



**Himalayan Everest**  
Insurance Limited



वार्षिक प्रतिवेदन २०८१/८२  
ANNUAL REPORT 2025



**Travel  
Insurance**



**Accidental  
Insurance**



**Motor  
Insurance**



**Health  
Insurance**

**Himalayan Everest  
Insurance Limited**

**सुरक्षा र साथ  
अभू बढि विश्वास।**



**Property  
Insurance**



**Engineering  
Insurance**



**Marine  
Insurance**



**Aviation  
Insurance**



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# हिमालयन एभरेष्ट इन्स्योरेन्स लि.को

## HIMALAYAN EVEREST INSURANCE LIMITED

केन्द्रिय कार्यालय: वडा नं. ११, बबरमहल, काठमाण्डौ, पो. व. नं. १४८

फोन नं. ०१-५९७०७७९, ०१-५२४५०७०

### ३२औं वार्षिक साधारण सभा बस्ने सूचना

(प्रथम पटक प्रकाशित मिति: २०८१।०९।१४)

श्री आदरणीय शेयरधनी महानुभावहरू,

मिति २०८२/०९/१३ गते बसेको हिमालयन एभरेष्ट इन्स्योरेन्स लि. को संचालक समितिको बैठक नं. ३६१ को निर्णयानुसार कम्पनीको ३२औं 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 : २०८२ साल माघ ०६ गते मंगलबार।

स्थान : अनमोल व्याङ्गेट, शंखमुल, काठमाण्डौ।

समय : बिहान ११ बजे।

#### ३२औं वार्षिक साधारण सभाको लागि छलफलका विषयसूची

##### (क) सामान्य प्रस्ताव

- (१) ३२औं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्षज्यूद्वारा प्रस्तुत हुने आर्थिक वर्ष २०८१।०८२ को वार्षिक प्रतिवेदन छलफल गरी पारित गर्ने।
- (२) कम्पनीको आर्थिक वर्ष २०८१।०८२ को लेखापरीक्षकको प्रतिवेदन सहित वासलात, नाफा नोक्सान हिसाव, नगद प्रवाह विवरण, ईक्यूटीमा भएको परिवर्तन र तत्सम्बन्धि अनुसूचीहरू पारित गर्ने।
- (३) संचालक समितिको सिफारिस बमोजिम चुक्ता पूंजी रु. २,५०,०१,५७,४००/- को ८ प्रतिशतका दरले रु. २०,००,१२,५९२/- (बीस करोड बाह्र हजार पाँच सय बयानव्ये मात्र) लाभांसमा लाग्ने कर समेतको लागि नगद लाभांस प्रस्ताव पारित गर्ने।
- (४) लेखापरीक्षण समितिको सिफारिस बमोजिम आर्थिक वर्ष २०८२।०८३ को लागि लेखापरीक्षकको नियुक्ती गर्ने र निजको पारिश्रमिक तोक्ने।
- (५) विविध।

संचालक समितिको आज्ञाले  
कम्पनी सचिव



# हिमालयन एभरेष्ट इन्स्योरेन्स लि.को

## HIMALAYAN EVEREST INSURANCE LIMITED

केन्द्रिय कार्यालय: वडा नं. ११, बबरमहल, काठमाण्डौ, पो. व. नं. १४८

फोन नं. ०१-५९७०७७९, ०१-५२४५०७०

### द्रष्टव्य

### साधारण सभा सम्बन्धी सामान्य जानकारी

१. मिति २०८२ पौष २१ गते भन्दा अघिल्लो दिनसम्म नेपाल स्टक एक्सचेन्जमा कारोवार गरी सिडिएस एण्ड क्लियरिङ्गबाट 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 गराईसक्नु भएका शेयरधनी महानुभावहरूको हकमा **DMAT** खाता नम्बर र सक्कल आधिकारिक परिचयपत्र अनिवार्य रूपमा ल्याउनुहुन अनुरोध गरिन्छ।
३. नावालक वा विक्षिप्त शेयरधनीको तर्फबाट कम्पनीको शेयर लगत किताबमा संरक्षकको रूपमा दर्ता भएको व्यक्तिले सभामा भाग लिन, मतदान गर्न वा प्रतिनिधि तोक्न पाउनेछन्।
४. संयुक्तरूपमा लिएको 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 चाहेको विषय बारे सभा हुन भन्दा कम्तीमा ७ दिन अगावै अध्यक्षलाई लिखित रूपमा कम्पनीको बबरमहल स्थित कार्यालयमा सूचना दिनुपर्नेछ वा **Email: company.secretary@hei.com.np** मा पठाउन सक्नु हुनेछ।
६. शेयरधनीहरूले व्यक्त गरेको मन्तव्य वा प्रश्नहरूका सम्बन्धमा सभाध्यक्ष वा निजले तोकेको व्यक्तिबाट सामुहिक रूपमा उत्तर दिइनेछ।
७. अन्य जानकारीका लागि कम्पनीको बबरमहल स्थित कार्यालयमा कार्यालय समयभित्र सम्पर्क राख्नुहुन सबै शेयरधनी महानुभावहरूलाई अनुरोध गरिन्छ। साथै आवश्यक जानकारीको लागि मोबाईल नं. ९८०१९६९२०२ मा सम्पर्क राख्न सक्नुहुनेछ।
८. मिति २०८२/०९/२१ गते एकदिनको लागि कम्पनीको शेयर दाखिला खारेज बन्द हुनेछ।
९. वार्षिक प्रतिवेदन, २०८२ तथा साधारणसभा सम्बन्धि जानकारीको लागि कम्पनीको केन्द्रिय कार्यालय, बबरमहलमा सम्पर्क गर्न वा **www.hei.com.np** मा हेर्न सक्नुहुनेछ। यसैलाई सूचना मानि तोकिएको समयमा नै सभामा सहभागी भई सहयोग गरिदिनुहुन विनम्र अनुरोध गरिन्छ।
१०. सभा सम्बन्धी अन्य काम कारवाही कम्पनी ऐन, २०६३ बमोजिम हुनेछ।



# हिमालयन एभरेष्ट इन्स्योरेन्स लि.को

ववरमहल, जि.पि.ओ. बक्स १४८, काठमाडौं, नेपाल

फोन नं. ०१-५९७०७७९, ०१-५२४५०७०

## प्रवेश-पत्र

शेयरधनीको नाम.....शेयर प्रमाण पत्र नं.....शेयरधनी नं..... वा हितग्राही नं.....

शेयरधनीको सहि.....शेयर संख्या.....हिमालयन एभरेष्ट इन्स्योरेन्स लिमिटेडको २०८२ साल माघ ६ गते मंगलबारका दिन हुने ३२औं

वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश पत्र ।

नोट : शेयरधनी आफैले खाली कोष्ठहरू भर्नुहोला । (सभा कक्षमा प्रवेश गर्न यो प्रवेश पत्र प्रस्तुत गर्नु अनिवार्य छ । )

राजकुमार खड्का  
कम्पनी सचिव



# हिमालयन एभरेष्ट इन्स्योरेन्स लि.को

ववरमहल, जि.पि.ओ. बक्स १४८, काठमाडौं, नेपाल

फोन नं. ०१-५९७०७७९, ०१-५२४५०७०

## प्रोक्सी-फारम

श्री संचालक समिति,  
हिमालयन एभरेष्ट इन्स्योरेन्स लि.  
ववरमहल, काठमाडौं ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

.....जिल्ला.....न.पा./गा.वि.स. वडा नं.....बस्ने म/हामी.....ले त्यस कम्पनीको शेयरधनीको  
हैसियतले २०८२ साल माघ ६ गते मंगलबारका का दिन हुने ३२औं वार्षिक साधारण सभामा म र हामी स्वयम उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने  
भएकाले उक्त सभामा मेरो र हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका लागि .....जिल्ला .....न.पा./गा.वि.स. वडा  
नं.....बस्ने त्यस कम्पनीका शेयरवाला श्री.....शेयर प्रमाणपत्र नं.....वा हितग्राही नं.....लाई  
मेरो/हाम्रो प्रतिनिधि मनोनीत गरी पठाएको छु/छौ ।

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

निवेदक  
दस्तखत :  
नाम :  
ठेगाना :  
हितग्राही नं.:  
शेयर प्रमाणपत्र नं. :  
कि नं. .... देखि..... सम्म

नोट : एकभन्दा बढि प्रोक्सीको नाम उल्लेख गरेमा र शेयरधनी बाहेकको व्यक्तीलाई प्रोक्सी मुकरर गरेमा प्रोक्सी फाराम रद्द गरिनेछ ।



## COMPANY PROFILE

Himalayan Everest Insurance Limited (HEI) is a leading non-life insurance company in Nepal, formed through the strategic merger of Himalayan General Insurance Company Limited (established in 1993) and Everest Insurance Company Limited (established in 1994). The merger, completed in 2022, combined two experienced insurers with strong market presence, operational expertise, and underwriting capacity marking the first-ever merger in Nepal's insurance industry, creating a more resilient and competitive institution.

The Company maintains a strong and balanced capital structure, with a paid-up capital of NPR 2.50 billion. Promoters hold 51.10% ownership, while the remaining 48.90% is held by the public, reflecting a healthy blend of promoter commitment and public participation and reinforcing confidence in the Company's long-term stability.

During the reporting period, HEI recorded gross written premium of NPR 4.28 billion, while net written premium amounted to NPR 1.76 billion, demonstrating solid underwriting performance and effective risk retention strategies. Total assets stood at NPR 10.18 billion, supported by a well-diversified investment portfolio valued at NPR 5.24 billion. Gross claims paid during the period amounted to NPR 1.96 billion, reflecting the Company's commitment to timely and transparent settlement of policyholder obligations. The solvency margin remained strong at 438.10%, significantly exceeding the regulatory requirement of 130%.

The Company's underwriting portfolio is well diversified across major non-life insurance segments with Motor insurance accounting 30% of the total portfolio, followed by miscellaneous insurance at 23%, property insurance at 22%, and engineering insurance at 20%. This balanced business mix enables HEI to manage concentration risks effectively while supporting sustainable premium growth. Himalayan Everest Insurance Limited has one of the largest operational footprints in Nepal's insurance industry, with 90 offices operating nationwide. As of Ashad end, 2082 BS, the Company employed 531 skilled and dedicated personnel engaged in underwriting, claims management, customer service, and operational control. The governance framework of HEI is anchored by an experienced Board of Directors and a professional management team. The Company is chaired by Mr. Mahendra Krishna Shrestha, with Ms. Anju Shrestha serving as Chief Executive Officer. The six-member Board is supported by key committees, including the Audit Committee, HR Committee, Claims and Reinsurance Committee, Investment Committee, Risk Management Committee, IT Committee, ORSA Committee, and AML Committee. Through strong governance, prudent financial management, a diversified portfolio, and a robust solvency position, Himalayan Everest Insurance Limited remains well positioned to support Nepal's growing insurance needs while delivering sustainable value to policyholders, shareholders, and the broader economy.





# COMPANY'S VISION, MISSION & OBJECTIVES



## VISION

The most innovative  
and Trusted Partner

## MISSION

To become the leading non-  
life insurance company in  
Nepal, recognized for our  
operational excellence and  
exceptional profitability

## OBJECTIVES

The overall objective of Himalayan Everest Insurance Limited is to provide financial protection against unforeseen risks and losses, ensuring security and peace of mind for individuals, businesses, and communities. This is achieved by offering a diverse range of insurance products, ensuring fair claim settlements, maintaining financial stability, and contributing to the socio-economic wellbeing through corporate social responsibility.



