



**Himalayan Everest**  
Insurance Limited

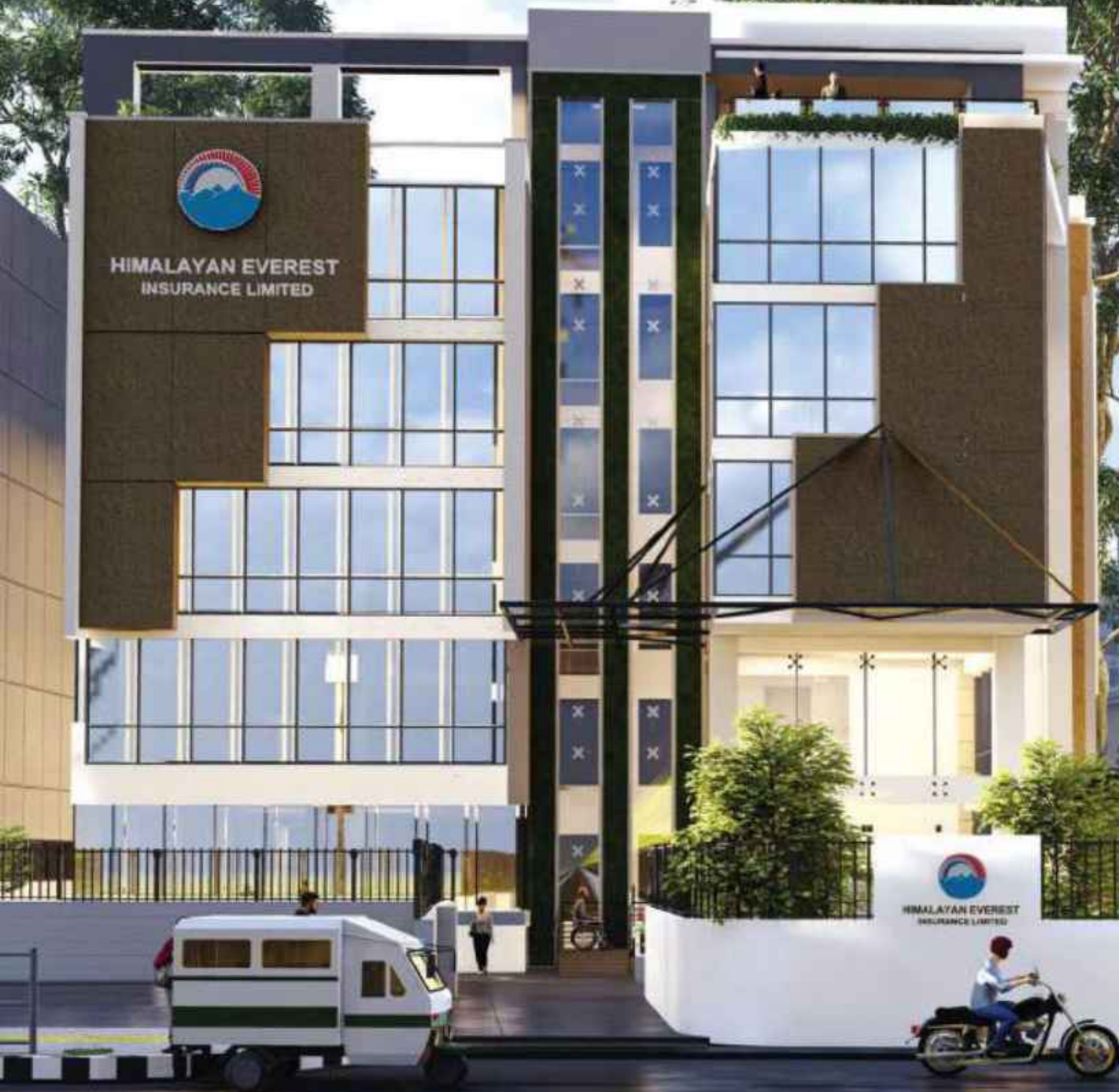
**३०** औं वार्षिक  
प्रतिवेदन- २०७९/८०

**2023**

**ANNUAL REPORT-2023**



# Corporate Building



HIMALAYAN EVEREST  
INSURANCE LIMITED



HIMALAYAN EVEREST  
INSURANCE LIMITED



**Himalayan Everest**  
Insurance Limited

**30<sup>th</sup>**

**Annual Report 2079-80**

३० औं वार्षिक प्रतिवेदन-आ.व. २०७९/०८०

# TABLE OF CONTENT

---

**07**

Core Values, Mission  
& Vision

---

**09**

Achievement

---

**11**

RoadMap

---

**12**

Financial Highlights

---

**14**

Key Performance  
Indicator

---

**20**

Awards &  
Certificates

---

**29**

Corporate Social  
Responsibility

---

**31**

Corporate  
Governance

---

**37**

Value Added  
Statement

---

**38**

Report of Board of  
Directors

---

**46**

Independent Auditors  
Report

---

**52**

Statement of Financial  
Position

---

**53**

Statement of Profit or  
Loss

---

**54**

Statement of Other  
Comprehensive  
Income

---

**55**

Statement of Changes  
in Equity

---

**57**

Statement of Cash  
Flows

---

**59**

Statement of  
Distributable  
Profit Or Loss

---

**60**

Notes to the Financial  
Statements

---

**125**

Major Financial  
Indicator

# हिमालयन एभरेष्ट इन्स्योरेन्स लि.को HIMALAYAN EVEREST INSURANCE LIMITED

केन्द्रिय कार्यालय: वडा नं. १०, थापागाउँ, काठमाण्डौ, पो. व. नं. १४८  
फोन नं. ५२४५०९०, ५२४५०९६, फ्याक्स नं. ५२४५०९९

## ३०औं वार्षिक साधारण सभा बस्ने सूचना

मिति २०८०/०९/२६ गते बसेको हिमालयन एभरेष्ट इन्स्योरेन्स लि. को संचालक समितिको बैठक नं. ३१८ को निर्णयानुसार कम्पनीको ३०औं वार्षिक साधारण सभा निम्नलिखित स्थान, मिति र समयमा निम्न विषय उपर छलफल गर्न बस्ने भएको हुँदा शेयरधनी महानुभावहरूको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ ।

### सभा बस्ने मिति, स्थान र समय

मिति : २०८० साल माघ २५ गते विहिनबार ।  
स्थान : वानेश्वर टाउण्डे, थापागाउँ, काठमाण्डौ ।  
समय : विहान ११ बजे ।

### ३०औं वार्षिक साधारण सभाको लागि विषयसूची

#### (क) सामान्य प्रस्ताव

- १) ३०औं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्षज्यूद्वारा प्रस्तुत हुने आर्थिक वर्ष २०७९/०८० को वार्षिक प्रतिवेदन छलफल गरी पारित गर्ने ।
- २) कम्पनीको आर्थिक वर्ष २०७९/०८० को लेखापरीक्षकको प्रतिवेदन सहित वासलात, माफा नोवसान हिसाव, नगद प्रवाह विवरण, ईन्च्युटीमा भएको परिवर्तन र तत्सम्बन्धि अनुसूचीहरू पारित गर्ने ।
- ३) संचालक समितिको सिफारिस वमोजिम चुक्ता पूँजी रु.२,३०,९५,३५,००० को ६.३७ प्रतिशतले हुन आउने रु.१४,६६,०७,७८० (बोनस तथा नगद लामांसमा कर प्रयोजनको लागि) समेत नगद लामांस प्रस्ताव पारित गर्ने ।
- ४) संचालक समितिबाट रिक्त विज्ञ स्वतन्त्र संचालकको पदमा भएको नियुक्ती चार वर्षको लागि र रिक्त सस्थापक संचालकको पदमा भएको नियुक्ती बाँकि अवधीको लागि अनुमोदन गर्ने ।
- ५) आर्थिक वर्ष २०७९/०८० को लागि लेखापरीक्षकको नियुक्ती र निजको पारिश्रमिक लेखापरीक्षण समितिले सिफारिस गरे वमोजिम अनुमोदन गर्ने ।
- ६) विविध ।

#### (ख) विशेष प्रस्ताव

- १) संचालक समितिले सिफारिस गरे वमोजिम चुक्ता पूँजी रु. २,३०,९५,३५,००० को ८.६३ (आठ दशमलव छ तीन) प्रतिशतले हुन आउने रु.१९,८६,९२,४०० वरावरको बोनस शेयर जारी गर्ने । त्यसरी बोनस शेयर जारी गर्दा निम्न अंकमा आउने शेयरलाई संस्थापक शेयर र सर्वसाधारण शेयरको अनुपात कायमै राखि नजिकको पुरा अंक कायम गर्ने । साथै बोनस शेयर जारी गर्दा जारी तथा चुक्ता पूँजी वृद्धि हुनेभएवाट सोही अनुरूप प्रवन्धपत्र र नियमावलीमा संशोधन गर्ने ।
- २) संचालकको सुविधा तथा अन्त वृद्धि गर्ने र सोही अनुसार नियमावलीमा संशोधन गर्ने ।
- ३) विशेष प्रस्तावको निर्णयहरूवाट प्रवन्धपत्र र नियमावलीको संशोधनहरूमा निम्नलिखित निकायहरूबाट कुनै फेरवदल शपथ गर्ने निर्देशन वा सुझाव भएमा सोही वमोजिम गर्न संचालक समितिलाई अस्तित्वकारी प्रदान गर्ने ।
- ४) विविध ।

सचिव  
संचालक समिति

# हिमालयन एभरेष्ट इन्स्योरेन्स लि.

केन्द्रिय कार्यालय: वडा नं. १०, थापागाउँ, काठमाण्डौ, पो. व. नं. १४८  
फोन नं. ५२४५०९०, ५२४५०९६, फ्याक्स नं. ५२४५०९९

## दृष्टव्य

### साधारण सभा सम्बन्धी सामान्य जानकारी

१. मिति २०८० माघ १४ गते मन्दा अधिल्लो दिनसम्म नेपाल स्टक एक्सचेन्जमा कारोवार जारी सिङ्गल इण्ड विलचरिङ्गवाट राफसाफ भएका र कम्पनीको शेयर रजिस्ट्रार एनएमवि क्यापिटल लि. को शेयर अभिलेखमा दर्ता भएका शेयरधनीहरू वार्षिक साधारण सभामा भाग लिन योग्य मानिने छन् ।
२. शेयरधनी महानुभावहरूले आफ्नो परिचय दिने आधिकारिक परिचयपत्र वा साधारणसभा प्रयोजनार्थ जारी प्रवेशपत्र वा नागरीकताको प्रमाणपत्र वा शेयर प्रमाणपत्र साथमा लिई आउनु हुन अनुरोध गरिन्छ । शेयर अभौतीकरण जारीसक्नु भएका शेयरधनी महानुभावहरूको हकमा वःबः खाता नम्बर र सक्कल आधिकारिक परिचयपत्र अनिवार्य रुपमा ल्याउनुहुन अनुरोध गरिन्छ ।
३. नावालक वा विधिगत शेयरधनीको तर्फबाट कम्पनीको शेयर लगत किताबमा संरक्षकको रुपमा दर्ता भएको व्यक्तिले सभामा भाग लिन, मतदान गर्न वा प्रतिनिधि तोक्न पाउनेछन् ।
४. संयुक्तरुपमा लिइएको शेयरको हकमा शेयर लगत किताबमा पहिले नाम उल्लेख भएको व्यक्तिले वा सर्वसम्मतिबाट प्रतिनिधि नियुक्त गरेको एक व्यक्तिले मात्र सभामा भाग लिन र मतदान गर्न पाउनेछन् ।
५. छलफलको विषय विविध शिर्षक सम्बन्धमा शेयरधनी महानुभावहरूले छलफल गर्न पाइएको विषय वारे सभा हुन मन्दा कम्तीमा ७ दिन अगावै अद्यक्षलाई लिखित रुपमा कम्पनीको थापागाउँ स्थित कार्यालयमा सूचना दिनुपर्नेछ वा कम्पनि मजगजदबजम।अक।लउ मा पठाउन सक्नु हुनेछ ।
६. शेयरधनीहरूले व्यक्त गरेको मन्तव्य वा प्रश्नहरूका सम्बन्धमा समादक्ष वा निजले तोकेको व्यक्तिबाट सामुहिक रुपमा उत्तर दिइनेछ ।
७. अन्य जानकारीका लागि कम्पनीको थापागाउँ स्थित कार्यालयमा कार्यालय समन्वित सम्पर्क राख्नहुन सबै शेयरधनी महानुभावहरूलाई अनुरोध गरिन्छ । साथै आवश्यक जानकारीको लागि मोबाईल नं. ९८५१०५१७५३ वा ९८०२०३२३७१ मा सम्पर्क राख्न सक्नुहुनेछ ।
८. मिति २०८०/१०/१४ गते एकदिनको लागि कम्पनीको शेयर दाखिल सारेज बन्द हुनेछ ।
९. वार्षिक प्रतिवेदन, २०८० तथा साधारणसभा सम्बन्धि जानकारीको लागि कम्पनीको केन्द्रिय कार्यालय, थापागाउँमा सम्पर्क गर्न वा [www.hei.com.np](http://www.hei.com.np) मा हेर्न सक्नुहुने छ । यसैलाई सूचना मानि तोकिएको समयमा नै सभामा सहभागि भई सहयोग गरिदिनुहुन विनम्र अनुरोध गरिन्छ ।
१०. सभा सम्बन्धि अन्य काम कार्रवाही कम्पनी ऐन, २०६३ वमोजिम हुनेछ ।

## हिमालयन एभरेष्ट इन्स्योरेन्स लिमिटेड

थापागाउँ, जि.पि.ओ. बक्स १४८, काठमाडौं, नेपाल  
फोन नं. ५२४५०९०, ५२४५०९१

### प्रवेश-पत्र

शेयरधनीको नाम.....शेयर प्रमाण पत्र नं.....शेयरधनी नं..... वा हितग्राही नं..... शेयरधनीको सहि..... शेयर संख्या..... हिमालयन एभरेष्ट इन्स्योरेन्स लिमिटेडको २०८० माघ २५ गते विहिवारका दिन हुने तीस्रो वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश पत्र ।  
नोट : शेयरधनी आफैले सल्लाही कोषहरू मर्नुहोला । (सभा कक्षमा प्रवेश गर्न यो प्रवेश पत्र प्रस्तुत गर्नु अनिवार्य छ ।)

.....  
ध्रुव प्रसाद ज्यौषाने  
कम्पनी सचिव



## हिमालयन एभरेष्ट इन्स्योरेन्स लिमिटेड

थापागाउँ, जि.पि.ओ. बक्स १४८, काठमाडौं, नेपाल  
फोन नं. ५२४५०९०, ५२४५०९१

### प्रोक्सी-फारम

श्री संचालक समिति,  
हिमालयन एभरेष्ट इन्स्योरेन्स लि.  
थापागाउँ, काठमाण्डौ ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

.....जिल्ला..... न.पा./जा.वि.स. वडा नं..... बस्ने म/हामी..... ले त्यस कम्पनीको शेयरधनीको हैसियतले २०८० साल माघ २५ गते विहिवारका दिन हुने तीस्रो वार्षिक साधारण सभामा म र हामी स्वयम उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकाले उक्त सभामा मेरो र हाम्रो तर्फबाट माग लिनु तथा मतदान गर्नका लागि ..... जिल्ला ..... न.पा./जा.वि.स. वडा नं..... बस्ने त्यस कम्पनीका शेयरवाला श्री..... शेयर प्रमाणपत्र नं..... वा हितग्राही नं. ....लाई मेरो/हाम्रो प्रतिनिधि मनोजीत गरी पठाएको छु/छौ ।

प्रतिनिधि नियुक्त भएको व्यक्तिको,  
हस्ताक्षरको नमुना:  
शेयर प्रमाणपत्र नं.:  
शेयरधनी नं.:  
हितग्राही नं.:  
मिति:  
शेयर संख्या :

नोट : एकभन्दा बढि प्रोक्सीको नाम उल्लेख गरेमा र शेयरधनी वाहकको व्यक्तिलाई प्रोक्सी मुकुरर गरेमा प्रोक्सी फारम रद्द गरिनेछ ।

निवेदक

दस्तखत :

नाम :

ठेगाना :

हितग्राही नं.:

शेयर प्रमाणपत्र नं. :

कि.नं..... देखि.....सम्म



Himalayan Everest Insurance is a reputed insurance provider with a rich history of 30 years in the industry. Throughout our journey, we have specialized in offering General Insurance products, encompassing a wide range of coverage options to meet the diverse needs of our clients.

In addition to our years of experience, we have recently completed the first ever merger in the insurance industry of the country. This strategic move has bestowed us with a competitive advantage in terms of risk appetite, market presence, expanded product and service offerings, talent pooling, and enhanced distribution channels. By joining forces, we have further strengthened our position as a leading insurance provider, enabling us to offer even more comprehensive solutions to our valued clients.

Himalayan Everest Insurance has been a pioneer in the General Insurance sector in Nepal for a period of



#### OUR CORE VALUES

Customer first | Trustworthy  
Partnership | Ownership  
Empathy | Growth mindset



#### VISION

The most innovative and Trusted Partner



#### MISSION

Empowering Lives through  
Comprehensive Insurance Solutions



# Why Himalayan Everest Insurance ?



## Bigger Geographical Presence

Himalayan Everest Insurance's wide branch network enables it to provide coverage across all the regions of Nepal. This extensive presence ensures convenience and accessibility for customers and businesses throughout the country. Having local branches also means that customers can easily reach out for assistance, make inquiries, or file claims, enhancing the overall customer experience.



## Variety of Insurance Products

Himalayan Everest Insurance offers a diverse portfolio of insurance products in the general insurance sector. By covering various aspects of risk, such as Motor insurance, Property insurance, Travel insurance, Health insurance, Aviation, Engineering and specialized risk insurance. The company caters to the diverse needs of customers and businesses. This comprehensive range ensures that individuals and organizations can find suitable coverage for their specific requirements.



## First-Digital Policies

Himalayan Everest Insurance offers the convenience of purchasing insurance policies online through HEI website. This feature allows customers and businesses to buy insurance anytime and from anywhere, eliminating the need for physical visits to branches. Online policy purchase saves time, streamlines the process, and provides a hassle-free experience for busy individuals and organizations.



## Customer-Centric Approach

Himalayan Everest Insurance prioritizes its customers and adopts a customer-centric approach. The company focuses on delivering prompt and efficient customer service, addressing queries and concerns promptly, and ensuring a smooth claims process. By putting customers first, Himalayan Everest Insurance aims to build long-term relationships based on trust and satisfaction.



## Longstanding Reputation & Experience

With a journey of 30 years, Himalayan Everest Insurance has established a strong reputation in the insurance industry in Nepal. The company's extensive experience and expertise contribute to its reliability and trustworthiness. Choosing an insurance provider with a proven track record like Himalayan Everest Insurance can instill confidence in customers and businesses regarding the company's ability to handle claims efficiently and provide excellent service.

# Himalayan Everest Insurance **Achievement**



## 2 lakh

HEI's number of insurance Customers has surpassed the impressive milestone of 2 Lakh.



## 636B

HEI's annual coverage risk amounts to an impressive 636 Billion Rupees.



## 4.2B

HEI's net worth stands at a substantial amount of 4.2 Billion, while investment amounts to an impressive 4.65 Billion.



## 71.91%

Himalayan Everest Insurance boasts an impressive combined ratio of 71.91%.

# General Insurance Business in Nepal

**01** The Gross premium income amounted to 40.21 billion in 2023.

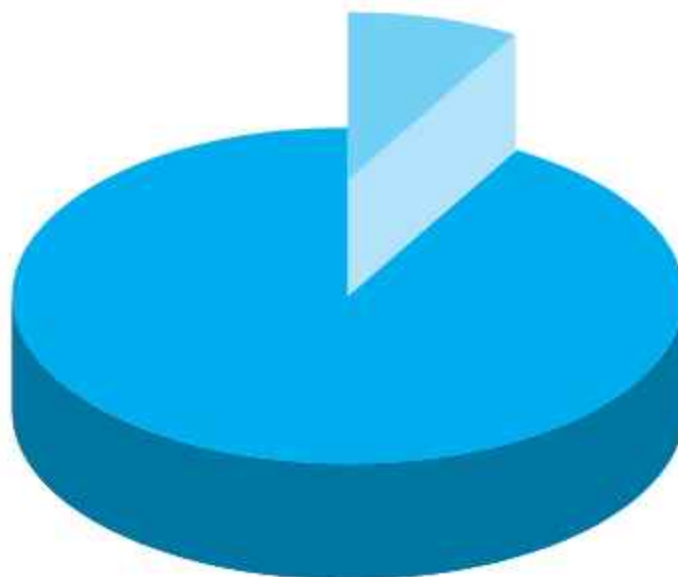
**02** Non-Life Insurance in Nepal plays a substantial role by contributing 0.81 percentage to the country's Gross Domestic Product (GDP).

**03** Non life insurance in Nepal exhibits an insurance density of Nrs.1292.

**04** Insurance Companies directly generating employment opportunities for over 12 thousand individuals.

## HEI Market Share in Nepal's General Insurance

Gross Premium 22/23



HEI (8.39%)    Others (91.61%)

# HEI Roadmap

2022

**"SYNERGY UNLEASHED: THE MERGE"**  
Pioneering a New Era of Enhanced Insurance Solutions through Merger and Expansion.



2019

**"DIGITAL HORIZON: UNVEILING DIGITAL POLICY"**  
HEI now offers policies through public domain, allowing Nepalese customers to buy specific products directly and make payments using digital wallets.



2015

**"500 CR EARTHQUAKE CLAIM SETTLED"**  
HEI holds the distinction of achieving the highest settlement record for earthquake-related claims in Nepal, totalling NPR 500 Crore.



2013

**"FIRST 100 CRORE PREMIUM COLLECTION"**  
HEI surpassed the landmark of first 100 Crore in gross premium.

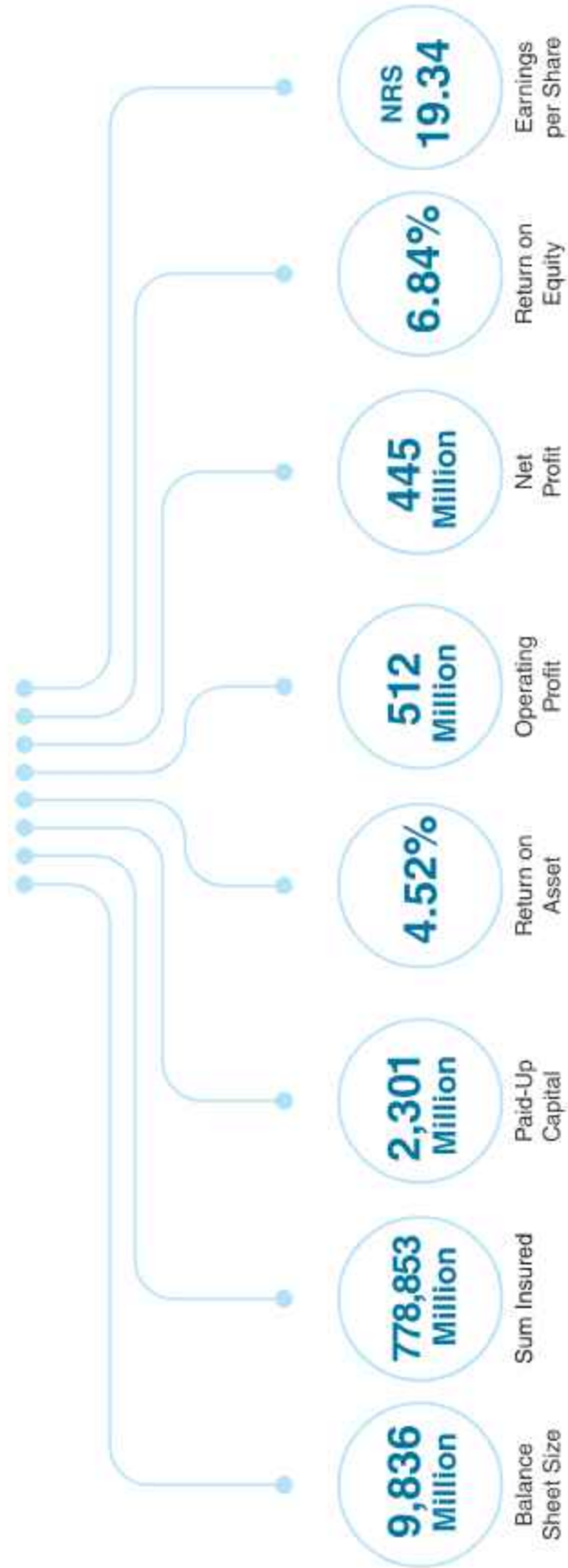


1993

**"JOURNEY INCEPTION: HEI BEGINS"**  
Himalayan General Insurance came into existence in 1993, while Everest Insurance Company Limited commenced its operations in 1994.



# Financial Highlights





**81** Branches



**160** Number of Agent



**06** Extension Counter



**405** Number of Employees



**07** Provinces Covered



**45** Training Conducted



## Non- Financial Highlights

**41** Districts Covered



**1308** Man Days Invested in Training



**11858** Number of Claim Paid



Agriculture App Launched



**238474** Policies Issued



High Rated Reinsurer



# Key Performance Indicator

## Financial Position

### Balance Sheet Size (in Rupees)

2079-80		9,836,364,282
2078-79		8,932,815,783
2077-78		7,411,483,150
2076-77		8,829,820,547

YoY 11.40%      CAGR 2.18%

### Total Sum Insured (in Rupees)

2079-80		778,853,330,000
2078-79		537,539,866,246
2077-78		672,374,730,297
2076-77		537,439,180,302

YoY 44.92%      CAGR 7.70%

### Paid-up Capital (in Rupees)

2079-80		2,301,535,000
2078-79		2,428,129,764
2077-78		2,283,941,100
2076-77		2,164,218,000

YoY 6.34%      CAGR 1.24%

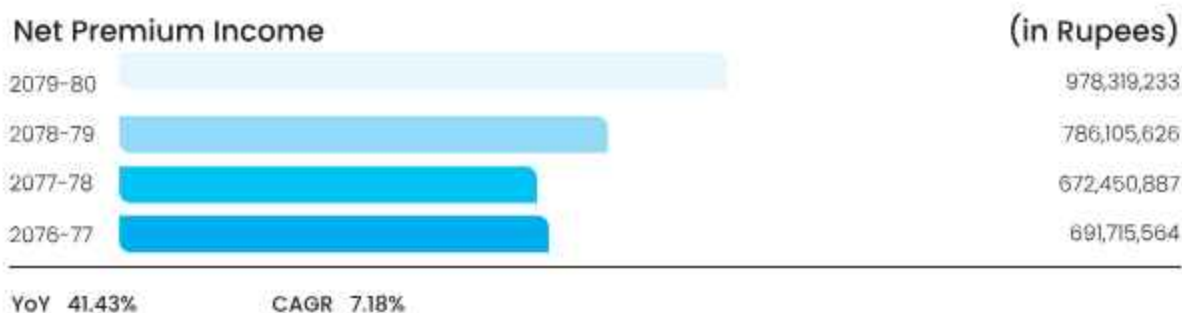
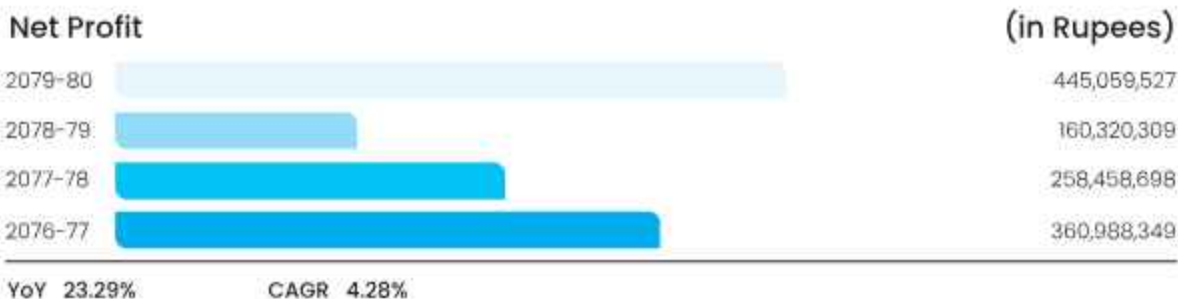
### Investment (in Rupees)

2079-80		4,654,708,234
2078-79		3,580,124,746
2077-78		3,379,583,117
2076-77		4,338,116,105

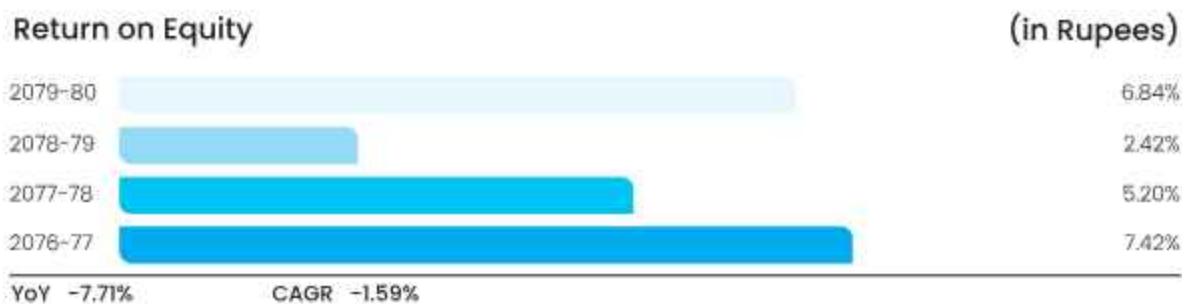
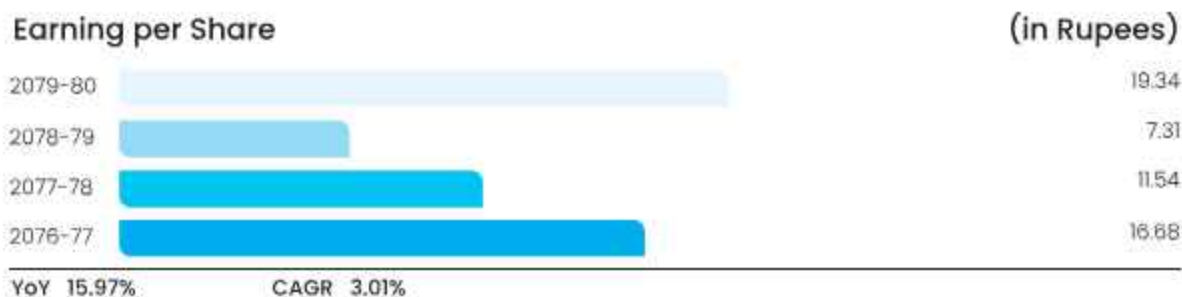
YoY 7.30%      CAGR 1.42%



## Financial Performance



## Profitability Ratios



## Stock Performance

### Market Price per Share

(in Rupees)

2079-80	600
2078-79	510.81
2077-78	769.27
2076-77	415.78

YoY 44.31% CAGR 7.61%

### Market Capitalization

(in Rupees)

2079-80	13,809,210,000.00
2078-79	12,403,149,335.03
2077-78	17,341,285,762.78
2076-77	8,998,467,489.73

YoY 53.46% CAGR 8.94%

### Price Earning Ratio

(in Rupees)

2079-80	31.03
2078-79	309.57
2077-78	69.80
2076-77	24.98

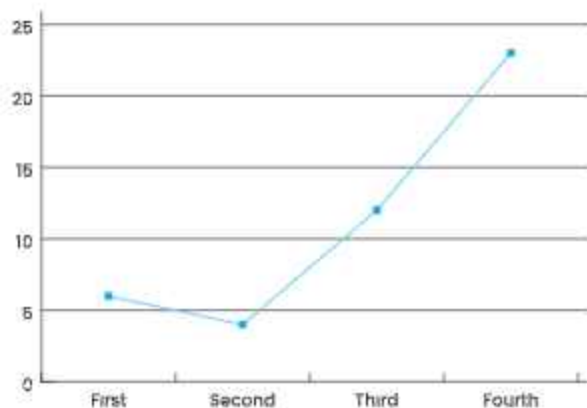
YoY 24.21% CAGR 4.43%

# Training Program

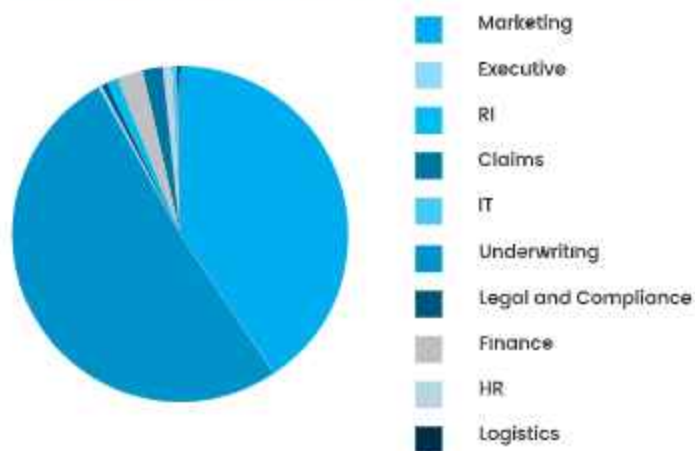
Total 45 trainings were held during the year in which 1,308 man days were invested for growth and development of our organizational team.



