance.com

**Beni**  
Beni - 7, Newroad, Myagdi  
069-521335  
beni@shikharinsurance.com

**Baglung**  
Dhawalagiri Chowk-2, Baglung  
068-521896  
baglung@shikharinsurance.com

**Besisahar**  
Instead of Sundarbazar, Lamjung  
066-402162  
lamjung@shikharinsurance.com

**Jomsom**  
Gharapjong-3, Airport  
069-440442  
jomsom@shikharinsurance.com

**Dulegauda**  
Khairaitar, Tanahu  
065-412158  
dulegauda@shikharinsurance.com

**Anbukhairesni**  
Byas-8, Tanahu  
065-580380  
damauli@shikharinsurance.com

**Dumkibas**  
Sardiroad, Nawalpur  
078-416052  
dumkibas@shikharinsurance.com

**Arunkhola**  
Arunkhola, Damauli  
Tanahun

**Ajirkot Ext Counter**  
Bhachhek Ajirkot  
9826600768

**Besisahar**  
Besisahar 8, Lamjung  
066-590101

**Damauli**  
Byas 8, Tanahu  
065-590380

## Lumbini Province

**Nepalgunj**  
Dhamboji-2, Surkhet road  
081-537464/537465  
nepg@shikharinsurance.com

**Butwal**  
Sukrapath-8, Butwal  
071-532568/533568  
butwal@shikharinsurance.com

**Dang**  
Shahid Umesh marga 15, Ghorahi, Dang  
082-563549  
dang@shikharinsurance.com

**Bhairahawa**  
Naya Sadak-7, Bhairahawa  
071-570141  
bhw@shikharinsurance.com

**Taulihawa**  
Kapilvastu-1, Taulihawa  
076-590217  
taulihawa@shikharinsurance.com

**Jeetpur**  
Jeetpur-4, Kapilvastu  
076-550317  
jtpur@shikharinsurance.com

**Gulariya**  
Jilla Prahari Karyalaya, Chowk, Gulariya  
084-421606  
gulariya@shikharinsurance.com

**Sunwal**  
Nawalparasi road, Sunawal  
078-570471  
sunawal@shikharinsurance.com

**Rampur**  
Rampur-4, Palpa  
075-400200  
rampur@shikharinsurance.com

**Palpa**  
Tansen - 4, Silkhantole, Palpa  
075-521517  
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**Gulmi**  
Resunga -1, Putali Bazar, Gulmi  
079-520991  
gulmi@shikharinsurance.com

**Kohalpur**  
Newroad Ganesh Chowk - 4, Kohalpur  
081-540273  
kopalpur@shikharinsurance.com

**Bijuar**  
Bijuar- 4, Pyuthan  
086-460121  
bijuar@shikharinsurance.com

**Tulsipur**  
Tulsipur- 5, BP Chowk, Dang  
082-523515  
tulsipur@shikharinsurance.com

**Bardaghat**  
Bardaghat - 4, Nawalparasi  
078-590968  
bardaghat@shikharinsurance.com

**Lamahi**  
Bus Park, Lamahi-5  
082-540878  
lamahi@shikharinsurance.com

**Chandrauta**  
Shivraj, Kapilvastu  
076-540568  
chandrauta@shikharinsurance.com

**Argakhanchi**  
Sandhikharka-1, Argakhanchi  
077-420560  
argakhanchi@shikharinsurance.com

**Murgiya**  
Murgiya, Sainamaina - 3, Rupandehi  
071-440389  
murgiya@shikharinsurance.com

**Manigram Sub-Branch**  
Tillotamma-5, Rupandehi  
071-591704  
manigram @

**Rolpa Sub-branch**  
086-594792  
Liwang, Rolpa-4

**Rajapur, Bardiya ext. Counter**  
Rajapur, Bardiya-4  
9841846017

**Siyari ext. Counter**  
Siyari gaupalika- 3, Harmaiya, Rupandehi  
9820115285

**Amarai, Thada (Argakhanchi) ext. Counter**  
Shitganga Municipality-4, Amrai,  
Argakhanchi  
9820115283

## Karnali Province

### Dailekh

Devkota Chowk, Narayan Municipality-1  
089-410227  
dailekh@shikharinsurance.com

### Dolpa

Dunai Bazar, Guthi chaur, Dolpa  
9869539221  
dolpa@shikharinsurance.com

### Surkhet

Birendranagar-6, Hulak chowk, Surkhet  
083-523410  
surkhet@shikharinsurance.com