# CORE VALUES



## Customer First

The overall objective of Himalayan Everest Insurance Limited is to provide financial protection against unforeseen risks and losses, ensuring security and peace of mind for individuals, businesses, and communities. This is achieved by offering a diverse range of insurance products, ensuring fair claim settlements, maintaining financial stability, and contributing to the socio-economic wellbeing through corporate social responsibility.

## Partnership

We believe progress happens through strong, collaborative relationships. By working closely with agents, brokers, employees, reinsurers, and customers, we create shared value and sustainable growth. Our partnership mindset helps us respond effectively to diverse needs and market dynamics.

## Empathy

Insurance is about supporting people when they face uncertainty or hardship. We listen with understanding, communicate with respect, and act with care. Empathy guides our approach to customer service and claims support, enabling us to respond sensitively and effectively.

## Trustworthy

We conduct our business with integrity, transparency, and consistency. Our commitment to ethical practices and responsible decision-making enables us to build long-lasting confidence among customers, partners, and regulators. We strive to be an insurer that people can depend on without hesitation.

## Ownership

We embrace accountability at every level of the organization. Each team member is empowered to take initiative, uphold standards, and deliver results with a sense of responsibility. Ownership strengthens our culture, drives operational excellence, and ensures reliable service delivery.

## Growth Mindset

We foster a culture of continuous learning, innovation, and adaptability. By embracing new ideas, technologies, and ways of working, we ensure that HEI remains forward-looking and competitive. A growth mindset enables us to improve our capabilities, enhance service quality, and meet evolving customer needs.



# CODE OF CONDUCT

- **Regulatory Compliance**

We strictly adhere to all legal and regulatory requirements governing the insurance industry.

- **Fair and Transparent Practices**

We conduct our business with fairness, transparency, and accountability.

- **Confidentiality**

We safeguard sensitive customer and company information and prevent unauthorized disclosures.

- **Professionalism**

We maintain high standards of professional behavior in all dealings with clients, partners, and regulators.

- **Customer Protection**

We ensure fair treatment of policyholders, quick claim settlements, and ethical sales practices.

# ETHICAL PRINCIPLES

- **Honesty & Fairness**

We ensure honest communication and fair treatment of all stakeholders.

- **Social Responsibility**

We contribute to the welfare of society through ethical business practices and community engagement.

- **Respect for Diversity & Inclusion**

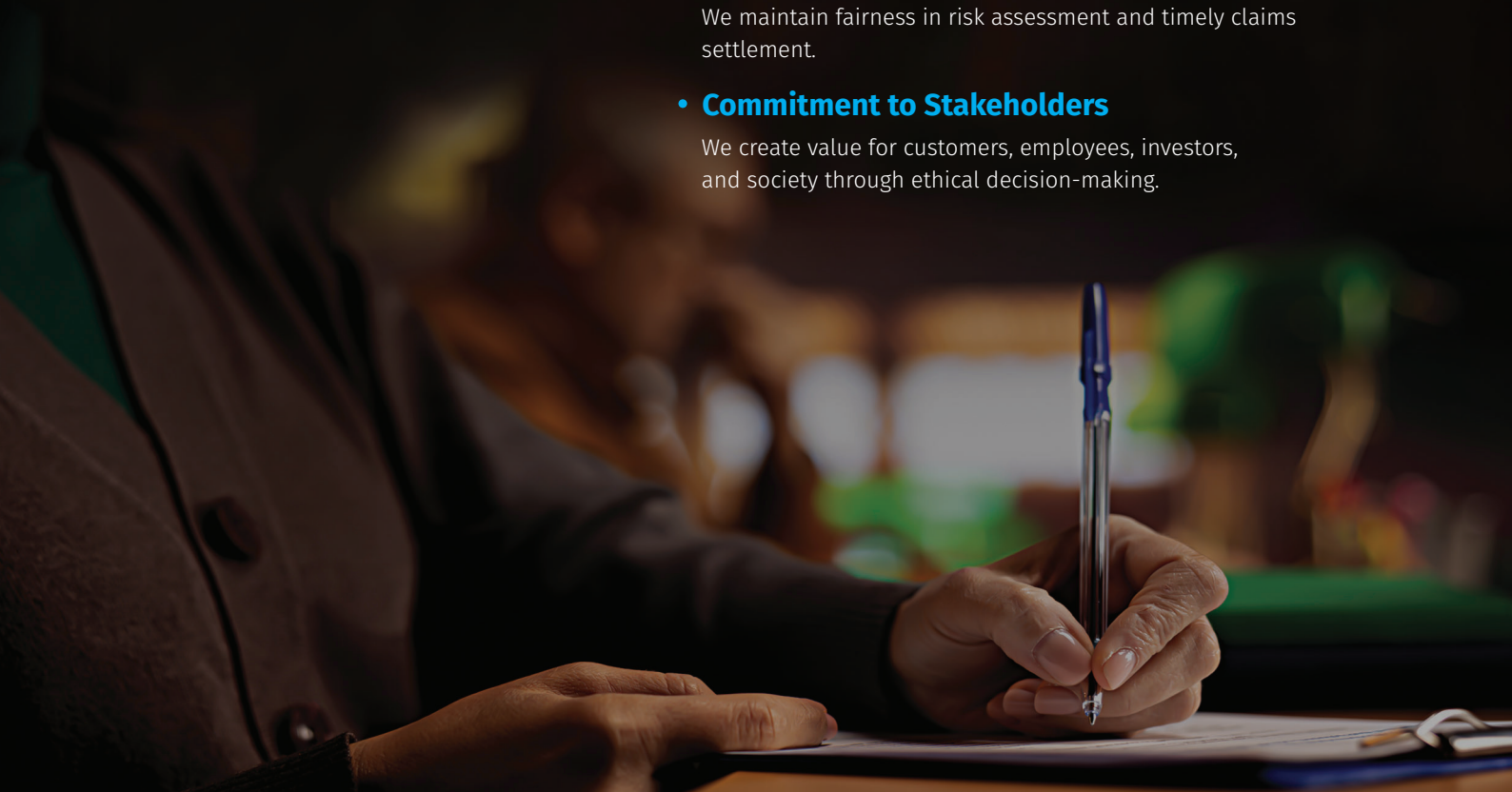
We maintain fairness in risk assessment and timely claims settlement.

- **Responsible Underwriting & Claims Handling**

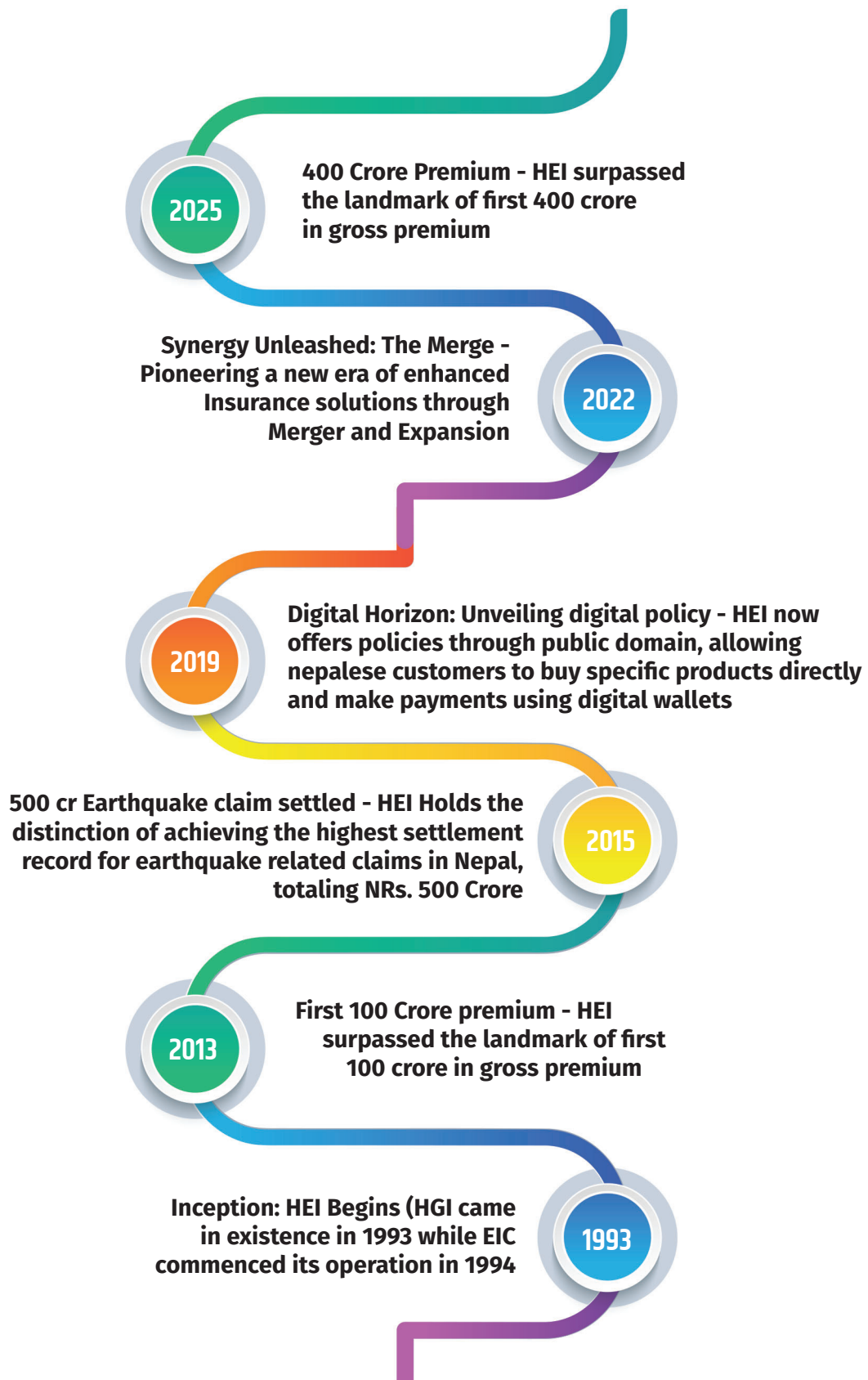
We maintain fairness in risk assessment and timely claims settlement.

- **Commitment to Stakeholders**

We create value for customers, employees, investors, and society through ethical decision-making.