### Quarter-wise Training Program



### Department-wise Training Program



Himalayan Everest Insurance Limited wins

**Insurance Inclusion Initiative of the Year - Nepal**  
**New Insurance Product of the Year - Nepal**

at  **insurance Awards 2023**



# गौरवको क्षण

4<sup>th</sup> emerging  
**ASIA**  
insurance  
AWARDS 2023  
November 22-23, 2023  
Taj Lands End, Mumbai, India

बीमा क्षेत्रमा पुर्याएको योगदान मुल्यांक गरी  
ASIA INSURANCE AWARDS  
द्वारा सम्मानित हुन पाउँदा गौरवान्वित  
भएका छौं साथै यहाँहरूले निरन्तर प्रदान  
गर्नुभएको साथ र सहयोगको लागि हार्दिक  
आभार व्यक्त गर्दछौं ।

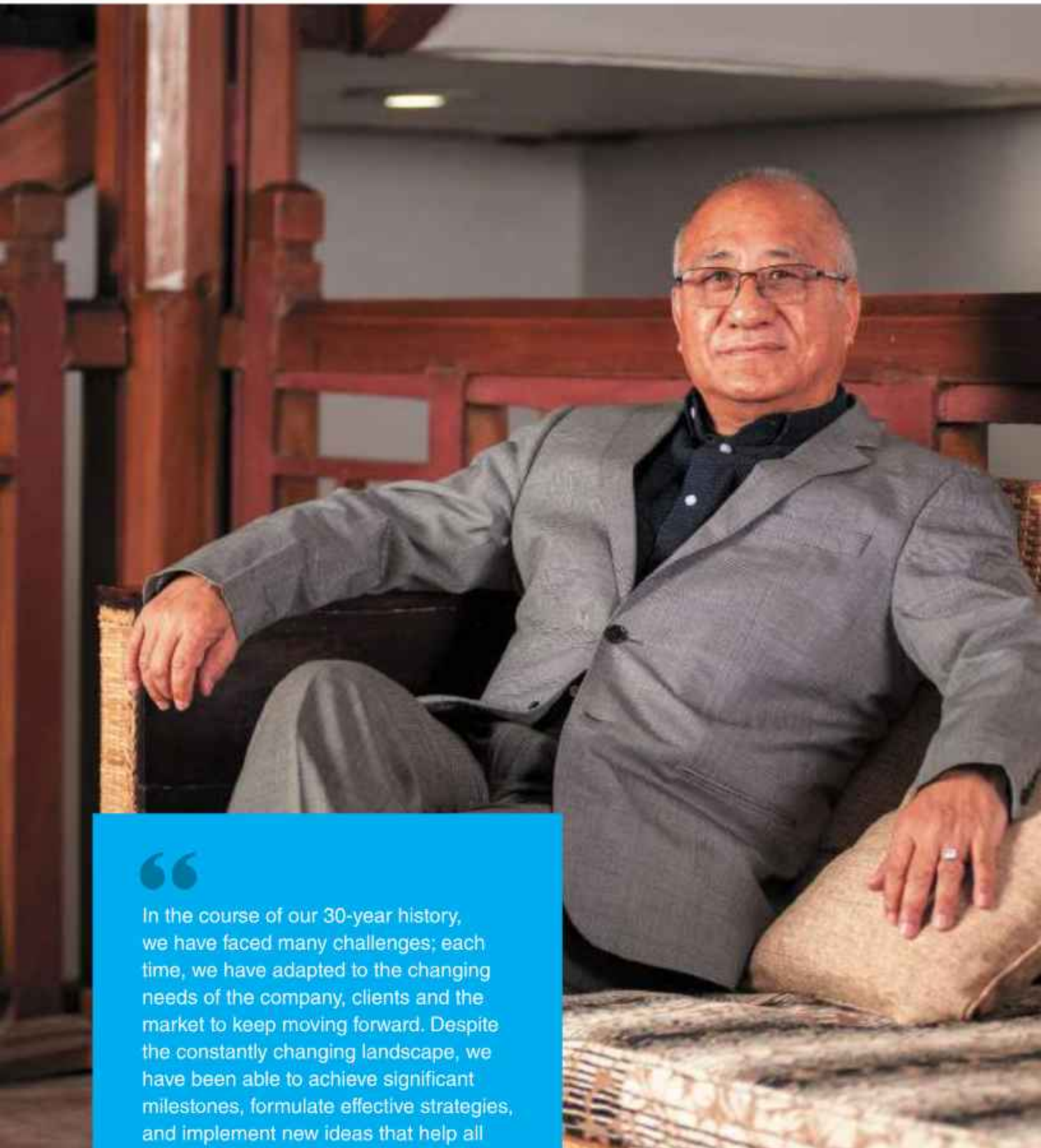


# Awards and Certificates



# Felicitation Program





In the course of our 30-year history, we have faced many challenges; each time, we have adapted to the changing needs of the company, clients and the market to keep moving forward. Despite the constantly changing landscape, we have been able to achieve significant milestones, formulate effective strategies, and implement new ideas that help all our stakeholders including our customers, partners and employees.



# Chairman's Message

**Mahendra Krishna Shrestha**

We, on behalf of the Board of Directors of Himalayan Everest Insurance Limited ("Company"), cordially welcome all shareholders and invitees to the 30th Annual General Meeting of the company.

We have successfully completed one year of operations as Himalayan Everest Insurance Limited (HEI).

In the course of our 30-year history, we have faced many challenges; each time, we have adapted to the changing needs of the company, clients and the market to keep moving forward. Despite the constantly changing landscape, we have been able to achieve significant milestones, formulate effective strategies, and implement new ideas that help all our stakeholders including our customers, partners and employees.

Access to insurance in our country is moving in a positive direction. As a company, we recognize that this is a dynamic, changeable, and opportune time to be in the insurance industry in Nepal. With that in mind, we have changed our approach, processes and training to be more future-focused, innovative and efficient. This means the experience and outcomes are better for our customers and us alike.

The company's market share in Financial Year 2079/80 among general insurance companies in terms of gross premium was 8.40%. The company recorded a Gross Direct Premium of Rs. 3.37 billion (3 Arba 37 Crore) in FY 2079/80 as compared to Rs.3.27 billion (3 Arba 27 Crore) in FY 2078/79.

We have always believed that prompt and fair claim settlement is a key aspect of the service we provide; with the support of our long-term reinsurance partners, we have settled claims worth Rs. 2.52 billion in the financial year 2022/23.

We have proposed Bonus Share @ 8.63% amounting to Rs. 198,622,400 and Cash Dividend @ 6.37% of Rs. 146,607,780 (Including tax on Bonus Share and cash dividend) from the distributable profit of the company. With the issuance of the bonus shares, the paid-up capital of the company will be Rs 2,500,157,400 and will meet the statutory minimum required paid up capital.

We at HEI have always been committed to putting our customers first and providing services and products that matter to them. We see our investments in technology and human resources as central to HEI's future readiness so that we not only serve our current customers but are equipped to meet the needs of our customers of the future as well.

Looking ahead, I foresee a constantly changing landscape for the Non life Insurance Industry in Nepal and a lot of strategic effort has to be made to chart our way forward. We continue to be excited and energized by the growth and opportunities that this sector has to offer. Whilst we look outwards to the market opportunities and our customers, we are also looking inwards at our systems and processes to ensure that we are building an industry leading company for the future.

In the insurance business, we have to look at the long term and after three decades I feel that we are now again at an important juncture where we have to strategically look to the future and define how we will add long term value to the market, the our customers and our shareholders.

I would like to thank Shareholders, Valuable Customers, Nepal Insurance Authority, Office of the Company Registrar, Security Exchange Board of Nepal, Nepal Stock Exchange Limited, CDSC & Clearing Limited, Share Registrar and all stakeholders for your support and look forward to growing together in the coming years.

Thank you.

**Mahendra Krishna Shrestha**  
Chairman

2080/10/25



“

Beyond financial metrics, HEI remains committed to making a positive impact on society. Our corporate social responsibility initiatives have continued to support education, healthcare, environmental sustainability and communities in need. We believe in contributing to the well-being of the communities we operate in.

# CEO's Perspective

**Vijaya Bahadur Shah**

**W**arm welcome to the Chairman and all members of the Board of Directors, Shareholders, Regulators, distinguished guests, invitees, well-wishers of the company and colleagues present in this 30th Annual General Meeting of the company.

As we gather here, it's essential to reflect on the journey of the past years. The fiscal year 2079/80 has been marked by significant challenges and uncertainties, both globally and within our industry. Despite these challenges our commitment to excellence, prudent risk management, client-centric approach and digitalization of some of our verticals have allowed us to navigate these turbulent effectively.

We successfully did first merger of the Insurance Industry and I am delighted to share commendable results of F/Y 2079/80. These results are reflection of the synergies of post-merger, and a will to excel in all fronts. Our financial statements reflect steady growth and a healthy Balance Sheet. We have tried to maintain a balance between the financial well-being of the company as well as dedicated approach to clients and the communities we serve.

We have enhanced our service offerings, embraced innovative technologies, and streamlined our processes to better meet the evolving needs of our customers. Our efforts in this regard have also been recognized with in and out of country too and by prestigious Institutions.

Beyond financial metrics, HEI remains committed to making a positive impact on society. Our corporate social responsibility initiatives have continued to support education, healthcare, environmental sustainability and communities in need. We believe in contributing to the well-being of the communities we operate in.

Looking ahead, we recognize that the insurance landscape is evolving rapidly. Technological advancements, changing consumer expectations, ever increasing climate change risks and regulatory developments will shape our industry. HEI is well-positioned to adapt and thrive in this dynamic environment. We will continue to invest in innovation, talent, and digital capabilities to stay ahead.

Currently, we have been providing services through 81 branches, 6 Third party counters and we will continue to expand our reach through addition of branch network and digital penetration based on our long-term strategy and competitive business advantage.

The construction of State-of-The-Art Corporate Building is at final stage and we expect it to be ready for use by the end of the current fiscal year. We have also purchased land for construction of our Province head quarter at Birat Nagar and on completion of construction this will give a better brand visibility and work environment to our staff members.

I also take this opportunity to express my gratitude on behalf of the company to Nepal Insurance Authority, Banks and Financial Institution, Regulatory Authorities, Reinsurers, Brokers, Surveyors, Investors, Employees and well-wishers for their mentoring, support and guidance through which we have made 30 Years of company's journey a memorable one.

Thank you.

**Vijaya Bahadur Shah**  
Chief Executive Officer

2080/10/25



**Himalayan Everest**  
Insurance Limited



## HEI Insurance Products



Property Insurance



Home Insurance



Motor Insurance



Marine Insurance



Accidental Insurance



Medical Insurance



Burglary Insurance



Travel Insurance



Money Insurance



Engineering Insurance



Agriculture Insurance



Aviation Insurance

# Board of Directors



**Mr. Mahendra Krishna Shrestha**  
Chairman



**Vijit Krishna Shrestha**  
Director-Promoter



**Avilasha Panth Sharma**  
Director-Promoter



**Ajaya Ratna Sthapit**  
Director-Public



**Hem Raj Thapa**  
Director-Public



**Bijay Kumar Pant**  
Director-Independent



**Rajiv Sapkota**  
Advisor

# Management Team



**Vijaya Bahadur Shah**  
CEO

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**Kamal Gautam**  
Sr. DCEO

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**Anju Shrestha**  
DCEO

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**R. Naidu**  
CTO

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**Ratan Kumar Lama**  
DGM

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**Kashi Nath Burlakoti**  
DGM

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**Sanjaya Aryal**  
DGM

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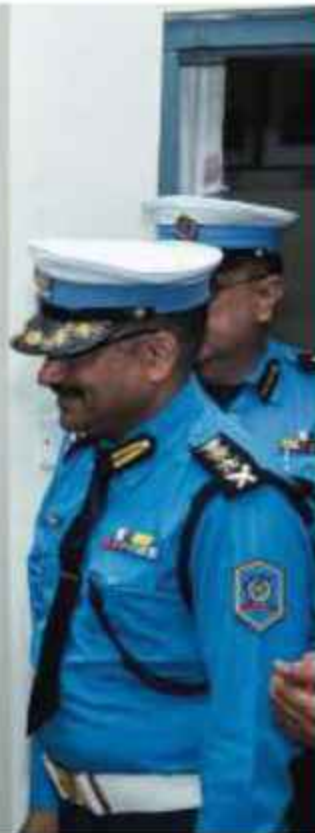
## Our Commitment towards Corporate Social Responsibility

Every Fiscal Year 1% of Net Profit is set as budget in CSR Fund of the Company which is utilized across the Provinces of Nation Under Various Headings.

Considerable Contributions of NPR 15,16,746 have been made in various CSR Heading. A summary for the contribution made by the company in line with the forms of spending are presented here:

S.No.	Forms of Spending	Contributions (NPR)
1.	Art & Literature	1,00,000
2.	Tourism & Culture	88,737
3.	Education	70,009
4.	Health	5,05,000
5.	Other Activities	7,53,000

सुरक्षा कार्यक्रममा हाम्रो साथ





## Corporate Governance

Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government, and the community. The primary goal of corporate governance is to ensure the long-term success of the company while considering the interests of all stakeholders.

### Board of Directors:

The board is responsible for overseeing the company's management and representing the interests of shareholders. The board's responsibilities include strategic decision-making, risk management, and ensuring that the company operates ethically.

Effective corporate governance is crucial for the sustainability and success of a company. It helps build trust with investors, customers, employees, and the broader community, contributing to long-term value creation. Many countries have established guidelines and codes of best practices for corporate governance to ensure that companies operate in a responsible and ethical manner.

### Corporate Governance Framework:

A corporate governance framework outlines the structure, processes, and rules that govern how a company operates and is controlled. It provides a set of guidelines and principles to ensure that the company's management and decision-making processes are aligned with the interests of its stakeholders.

### Board of Directors:

The Board of Directors (BOD) is a crucial component of a company's corporate governance structure. The board is responsible for overseeing the management of the company and representing the interests of its shareholders.

Particular	Position
Mr. Mahendra Krishna Shrestha	Chairman
Mr. Vijit Krishna Shrestha	Director
Mr. Ajaya Ratna Sthapit	Director
Mr. Hem Raj Thapa	Director
Mr. Avilasha Panth Sharma	Director
Mr. Bijay Kumar Pant	Director

### Board Meeting:

The agenda is prepared by the company secretary or another designated person in collaboration with the chairperson and executive team. The agenda outlines the topics to be discussed and any supporting materials to be distributed to directors in advance.

Directors are notified of the meeting well in advance, usually with the distribution of the agenda and relevant documents.

The BOD usually meets at least once a month to discuss and approve the claim above the delegated limit, review company's quarterly performance and financial results, consider business strategies, reviews internal control, compliance related matters.

The BOD sets annual performance objectives and strategies to monitor the actions and results of the management to ensure effective risk management and governance practices.

### Number of BOD Meetings:

S. No	Date	Medium	Number of Directors Presence in Meeting
1.	2079/04/01	Physical	6
2.	2079/04/04	Physical	6
3.	2079/04/13	Physical	6
4.	2079/04/30	Physical	6
5.	2079/05/19	Physical	6
6.	2079/05/30	Physical	6
7.	2079/07/04	Physical	5
8.	2079/07/25	Physical	6
9.	2079/08/28	Physical	4
10.	2079/09/26	Physical	6

11.	2079/10/15	Physical	6
12.	2075/10/19	Physical	6
13.	2079/11/16	Physical	6
14.	2079/11/23	Physical	5
15.	2079/12/19	Physical	5
16.	2079/12/29	Physical	5
17.	2080/01/06	Physical	4
18.	2080/01/19	Physical	5
19.	2080/02/10	Physical	5
20.	2080/02/23	Physical	5
21.	2080/03/17	Physical	6
22.	2080/03/29	Physical	6

#### Meeting Allowance to Directors:

The Board members are provided with the meeting fees for attending meetings which is approved by the shareholders in the annual general meeting. The meeting fee of NRs 8,000 is being paid to the chairman while Rs 70,00 being paid to other directors.

## Board Committees

Board of Directors (BOD) committees are formed to focus on specific areas of governance and oversight. These committees allow the board to delve deeper into particular issues, provide expertise, and ensure that the board's responsibilities are effectively carried out.

#### Audit Committee:

As per the provision of Insurer's Corporate Governance Directives 2075, the Board of Directors has formed the audit committee. The committee is comprised of 4 members.

Particular	Position
Mr. Ajaya Ratna Sthapit	Chairman
Mr. Hem Raj Thapa	Member
Mr. Bijay Kumar Pant	Member
Mr. Kamal Gautam	Member Secretary

#### Role:

Audit Committee provide assistance to the Board of Directors in fulfilling their oversight responsibility to the shareholders and others relating to the Company's financial statements and financial reporting process, the system of internal accounting and financial controls, the internal audit function, the external audit of the Company's financial statement. In discharging its oversight role, the committee is fully empowered to investigate any matter brought to its attention.

#### Meeting Allowances:

The meeting allowance of the chairman and member of Audit committee is as under.

Particular	Amount (Rs)
Chairman	7,000
Member	7,000

The above fee is inclusive of Tax Deducted at Source

#### TOR of Audit Committee

- Monitor the financial reporting process and submit recommendations to ensure its integrity.
- Monitor the effectiveness of the undertaking's internal quality control, risk management systems and internal audit regarding the financial reporting of the company, without breaching its independence.
- Monitor the performance of audits taking into account the findings and conclusions of the audit reviews carried out by the competent authorities.
- Review and monitor the independence of the Statutory and Internal Auditors.
- The Audit Committee recommends the appointment of an internal and statutory auditor.

- Review quarterly financial statements
- Review the appropriateness of management's policies and practices with respect to the provision for unpaid claims, reserves and surplus.
- Audit Committee review and recommends for the approval of the annual budget.
- Monitor compliance with statutory and regulatory obligations.

#### Number of Audit Committee Meetings:

The following table shows the details of audit committee meetings take place during the fiscal year 2079/80.

S. No	Date	Medium
1.	2079/04/30	Physical
2.	2079/05/27	Physical
3.	2079/07/15	Physical
4.	2079/08/24	Physical
5.	2079/08/28	Physical
6.	2079/09/20	Physical
7.	2079/09/26	Physical
8.	2079/10/17	Physical
9.	2079/11/23	Physical
10.	2080/01/27	Physical
11.	2080/02/28	Physical
12.	2080/03/15	Physical
13.	2080/03/29	Physical

#### Activities of the committee During the Year:

- Discussed and recommended the annual budget of the company.
- Monitors the effectiveness of internal audit including internal control system.
- Review and monitors the internal control issues identified by the Internal Audit
- The committee recommended the name and remuneration for appointment of statutory auditor.

#### Anti Money Laundering Committee:

As per the provision of Insurer's Corporate Governance Directives 2075, the Board of Directors has formed the Anti Money Laundering Committee. The committee is comprised of 3 members.

Particular	Position
Mr. Bijay Kumar Pant	Coordinator
Mr. Ajaya Ratna Sthapit	Member
Head -Legal	Member Secretary

#### Role:

Anti Money Laundering Committee assists the Board of Directors in addressing matters related to Anti Money Laundering and compliance in the insurance sector and to combat terrorism finance and financial crimes. AML Committee ensure that the company cannot be used as a vehicle to legitimize the proceeds of unlawful activities or to facilitate or finance terrorism.

#### TOR of AML Committee

- Assist the Board of Directors in formulating rules, regulations and standards to combat money laundering and terrorism financing.
- Monitors the effectiveness of client due diligence systems and monitoring mechanism.
- Review policies and procedures in the company in order to bring them in line and in compliance with laws governing Money Laundering combating terrorism financing.
- Perform other duties as per the need of the company / as directed by the Board of Directors.

#### Activities During the Year:

Himalayan Everest Insurance proudly announces the successful integration of GoAML software into its operations. This integration enables the company to comply with all the criteria set by the Financial Intelligence Unit (FIU) and the Nepal Insurance Authority, ensuring a robust anti-money laundering (AML) and compliance framework.

By implementing the GoAML software, Himalayan Everest Insurance has taken a significant step towards enhancing its ability to detect and prevent money laundering activities within the insurance sector. The software provides advanced analytics and reporting capabilities, enabling the company to swiftly identify suspicious transactions and promptly report them to the appropriate authorities.

The integration of GoAML software also demonstrates Himalayan Everest Insurance's commitment to meeting the stringent requirements imposed by the FIU and the Nepal Insurance Authority. By adhering to these criteria, the company reinforces its dedication to maintaining a transparent and compliant environment for its policyholders and the overall insurance industry.

The successful completion of this integration positions Himalayan Everest Insurance as a leader in adopting cutting-edge technology to bolster AML efforts. The GoAML software empowers the company to proactively combat financial crimes, safeguard policyholders' interests, and contribute to the overall stability of the insurance sector.

With the integration of GoAML, Himalayan Everest Insurance can streamline its AML processes, reduce manual efforts, and improve the accuracy and efficiency of transaction monitoring. This technological advancement strengthens the company's ability to identify potential risks and take appropriate actions in a timely manner.

The integration of GoAML software marks a significant milestone for Himalayan Everest Insurance, underscoring its continuous efforts to align with global best practices in AML and compliance. By meeting the criteria set by the FIU and the Nepal Insurance Authority, the company demonstrates its commitment to upholding the highest standards of integrity and professionalism.

#### Meeting Allowance to Directors:

The Committee Members are provided with the meeting fees for attending meetings. The meeting fee of NRs 7,000 inclusive of Tax Deducted at Source (TDS) is being paid to the coordinator and members of the committee.

#### Claim Settlement & Reinsurance Committee

As per the provision of Insurer's Corporate Governance Directives 2075, the Board of Directors has formed the claim Settlement & Reinsurance Committee. The committee is comprised of 4 members.

Particular	Position
Mr. Hem Raj Thapa	Coordinator
Mrs. Avilasha Panth Sharma	Member
Mr. Vijaya Bahadur Shah	Member
Head Claim	Member Secretary

#### Role:

The Claim Settlement & Reinsurance Committee monitors whether the claim is settled as per Company's claim settlement policy and the placement for reinsurance is done as per the signed treaty or not.

#### TOR of Claim Settlement & Reinsurance Committee

- To approve the claims file as per limit of settlement provided by BOD.
- To review and analyze for the purpose of recommending the pursuit or settlement of any claim.
- Reviews Annual Treaty Program and compares the terms of contract.
- Review appropriate Reinsurance Capacity and Facultative Reinsurance
- Recommends Brokers and Reinsurer for the Treaty as per the guidelines of the Regulator.
- Perform other duties as per the need of the company / as directed by the Board of Directors.

#### Meeting Allowance to Directors:

The Committee Members are provided with the meeting fees for attending meetings. The meeting fee of NRs 7,000 inclusive of Tax Deducted at Source (TDS) is being paid to the coordinator and members of the committee.

#### Human Resources Committee:

As per the provision of the Insurer's Corporate Governance Directives 2075, the Board of Directors has formed the Human Resources Committee. The committee is comprised of 4 members.

Particular	Position
Mr. Vijit Krishna Shrestha	Coordinator
Mr. Bijay Kumar Pant	Member
Mr. Vijaya Bahadur Shah	Member
Head Human Resources	Member Secretary

#### Role:

The Human Resources Committee provides guidance on effective Human Resources management to the Board of Directors. Its primary responsibility includes reviewing, monitoring and making recommendations to the BOD on human resources strategy and policies and development of prudent human resource management in the company.

#### TOR of Human Resource Committee:

- Review, monitor and make recommendations to the BOD on Company's human resources strategy and policies pertaining to staffing, compensation, benefits and related issues of strategic importance that directly affect Company's ability to recruit, develop and retain highly qualified staff needed for it to achieve its mandate.
- To review Human Resources Development and organizational structure and recommend any significant changes to the Board.
- Review and ensure that succession planning is in place for staff of the company.
- To review the standards and practices established by the company for the safety and physical working conditions of staff to ensure that they are sufficient and maintained.
- Periodic reviews of employee performance at least annually to ensure that it is operating in maximum effectiveness.

#### Meeting Allowance to Directors:

The Committee Members are provided with the meeting fees for attending meetings. The meeting fee of NRs 7,000 inclusive of Tax Deducted at Source (TDS) is being paid to the coordinator members of the committee.

#### Investment, Risk Management & Solvency Committee

As per the provision of Insurer's Corporate Governance Directives 2075, the Board of Directors has formed the Investment, Risk Management & Solvency Committee. The committee is comprised of 4 members.

Particular	Position
Mrs. Avilasha Panth Sharma	Coordinator
Mr. Vijit Krishna Shrestha	Member
Mr. Vijaya Bahadur Shah	Member
Chief Finance Officer	Member Secretary

#### Role:

The committee shall make the investment decision considering the benefit of the company maintaining the solvency ratio defined by the regulator and assess the internal as well as external risk to the company.

#### TOR of Committee

- Reviews the objective and policies of comprehensive risk management system.
- Monitors and recommends Investment policy recognizing that insurance assets should be invested to produce the best possible returns consistent with a prudent approach securing interests of stakeholders.
- Review the risk management system, including but not limited to risk management structure, functions and workflow.
- Discuss the risk management system with management to ensure that management has performed its duty to have an effective system.
- Review the risks from major decisions and monitors the risk prevention policies adopted by the Company's.

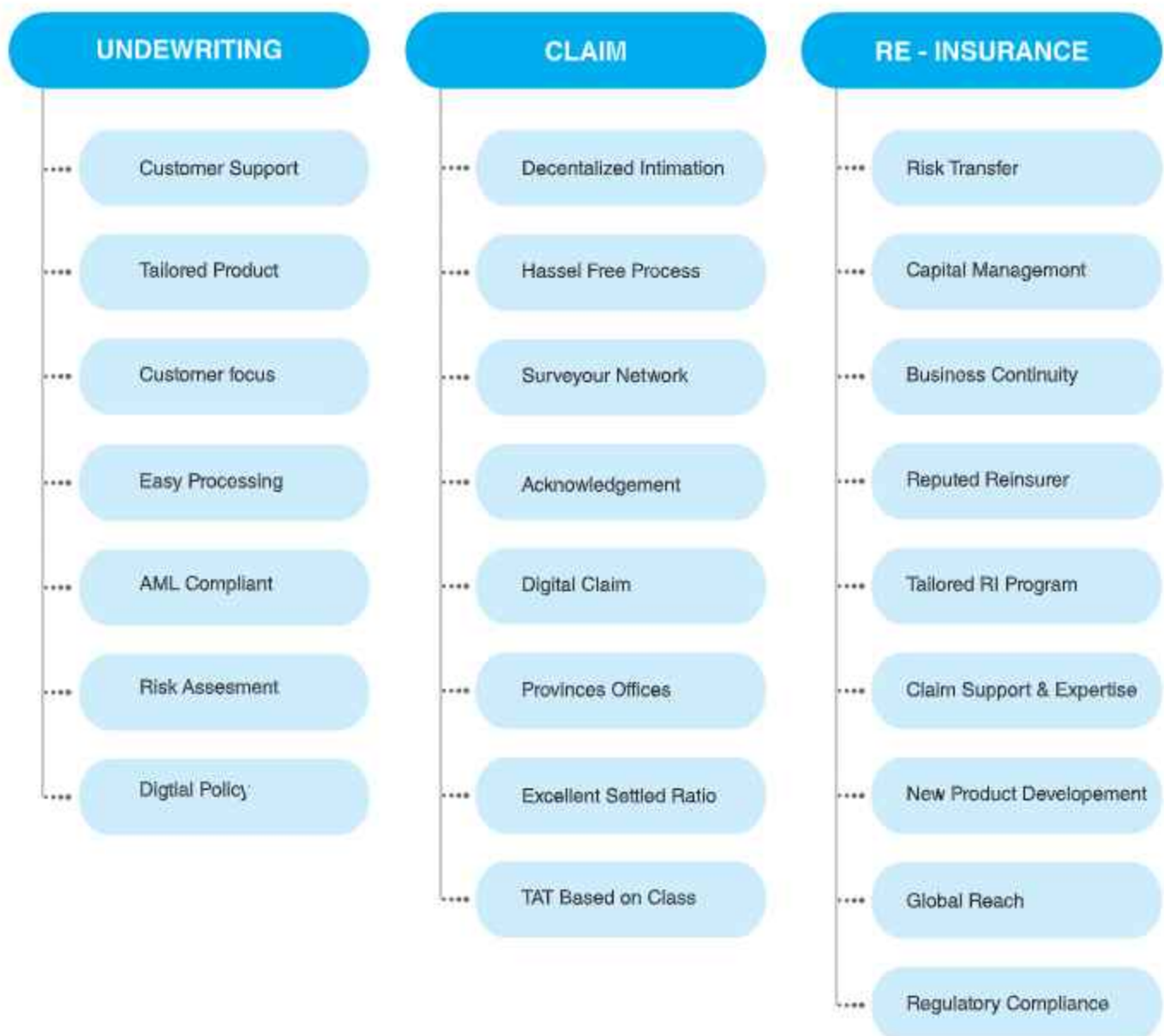
#### Meeting Allowance to Directors:

The Committee Members are provided with the meeting fees for attending meetings. The meeting fee of NRs 7,000 inclusive of Tax Deducted at Source (TDS) is being paid to the coordinator and members of the committee.

अब हामी  
**३६५** दिन नै  
 तपाईंको सेवामा

## Himalayan Everest Insurance, Core Functionality

HEI integrates 3 fundamental functions that have been streamlined within the computing process.



## Value Added Statement

For The Year Ended 31 Ashad 2080

In line with our commitment to transparency and accountability, Himalayan Everest Insurance, a leading non-life insurance company, is pleased to present the Value Added Statement for the financial year ended 2080. This statement outlines the value generated by the company and how it has been distributed among various stakeholders.

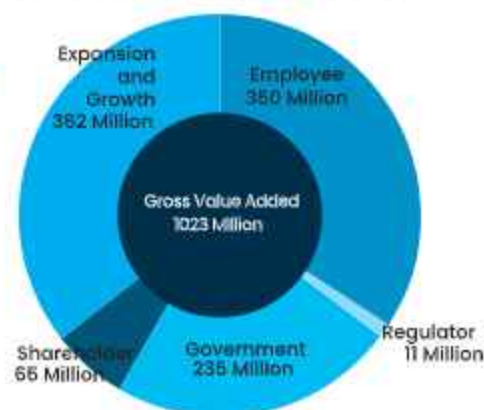
Particulars	2079-80	2078-79
<b>Value Creation</b>		
Net earned premiums	978,319,235	338,715,828
Commission income	390,558,980	165,278,713
Investment income and loans	338,770,094	148,700,893
Net realised gains/ (losses)	(1,263,914)	1,020,612
Other income	9,059,687	3,811,451
Net claims paid	(606,036,045)	(170,531,552)
Net changes in insurance contract liabilities	140,171,723	(31,975,864)
Commission expenses	(59,174,530)	(28,681,699)
Other direct expenses	(3,970,633)	-
Other operating expenses	(162,148,699)	(80,094,596)
Finance cost	(1,719,066)	(737,577)
<b>Gross Value Added</b>	<b>1,022,566,832</b>	<b>345,506,209</b>
<b>Value Application</b>		
To Employee		
Salary and other benefit	350,331,144	115,156,619
To Regulator		
Service fees	10,885,921	5,182,852
To Government		
Income Taxes	235,079,644	65,580,380
To Shareholder		
Dividend & Bonus Share	64,840,316	77,023,579
To Expansion and Growth		
Reserves and accumulated profit	342,235,746	72,179,027
Depreciation and amortization	19,194,061	10,383,752
<b>Total Value Applied</b>	<b>1,022,566,832</b>	<b>345,506,209</b>

## Market Value Added

For The Year Ended 31th Ashad 2080

Himalayan Everest Insurance is pleased to present the Market Value Added (MVA) statement for the financial year ended 2080. The MVA statement evaluates the value created for our shareholders by measuring the difference between the market value of our equity and the book value of our equity.

Particulars	2079-80	2078-79		Change
		HGI	EIC	
Market price per share	600	520	500	17%
Number of share	23015350	11735091	12,546,207	3%
Total market capitalization	13,809,210,000	6,102,247,320	6,273,103,500	12%
Book value per share	182.11	177.30	138.56	14%
Number of share	23,015,350	11,735,091	12,546,207	3%
Total book value	4,191,309,935	2,080,665,369	1,738,402,442	10%
<b>Market value added</b>	<b>9,617,900,065</b>	<b>4,021,581,951</b>	<b>4,534,701,058</b>	



## Annual Report of FY 2079/80 presented by Board of Directors in the 30th Annual General Meeting of Himalayan Everest Insurance Limited

### Respected Shareholders,

We, on behalf of the Board of Directors of Himalayan Everest Insurance Limited ("Company"), cordially welcome all shareholders and invitees to the 30th Annual General Meeting of the company.

We have presented the 30th Annual Report of the Company prepared pursuant to section 109 of the Companies Act 2063 for the Financial Year 2079/80 including Independent Auditor's Report, Statement of Financial Position, Statement of Profit or Loss, Cash Flow Statement, Statement of Changes in Equity, Annexures and Notes to Account forming part of Financial Statements.

Following the Directive of Nepal Insurance Authority, the Financial Statement for the fiscal year 2079/80 has been prepared based on Nepal Financial Reporting Standards (NFRS).

Complete sets of financial statement for the FY 2079/80 have been prepared, Audited and Approved by Nepal Insurance Authority. Following the principle of Nepal Financial Reporting Standards (NFRS) regarding business combination, corresponding previous year figures of former Himalayan General Insurance Company Limited have been presented.

We are pleased to place before you the 30th Annual report of the company prepared pursuant to section (109) of the Companies Act, 2063 for the Financial Year 2079/80 including Independent Auditor's Report, Statement of Financial Position, Statement of Profit or Loss, Cash Flow Statement, Statement of Changes in Equity, Annexures and Notes to Account forming part of Financial Statements along with Company's current financial year activities & future action plans, as well as the Director's Report for discussion and approval.

### 1. Financial Results:

S. No	Particulars	Indicators	FY 2079/80	FY 2078/79	Growth (%)
1	No of Policies Issued	Nos.	238,474	188,499	26.51%
2	Gross Premium Income	Rs"000"	3,376,347	3,276,669	3.04%
3	Net Premium Income	Rs"000"	1,152,468	850,691	35.47%
4	Reinsurance Commission Income	Rs"000"	345,722	379,367	-8.87%
5	No of Claims Paid	Nos.	11,858	12,649	-6.25%
6	Gross Claims Paid	Rs"000"	2,520,708	1,788,519	40.94%
7	Net Claims Paid	Rs"000"	606,036	583,763	3.82%
8	Outstanding Claim	Nos.	8,533	11,121	-23.27%
9	Outstanding Claim	Rs"000"	270,834	447,012	-39.41%
10	Employee Expenses	Rs"000"	278,981	270,279	3.22%
11	Other Expenses	Rs"000"	162,149	156,625	3.53%
12	Income from Investment	Rs"000"	338,770	303,128	11.76%
13	Net Profit (as per NFRS)	Rs"000"	445,060	160,320	177.61%
14	Investment	Rs"000"	4,654,708	3,646,988	27.63%

#### a. Solvency Margin:

Solvency ratio is the measurement of the company's ability to meet its operational obligations and short term and long-term liabilities. As per solvency margin directive issued by Nepal Insurance Authority, the solvency ratio of the company should be more than 1.5. The Solvency margin of the company stands at 3.24 times which stands well above the prescribed minimum as on Ashad End 2080.

### 2. Review of Previous Year's Performance 2079/80 (Financial Year 2022-23):

The company's market share in Financial Year 2079/80 among general insurance companies in terms of gross premium was 8.40%. The company recorded a Gross Direct Premium of Rs. 3.37 billion (3 Arba 37 Crore) in FY 2079/80 as compared to Rs. 3.27 billion (3 Arba 27 Crore) in FY 2078/79.



The major premium contributor for 2079/80 was the motor portfolio. This portfolio contributed 27.65% of our gross premium income as compared to 25.68% in the previous year. Specifically, Fire, Motor, Marine, Engineering, Micro, Aviation, Agriculture and Miscellaneous portfolios contributed 15.96%, 27.65%, 1.97%, 15.73%, 0.0001%, 10.50%, 2.68% and 25.50% respectively in FY 2079/80.

#### Gross Premium Income:

Portfolio	Gross Premium			
	FY 2079/80	Weightage	FY 2078/79	Weightage
Fire	538,706,116	15.96%	446,971,773	13.64%
Motor	933,706,904	27.65%	841,425,554	25.68%
Marine	66,672,876	1.97%	89,247,534	2.72%
Engineering	531,195,936	15.73%	402,757,480	12.29%
Micro	2,400	0.0001%	7,516	0.00%
Aviation	354,605,187	10.50%	476,677,204	14.55%
Agriculture	90,360,564	2.68%	170,485,659	5.20%
Miscellaneous	861,096,975	25.50%	849,096,027	25.91%
Total	3,376,346,958	100.00%	3,276,668,749	100.00%

Previous Year comparative figures represent the consolidated figures of former HGI & EIC.