### Mugu

Chhayanath Rara -1, Gamgadhi, Mugu  
087-460236  
mugu@shikharinsurance.com

### Kalikot

Khadachakra -1, Kalikot  
087-440033  
kalikot@shikharinsurance.co

### Jumla

Chandannath -5, Khalanga Bazar, Jumla  
087-520625  
jumla@shikharinsurance.com

### Humla

Simikot -5, Humla  
087-680226  
humla@shikharinsurance.com

### West Rukum

Musikot-1, Tribenichowk, Kalanga  
088-530213  
west.rukum@shikharinsurance.com

### Jajarkot

Khalanga, Jajarkot Na. Pa.-4, Bheri  
089-594040  
jajarkot@shikharinsurance.com

### Salyan

Sarda Na. Pa.-1, Srinagar  
9869970146  
salyan@shikharinsurance.com

### Chaujhari Ext Counter

Rukum paschim ,Chaurjahari -2  
088-594101

### Raskot (Kalikot) ext. Counter

Kalikot , Raskot -5  
9848361294

### Sinja Ext Counter

Sinja Rural Municipality-3, Jumla  
9863520321

### Mehelkuna Ext counter

Mehelkuna, Gurbhakot-8, Surkhet  
9801986174

## Sudurpashchim Province

### Dadeldhura

Amargadi-5, Dadeldhura  
096-410315  
dadeldhura@shikharinsurance.com

### Doti

Pipla Bazar, Dipayal, Doti  
094-590048  
doti@shikharinsurance.com

### Mahendranagar

Vimdatta-18, Campus Road,  
Mahendranagar  
099-524464  
mahendranagar@shikharinsurance.com

### Dhangadhi

Godawari road, Chauraha  
091-417195  
dhangadi@shikharinsurance.com

### Belauri

Belauri -4, Kanchanpur  
099-580374  
belauri@shikharinsurance.com

### Lamki

Lamki chuha-1, Lamki, Kailali  
091-590275  
lamki@shikharinsurance.com

### Bajhang

Jay Prithivi -10, Chainpur,  
Bajhang  
092-421516  
bajhang@shikharinsurance.com

### Attaria

Godawari-13, Attariya  
091-590254  
attariya@shikharinsurance.com

### Achham

Sanfegagar Nagarpalika -4,  
Achham  
097-590465  
chham@shikharinsurance.com

### Baitadi ext. Counter

Dashrathchand Municipality 04,  
Gothalapani Baitadi  
9849481648

### Darchula ext. Counter

Mahakali Na.Pa. 5, Darchula  
9848876877









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 २०८२ साल  
पौष २९ गते मंगलबारका दिन हुने २९ 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.: .....  
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 २०८२।०९।२९ गतेका दिन हुने २९ 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



# 20th Annual General Meeting



## शिखर इन्स्योरेन्स कं. लि. २० औं वार्षिक साधारण सभा

२०८१ साल फागुन १३ गते, मङ्गलवार



## शिखर इन्स्योरेन्स कं. लि. २० औं वार्षिक साधारण सभा

२०८१ साल फागुन १३ गते,

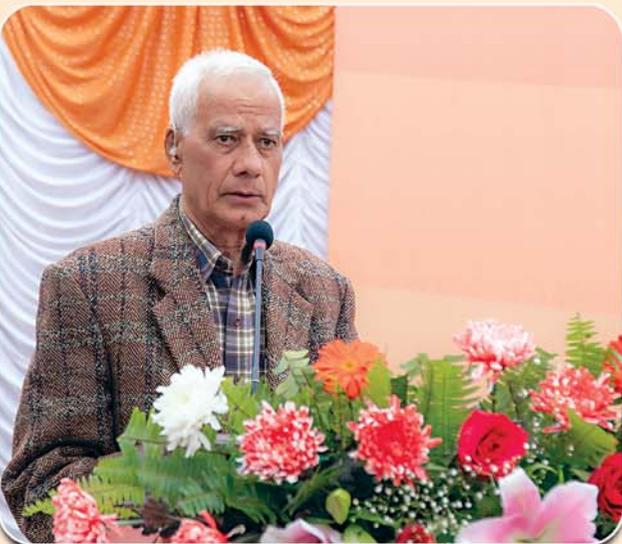


## शिखर इन्स्योरेन्स कं. लि. २० औं वार्षिक साधारण सभा

२०८१ साल फागुन १३ गते, मङ्गलवार



# 20th Annual General Meeting



# 20th Annual General Meeting



# 20th Annual General Meeting



# 20th Annual General Meeting



# Insurance Awareness Activities



# Insurance Awareness Activities



# Training and Other Activities



# Training and Other Activities



# Award and Ceremony



# 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.**

Shikhar Biz Centre, Thapathali, Kathmandu

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P.O. Box : 10692, Kathmandu, Nepal | [info@shikharinsurance.com](mailto:info@shikharinsurance.com)