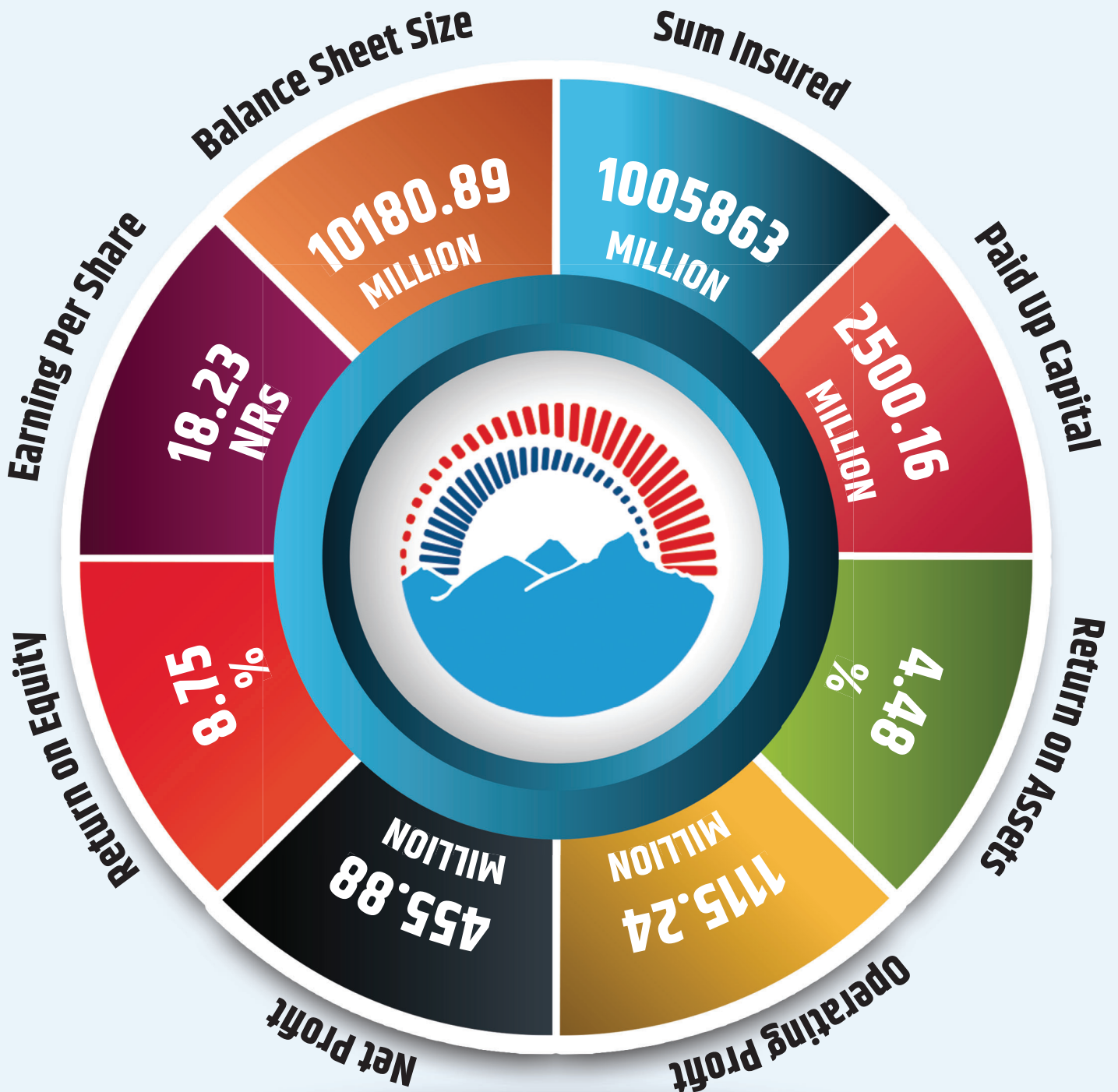


# HEI MILESTONES






# FINANCIAL HIGHLIGHTS



## NON FINANCIAL HIGHLIGHTS







**Our focus remains  
firmly on the long  
term, strengthening  
the foundations of  
the business through  
sound governance,  
operational discipline,  
and service excellence.**





## Chairman's Message

Dear Shareholders, Distinguished Guests, and Esteemed Colleagues,

On behalf of the Board of Directors of Himalayan Everest Insurance Limited (HEI), I am privileged to welcome you to the 32nd Annual General Meeting of the Company.

It has been a significant and demanding year for our company. Under the capable leadership of our CEO, Anju Shrestha, and with the unwavering support and guidance of the Board of Directors, we have achieved steady progress while remaining focused on long-term value creation.

The year under review unfolded against a challenging economic backdrop. Kathmandu, along with several other regions across the country, was struck by one of the most devastating floods in recent history, resulting in significant loss of life and widespread damage to property. We all witnessed, with deep concern, the rising water levels and heard numerous heartbreaking stories of suffering and hardship. During such times, the true purpose of insurance is most clearly tested.

It is during such unfortunate times that the true value of insurance also becomes evident. At Himalayan Everest Insurance, we stood by our clients in their time of need, settling flood-related claims amounting to Rs 443.39 million during the year, reaffirming our commitment to supporting our policyholders when they need us the most.

I am also pleased to share that during the financial year, we successfully moved into our new Head Office building. This new facility is a tangible reflection of the Company's growth and stability and our commitment to a modern, efficient, and collaborative working environment that will support our continued innovation, collaboration, and service excellence in the years to come.

Looking back at the year, as Chairman of Himalayan Everest Insurance, what gives the Board and me the greatest sense of pride is the clarity of direction

achieved across the organisation, led by Ms. Anju Shrestha, with close alignment between the Board and senior management, in shaping a clear and aligned vision for the long-term future of the Company.

Our focus remains firmly on the long term, strengthening the foundations of the business through sound governance, operational discipline, and service excellence.

Our aspirations are clear: to be among the most trusted and respected insurers in Nepal; to lead by example, setting new standards in professionalism, service, and corporate responsibility.

Before I conclude, I would note that the early part of the current financial year witnessed significant social and operational disruptions. From an insurance perspective, the losses arising from the September 2025 events represented one of the largest insured loss events recorded in Nepal to date. The scale, volume, and complexity of claims placed exceptional operational and financial demands on the insurance industry, once again highlighting the critical role of insurance in safeguarding individuals and businesses against unforeseen and unexpected risks.

In closing, I would like to extend my sincere gratitude to our valued shareholders for their continued trust and support, to the Board of Directors for their guidance, and to the entire team at Himalayan Everest Insurance for their dedication and hard work.

With strong foundations in place and a clear strategic direction, I am confident that Himalayan Everest Insurance is well positioned to navigate challenges, seize opportunities, and create enduring value for all stakeholders.

Thank you.

**MAHENDRA KRISHNA SHRESTHA**  
Chairman



# CEO's Perspective

Dear Esteemed Shareholders,

It is my privilege to address you as we reflect on our performance and progress for the financial year 2081/82. This year has been one of focus, learning, and purposeful advancement – all underpinned by a clear and aligned vision for the future of our Company.

The year under review was shaped by a combination of external challenges and a deliberate internal reflection. We chose not to merely react, but to pause, evaluate and take measured steps towards long term transformation. During this period, we have deepened our commitment to our vision, mission and core values and have been making conscious and consistent efforts to ensure that our decision-making processes, at every level of the organization are aligned and guided by these principles.

With the collective efforts of our 531 dedicated team members, the Company recorded a Gross Premium Income of Rs. 428 crores during the year, crossing the Rs. 400 crore milestone for the first time in our history. This achievement represents a significant step forward in our growth journey. While the non-life insurance industry grew at approximately 8% during the year, we achieved a growth rate of 13%, further strengthening our competitive position in the market. Such progress is never the result of individual effort alone; it is driven by strong collaboration, shared accountability, and a deep sense of ownership across the organization. To ensure sustainable and balanced growth, we continue to advance our visit across all provinces. Our provincial leadership teams now play a critical role in translating corporate strategy into effective local execution - strengthening customer relationships, responding to regional market dynamics, and ensuring consistent service standards nationwide. Their leadership serves as a vital bridge between our long - term vision and on the ground execution, reinforcing the Company's national level strength.

Operational transformation has been a defining theme of the year. Throughout the year,



we undertook a deliberate review of our core processes, key performance metrics, turnaround times, and organizational practices. Our focus was on change – not for its own sake – but to build a more disciplined, efficient, and consistently high standard of service delivery. Equally important, this process required us to challenge long-held assumptions about how we operate – questioning established ways of working, reassessing what truly adds value, and being willing to rethink processes that no longer serve our strategic objectives.

All these efforts have provided us with a deeper understanding of our business and reinforced our confidence in the strategic direction we have chosen to pursue. Through rigorous data integration and disciplined analysis of customer behavior, claims patterns, and regional dynamics, we are steadily transitioning from intuition-led decision-making to insight-driven strategies.

While the year delivered several positive outcomes, it was also marked by certain external headwinds. In particular, the sustained downward trend in interest rates in Nepal continued to impact our bottom line. As a result, our average investment return declined from 6.8% in the previous year to 4.0% during the year under review. We acknowledge this economic trend and have already implemented a strategy to mitigate its impact through prudent asset allocation and enhanced investment governance. We also established focused teams to monitor portfolio profitability and revive underperforming portfolios, while reinforcing underwriting discipline. Collectively, these initiatives have strengthened our enterprise-wide risk management practices, fully aligned with regulatory expectations and global best practices. Guided by our risk team, we have made

significant progress in our Own Risk and Solvency Assessment (ORSA) initiatives, further strengthening the Company's overall risk resilience framework.

Notably, Himalayan Everest Insurance Limited demonstrated strong claims management capability during a major flood event involving total claims of approximately NPR 60 Crore, of which NPR 46 Crore was settled reflecting its financial strength and commitment to policyholders. Our long-term vision is centered on building a resilient, well-capitalized, and trusted insurance institution with a strong nationwide presence. Despite persistent challenges in the investment environment, the company sustained stable financial performance, driven by steady growth in gross written premium and uncompromising expense discipline. These outcomes clearly demonstrate our commitment to sustainable, long-term value creation over short-term gains. We have significantly strengthened internal supervision through enhanced structured portfolio reviews and the establishment of a dedicated portfolio analysis unit, providing deeper visibility into performance trends, risk concentrations, and emerging threats. This disciplined approach ensures that investment decisions consistently safeguard policyholder security while maximizing long-term shareholder value.

Our vision comes to life through our people, and as such, people and culture remain central to our transformation agenda. We are actively building a learning-oriented organization through the introduction of a structured Learning Management System (LMS), enabling continuous skill development, leadership growth, and technical upskilling. At the same time, enhanced internal communication, constant communication of our vision and knowledge-sharing platforms are

strengthening alignment across the organization.

Beyond operational and financial outcomes, we remained firmly committed to environmental, social, and governance (ESG) principles. Through our corporate social responsibility initiatives, we actively contributed to society by organizing blood donation program, health check-up programs, insurance literacy program and supporting the education of visually impaired students. On the environmental front, we advanced our ESG agenda by introducing a plastic-free initiative at our head office, reinforcing our commitment to sustainable and responsible business practices.