#### Gross Claim Settlement:

Gross Claim Settlement during FY 2079/80 was Rs 2 Arba 52 Crore as compared to Rs 1.78 billion in FY 2078/79. With the continued support from our reinsurance partners, we are able to consistently settle claims promptly, which is at the core of our promise to our customers.

S.No	Portfolio	FY 2079/80	Weightage	FY 2078/79	Weightage
1	Fire	139,089,942	5.52%	356,271,959	19.92%
2	Motor	481,130,629	19.09%	465,336,616	26.02%
3	Marine	40,186,253	1.59%	41,277,053	2.31%
4	Engineering	196,593,054	7.80%	266,979,536	14.93%
5	Micro	53,325,000	2.12%	11,971,414	0.67%
6	Aviation	1,169,582,848	46.40%	241,515,588	13.50%
7	Agriculture	143,705,134	5.70%	128,413,190	7.18%
8	Miscellaneous	297,094,864	11.79%	276,754,007	15.47%
	Total	2,520,707,724	100.00%	1,788,519,363	100.00%

Previous Year comparative figures represent the consolidated figures of former HGI & EIC.

#### Re-insurance:

The company has reinsurance treaty with the following reinsurance companies:

S. No	Name of reinsurers	Rating	Agency
1	General Insurance Corporation of India, India	B++ Good	A.M. Best
2	Zep Re (PTA Reinsurance Company) Nairobi, Kenya	B+ Good	A.M. Best
3	Kenya Reinsurance Corporation Ltd., Nairobi, Kenya	B (Fair)	A.M. Best
4	East Africa Reinsurance Corporation Ltd., Nairobi, Kenya	B (Fair)	A.M. Best
5	Abu Dhabi National Insurance Company	A (Excellent)	A.M. Best
6	The New India Assurance Company Limited	B++	A.M. Best
7	GIC Bhutan Reinsurance Company Limited	AAA	CARE Ratings
8	Asian Reinsurance Company Limited	B+ (Good)	A.M. Best
9	AXA XL	A+	A.M. Best
10	Hannover Reinsurance	A+	A.M. Best
11	Cica Reinsurance, India	B+	A.M. Best
12	IGI Reinsurance	A	A.M. Best
13	Royal Insurance Corporation of Bhutan Ltd	C	A.M. Best
14	Waica Reinsurance	B(Fair)	A.M. Best

### 3. Impact of National and International Events on the Company's Business:

The impact of national and international events on a company's business is profound and can significantly shape its operational landscape. These events encompass a wide range of factors, including economic shifts, political developments, social changes, technological advancements, and environmental considerations. Understanding and navigating these influences is crucial for businesses to remain resilient and adaptive. National and global economic conditions, including recessions, inflation, liquidity crunch, currency fluctuations, have directly affected company's return from investment. On the whole, market penetration has increased, reaching new individuals as well as new areas of Nepal. In line with the new federal structure of the country, the company has established provincial offices in all seven provinces which will further expand its reach and the reach of insurance services.

#### Special note on Climatic Risk

Climate risk has become a critical consideration for businesses worldwide as the planet experiences unprecedented changes. This type of risk is multifaceted, encompassing both physical risks from the changing climate and transition risks associated with the shift towards a low-carbon economy. In the year 2079/80, claim incurred due to Climatic risk is shown in the table below:

S.N	Particulars	Gross Claim	Net Claim
1.	Fire Portfolio	139,089,942	36,845,425

### 4. Achievements Since the Last Fiscal Year till Preparation of the Annual Report and Future Plans:

The comparative premium underwritten during the Fiscal Year 2080/81 is tabulated below:

S. No	Particulars	FY 2080/81 (up to Poush)	FY 2079/80 (up to Poush)	Increase
1	Gross Premium Income	1,678,450,051	1,508,038,371	11.30%

#### Future Plan:

Due to a successful merger, we now have a nationwide presence. The Company will continue to strengthen market presence, visibility and penetration. Equal attention and resources are also being given to investments in technological transformations within our company and value chain. Additionally, the merger helped us reevaluate our position, core competencies and market opportunities and enabled us to equip ourselves for a very exciting future. The transformations currently underway will create the foundation for a future with unique advantages and strong market share.

We remain focused on our Vision 2030, aspiring to be the most innovative and trusted partner and mission to empower lives through comprehensive insurance solutions. With our dedicated efforts and the support of our stakeholders we feel confident we are moving in the direction of achieving this vision.

### 5. Industrial and Business Relations:

As a company that values transparency and good governance, all the information and disclosure required, pursuant to the guiding Acts, Rules & Regulations, has been submitted, disclosed and duly published.

We are committed to strengthening the relationships within and between our teams which is critical to our future growth strategy and direction. We are also continuing our focus on bringing in new talent who are aligned with the company's values and goals. In addition, we continue to conduct training and capacity building exercises to help our teams do their best.

### 6. Changes in the Board of Directors and Senior Management:

In the review year 2079/80, The followings are the changes in BODs:

S. No	Incoming Director	Date of Appointment
1.	Mr. Mahendra Krishna Shrestha	2079/12/29
2.	Mr. Ajay Ratna Sthapit	2079/12/29
3.	Mr. Vijit Krishna Shrestha	2079/12/29
4.	Mr. Hem Raj Thapa	2079/12/29
5.	Mrs. Bharati Pandey	2079/12/29
6.	Mr. Bijay Kumar Pant	2080/01/06
7.	Mrs. Avilasha Panth Sharma	2080/02/10

We would like to express our sincere thanks to the shareholders of the company for unanimously electing the company's BOD and continuous support. Also, we would like to thanks to outgoing director for the successful completion of their tenure in the company.

S. No	Outgoing Director
1.	Mr. Bhuwal Rai
2.	Mr. Ram Prasad Khanal
3.	Mrs. Bharati Pandey

Appointment of Mrs. Avilasha Panth Sharma & Mr. Bijay Kumar Pant has been proposed under the agenda of 30th AGM for approval of the shareholders.

In additions to the above, Mr. Rajiv Sapkota is continuing as advisor to the Board of Directos pursuant to the terms of merger agreement

#### 7. Major Factors affecting Business:

- Post Pandemic Effect.
- Changes in Acts & Regulatory Directives
- Political Instability
- Rapid Advancements in Technology
- Limited Reinsurance Market
- Inflation, Currency Fluctuations.

#### 8. Dividend:

We have proposed Bonus Share @ 8.63% amounting to Rs. 198,622,400 and Cash Dividend @6.37% of Rs. 146,607,780 (Including tax on Bonus Share and cash dividend) from the distributable profit of the company.

#### 9. Appointment/ Re- appointment of Auditor:

The meeting of Audit committee has recommended M/s Suresh Shrestha & Associates as its Statutory auditor for FY 2080/81. The total fee of Nrs 700,000 (Excluding Vat) has been proposed to Statutory Auditor for Statutory Audit & Tax Audit.

#### 10. Share Capital:

The following table shows the company's paid-up share capital As on Ashad End of FY 2079/80.

S.No	Particular	Paid Up Capital (Nrs)
1	Himalayan Everest Insurance Limited	2,301,535,000

Nepal Insurance Authority has prescribed minimum paid of capital of Rs 250 Crore for Non-Life Insurance Company and the same will be met after your approval to proposed bonus.

#### 11. Conclusion:

We would like to express our sincere gratitude to Government of Nepal, Nepal Insurance Authority, Office of Company Registrar, Nepal Rastra Bank, Securities Board of Nepal, Nepal Stock Exchange Limited, CDS and Clearing Limited, Inland Revenue Department, NMB Capital Ltd, Stockbrokers, Commercial / Development Banks and Finance companies, our clients, and well-wishers who have helped us directly or indirectly in the growth of company. Also, we would like to express our sincere gratitude to our agents and surveyors.

The efforts shown by all the employees of the company during the period is highly praiseworthy; a special mention to them for their commitment to serve and excel.

We would like to thank all the shareholders and other attendees present in the AGM for your valuable presence and active participation.

**Thank You,**

**Ajaya Ratna Sthapit,**  
Director

**Mahendra Krishna Shrestha**  
Chairman

Date: 2080/09/26

## Provisions related to section 109 (4) Companies Act, 2063 (first amendments, 2074):

### a. Details of Forfeited Shares:

The company has not forfeited any shares till the reporting date.

### b. Disclosure of transaction with Subsidiary/ Associates:

Company has no Subsidiary/ Associates till the reporting date.

### c. Information provided by the Principal Shareholders in the last fiscal year:

No such information was provided during the reporting period.

### d. Disclosure on the share transaction & ownership by the Board Members and Employees of the Company in the last fiscal year:

None

### e. Disclosure of information on involvement of any Board Member or their Close Relatives having personal interest on any agreement done by the company during the last fiscal year:

None

### f. Disclosure on Shares buy back of the company:

None.

### g. Internal Control System, Risk Management system & its effectiveness:

The internal control system of the company is designed in such a way to achieve following organizational objectives:

- a. Operational Effectiveness and Efficiency,
- b. Reliable Financial Reporting and
- c. Compliance with Laws, Regulations and Policies.

At the organizational level, the Company has formed the Internal Audit Committee headed by public director Mr. Ajay Ratna Sthapit. The company has appointed an independent Chartered Accountant firm M/s G.P. Rajbahak & Co as Internal Auditor.

The internal audit report issued by the internal auditor is presented to the Audit Committee for discussion. The comments and suggestions from the Auditor and Audit Committee has been implemented regularly. The company strongly believes that, the implementation of suggestions of internal audit report strengthens the overall internal control system of the organization. Company has been following the Corporate Governance Directive, 2075 issued by the Insurance Board. It has helped to make the internal control system and good governance more effective.

The Company has also formed a Risk Management Committee for effective management of internal as well as external risk.

### h. Disclosure on the total Management expenses on last fiscal year:

The company has spent Rs. 162,148,699 (Sixteen Crore Twenty-One Lakh Forty Eight Thousand Six Hundred Ninety Nine Rupees) as total management expenses in FY 2079/80.

### i. Details of members of Audit committee, their remuneration, allowances and facilities, action taken, and any recommendations made by the committee:

In the review period, company has constituted 3 members audit committee under the Chairmanship of Public Director Mr. Ajay Ratna Sthapit, and independent director Mr. Bijay Kumar Pant & Public director, Mr. Hem Raj Thapa, as members. The meeting fee for each audit committee meeting has been fixed at Rs.7,000 (Seven Thousand) inclusive of Tax.

The actions made by the audit committee are as follows,

- 1.Review of Statutory Audit Report and recommended to management for the improvements, as required.
- 2.Review of Internal Audit Report and recommend to management for the improvements, as required.
- 3.Recommend the appointment of Statutory Auditor to the AGM.
- 4.Review of Internal Control System of the company and provide suggestions for improvement.

- j. **Disclosure on amount receivables from Directors, Managing Directors, CEO, Company's Principal Shareholders or any firm, company or any other organization associated with such individuals or their close relatives:**

None.

- k. **Disclosures on Salary, Allowances and facilities provided to the Directors, Managing Directors, CEO:**

Details of Meeting Allowance Paid to Directors:

Particulars	Amount (Rs)
Board/Committee Meeting Allowance	2,118,000

Detail of Salary Allowances and Facilities Provided to CEO of Himalayan Everest Insurance Limited:

CEO					
S.N	Particulars	Detail	Tenure	Amount	Other Facilities
1.	Salary & Allowances	Mr. Vijaya Bahadur Shah	Shrawan 2079 -Ashad 2080	12,009,121	Vehicle with Driver, Fuel, Insurance, Telephone, & Statutory Bonus & Other as per Terms of Contract

The following fee has been proposed for your approval regarding revision of meeting allowance:

Particulars	Existing		Proposed	
	Particulars	Amount (Rs)	Particulars	Amount (Rs)
Meeting Allowance-Chairman	Meeting Allowance-Chairman	8,000	Meeting Allowance-Chairman	12,500
Meeting Allowance-Directors	Meeting Allowance-Directors	7,000	Meeting Allowance-Directors	10,000
Communication/Travel/ Newspaper & Periodical Allowance	Communication/Travel/ Newspaper & Periodical Allowance	-	Communication/Travel/ Newspaper & Periodical Allowance	25,000

The proposed meeting allowance (Per Meeting) and other allowances (Per Month) is inclusive of TDS (Tax Deducted at Source).

- l. **Remaining Dividend amount to be claimed by shareholders:**

**Related to Former Himalayan General Insurance Company Limited:**

- The remaining dividend of Rs. 5,352,336 has been booked as payable and shown in Annexure 24, Other Financial Liabilities.

- m. **Disclosure on purchase and sale of property as per clause 141:**

None.

- n. **Disclosure on transaction between associated companies as per clause 175:**

None.

- o. **Any other details to be disclosed in the report as per the companies act and existing laws:**

Company is having a market share of 8.40% (Approx) in the General Insurance Industry.

- p. **Disclosure on the provision of the directive 86 as per Companies Directives, 2072:**

The company has been abiding by the provision made in the Company's Directives 2072.

- q. **Other issues:**

None.

## ANNEXURE-I

### (PREPARED UNDER SECTION 5(1) (KA) OF FINANCIAL DIRECTIVE 2080)

#### REPORT OF BOARD OF DIRECTORS

#### A. Information Related to Himalayan Everest Insurance Limited

Himalayan Everest Insurance Limited (Herein After referred to as "Company") is a public limited liability company incorporated as per the laws of Nepal. The Company obtained the license (License number 04/050) from Nepal Insurance Authority on Shrawan 6, 2050 and got approval from the Authority to carry on business from Shrawan 13, 2050 under Insurance Act 2079. The Company started its commercial operation from Mangsir 16, 2050.

The registered office of the Company and the principal place of business is HGI House, Babar Mahal, Kathmandu, Nepal. The Company's shares are listed in Nepal Stock Exchange.

The Company is engaged in the business of underwriting non-life insurance through its branches and network of agents. There were no significant changes in the nature of principal activities in the company during the financial year.

The company merged Everest Insurance Company Limited with it and commenced joint operation in the name of the merged entity, Himalayan Everest Insurance Limited from Shrawan 1, 2079 (July 17, 2022).

#### B. Upon Discussion, Board of Directors of Himalayan Everest Insurance Limited, has approved and declared the following:

##### 1. Tax, service charges, fine and penalties to be paid under laws & regulation.

The company has paid the applicable direct and indirect taxes including fines and penalties (if any) levied by the competent authority during periodic tax assessment. Also, services charge has been paid within stipulated timeline.

##### 2. Share Structure & Changes:

The share structure of the company is as follows:

Particulars	Percentage of ownership
Promotor Share Holding	51%
Public Share Holding	49%

Bonus shares issued in FY 2079/80 pursuant to the approval of regulator and Annual General Meeting of the company has been duly recorded in compliance with prevailing laws from office of the company registrar.

##### 3. Solvency Ratio:

The solvency ratio of the company as on Year Ended 31st Asar 2080 stands to 3.24, which is well above than the minimum requirement of 1.5 prescribed by Nepal Insurance Authority.

##### 4. Declaration on Basis of Measurement:

The annual financial statements are prepared under the historical cost convention, except for certain assets and liabilities measured as follows as follows:

- a. Investment in equity instruments and units of mutual funds are measured at fair value.
- b. Liability for defined benefit obligations is recognized at the present value of the defined benefit obligation as determined by the actuary. Insurance contract liabilities are actuarially determined values, and these have been measured at higher of such actuarial determined values under liability adequacy test and regulatory requirements as per Section 2, Annexure 8 of Actuarial Valuation Directive 2076 issued by Nepal Insurance Authority.

##### 5. Declaration on Investment:

Investments made by the company are in line with the investment directive issued by the Nepal Insurance Authority. The details of the investment have been duly reported to the regulator and prior approval as required has been taken on a case-to-case basis.

## 6. Claim Settlement:

The following are the details of claims settled and outstanding as on year ended 31st Asar 2080.

Particulars	Number
Number of Claim Settled (FY 2079/80)	11,858
Number of Claim Outstanding (As on 31st Asar 2080) (including 5,832 Covid Claim)	8,533

### Time Frame to Settle the outstanding claim:

The company has the policy to settle the outstanding claim within 21 days after receipt of all the required documents.

## 7. Declaration on Compliance:

The financial statements have been prepared in all material aspects under Nepal Financial Reporting Standards (NFRS) laid down by the Accounting Standard Board (ASB), and comply with requirements of Insurance Act 2079, Insurance Regulation, Company Act, 2063, Security Exchange Act 2063 and applicable directives issued by Nepal Insurance Authority along with compliance and disclosures as per other applicable laws of Nepal.

## 8. Declaration on Accounting Policy:

The Accounting Policies have been consistently applied to all the years presented, unless otherwise specifically stated.

## 9. Declaration on True & Fair Presentation:

The financial statements of the company present fairly, in all material respects, the financial position of the company as on 31st Asar 2080, and its financial performance for the year then ended.

## 10. Declaration on Safeguard of Assets & identification and mitigation against losses due to fraud, embezzlement, and irregularities:

The Board of Directors of the company has implemented adequate and appropriate provisions to safeguard the assets as well as for the identification and mitigation against losses due to fraud, embezzlement and irregularities.

## 11. Declaration on Going Concern:

The Board of Directors have assessed the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as going concern and accordingly, the financial statements have been prepared on the basis of going concern.

## 12. Declaration on Internal Control:

Necessary mechanisms, rules and procedures are implemented in the company for the effective internal control system. The internal control system is commensurate with the size, nature & volume of the company's business.

13. The company has not conducted any transactions contrary to Insurance Act, 2079, Insurance Regulation, Companies Act, 2063, related regulations and directions with any person, firm, company and its director or with any entity in which its director has interest.

## 14. Penalties Levied by Nepal Insurance Authority:

No penalty has been imposed by Nepal Insurance Authority during the FY 2079/80.

## 15. Other Disclosures:

None

**Mahendra Krishna Shrestha**  
Chairman

**Vijit Krishna Shrestha**  
Director

**Ajaya Ratna Sthapit**  
Director

**Bijay Kumar Pant**  
Director

**Avilasha Panth Sharma**  
Director

**Hem Raj Thapa**  
Director

Date: 10th January 2024

# N. Amatya & Co.

Chartered Accountants

UDIN: 240110CAG020983K34

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HIMALAYAN EVEREST INSURANCE LIMITED

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of **Himalayan Everest Insurance Limited** (the Company), which comprise the statement of financial position as at Ashad 31, 2080 (July 16, 2023), and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, 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 Ashad 31, 2080 (July 16, 2023), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

#### Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics for professional accountant issued by Institute of Chartered Accountants of Nepal (ICAN) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2063 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Code of Ethics for professional accountants. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Emphasis of matter

We draw attention to note 1 of the financial statements which describe the merger of the company with Everest Insurance Company Limited and the merged entity commenced joint operations in the name of Himalayan Everest Insurance Limited from Shrawan 1, 2079 (July 17, 2022). Our opinion is not modified in respect of this matter.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the financial year ended on Ashad 31, 2080 (July 16, 2023). 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.

Key audit matters	How our audit addressed the key audit matter
<b>Investments</b> (Refer Note 3.5 "Financial instruments, financial assets and financial liabilities" and Note 10 of the financial statements)	
The Company's investments represent substantial portion of the assets as at Ashad 31, 2080 which are valued in accordance with the accounting policy as framed in note 3.5 of the financial statements and in accordance with the framework as per the extent of the regulatory guidelines.	Our audit procedures included the following: <ul style="list-style-type: none"><li>• Tested the design implementation and operating effectiveness of key controls over valuation process of investments.</li><li>• Assessed appropriateness of the valuation techniques with reference to NAS 39 – Financial Instruments: Recognition and Measurement read together with NFRS 9 –</li></ul>
Valuation of actively traded equity shares and mutual fund units are done as per the last traded	





<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p>price as on the reporting date in Nepal Stock Exchange (NEPSE). If such securities are not traded on the reporting date, they are valued as per the previous closest traded price.</p> <p>Unlisted equity instruments and mutual fund units are measured at cost.</p> <p>All other securities including debt instruments have been measured at historical cost subject to amortization of premium paid, if any, over the residual period. The valuation of these investments is considered to be one of the areas which required attention and was one of the matters of significance in the financial statements.</p>	<p>Financial Instruments along with the Company's own valuation policy.</p> <ul style="list-style-type: none"> <li>• We have agreed a sample of year-end investment holdings to external valuations and custody sources to verify the valuation and existence of these investments.</li> <li>• Understood the management's process for identifying the existence of impairment indicators in respect of the interests in equity instruments measured at fair value through Other comprehensive income.</li> <li>• Obtained an understanding of price verification control, which is designed to review the appropriateness of valuation methodologies to derive model inputs.</li> <li>• Based on our audit procedures performed, we concluded that the valuation of level 1 financial instruments is appropriate.</li> </ul>
<p><b>Provision for outstanding claim</b> (Refer Note 3.14 "Benefits and claims"; Note 3.11 "Insurance contract liabilities"; Note 33 and Note 19 of the financial statements)</p>	
<p>Insurance claim is the major area of expense for the Company.</p> <p>The Company makes the complete provisions of the remaining amounts of the payment against the claim made by the Company before year-end and claims incurred but not reported (IBNR) is recognised as higher of the conventional 15% outstanding claim or that determined by the actuarial methods.</p> <p>Given the fact that the provision is required to be made in respect of outstanding claim and complexity of calculations, the same has been considered as Key Audit Matter in our audit of the financial statements of the Company.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Verified the operational mechanisms of the Company including the internal guidelines and standard operating procedures relating to claim processing, performed test of controls over claim settlement process and recording processes including analytical procedures on outstanding claims.</li> <li>• Obtained clear understanding of the process and guidelines as per directives issued by the Insurance Authority for claim processing and compared their implementation and effectiveness in regard to internal operational guidelines relating to claim processing.</li> <li>• Verified the claim paid and provision on sample basis along with evidence of payment, documentation as well as surveyor report and understanding the recording process in the books of account.</li> <li>• In the case of IBNR, the amount of insurance contract liabilities has been estimated by the actuary appointed by the Company. The actuarial valuation of insurance contract liabilities in respect of IBNR and IBN(E)R claims as of Ashad 31, 2080 is as certified by the Company's appointed actuary.</li> <li>• Verified the sufficiency and adequacy of related insurance contract liability based on report from the Company appointed actuary</li> </ul>



<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
	<p>with the liabilities recognised in the financial statements.</p> <ul style="list-style-type: none"> <li>Examined the appropriateness and validity of key assumptions and information provided by the Company to the Company appointed actuary for valuation of insurance contract liabilities.</li> </ul>
<p><b>Revenue Recognition (Premium Income)</b>  <i>(Refer Note 3.13 "Revenue recognition" and Note 25 of the financial statements)</i></p>	
<p>Premium income comprises a major part of revenue which is recorded on issue of policy as prescribed by the Insurance Authority.</p> <p>Unearned premium income of previous and current fiscal year is recorded / adjusted as estimated by the Company appointed actuary and as prescribed by the directives issued by the Insurance Authority.</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. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.</p> <p>Since the management considers revenue as key measure of evaluation of performance, there is a risk of revenue being recorded before control is transferred and is not recognised in the correct period.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtained and read the Company's revenue accounting policy on revenue recognition in accordance with the requirements of relevant standards.</li> <li>Understood and tested the design, implementation and operating effectiveness of key controls over premium collection and its recognition.</li> <li>Obtained clear understanding of the process of issuing the policies as per directives issued by the Insurance Authority and understood the process of booking such premium as income.</li> <li>Tested on a sample basis unallocated premium to ensure that there were no policies where risk assumed were prior to recognition of revenue and corresponding to collection of premiums.</li> <li>Verified on a sample basis the policies and other related documents including premium calculations therein as per regulatory requirements and internal policies of the Company along with premium / cash receipt thereto so as to ascertain the correctness of period of revenue recognition.</li> <li>Verified on a sample basis, the premium ceded to the reinsurers as per Reinsurance agreement / treaty with the reinsurers.</li> <li>Verified unearned premium income as assessed by the Company appointed actuary in the actuarial valuation report.</li> <li>Based on our audit procedures performed, we concluded that the premium income recognition is appropriate.</li> </ul>
<p><b>Gain on disposal of FVOCI Instrument</b>  <i>(Refer Note 31 and statement of changes in equity of the financial statements)</i></p>	
<p>A financial asset is measured at FVOCI, if it is held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtained and read the Company's accounting policy on recognition of gain on disposal of FVOCI instruments in accordance with the</li> </ul>



<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p>interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the other comprehensive income (OCI), except for the recognitions of impairment gains or losses, interest revenue and foreign exchange gain or losses; interest revenue and foreign exchange gains and losses are recognised in profit or loss.</p> <p>The fair value gains or losses of FVOCI instruments are not recycled to profit or loss. Rather the gains or losses are reclassified to retained earnings upon actual disposal of the FVOCI instrument.</p> <p>Since fair value are not recycled to profit and loss upon actual disposal and is reclassified to retained earnings through statement of changes in equity, it poses certain challenges in evaluating the appropriateness and accuracy of the Company's judgement on the amount to be reclassified to retained earnings.</p> <p>As of the current fiscal year ended on Ashadh 31, 2080, the Company have recognised loss of Rs. 322,532 to the retained earnings for disposal of FVOCI instruments. The same has been considered as key audit matter in our audit of the financial statements of the Company.</p>	<p>requirements of NAS 39 – Financial Instruments: Recognition and Measurement read together with NFRS 9 – Financial Instruments.</p> <ul style="list-style-type: none"> <li>• Checked the accuracy of the amount that has been recognised to retained earnings by analyzing both the historical fair value adjustment to other comprehensive income (OCI) and the current disposal value of the FVOCI instruments.</li> <li>• Ascertained that the transaction costs related to the FVOCI instruments are charged to the same FVOCI instruments and not charged off in profit or loss.</li> <li>• Verified the withholding capital gain taxes therein, wherever applicable, have been deposited with the regulatory authority.</li> <li>• Evaluated the management's methodologies and the Company's internal procedures relating to accounting records of such FVOCI instruments.</li> <li>• Verified from external sources and relevant documents including that from the custody sources that the disposal and subsequent transfer of FVOCI equity instruments are recorded in the correct reporting period.</li> <li>• Based on our audit procedures performed, we concluded that the recognition of gain on disposal of FVOCI investments is appropriate.</li> </ul>

**Information other than the financial statements and auditor's report thereon**

The management of the Company is responsible for the 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 statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement therein, 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**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using



the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

***Auditor's responsibilities for the audit of the financial statements***

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

As part of an audit in accordance with NSAs, we exercise professional judgement 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

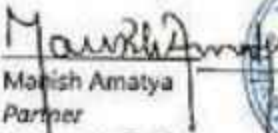
***Report on Other Legal and Regulatory Requirements***

We report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.



- c. The enclosed statement of financial position, statement of profit or loss, statement of other comprehensive income and statement of cash flows have been prepared in conformity with provision of the Company Act, 2063 and format as prescribed by Nepal Insurance Authority and the same are in agreement with the books of account maintained by the Company.
- d. In our opinion and to the best of our information and according to the explanations given to us, the board or any member thereof or any employee of the Company has not acted against the provision of law relating the accounts nor caused loss or damage to the Company or misappropriated the funds of the Company.
- e. To the best of our knowledge, the Company has maintained insurance fund and other mandatory reserves as prescribed by the directive issued by Nepal Insurance Authority.
- f. We did not obtain any information indicating engagement of the Company in activities other than insurance business as approved/licensed by Nepal Insurance Authority.
- g. We did not obtain any information indicating the Company's activities which are prejudicial to the interest of the insured.
- h. The Company has complied with the directive issue by Nepal Insurance Authority.
- i. We did not obtain any information indicating issuance of insurance policies other than as approved by Nepal Insurance Authority.
- j. It appears that all the financial and other information which is required to be reported/informed to the shareholders as per the prevalent laws has been provided to the shareholders.
- k. To the best of our knowledge, the Company is capable of bearing its long-term liabilities from its assets.
- l. The Internal control system implemented by the Company was found to be effective.

  
Mahesh Amatya  
Partner  
N. Amatya & Co.  
Chartered Accountants



Place: Kathmandu

Date: January 10, 2024 (Poush 25, 2080)

# Himalayan Everest Insurance Limited

## Statement Of Financial Position

As At Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

	Notes	As at Ashad 31, 2080 (July 16, 2023)	As at Ashad 32, 2079 (July 16, 2022)
<b>ASSETS</b>			
Goodwill and intangible assets	4	20,992,187	9,090,559
Property, plant and equipment	5	316,695,727	175,103,649
Investment properties	6	-	-
Deferred tax assets	7	90,362,723	53,241,535
Investment in subsidiaries	8	-	-
Investment in associates	9	-	-
Investments	10	4,654,708,234	1,843,736,972
Loans	11	-	-
Reinsurance assets	12	3,191,111,435	2,054,311,737
Current tax assets (net)	21	-	59,549,584
Insurance receivables	13	1,154,516,677	221,972,587
Other assets	14	48,959,553	28,635,772
Other financial assets	15	151,561,392	146,941,880
Cash and cash equivalents	16	207,456,354	347,328,744
<b>TOTAL ASSETS</b>		<b>9,836,364,282</b>	<b>4,939,913,019</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	17(a)	2,301,535,000	1,173,509,100
Share application money pending allotment	17(b)	-	-
Share premium	17(c)	-	-
Special reserve	17(d)	1,410,503,655	707,723,176
Catastrophe reserves	17(e)	57,061,187	26,049,183
Retained earnings	17(f)	226,482,875	68,434,242
Other equity	17(g)	294,796,841	84,142,177
<b>TOTAL EQUITY</b>		<b>4,290,379,558</b>	<b>2,059,857,878</b>
<b>LIABILITIES</b>			
Provisions	18	3,417,533	8,481,680
Gross insurance contract liabilities	19	4,187,573,339	2,430,289,758
Deferred tax liabilities	7	-	-
Insurance payables	20	858,561,613	200,305,095
Current tax liabilities (net)	21	17,927,670	-
Borrowings	22	-	-
Other liabilities	23	249,773,619	138,678,450
Other financial liabilities	24	228,730,950	102,300,158
<b>TOTAL LIABILITIES</b>		<b>5,545,984,724</b>	<b>2,880,055,141</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,836,364,282</b>	<b>4,939,913,019</b>

For and on behalf of Himalayan Everest Insurance Limited

**Mahendra Krishna Shrestha**  
Chairman

**Vijit Krishna Shrestha**  
Director

**Ajaya Ratna Sthapit**  
Director

**Hem Raj Thapa**  
Director

As per our report of even date

**Manish Amatya**  
Partner

**Bijay Kumar Pant**  
Director

**Avilasha Panth Sharma**  
Director

**Vijaya Bahadur Shah**  
Chief Executive Officer

**Rajkumar Khadka**  
Chief Financial Officer

N. Amatya & Co.  
Chartered Accountants

Place: Kathmandu  
Date: 10th January, 2024

# Himalayan Everest Insurance Limited

## Statement Of Profit Or Loss

For The Year Ended Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

	Notes	For the year ended	
		Ashad 31, 2080 (July 16, 2023)	Ashad 31, 2079 (July 16, 2022)
<b>INCOME</b>			
Gross earned premiums	25	3,394,102,330	1,734,572,615
Premiums ceded	26	(2,415,783,095)	(1,395,856,787)
<b>Net earned premiums</b>		<b>978,319,235</b>	<b>338,715,828</b>
Commission income	27	390,558,980	165,278,713
Other direct income	28	-	-
Investment income and loans	29	338,770,094	48,700,893
Net gains/ (losses) on fair value changes	30	-	-
Net realised gains/ (losses)	31	(1,263,914)	1,020,612
Other income	32	9,059,687	3,811,451
<b>TOTAL INCOME</b>		<b>1,715,444,082</b>	<b>657,527,497</b>
<b>EXPENSES</b>			
Gross claims paid	33	2,520,707,724	764,811,051
Claims ceded	33	(1,914,671,679)	(594,279,499)
<b>Net claims paid</b>		<b>606,036,045</b>	<b>170,531,552</b>
Gross change in contract liabilities	34	(264,738,255)	523,298,064
Change in contract liabilities ceded to reinsurers	34	124,566,532	(491,322,200)
<b>Net changes in insurance contract liabilities</b>		<b>(140,171,723)</b>	<b>31,975,864</b>
<b>Net claims paid</b>		<b>465,864,322</b>	<b>202,507,416</b>
Commission expenses	35	59,174,530	28,681,699
Service fees	36	10,885,921	5,182,852
Other direct expenses	37	3,970,633	-
Employee benefits expenses	38	350,331,144	115,156,619
Depreciation and amortization expenses	39	19,194,061	10,383,752
Impairment losses	40	-	-
Other operating expenses	41	162,148,699	80,094,596
Finance cost	42	1,719,066	737,577
<b>TOTAL EXPENSES</b>		<b>1,073,288,370</b>	<b>442,744,511</b>
<b>Net profit/(loss) for the year before share of net profits of associates accounted for using equity method and tax</b>		<b>642,155,706</b>	<b>214,782,986</b>
Share of net profit of associates accounted using equity method	9	-	-
<b>Profit before tax</b>		<b>642,155,706</b>	<b>214,782,986</b>
Income tax expense	43	197,096,179	64,027,533
<b>Net profit/ (loss) for the year</b>		<b>445,059,527</b>	<b>150,755,453</b>
<b>Earning per share</b>			
Basic EPS	51	19.34	12.85
Diluted EPS		19.34	12.85
Restated basic EPS			6.55

The accompanying notes form an integral part of these financial statements.

### For and on behalf of Himalayan Everest Insurance Limited

**Mahendra Krishna Shrestha**  
Chairman

**Vijit Krishna Shrestha**  
Director

**Ajaya Ratna Sthapit**  
Director

**Hem Raj Thapa**  
Director

As per our report of even date

**Bijay Kumar Pant**  
Director

**Avilasha Panth Sharma**  
Director

**Vijaya Bahadur Shah**  
Chief Executive Officer

**Rajkumar Khadka**  
Chief Financial Officer

**Manish Amatya**  
Partner  
N. Amatya & Co.  
Chartered Accountants

Place: Kathmandu  
Date: 10th January, 2024

## Himalayan Everest Insurance Limited

### Statement Of Other Comprehensive Income

For The Year Ended Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

	For the year ended	
	Ashad 31, 2080 (July 16, 2023)	Ashad 32, 2079 (July 16, 2022)
<b>Net profit/ (loss) for the year</b>	<b>445,059,527</b>	<b>150,755,453</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	-	-
Income tax relating to above items	-	-
Reclassified to profit or loss	-	-
<b>b. Items that will not be Reclassified to Profit or Loss</b>		
Changes in fair value of FVOCI equity instruments	69,827,376	(45,128,634)
Revaluation of property, plant and equipment/ goodwill and intangible assets	-	-
Remeasurement of post-employment benefit obligations	-	-
Share of other comprehensive income of associates accounted for using the equity method	-	-
Income tax relating to above items	(20,948,213)	13,538,586
<b>Total other comprehensive income for the year, net of tax</b>	<b>48,879,163</b>	<b>(31,590,048)</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>493,938,690</b>	<b>119,165,405</b>

For and on behalf of Himalayan Everest Insurance Limited

Mahendra Krishna Shrestha  
Chairman

Vijit Krishna Shrestha  
Director

Ajaya Ratna Sthapit  
Director

Hem Raj Thapa  
Director

As per our report of even date

Bijay Kumar Pant  
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Chief Financial Officer

**Manish Amatya**  
Partner  
N. Amatya & Co.  
Chartered Accountants

Place: Kathmandu  
Date: 10th January, 2024



## Himalayan Everest Insurance Limited Statement Of Changes In Equity

	Amount in NPRs.										
	Share capital	Retained earnings	Special Reserve	Capital Adjustment Reserve	Catastrophe Reserve	Corporate Social Responsibility Reserve	Fair Value Reserve	Actuarial Reserve	Deferred Tax Reserve	Regulatory Reserve	Total
<b>For the year ended Ashad 32, 2079 (July 16, 2022)</b>											
<b>Balance as at Ashad 31, 2078 (July 15, 2021)</b>	1,100,336,700	82,972,081	646,982,169	-	19,009,262	-	12,394,491	1,931,617	44,264,539	36,652,793	1,944,543,652
Profit/(loss) for the year	-	150,755,453	-	-	-	-	-	-	-	-	150,755,453
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 local equity instruments	-	-	-	-	-	-	(31,590,048)	-	-	-	(31,590,048)
v) Revaluation of property, plant and equipment/ intangible assets	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of post-employment benefit obligations	-	1,931,617	-	-	-	-	-	(1,931,617)	-	-	-
Transfer to reserves/ funds	-	(88,707,570)	60,741,007	-	7,039,921	1,311,402	-	-	-	19,615,240	-
Transfer from reserves/ funds	-	(1,552,847)	-	-	-	-	-	-	1,552,847	-	-
Transfer of deferred tax reserves	-	-	-	-	-	-	-	-	-	-	-
Transfer of depreciation on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Transfer on disposal of revalued property, plant and equipment	-	84,410	-	-	-	-	(84,410)	-	-	-	-
Transfer on disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-
Current tax on disposed equity instruments measured at FVTOCI	-	(25,323)	-	-	-	-	25,323	-	-	-	-
Prior period adjustments	-	-	-	-	-	-	-	-	-	-	-
Share issuance costs	-	-	-	-	-	-	-	-	-	-	-
Contribution by/ distribution to the owners of the company	-	-	-	-	-	-	-	-	-	-	-
i) Bonus share issued	73,172,400	(73,172,400)	-	-	-	-	-	-	-	-	-
ii) Share issue	-	-	-	-	-	-	-	-	-	-	-
iii) Cash dividend	-	(3,851,179)	-	-	-	-	-	-	-	-	(3,851,179)
iv) Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	-
v) Others	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at Ashad 32, 2079 (July 16, 2022)</b>	1,173,509,100	68,434,242	707,723,176	-	26,049,163	1,311,402	(19,254,644)	-	45,817,386	56,268,033	2,059,857,878

For the year ended Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

	Share capital	Retained earnings	Special Reserve	Capital Adjustment Reserve	Catastrophe Reserve	Corporate Social Responsibility Reserve	Fair Value Reserve	Actuarial Reserve	Deferred Tax Reserve	Regulatory Reserve	Total
Balance as at Ashad 32, 2079 (July 16, 2022)	1,175,509,100	69,434,242	707,723,176	-	26,049,183	1,311,402	(19,254,644)	-	45,817,386	56,266,033	2,059,857,878
Equity components added through merger	1,065,427,600	1,330,505	469,101,333	188,193,101	19,328,046	56,642	(21,143,391)	-	11,121,243	4,014,196	1,738,429,275
Profit/(loss) for the year	-	445,059,527	-	-	-	-	-	-	-	-	445,059,527
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	-	-	-	-	-	-	48,879,163	-	-	-	48,879,163
v) Revaluation of property, plant and equipment/ intangible assets	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of post-employment benefit obligations	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserves/ funds	-	(290,036,686)	233,679,146	-	11,683,957	4,673,583	-	-	-	-	-
Transfer from reserves/ funds	-	60,282,229	-	-	-	-	-	-	(60,282,229)	-	-
Transfer of deferred tax reserves	-	(37,983,465)	-	-	-	-	-	-	37,983,465	-	-
Excess deferred tax reserve transferred back to retained earning	-	4,559,371	-	-	-	-	-	-	(4,559,371)	-	-
Transfer of depreciation on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Transfer on disposal of revalued property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Transfer on disposal of equity instruments measured at FVTOCI	-	-	-	-	-	-	-	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer on disposal of equity instruments measured at FVTOCI net of tax	-	(322,532)	-	-	-	-	322,532	-	-	-	-
Current tax on disposed equity instruments measured at FVTOCI	-	-	-	-	-	-	(96,760)	-	-	-	(96,760)
Prior period adjustments	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Reserve utilized	-	-	-	-	-	(1,368,044)	-	-	-	-	(1,368,044)
Goodwill created on merger	-	-	-	2,860,535	-	-	-	-	-	-	2,860,535
Contribution by/ distribution to the owners of the company	61,598,300	(61,598,300)	-	-	-	-	-	-	-	-	-
i) Bonus share issued	-	-	-	-	-	-	-	-	-	-	-
ii) Share issue	-	-	-	-	-	-	-	-	-	-	-
iii) Cash dividend	-	-	-	-	-	-	-	-	-	-	-
iv) Dividend distribution tax	-	(3,242,016)	-	-	-	-	-	-	-	-	(3,242,016)
v) Rounding off adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance as at Ashad 31, 2080 (July 16, 2023)	2,301,535,000	226,482,875	1,410,503,655	191,653,636	57,061,186	4,673,583	8,786,900	-	90,362,723	-	4,290,379,558



## Himalayan Everest Insurance Limited

### Statement Of Cash Flows

For The Year Ended Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

	For the year ended	
	Ashad 31, 2080 (July 16, 2023)	Ashad 32, 2079 (July 16, 2022)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Gross premium received	3,401,846,256	2,040,396,434
Commission received	345,722,136	197,988,595
Claim recovery received from reinsurers	1,235,559,370	568,937,957
Foreign exchange income other than on cash and cash equivalents	(535,961)	3,787,728
Other income	6,361,112	2,626,496
<b>Cash paid</b>		
Gross claims paid	(2,510,215,444)	(744,580,090)
Reinsurance premium paid	(1,576,886,764)	(1,490,512,711)
Commission paid	(39,628,122)	(32,145,232)
Service fees paid	(32,766,807)	(13,354,399)
Employee benefits expenses paid	(326,723,227)	(122,281,111)
Other expenses paid	(6,136,093)	(44,142,966)
Other direct expenses	(3,970,633)	-
Income tax paid	(79,943,311)	(73,954,304)
<b>Total cash flow from operating activities</b>	<b>412,682,512</b>	<b>292,766,397</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisitions of intangible assets	(7,818,362)	(4,708,372)
Proceeds from sale of intangible assets	-	-
Acquisitions of investment properties	-	-
Proceeds from sale of investment properties	-	-
Rental income received	-	-
Acquisitions of property, plant & equipment	(75,724,574)	(95,872,190)
Proceeds from sale of property, plant & equipment	5,338,808	7,964,181
Payment for acquisition of subsidiaries/ investment in subsidiaries	-	-
Investment in associates	-	-
Receipts from sale of investments in subsidiaries	-	-
Receipts from sale of investments in associates	-	-
Purchase of equity instruments	(181,811,708)	(139,249,170)
Proceeds from sale of equity instruments	6,760,035	14,920,993
Purchase of mutual funds	(10,998,307)	(4,625,100)
Proceeds from sale of mutual funds	-	-
Purchase of preference shares	-	-
Proceeds from sale of preference shares	-	-
Purchase of debentures	(32,715,989)	(2,000,000)
Proceeds from sale of debentures	-	-
Purchase of bonds	-	-
Proceeds from sale of bonds	-	-
Investments in deposits	(4,379,371,103)	(1,165,012,000)
Maturity of deposits	3,592,117,050	1,270,000,000

Proceeds from finance lease	-	-
Loans paid	-	-
Proceeds from loans	-	-
Interest income received	334,520,218	141,037,321
Dividend received	3,034,161	9,708,487
Other income	-	-
<b>Total cash flow from investing activities</b>	<b>(745,669,771)</b>	<b>32,164,150</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	-	(737,577)
Payment of finance lease	-	-
Proceeds from issue of share capital	-	-
Proceeds from loans and borrowings	-	(39,244,567)
Share issuance cost paid	-	-
Dividend paid	(374,248)	(505,766)
Dividend distribution tax paid	(3,242,016)	(3,851,179)
Others	-	-
<b>Total cash flow from financing activities</b>	<b>(3,616,264)</b>	<b>(44,339,089)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (a+b+c)</b>	<b>(337,603,523)</b>	<b>280,591,458</b>
Cash and cash equivalents at beginning of the year	347,328,744	66,345,464
Cash and cash equivalents taken over from Everest Insurance Company Limited	194,416,386	-
Effect of exchange rate changes on cash and cash equivalents	3,314,747	391,822
<b>Cash and cash equivalents at end of the year</b>	<b>207,456,354</b>	<b>347,328,744</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	1,200,000	492,907
Cheques in hand	-	-
Term deposit with banks (with initial maturity up to 3 months)	-	268,946,840
Balance with banks	206,256,354	77,888,997
<b>Total</b>	<b>207,456,354</b>	<b>347,328,744</b>

#### For and on behalf of Himalayan Everest Insurance Limited

**Mahendra Krishna Shrestha**  
Chairman

**Vijit Krishna Shrestha**  
Director

**Ajaya Ratna Sthapit**  
Director

**Hem Raj Thapa**  
Director

As per our report of even date

**Manish Amatya**  
Partner

**Bijay Kumar Pant**  
Director

**Avilasha Panth Sharma**  
Director

**Vijaya Bahadur Shah**  
Chief Executive Officer

**Rajkumar Khadka**  
Chief Financial Officer

N. Amatya & Co.  
Chartered Accountants

Place: Kathmandu  
Date: 10th January, 2024

## Himalayan Everest Insurance Limited

### Statement Of Distributable Profit Or Loss

For The Year Ended Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

	For the year ended	
	Ashad 31, 2080 (July 16, 2023)	Ashad 32, 2079 (July 16, 2022)
<b>Opening balance in retained earnings</b>	<b>88,609,479</b>	<b>77,864,790</b>
Retained earning brought in from merger	1,330,505	-
Transfer from OCI reserve to retained earning in current year	(322,532)	-
Net profit or (loss) as per statement of profit or loss	445,059,527	150,755,453
<b>Appropriations:</b>		
i) Transfer to insurance fund	-	-
ii) Transfer to special reserve	(233,679,146)	(60,741,007)
iii) Transfer to catastrophe reserve	(11,683,957)	-
iv) Transfer (to)/from capital reserve	-	-
v) Transfer to CSR reserve	(4,673,583)	-
vi) Transfer (to)/from regulatory reserve	60,282,229	(19,615,240)
vii) Transfer to fair value reserve	-	59,087
viii) Transfer to deferred tax reserve	(37,983,465)	(1,552,847)
ix) Transfer to OCI reserve due to change in classification	-	-
x) Actuarial reserve	-	19,254,644
xi) Others	-	-
Capital adjustment reserve	191,053,635	-
Excess deferred tax reserve reverted back to retained earnings	4,559,371	-
<b>Deductions:</b>		
i) Accumulated fair value gain on financial instruments measured at FVTPL	-	-
a) Equity Instruments	-	-
b) Mutual Fund	-	-
c) Others	-	-
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 hedged instrument in fair value hedge	-	-
v) Accumulated fair value gain of ineffective portion on cash flow hedge	-	-
vi) Goodwill recognised	(2,860,535)	-
vii) Unrealised gain on fluctuation of foreign exchange currency	(3,314,747)	(391,822)
viii) Accumulated share of net profit of associates accounted using equity method included in investment account	-	-
ix) Overdue loans	-	-
x) Fair value gain recognised in Statement of profit or loss	-	-
xi) Investment in unlisted shares	-	-
xii) Delisted share investment or mutual fund investment	-	-
xiii) Bonus share distributed during the year	(61,598,300)	(73,172,400)
xiv) Cash dividend distributed during the year	(3,242,016)	(3,851,179)
xv) Deduction as per section (17) Financial directive	-	-
xvi) Deduction as per section (18) Financial directive	(36,378,607)	-
xvii) Others	-	-
<b>Adjusted retained earnings</b>		
Add: Transfer from share premium	-	-
Less: Amount apportioned for assigned capital	-	-
Less: Deduction as per sec 15(1) of financial directive	-	-
Add/Less: Others	-	-
<b>Total distributable profit</b>	<b>395,157,858</b>	<b>88,609,479</b>

# HIMALAYAN EVEREST INSURANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended on Ashad 31, 2080 (July 16, 2023)

### 1. Company overview

Himalayan Everest Insurance Limited (hereinafter referred to as "the Company") is a public limited liability company incorporated as per the laws of Nepal. The Company obtained the license (License number 04/050) from Nepal Insurance Authority on Srawan 6, 2050 and finally got approval from the Authority to carry on business from Srawan 13, 2050 under Insurance Act 2079. The Company started its commercial operation from Mangsir 16, 2050.

The registered office of the Company and the principal place of business is HGI House, Babar Mahal, Kathmandu, Nepal. The Company's share are listed in Nepal Stock Exchange.

The Company is engaged in the business of underwriting non-life insurance through its branches and network of agents. There were no significant changes in the nature of principal activities in the company during the financial year.

The Company does not have any holding company and neither have any interest in subsidiary and associate companies.

The company merged with Everest Insurance Company Limited and commenced joint operation in the name of the merged entity, Himalayan Everest Insurance Limited from Srawan 1, 2079 (July 17, 2022).

### 2. Basis of preparation of financial statements

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.

#### 2.1 Reporting period and approval of financial statement

##### a. Reporting dates

The company follows the Nepalese financial year based on the Nepalese calendar starting from first day of Srawan of each year (mid-July) to the last day of Ashad (mid-July) of the next year.

##### b. Approval of financial statements

This financial statement was approved for issue by the Company's board of directors on January 10, 2024.

#### 2.2 Statement of compliance

These financial statements, which comprise the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity, statement of cash flows, and notes along with the relevant presentation requirements thereto have been prepared in all material aspects under Nepal Financial Reporting Standards (NFRS) laid down by the Accounting Standard Board (ASB), and comply with requirements of Company Act, 2063 of Nepal and applicable directives issued by Nepal Insurance Authority and required disclosures as per Securities Board Nepal. The Company adopted NFRS from Srawan 1, 2074 (July 16, 2017). 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.

#### 2.3 Basis of measurement

These financial statements are prepared under the historical cost convention, except for certain assets and liabilities measured as follows as follows:

- Investment in equity instruments and units of mutual funds are measured at fair value.
- Liability for defined benefit obligations is recognized at the present value of the defined benefit obligation as determined by the actuary.
- Insurance contract liabilities are actuarially determined values, and these have been measured at higher of such actuarial determined values under liability adequacy test and regulatory requirements as per Section 2, Annexure 8 of Actuarial Valuation Directive 2076 issued by Nepal Insurance Authority.

Historical cost is generally the 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 and the significance of the inputs used for fair value measurement in its entirety, which are described as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs are unobservable inputs for the asset or liability.

The Company presents its statement of financial position broadly in the order of liquidity.

#### 2.4 Use of estimates and judgements

The preparation of financial statements in conformity with NFRS requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical accounting estimates / judgements	Disclosure note
Unexpired risk reserve (URR)	Note 3.11(a)
Provision for gross outstanding claims (OCR)	Note 3.11(b)
Provision for incurred but not reported claims (IBNR)	Note 3.11(c)
Employee benefits	Note 3.12(a), (b) and (c)
Useful lives of property, plant and equipment	Note 3.1(d)
Useful lives of intangible assets	Note 3.2(b)(v)

#### c. Insurance contract liabilities

For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the date of statement of financial position and for the expected ultimate cost of claims incurred, but not yet reported (IBNR). It can take significant period of time before the ultimate claims cost can be established with certainty. The main assumption underlying estimating the amounts of outstanding claims is the past claims development experience.

#### d. Defined benefit obligation

The defined benefit obligation liability of the Company is based on the actuarial valuations carried out by an independent actuary. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is very sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### e. Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

## 2.5 Functional and presentation currency

The financial statements are presented in Nepalese Rupees (Rs.), which is the functional and presentation currency of the Company. Amounts in the financial statements are rounded off to the nearest rupee.

## 2.6 Going concern

The board of directors have made assessment of the Company's ability to continue as going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as going concern and accordingly, the financial statements continue to be prepared on the basis of going concern.

## 2.7 Changes in accounting policy

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company changes its 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 company's financial position, financial performance, or cash flows.

## 2.8 New standard issued but not yet effective

New standards and amendments to the existing standards and interpretations have been issued by ICAN with varying effective dates. Those become applicable from the financial year beginning from Srawan 1, 2081 (July 17, 2023).

Standards issued but not yet effective up to the date of issuance of the financial statements are set out below. The Company will adopt these standards from their effective dates.

### a. NFRS 17 – Insurance Contract

NFRS 17 will replace NFRS 4 – Insurance Contract. Under the NFRS 17 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. The discount rate will reflect current interest rates. NFRS 17 requires an entity to recognise profit as it delivers insurance services, rather than when it received premium and to provide information about insurance contract profit that an entity expects to recognise in the future period.

NFRS 17 becomes effective from financial year commencing from Srawan 1, 2081 (July 16, 2024). The management of the Company is assessing the potential impact in its financial statements from the application of this standard.

## 2.9 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.

## 2.10 Presentation of financial statements

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

## 2.11 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 that are material.

## 3. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 3.1 Property, plant and equipment

#### a. Recognition of property, plant and equipment

The cost of an item of property, plant and equipment is recognised as assets if and only if:

- It is probable that future economic benefits associated with the item will flow the Company; and
- The cost of the item can be measured reliably.



**b. Initial recognition**

Property, plant and equipment are stated at historical cost less depreciation, and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of an item of property, plant and equipment.

**c. Subsequent recognition**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

**d. Depreciation method, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method over their useful lives. The estimated useful lives of property, plant and equipment is as follows:

Class of property, plant and equipment	Useful life
Building	60 years
Leasehold property	5 years
Furniture and fixtures	10 years
Computers	5 years
Office equipment	5 years
Other assets	10 years
Vehicles	10 years

Freehold land is not depreciated.

Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted if appropriate.

**e. Disposals and derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the property, plant and equipment and is recognised in the statement of profit or loss.

**f. Impairment of property, plant and equipment**

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**g. Capital work-in-progress**

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

## 3.2 Goodwill and intangible assets

### a. Goodwill on business combination

#### i. Initial recognition

Goodwill on business combination is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in the statement of profit or loss as a bargain purchase gain.

#### ii. Amortisation and impairment

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

### b. Other intangible assets

#### iii. Initial recognition

Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible asset acquired separately are measured at cost. Cost includes expenditure that is directly attributable to the acquisition of an item of intangible assets. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

#### iv. Subsequent recognition

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit or loss as incurred.

#### v. Amortisation

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

The useful economic life of an intangible asset is considered finite where the right to such asset is limited to a specified period of time by contract or by the likelihood of technological obsolescence. Intangible assets with finite lives are amortised using the straight-line method to write down the cost over its estimated useful economic lives and is recognised in statement of profit or loss.

Class of intangible assets	Useful life
Enterprise Resource Planning Software	15 years
Other software	5 years

The amortization method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

#### vi. Derecognition

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from their use. Any gain or loss arising on derecognition of the asset, is recognised in statement of profit or loss in the year the asset is derecognised.

#### vii. Impairment

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

Intangible assets with infinite useful life such as license are not amortized but are assessed for impairment in each reporting period or as and when there is indication of impairment. The assessment of infinite life is reviewed each reporting period to determine whether the infinite life continues to be supportable.

### 3.3 Investment properties

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 capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

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

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

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

As on the date of the statement of financial position, the company does not have any investment properties.

### 3.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and financial institutions in current and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.5 Financial Instruments, financial assets and financial liabilities

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

#### a. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in statement of profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

#### b. Financial assets

Financial assets include loans, advances, insurance receivables and cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being measured at fair value through statement of profit or loss and other comprehensive income.

#### i. Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both (a) the entity's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset.

Financial assets are classified as those:

- Measured at amortised cost

A financial asset is measured at amortised cost, if it is held solely for collection of cash flows arising from payments of principal and interest. Interest income in these financial assets is measured using the effective interest rate method.

Fixed deposits with banks and financial institutions, advances, insurance receivables and cash and cash equivalents are classified for measurement at amortised cost.

- Measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI, if it is held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest

revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains or losses. Interest income from these financial assets is included in investment income using the effective interest method.

However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

- Measured at fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in investment income.

#### *ii. Derecognition of financial assets*

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Financial assets are also derecognised upon write off. Any gain or loss arising on the disposal or retirement of an item of financial asset is determined as the difference between the sales proceeds and its carrying amount and is recognised in the statement of profit or loss.

#### *iii. Impairment of financial assets*

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) held at amortised cost and financial assets that are measured at fair value through other comprehensive income are impaired based on evidence or information that is available without undue cost or effort. Loss allowances is recognised for all financial assets which are considered as doubtful of recovery. Losses arising from impairment are recognised in statement of profit or loss.

#### *c. Financial liabilities*

Insurance payables, sundry creditors and other financial liabilities are initially recognised at the value of the respective contractual obligations.

#### *i. Subsequent measurement*

After initial recognition, financial liabilities are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the statement of profit or loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the statement of financial position.

#### *ii. Derecognition*

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or expired.

#### *d. Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **3.6 Reinsurance assets**

The Company cedes insurance risk in the normal course of business to recognise reinsurers through formal reinsurance arrangements. Reinsurance assets include balance due from reinsurer for unexpired premium reserve and for outstanding claim reserve. Amount recoverable from reinsurers are estimated in a manner consistent with the ratio of unexpired premium reserve to gross premiums that have been ceded and with the ratio of outstanding claim reserve recoverable from reinsurers in accordance with the related reinsurance contract.

Reinsurance assets is measured in gross in the statement of financial position unless a right to offset exists. Where the right to offset exists, these are measured at net basis.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs, when there is objective evidence as a result of an event that occurred after initial recognition of reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amount that the Company will receive from the reinsurers.

The impairment loss, if any, is recognised in the statement of profit or loss.

Reinsurance assets are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

### 3.7 Current tax assets and current tax liabilities

Current tax assets of the company include the amount of advance income tax paid to the Inland Revenue Department and tax deducted at source. Similarly, current tax liabilities include the tax provision made for the year.

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to Inland Revenue Department in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

Current tax assets and current tax liabilities are shown in net in statement of financial position of the company as there exist condition to set off both assets and liabilities.

### 3.8 Other assets

Deferred fees and commission expenses

Fees and commission expenses incurred during the financial year arising from writing or renewing of insurance contracts are deferred and amortised over the period in which the related revenues are earned. All other costs are recognised as expenses when incurred.

### 3.9 Share capital

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.

### 3.10 Reserve and funds

#### a. Share premium

It represents amount collected in excess of the face value of shares on auction of unsubscribed right shares. This amount may be utilised for issuing fully paid bonus shares to the ordinary shareholders.

#### b. Revaluation reserves

Represents unrealised gain on revaluation adjustment to carrying amount of assets and cannot be used for distribution.

#### c. Special reserve

Represents appropriation of 50% of profit for the year as per Insurance Act, 2079 to categories based on the weight of their contribution to revenue. The fund maintained for one category cannot be utilized to bear the liabilities relating to other category of Insurance Business. During the year, the amount appropriated to the fund is based on the profit for the year as per the financial statement prepared under regulator's directive. Also represents all the reserves created before financial year 2064-65.

#### d. Capital reserve

It represents funds used for contingencies or to offset capital losses. It is derived from the accumulated capital surplus of a company, created out of capital profit.

#### e. Capital adjustment reserve

The Company has acquired erstwhile Everest Insurance Limited in the reporting period which and its joint operation was started from 1st Srawan, 2079 (17th July, 2022). For the consideration of acquisition, the Company has issued 10,664,276 number of equity shares at swap ratio of 100:85 (85 shares of Himalayan General Insurance Company Limited for every 100 shares of Everest Insurance Company Limited). Accounting for acquisition of Everest Insurance Limited has been done as per Nepal Financial Reporting Standard (NFRS) 3 – Business Combination along with considering the explanatory notes prescribed by the Institute of Chartered Accountants of Nepal by recognizing goodwill of Rs. 2,860,535 and Rs. 184,002,024 of swap adjusted paid up capital by creating capital adjustment reserve.

#### f. Calastrophe reserves

Represents appropriation of 10% of profit for the year remaining after appropriation to insurance fund, segregated for significant insurance claims that might have adverse impact on financial stability. This reserve is not available for distribution to the ordinary shareholders.

#### g. Corporate social responsibility reserve

Represents reserve established under regulatory requirement by apportioning 1% of profit for the year before considering deferred tax impact for the year to be expended towards CSR initiatives.

#### h. Fair value reserves

Represents the cumulative gains (net of losses) arising on the revaluation of equity Instruments and units of mutual fund measured at FVOCI.

**i. Actuarial reserves**

Represents the cumulative gains / (losses) arising on actuary valuation of gratuity, a defined benefit plan resulting from experience adjustment (the effects of differences between the previous actuarial assumptions and what has occurred; and the effects of changes in actuarial assumptions.)

**j. Deferred tax reserve**

Represents amount appropriated from retained earnings for an amount equal to deferred tax assets recognised and amount set aside for corporate social responsibility as per the regulator's directive.

**k. Regulatory reserves**

Represents excess amount of retained earnings and profit reported under financial statement prepared under NFRS compared to retained earnings and profit reported under GAAP. This amount has been appropriated to retained earnings after regulatory allocations stated by Insurer's Financial Statement Directives, 2080 during this reporting period.

**3.11 Insurance contract liabilities**

Insurance contract liabilities include outstanding claim reserve (OCR) including liability recognised for incurred but not reported (IBNR) claims and provision for unearned risk premiums (UPR). Insurance contract liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled.

**a. Unearned risk reserve (URR)**

Unearned risk reserve includes a provision for unearned premium and any additional provision for premium deficiency. Unearned risk premiums represent premiums received for risks that have not yet expired and is generally released over the term of the insurance contract and is recognised as earned premiums.

As required by NFRS 4 – Insurance Contracts, the Company performed liability adequacy test (LAT) with respect of URR on general insurance contracts with the assistance of an external actuary. Liability for URR is recognised at higher of the liability assessed by actuary in LAT or liability required under regulatory requirements at 50% of net premium received.

**b. Outstanding claim reserve (OCR)**

Outstanding claim reserve is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claim handling cost and reduction for the expected value of salvage and other recoveries. Delays are experienced in notification and settlement of certain types of claims; therefore, the ultimate actual cost of the claims cannot be ascertained with certainty as at the date of statement of financial position.

As required by NFRS 4 – Insurance Contracts, the Company performed liability adequacy test (LAT) with respect of OCR on general insurance contracts with the assistance of an external actuary. Liability for OCR is recognised at higher of the liability assessed by actuary in LAT or liability required under regulatory requirements.

**c. Incurred but not reported (IBNR) claims**

Incurred but not reported (IBNR) claims are actuarially computed as required by NFRS 4 – Insurance Contracts. Liability of IBNR is recognised at higher of the liability assessed by actuary in LAT or liability required under regulatory requirements at 15% of net outstanding claims.

**d. 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.

**3.12 Employee benefits****a. Short-term obligations**

Expenses in respect of short-term benefits are recognised on the basis of amount paid or payable during which services are rendered by the employees. Liabilities for salary and allowances that are expected to be settled wholly within 12 months after the end of the financial year in which the employees render the related services are recognised 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.

## **b. Post-employment obligations**

### **i. Defined contribution plan**

These are plans in which the Company pays pre-defined amounts to publicly administered funds as per local regulations and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the social security fund with the government on account of provident fund. The Company's payments to the defined contribution plans are recognised as employee benefit expenses when they are due.

### **ii. Defined benefit plan**

The Company's defined benefit plans comprise of gratuity. The liability or asset recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Service costs and net interest expense or income is reflected in the statement of profit or loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in OCI reserve as actuarial reserve in the statement of changes in equity and in the statement of financial position. Gratuity is funded and deposited with Citizens Investment Trust, towards meeting the gratuity obligation.

### **c. Long-term employee benefits**

The liabilities for 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. This benefit is unfunded.

### **d. Termination benefits**

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

- when the Company can no longer withdraw the offer of those benefits; and
- when the entity recognises costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits.

The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

## **3.13 Revenue recognition**

### **a. Gross premiums**

Gross premiums comprise the total premium received or receivable for the whole period of cover provided by insurance contract entered during the financial year. Gross premium is generally recognised upon inception of the insurance contract policy. Upon inception of the contract, premiums are recorded as and are earned primarily on a pro-rate basis over the term of the coverage of related insurance contract.

Unexpired risk reserve are those proportions of premiums written in a financial year that relate to periods of risks after the reporting date. Unexpired premiums are calculated on 365 days basis for all insurance contracts having an insurance coverage period of one year. However, in the case of marine cargo policies, having an insurance coverage period of less than one year, unearned premiums are calculated on 365 days basis of the insurance contract and where the insurance coverage is for a period of more than one year or in the absence of data required, unearned premiums are calculated at 50% of the gross premiums.

The proportion attributable to subsequent periods is deferred as provision for unexpired risk reserve which is included under liabilities.

### **b. Premiums ceded to reinsurers**

Gross reinsurance premiums on insurance contracts are recognised as an expense on the earlier of the date when the premiums are payable or when the policy becomes effective. Reinsurance premiums are based on the rates agreed with reinsurers.

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.

#### **c. Fees and commission income**

Fees and commission income earned during the financial year arising on premium ceded to reinsurers are recognised when the related service is performed in accordance with the insurance contract. The portion of fees and commission income for which the insurance contract is not expired is deferred and amortised over the period in which the related revenues are earned.

#### **d. Investment income**

##### **i. Interest income**

Interest income is recognised as it accrues, using the effective interest method.

##### **ii. Dividend income**

Dividend income from investments in equity instruments and from investment in units of mutual funds is recognised when the right to receive dividend is established.

#### **e. Net realized gains and losses**

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

### **3.14 Benefits and claims**

#### **a. Gross benefits and claims**

Claims include all claims occurring during the financial year, whether reported or not together with claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Claims outstanding are assessed by review of individual claim files and estimating changes in the ultimate cost of settling claims.

The provision in respect of claims incurred but not reported (IBNR) is actuarially determined based on the past experience and trends. The provisions for claims are fairly stated based on the information currently available, the ultimate liability will vary as a result of subsequent information and events which may result in adjustments to the amount reported. Such amounts are recorded and reflected in such subsequent periods.

#### **b. Claims recovered from reinsurers**

Claims recovered from reinsurers are recognised when the related gross insurance claim is recognised according to the terms of the relevant insurance contract.

### **3.15 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:"

#### **a. Fire portfolio**

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 fire insurance business.

#### **b. 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.



**c. Marine portfolio**

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

**d. 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.

**e. Micro portfolio**

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

**f. 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.

**g. Cattle and crop portfolio**

Cattle and Crop Insurance provides insurance against loss of or damage to cattle and crops.

**h. Miscellaneous portfolio**

All the insurance business which does not fall in above categories fall under miscellaneous insurance business. Group personal accidents, medical insurances, professional indemnity insurance etc. fall under this category of business.

**3.16 Borrowing cost**

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

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

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

**3.17 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.

**3.18 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as lessee**

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated amortisation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally amortised over the shorter of the lease term and estimated useful lives of the underlying assets on a straight-line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases and low value leases are charged to the statement of profit and loss on a straight-line basis over the term of the relevant lease. The Company recognizes lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method.

Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

### 3.19 Income tax

#### a. Current tax

Current tax in the statement of profit or loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws applicable during the period, together with any adjustment to tax payable in respect of previous years.

#### b. Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that the future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax relating to items recognized outside the statement of profit or loss is recognized outside statement of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

### 3.20 Provisions, contingent liabilities and contingent assets

#### a. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The carrying amounts of provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

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.

#### b. 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.

#### c. Contingent Assets

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

### 3.21 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss.

### 3.22 Dividend distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the board of directors, or in respect of the final dividend when approved by shareholders.

### 3.23 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 equity shares outstanding during the financial year.

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

### 3.24 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management team of the Company comprising of the chief executive officer and various department heads.

The Company has identified the following line of insurance business as separate segment

Fire
Marine
Motor
Engineering
Aviation
Miscellaneous
Agriculture and
Micro

Segments are organised based on business which have similar economic characteristics as well as which exhibit similarities in nature of products and services offered, the type and class of customer and distribution methods.

Segments includes total profit distribution of the Company to all its line of businesses. The premium income, reinsurance premium expenses, gross claims and claims recovered from reinsurers, outstanding claims, other direct expenses and income, fees and commission income, other operating and administrative expenses are allocated to each line of business as per the existing GAAP.

"Unallocated corporate expenses" include revenue and expenses that relate to initiatives / costs attributable to the enterprise as a whole and are not attributable to segments.