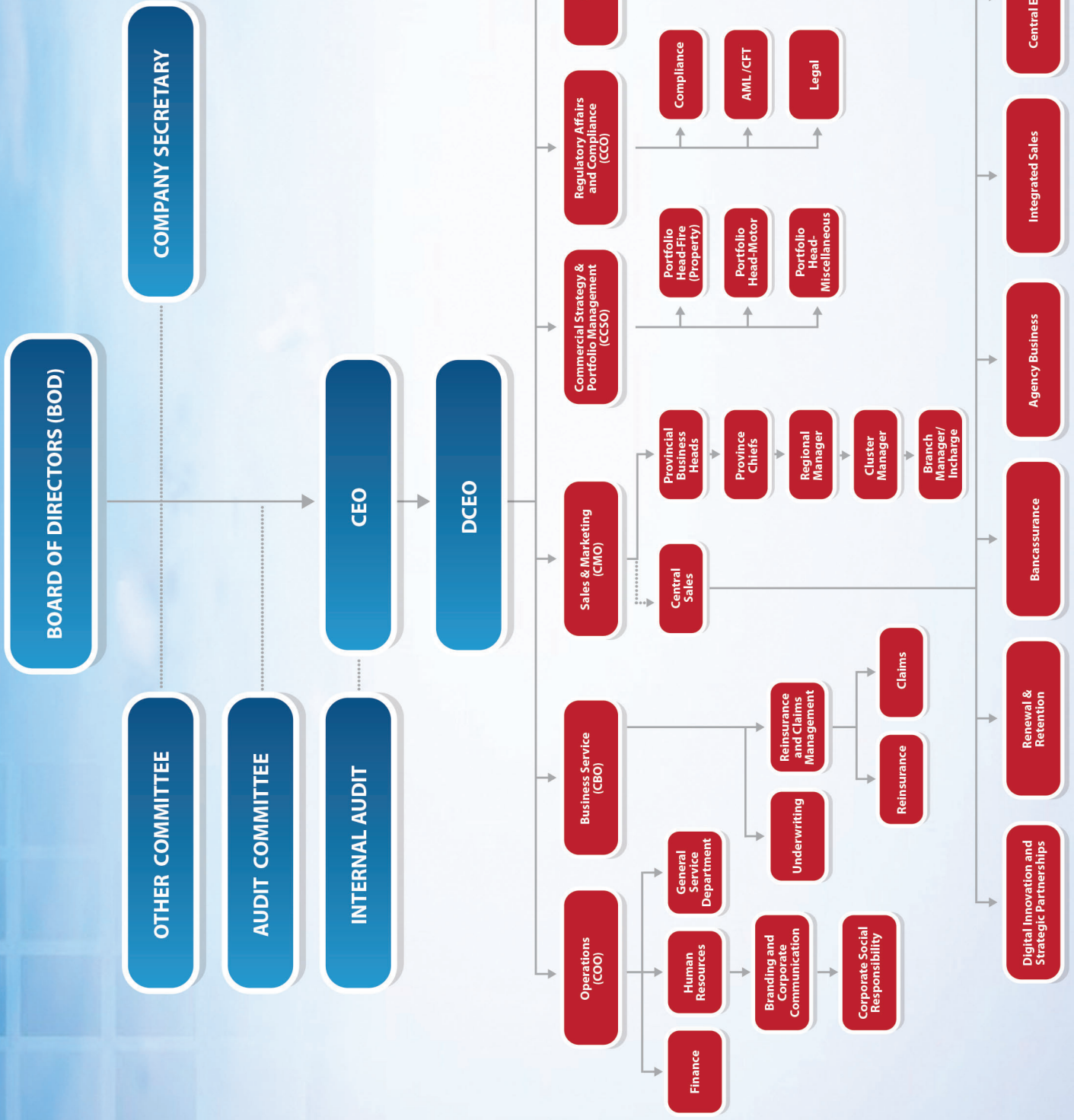
Looking ahead, we remain confident in our direction. While economic and market uncertainties persist, Himalayan Everest Insurance is firmly positioned on the pillars of sound governance, operational excellence, people development, prudent investment management, and customer trust. We will continue to execute our strategy with discipline and purpose, creating sustainable value for all stakeholders.

In closing, I would like to express my sincere gratitude to our shareholders for their continued confidence, to our Board of Directors for their guidance ensuring disciplined execution of our strategy and to our employees across all provinces for their dedication and professionalism. Together, we will continue to build a stronger, more resilient, and future-ready Himalayan Everest Insurance.

Thank you.

**ANJU SHRESTHA**  
Chief Executive Officer







## BOARD OF DIRECTORS



**VIJIT KRISHNA  
SHRESTHA**  
DIRECTOR

**BIJAY KUMAR  
PANT**  
INDEPENDENT  
DIRECTOR

**AVILASHA PANTH  
SHARMA**  
DIRECTOR

**MAHENDRA KRISHNA  
SHRESTHA**  
CHAIRMAN

**AJAYA RATNA STHAPIT**  
DIRECTOR

**HEM RAJ  
THAPA**  
DIRECTOR



## BOARD OF DIRECTORS PROFILE



### **MR. MAHENDRA KRISHNA SHRESTHA**

Chairman / Promoter Director

Mr. Mahendra Krishna Shrestha, Chairman and Promoter Director of Himalayan Everest Insurance Limited, was appointed on 2079/12/29. He holds a Master's degree in Economics and brings extensive experience in leadership, corporate governance, and strategic management. Over the years, he has been instrumental in establishing the Company's vision, defining its growth trajectory, and strengthening institutional frameworks. Under his guidance, the Company has achieved significant milestones in market presence, operational efficiency, and stakeholder trust. His expertise in economic analysis, business strategy, and policy formulation has been pivotal in navigating challenges and ensuring sustainable growth.

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### **MR. VIJIT KRISHNA SHRESTHA**

Promoter Director

Mr. Vijit Krishna Shrestha was appointed as a Promoter Director of Himalayan Everest Insurance Limited on 2079/12/29. He holds a Master of Business Administration (MBA) degree and brings significant expertise in business management, organizational development, and strategic planning. He has played a key role in enhancing operational efficiency, fostering innovation in service delivery, and strengthening corporate governance. His insights into market trends, risk management, and stakeholder engagement have contributed to the Company's resilience and continued growth.



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### **MR. HEM RAJ THAPA**

Public Director



Mr. Hem Raj Thapa was appointed as Director (Public) of Himalayan Everest Insurance Limited on 2079/12/29. He holds a Bachelor of Laws (B.L.) and a Bachelor of Education (B.Ed.) degree. With a multidisciplinary academic background and broad professional experience, he brings valuable perspectives on regulatory compliance, public interest representation, and risk oversight. His contributions have been essential in enhancing transparency, strengthening corporate governance, and ensuring that the Company's operations align with both legal and ethical standards.



#### **MRS. AVILASHA PANTH SHARMA**

Promoter Director

Mrs. Avilasha Panth Sharma was appointed as a Promoter Director of Himalayan Everest Insurance Limited on 2080/02/10. She holds a Master of Business Administration (MBA) degree. Her leadership, management acumen, and strategic vision have been integral to the Company's growth and institutional development. She actively contributes to Board deliberations, supports inclusive decision-making, and ensures the adoption of best practices in governance and organizational management.

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#### **MR. AJAYA RATNA STHAPIT**

Public Director

Mr. Ajaya Ratna Sthapit was appointed as a Director (Public) of Himalayan Everest Insurance Limited on 2079/12/29. He holds a Bachelor of Commerce (B.Com) degree and has extensive experience in corporate affairs, policy formulation, and strategic decision-making. His insights into operational management, compliance, and stakeholder engagement have strengthened the Company's governance framework. He plays a critical role in ensuring operational efficiency, risk mitigation, and alignment with long-term business objectives.



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#### **MR. BIJAY KUMAR PANT**

Independent Director

Mr. Bijay Kumar Pant was appointed as an Independent Director of Himalayan Everest Insurance Limited on 2080/01/06. He holds a Master's degree in Economics and provides independent oversight, constructive guidance, and objective judgment to the Board. With his expertise in Economics, policy analysis, and corporate governance, he strengthens transparency, accountability, and regulatory compliance. His contributions help maintain balanced decision-making and ensure the Company's adherence to high standards of governance.





## MANAGEMENT TEAM



**SAPANA RAWAL**  
AGM  
REINSURANCE  
OPERATIONS

**BACHU RAM KHADKA**  
AGM  
CHIEF UNDERWRITING

**ANJU SHRESTHA**  
CEO

**RATAN KUMAR LAMA**  
DGM  
SALES AND  
MARKETING

**SUDARSHAN KUMAR  
SHRESTHA**  
AGM  
SALES AND  
MARKETING

**ROSHAN KUMAR  
SHRESTHA**  
AGM  
SALES AND  
MARKETING



## MANAGEMENT PROFILE



### **Anju Shrestha - Chief Executive Officer**

Ms. Anju Shrestha is the Chief Executive Officer of Himalayan Everest Insurance Limited, with 29 years of distinguished experience in the insurance industry. She began her career with Himalayan General Insurance in 1996, gaining deep expertise in reinsurance and overall insurance operations.

Ms. Shrestha holds an MBA from Shankar Dev College, Tribhuvan University (1999), and has enhanced her professional knowledge through international trainings and conferences, including Allianz multinational conferences, Reinsurance Management training in Mumbai, and a Royal & Sun Alliance conference in Singapore (2011).

With her strategic vision, technical expertise, and steadfast commitment, Ms. Shrestha continues to drive the company's performance, governance, and long-term growth.

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### **Ratan Kumar Lama- DGM**

Mr. Ratan Kumar Lama brings 41 years of extensive experience in the insurance industry, having started his insurance career in 1984. He completed his Bachelor of Arts (BA) degree in 1982 and has broad expertise across sales, marketing, renewal, and retention functions.

Over the years, he has led multiple departments and has attended various national and international training programs, contributing significantly to the company's operational strength and market presence.



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### **Bachu Ram Khadka- AGM, Chief Underwriting**

Mr. Bachu Ram Khadka, with over 30 years of experience in the insurance sector, serves as AGM and Chief of Underwriting at Himalayan Everest Insurance Limited. He holds an MBS Degree from Tribhuvan University (2058 B.S.) and has extensive expertise in underwriting operations. He also leads and trains teams, with international exposure including specialized programs in Mumbai.

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### **Sudarshan Kumar Shrestha- AGM**

Mr. Sudarshan Kumar Shrestha, with over 29 years of experience in the insurance industry, currently serves as Province Chief of Bagmati, supervising all branches in the province. He holds a Bachelor of Commerce from Shankar Dev Campus (2050 B.S.) and has attended multiple national and international trainings, strengthening his leadership and operational expertise.



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### **Roshan Kumar Shrestha- AGM**

Mr. Roshan Kumar Shrestha serves as Head of Province and Head of Marketing, bringing over 30 years of experience in the insurance industry. He holds an MBA, completed in 2058 B.S., and has a strong marketing background with extensive expertise in business development and market expansion.

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### **Sapana Rawal – AGM, RI Operations**

Ms. Sapana Rawal serves as AGM, Reinsurance Operations at Himalayan Everest Insurance Limited, with over 28 years of experience in the insurance industry. She began her career in 1996 with specialization in reinsurance and holds a Bachelor's degree from Padma Kanya Campus (1991). She has attended several national and international trainings in reinsurance, including programs in Singapore, Mumbai, and Bahrain.





## CROSS FUNCTIONAL LEADERS



**RAKESH K.  
BURNWAL**  
AGENCY

**SURESH  
UPRETI**  
PORTFOLIO  
MANAGER

**DIMASH  
AMATYA**  
PORTFOLIO  
MANAGER

**NILESH RATNA  
TULADHAR**  
PORTFOLIO  
MANAGER

**ANJU  
TULADHAR  
SHRESTHA**  
CENTRAL  
EXECUTIVE

**GYANENDRA  
UPRETY**  
BANCASSURANCE

**BHUPENDRA  
SHRESTHA**  
DIGITAL

**PRASANNA  
ADHIKARI**  
INTEGRATED  
SALES

**MANOHAR  
ADHIKARI**  
RENEWAL &  
RETENTION



## HEAD OF DEPARTMENTS



**SUMI  
MALLA**  
Reinsurance

**SHAHIN  
DIWAKAR**  
FINANCE

**RABINDRA K.  
LAMICHHANE**  
IT

**SHRISTINA  
MANANDHAR**  
Human  
Resource &  
Branding

**NIRAJ MAN  
SINGH PRADHAN**  
COMPLIANCE

**RAJKUMAR  
KHADKA**  
COMPANY  
SECRETARY

**SUNAMRATA  
SHRESTHA**  
General  
Service

**DIBASH  
TIMALSINA**  
Underwriting

**SULAV DEV  
POUDEL**  
LEGAL/AML/CFT

**ROJ RAJ  
LUITEL**  
CLAIMS

**NASALA  
SHAKYA**  
RISK



## CORPORATE GOVERNANCE

Corporate governance at HEI is represented by the system of rules, practices, and processes by which the company is directed and controlled. It involves balancing the interests of the company's 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.