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

				Amount in NRs.
Particulars	Software	Goodwill	Others	Total
<b>4. GOODWILL AND INTANGIBLE ASSETS</b>				
<b>Gross carrying amount</b>				
<b>Balance as at Shrawan 1, 2078 (July 16, 2021)</b>	<b>9,077,320</b>	-	-	<b>9,077,320</b>
<b>Additions during the year</b>				
Acquisition	-	-	-	-
Internal development	4,708,372	-	-	4,708,372
Business combination	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/adjustment	-	-	-	-
<b>Balance as at Ashad 32, 2079 (July 16, 2022)</b>	<b>13,785,692</b>	-	-	<b>13,785,692</b>
<b>Additions during the year</b>				
Acquisition	4,625,086	2,860,535	-	7,485,621
Internal development	7,818,362	-	-	7,818,362
Business combination	-	-	-	-
Disposals during the year	-	-	-	-
Revaluation/adjustment	-	-	-	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	<b>26,229,140</b>	<b>2,860,535</b>	-	<b>29,089,675</b>
<b>Accumulated amortization and impairment</b>				
<b>Balance as at Shrawan 1, 2078 (July 16, 2021)</b>	<b>2,375,737</b>	-	-	<b>2,375,737</b>
<b>Additions during the year</b>				
Disposals during the year	-	-	-	-
Impairment losses during the year	-	-	-	-
<b>Balance as at Ashad 32, 2079 (July 16, 2022)</b>	<b>4,695,133</b>	-	-	<b>4,695,133</b>
Acquisition	1,406,041	-	-	1,406,041
Additions during the year	1,996,314	-	-	1,996,314
Disposals during the year	-	-	-	-
Impairment losses during the year	-	-	-	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	<b>8,097,488</b>	-	-	<b>8,097,488</b>
<b>Net carrying amount</b>				
<b>Balance as at Ashad 32, 2079 (July 16, 2022)</b>	<b>9,090,559</b>	-	-	<b>9,090,559</b>
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	<b>18,131,652</b>	<b>2,860,535</b>	-	<b>20,992,187</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

								Amount in NRs.	
	Land	Buildings	Leasehold improvement	Furniture and fixtures	Computers and IT equipment	Office equipment	Vehicles	Other assets	Total
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>									
Gross carrying amount									
Balance as at Sawan 1, 2078 (July 16, 2021)	16,930,121	-	8,800,793	8,992,485	11,107,028	6,211,368	25,514,573	-	77,546,368
Additions during the year	-	-	-	-	-	-	-	-	-
Acquisition	-	-	954,961	2,151,676	3,896,686	2,020,750	13,000,885	-	22,024,958
Capitalisation	-	-	-	-	-	(140,000)	(12,592,066)	-	(12,732,066)
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as at Ashad 32, 2079 (July 16, 2022)	16,930,121	-	9,755,754	11,134,161	15,003,714	8,092,118	25,923,392	-	86,839,260
Additions during the year									
Acquisition	18,473,954	-	-	24,481,783	18,996,750	13,571,889	22,316,270	-	97,840,646
Capitalisation	-	12,066,955	4,346,831	2,731,308	1,042,478	2,747,582	4,435,064	-	27,370,218
Disposals during the year	-	-	-	-	-	-	(8,018,850)	-	(8,018,850)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as at Ashad 31, 2080 (July 16, 2023)	35,404,075	12,066,955	14,102,585	38,347,252	35,042,942	24,411,589	44,655,876	-	204,031,274
<b>Accumulated depreciation and impairment</b>									
Balance as at Sawan 1, 2078 (July 16, 2021)	-	-	4,519,256	4,608,456	6,542,182	4,683,456	10,244,231	-	30,597,591
Additions during the year	-	-	1,807,380	740,072	1,989,656	798,778	2,728,460	-	8,064,356
Disposals during the year	-	-	-	-	-	(140,000)	(5,812,840)	-	(5,952,840)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as at Ashad 32, 2079 (July 16, 2022)	-	-	6,326,636	5,348,528	8,531,848	5,342,234	7,159,851	-	32,709,107
Additions during the year	-	241,339	1,733,372	2,249,823	3,447,543	2,459,203	3,478,607	-	13,609,887
Disposals during the year	-	-	-	-	-	-	(2,599,831)	-	(2,599,831)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	11,266,737	11,988,260	6,807,225	11,367,443	-	41,429,665
Balance as at Ashad 31, 2080 (July 16, 2023)	-	241,339	8,060,008	18,865,098	23,967,651	14,606,662	19,406,070	-	85,148,828

## Himalayan Everest Insurance Limited Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

	5. PROPERTY, PLANT AND EQUIPMENT (contd)							Amount in NRs.	
	Land	Buildings	Leasehold improvement	Furniture and fixtures	Computers and IT equipment	Office equipment	Vehicles	Other assets	Total
<b>Capital Work-in-Progress</b>									
Balance as at Srawan 1, 2078 (July 16, 2021)	-	32,226,264	-	-	-	-	-	-	32,226,264.00
Additions during the year	-	88,747,232	-	-	-	-	-	-	88,747,232.00
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Balance as at Ashad 32, 2079 (July 16, 2022)	-	120,973,496	-	-	-	-	-	-	120,973,496.00
Acquisition during the year	-	12,066,955	-	-	1,944,444	-	-	-	14,011,399.00
Additions during the year	-	60,421,311	-	-	-	-	-	-	60,421,311.00
Capitalisation during the year	-	(12,066,955)	-	-	-	-	-	-	(12,066,955.00)
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Balance as at Ashad 31, 2080 (July 16, 2023)	-	181,394,807	-	-	1,944,444	-	-	-	183,339,251.00
<b>Net carrying amount</b>									
Balance as at Ashad 32, 2079 (July 16, 2022)	16,930,121	120,973,496	3,429,118	5,785,623	6,471,866	2,749,894	18,753,541	-	175,103,649.00
Balance as at Ashad 31, 2080 (July 16, 2023)	35,404,075	193,220,423	6,042,577	19,482,154	13,019,735	9,802,927	25,249,866	-	302,221,697.00
<b>Right-of-use assets</b>									
<b>Gross carrying amount</b>									
Balance as at Srawan 1, 2078 (July 16, 2021)	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as at Ashad 32, 2079 (July 16, 2022)	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	18,061,890	18,061,890.00
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
Balance as at Ashad 31, 2080 (July 16, 2023)	-	-	-	-	-	-	-	18,061,890	18,061,890.00

<b>Accumulated Depreciation</b>									
<b>Balance as at Srawan 1, 2078 (July 16, 2021)</b>									
Additions during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as at Ashad 32, 2079 (July 16, 2022)</b>	-	-	-	-	-	-	-	-	<b>3,587,860.00</b>
Additions during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	-	-	-	-	-	-	-	-	<b>3,587,860.00</b>
<b>Net carrying amount</b>									
<b>Balance as at Ashad 32, 2079 (July 16, 2022)</b>									
	-	-	-	-	-	-	-	-	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	-	-	-	-	-	-	-	-	<b>14,474,030.00</b>
<b>Net carrying amount</b>									
Balance as at Ashad 32, 2079 (July 16, 2022)	16,930,121	120,973,496	3,429,118	5,785,623	6,471,866	2,749,884	18,763,541	-	175,103,649.00
Balance as at Ashad 31, 2080 (July 16, 2023)	35,404,075	193,220,423	6,042,577	19,482,154	13,019,735	9,802,927	25,249,806	14,474,030	315,695,727.00

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 6. INVESTMENT PROPERTIES

##### Investment properties at cost

Amount in NRs.

Particulars	Land	Building	Total
<b>Gross carrying amount</b>			
Balance as at Srawan 1, 2078 (July 16, 2021)	-	-	-
Additions during the year			
Acquisition	-	-	-
Subsequent expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Transfer/ adjustments	-	-	-
<b>Balance as at Ashad 32, 2079 (July 16, 2022)</b>	-	-	-
Additions during the year			
Acquisition	-	-	-
Subsequent expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Transfer/ adjustments	-	-	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	-	-	-
<b>Accumulated depreciation and impairment</b>			
Balance as at Srawan 1, 2078 (July 16, 2021)	-	-	-
Additions during the year	-	-	-
Disposal during the year	-	-	-
Impairment during the year	-	-	-
Transfer/ adjustments	-	-	-
<b>Balance as at Ashad 32, 2079 (July 16, 2022)</b>	-	-	-
Additions during the year	-	-	-
Disposal during the year	-	-	-
Impairment during the year	-	-	-
Transfer/ adjustments	-	-	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	-	-	-
<b>Capital work-in-progress</b>			
Balance as at Srawan 1, 2078 (July 16, 2021)	-	-	-
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposal during the year	-	-	-
Impairment during the year	-	-	-
Transfer/ adjustments	-	-	-
<b>Balance as at Ashad 32, 2079 (July 16, 2022)</b>	-	-	-
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposal during the year	-	-	-
Impairment during the year	-	-	-
Transfer/ adjustments	-	-	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	-	-	-
<b>Net Carrying Amount</b>			
Balance as at Ashad 32, 2079 (July 16, 2022)	-	-	-
Balance as at Ashad 31, 2080 (July 16, 2023)	-	-	-

(i) Amounts recognised in statement of profit or loss for investment properties

Particulars	Current Year	Previous Year
Rental income	-	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that didn't generated rental income	-	-
Profit from investment properties before depreciation	-	-
Depreciation charge	-	-
<b>Profit from investment properties</b>	-	-

(ii) Fair value of investment properties:

Particulars	Current Year	Previous Year
Land	-	-
Building	-	-
<b>Total</b>	-	-



## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

#### 7. DEFERRED TAX ASSETS/ (LIABILITIES)

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Goodwill and intangible assets	(1,195,484)	-	(1,195,484)	190,004	-	190,004
Property, plant and equipment	(4,596,116)	-	(4,596,116)	(774,310)	-	(774,310)
Right of use assets	(4,342,209)	-	(4,342,209)	-	-	-
Financial assets at FVTPL	-	-	-	-	-	-
Financial assets at FVTOCI	-	(3,731,531)	(3,731,531)	-	8,251,988	8,251,988
Provision for leave	7,037,339	-	7,037,339	2,544,504	-	2,544,504
Provision for gratuity	17,270,214	-	17,270,214	16,894,448	-	16,894,448
Provision for unrealised premium	6,711,328	-	6,711,328	-	-	-
Impairment loss on property, plant and equipment	-	-	-	-	-	-
Impairment loss on financial assets	7,871,872	-	7,871,872	-	-	-
Impairment loss on other assets	-	-	-	-	-	-
Rent equalization	254,852	-	254,852	253,928	-	253,928
Lease liability	4,617,767	-	4,617,767	-	-	-
Income tax losses	-	-	-	-	-	-
<b>Others</b>						
Unearned premiums	(48,345,634)	-	(48,345,634)	(2,439,153)	-	(2,439,153)
Premium deficiency	-	-	-	6,069,493	-	6,069,493
IBNR and IBNER	87,545,547	-	87,545,547	42,446,871	-	42,446,871
Outstanding claims	-	-	-	-	-	-
Margin for adverse deviation	8,792,812	-	8,792,812	4,434,010	-	4,434,010
Reinsurance asset on Unearned premiums	49,667,114	-	49,667,114	3,415,867	-	3,415,867
Reinsurance asset on Premium deficiency	243,908	-	243,908	(4,817,910)	-	(4,817,910)
Reinsurance asset on IBNR and IBNER Claim	(64,931,771)	-	(64,931,771)	(41,110,243)	-	(41,110,243)
Reinsurance asset on Outstanding claims	-	-	-	-	-	-
Reinsurance asset on Margin for adverse deviation	(7,052,746)	-	(7,052,746)	(4,067,132)	-	(4,067,132)
Deferred fee and commission expenses	(7,139,449)	-	(7,139,449)	(5,007,434)	-	(5,007,434)
Deferred commission income	40,992,819	-	40,992,819	26,956,604	-	26,956,604
Provision for probable salary	692,091	-	692,091	-	-	-
<b>Total</b>	<b>94,094,254</b>	<b>(3,731,531)</b>	<b>90,362,723</b>	<b>44,989,547</b>	<b>8,251,988</b>	<b>53,241,535</b>
Deferred tax assets			231,697,663			111,457,717
Deferred tax liabilities			(141,334,940)			(58,216,182)

#### Movements in deferred tax assets/ (liabilities)

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total SOPL	Through SOCI	Through	Total
<b>Balance as at Ashad 32, 2079 (July 16, 2022)</b>	<b>44,989,547</b>	<b>8,251,988</b>	<b>53,241,535</b>	<b>46,542,394</b>	<b>21,790,574</b>	<b>68,332,968</b>
Deferred tax asset/(liabilities) taken over from Everest Insurance Limited	11,121,243	9,061,453	20,182,696	-	-	-
Charged/(credited) to statement of profit or loss	37,983,465	-	37,983,465	(1,552,847)	-	(1,552,847)
Charged/(credited) to other comprehensive income and equity	-	(21,044,973)	(21,044,973)	-	(13,538,586)	(13,538,586)
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	<b>94,094,255</b>	<b>(3,731,532)</b>	<b>90,362,723</b>	<b>44,989,547</b>	<b>8,251,988</b>	<b>53,241,535</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 8. INVESTMENTS IN SUBSIDIARIES

Amount in NRs.

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in quoted subsidiaries	-	-	-	-
Investment in unquoted subsidiaries	-	-	-	-
Less: impairment losses	-	-	-	-
<b>Total</b>	-	-	-	-

#### Investment in quoted subsidiaries

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

#### Investment in Unquoted Subsidiaries

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

Information relating to subsidiaries: The Company does not have any subsidiary companies.

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 9. INVESTMENTS IN ASSOCIATES

Amount in NRs.

Particulars	Current Year	Previous Year
Investment in quoted associates	-	-
Investment in unquoted associates	-	-
Less: Impairment Losses	-	-
<b>Total</b>	-	-

#### Investment in quoted associates

Particulars	Current Year			Previous Year		
	Cost	Fair value	(or) Equity method	Cost	Fair value	(or) Equity method
..... shares of Rs. .... each of ..... Ltd.	-	-	-	-	-	-
..... shares of Rs. .... each of ..... Ltd.	-	-	-	-	-	-
Add: share of profit or loss for earlier years	-	-	-	-	-	-
Add: share of profit or loss for current year	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

#### Investment in 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>	-	-	-	-	-	-

formation relating to associates: The Company does not have any associates

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

#### 10. INVESTMENTS

Particulars	Current Year	Previous Year
<b>Investments measured at amortised cost</b>		
i) Investment in preference shares of bank and financial institutions-	-	-
ii) Investment in debentures	184,101,630	26,898,000
iii) Investment in bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	-	-
iv) Fixed Deposit of "A" Class Financial Institutions	3,051,202,500	1,339,012,000
v) Fixed Deposit of Infrastructure Banks	-	-
vi) Fixed Deposits in "B" Class Financial Institutions	480,000,000	138,500,000
vii) Fixed Deposits in "C" Class Financial Institutions	150,500,000	18,500,000
viii) Others	-	-
Less: Impairment Losses	-	-
<b>Investments measured at FVTOCI</b>		
i) Investment in equity instruments (quoted)	622,126,572	126,497,089
ii) Investment in equity instruments (unquoted)	114,060,000	164,011,800
iii) Investment in mutual funds	52,717,532	30,318,083
iv) Investment in debentures	-	-
v) Others	-	-
<b>Investments measured at FVTPL</b>		
i) Investment in equity instruments (quoted)	-	-
ii) Investment in equity instruments (unquoted)	-	-
iii) Investment in mutual funds	-	-
iv) Investment in debentures	-	-
v) Others	-	-
<b>Total</b>	<b>4,654,708,234</b>	<b>1,843,736,972</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 Bank	-	-
Fixed Deposits with "B" Class Financial Institutions	-	-
Fixed Deposits with "C" Class Financial Institutions	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### b. Investments having expected maturities less than 12 months:

Particulars	Current Year	Previous Year
Investment in equity instruments (quoted)	-	-
Investment in equity instruments (unquoted)	-	-
Investment in mutual funds	-	-
Investment in preference shares of bank and financial institutions	-	-
Investment in debentures	-	-
Investment in bonds (Nepal Government/NRB/Guaranteed by Nepal Government)	-	-
Fixed Deposit with "A" Class Financial Institutions	2,792,202,500	1,392,500,000
Fixed Deposit with Infrastructure Bank	-	-
Fixed Deposits with "B" Class Financial Institutions	476,000,000	63,000,000
Fixed Deposits with "C" Class Financial Institutions	148,500,000	13,000,000
Others	-	-
<b>Total</b>	<b>3,416,702,500</b>	<b>1,468,500,000</b>

c. The Company has earmarked investments amounting to Rs. 3,293,202,500 (2078-79: Rs. 965,500,000) with banks.

d. The rate of interest on fixed deposits ranges from 6.5% to 11.1% (2078-79: 6.5% to 11.1%) for deposits with commercial banks, 8% to 12% (2077-78: 7.5% to 11.5%) for deposits with development banks and 8% to 12% (2078-79: 7.5% to 11.1%) for deposits with finance companies.

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### e. Information relating to investment in equity instruments

Amount in NRs.

Particulars	Current Year		Previous Year	
	Cost	Fair value	Cost	Fair value
Agriculture Development Bank	5,087,204	3,925,076	2,963,318	2,509,642
API Power Company Limited	1,480,252	1,024,991	1,414,485	1,110,030
Asian Life Insurance Co Ltd	1,539,530	1,819,534	-	-
Bank of Kathmandu Ltd.	-	-	9,298,188	7,840,400
Butwal Power Company Ltd.	132,579	152,691	135,375	141,680
Chhimek Laghubitta Bikas Bank Ltd	5,072,196	4,535,000	-	-
Citizen Investment Trust	9,507,583	8,535,654	7,945,377	6,357,920
Citizens Bank International Limited	9,010,944	5,328,537	2,213,436	1,916,460
Deprosc Laghubitta Bittiya Sanstha Limited	4,006,429	3,147,886	3,536,296	2,495,700
GLOBAL IME	17,507,270	12,760,716	5,570,000	4,338,158
Himalayan Bank Ltd.	10,174,020	7,042,403	1,033,714	915,253
Himalayan Distillery Limited	4,488,710	4,799,480	3,588,770	3,467,970
Hydroelectricity Investment and Development Company Ltd.	159,300	332,856	159,300	318,600
Hydroelectricity Investment and Development Company Ltd. Promoter Share	10,010,000	10,280,000	-	-
Infinity Laghubitta Bittaya Sanstha Ltd	5,038,191	3,039,465	-	-
Kumari Bank Limited	8,323,114	6,301,845	6,122,457	4,915,767
Laxmi Bank Limited	-	-	2,804,683	2,373,075
Machhapuchre Bank Ltd.	5,673,812	4,734,283	5,182,022	4,666,488
Mahalaxmi Bikas Bank Limited	2,792,753	2,464,035	1,729,564	1,502,928
Manjushree Finance Limited	4,431,455	3,765,850	-	-
MEGA Bank	-	-	2,355,807	2,254,350
Mero Micro Finance Bittiya Sanstha Ltd.	-	-	-	29,645
Mirmire Microfinance Development Bank Ltd	3,918,094	2,686,401	-	-
Nabil Bank Ltd. Promoter Share	2,021,709	1,678,958	-	-
National Life Insurance Co. Ltd	15,212,895	14,627,955	6,828,690	5,429,570
Nepal Bangladesh Bank Limited	-	-	1,661,424	1,787,520
Nepal Bank Ltd.	10,519,488	9,350,697	5,775,928	5,489,756
Nepal Doorsanchar Company Limited	-	-	-	-
Nepal Investment Bank Ltd.	19,233,591	10,953,224	14,006,004	9,686,810
Nepal Investment Bank Ltd. Promoter	501,442	240,546	501,442	364,478
Nepal Life Insurance Company Ltd.	15,613,545	14,104,008	10,325,140	8,458,281
Nepal SBI Bank Ltd.	211,581	238,700	-	-
Nepal Telecom	10,316,182	9,104,369	-	-
Nerude Laghubitta Bikash Bank	5,534,492	3,213,848	-	19,360
NIC Asia Bank Ltd.	11,274,759	11,189,405	7,849,527	6,460,272
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	7,578,239	5,494,230	2,789,520	2,589,244
NMB Bank Ltd	11,348,015	8,990,280	9,775,000	8,596,557
NRN Infrastructure and Development Limited	1,672,473	1,662,633	1,602,757	1,493,202
Prabhu Bank Ltd	2,913,956	2,156,564	1,827,844	1,410,498
Prime Commercial Bank	3,147,169	2,460,120	2,260,164	2,110,725
Sanima Bank Ltd.	5,604,840	4,925,534	4,425,910	3,519,828
Shivam Cements Ltd.	11,766,869	8,596,542	3,541,983	3,043,800
Shree Investment Finance Co Ltd	-	-	-	-
Siddhartha Bank Ltd	15,431,488	12,414,457	11,892,153	9,492,990
Standard Chartered Bank Ltd.	4,507,414	5,152,572	4,005,979	3,405,010
Sunrise Bank Ltd	1,151,085	944,261	1,019,067	899,208
Surya Life Insurance Company Limited	7,138,590	6,894,220	6,375,542	3,692,754
Swabalamban Laghubitta Bitya Sanstha	-	901	-	35,070
Synergy Power Development Limited	2,170,919	1,264,005	1,798,466	1,358,090
Vijaya Laghubitta Bittaya Sanstha Ltd	6,233,339	3,907,240	-	-
Nepal Reinsurance Company Limited	323,633,600	395,884,800	-	-
<b>Total</b>	<b>603,091,116</b>	<b>622,126,572</b>	<b>154,315,330</b>	<b>126,497,089</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 10 I. Information relating to investment in mutual funds

Amount in NRs.

Particulars	Current Year		Previous Year	
	Cost	Fair value	Cost	Fair value
NMB Hybrid Fund	1,809,829	1,958,525	1,577,400	1,766,688
Nabil Equity Fund	1,399,193	1,386,540	1,126,490	1,126,490
Siddhartha Equity Fund	9,813,827	9,282,402	9,677,480	9,561,350
Citizens Mutual Fund -1	1,125,815	1,087,142	1,000,000	880,000
NIC Asia Growth Fund	1,056,690	1,090,740	1,000,000	1,115,000
NMB50 Mutual Fund (NMB50)	5,072,723	5,334,000	5,000,000	6,450,000
Sunrise First Mutual Fund (SFMF)	1,000,000	1,108,000	1,000,000	1,150,000
NIBL Sambriddhi Fund	2,002,250	1,824,733	2,000,000	1,734,000
Sanima Large Cap Fund (SLCF)	3,075,936	2,766,092	3,000,000	2,796,000
Mega Mutual Fund-1 (MEGAMF)	6,886,246	5,508,626	4,363,400	3,486,357
Nabil Balance Fund-3 (NBF3)	251,762	214,004	166,700	157,198
NMB Saral Bachat Fund-E (NMBSBFE)	95,000	95,000	95,000	95,000
Siddhartha Investment Growth Schme 2	14,399,405	10,097,120	-	-
NIC Asia Balance Fund	4,234,546	3,940,787	-	-
Sunrise Focused Equity Fund (SFEF)	2,500,000	2,420,000	-	-
Citizens Super 30	500,000	500,000	-	-
RBB Mutual Fund-2	500,000	500,000	-	-
Global IME Balanced Fund-1	41,268	46,709	-	-
Kumari Dhanbriddhi Yojana	1,000,000	1,004,000	-	-
Nabil Balance Fund-2 (NBF2)	16,852	17,600	-	-
Nmb Sulav Investment Fund -2	2,501,685	2,499,498	-	-
Sanima Growth Fund	31,526	36,014	-	-
<b>Total</b>	<b>59,314,553</b>	<b>52,717,532</b>	<b>30,006,470</b>	<b>30,318,083</b>

#### 11. LOANS

Particulars	Current Year	Previous Year
<b>Loans measured at amortised cost</b>		
Loan to employees	-	-
Others	-	-
Less: Impairment losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### a. Expected recovery period within 12 months:

Particulars	Current Year	Previous Year
<b>Loans measured at amortised cost</b>		
Loan to employees	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### 12. REINSURANCE ASSETS

Particulars	Current Year	Previous Year
<b>Reinsurance Assets on:</b>		
Unearned premiums reserve	1,006,606,566	836,969,027
Premium deficiency reserve	(813,027)	16,059,699
Outstanding claims	1,691,625,659	913,645,009
IBNR and IBNER Claim	470,183,084	274,080,894
Margin for adverse deviation	23,509,153	13,557,108
Less: Impairment losses	-	-
<b>Total</b>	<b>3,191,111,435</b>	<b>2,054,311,737</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

#### 13. INSURANCE RECEIVABLES

Particulars	Current Year	Previous Year
Receivable from reinsurers	412,982,255	162,395,671
Receivable from other insurance companies	910,567,292	222,756,926
Others	-	-
Less: Impairment losses	(169,032,870)	(163,180,010)
<b>Total</b>	<b>1,154,516,677</b>	<b>221,972,587</b>

#### a. Expected recovery period within 12 months:

Particulars	Current Year	Previous Year
Receivable from reinsurers	243,949,385	1,092,023
Receivable from other insurance companies	910,567,292	220,880,564
Others	-	-
<b>Total</b>	<b>1,154,516,677</b>	<b>221,972,587</b>

#### 14. OTHER ASSETS

Particulars	Current Year	Previous Year
Capital advances	-	-
Prepaid expenses	-	-
Claim advance	13,670,424	5,162,704
Advance to suppliers	3,125,479	-
VAT receivable	-	-
Staff advances	2,838,651	-
Printing and stationery stock	-	-
Stamp stock	174,500	200,305
Deferred expenses	-	-
Deferred reinsurance commission expenses	67,691	-
Deferred agent commission expenses	23,730,472	16,691,447
Lease receivable	-	-
Others	-	-
Advance to NMB Capital Ltd.	5,352,336	5,720,316
Other advances	-	861,000
Less: Impairment losses	-	-
<b>Total</b>	<b>48,959,553</b>	<b>28,635,772</b>

#### a. Expected to be recovered/ settled within 12 months:

Particulars	Current Year	Previous Year
Capital advance	-	-
Prepaid expenses	-	-
Claim advance	13,670,424	5,162,704
Advance to suppliers	3,125,479	-
VAT receivable	-	-
Staff advances	2,838,651	-
Printing and stationery stock	-	-
Stamp stock	174,500	200,305
Deferred expenses	-	-
Deferred reinsurance commission expenses	67,691	-
Deferred agent commission expenses	23,730,472	16,691,447
Lease receivable	-	-
Others	-	-
Advance to NMB Capital Ltd.	5,352,336	5,720,316
Other advances	-	861,000
<b>Total</b>	<b>48,959,553</b>	<b>28,635,772</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

#### 15. OTHER FINANCIAL ASSETS

Particulars	Current Year	Previous Year
Security deposits	-	-
Accrued interest	10,681,034	1,892,471
Other receivables	-	-
Other deposits	40,478,740	3,839,125
Sundry debtors	100,401,618	121,966,293
Other	-	-
Advance for expenses	-	1,387,025
Balance of plan asset with CIT gratuity fund	-	17,856,966
Less: Impairment losses	-	-
<b>Total</b>	<b>151,561,392</b>	<b>146,941,880</b>

#### a. Expected maturities within 12 months:

Particulars	Current Year	Previous Year
Security deposits	-	-
Accrued interest	10,681,034	1,892,471
Other receivables	-	-
Other deposits	-	-
Sundry debtors	100,401,618	1,313,252
Other	-	-
<b>Total</b>	<b>111,082,652</b>	<b>3,205,723</b>

#### 16. CASH AND CASH EQUIVALENTS

Particulars	Current Year	Previous Year
Cash in hand	1,200,000	492,907
Cheques in hand	-	-
<b>Bank balances</b>		
i) Balance with "A" Class financial institutions	33,181,818	74,223,275
ii) Balance with infrastructure banks	-	-
ii) Balance with "B" Class financial institutions	161,772,243	2,617,386
iii) Balance with "C" Class financial institutions	11,302,293	1,048,336
Less: Impairment losses	-	-
Deposit with initial maturity up to 3 months	-	268,946,840
Others	-	-
Less: Impairment losses	-	-
<b>Total</b>	<b>207,456,354</b>	<b>347,328,744</b>



## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

Particulars	Amount in NRs.	
	Current Year	Previous Year
<b>17(A). SHARE CAPITAL</b>		
<b>Ordinary shares</b>		
As at Ashadh 31, 2079	1,173,509,100	1,100,336,700
Additions during the year		
i) Bonus share issued	61,598,300	73,172,400
ii) Addition through merger	1,066,427,600	-
iii) Share issued	-	-
<b>As at Ashadh 31, 2080</b>	<b>2,301,535,000</b>	<b>1,173,509,100</b>
<b>Convertible preference shares (equity component only)</b>		
As at Ashadh 31, 2079	-	-
Additions during the year	-	-
<b>As at Ashadh 31, 2080</b>	<b>-</b>	<b>-</b>
<b>Irredeemable Preference Shares (equity component only)</b>		
As at Ashadh 31, 2079	-	-
Additions during the year	-	-
<b>As at Ashadh 31, 2080</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,301,535,000</b>	<b>1,173,509,100</b>

#### i. Ordinary Shares

Particulars	Current Year	Previous Year
<b>Authorised Capital:</b>		
50,000,000 nos. of ordinary shares of Rs. 100 each	5,000,000,000	2,000,000,000
<b>Issued Capital:</b>		
23,015,350 nos. of ordinary shares of Rs. 100 each (2078-79: 11,735,091 nos. of ordinary shares of Rs. 100 each)	1,173,509,100	1,173,509,100
<b>Subscribed and Paid Up Capital:</b>		
23,015,350 nos. of ordinary shares of Rs. 100 each (2078-79: 11,735,091 nos. of ordinary shares of Rs. 100 each)	2,301,535,000	1,173,509,100
<b>Total</b>	<b>2,301,535,000</b>	<b>1,173,509,100</b>

#### ii. Preference Share Capital

Particulars	Current Year	Previous Year
<b>Authorised capital</b>		
..... nos. of convertible preference shares of Rs. .... each	-	-
..... nos. irredeemable preference shares of Rs. .... each	-	-
<b>Issued Capital</b>		
..... nos. of convertible preference shares of Rs. .... each	-	-
..... nos. irredeemable preference shares of Rs. .... each	-	-
<b>Subscribed and Paid Up Capital</b>		
..... nos. of convertible preference shares of Rs. .... each	-	-
..... nos. irredeemable preference shares of Rs. .... each	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 17(D) SPECIAL RESERVES

Amount in NRs.

Particulars	Current Year	Previous Year
Balance as at Ashad 32, 2079 (July 16, 2022)	707,723,176	646,982,169
Acquisition	469,101,333	-
Additions	233,679,146	60,741,007
Utilizations	-	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	<b>1,410,503,655</b>	<b>707,723,176</b>

#### 17(E) CATASTROPHE RESERVES

Particulars	Current Year	Previous Year
Balance as at Ashad 32, 2079 (July 16, 2022)	26,049,183	19,009,262
Acquisitions	19,328,047	-
Additions	11,683,957	7,039,921
Utilizations	-	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	<b>57,061,187</b>	<b>26,049,183</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 17 (F) RETAINED EARNINGS

Amount in NRs.

Particulars	Current Year	Previous Year
Balance as at Ashad 32, 2079 (July 16, 2022)	68,434,242	82,972,081
Retained earning transferred from merger	1,330,505	-
Net profit or loss	445,059,527	150,755,453
Items of OCI recognised directly in retained earnings	-	-
Remeasurement of post-employment benefit obligations	-	-
Transfer (to) / from reserves	-	-
Revaluation reserves	-	-
Special reserves	(233,679,146)	(60,741,007)
Capital reserves	-	-
Catastrophe reserves	(11,683,957)	(7,039,921)
Corporate social responsibility (CSR) reserves	(4,673,583)	(1,311,402)
Insurance fund including insurance reserves	-	-
Fair value reserves	-	-
Actuarial reserves	-	1,931,617
Deferred tax reserves	(37,983,465)	(1,552,847)
Regulatory reserves	60,282,229	(19,615,240)
Other Reserve	-	-
Excess deferred tax reserve reverted back to retained earnings	4,559,371	-
Depreciation on revaluation of property, plant and equipment	-	-
Disposal of revalued property, plant and equipment	-	-
On disposal of equity instruments measured at FVTOCI	(322,532)	84,410
Tax on disposal of equity instruments measured at FVTOCI	-	(25,323)
Issue of bonus shares	(61,598,300)	(73,172,400)
Transaction costs on issue of share	-	-
Dividend paid	-	(3,851,179)
Dividend distribution tax	(3,242,016)	-
Others	-	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	<b>226,482,875</b>	<b>68,434,242</b>

#### 17(G) OTHER EQUITY

Amount in NRs.

Particulars	Current Year	Previous Year
Revaluation reserves	-	-
Capital adjustment reserves	191,053,635	-
Corporate social responsibility (CSR) reserves	4,673,583	-
Insurance fund including insurance reserves	-	-
Fair value reserves	8,706,900	(19,254,644)
Actuarial reserves	-	-
Deferred tax reserves	90,362,723	-
Regulatory reserves	-	56,268,033
Cash flow hedge reserves	-	-
Other reserves	-	47,128,788
<b>Total</b>	<b>294,796,841</b>	<b>84,142,177</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 18. PROVISIONS

Amount in NRs.

Particulars	Current Year	Previous Year
Provisions for employee benefits		
i) Provision for leave	1,696,353	8,481,680
ii) Provision for gratuity	1,721,180	-
iii) Termination benefits	-	-
iv) Other employee benefit obligation	-	-
Provision for tax related legal cases	-	-
Provision for non-tax legal cases	-	-
Others	-	-
<b>Total</b>	<b>3,417,533</b>	<b>8,481,680</b>

#### a. Movement of provisions, contingent liabilities and contingent assets

Amount in NRs.

Description	Opening balance	Additions during the year	Utilised during the year	Reversed during the year	"Unwinding of discount	Closing balance
Provisions for employee benefits						
i) Provision for leave	8,481,680	17,314,189	(24,099,516)	-	1,696,353	
ii) Provision for gratuity	-	1,721,180	-	-	-	1,721,180
iii) Termination benefits	-	-	-	-	-	-
iv) Other employee benefit obligation	-	-	-	-	-	-
Provision for tax related legal cases	-	-	-	-	-	-
Provision for non-tax legal cases	-	-	-	-	-	-
Others	-	-	-	-	-	-

#### b. Provision with expected payouts within 12 months:

Amount in NRs.

Particulars	Current Year	Previous Year
Provisions for employee benefits		
i) Provision for leave	5,649,521	2,032,536
ii) Defined benefits plan (gratuity)	-	12,506,562
iii) Termination benefits	-	-
iv) Other employee benefit obligation	-	-
Provision for tax related legal cases	-	-
Provision for non-tax legal cases	-	-
Others	-	-
<b>Total</b>	<b>5,649,521</b>	<b>14,539,098</b>

**19. GROSS INSURANCE CONTRACT LIABILITIES**

Amount in NRs.

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Unearned premiums reserve	1,609,616,800	1,046,208,608
Premium deficiency reserve	-	20,231,643
Outstanding claims	1,962,459,720	1,050,069,482
IBNR and IBNER claims	586,187,444	298,999,992
Margin for adverse deviation	29,309,375	14,780,033
Others	-	-
<b>Total</b>	<b>4,187,573,339</b>	<b>2,430,289,758</b>



### a. Gross insurance contract liability

Amount in INRs.

Particulars	Line of business							Total	
	Fire	Motor	Marine	Engineering	Micro	Aviation	Cattle and crop		Miscellaneous
<b>Balance as at Shrawan 1, 2079</b>									
(July 17, 2022)									
Unearned premiums	206,796,074	399,998,291	56,670,985	212,398,199	4,441	239,231,370	92,496,975	419,775,833	1,627,372,168
Premium deficiency	-	24,044,306	-	8,326,423	-	-	20,231,643	7,249,195	59,851,567
IBNR and IBNER	79,208,241	136,205,539	13,509,416	88,128,643	15,364,153	115,599,405	16,258,720	109,420,267	572,694,384
Outstanding claims	301,285,685	414,202,434	43,642,884	348,272,667	559,800,000	377,171,013	80,066,276	57,243,113	2,181,684,092
Margin for adverse deviation	3,860,412	6,760,277	675,471	4,406,432	768,208	5,779,971	642,970	5,471,013	28,464,754
<b>Total</b>	<b>591,250,412</b>	<b>980,210,847</b>	<b>114,498,756</b>	<b>661,532,384</b>	<b>575,936,802</b>	<b>737,781,759</b>	<b>209,696,584</b>	<b>599,159,421</b>	<b>4,470,066,965</b>
<b>Changes during the year</b>									
Unearned premiums	(62,106,584)	66,855,164	59,260,883	53,199,769	(3,241)	(99,191,033)	(46,542,982)	10,772,654	(17,755,370)
Premium deficiency	-	(24,044,306)	-	(8,326,423)	-	-	(20,231,643)	(7,249,195)	(59,851,567)
IBNR and IBNER	(11,892,368)	1,472,572	313,392	847,772	(5,232,174)	29,875,014	(4,577,138)	2,685,995	13,493,065
Outstanding claims	255,249,014	(195,266,694)	(1,666,431)	(96,243,005)	(53,325,000)	(99,083,742)	(52,431,908)	23,543,394	(219,224,372)
Margin for adverse deviation	(594,618)	73,629	15,669	42,389	(261,609)	1,493,750	(58,891)	134,300	844,619
Others	-	-	-	-	-	-	-	-	-
<b>Total changes during the year</b>	<b>180,655,444</b>	<b>(150,909,635)</b>	<b>57,923,513</b>	<b>(50,479,498)</b>	<b>(58,822,024)</b>	<b>(166,906,811)</b>	<b>(123,842,562)</b>	<b>29,887,148</b>	<b>(262,493,625)</b>
<b>Balance as at Ashad 31, 2080</b>									
(July 16, 2023)									
Unearned premiums	144,689,490	466,853,455	115,931,868	265,597,968	1,200	140,040,337	45,953,993	430,548,487	1,609,616,798
Premium deficiency	-	-	-	-	-	-	-	-	-
IBNR and IBNER	67,315,873	136,678,111	13,822,808	88,976,415	10,131,979	145,474,419	11,681,582	112,106,262	586,187,449
Outstanding claims	556,534,699	218,935,740	41,976,453	252,029,682	506,475,000	278,087,271	27,634,368	80,786,507	1,962,459,720
Margin for adverse deviation	3,365,794	6,833,906	691,140	4,448,821	506,599	7,273,721	584,079	5,605,312	29,309,372
<b>Total</b>	<b>771,905,856</b>	<b>829,301,212</b>	<b>172,422,269</b>	<b>611,052,886</b>	<b>517,114,778</b>	<b>570,875,748</b>	<b>65,854,022</b>	<b>629,046,568</b>	<b>4,187,573,339</b>

\* The opening balance of gross contract liabilities in this note includes liabilities taken over from former Everest Insurance Limited on merger.

**b. Reinsurance assets**

Amount in INRs.

Particulars	Line of business							Total	
	Fire	Motor	Marine	Engineering	Micro	Aviation	Cattle and crop		Miscellaneous
<b>Balance as at Shrawan 1, 2079</b> (July 17, 2022)									
Unearned premiums	171,002,013	92,527,611	94,554,217	142,809,346	109,399,304	253,725,048	59,436,459	275,057,108	1,198,511,106
Premium deficiency	-	13,182,034	-	8,326,423	-	-	16,059,699	801,046	38,369,202
IBNR and IBNER	71,464,854	57,708,191	11,392,576	68,184,745	15,357,441	115,492,082	12,925,371	102,469,117	454,994,377
Outstanding claims	250,905,926	150,901,520	35,576,508	322,545,848	559,800,000	376,793,842	64,241,806	32,212,258	1,792,977,708
Margin for adverse deviation	3,700,573	2,885,410	569,628	3,409,237	767,873	5,774,605	499,332	5,123,455	22,730,113
<b>Total</b>	<b>497,073,366</b>	<b>317,204,766</b>	<b>142,092,929</b>	<b>545,275,599</b>	<b>685,324,618</b>	<b>751,785,577</b>	<b>153,162,667</b>	<b>415,662,984</b>	<b>3,507,582,506</b>
<b>Changes during the year</b>									
Unearned premiums	(126,279,329)	71,678,647	(14,956,569)	102,006,111	(109,399,064)	(113,829,156)	(18,091,496)	16,966,316	(191,904,540)
Premium deficiency	-	(13,182,034)	-	(8,139,450)	-	-	(16,059,699)	(801,046)	(39,182,229)
IBNR and IBNER	(12,836,512)	576,072	(1,006,665)	5,785,879	(5,227,686)	29,810,664	(3,769,412)	1,856,367	15,188,707
Outstanding claims	269,509,241	(87,147,766)	(2,911,369)	(111,364,179)	(53,325,000)	(98,984,658)	(41,290,176)	24,161,858	(101,352,049)
Margin for adverse deviation	(769,156)	28,804	(50,333)	289,294	(261,385)	1,490,532	(41,534)	92,817	779,039
Others									
<b>Total changes during the year</b>	<b>129,624,244</b>	<b>(28,046,277)</b>	<b>(18,924,936)</b>	<b>(12,422,345)</b>	<b>(168,213,135)</b>	<b>(181,512,618)</b>	<b>(79,252,317)</b>	<b>42,276,312</b>	<b>(316,471,072)</b>
<b>Balance as at Ashad 31, 2080</b> (July 16, 2023)									
Unearned premiums	44,722,684	164,206,258	79,597,648	244,915,457	240	139,895,892	41,344,963	292,023,424	1,006,606,566
Premium deficiency	-	-	-	(813,027)	-	-	-	-	(813,027)
IBNR and IBNER	58,628,342	58,284,263	10,385,911	73,970,624	10,129,755	145,302,746	9,155,959	104,325,484	470,183,084
Outstanding claims	520,415,167	63,753,754	32,665,139	211,181,669	506,475,000	277,809,184	22,951,630	56,374,116	1,691,625,659
Margin for adverse deviation	2,931,417	2,914,214	519,295	3,698,531	506,488	7,265,137	457,798	5,216,273	23,509,153
<b>Total</b>	<b>626,697,610</b>	<b>289,158,489</b>	<b>123,167,993</b>	<b>532,853,254</b>	<b>517,111,483</b>	<b>570,272,959</b>	<b>73,910,350</b>	<b>457,939,297</b>	<b>3,191,111,435</b>

• The opening balance of reinsurance assets in this note includes assets taken over from former Everest Insurance Limited on merger.

## 19.2 DISCLOSURE OF OUTSTANDING CLAIM

Amount in NRs.

Particulars	Outstanding claims	Unclaimed funds				Gross outstanding	Reinsurance share	Net outstanding
	for claims intimated during the year	Outstanding claim for claims intimated during the previous 1 year	Outstanding claim for claims intimated during the previous 2 years	Outstanding claim for claims intimated during the previous 3 years	Total unclaimed funds	claims	share	claims
	(A)				(B)	(A+B)	(C)	(A+B-C)
Fire	376,209,128	123,197,516	4,919,595	52,208,460	180,325,571	556,534,699	520,415,167	36,119,532
Motor	154,587,820	26,592,125	16,865,014	20,890,781	64,347,920	218,935,740	63,753,754	155,181,986
Marine	21,750,640	8,230,830	2,357,254	9,637,729	20,225,813	41,976,453	32,665,139	9,311,314
Engineering	145,150,711	33,851,128	36,704,854	36,322,989	106,878,971	252,029,682	211,181,669	40,848,013
Micro	-	346,250,000	160,225,000	-	506,475,000	506,475,000	506,475,000	-
Aviation	278,087,271	-	-	-	-	278,087,271	277,809,184	278,087
Cattle and crop	24,386,908	3,109,260	63,500	74,700	3,247,460	27,634,368	22,951,630	4,682,738
Miscellaneous	33,875,607	27,184,913	8,490,000	11,235,987	46,910,900	80,786,507	56,374,116	24,412,391
<b>Total</b>	<b>1,034,048,085</b>	<b>568,415,771</b>	<b>229,625,218</b>	<b>130,370,645</b>	<b>928,411,635</b>	<b>1,962,459,720</b>	<b>1,691,625,658</b>	<b>270,834,062</b>



**20. INSURANCE PAYABLES**

Amount in NRs.

Particulars	Current Year	Previous Year
Payable to reinsurers	285,857,925	180,799,919
Payable to other insurance companies	572,703,688	19,505,176
Portfolio withdrawal premium	-	-
Outstanding withdrawal claims	-	-
Others	-	-
<b>Total</b>	<b>858,561,613</b>	<b>200,305,095</b>

**Payable within 12 months:**

Amount in NRs.

Particulars	Current Year	Previous Year
Payable to reinsurers	285,857,925	180,799,919
Payable to other insurance companies	572,703,688	19,505,176
Portfolio withdrawal premium	-	-
Outstanding withdrawal claims	-	-
Others	-	-
<b>Total</b>	<b>858,561,613</b>	<b>200,305,095</b>

**21. CURRENT TAX (ASSETS)/ LIABILITIES (NET)**

Amount in NRs.

Particulars	Current Year	Previous Year
Income tax liabilities	227,988,369	65,279,201
Income tax assets	(210,060,699)	(124,828,785)
<b>Total</b>	<b>17,927,670</b>	<b>(59,549,584)</b>

**22. BORROWINGS**

Amount in NRs.

Particulars	Current Year	Previous Year
Bond	-	-
Debenture	-	-
Term loan - bank and financial institution	-	-
Bank overdraft	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Payable within 12 months:**

Amount in NRs.

Particulars	Current Year	Previous Year
Bond	-	-
Debenture	-	-
Term loan - bank and financial institution	-	-
Bank overdraft	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 23. OTHER LIABILITIES

Amount in NRs.

Particulars	Current Year	Previous Year
TDS payable	7,676,882	8,302,235
VAT payable	31,104,185	17,493,750
Unidentified deposits	-	-
Advance premium	29,082,327	-
Insurance service fee payable	27,364,966	20,753,438
Lease liability	16,242,062	846,426
Deferred reinsurance commission income	136,642,729	89,855,346
Deferred income	-	-
Prior period tax liabilities	-	-
Others	-	-
i) Staff vehicle deposit	1,660,468	1,427,255
<b>Total</b>	<b>249,773,619</b>	<b>138,678,450</b>

## Payable within 12 months:

Amount in NRs.

Particulars	Current Year	Previous Year
TDS payable	7,676,882	8,302,235
VAT payable	31,104,185	17,493,750
Unidentified deposits	-	-
Advance premium	29,082,327	-
Insurance service fee payable	27,364,966	20,753,438
Lease liability	5,686,957	846,426
Deferred reinsurance commission income	136,642,729	89,855,346
Deferred income	-	-
Others	-	-
i) Staff vehicle deposit	-	-
<b>Total</b>	<b>237,558,046</b>	<b>137,251,195</b>

## 24. OTHER FINANCIAL LIABILITIES

Amount in NRs.

Particulars	Current Year	Previous Year
Redeemable preference shares	-	-
Irredeemable cumulative preference shares	-	-
Refundable share application money	-	-
Payable to insured	85,734,933	-
Payable to agents	28,539,399	11,517,975
Payable to surveyor	1,463,978	-
Sundry creditors	27,449,884	61,689,347
Retention and deposits	-	221,654
Short-term employee benefits payable		
i) Salary payable	-	-
ii) Bonus payable	71,350,634	20,751,246
iii) Other employee benefit payable	7,872,315	1,573,336
Audit fee payable	591,000	482,650
Actuarial Fees Payable	376,471	-
Dividend payable	5,352,336	5,720,316
Others		
i) Refund premium payable	-	343,634
<b>Total</b>	<b>228,730,950</b>	<b>102,300,158</b>

## Payable within 12 months:

Amount in NRs.

Particulars	Current Year	Previous Year
Redeemable preference shares	-	-
Irredeemable cumulative preference shares	-	-
Refundable share application money	-	-
Payable to insured	85,734,933	-
Payable to agents	28,539,399	11,517,975
Payable to surveyor	1,463,978	-
Sundry creditors	27,449,884	61,689,347
Retention and deposits	-	-
Short-term employee benefits payable		
i) Salary payable	-	-
ii) Bonus payable	71,350,634	20,751,246
iii) Other employee benefit payable	7,872,315	1,573,336
Audit fee payable	591,000	482,650
Actuarial Fees Payable	376,471	-
Dividend payable	5,352,336	5,720,316
Others		
i) Refund premium payable	-	343,634
<b>Total</b>	<b>228,730,950</b>	<b>102,078,504</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 25. GROSS EARNED PREMIUMS

Amount in NRs.

Particulars	Direct premiums		Premiums on reinsurance accepted		Gross change in unearned premiums		Gross earned premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	538,706,116	236,331,127	-	93,675	62,106,584	(23,682,528)	600,812,700	212,742,274
Motor	758,761,375	279,085,680	174,945,529	110,883,977	(66,855,164)	(51,976,829)	866,851,740	337,992,829
Marine	66,670,097	24,246,128	2,779	360,734	(59,200,884)	5,093,897	7,411,992	29,700,759
Engineering	529,937,432	176,905,896	1,258,504	247,500	(53,199,769)	(55,726,864)	477,996,167	121,426,532
Micro	2,400	5,223	-	-	3,241	26,032,677	5,641	26,037,900
Aviation	354,605,187	473,324,756	-	-	99,191,033	(89,787,972)	453,796,220	383,536,785
Cattle and crop	90,360,564	131,662,736	-	-	46,542,981	(16,897,364)	136,903,545	114,765,372
Miscellaneous	835,180,899	634,936,158	25,916,076	7,248,279	(10,772,650)	(133,814,272)	850,324,325	508,370,165
<b>Total</b>	<b>3,174,224,070</b>	<b>1,956,497,704</b>	<b>202,122,888</b>	<b>118,834,165</b>	<b>17,755,372</b>	<b>(340,758,254)</b>	<b>3,394,102,330</b>	<b>1,734,572,615</b>

#### 25.1 DIRECT PREMIUMS

Particulars	New business premiums		Renewal premiums		Co-insurance premiums		Total direct premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	293,703,409	216,556,363	216,852,241	19,774,764	28,150,466	-	538,706,116	236,331,127
Motor	632,773,742	265,048,013	125,774,888	14,037,667	212,745	-	758,761,375	279,085,680
Marine	63,344,405	24,246,128	-	-	3,325,692	-	66,670,097	24,246,128
Engineering	433,164,154	170,250,037	92,841,142	6,655,859	3,932,136	-	529,937,432	176,905,896
Micro	1,500	5,223	900	-	-	-	2,400	5,223
Aviation	348,087,565	472,529,959	3,994,392	794,797	2,523,230	-	354,605,187	473,324,756
Cattle and crop	83,354,063	131,275,424	7,006,501	387,312	-	-	90,360,564	131,662,736
Miscellaneous	477,973,255	552,775,024	352,973,068	82,161,134	4,234,576	-	835,180,899	634,936,158
<b>Total</b>	<b>2,332,402,093</b>	<b>1,832,606,171</b>	<b>795,443,132</b>	<b>123,811,533</b>	<b>42,378,845</b>	<b>-</b>	<b>3,174,224,070</b>	<b>1,956,497,704</b>

#### 26. PREMIUMS CEDED

Particulars	Premiums ceded to reinsurers		Reinsurer's share of change in unearned premiums		Premium ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	347,367,643	189,897,592	126,279,329	(14,536,876)	473,646,972	175,360,716
Motor	328,412,515	17,980,972	(71,678,648)	(10,591,085)	256,733,867	7,389,687
Marine	38,746,624	169,045,581	14,956,569	5,278,203	53,703,193	174,323,784
Engineering	489,630,915	168,366,974	(102,006,112)	(53,205,425)	387,624,803	115,161,549
Micro	480	473,192,438	109,399,064	12,208,074	109,399,544	485,400,512
Aviation	354,386,194	550,114,216	113,829,156	(89,917,725)	468,215,350	460,196,491
Cattle and crop	81,287,338	105,330,189	18,091,496	(13,517,892)	99,378,834	91,812,297
Miscellaneous	584,046,846	540	(16,966,314)	(113,788,989)	567,080,532	(113,788,449)
<b>Total</b>	<b>2,223,878,555</b>	<b>1,673,928,502</b>	<b>191,904,540</b>	<b>(278,071,715)</b>	<b>2,415,783,095</b>	<b>1,395,856,787</b>

#### 26.1 PORTFOLIO-WISE DETAIL OF NET EARNED PREMIUMS

Particulars	Gross earned premiums		Premiums ceded		Net earned premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	600,812,700	212,742,274	473,646,972	175,360,716	127,165,728	37,381,558
Motor	866,851,740	337,992,829	256,733,867	7,389,687	610,117,873	330,602,942
Marine	7,411,992	29,700,759	53,703,193	174,323,784	(46,291,201)	(144,623,025)
Engineering	477,996,167	121,426,532	387,624,803	115,161,549	90,371,364	6,264,983
Micro	5,641	26,037,900	109,399,544	485,400,512	(109,393,903)	(459,362,612)
Aviation	453,796,220	383,536,785	468,215,350	460,196,491	(14,419,130)	(76,659,707)
Cattle and crop	136,903,545	114,765,372	99,378,834	91,812,297	37,524,711	22,953,075
Miscellaneous	850,324,325	508,370,165	567,080,532	(113,788,449)	283,243,793	622,158,614
<b>Total</b>	<b>3,394,102,330</b>	<b>1,734,572,615</b>	<b>2,415,783,095</b>	<b>1,395,856,787</b>	<b>978,319,235</b>	<b>336,715,828</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 27. COMMISSION INCOME

Amount in NRs.

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
Fire	73,806,729	36,434,833	22,143,623	(4,389,331)	13,806,287	13,324,152	109,756,639	45,369,654
Motor	42,203,611	4,399,654	17,389,185	(2,607,751)	-	58,390	59,592,796	1,850,293
Marine	9,613,256	23,393,754	2,626,496	(146,147)	(1,282,677)	337,531	10,957,075	23,585,138
Engineering	69,983,826	15,206,570	(13,332,849)	(8,081,026)	13,864,858	3,420,966	70,515,835	10,546,510
Micro	82	17,452,369	621	(614)	-	-	703	17,451,755
Aviation	18,849,984	57,529,115	(7,414,915)	-	-	8,524,119	11,435,069	66,053,234
Cattle and Crop	16,438,130	17,906,132	4,219,773	(1,931,608)	-	-	20,657,903	15,974,524
Miscellaneous	81,172,993	1,010	19,204,910	(15,553,405)	7,265,057	-	107,642,960	(15,552,395)
<b>Total</b>	<b>312,068,611</b>	<b>172,323,437</b>	<b>44,836,844</b>	<b>(32,709,882)</b>	<b>33,653,525</b>	<b>25,665,158</b>	<b>390,558,980</b>	<b>165,278,713</b>

#### 28. OTHER DIRECT INCOME

Particulars	Direct income		Others		Total direct income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	-	-	-	-	-	-
Motor	-	-	-	-	-	-
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 29. INVESTMENT INCOME

Amount in NRs.

Particulars	Current Year	Previous Year
Interest income from financial assets measured at amortised costs		
i) Fixed deposit with "A" class financial institutions	245,854,227	118,549,657
ii) Fixed deposit with Infrastructure Bank	-	-
iii) Fixed deposit with "B" class financial institutions	51,451,258	8,981,246
iv) Fixed deposit with "C" class financial institutions	8,932,904	1,293,181
v) Debentures	16,117,525	2,479,210
vi) Bonds (Nepal Government / NRB / Guaranteed by Nepal Government)	-	-
vii) Bank deposits other than fixed deposit	9,629,092	2,874,226
viii) Employee loan	-	-
ix) Other Interest Income	3,750,927	4,814,886
Financial assets measured at FVTOCI		
i) Interest income on debentures	-	-
ii) Dividend income	3,034,161	9,708,487
iii) Other interest income	-	-
Financial assets measured at FVTPL		
i) Interest income on debentures	-	-
ii) Dividend income	-	-
iii) Other interest income	-	-
Rental income	-	-
Others	-	-
<b>Total</b>	<b>338,770,094</b>	<b>148,700,893</b>

#### 30. NET GAINS/ (LOSSES) ON FAIR VALUE CHANGES

Particulars	Current Year	Previous Year
Changes in fair value of financial assets measured at FVTPL		
i) Equity instruments	-	-
ii) Mutual fund	-	-
iii) Others	-	-
Changes in fair value on investment properties	-	-
Changes in fair value on hedged items in fair value hedges	-	-
Changes in fair value on hedging instruments in fair value hedges	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 31. NET REALISED GAINS/ (LOSSES)

Amount in NRs.

Particulars	Current Year	Previous Year
Realised gains/(losses) on derecognition of financial assets measured at FVTPL		
i) Equity instruments	(1,263,914)	1,020,612
ii) Mutual fund	-	-
iii) Debentures	-	-
iv) Others	-	-
Realised gains/(losses) on derecognition of financial assets at amortised costs		
i) Debentures	-	-
ii) Bonds	-	-
iii) Others	-	-
<b>Total</b>	<b>(1,263,914)</b>	<b>1,020,612</b>

#### 32. OTHER INCOME

Particulars	Current Year	Previous Year
Unwinding of discount on financial assets at amortised cost		
i) Employee loan	-	-
ii) Bonds	-	-
iii) Others	-	-
Foreign exchange income	2,778,786	-
Interest income from finance lease	-	-
Amortization of deferred income	-	-
Profit from disposal of property, plant and equipment	(80,211)	1,184,955
Stamp income	3,375,720	2,009,031
Allowances written back	-	-
Others		
Liabilities written back	-	-
Others	2,985,392	617,465
<b>Total</b>	<b>9,059,687</b>	<b>3,811,451</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 33. GROSS CLAIMS PAID

Particulars	Amount in NRs.					
	Gross claims paid		Claims ceded		Net claims paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	139,089,942	146,800,515	102,244,517	139,590,477	36,845,425	7,210,038
Motor	481,130,629	12,586,393	150,914,022	9,617,151	330,216,607	2,969,242
Marine	40,186,253	131,618,817	24,386,828	42,786,715	15,799,425	88,832,102
Engineering	196,593,054	4,303,973	180,006,437	3,295,631	16,586,617	1,008,342
Micro	53,325,000	241,515,588	53,325,000	241,272,236	-	243,352
Aviation	1,169,582,848	121,484,992	1,168,424,441	70,169,518	1,158,407	51,315,474
Cattle and crop	143,705,134	94,559,202	117,717,726	75,647,362	25,987,408	18,911,840
Miscellaneous	297,094,864	11,941,571	117,652,708	11,900,409	179,442,156	41,162
<b>Total</b>	<b>2,520,707,724</b>	<b>764,811,051</b>	<b>1,914,671,679</b>	<b>594,279,499</b>	<b>606,036,045</b>	<b>170,531,552</b>

#### 33.1 DETAILS OF GROSS CLAIM PAID

Particulars	Claims paid		Survey fees		Total claims paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	129,979,165	142,972,308	9,110,777	3,828,207	139,089,942	146,800,515
Motor	471,709,888	6,838,037	9,420,741	5,748,356	481,130,629	12,586,393
Marine	37,064,249	130,603,793	3,122,004	1,015,024	40,186,253	131,618,817
Engineering	182,704,601	3,193,566	13,888,453	1,110,407	196,593,054	4,303,973
Micro	53,325,000	241,515,588	-	-	53,325,000	241,515,588
Aviation	1,169,582,848	121,484,992	-	-	1,169,582,848	121,484,992
Cattle and crop	141,968,508	94,412,956	1,736,626	146,246	143,705,134	94,559,202
Miscellaneous	296,358,487	11,163,619	736,377	777,952	297,094,864	11,941,571
<b>Total</b>	<b>2,482,692,746</b>	<b>752,184,859</b>	<b>38,014,978</b>	<b>12,626,192</b>	<b>2,520,707,724</b>	<b>764,811,051</b>

#### 34. CHANGE IN INSURANCE CONTRACT LIABILITIES

Particulars	Gross change in contract liabilities		Change in reinsurance assets		Net change in contract liabilities	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	242,762,028	109,148,140	(255,903,573)	114,889,851	(13,141,545)	224,037,991
Motor	(217,764,799)	(20,037,584)	99,724,924	(6,135,804)	(118,039,875)	(26,173,388)
Marine	(1,337,370)	2,258,177	3,968,367	316,374	2,630,997	2,574,551
Engineering	(103,679,267)	(70,266,569)	114,428,456	(67,736,401)	10,749,189	(138,002,970)
Micro	(58,818,783)	(110,344,932)	58,814,071	(111,952,577)	(4,712)	(222,297,509)
Aviation	(67,714,978)	(432,545,567)	67,683,462	(432,655,872)	(31,516)	(865,201,439)
Cattle and crop	(77,299,581)	(54,576,205)	61,160,821	(43,293,168)	(16,138,760)	(97,869,373)
Miscellaneous	19,114,495	53,066,476	(25,309,996)	55,245,397	(6,195,501)	108,311,873
<b>Total</b>	<b>(264,738,255)</b>	<b>(523,298,064)</b>	<b>124,566,532</b>	<b>(491,322,200)</b>	<b>(140,171,723)</b>	<b>(1,014,620,264)</b>



## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 35. COMMISSION EXPENSES

Amount in NRs.

Particulars	Commission expenses on direct premiums		Commission expenses on premium on reinsurance accepted		Changes in deferred commission expenses		Total commission expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	8,836,474	1,810,115	-	22,397	108,686	19,416	8,945,160	1,851,928
Motor	4,044,466	1,451,503	-	3,128,092	3,204,753	(1,464,509)	7,249,219	3,115,086
Marine	778,353	94,610	556.00	72,147	87,235	(29,497)	866,144	137,260
Engineering	8,729,938	480,041	116,412	42,075	(2,299,570)	(231,528)	6,546,780	290,588
Micro	120	135	-	-	62	(85)	182	50
Aviation	6,719,926	3,236,124	-	-	(2,653,827)	-	4,066,099	3,236,124
Cattle and crop	13,045,399	19,213,014	-	-	6,950,539	(2,761,053)	19,995,938	16,451,961
Miscellaneous	10,636,121	5,768,487	-	-	868,887	(2,169,785)	11,505,008	3,598,702
<b>Total</b>	<b>52,790,797</b>	<b>32,054,029</b>	<b>116,968</b>	<b>3,264,711</b>	<b>6,266,765</b>	<b>(6,637,041)</b>	<b>59,174,530</b>	<b>28,681,699</b>

#### 36. SERVICE FEES

Particulars	Service fees		Reinsurer's share of service fees		Net service fee	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	4,386,032	2,364,248	2,810,685	1,897,619	1,575,347	466,629
Motor	7,604,766	3,899,697	1,140,589	528,652	6,464,177	3,371,045
Marine	565,775	246,069	333,333	176,204	232,442	69,865
Engineering	4,334,992	1,771,534	4,040,463	1,681,195	294,529	90,339
Micro	23	52	5	8	18	44
Aviation	2,948,910	4,733,248	2,972,033	4,731,924	(23,123)	1,324
Cattle and crop	750,859	1,316,627	676,359	1,053,302	74,500	263,325
Miscellaneous	6,773,593	6,421,844	4,505,562	5,501,563	2,268,031	920,281
<b>Total</b>	<b>27,364,950</b>	<b>20,753,319</b>	<b>16,479,029</b>	<b>15,570,467</b>	<b>10,885,921</b>	<b>5,182,852</b>

#### 37. OTHER DIRECT EXPENSES

Particulars	Direct expenses		Others		Total direct expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fire	549,060	-	-	-	549,060	-
Motor	2,103,870	-	-	-	2,103,870	-
Marine	187,600	-	-	-	187,600	-
Engineering	44,760	-	-	-	44,760	-
Micro	229,873	-	-	-	229,873	-
Aviation	120	-	-	-	120	-
Cattle and crop	561,010	-	-	-	561,010	-
Miscellaneous	294,340	-	-	-	294,340	-
<b>Total</b>	<b>3,970,633</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,970,633</b>	<b>-</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 38. EMPLOYEE BENEFITS EXPENSES

Particulars	Amount in NRs	
	Current Year	Previous Year
Salaries	121,647,355	58,041,633
Allowance	94,814,493	32,803,692
Festival allowance	16,262,620	4,552,157
Defined benefit plans		
i) Gratuity	-	(15,111,785)
ii) Others	-	-
Defined contribution plans		
i) Provident fund / social security fund	23,481,420	6,578,730
ii) Others	-	-
Leave encashments	10,219,992	2,352,737
Termination benefits	-	-
Training expenses	4,493,710	2,818,117
Uniform expenses	-	-
Medical expenses	-	-
Insurance expenses	3,201,263	2,181,808
Staff welfare expenses	4,859,657	-
Others (gift and novelties)	-	188,284
<b>Sub total</b>	<b>278,980,510</b>	<b>94,405,373</b>
Bonus	71,350,634	20,751,246
<b>Total</b>	<b>350,331,144</b>	<b>115,156,619</b>

#### 39. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	Current Year	Previous Year
Amortization of goodwill and intangible assets (Refer Note 4)	1,996,314	2,319,396
Depreciation on property, plant and equipment (Refer Note 5)	17,197,747	8,064,356
Depreciation on investment properties (Refer Note 6)	-	-
<b>Total</b>	<b>19,194,061</b>	<b>10,383,752</b>

#### 40. IMPAIRMENT LOSSES

Particulars	Current Year	Previous Year
Impairment losses on property and equipment, investment properties and goodwill & intangible assets		
i) Property, plant and equipment	-	-
ii) Investment properties	-	-
iii) Goodwill and intangible assets	-	-
Impairment losses on financial assets		
i) Investment	-	-
ii) Loans	-	-
iii) Other financial assets	-	-
iv) Cash and cash equivalent	-	-
v) Others	-	-
Impairment losses on other assets		
i) Reinsurance assets	-	-
ii) Insurance receivables	-	-
iii) Lease receivables	-	-
iv) Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 41. OTHER OPERATING EXPENSES

Particulars	Current Year	Previous Year
Rent expenses	32,823,813	20,030,971
Electricity and water	4,030,308	2,258,881
Repair and maintenance		
i) Building	-	-
ii) Vehicle	1,433,974	841,402
iii) Office equipment	1,150,434	1,708,522
iv) Others	569,498	879,446
Telephone and communication	6,449,031	4,322,415
Printing and stationary	12,392,745	4,075,114
Office consumable expenses	9,254,703	3,061,056
Travelling expenses		
i) Domestic	1,115,147	1,278,621
ii) Foreign	4,062,789	82,590
Transportation and fuel	12,454,120	2,918,879
Agent training	59,220	570,546
Other agent expenses	-	-
Insurance premium	1,740,502	618,250
Security and outsourcing expenses	7,726,966	5,785,253
Legal and consulting expenses	17,915,850	5,016,093
Newspapers, books and periodicals	72,359	55,765
Advertisement and promotion expenses	7,930,697	3,090,855
Business promotion	3,835,908	-
Guest entertainment	5,367,600	3,627,789
Gift and donations	-	-
Board meeting fees and expenses		
i) Meeting allowances	1,303,000	1,018,500
ii) Other allowances	584,511	19,837
Other committee/ sub-committee expenses		
i) Meeting allowances	815,000	560,000
ii) Other allowances	20,888	-
Annual general meeting expenses	1,222,576	881,187
Actuarial service fee	301,177	-
Other actuarial expenses	75,294	-
Audit related expenses		
i) Statutory audit	600,000	375,000
ii) Tax audit	-	-
iii) Long form audit report	-	40,000
iv) Other fees	-	100,000
v) Internal audit	1,171,825	400,000
vi) Others	105,000	-
Bank charges	1,223,156	470,177
Fee and charges	9,861,031	2,227,346
Postage charges	2,807,410	1,193,647
Foreign exchange losses	-	-
Fines and penalties	-	-
Others		
CSR activities	148,702	566,070
Merger expenses	11,523,485	1,184,905
Direct expenses	-	2,728,578
Software development expenses	-	-
Share related expenses	-	451,040
Foreign exchange loss	-	4,179,550
Crop and live stock expenses	-	-
Micro expenses other direct expenses	-	21,432
VAT expenses on proportional VAT claim	-	3,454,879
<b>Total</b>	<b>162,148,699</b>	<b>80,094,596</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

Amount in NRs.

Particulars	Current Year	Previous Year
<b>42. FINANCE COST</b>		
Unwinding of discount on provisions	-	-
Unwinding of discount on financial liabilities at amortised costs	-	-
Interest Expenses - Bonds	-	-
Interest Expenses - debentures	-	-
Interest expenses - on term loans	-	-
Interest Expenses - lease	1,719,066	-
Interest expenses - on overdraft loans	-	737,577
Others	-	-
<b>Total</b>	<b>1,719,066</b>	<b>737,577</b>
<b>43. INCOME TAX EXPENSE</b>		
<b>A. INCOME TAX EXPENSE</b>		
Particulars	Current Year	Previous Year
Current tax		
i) Income tax expenses for the year	187,272,548	65,253,878
ii) Income tax relating to prior periods	47,807,096	326,502
Deferred tax for the year		
i) Originating and reversal of temporary differences	(37,983,465)	(1,552,847)
ii) Changes in tax rate	-	-
iii) Recognition of previously unrecognised tax losses	-	-
iv) Write-down or reversal	-	-
v) Others	-	-
<b>Income tax expense</b>	<b>197,096,179</b>	<b>64,027,533</b>
<b>B. RECONCILIATION OF TAXABLE PROFIT &amp; ACCOUNTING PROFIT</b>		
Particulars	Current Year	Previous Year
Accounting profit before tax	642,155,706	214,782,986
Applicable tax rate	30.00%	30.00%
<b>Tax at the applicable rate on accounting profit</b>	<b>192,646,712</b>	<b>64,434,896</b>
Add: Tax effect of expenses that are not deductible / (included) for tax purpose		
i) Provision for unrealized cheque written back	-	-
ii) Provision for investment written back	-	-
iii) CSR expenses	44,611	-
iv) Fines and penalties	321,803	135,312
v) Tax effect of realised gain/loss on disposal of equity instruments	(96,760)	-
Less: Tax effect on exempt income and additional deduction		
i) Bonus on Income from dividend	18,331	96,573
ii) Dividend	(183,331)	(965,750)
iii) Capital gain tax on disposal of investment after acquisition	-	-
Less: Adjustments to current tax for prior periods		
i) Taxes pertaining to prior period	47,807,096	326,502
ii)	-	-
Add / (less): others		
i) Opening deferred tax adj on net contract liabilities of EIC	(18,402,409)	-
ii) Opening deferred tax adj on deferred commission income & expenses of EIC	(23,475,219)	-
iii) Opening unexpired risk reserve for HGI	(1,584,655)	-
<b>Income tax expense</b>	<b>197,096,179</b>	<b>64,027,533</b>
<b>Effective tax rate</b>	<b>30.69%</b>	<b>29.81%</b>

#### 44. EMPLOYEE RETIREMENT BENEFITS

The Company provides defined contribution plan, defined benefit plan and other long-term employee benefit plan to its employees. Under contribution plan the Company pays pre-determined amounts to publicly administered funds as per the local regulation and does not have any legal or informal obligations to pay additional amounts. These comprise of contribution to social security fund on account of provident fund and gratuity. The Company's long-term benefit plan comprise of earned leave.