### Corporate Governance Framework

The corporate governance framework outlines the structure, processes, and rules that govern how HEI 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.

#### 1. 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. Board of Directors of Himalayan Everest Insurance Limited comprises of the following:

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

### Board Meeting

The agenda is prepared by the company secretary 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 the company's monthly and quarterly performance and financial results, consider business strategies, review 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

The following table shows the details of the Board of Directors meetings taking place during the fiscal year 2081/82.

S.NO.	Date	Medium	Number of Directors Presence in Meeting
1	14-04-2081	Physical	5
2	31-04-2081	Physical	6
3	23-05-2081	Physical	6
4	27-05-2081	Physical	6
5	16-06-2081	Physical	6
6	14-07-2081	Physical	6
7	29-07-2081	Physical	6
8	18-08-2081	Physical	6
9	28-09-2081	Physical	6
10	04-10-2081	Physical	6
11	29-10-2081	Physical	5
12	02-11-2081	Physical	5
13	23-11-2081	Physical	5
14	11-12-2081	Physical	6
15	11-01-2082	Physical	5
16	27-02-2082	Physical	5
17	10-03-2082	Physical	6
18	13-03-2082	Physical	6
19	17-03-2082	Physical	6

None of the Board of Directors meetings were adjourned due to non-fulfillment of Quorum.

### 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 12,500 is being paid to the chairman

while Rs 10,000 being paid to other directors including tax.

### 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 2080, 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

### Role

The 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 and various component of internal control. 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	10,000
Member	10,000

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 taken place during the fiscal year 2081/82.

S.NO.	Date	Medium
1	28-04-2081	Physical
2	25-05-2081	Physical
3	29-07-2081	Physical
4	25-08-2081	Physical
5	04-10-2081	Physical
6	29-10-2081	Physical
7	25-11-2081	Physical
8	28-01-2082	Physical
9	29-02-2082	Physical
10	11-03-2082	Physical
11	32-03-2082	Physical

### Activities of the committee During the Year

- Discussed and recommended the annual budget of the company
- Reviewed the quarterly Financial Statements
- Monitored the effectiveness of internal audit including internal control system. Discussed the internal audit reports on quarterly basis addressing the comments and suggestions from auditors and provided management with necessary directions
- Reviewed and monitored the internal control issues identified by the Internal Audit
- Discussed the preliminary audit report, and the response by the management and provided management with necessary directions
- Reviewed the Annual Financial Statements and presented to the board
- Recommended the name and remuneration for appointment of statutory auditor

### Anti Money Laundering Committee

As per the provision of Insurer's Corporate Governance Directives 2080, 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.

### Meeting Allowance to Directors

The Committee Members are provided with the meeting fees for attending meetings. The meeting fee of NRs 10,000 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 2080, 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
Ms. Anju Shrestha	Member
Head Claim	Member
Head Reinsurance	Member Secretary

### Role

The Claim Settlement & Reinsurance Committee monitors whether the claim is settled as per the 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

- Approve the claims file as per limit of settlement provided by BOD
- Review and analyze for the purpose of recommending the pursuit or settlement of any claim.
- Review Annual Treaty Program and compares the terms of contract.
- Review appropriate Reinsurance Capacity and Facultative Reinsurance
- Recommend 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 10,000 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 2080, 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
Ms. Anju Shrestha	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 Resources 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.
- 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.
- 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 10,000 inclusive of Tax Deducted at Source (TDS) is being paid to the coordinator members of the committee.

### Investment Committee

As per the provision of Insurer's Corporate Governance Directives 2080, the Board of Directors has formed the Investment Committee. The committee is comprised of 4 members.

Particular	Position
Mrs. Avilasha Panth Sharma	Coordinator
Mr. Vijit Krishna Shreshta	Member
Ms. Anju Shrestha	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 associated to the investment of the company.

### TOR of Committee

- Monitor and recommend 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 and approve investment proposals, ensuring alignment with regulatory guidelines and strategic objectives
- Ensure investments are undertaken with a prudent person approach, balancing safety, liquidity, and return
- Oversee the company's financial risk exposure, solvency requirements, and capital adequacy
- Implement robust treasury and liquidity risk management practices to safeguard financial stability
- Provide strategic insights to balance risk and reward in the company's investment portfolio

### Meeting Allowance to Directors

The Committee Members are provided with the meeting fees for attending meetings. The meeting fee of NRs 10,000 inclusive of Tax Deducted at Source (TDS) is being paid to the coordinator and members of the committee.

### Risk Management Committee

As per the provision of Insurer's Corporate Governance Directives 2080, the Board of Directors has formed the Investment Committee. The committee is comprised of 3 members.

Particular	Position
Mr. Bijay Kumar Pant	Coordinator
Mr. Hem Raj Thapa	Member
Head – Risk Management	Member Secretary

### Role

The committee shall support the Board in overseeing the Company's enterprise-wide risk management framework, ensuring risks are identified, assessed, monitored, and managed within the approved risk appetite.

### TOR of Committee

- Review the objective and policies of comprehensive risk management system.
- 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 10,000 inclusive of Tax Deducted at Source (TDS) is being paid to the coordinator and members of the committee.

### ORSA Committee

The committee comprised of 2 members:

Particular	Position
Mr. Bijay Kumar Pant	Coordinator
ORSA – Process Owner	Member Secretary

### Role

The ORSA Committee assists the Board in overseeing the Own Risk and Solvency Assessment (ORSA) process,



ensuring that the Company maintains adequate capital and solvency in line with its risk profile, risk appetite, and business strategy, as required by the Nepal Insurance Authority.

### TOR of Committee

- Review and recommend the ORSA Policy
- Ensure ORSA integrated with strategic planning and budgeting and align ORSA with risk appetite
- Review current and forward-looking risk profile and access capital adequacy under base case, adverse and stress scenario and catastrophic and climate related scenario
- Review solvency projections over the business planning horizon
- Review sensitivity analysis on underwriting, reserving, reinsurance, and investments
- Review actuarial inputs and assumptions
- Ensure timely submission of ORSA Report to NIA and ensure Board understanding and approval of ORSA outcomes

### Meeting Allowance to Directors

The Committee Members are provided with the meeting fees for attending meetings. The meeting fee of NRs 10,000 inclusive of Tax Deducted at Source (TDS) is being paid to the coordinator of the committee.

### IT Committee

The committee comprised of 3 members:

Particular	Position
Mr. Bijay Kumar Pant	Coordinator
Head – Digital Innovation and Strategic Partnership	Member
Chief Technology Officer	Member Secretary

### Role

The IT Committee assists the Board in overseeing the Company's IT strategy, digital transformation, information security, data governance, and technology risks, ensuring that IT systems effectively support business objectives, regulatory compliance, and operational resilience.

### TOR of Committee

- Review and recommend IT Strategy and Roadmap and ensure alignment of IT initiatives with corporate strategy
- Oversee IT governance framework and decision-making structures
- Oversee Information Security Policy, Cyber Security Framework, and Data Privacy controls
- Review incidents relating to cyber breaches, data loss, or system failures, and automation Oversee

core insurance systems (policy, claims, accounting, reinsurance), review system upgrades, digitization initiatives projects

- Ensure business continuity and disaster recovery arrangements
- Ensure adequacy of access controls, system audits, and change management
- Report significant IT risks, incidents, and strategic matters to the Board

### Meeting Allowance to Directors

The Committee Members are provided with the meeting fees for attending meetings. The meeting fee of NRs 10,000 inclusive of Tax Deducted at Source (TDS) is being paid to the coordinator of the committee.

## 2. Insurer's Business Model

HEI emerged through the merger of former Himalayan General Insurance Company Limited (HGI) and Everest Insurance Limited (EIC) on 1st Shrawan 2079 (17 July 2022). HGI was operating for 29 years and EIC was in operation for 28 years prior to the merger. Within three years, as the merged company, HEI has realized synergies through expanded distribution and deeper market penetration leading to increase in business volume. HEI has emerged as a strong player in Nepal's non-life insurance sector, ranking fourth in terms of gross written premium and total equity and third in terms of profitability.

HEI is a conventional non-life insurer in Nepal with the ambition of becoming one of the top three non-life insurers in the industry by fiscal year 2027-28. The company's business model is anchored on 5 strategic objectives, as shown in the graph below:



### Target Customer

At HEI, we live by the principle of Customer First, because "Your Security, Our Concern". We serve a diverse customer base of individuals, families, SMEs, corporates, government entities, and NGOs/INGOs by delivering solutions tailored to their unique needs. Every product and service is built to ensure trust, simplicity, and accessibility.

# HIMALAYAN EVEREST INSURANCE LIMITED

## BUSINESS MODEL

### KEY PARTNERS

- Reinsurers
- Banks
- Fin-techs
- Corporate Houses
- Hospital
- Government Offices
- IT Vendors
- Investment Partners
- Agents

### KEY ACTIVITIES

- Underwriting
- Claims Management
- Reinsurance
- Investments
- Product Innovation
- Digital transformation

### KEY RESOURCES

- Skilled Workforce
- Strong Capital Base
- Digital Infrastructure
- Brand Reputation
- Insurance Agents and Portals

### CUSTOMER SEGMENTS

- Individuals and Families
- SMEs
- Corporates
- Government Entities
- NGOs/INGOs

### CUSTOMER RELATIONSHIPS

- Personal Assistance
- Online Customer Portal
- Branch Support
- Agent/ Broker Engagege

### CHANNELS

- Website and Mobile App
- Branch Networks
- Agents and Brokers
- Bank and Fin-tech Partners

### VALUE PROPOSITION

- Comprehensive Risk Coverage
- Affordable and Innovative Products
- Transparent and Prompt Claims Service
- Integration of ESG Principles
- Digital Accessibility

### COST STRUCTURES

- Claims and Reinsurance Costs
- Administrative Expenses
- Employee Costs
- Technology Investments
- Network Expansion

### REVENUE STREAMS

- Insurance Premiums
- Reinsurance Comissions
- Investment Income
- Cash Value Cancellations



### Product offering

While our core strengths lie in innovative and affordable insurance products and fair and prompt claims service with transparency, we also recognize the importance of sustainability and ESG principles and are working towards their integration into our product offerings as well.

### Distribution

Products are distributed through HEI's customer portal, agents, branches across provinces. HEI partners with banks, fintech, corporate houses, and other collaborators to expand reach and strengthen capabilities.

### Revenue, investment and cost

Currently, our revenue is generated significantly from insurance premiums, complemented by reinsurance commissions. While investment income already forms a part of our revenue stream, we are intentionally seeking to enhance its active contribution.

The investment portfolio is largely conservative with heavy allocation to fixed deposits and is intended to be diversified into targeted portfolios by increasing exposure to listed and unlisted equity investments for growth.

The cost structure is driven by claims and reinsurance, along with investments in people, technology, and network expansion.

### Operations

Core activities of HEI are underwriting risks, claims management, reinsurance, investments and continuous product innovation, all of which is intended to be operationally effective through data-driven decisions and efficient through process-driven automation. These are supported by key resources such as a skilled human resources, strong capital base, digital infrastructure, and brand reputation.