From the financial year commencing from Sawan 1, 2079, the company started contribution of its overall employees with the social security fund. The contribution so made consists of 10% of provident fund, 8.33% of gratuity and 1.67% of medical insurance. The liability on account of gratuity as per the previous gratuity policy up to Ashad 32, 2079 (July 16, 2022) has been computed and paid to the fund with Citizen Investment Trust. The liability so computed has been funded with Citizen Investment Trust.

The earned leave plan provides a lump sum payment to vested employees, at retirement or termination of employment, of an amount based on the respective employee's salary and number of unused accumulated leaves balances of annual leave and sick leave. Earned leave is funded with Citizen Investment Trust.

The value of the long-term employee benefit plan on account of earned leave is determined by external independent actuary as at the reporting dated, using the projected unit credit method. The actuarial valuation involves making assumptions about the discount rates, salary increment rate, employees' attrition rate and balance service period of employees. Due to long term nature of the plans, such estimates are subject to significant uncertainties.

##### a. Post employment benefit - Defined contribution plan

For the year ended Ashad 31, 2080 (July 16, 2023) the company has recognised Rs. 6,107,909 (2078-79: Rs. 6,578,730) as an expenses under the defined contribution plans in the statement of profit or loss.

##### b. Post employment benefit - Defined benefit plan and long-term benefit plan

For long-term benefit plan, the cost of providing benefits is determined using the projected unit credit method, based on the actuarial valuations.

##### c. Total expenses recognised in the statement of profit or loss

Amount in NRs.

Particulars	Earned leave	
	Current Year	Previous Year
Current service cost	928,942	999,381
Past service cost	-	-
Net interest cost		
a. Interest expense on defined benefit obligation (DBO)	713,689	450,810
b. Interest (income) on plan assets	-	-
<b>c. Total net interest cost</b>	<b>713,689</b>	<b>450,810</b>
Net Actuarial losses/(gains) recognized during the period	4,465,279	902,546
<b>Defined benefit cost included in statement of profit or loss</b>	<b>6,107,910</b>	<b>2,352,737</b>

##### d. Remeasurement effects recognised in statement of other comprehensive income (OCI)

Amount in NRs.

Particulars	Earned leave	
	Current Year	Previous Year
a. Actuarial (gain)/ loss due to financial assumption changes in DBO	-	-
b. Actuarial (Gain) / Loss – demographic assumptions	-	-
c. Actuarial (gain)/ loss due to experience on DBO	-	-
d. Return on plan assets (greater)/ less than discount rate	-	-
<b>Total actuarial (gain)/ loss included in OCI</b>	<b>-</b>	<b>-</b>

##### e. Total cost recognised in Comprehensive Income

Amount in NRs.

Particulars	Earned leave	
	Current Year	Previous Year
Cost recognised in statement of profit or loss	6,107,910	2,352,737
Remeasurements effects recognised in OCI	-	-
<b>Total cost recognised in comprehensive income</b>	<b>6,107,910</b>	<b>2,352,737</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 44. EMPLOYEE RETIREMENT BENEFITS (CONTD)

##### f. Change in defined benefit obligation

Amount in NRs.

Particulars	Earned leave	
	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year	8,481,680	9,124,818
Service cost	928,942	999,381
Interest cost	713,689	450,810
Acquisition	11,206,279	-
Benefits paid by the employer	(2,338,070)	(2,995,875)
Benefit payments from plan assets	-	-
Actuarial (gain)/ loss - financial assumptions	4,465,279	902,546
Actuarial (gain)/ loss - demographic financial assumptions	-	-
Actuarial (gain)/ Loss - experience	-	-
<b>Defined benefit obligation as at the end of the year</b>	<b>23,457,799</b>	<b>8,481,680</b>

##### g. Change in fair value of plan assets

Amount in NRs.

Particulars	Earned leave	
	Current Year	Previous Year
Fair value of plan assets at end of prior year	-	-
Expected return on plan assets	-	-
Employer contributions	21,761,446	-
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>21,761,446</b>	<b>-</b>

##### h. Net defined benefit asset/(liability)

Amount in NRs.

Particulars	Earned leave	
	Current Year	Previous Year
Defined benefit obligation	23,457,799	8,481,680
Fair value of plan assets	(21,761,446)	-
<b>(Surplus)/deficit recognised in statement of financial position</b>	<b>1,696,353</b>	<b>8,481,680</b>

##### i. Expected company contributions for the next year

Amount in NRs.

Particulars	Earned leave	
	Current Year	Previous Year
Expected company contributions for the next year	-	-

##### j. Reconciliation of amounts in statement of financial position

Amount in NRs.

Particulars	Earned leave	
	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end	8,481,680	9,124,818
Defined benefit cost included in Statement of Profit or Loss	6,107,910	2,352,737
Total remeasurements included in OCI	-	-
Acquisition/ divestment	11,206,279	-
Employer contributions	(21,761,446)	-
Benefits Payouts	(2,338,070)	(2,995,875)
<b>Net defined benefit liability/(asset)</b>	<b>1,696,353</b>	<b>8,481,680</b>

##### k. Reconciliation of statement of other comprehensive income

Amount in NRs.

Particulars	Earned leave	
	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period	-	-
Total remeasurements included in OCI	-	-
<b>Cumulative OCI - (Income)/Loss</b>	<b>-</b>	<b>-</b>

## Himalayan Everest Insurance Limited

### Notes To The Financial Statements

For The Year Ended Ashad 31, 2080 (July 16, 2023)

#### 44. EMPLOYEE RETIREMENT BENEFITS (CONTD)

##### l. Current / Non-current liability

Particulars	Earned leave	
	Current Year	Previous Year
Current Liability	5,649,521	2,032,536
Non - Current Liability	17,808,277	6,449,144
<b>Total</b>	<b>23,457,798</b>	<b>8,481,680</b>

##### m. Expected future benefit payments

Particulars	Earned leave	
	Current Year	Previous Year
Within 1 year	-	-
Between 1-2 years	-	-
Between 2-5 years	-	-
From 6 to 10	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

##### n. Plan assets

Particulars	Earned leave	
	Current Year (% Invested)	Previous Year (% Invested)
Government securities	0%	0%
Corporate bonds (including public sector bonds)	0%	0%
Mutual funds	0%	0%
Deposits	0%	0%
Cash and bank balances	0%	0%
Retirement fund	100%	100%
Others	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

##### o. Sensitivity analysis

Particulars	Earned leave	
	Current Year	Previous Year
Effect in defined benefit obligation due to 1% increase in discount rate	-	-
Effect in defined benefit obligation due to 1% decrease in discount rate	-	-
Effect in defined benefit obligation due to 1% increase in salary escalation rate	-	-
Effect in defined benefit obligation due to 1% decrease in salary escalation rate	-	-
Effect in defined benefit obligation due to 1% increase in attrition rate	-	-
Effect in defined benefit obligation due to 1% decrease in attrition rate	-	-

##### p. Assumptions

Particulars	Earned leave
Discount rate	9.00%
Escalation rate (rate of increase in compensation levels)	5.00%
Attrition rate (employee turnover)	10.00%
Mortality rate during employment	Nepali Assured Lives Mortality (2009)

## 45. Fair value measurement

### 45.1 Financial instruments by category and 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 as prescribed by the applicable NFRS.

Particulars	Level	Amount in NRs.					
		Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Investments</b>							
Investment in equity Instruments	1	-	622,126,572	-	-	290,508,889	-
Investment in mutual funds	1	-	52,717,532	-	-	30,318,083	-
Investment in debentures	3	-	-	184,101,630	-	-	26,898,000
Fixed deposits	3	-	-	3,681,702,500	-	-	1,496,012,000
Advance for investment in equity instruments	3	-	-	-	-	-	-
Other financial assets	3	-	-	150,987,152	-	-	146,941,880
Cash and cash equivalents	1	-	-	207,456,355	-	-	347,328,744
<b>Total financial assets</b>		-	<b>674,844,104</b>	<b>4,224,247,637</b>	-	<b>320,826,972</b>	<b>2,017,180,624</b>
Other financial liabilities	3	-	-	229,452,996	-	-	102,300,158
<b>Total financial liabilities</b>		-	-	<b>229,452,996</b>	-	-	<b>102,300,158</b>

An explanation of each level is provided below:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and units of mutual funds that have quoted price. The fair value of all equity instruments and units of mutual fund which are traded on the stock exchanges is valued using the closing price as at the reporting date.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value 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.

### 45.2 Valuation technique used to determine fair value

In respect of investment in equity instruments that are listed in the Nepal Stock Exchange Ltd. the quoted price of the instrument has as at the date of statement of financial position has been used. In respect investment in unquoted equity instruments, the cost of such instrument has been deemed to be fair value.

The fair value of remaining financial instruments is determined using discounted cash flow analysis.

### 45.3 Valuation process

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Discussions on valuation processes and results are held at least once in a year.

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

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



#### 45.4 Fair value of financial assets and liabilities measured at amortised cost

Amount in NRs.

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Investments</b>				
Investment in preference shares of banks and financial institutions				
Investment in debentures	184,101,630	184,101,630	24,898,000	24,898,000
Investment in bonds	-	-	-	-
Fixed Deposit	3,681,702,500	3,681,702,500	1,601,000,000	1,601,000,000
Others	-	-	-	-
<b>Loans</b>				
Loans to employees and others	-	-	-	-
Others	-	-	-	-
Other Financial Assets	150,987,152	150,987,152	92,393,337	92,393,337
<b>Total Financial Assets at Amortised Cost</b>	<b>4,016,791,282</b>	<b>4,016,791,282</b>	<b>1,975,927,337</b>	<b>1,975,927,337</b>
<b>Borrowings</b>				
Bonds	-	-	-	-
Debentures	-	-	-	-
Term loans - Bank and financial institutions	-	-	-	-
Bank overdrafts	-	-	-	-
Others	-	-	-	-
Other Financial Liabilities	229,452,996	229,452,996	46,883,444	46,883,444
<b>Total Financial Liabilities at Amortised Cost</b>	<b>229,452,996</b>	<b>229,452,996</b>	<b>46,883,444</b>	<b>46,883,444</b>

The carrying amounts of other financial assets, insurance receivables, cash and cash equivalents, insurance payables and other financial liabilities are the same as their fair values, due to their short-term nature.

## 46. Risk management framework

### 46.1 Governance framework

The primary objective of the Company's risk and financial management framework is to ensure that it will be able to continue as a going concern so that can continue to provide returns to the shareholders through sustainable achievement of financial performance objective. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

The board of directors and senior management manages the risks through various committees and delegated authorities. As part of the important activity within the Company, the risks are reviewed on a regular basis and strategies are timely adopted to manage these risks. The risks are identified with clear understanding of the market environment, regulatory environment and economic changes.

### 46.2 Insurance risks

The principal risk the Company is subjected to under the insurance contract is that actual claims and benefits payments or the timing thereof may differ from expectations. This is influenced by the frequency of the claims, severity of claims, actual benefits paid and subsequent development of long-term claims. The objective of the Company is therefore to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across portfolio of insurance contracts. The risk is also mitigated by careful selection and implementation of underwriting guidelines as well as use of reinsurance arrangements.

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

- Product design risk
- Product pricing
- Underwriting risk
- Claim risk
- Reinsurance risk
- Reserving

#### a. Product design risk

The Company issues general insurance contracts such as fire, marine, motor, marine, engineering, micro, aviation, cattle and crop and miscellaneous. The significant risks arising under the general insurance portfolio are from changes in the climate leading to natural disasters, behavioral trends of peoples due the change in their lifestyles and steady escalation of costs in respect of motor industry.

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

The Company's insurance risk based on the line of business concentration is as follows:

Line of business	For the year ended Ashad 31, 2080 (July 16, 2023)		For the year ended Ashad 32, 2079 (July 16, 2022)	
	Gross written premium	Concentration Percentage	Gross written premium	Concentration Percentage
Fire	538,706,116	16%	236,424,802	11%
Motor	933,706,904	28%	389,969,657	21%
Marine	66,672,876	2%	24,606,862	2%
Engineering	531,195,936	16%	177,153,396	5%
Micro	2,400	0%	5,223	4%
Aviation	354,605,187	11%	473,324,756	22%
Cattle and crop	90,360,564	3%	131,662,736	7%
Miscellaneous	861,096,975	26%	642,184,437	28%
<b>Total</b>	<b>3,376,346,958</b>		<b>2,075,331,869</b>	

#### b. Pricing risk

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

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

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

#### c. Underwriting risk

Underwriting involves measuring risk exposure and determining the premium that needs to be charged to undertake the insurance risk. Underwriting risks generally arise either from an inaccurate assessment of the risks entailed in writing and insurance policy or from factors wholly out of the underwriter's control.

The majority of the underwriting risk to which the Company is exposed is of a short-term nature, and generally does not exceed 12 months. The company's underwriting strategy aims to ensure that the underwritten risks are well diversified in terms of the type, amount of risk, and geography in order to ensure that the Company minimises the volatility of its insurance result.

The above risk exposure is mitigated by improving the knowledge and skills of the underwriting staff. Further, a statistical database is maintained to enable proper decisions to be taken during underwriting of insurance risks undertaken. Also, financial authority limits are in place for underwriting, clearly prescribing the limits to underwrite based on the sum insured and risk undertaken. Pricing is done by modelling all identified risks, using appropriate methodologies depending on the complexity of the risks and available data. Adequate buffers are kept in the premiums to cushion against the risk that actual experience may turn out to be worse than expected.

#### d. Reinsurance risk

Reinsurance risk refers to the inability of the Company to obtain insurance from reinsurers at the right time and at the appropriate cost.

The above risk exposure is mitigated by choosing globally highly trusted reinsurance companies for reinsurance placements. The company has reinsurance treaty with the following reinsurance companies:

Name of reinsurers	Rating	Issuing agency
General Insurance Corporation of India, India	B ++	AM Best
Oman Re	B+	AM Best
Zep Re (PTA Reinsurance Company) Nairobi, Kenya	B ++	AM Best
East Africa Reinsurance Corporation Ltd., Nairobi, Kenya	B	AM Best
AdNIC reinsurance	A	AM Best
Cica Re	B +	AM Best
The New India Assurance Company Limited	B ++	AM Best
Asian Reinsurance Company Limited	B +	AM Best

#### e. Claim risk

Claim risk refers to the risk that the actual claims or the timing thereof may differ from expectation and sufficient reserves may not be available to cover these liabilities.

The above risk exposure is mitigated by implementing strict claim review policies to assess all new and ongoing claims. Regular detailed review of claims handling procedure 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 may negatively impact the business.

The Company seeks to reduce its claim risk through the use of experience actuaries who estimates actuarial indication of the required reserves to be made based on claims experience, business volume, anticipated change in the claim environment and claims cost.

#### i. Sensitivities

The Company's claim liabilities are sensitive to key assumptions as mentioned in the table below. The following analysis is performed for 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.

For the year ended on Ashad 31, 2080 (2079-80)					Amount in NRs.
Particulars	Changes in Assumptions	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax
Average claim cost	+10%	257,795,654	3,934,517	(291,415,939)	(203,991,158)
Average number of claims	+10%	26,473,826	(14,017,173)	14,017,173	9,812,021
Average claim cost	-10%	(257,795,654)	(3,934,517)	291,415,939	203,991,158
Average number of claims	-10%	(26,473,826)	14,017,173	(14,017,173)	(9,812,021)

For the year ended on Ashad 32, 2079 (2078-79)

Amount in NRs.

Particulars	Changes in Assumptions	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax
Average claim cost	+10%	86,078,309	1,347,626	(188,908,683)	(132,236,078)
Average number of claims	+10%	81,040,190	1,642,136	(1,642,136)	(1,149,495)
Average claim cost	-10%	(86,078,309)	(1,347,626)	188,908,683	132,236,078
Average number of claims	-10%	(81,040,190)	(1,642,136)	1,642,136	1,149,495

## ii. 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 outstanding claim provision

Amount in NRs.

Year of Incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year						3,036,202,212	3,036,202,212
One year later				933,584,991			933,584,991
Two year later			363,780,816				363,780,816
Three year later		141,413,839					141,413,839
Four year later	8,185,586						8,185,586
More than Four years	-						-
<b>Current estimate of cumulative claims</b>	-	<b>8,185,586</b>	<b>141,413,839</b>	<b>363,780,816</b>	<b>933,584,991</b>	<b>3,036,202,212</b>	<b>4,483,167,444</b>
At end of incident year						2,002,154,127	2,002,154,127
One year later				365,169,219			365,169,219
Two year later			134,155,598				134,155,598
Three year later		11,043,194					11,043,194
Four year later	8,185,586						8,185,586
More than Four years	-						-
<b>Cumulative payments to date</b>	-	<b>8,185,586</b>	<b>11,043,194</b>	<b>134,155,598</b>	<b>365,169,219</b>	<b>2,002,154,127</b>	<b>2,520,707,724</b>
<b>Gross insurance contract outstanding claim provision</b>	-	-	<b>130,370,645</b>	<b>229,625,218</b>	<b>568,415,771</b>	<b>1,034,048,085</b>	<b>1,962,459,720</b>

## Net outstanding claim provision

Amount in NRs.

Year of Incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
Year of Incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year						589,939,251	589,939,251
One year later				206,886,678			206,886,678
Two year later			41,345,500				41,345,500
Three year later			34,227,517				34,227,517
Four year later		4,471,159					4,471,159
More than four years	-						-
<b>Current estimate of cumulative claims</b>	-	<b>4,471,159</b>	<b>34,227,517</b>	<b>41,345,500</b>	<b>206,886,678</b>	<b>589,939,251</b>	<b>876,870,105</b>
At end of incident year						412,953,454	412,953,454
One year later				163,988,560			163,988,560
Two year later			20,024,089				20,024,089
Three year later			4,598,781				4,598,781
Four year later		4,471,159					4,471,159
More than four years	-						-
<b>Cumulative payments to date</b>	-	<b>4,471,159</b>	<b>4,598,781</b>	<b>20,024,089</b>	<b>163,988,560</b>	<b>412,953,454</b>	<b>606,036,044</b>
<b>Gross insurance contract outstanding claim provision</b>	-	-	<b>29,628,736</b>	<b>21,321,411</b>	<b>42,898,117</b>	<b>176,985,797</b>	<b>270,834,061</b>

## 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:

Amount in NRs.

Particulars	Current Year			Previous Year		
	Gross insurance liabilities	Reinsurance assets	Net liabilities	Gross insurance liabilities	Reinsurance assets	Net liabilities
Fire	771,905,856	626,697,610	145,208,246	195,701,794	156,390,021	39,311,773
Motor	829,301,212	289,158,489	540,142,723	362,045,967	140,179,024	221,866,943
Marine	172,422,269	123,167,993	49,254,276	46,500,295	34,263,926	12,236,369
Engineering	611,052,886	532,853,254	78,199,632	178,419,399	168,717,847	9,701,552
Micro	517,114,778	517,111,483	3,295	305,564,499	305,555,036	9,463
Aviation	570,875,748	570,272,959	602,789	734,647,478	734,094,078	553,400
Cattle and Crop	85,854,022	73,910,350	11,943,672	175,447,779	140,221,645	35,226,134
Miscellaneous	629,046,568	457,939,297	171,107,271	431,962,547	374,890,160	57,072,387
<b>Total</b>	<b>4,187,573,339</b>	<b>3,191,111,435</b>	<b>996,461,904</b>	<b>2,430,289,758</b>	<b>2,054,311,737</b>	<b>375,978,021</b>

## 47. Financial risk management

### 47.1 Credit risk

Credit risk is counter-party default risk and includes the risk of failure of financial institutions with which the Company have placed deposits / investment to meet its contractual obligations, and the failure of reinsurers to meet claims when they fall due. It also includes the risk of default by policyholders on premium receivables.

The Company's placement in debt instruments is primarily in fixed deposits with commercial banks, development banks and other financial institutions that are held at amortised cost of Rs. 3,681,702,500 (2078-79: Rs. 1,496,815,734) and in debentures issued by listed companies Rs. 184,101,630 (2078-79: Rs. 27,986,737) which are managed and monitored by the investment committee of the Company. The Company carries other financial assets, such as balances with banks, advance to employees and other receivables. Bank deposits in fixed and other short-term deposit accounts are held with commercial banks, development banks and other financial institutions having a strong financial position and considering the experience of the Company over time, the counter party risk attached to such assets is considered insignificant.

Advance to employees and other receivables are monitored on regular basis and is recovered on timely basis. Allowance for impairment is made for loss incurred assets if any.

Credit risk to external reinsurers appears when insurance exposures are transferred by the Company to external reinsurance companies to mitigate insurance risks. Potential losses can arise due to non-recoverability of reinsurance receivables that are under reinsurance treaties in force. The Company has selected its reinsurers with a high credit rating and reviews their rating periodically. The information on the reinsurers is provided in 46.2 (d) above. The Company's exposures to reinsurance risk are placed with highly rated reinsurers and considering the experience of the Company over time, the counter party risk attached to insurance receivables is minimal except for receivable of Rs. 161,303,648 (2078-79: Rs. 161,303,648) due from Aviation Assets Management Ltd, which has since been liquidated and has not been recovered. The company also has receivable of Rs. 7,154,982 (2078-79: Rs. 1,876,362) recoverable from local insurance company and Rs. 574,240 recoverable from foreign reinsurance company under facultative arrangement which has not been recovered. Allowance for impairment for these amounts has been made in the financial statements.

The Company does not have a policy of providing credit facilities against issued policy document as per regulatory restrictions. However, in respect of agriculture insurance, 20% of the premium amount is recovered at the time of issue of the policy and balance 80% is guaranteed by the Government of Nepal as subsidy to the farmers which it paid to the Company through the Nepal Insurance Authority of Nepal. Similarly, in respect of insurance for COVID-19 and certain property insurance, 50% of the premium amount is recovered at the time of issue of the policy and balance 50% if guaranteed by the Government of Nepal, which is paid to the Company through the Nepal Insurance Authority of Nepal. Accordingly, the counter party risk attached to the amount due from policyholders is minimal.

The Company uses the incurred loss model for impairment of financial assets. The detail of allowance for financial assets recognised is as follows:

Particulars	Amount in NRs.	
	Current Year	Previous year
<b>Balance of loss allowance as at Ashad 31, 2079</b>	<b>163,180,010</b>	<b>163,180,010</b>
Add: Transferred from business acquisition	5,852,860	-
Add: Loss allowance recognised during the year	-	-
Less: Loss allowance written back during the year	-	-
<b>Balance of loss allowance as at Ashad 31, 2080</b>	<b>169,032,870</b>	<b>163,180,010</b>

Loss allowance has been recognised for receivable from reinsurance Company and local insurance company.

### 47.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments as they fall due.

The Company maintains investment in accordance with the investment policy issued by the Nepal Insurance Authority of Nepal. The Company has also invested in highly marketable securities that can be liquidated in the event of unforeseen contingencies. Further, the investment committee reviews the liquidity level of investments and takes appropriate actions to improve the liquidity position.

Insurance receivables includes amount receivables from local insurance businesses under local facultative arrangement and from reinsurers under reinsurance arrangement for paid losses. These are recognised and measured at fair value of the considerations to be received.

Insurance receivables also includes sundry debtors which are recognised when due and are initially measured at fair value on the consideration receivable. This receivable represents agriculture insurance policy, insurance for COVID-19 and certain property insurance which are subsidized by the government of Nepal to the extent of 50% to 80% of the premium invoiced amount. Collectability of premiums is reviewed on an ongoing basis.

The following table represents the maturity profiles of financial liabilities:

		Amount in Rs.					
Particulars	Notes	Current Year			Previous Year		
		Upto 1 year	1 to 5 years	More than 5 years	Upto 1 year	1 to 5 years	More than 5 years
<b>Financial liabilities</b>							
Borrowing	22	-	-	-	-	-	-
Other financial liabilities	24	-	229,452,988	-	102,300,158	-	-
<b>Total financial liabilities</b>		-	<b>229,452,988</b>	-	<b>102,300,158</b>	-	-

### 47.3 Market risk

Market risk is the risk of possible adverse movements in the value of financial instrument due to change in market factors, such as interest rates, foreign exchange rates, and equity prices, and will affect the Company's income or the value of its holdings of financial instruments. Market risk is the aggregation of:

- Interest rate risk
- Foreign currency risk
- Price risk

#### i. Interest rate risk

Interest rate risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's fixed deposits and short-term deposits with banks and financial institutions and investment in debentures issued by listed companies. The company monitors its interest rate risk on a periodic basis by analyzing the movement in interest rates and manages its cash flows.

#### ii. Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The company does not maintain foreign currency denominated assets in its investment portfolio and as such is not exposed to foreign exchange risk related to investment.

#### iii. Equity price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in the price of the securities or portfolio of securities.

The Company classifies its investment portfolio into debt securities, equity instruments and units of mutual fund. The debts securities are predominantly held in fixed deposits with commercial banks and other financial institutions and debentures issued by listed companies. Fixed deposits and debentures are not traded in the market and the price risk on these securities is negligible. In respect of investment in equity instrument and units of mutual funds, which are listed and traded in the market through Nepal Stock Exchange Ltd., the management follows the guidelines as mentioned in the investment policy and monitors the price of these securities on a regular basis.

The Company holds investment in quoted equity instruments of Rs. 622,126,572 (2078-79: Rs. 126,497,089) and in units of mutual fund of Rs. 52,717,532 (2078-79: Rs. 30,318,083). Changes in the fair value of these instruments are recognised through OCI.

The table below summarizes the increase/decrease in the prices of these securities by 100 basis points assuming the change in equity index with all other variables held constant, and that all the equity instruments move in line with the index.

Particulars	Current Year	Previous year
Interest rate – Increase by 1%	67,484,41	1,568,152
Interest rate – Decrease by 1%	(6,748,441)	(1,568,152)

## 48. Operational risk

This is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standard of corporate governance. Operational failures could result in producing misleading financial information, loss of return, financial penalties from regulators or damage to the reputation of the Company.

The Company has controls of effective segregation of duties, access controls, authorisations, training and assessments procedures. Corporate governance standards are strictly implemented by the board of directors. Risks from change in regulatory environment, technology are monitored in its strategic planning and processes.

## 49. Climate Risk

The Company acknowledges the increasing significance of climate change and its potential impacts on the insurance industry. Climate risk encompasses a spectrum of challenges, including physical risks arising from extreme weather events, as well as transition risks associated with the global shift towards a low-carbon economy.

### a. Physical Risks:

The Company recognizes the potential for increased frequency and severity of extreme weather events, such as floods, storms, and other climatic disruptions. These events may pose a threat to the insured assets and impact on the overall claims experience. The Company has implemented active risk assessment and management practices to identify, assess, and mitigate the physical risks associated with climate change.

### b. Transition Risks:

In response to the global transition towards a low-carbon economy, the Company is cognizant of the evolving regulatory landscape and market dynamics. Changes in regulations, policies, and market preferences related to climate change could affect the valuation of certain assets and liabilities, impact the Company's financial performance. The Company remains committed to staying informed about emerging developments and adapting business strategies accordingly.

### c. Risk Mitigation Strategies:

As part of the Company's commitment to sustainable business practices, the Company is actively integrating climate risk considerations into its underwriting, investment, and risk management processes.

### d. Disclosure of Financial Impact:

At present, the Company does not anticipate a material financial impact directly resulting from climate risk. However, the Company recognizes the dynamic nature of climate-related challenges and continues to assess and disclose any material changes that may arise in the future.

## 50. Capital management

The Company manages its capital with the following management objectives and approaches:

- To maintain the minimum paid up capital as required by its regulator, Nepal Insurance Authority of Nepal.
- To maintain the required level of stability for providing a degree of security to the policyholders.
- To allocate capital efficiently that supports the development of the Company's business so that it can continue to provide returns to the shareholders.
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

### a. Regulatory minimum paid up capital

Operation of the Company are also subject to regulatory requirements of the Nepal Insurance Authority of Nepal. The Nepal Insurance Authority has prescribed minimum paid up capital of Rs. 2.5 billion to be maintained by non-life insurance companies by Ashad end 2081. The company's current paid up capital after the merger with Everest Insurance Company Limited is Rs. 2,301,535,000.



Further, Nepal Insurance Authority has prescribed solvency margin and investment policy to minimise risk of insolvency on the part of the insurance companies to meet unforeseen liabilities that may arise.

The Company maintains solvency and investment as per the regulations prescribed. It maintains a solvency ratio of as per the regulatory requirement.

#### a. Dividend

Particulars	Amount in NRs.	
	Current Year	Previous Year
<b>(i) Dividends recognized</b>		
Final cash dividend for the year ended Ashad 31, 2079 of Rs. 0.14 per fully paid share	3,242,016	3,851,179
Bonus share for the year ended Ashad 31, 2079 of Rs. 2.75 per fully paid share	61,598,300	73,172,400
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, for the year ended the directors have recommended the payment of a final cash dividend of Rs 6.37 per fully paid equity share (2078-79: Rs 0.14 per fully paid share).	146,607,780	3,242,016
In addition to the above dividends, for the year ended the directors have recommended the payment of a bonus share of Rs 8.63 per fully paid equity share (2078-79: Rs 2.75 per fully paid share).	198,622,400	61,598,300
<i>This proposed dividend &amp; bonus share is subject to the approval of shareholders in the ensuing annual general meeting.</i>		

## 51. Earnings per share (EPS)

Particulars	Amount in NRs.	
	Current Year	Previous Year
Profit for the year	445,059,527	150,755,453
Add: Interest saving on convertible bonds		
Profit for the year used for calculating diluted earnings per share	445,059,527	150,755,453
Weighted average number of equity shares outstanding during the year for basic earnings per share	23,015,350	11,735,091
Adjustments for calculation of diluted earnings per share:		
i) Dilutive shares	-	-
ii) Options	-	-
iii) Convertible bonds	-	-
Weighted average number of equity shares outstanding during the year for diluted earnings per share	23,015,350	11,735,091
Nominal value of equity shares	100.00	100.00
<b>Basic earnings per share</b>	<b>19.34</b>	<b>12.85</b>
<b>Diluted earnings per share</b>	<b>19.34</b>	<b>12.85</b>
<b>Restated earnings per share</b>		<b>6.55</b>

## 52. Segment reporting

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 assets are 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 are:

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

**a. Segmental Information for the year ended Ashad 31, 2080 (July 16, 2023)**

Amount in Rs.

Particulars	Fire	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter segment elimination	Total
<b>Income</b>										
Gross earned premiums	600,812,700	866,851,740	7,411,992	477,986,167	5,641	453,796,220	136,903,545	850,324,325	-	3,394,102,330
Premiums ceded	(473,646,972)	(256,733,867)	(53,703,193)	(387,624,803)	(109,399,544)	(468,215,350)	(99,378,834)	(567,080,532)	-	(2,415,783,095)
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
<b>Net earned premiums</b>	<b>127,165,728</b>	<b>610,117,873</b>	<b>(46,291,201)</b>	<b>90,371,364</b>	<b>(109,393,903)</b>	<b>(14,419,130)</b>	<b>37,524,711</b>	<b>283,243,793</b>	<b>-</b>	<b>978,319,235</b>
Commission income	109,756,639	59,592,796	10,957,075	70,515,835	703	11,435,069	20,657,903	107,642,960	-	390,558,980
Investment income	19,700,785	51,471,528	2,181,833	8,241,383	324	705,612	1,311,188	17,253,136	-	100,865,789
Net gains/ (losses) on fair value changes	-	-	-	-	-	-	-	-	-	-
Net realised gains/ (losses)	(73,501)	(192,035)	(8,140)	(30,748)	(1)	(2,633)	(4,892)	(64,370)	-	(376,319)
Other income	879,685	2,967,472	224,207	183,036	165	11,959	217,809	583,817	-	5,068,071
<b>Total segmental income</b>	<b>257,429,255</b>	<b>723,957,634</b>	<b>(32,836,226)</b>	<b>169,280,670</b>	<b>(109,392,712)</b>	<b>(2,269,122)</b>	<b>59,706,720</b>	<b>408,659,337</b>	<b>-</b>	<b>1,474,435,756</b>
<b>Expenses</b>										
Gross claims paid	139,089,942	481,130,629	40,186,253	196,593,054	53,325,000	1,169,582,848	143,705,134	297,094,864	-	2,520,707,724
Claims ceded	(102,244,517)	(150,914,022)	(24,386,828)	(180,006,437)	(53,325,000)	(1,168,424,441)	(117,717,726)	(117,652,708)	-	(1,914,671,679)
Gross change in contract liabilities	242,762,028	(217,764,799)	(1,337,370)	(103,679,267)	(58,618,783)	(67,714,978)	(77,299,581)	19,114,495	-	(264,738,255)
Change in contract liabilities ceded to reinsurers	(255,903,573)	99,724,924	3,968,367	114,428,456	58,814,071	67,683,462	61,160,821	(25,309,996)	-	124,566,532
<b>Net claims paid</b>	<b>23,793,880</b>	<b>212,176,732</b>	<b>18,430,422</b>	<b>27,335,866</b>	<b>(4,712)</b>	<b>1,126,891</b>	<b>9,848,648</b>	<b>173,246,655</b>	<b>-</b>	<b>465,864,322</b>
Commission expenses	8,945,160	7,249,219	866,144	6,546,780	182	4,066,099	19,995,938	11,505,008	-	59,174,530
Service fees	1,575,347	6,464,177	232,442	294,529	18	(23,123)	74,500	2,268,031	-	10,885,921
Other direct expenses	549,060	2,103,870	187,600	44,760	229,873	120	561,010	284,340	-	3,970,633
Employee benefits expenses	50,267,498	88,194,910	6,251,260	49,665,132	216	33,003,064	7,334,710	80,681,240	-	315,298,030
Depreciation and amortization expenses	2,754,073	4,832,052	342,496	2,715,591	12	1,808,183	401,857	4,420,391	-	17,274,655
Other expenses	23,266,014	40,820,493	2,893,359	22,940,928	100	15,275,273	3,394,827	37,342,835	-	145,933,829
Finance cost	246,661	432,770	30,675	243,215	1	161,945	35,991	385,901	-	1,547,159
<b>Total segmental expenses</b>	<b>111,307,694</b>	<b>362,274,223</b>	<b>29,234,397</b>	<b>109,686,741</b>	<b>225,690</b>	<b>55,418,453</b>	<b>41,547,480</b>	<b>310,154,400</b>	<b>-</b>	<b>1,019,949,079</b>
<b>Total segmental results</b>	<b>146,121,561</b>	<b>361,683,411</b>	<b>(62,170,623)</b>	<b>59,594,129</b>	<b>(109,618,402)</b>	<b>(57,687,575)</b>	<b>18,059,239</b>	<b>98,504,936</b>	<b>-</b>	<b>454,486,677</b>
<b>Segment assets</b>	<b>629,070,973</b>	<b>281,067,245</b>	<b>123,509,737</b>	<b>537,978,667</b>	<b>517,111,506</b>	<b>572,926,766</b>	<b>80,544,751</b>	<b>462,699,933</b>	<b>-</b>	<b>3,214,909,598</b>
<b>Segment liabilities</b>	<b>791,729,388</b>	<b>849,218,095</b>	<b>176,640,060</b>	<b>651,600,232</b>	<b>517,114,794</b>	<b>578,319,965</b>	<b>94,213,838</b>	<b>665,378,606</b>	<b>-</b>	<b>4,324,216,968</b>

## b. Segmental Information for the year ended Ashad 31, 2079 (July 16, 2022)

Amount in Rs.