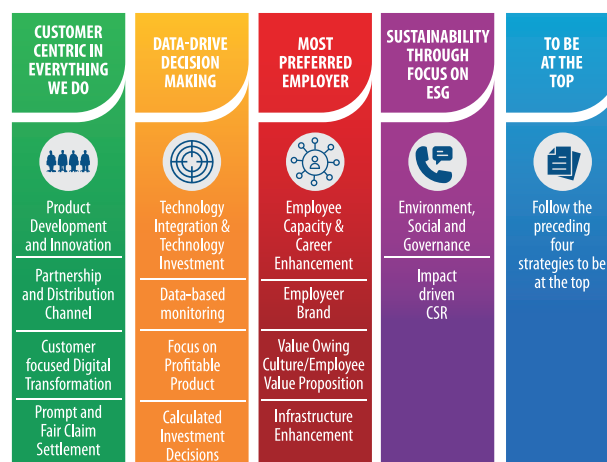
### Employees

The internal organizational structure reflects a mix of professionals and newer entrants from diversified industries. While this supports balance and continuity, it also requires consistent cultural alignment to embrace innovation and regulatory transformation. We aim to foster a more motivated workforce and prioritize employee development. HEI is committed to consistent employer quality enhancement and building trust.

The 5 strategic objectives are supported by various strategic initiatives as shown in the table below:

## STRATEGIC OBJECTIVES

FROM FY 2081-82 TO 2084-85



### HIMALAYAN EVEREST INSURANCE LIMITED

Through this integrated model, HEI is positioning itself as a customer-focused, digitally enabled, and socially responsible insurer laying the foundation for sustainable growth and market leadership in Nepal's non-life insurance sector. ORSA plays a critical role in ensuring that our capital and risk profile remain aligned with these strategic goals and future challenges.

## Insurer's Resources, Usages, Sustainability and Value Creation:

### Key Resources and Utilization

Himalayan Everest Insurance Limited leverages a balanced combination of human, financial, technological, and intangible resources to deliver reliable insurance solutions, manage risks prudently, and ensure long-term financial stability. The effective deployment of these resources enables the Company to meet policyholder obligations, comply with regulatory requirements, and support sustainable business growth.

The key resources of the Company are outlined below:

#### 1. Human Capital and Knowledge Resources

Human capital is a critical driver of Himalayan Everest Insurance Limited's operational effectiveness and service quality. The Company employs competent professionals across core functional areas including underwriting, claims management, reinsurance, finance, risk management, information technology, compliance, and customer support. These professionals play a vital

role in evaluating risks, pricing insurance products, managing claims efficiently, and maintaining customer confidence.

The Company also benefits from specialized expertise available through external stakeholders such as insurance agents, brokers, loss surveyors, engineers, actuaries, and legal advisors. Their professional judgment and technical knowledge enhance underwriting discipline, claims accuracy, and risk mitigation practices.

Knowledge-based resources—such as underwriting manuals, risk evaluation frameworks, claims handling procedures, actuarial assumptions, internal policies, and accumulated market experience—form an important intellectual asset. These resources support consistency in decision-making, improve operational controls, and contribute to competitive positioning.

Human and knowledge resources are primarily utilized in:

- Marketing and distribution of insurance products
- Risk evaluation, underwriting, and pricing
- Claims assessment, settlement, and recovery
- Reinsurance placement and risk retention management
- Financial planning, accounting, and reporting
- Regulatory compliance and governance functions
- Customer service and relationship management
- Strategic planning and organizational development

## 2. Financial Resources

Sound financial resources are essential to the Company's ability to underwrite risks, honor claims, and maintain solvency. Himalayan Everest Insurance Limited's financial resources comprise shareholders' equity, premium income from various lines of non-life insurance, investment earnings, accumulated reserves, and structured reinsurance arrangements.

Premium income represents the primary operating revenue, while investment of funds in approved financial instruments supports income stability and capital growth. Retained earnings and statutory reserves strengthen the Company's financial position and enhance its capacity to absorb losses and expand underwriting operations.

Reinsurance programs are an integral part of financial resource management, enabling the Company to transfer part of its risk exposure, protect against large or catastrophic losses, and optimize capital utilization. Adequate technical and statutory reserves are maintained in line with regulatory directives

to meet future claims obligations and unforeseen contingencies.

Financial resources are mainly applied towards:

- Payment of insurance claims and benefits
- Underwriting, Reinsurance and risk absorption
- Operational and administrative expenditures
- Compliance with regulatory and solvency requirements
- Investment and business expansion initiatives
- Technology enhancement and digital innovation
- Training and development of employees

## 3. Physical, Technological, and Digital Infrastructure

Himalayan Everest Insurance Limited operates through an established physical and digital infrastructure designed to support efficient service delivery and internal operations. The Company maintains branch offices and service points across Nepal, ensuring accessibility of insurance products and services to a broad customer base.

The Company has implemented integrated core insurance systems covering policy administration, underwriting, claims processing, finance, and management reporting. Digital platforms, including web-based portals and customer-facing applications, facilitate policy issuance, premium payments, and claims tracking, enhancing convenience and transparency.

Continuous investment in information technology and process automation has contributed to improved turnaround time, reduced operational costs, better data management, and enhanced service quality.

These resources support:

- Policy servicing and customer interaction
- Claims processing and settlement
- Internal coordination and operational control
- Data management, security, and reporting

## 4. Brand, Relationships and Market presence

The Company's brand and market standing represent important intangible resources. Built over time through consistent service delivery, prudent financial management, timely claim servicing, and regulatory compliance, the Himalayan Everest Insurance Limited brand strengthens customer trust and stakeholder confidence. Long-standing relationships with customers, reinsurers, intermediaries, and business partners further support business continuity and growth.



## Sustainable Competitive Advantage

Himalayan Everest Insurance Limited has established a sustainable competitive advantage through disciplined risk management, customer-focused service delivery, prudent governance, and progressive adoption of technology. The Company's long-term success is underpinned by the following core strengths:

### • Risk Management Expertise

Risk management remains a cornerstone of Himalayan Everest Insurance's competitive positioning. The Company follows a strong underwriting discipline supported by clearly defined risk appetite, robust policy guidelines, and continuous portfolio monitoring.

Effective portfolio diversification across lines of business and geographical segments helps mitigate concentration risk and enhance earnings stability. The Company maintains well-structured reinsurance arrangements with reputed domestic and international reinsurers, ensuring adequate protection against catastrophic and large losses while safeguarding solvency and capital adequacy. This comprehensive risk management framework enables the Company to withstand adverse loss events and maintain financial resilience in a volatile risk environment.

### • Innovation and Technology

Himalayan Everest Insurance continues to strengthen its operational efficiency through the progressive adoption of digital solutions and automation. Technology-enabled underwriting and claims processing have streamlined workflows, reduced turnaround time, and enhanced accuracy in decision-making.

The use of self-developed in-house digital platforms for policy administration, customer servicing, and internal reporting has improved transparency and data availability across the organization. Data-driven insights support better risk assessment, pricing, and claims management, enabling the Company to respond effectively to evolving market dynamics and customer expectations.

### • Customer-Centric Approach

The Company places strong emphasis on understanding customer needs and delivering tailored insurance solutions for both individual and corporate clients. Focus on service quality, accessibility, and prompt claims settlement has strengthened customer trust and long-term relationships.

Multi-channel customer engagement, including branch networks and digital touchpoints, ensures ease of

access and consistent service delivery. By prioritizing fairness, transparency, and responsiveness throughout the policy lifecycle, Himalayan Everest Insurance enhances customer satisfaction and retention, which remains a key driver of sustainable growth.

### • Regulatory Compliance and Governance

Himalayan Everest Insurance upholds high standards of regulatory compliance, corporate governance, and ethical business conduct. The Company operates in full alignment with the directives and guidelines issued by the Nepal Insurance Authority and other relevant regulators.

Strong governance structures, effective board oversight, and well-defined internal control systems ensure accountability, risk oversight, and transparency in decision-making. This commitment to sound governance practices not only protects stakeholder interests but also reinforces the Company's credibility, reputation, and long-term sustainability.

### Value Creation

Himalayan Everest Insurance Limited creates sustainable value for its stakeholders by fulfilling its core purpose of risk protection, financial stability, responsible governance, and socio-economic contribution. The Company's value creation approach balances financial performance with long-term stakeholder trust and national development.

**POLICYHOLDERS:**  
**1.958 BILLION CLAIMS PAID**

**INVESTORS:**  
**218 MILLION CASH DIVIDEND**

**EMPLOYEES:**  
**420 MILLION EMPLOYEE EXPENSES**  
**5.64 MILLION IN TRAINING**

**COMMUNITY**  
**66.57 MILLION CSR**

**REGULATOR**  
**32 MILLION REGULATORY FEES**

**NATION:**  
**MORE THAN 530 EMPLOYMENT OPPORTUNITY CREATED**  
**MORE THAN 200 MILLION TAX PAID**

### • Policyholders

Policyholders are the primary stakeholders of the Company. Himalayan Everest Insurance creates value for policyholders by providing comprehensive risk coverage, financial security, and peace of mind.

During the year, the Company paid **gross claims amounting to NPR 1.958 billion**, enabling individuals, businesses, and institutions to recover from insured losses in a timely and transparent manner. Efficient claims settlement, fair underwriting practices, and customer-focused service delivery ensure that policyholders are protected against unforeseen financial burdens and can continue their personal and business activities with confidence.

### • Investors and Shareholders

The Company creates value for shareholders through sustainable profitability, prudent capital management, and consistent dividend distribution. During the year, dividends amounting to **NPR 218 million** were distributed to shareholders. The Company proposed dividend of **NPR 200 million** for the current year, reflecting the Company's strong financial performance and commitment to rewarding investor confidence.

By maintaining sound underwriting discipline, effective risk management, and stable earnings, Himalayan Everest Insurance supports capital preservation and long-term value appreciation for its shareholders.

### • Employees

Employees are central to the Company's operational excellence and long-term success. Himalayan Everest Insurance invested approximately **NPR 420 million** in employee-related expenses, including **NPR 5.64 million dedicated to training and capacity-building programs**.

As of the year-end, the Company employed **531 employees**, fostering a stable and skilled workforce. Continuous professional development, paid leave benefits, and a supportive work environment enhance employee engagement, productivity, and retention. By investing in its people, the Company ensures service quality, institutional knowledge, and sustainable organizational growth.

### • Community and Society

The Company actively contributes to community development and social well-being through structured Corporate Social Responsibility (CSR) initiatives. During the year, **NPR 65.57 million** was allocated toward community-focused CSR programs.

These initiatives support social inclusion, awareness, health, education, and environmental responsibility, strengthening the Company's relationship with communities and reinforcing its role as a responsible corporate citizen.

### • Regulator

Himalayan Everest Insurance creates value for regulatory bodies through full compliance with regulatory frameworks, transparent reporting, and ethical business conduct. During the year, the Company paid **gross regulatory service fees amounting to NPR 32 million** in accordance with the provisions of the Insurance Act and directives of the Nepal Insurance Authority.

Such compliance contributes to market discipline, policyholder protection, and overall stability of the insurance sector.

### • Related Stakeholders – Reinsurers

Reinsurers are key strategic partners in the Company's risk management framework. During the year, Himalayan Everest Insurance shared risks amounting to **NPR 2.53 billion** with domestic and international reinsurers. This risk-sharing mechanism enhances underwriting capacity, protects capital against large and catastrophic losses, and strengthens confidence among reinsurers through disciplined portfolio management and timely settlement practices.

### • Nation and Economy

Himalayan Everest Insurance plays a vital role in Nepal's economic development by promoting risk mitigation, employment generation, and financial stability. The Company contributes to the national economy through **direct and indirect tax payments**, creation of employment opportunities for **over 500 employees**, and risk-sharing support for large infrastructure and commercial projects.

By providing insurance coverage to businesses and institutions, the Company enables continuity of operations, supports entrepreneurship, and indirectly benefits numerous business houses and economic sectors across the country.



## Major Sources of Capital

Himalayan Everest Insurance Limited (HEI) maintains a well-structured capital framework and strategically utilizes its resources to support underwriting capacity, absorb unexpected losses, and ensure compliance with regulatory solvency requirements. These efforts enable HEI to sustain growth, manage risk prudently, and create long-term value for policyholders, shareholders, and other stakeholders.

HEI's capital base is structured to support underwriting capacity, absorb unforeseen losses, and meet regulatory solvency requirements. The primary sources of capital are:

### Equity Capital



	<i>in millions</i>
<b>Share Capital</b>	<b>2500.16</b>
<b>Special Reserves</b>	<b>1913.19</b>
<b>Catastrophe Reserves</b>	<b>82.20</b>
<b>Retained Earnings</b>	<b>301.56</b>
<b>Other Equity</b>	<b>414.27</b>
<b>Total</b>	<b>5211.37</b>

Equity forms the core financial foundation of the Company. As of Ashad End, 2082 HEI's equity consists of:

- **Paid-up Capital:** NPR 2.50 billion
- **Special Reserve:** NPR 1.91 billion (50% of the net profit transferred till the special reserve reaches 2.5 billion)
- **Catastrophic Reserve:** NPR 82.195 million (10% of remaining profit after apportionment to Special reserve transferred)

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- **Paid-up Capital:** NPR 2.50 billion
- **Special Reserve:** NPR 1.91 billion (50% of the net profit transferred till the special reserve reaches 2.5 billion)
- **Catastrophic Reserve:** NPR 82.195 million (10% of remaining profit after apportionment to Special reserve transferred)
- **Retained Earnings:** NPR 301.56 million
- **Other Equity:** NPR 414 million (including CSR Reserves, Revaluation Reserve, Fair Value Reserves, Actuarial Reserves, Deferred Tax Reserves and Training Reserve)

This strong equity base ensures risk-bearing capacity, supports solvency margins, and enables the Company to pursue sustainable business growth.

### Premium Income

Premiums collected from policyholders provide the principal operating funds. These funds are utilized to settle claims, maintain reserves, cover operational costs, and generate investment income, thereby supporting both financial stability and business expansion.

### Investment Income

HEI invests in a diversified portfolio including debentures, equity instruments, and mutual fund schemes, with a total investment size of NPR 5.242 billion. Investment returns contribute to profitability, reinforce solvency, and enhance the Company's ability to fund future growth initiatives.

### Reinsurance Recoveries

Through reinsurance arrangements, HEI transfers part of its risk exposure to reinsurers. This mitigates the impact

of large or catastrophic claims, improves capital efficiency, and complements reserve management to maintain a resilient financial position.

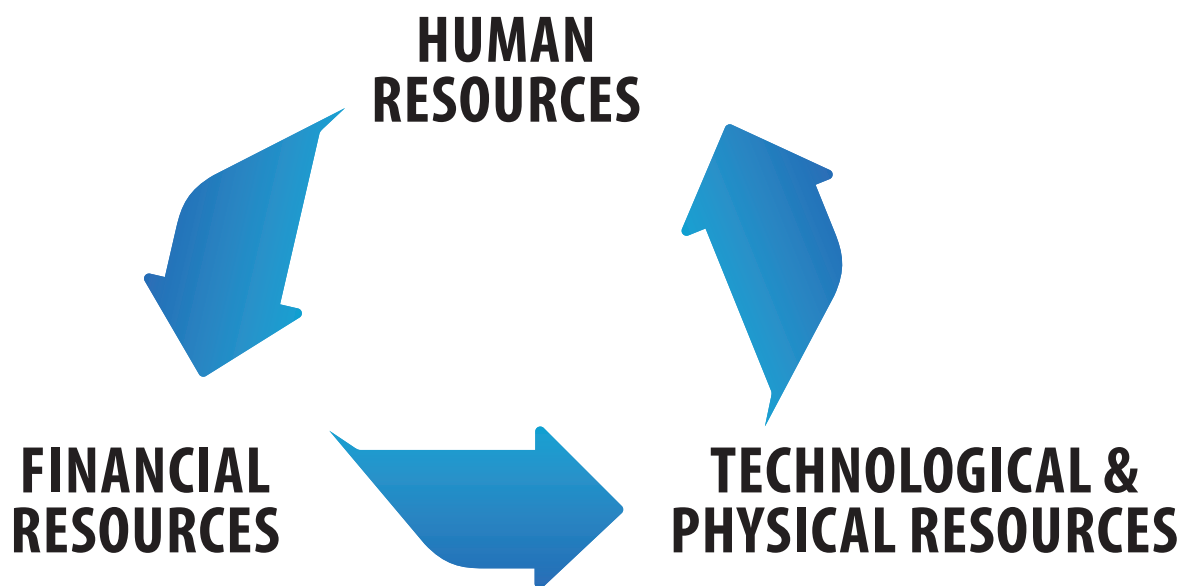
### Interconnectedness of Capital Sources

The capital sources of Himalayan Everest Insurance Limited—paid-up equity, reserves, retained earnings, other equity, and reinsurance—are inherently interconnected, collectively supporting the Company's financial stability and growth. Paid-up capital forms the foundational layer, ensuring regulatory compliance and absorbing initial losses. Reserves and retained earnings act as buffers for future claims, reducing reliance on external funding and supporting sustainable operations. Reinsurance complements these internal capital sources by transferring portions of risk to reinsurers, mitigating the impact of large or catastrophic claims and allowing internal capital to be deployed more efficiently. Investment income further enhances available capital, providing additional funds for growth and operational needs. The interplay among these sources enables HEI to maintain solvency, optimize resource allocation, and make strategic decisions on dividend distribution, investment, and underwriting, thereby strengthening the overall resilience of the Company's capital framework.

### Resource Utilization and Relationship with Capital Plan

HEI carefully manages and allocates its human, financial, technological, and physical resources to support operational excellence, risk management, and sustainable growth.

(Diagram on resources – Pictorial depiction)



### Human Resources

Human capital is central to the Company's performance. Key initiatives include:

- Retaining and hiring skilled professionals across underwriting, claims, risk assessment, actuarial, finance and customer service functions.
- Continuous training and development programs to ensure employees stay current with regulatory requirements, industry trends, and technology advancements.
- Promoting an inclusive and supportive work environment to foster collaboration, creativity, and productivity.

### Financial Resources

HEI's financial management focuses on sustainable growth and risk mitigation:

- Strategic allocation of premium income, reserves, investment returns, and reinsurance recoveries to support underwriting, claims settlement, operations, and long-term investments.
- Diversifying investments to optimize returns while maintaining compliance with regulatory guidelines.
- Strengthening financial risk management to protect capital and maintain solvency.



### Technological and Physical Resources

Investment in technology and infrastructure enhances operational efficiency and customer experience:

- Expanding and upgrading branch offices and corporate facilities to improve accessibility and service delivery
- Implementing digital platforms for policy administration, claims processing, and customer engagement.
- Enhancing cybersecurity and data analytics capabilities to protect information and support data-driven decision-making.

### Product Development and Innovation

HEI is committed to designing innovative insurance solutions to meet evolving market needs:

- Developing tailored products for individual, corporate, and specialized sector clients.
- Introducing products addressing environmental and climate-related risks, and promoting sustainability.
- Offering innovative health and wellness insurance solutions accessible to both urban and rural populations.

At Himalayan Everest Insurance Limited, the relationship between resource utilization, strategic initiatives, and the capital plan is guided by a framework of deliberate alignment. The Company ensures that capital allocations are targeted toward initiatives that advance long-term objectives and support sustainable growth. This alignment is maintained through:

- **Integrating resource deployment with strategic programs** to create coherence and maximize the impact of capital investments.
- **Defining measurable performance indicators** to assess the effectiveness of capital deployment and its contribution to organizational goals.
- **Regularly reviewing and adjusting capital projects and resource allocation** to ensure that initiatives remain on track and aligned with evolving business priorities.

### 3. Performance Evaluation and Key Performance Indicator:

Comparative disclosure of company's financial position and performance

#### Horizontal Analysis

#### Statement of Financial Position

Particulars	2081/82	%	2080/81	%	2079/80
<b>Assets</b>					
Goodwill & Intangible Assets	17,145,750	-9.13%	18,868,120	-10.12%	20,992,187
Property and Equipment	1,175,836,559	11.84%	1,051,365,598	231.98%	316,695,727
Investment Properties	-	-	-	-	-
Deferred Tax Assets	-	-100.00%	12,531,846	-86.13%	90,362,723
Investment in Subsidiaries	-	-	-	-	-
Investment in Associates	-	-100.00%	210,161,858	-	-
Investments	5,242,231,416	8.80%	4,818,274,239	3.51%	4,654,708,234
Loans	-	-	-	-	-
Reinsurance Assets	2,697,992,261	-5.26%	2,847,849,366	-10.12%	3,168,415,309
Current Tax Assets	188,503,919	150.20%	75,341,583	-	-
Insurance Receivables	523,215,128	14.45%	457,156,412	-60.40%	1,154,516,677
Other Assets	76,107,083	-10.51%	85,042,482	73.70%	48,959,553
Other Financial Assets	114,113,235	32.08%	86,397,271	-43.00%	151,561,392
Cash and Cash Equivalent	145,744,832	-17.08%	175,773,574	-15.27%	207,456,354
<b>Total Assets</b>	<b>10,180,890,183</b>	<b>3.48%</b>	<b>9,838,762,349</b>	<b>0.26%</b>	<b>9,813,668,156</b>
<b>Equity &amp; Liabilities</b>					
<b>Equity</b>					
Share Capital	2,500,157,400	0.00%	2,500,157,400	8.63%	2,301,535,000
Share Application Money	-	-	-	-	-
Pending Allotment	-	-	-	-	-
Share Premium	-	-	-	-	-

Special Reserves	1,913,190,116	14.73%	1,667,570,965	18.23%	1,410,503,655
Catastrophe Reserves	82,195,510	17.57%	69,914,552	22.53%	57,061,186
Retained Earnings	301,556,975	-1.06%	304,786,863	34.57%	226,482,875
Other Equity	414,274,032	7.92%	383,881,726	30.22%	294,796,842
<b>Total Equity</b>	<b>5,211,374,034</b>	<b>5.79%</b>	<b>4,926,311,506</b>	<b>14.82%</b>	<b>4,290,379,558</b>
<b>Liabilities</b>					
Provisions	8,161,536	385.27%	1,681,849	-50.79%	3,417,533
Gross Insurance Contract Liabilities	3,855,161,138	-3.59%	3,998,842,065	-3.99%	4,164,877,213
Deferred Tax Liabilities	54,705,673.00	100.00%	-	-	-
Insurance Payable	580,005,198	61.71%	358,680,424	-58.22%	858,561,613
Current Tax Liabilities	-	-	-	-100.00%	17,927,670
Borrowings	-	-	-	-	-
Other Liabilities	273,566,694	-19.70%	340,693,164	36.40%	249,773,619
Other Financial Liabilities	197,915,910	-6.89%	212,553,341	-7.07%	228,730,950
<b>Total Liabilities</b>	<b>4,969,516,149</b>	<b>1.16%</b>	<b>4,912,450,843</b>	<b>-11.06%</b>	<b>5,523,288,598</b>
<b>Total Equity and Liabilities</b>	<b>10,180,890,183</b>	<b>3.48%</b>	<b>9,838,762,349</b>	<b>0.26%</b>	<b>9,813,668,156</b>