Particulars	Fire	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter segment elimination	Total
<b>Income</b>										
Gross earned premiums	212,742,274	337,992,829	29,700,759	121,426,532	26,037,900	383,536,785	114,765,372	508,370,165	-	1,734,572,615
Premiums ceded	(175,360,716)	(7,389,887)	(174,323,784)	(115,161,549)	(485,400,512)	(400,196,491)	(91,812,297)	113,788,449	-	(1,395,856,787)
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
<b>Net earned premiums</b>	<b>37,381,558</b>	<b>330,602,942</b>	<b>144,623,025</b>	<b>6,264,983</b>	<b>(459,362,612)</b>	<b>(76,659,707)</b>	<b>22,953,075</b>	<b>622,156,614</b>	-	<b>330,715,828</b>
Commission income	45,369,655	21,123,534	4,311,897	10,546,510	396	17,452,369	15,974,524	50,499,828	-	165,278,713
Investment income	6,234,426	17,772,488	1,246,289	1,700,455	-	813,093	1,420,043	7,700,151	-	36,896,945
Net gains/ (losses) on fair value changes	-	-	-	-	-	-	-	-	-	-
Net realised gains/ (losses)	-	-	-	-	-	-	-	-	-	-
Other income	280,458	1,364,562	57,856	31,861	180	9,896	293,812	417,515	-	2,456,142
<b>Total segmental income</b>	<b>89,266,097</b>	<b>370,863,526</b>	<b>139,006,983</b>	<b>18,543,810</b>	<b>(459,362,036)</b>	<b>(58,384,349)</b>	<b>40,641,454</b>	<b>680,776,108</b>	-	<b>543,337,628</b>
<b>Expenses</b>										
Gross claims paid	146,800,515	12,586,393	131,618,817	4,303,973	241,515,588	121,484,992	94,559,202	11,941,571	-	764,811,051
Claims ceded	(139,590,477)	(9,617,151)	(42,786,715)	(3,295,631)	(241,272,236)	(70,169,518)	(75,647,362)	(11,900,409)	-	(594,279,499)
Gross change in contract liabilities	(109,148,140)	20,037,584	(2,258,177)	70,266,569	110,344,932	432,545,567	54,576,205	(53,066,476)	-	523,298,064
Change in contract liabilities ceded to reinsurers	114,889,851	(6,135,804)	316,374	(67,738,401)	(111,952,577)	(432,655,872)	(43,293,168)	55,245,397	-	(491,322,200)
<b>Net claims paid</b>	<b>12,951,749</b>	<b>16,871,022</b>	<b>86,890,299</b>	<b>3,538,510</b>	<b>(1,364,293)</b>	<b>51,205,169</b>	<b>30,194,877</b>	<b>2,220,083</b>	-	<b>202,507,416</b>
Commission expenses	1,851,928	3,115,086	137,260	290,588	50	3,236,124	16,451,961	3,598,702	-	28,681,699
Service fees	466,629	3,371,045	69,865	90,339	44	1,324	263,325	920,281	-	5,182,852
Employee benefits expenses	12,630,134	14,951,995	1,300,681	9,501,418	274	25,316,634	6,055,982	33,883,839	-	103,640,957
Depreciation and amortization expenses	1,138,869	1,348,232	117,283	856,749	25	2,282,818	546,072	3,055,329	-	9,345,377
Impairment losses	-	-	-	-	-	-	-	-	-	-
Other expenses	8,782,255	10,396,741	904,417	6,606,729	21,623	17,603,703	4,210,975	23,560,836	-	72,087,280
Finance cost	80,896	95,767	8,331	60,856	2	162,153	38,789	217,026	-	663,819
<b>Total segmental expenses</b>	<b>37,982,459</b>	<b>50,149,688</b>	<b>89,428,136</b>	<b>20,945,191</b>	<b>(1,342,276)</b>	<b>99,807,925</b>	<b>57,761,981</b>	<b>67,456,096</b>	-	<b>422,109,400</b>
<b>Total segmental results</b>	<b>51,363,638</b>	<b>320,713,838</b>	<b>(228,435,118)</b>	<b>(2,401,381)</b>	<b>(458,019,760)</b>	<b>(158,192,274)</b>	<b>(17,120,527)</b>	<b>613,320,013</b>	-	<b>121,228,228</b>
<b>Segment assets</b>	<b>157,218,380</b>	<b>142,182,463</b>	<b>34,343,378</b>	<b>168,972,906</b>	<b>305,555,121</b>	<b>734,094,078</b>	<b>150,594,930</b>	<b>378,042,005</b>	-	<b>2,071,003,181</b>
<b>Segment liabilities</b>	<b>218,192,419</b>	<b>372,427,711</b>	<b>48,624,342</b>	<b>187,519,157</b>	<b>305,565,136</b>	<b>734,647,478</b>	<b>185,115,467</b>	<b>468,093,395</b>	-	<b>2,520,145,104</b>

## c. Reconciliation of segmental profit with statement of profit or loss

Amount in NRs.

Particulars	Current Year	Previous Year
<b>Segmental profit</b>	<b>454,486,677</b>	<b>121,228,228</b>
Less: Depreciation and amortization	(1,919,406)	(1,038,375)
Less: Non-cash expenses other than depreciation and amortization	-	-
Less: Un-allocable corporate expenditures	(51,247,984)	(19,522,978)
Add: Un-allocable other income	241,008,326	114,189,869
Less: Finance cost	(171,907)	(73,758)
<b>Profit before tax</b>	<b>642,155,706</b>	<b>214,782,986</b>

## d. Reconciliation of assets

Amount in NRs.

Particulars	Current Year	Previous Year
<b>Segment assets</b>	<b>3,214,909,598</b>	<b>2,071,003,181</b>
Intangible assets	20,992,187	9,090,559
Property, plant and equipment	316,695,727	175,103,649
Investment properties	-	-
Deferred tax assets	90,362,723	53,241,535
Investments	4,654,708,234	1,843,568,152
Loans	-	-
Current tax assets (Net)	-	59,549,584
Other assets	1,538,695,813	728,187,539
<b>Total assets</b>	<b>9,836,364,282</b>	<b>4,939,744,199</b>

## e. Reconciliation of liabilities

Amount in NRs.

Particulars	Current Year	Previous Year
<b>Segment liabilities</b>	<b>4,324,216,068</b>	<b>2,520,145,104</b>
Provisions	3,417,533	8,481,680
Deferred tax liabilities	-	-
Current tax liabilities (Net)	-	-
Insurance payables	858,561,613	200,305,095
Other financial liabilities	228,730,950	102,300,158
Other liabilities	113,130,890	48,823,104
<b>Total liabilities</b>	<b>5,545,984,724</b>	<b>2,880,055,141</b>

## 53. Related party disclosure

The Company does not have any holding, subsidiary and associate companies.

### a. Key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel include the board of directors and chief executive officer of the Company as follows:

Name of key management personnel	Designation
Mr. Mahendra Krishna Shrestha	Chairman (From Chaitra 29, 2079)
Mr. Vijit Krishna Shrestha	Director (From Chaitra 29, 2079)
Mr. Avilasha Panth Sharma	Director (from Jestha 10, 2080)
Mr. Hem Raj Thapa	Director (From Chaitra 29, 2079)
Mr. Ajaya Ratna Sthapit	Public Director (From Chaitra 29, 2079)
Mr. Bijay Kumar Pant	Independent Director (From Baisakh 6, 2080)
Mr. Vijay Bahadur Shah	Chief Executive Officer

### b. Key management personnel compensation

Particulars	Amount in NRs.	
	Current Year	Previous Year
Short-term employment benefit	-	6,826,647
Post-employment benefit	-	3,940,613
Board meeting allowance	2,118,000	1,578,500
<b>Total</b>	<b>2,118,000</b>	<b>12,345,759</b>

### c. Payment to chief executive officer

Particulars	Amount in NRs.	
	Current Year	Previous Year
Annual salary and allowances	10,410,000	4,503,2101
Performance based allowances	1,573,336	-
i) Employee bonus	-	734,707
ii) Benefits as per prevailing provisions	-	15,393
iii) Incentives	-	1,573,336
Insurance related benefits		
i) Life Insurance	-	-
ii) Accident insurance	-	-
iii) Health insurance (including family members)	25,785	38,736
<b>Total</b>	<b>12,009,121</b>	<b>6,865,383</b>

## 54. Leases

The Company's significant leasing arrangements are in respect of leases for building premises. These arrangements generally range between one year and ten years. The lease arrangements have extension / termination options exercisable by either party which may make the assessment of lease term uncertain. While determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option are considered.

Lease expenses on account of short-term leases recognized on straight line basis amounts to Rs. 32,823,813 (2078-79: 20,030,971), and Rs. 849,506 (2078-79: 846,426) has been booked for lease equalization.

Right of use assets have been recognized in accordance with NFRS – 16 Leases with respect to non-cancellable period of leases. The movement in lease liability is as follows:

Particulars	Current Year
Opening lease liabilities	-
New leases recognised	18,061,891
Interest expense on lease liabilities	1,719,066
Payment of lease liabilities	4,388,400
<b>Closing lease liabilities</b>	<b>15,392,557</b>

The undiscounted maturities of lease liabilities over the remaining lease term are as follows:

Particulars	Current Year
Not later than one year	5,686,957
Later than one year and not later than five years	10,142,394
Later than five years	2,232,540

### 55. Capital commitment

The amount of capital commitments and as on the date of statement of financial position is Nil (2078-79: Rs. 62,182,685).

### 56. Contingent liability

The Company has contingent liability against the following:

Particulars	Current Year	Previous Year
Claims against the Company not acknowledged as debts		
a) Income tax	157,389,290	102,036,544
b) Indirect taxes	-	19,337,869
<b>Total</b>	<b>157,389,290</b>	<b>121,374,407</b>

### 57. Events occurring after balance sheet

There were no events occurring after the reporting period that needs to be adjusted or disclosed in the financial statements.

### 58. Assets pledged as security

We have not pledged any of our assets as security.

### 59. Corporate social responsibility

As per the regulatory requirement, 1% of profit after tax before considering deferred tax charge for the year has been apportioned. The total CSR expenses incurred during the year amount to Rs. 1,516,746.

### 60. Liability adequacy test

The Company has engaged TransValue Consultants of Mumbai, India, an external independent actuary, to actuarially determine the amount of outstanding claims reserves (OCR), incurred but not reported (IBNR) claims, unexpired risk reserve (URR) as part of liability adequacy test (LAT). This test is done by the Company annually and the required reserves are recognised as per the amount determined under liability adequacy test and regulatory requirements of the Nepal Insurance Authority of Nepal. IBNR is calculated using Basic Chain Ladder Method. Liability is recognized at higher of the two estimated liabilities.

# Himalayan Everest Insurance Limited

For The Year Ended Ashad 31, 2080 (July 16, 2023)

## Annexure III

### Major Financial Indicator

Particular	Indicators	Fiscal Year				
		FY 2079/80	FY 2078/79	FY 2077/78	FY 2076/77	FY 2075/76
Net worth	NRS.	4,191,309,935.00	2,080,665,369.00	1,934,531,921.00	1,826,013,626.00	1,694,305,142.00
Number of Shares	Number	23,015,350.00	11,735,091.00	11,003,367.00	10,682,880.00	10,272,000.00
Book value per shares	NRS.	182.11	177.30	175.81	170.93	164.94
Net Profit	NRS.	445,059,527.00	150,755,453.00	99,091,506.00	171,779,777.00	236,011,382.00
Earning per Shares (EPS)	NRS.	19.34	12.85	9.01	16.08	22.98
Dividend per Shares (DPS)	NRS.	15.00	2.89	7.00	7.75	-
Market Price per Shares (MPPS)	NRS.	600.00	520.00	768.00	419.00	350.00
Price Earning Ratio	Ratio	31.03	40.48	85.28	26.06	15.23
Return on Equity	%	6.84	4.00	1.91	3.65	6.54
Return on Investment	%	10.43	8.03	7.78	8.02	9.22
Loss Ratio ((Claim Paid + change in reserve)/ (Net Written Premium))	%	49.90	59.73	85.09	45.47	49.47
Expense Ratio (Underwriting Expense Including Commission/Net Written Premium)	%	22.02	11.99	33.14	34.18	18.26
Combined Ratio (Loss Ratio + Expense Ratio)	%	71.91	71.72	118.23	79.66	67.73
Net Insurance Premium/ Gross Insurance Premium	%	34.13	19.34	20.81	18.70	19.14
Net Profit/ Gross Insurance Premium	%	13.18	7.26	7.42	12.29	16.18
Gross Insurance Premium/ Total Assets	%	34.33	42.01	35.77	25.31	30.92
Investment & loan income/ Total investment & loan amount	%	7.28	8.07	8.14	6.96	9.13
Reinsurance commission/ Gross Reinsurance Premium	%	15.55	11.83	10.81	10.97	12.80

Management expenses/ Gross Insurance Premium	%	15.75	9.78	13.62	13.85	12.55
Agent Related Expenses/ Gross Insurance Premium	%	1.56	1.54	1.35	1.06	0.97
Number of Agents	Numbers	160.00	212.00	192.00	148.00	171.00
Number of Branch and Sub-Branch	Numbers	79.00	38.00	27.00	27.00	27.00
Employee expenses/ Management expenses	%	65.89	56.75	65.52	60.65	59.32
Employee expenses/ Employee numbers	NRs.	865,015.17	540,641.40	611,334.84	656,028.28	635,091.51
Outstanding Claim Expenses/ Claim Paid	%	44.69	92.00	62.95	70.36	62.00
Outstanding Claim Expenses/ Number of Claim Paid	NRs.	22,839.78	26,048.17	17,898.63	21,482.10	18,633.36
Total Number of Existing Insurance Policies	Numbers	238,474.00	94,603.00	91,722.00	59,584.00	61,333.00
Renewed Insurance Policy/ Total Insurance Policies last year	%	19.33	26.74	26.91	25.91	47.70
Number of Claim Insurance Policies/ Total Number of Policy Outstanding	%	4.97	6.37	7.62	9.50	8.15
Technical Provisions/ Total Equity	%	-	-	-	15.50	25.80
Gross Premium/ Owner Equity	%	78.70	100.75	68.69	83.41	79.21
Net Premium/ Equity	%	26.86	19.49	14.30	15.96	21.87
Insurable Debt/ Total Equity	%	30.85	18.70	18.50	20.14	42.43
Net Premium Growth Rate	%	187.11	44.38	6.40	(15.09)	17.97
Change in Gross Written Premium	%	62.69	55.38	(4.42)	22.51	(9.72)
Cession Ratio	%	65.87	80.66	79.19	80.86	72.39
Net Technical Reserve/ Average of Net Claim Paid for Last 3 Years	%	83.31	93.27	73.70	102.51	97.21
Liquidity Ratio	%	15.48	76.47	38.05	53.60	28.81
Affiliate Ratio	%	-	-	-	-	-
(Unquoted Equities + Debtors)/ Net Total Assets	%	-	-	-	16.35	9.74
Solvency Margin	%	3.24	4.14	3.76	3.06	1.67
Change in Equity	%	108.29	5.93	(16.41)	16.33	96.54



## Himalayan Everest Insurance Limited

For The Year Ended Ashad 31, 2080 (July 16, 2023)

### Annexure IV

" Figures in '000"

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
Fire	27,534	10,271	259,991,203	111,541,253	135,098,692	76,406,065	124,892,511	35,135,188
Motor	174,127	2,158	39,209,152	13,245,928	8,677,515	10,110,058	30,531,637	3,135,870
Marine	9,526	2	48,667,546	56,800	32,131,356	14,985	16,536,190	41,815
Engineering	2,263	60,190	98,995,145	15,759,345	83,041,209	3,281,063	15,953,936	12,478,282
Micro	8	698	2,400	24,277,466	480	22,788,338	1,920	1,489,128
Aviation	6	7,441	6,730,908	109,334,591	6,664,341	96,958,436	66,567	12,376,156
Cattle and Crop	9,798	13,831	1,932,638	2,766,732	1,546,110	2,213,386	386,528	553,346
Miscellaneous	15,212	12	323,324,338	2,779	184,452,685	540	138,871,653	2,239
<b>Total</b>	<b>238,474</b>	<b>94,603</b>	<b>778,853,330</b>	<b>276,984,894</b>	<b>451,612,388</b>	<b>211,772,869</b>	<b>327,240,942</b>	<b>65,212,024</b>

## अनुसूची - १५

(धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को नियम २२ को उपनियम (२) सँग सम्बन्धित)

## हिमालयन एभरेष्ट इन्स्योरेन्स लि. आ. व. २०७९।०८० को वार्षिक प्रतिवेदन

१. संचालक समितिको प्रतिवेदन: ३०औं वार्षिक साधारण सभाको प्रतिवेदन संलग्न छ ।
२. लेखापरीक्षकको प्रतिवेदन: कम्पनीको आ. व. २०७९।०८० को लेखापरीक्षकको प्रतिवेदन संलग्न छ ।
३. लेखापरीक्षण भएको विधि विवरण: श्री नेपाल वीमा प्राधिकरणबाट स्विकृत भएको यस कम्पनीको आ. व. २०७९।०८० को लेखापरीक्षण सम्पन्न विधि विवरण संलग्न पेश गरेका छौं ।
४. कानुनी कारवाही सम्बन्धी विवरण:
  - (क) यस अवधिमा कम्पनीले आयकरको प्रशासकिय पुनरावेदन वाहेकमा वा कम्पनीको विरुद्ध कुनै मुद्दा दाखर नभएको ।
  - (ख) कम्पनीको संस्थापक वा संचालकले वा संस्थापक वा संचालक विरुद्ध प्रचलित निजिमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दाखर नभएको ।
  - (ग) कुनै संचालक वा संचालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दाखर नभएको ।
५. कम्पनीको शेयर कारोवार तथा प्रगतीको विश्लेषण:
  - (क) गत आर्थिक वर्षमा धितोपत्र वजारमा कम्पनीको शेयर कारोवार सामान्य रूपमा भएको देखिन्छ । धितोपत्र वजारमा भएको उतार चढावको अवस्था अनुसार यस कम्पनीको शेयरको मूल्यमा पनि प्रभाव परेको व्यवस्थापनको विश्लेषण छ ।
  - (ख) गत वर्षको प्रत्येक त्रैमासिक अवधिमा यस कम्पनीको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोवार संख्या र कुल कारोवार दिन गिठन अनुसार छ ।

## सर्वसाधारण शेयर कारोवार

अवधि	अधिकतम मूल्य रु.	न्यूनतम मूल्य रु.	अन्तिम मूल्य रु.	कारोवार शेयर संख्या	कारोवार दिन
प्रथम त्रैमासिक	५०९।६०	३५३।००	३६०।००	२२५९७९०	४५
दोश्रो त्रैमासिक	५०८।९०	३४७।००	४४८।००	९८२००९६	५२
तेस्रो त्रैमासिक	४७९।२०	४००।६०	४३९।००	९९०५०७५	५६
चौथो त्रैमासिक	६३५।००	४९९।००	६००।००	३३९७८९४	६२

## संस्थापक शेयर कारोवार

अवधि	अधिकतम मूल्य रु.	न्यूनतम मूल्य रु.	अन्तिम मूल्य रु.	कारोवार शेयर संख्या	कारोवार दिन
प्रथम त्रैमासिक	२९८।००	२९४।२०	२५९।४०	९४६६२५५	३०
दोश्रो त्रैमासिक	३६०।००	२३३।००	३०५।९०	९३४७७७	४०
तेस्रो त्रैमासिक	३३३।९०	२५७।२०	२७४।४०	७५२७८	५६
चौथो त्रैमासिक	४६०।००	२४५।५०	४६०।००	३६५९७८	६२

## ६. समस्या र चुनौती:

- (क) बढ्दो मुद्रास्फितिका कारण संचालन खर्चमा वृद्धि ।
- (ख) वीमा सम्बन्धी जनचेतनाको कमि ।
- (ग) वीमा वजारमा बढ्दो प्रतिस्पर्धाको चुनौती ।
- (घ) अस्थिर आर्थिक तथा राजनीतिक वातावरणले व्यवसायमा पार्ने प्रभाव ।
- (ङ) महामुकम्प, बाढी पहिरो तथा दैविप्रकोपले पर्नसक्ने महाविपत्तीको प्रभाव ।
- (च) विश्वव्यापी रूपमा देखिएको महामारीको प्रभावले व्यवसायमा पर्ने प्रभाव ।

## ७. संस्थागत सुशासन:

संस्थागत सुशासन कायम राख्न कम्पनी सदैव प्रतिवद्ध रहेको छ । साथै संस्थागत सुशासन कायम राख्न कम्पनीले देहाय वमोजिम कदम समेत अवलम्बन गरेको छ ।

- (क) संचालक समिति, बीमा ऐन, बीमा नियमावली तथा विद्यमान कानून र अन्य नियमनकारीको नियम तथा निर्देशनको पूर्ण पालना गरि संस्थागत सुशासनलाई निरन्तर पालनाको लागि संचालक समिति तथा व्यवस्थापन कटिबद्ध छ ।
- (ख) आन्तरिक नियन्त्रण प्रणाली व्यवस्थित छ साथै आन्तरिक लेखा परीक्षण गर्ने व्यवस्था जारी छ ।

हिमालयन एभरेष्ट ईन्स्योरेन्स लिमिटेडको ३०औं वार्षिक साधारण सभाबाट  
प्रवन्धपत्रमा संशोधन (तीन महले फाराम)

ढफा ५ को (स) कम्पनीको पूँजीको संरचना

साविकको व्यवस्था	संशोधित व्यवस्था	संशोधन गर्ने पर्ने कारण
(स) कम्पनीको जारी पूँजी रु.२,३०,९५,३५,००० (रु. दुई अर्ब तीस करोड पन्ध्र लाख पैतिस हजार) हुनेछ। प्रति शेयर रु.१०० (एक सय) का दरले २,३०,९५,३५० (दुई करोड तीस लाख पन्ध्र हजार तीन सय पचास) साधारण शेयरमा विभाजित गरिएको छ साथै चुक्ता पूँजी पनि २,३०,९५,३५,००० (रु. दुई अर्ब तीस करोड पन्ध्र लाख पैतिस हजार) हुनेछ।	(स) कम्पनीको जारी पूँजी रु.२,५०,०९,५७,८०० (रु. दुई अर्ब पचास करोड एक लाख सन्ताउन्न हजार चार सय) हुनेछ। प्रति शेयर रु.१०० (एक सय) का दरले २,५०,०९,५७८ (दुई करोड पचास लाख एक हजार पाँच सय चौहतर) साधारण शेयरमा विभाजित गरिएको छ साथै चुक्ता पूँजी पनि रु.२,५०,०९,५७,८०० (रु. दुई अर्ब पचास करोड एक लाख सन्ताउन्न हजार चार सय) हुनेछ।	कम्पनीले आ.व. २०७९/०८० को मुनाफाबाट वोनश शेयर प्रदान गर्ने मद्दकाले।

हिमालयन एभरेष्ट ईन्स्योरेन्स लिमिटेड ३०औं वार्षिक साधारण सभाबाट नियमावलीमा संशोधन (तीन महले फाराम)  
नियम ६ का 'स' शेयर पूँजी र नियम १८ 'ख'

साविकको व्यवस्था	संशोधित व्यवस्था	संशोधन गर्ने पर्ने कारण
६(स) कम्पनीको अधिकृत पूँजी: रु. ५,००,००,००,००० (रु. पाँच अर्ब) हुनेछ। कम्पनीको जारी पूँजी रु.२,३०,९५,३५,००० (रु. दुई अर्ब तीस करोड पन्ध्र लाख पैतिस हजार) हुनेछ। साथै चुक्ता पूँजी पनि रु.२,३०,९५,३५,००० (रु. दुई अर्ब तीस करोड पन्ध्र लाख पैतिस हजार) हुनेछ।	६(स) कम्पनीको अधिकृत पूँजी ५,००,००,००,००० (रु. पाँच अर्ब) हुनेछ। कम्पनीको जारी पूँजी रु.२,५०,०९,५७,८०० (रु. दुई अर्ब पचास करोड एक लाख सन्ताउन्न हजार चार सय) हुनेछ। साथै चुक्ता पूँजी पनि रु.२,५०,०९,५७,८०० (रु. दुई अर्ब पचास करोड एक लाख सन्ताउन्न हजार चार सय) हुनेछ।	कम्पनीले आ. व. २०७९/०८० को मुनाफाबाट वोनश शेयर प्रदान गर्ने मद्दकाले।
८(ख) संचालकको सुविधा: संचालकले वैठकमा उपस्थित भए वापत पाउने वैठक भत्ता अद्यक्षले प्रति वैठक रु.८,०००। (रु. आठ हजार) र अन्य संचालकहरूले रु.७,०००। (रु. सात हजार) का दरले तथा समिति तथा उपसमितिका संयोजक र सदस्यहरूले समेत संचालक सरह वैठक भत्ता हुनेछ।	१८(ख) संचालकको सुविधा:संचालकले वैठकमा उपस्थित भए वापत पाउने वैठक भत्ता अद्यक्षले प्रति वैठक रु.१२,५००। (रु. दान्ह हजार पाँच सय) र अन्य संचालकहरूले रु.१०,०००। (रु. दश हजार) का दरले तथा समिति तथा उपसमितिका संयोजक र सदस्य संचालकहरूको समेत संचालक सरह वैठक भत्ता हुनेछ। साथै सदै संचालकहरूलाई पत्रपत्रिका,यातायात र संचार सुविधा वापत मासिक रु.२५,०००/- (रु. पच्चिस हजार) हुनेछ।	संचालकको सुविधा समय सापेक्ष वृद्धि गर्ने पर्ने मद्दकाले।



# नेपाल बीमा प्राधिकरण NEPAL INSURANCE AUTHORITY



मिति: २०८०/०९/२६

वि. वि. शा. : १२१ (२०८०/०८१) च.नं. ४३५०

श्री हिमालयन एभरेस्ट इन्स्योरेन्स लिमिटेड,  
धापागाँउ, काठमाण्डौं।

## विषय: आ.व. २०७९/८० को वित्तीय विवरणको स-गत स्वीकृति बारे।

तपाईंको २०८०/०९/२६ (च.नं.१४०६/२०२३) को पत्र प्राप्त प्राधिकरणमा पेश भएको आ.व. २०७९/८० को वित्तीय विवरण सम्बन्धमा लेखिएको छ।

उपरोक्त सम्बन्धमा बीमक श्री हिमालयन एभरेस्ट इन्स्योरेन्स लिमिटेडबाट पेश भएको आ.व. २०७९/८० 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, अनिर्णय बगेडा कोष, महाविपत्ति कोष र दाबी भुक्तानी कोष तथा जर्गेण्ड कोष कायम गरेको देखिएकोले तपाईंको आ.व. २०७९/८० को 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 गर्ने, साधारण सभामा पेश गर्ने तथा प्रकाशित गर्ने देखाएको निर्देशन, उार्त तथा आदेश सहित स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराइन्छ।

### शर्तहरू:

१. बीमकले बीमा ऐन, २०७९ को दफा ३६ बमोजिमको न्युनतम चुक्ता दूजी कायम गर्ने।
२. बीमकको संस्थागत मुशासन सम्बन्धी निर्देशिकाको दफा ५७ 'ख' को व्यवस्था पूर्ण रूपमा पालना गर्ने।
३. बीमकले जोखिम व्यवस्थापन समितिलाई प्रभावकारी बनाउन प्राधिकरणबाट जारी भएको जोखिम व्यवस्थापन सम्बन्धी मार्गदर्शन बमोजिम जोखिम व्यवस्थापन सम्बन्धी कार्य गर्ने।
४. बीमकले लेखा परीक्षण समितिलाई प्रभावकारी बनाई आन्तरिक नियन्त्रण प्रणालि सुदृढ बनाउने।
५. बीमकको जोखिमार्कन तथा दाबी भुक्तानी प्रक्रिया प्रभावकारी गराउने।
६. प्राधिकरणको स्वतन्त्र निरीक्षण क्रममा देखिएका केषियत तथा लेखापरीक्षकले औल्याएका केषियतहरू सुधार गर्ने तथा त्यस्ता केषियतहरू पुनः दोहोरीन नदिने आश्वासक व्यवस्था गर्ने।
७. बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६० (साठी) दिन भित्र साधारण सभा गर्ने।

(सुशील देव सुवेदी)  
निर्देशक



श्री नेपाल वीमा प्राधिकरणबाट आर्थिक वर्ष २०७९।०८० को वित्तीय विवरण स्विकृती हुँदाका शर्तहरूको सम्बन्धमा सञ्चालक समितिको जवाफ:

- १) प्राधिकरणबाट प्राप्त निर्देशन अनुसार आ. व. २०७९।०८० को वित्तीय विवरणमा वितरण खोज्य मुनाफाबाट बोनस शेयर जारी गरी तोकिएको न्यूनतम पुका पूँजी कायम गरिनेछ ।
- २) वीमकको संस्थागत सुशासन सम्बन्धि निर्देशिका, २०७५ को दफा ५७ 'ख' को व्यवस्था अनुसार सामाजिक उत्तरदायित्व सम्बन्धि कार्यमा किचिाशिल हुन खुद मुनाफाको एक प्रतिशत रकम छुट्याउने व्यवस्थालाई निरन्तरता दिईने छ ।
- ३) जोखिम व्यवस्थापन समितिलाई प्रभावकारी बनाएर प्राधिकरणबाट जारी जोखिम व्यवस्थापन सम्बन्धि मार्गदर्शन वमोजिमको कार्य अगाडी वढाईनेछ ।
- ४) लेखापरीक्षण समितिलाई प्रभावकारी बनाई आन्तरिक नियन्त्रण प्रणालीलाई सुदृढ गर्ने व्यवस्था गरिनेछ ।
- ५) आन्तरिक नियन्त्रण प्रणालीको माध्यमबाट जोखिममाइन तथा दावी मुक्तानी प्रकिचालाई अझ प्रभावकारी बनाईनेछ ।
- ६) प्राधिकरणबाट सम्पन्न स्थलगत निरीक्षणको कममा देखिएका कौफियत तथा लेखापरीक्षकले अँल्याएका कौफियतहरूलाई पुनः दोहोरिन नदिन आवश्यक व्यवस्था मिलाईनेछ ।
- ७) प्राधिकरणबाट आ. व. २०७९।०८० को वित्तीय विवरण स्विकृत भएको ६० दिन भित्र वार्षिक साधारण सभा सम्पन्न गरिनेछ ।



## Inauguration Ceremony



Review Meeting



Sales & Marketing Review Meeting



Training on Customer Experience Management



NMB - PMS - Agreement



Way - Forward FY2080-81



Way - Forward FY2080-81



Customer Experience Management



Teej Program



Customer Experience Management



Customer Experience Management





Semi Annual Review Meeting



Semi Annual Review Meeting



Felicitation Program



Quarterly Review Meeting



Quarterly Review Meeting



# Our Networks

1	Kakadvitta Branch	9852031702	28	Sanobharyang TPL	9849733760	55	Gorkha Branch	9701004501
2	Birtamod Branch	9801970900	29	Lagankhel Branch	9851049543	56	Baglung Branch	9701004501
3	Birtamod TPL	9852652329	30	Jawalakhel Branch	9851210567	57	Kawasoti Branch	9701004501
4	Ilam Branch	9852031702	31	Bhaktapur Branch (1)	9851051756	58	Darnauli Branch	9701004501
5	Pathari Branch	9842687465	32	Bhaktapur Branch (2)	9841344164	59	Dumre TPL	9701004501
6	Biratchowk Branch	9852089926	33	Banepa Branch	9841381503	60	Damak Branch	9852632777
7	Itahari Branch	9852031702	34	Narayangadh Branch	9855067155	61	Syangja Branch	9701004501
8	Dharan Branch	9852051682	35	Parsa Branch	9851140414	62	Butwal Province Office	9857024867
9	Gaighat Branch	9852031702	36	Hetauda Branch	9851140414	63	Butwal Branch	9802670426
10	Duhabi Branch	9852026882	37	Kathmandu Branch	9841401069	64	Nepalgunj Branch	9844828825
11	Biratnagar Branch	9852026259	38	Bajrabarahi Branch	9851210567	65	Kohalpur Branch	9858061121
12	Biratnagar Province Office	9852031702	39	Chabahil Branch	9841575165	66	Bardiya Branch	9857845888
13	Lahan Branch	9814749160	40	Dhading Branch	9801911066	67	Ghorahi Branch	9847829072
14	Rajbiraj Branch	9808301022	41	Nuwakot Branch	9802326911	68	Tulsipur Branch	9802670426
15	Janakpur Branch	9855020411	42	Chautara Branch	9851051756	69	Bhairahawa Branch	9857031013
16	Janakpur Branch	9829200580	43	Melamchi Branch	9802326917	70	Parasi Branch	9857031013
17	Mahendranagar Branch	9858784464	44	Thankot Branch	9801970940	71	Chandrapur Branch	9857031013
18	Panchthar Branch	9802326934	45	Newroad Branch	9851104247	72	Manigram TPL	9801911058
19	Lalbandi Branch	9855020411	46	Kalimati Branch	9851155944	73	Bhairahawa TPL	9816265282
20	Barahathwa Branch	9844386227	47	Jorpati Branch	9851227789	74	Surkhet Province Office	9858074791
21	Chandranigapur Branch	9855020411	48	Maharajgunj Branch	9851049543	75	Dailekh Branch	9858074791
22	Simara Branch	9855020411	49	Baneshwor Branch	9841650098	76	Chinchhu Branch	9858074791
23	Kalैया Branch	9855020411	50	Sindhuli Branch	9844094987	77	Kalikot Branch	9858074791
24	Birgunj Branch	9802901038	51	Thamel Branch	9851036384	78	Dhangadhi Province Office	9801969205
25	Birgunj Province Office	9855020411	52	Hattisar Branch	9851042542	79	Mahendranagar Branch	9801969205
26	Gongabu Branch	9802326908	53	Pokhara Province Office	9701004501	80	Lamki Branch	9801969205
27	Gongabu Branch	9851110379	54	Lekhath Branch	9701004501	81	Attariya Branch	9849672452



HEI agent Network above 500.  
 Surveyor network above 200.  
 HEI covers most of the part of the Nepal.

सुरक्षा र साथ अढ बढि विश्वास



**Himalayan Everest**  
Insurance Limited

A: Thapagaun, Kathmandu  
E: ktm@hei.com.np  
T: 977-1-5245090 977-1 5245099  
W: www.hei.com.np