**Statement of Profit and Loss**

Particulars	2081/82	%	2080/81	%	2079/80
<b>Income:</b>					
Gross Earned Premiums	4,910,110,704	45.09%	3,384,296,904	-0.29%	3,394,102,330
Premiums Ceded	(2,996,733,380)	42.42%	(2,104,185,974)	-12.90%	(2,415,783,095)
Net Earned Premiums	1,913,377,324	49.47%	1,280,110,930	30.85%	978,319,235
Commission Income	544,552,849	58.81%	342,886,515	-12.21%	390,558,980
Other Direct Income	-	-	-	-	-
Income from Investments & Loans	219,223,683	-36.28%	344,043,010	1.56%	338,770,094
Net Gain/ (Loss) on Fair Value Changes	-	-	-	-	-
Net Realised Gains/ (Losses)	4,531,045	-98.75%	361,558,301	-28706.24%	(1,263,914)
Other Income	9,163,073	-94.76%	174,779,042	1829.20%	9,059,687
<b>Total Income</b>	<b>2,690,847,973</b>	<b>7.49%</b>	<b>2,503,377,798</b>	<b>45.93%</b>	<b>1,715,444,082</b>
<b>Expenses:</b>					
Gross Claims Paid	1,958,921,202	32.86%	1,474,412,237	-41.51%	2,520,707,724
Claims Ceded	(883,556,159)	16.77%	(756,662,048)	-60.48%	(1,914,671,679)
Gross Change in Contract Liabilities	480,103,271	-182.36%	(582,942,145)	157.56%	(226,335,065)
Change in Contract Liabilities Ceded to Reinsurers	(316,635,322)	-151.81%	611,121,658	609.26%	86,163,342
<b>Net Claims Incurred</b>	<b>1,238,832,992</b>	<b>66.08%</b>	<b>745,929,702</b>	<b>60.12%</b>	<b>465,864,322</b>
Commission Expenses	84,728,455	44.27%	58,727,559	-0.76%	59,174,530
Service Fees	14,821,168	22.45%	12,103,722	11.15%	10,889,921
Other Direct Expenses	4,308,293	18.72%	3,628,920	-8.61%	3,970,633
Employee Benefits Expenses	420,679,388	-1.12%	425,448,469	21.44%	350,331,144
Depreciation and Amortization Expenses	33,486,253	63.24%	20,513,155	6.87%	19,194,061
Impairment Losses	-	-100.00%	132,852,751	-	-
Other Operating Expenses	296,402,987	33.67%	221,749,258	36.76%	162,148,699
Finance Cost	866,890	-40.08%	1,446,864	-15.83%	1,719,066
<b>Total Expenses</b>	<b>2,094,126,426</b>	<b>29.08%</b>	<b>1,622,400,400</b>	<b>51.16%</b>	<b>1,073,292,376</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>	<b>596,721,547</b>	<b>-32.27%</b>	<b>880,977,398</b>	<b>37.19%</b>	<b>642,151,706</b>
Share of Net Profit of Associates accounted using Equity Method	-	-100.00%	11,214,458	-	-
<b>Profit Before Tax</b>	<b>596,721,547</b>	<b>-33.12%</b>	<b>892,191,856</b>	<b>38.94%</b>	<b>642,151,706</b>
Income Tax Expense	140,840,793	-63.86%	389,727,941	97.73%	197,096,179
<b>Net Profit/(Loss) For The Year</b>	<b>455,880,754</b>	<b>-9.27%</b>	<b>502,463,915</b>	<b>12.90%</b>	<b>445,055,527</b>
<b>Earning Per Share</b>					
Basic EPS	18.23	-9.27%	20.10	3.92%	19.34
Diluted EPS	18.23	-9.27%	20.10	3.92%	19.34



## Vertical Analysis

### Statement of Financial Position

Particulars	2081/82	%	2080/81	%	2079/80	%
<b>Assets</b>						
Goodwill & Intangible Assets	17,145,750	0.17%	18,868,120	0.19%	20,992,187	0.21%
Property and Equipment	1,175,836,559	11.55%	1,051,365,598	10.69%	316,695,727	3.23%
Investment Properties	-	-	-	-	-	-
Deferred Tax Assets	-	-	12,531,846	0.13%	90,362,723	0.92%
Investment in Subsidiaries	-	-	-	-	-	-
Investment in Associates	-	-	210,161,858	2.14%	-	-
Investments	5,242,231,416	51.49%	4,818,274,239	48.97%	4,654,708,234	47.43%
Loans	-	-	-	-	-	-
Reinsurance Assets	2,697,992,261	26.50%	2,847,849,366	28.95%	3,168,415,309	32.29%
Current Tax Assets	188,503,919	1.85%	75,341,583	0.77%	-	-
Insurance Receivables	523,215,128	5.14%	457,156,412	4.65%	1,154,516,677	11.76%
Other Assets	76,107,083	0.75%	85,042,482	0.86%	48,959,553	0.50%
Other Financial Assets	114,113,235	1.12%	86,397,271	0.88%	151,561,392	1.54%
Cash and Cash Equivalent	145,744,832	1.43%	175,773,574	1.79%	207,456,354	2.11%
<b>Total Assets</b>	<b>10,180,890,183</b>	<b>100.00%</b>	<b>9,838,762,349</b>	<b>100.00%</b>	<b>9,813,668,156</b>	<b>100.00%</b>
<b>Equity &amp; Liabilities</b>						
<b>Equity</b>						
Share Capital	2,500,157,400	24.56%	2,500,157,400	25.41%	2,301,535,000	23.45%
Share Application Money Pending Allotment	-	0.00%	-	0.00%	-	0.00%
Share Premium	-	0.00%	-	0.00%	-	0.00%
Special Reserves	1,913,190,116	18.79%	1,667,570,965	16.95%	1,410,503,655	14.37%
Catastrophe Reserves	82,195,510	0.81%	69,914,552	0.71%	57,061,186	0.58%
Retained Earnings	301,556,975	2.96%	304,786,863	3.10%	226,482,875	2.31%
Other Equity	414,274,032	4.07%	383,881,726	3.90%	294,796,842	3.00%
<b>Total Equity</b>	<b>5,211,374,034</b>	<b>51.19%</b>	<b>4,926,311,506</b>	<b>50%</b>	<b>4,290,379,558</b>	<b>44%</b>
<b>Liabilities</b>						
Provisions	8,161,536	0.08%	1,681,849	0.02%	3,417,533	0.03%
Gross Insurance Contract Liabilities	3,855,161,138	37.87%	3,998,842,065	40.64%	4,164,877,213	42.44%
Deferred Tax Liabilities	54,705,673.00	0.54%	-	0.00%	-	0.00%
Insurance Payable	580,005,198	5.70%	358,680,424	3.65%	858,561,613	8.75%
Current Tax Liabilities	-	0.00%	-	0.00%	17,927,670	0.18%
Borrowings	-	0.00%	-	0.00%	-	0.00%
Other Liabilities	273,566,694	2.69%	340,693,164	3.46%	249,773,619	2.55%
Other Financial Liabilities	197,915,910	1.94%	212,553,341	2.16%	228,730,950	2.33%
<b>Total Liabilities</b>	<b>4,969,516,149</b>	<b>48.81%</b>	<b>4,912,450,843</b>	<b>49.93%</b>	<b>5,523,288,598</b>	<b>56.28%</b>
<b>Total Equity and Liabilities</b>	<b>10,180,890,183</b>	<b>100.00%</b>	<b>9,838,762,349</b>	<b>100.00%</b>	<b>9,813,668,156</b>	<b>100.00%</b>

### Statement of Profit and Loss

Particulars	2081/82	%	2080/81	%	2079/80	%
<b>Income:</b>						
Gross Earned Premiums	4,910,110,704	100.00%	3,384,296,904	100.00%	3,394,102,330	100.00%
Premiums Ceded	(2,996,733,380)	-61.03%	(2,104,185,974)	-62.17%	(2,415,783,095)	-71.18%
Net Earned Premiums	1,913,377,324	38.97%	1,280,110,930	37.83%	978,319,235	28.82%
Commission Income	544,552,849	11.09%	342,886,515	10.13%	390,558,980	11.51%
Other Direct Income	-	-	-	-	-	-
Income from Investments & Loans	219,223,683	4.46%	344,043,010	10.17%	338,770,094	9.98%
Net Gain/ (Loss) on Fair Value Changes	-	-	-	-	-	-
Net Realised Gains/ (Losses)	4,531,045	0.09%	361,558,301	10.68%	(1,263,914)	-0.04%
Other Income	9,163,073	0.19%	174,779,042	5.16%	9,059,687	0.27%
<b>Total Income</b>	<b>2,690,847,973</b>	<b>54.80%</b>	<b>2,503,377,798</b>	<b>73.97%</b>	<b>1,715,444,082</b>	<b>50.54%</b>

Particulars	2081/82	%	2080/81	%	2079/80	%
<b>Expenses:</b>						
Gross Claims Paid	1,958,921,202	39.90%	1,474,412,237	43.57%	2,520,707,724	74.27%
Claims Ceded	(883,556,159)	-17.99%	(756,662,048)	-22.36%	(1,914,671,679)	-56.41%
Gross Change in Contract Liabilities	480,103,271	9.78%	(582,942,145)	-17.22%	(226,335,065)	-6.67%
Change in Contract Liabilities Ceded to Reinsurers	(316,635,322)	-6.45%	611,121,658	18.06%	86,163,342	2.54%
<b>Net Claims Incurred</b>	<b>1,238,832,992</b>	<b>25.23%</b>	<b>745,929,702</b>	<b>22.04%</b>	<b>465,864,322</b>	<b>13.73%</b>
Commission Expenses	84,728,455	1.73%	58,727,559	1.74%	59,174,530	1.74%
Service Fees	14,821,168	0.30%	12,103,722	0.36%	10,889,921	0.32%
Other Direct Expenses	4,308,293	0.09%	3,628,920	0.11%	3,970,633	0.12%
Employee Benefits Expenses	420,679,388	8.57%	425,448,469	12.57%	350,331,144	10.32%
Depreciation and Amortization Expenses	33,486,253	0.68%	20,513,155	0.61%	19,194,061	0.57%
Impairment Losses	-	-	132,852,751	3.93%	-	-
Other Operating Expenses	296,402,987	6.04%	221,749,258	6.55%	162,148,699	4.78%
Finance Cost	866,890	0.02%	1,446,864	0.04%	1,719,066	0.05%
<b>Total Expenses</b>	<b>2,094,126,426</b>	<b>42.65%</b>	<b>1,622,400,400</b>	<b>47.94%</b>	<b>1,073,292,376</b>	<b>31.62%</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>	<b>596,721,547</b>	<b>12.15%</b>	<b>880,977,398</b>	<b>26.03%</b>	<b>642,151,706</b>	<b>18.92%</b>
Share of Net Profit of Associates accounted using Equity Method	-	-	11,214,458	0.33%	-	-
<b>Profit Before Tax</b>	<b>596,721,547</b>	<b>12.15%</b>	<b>892,191,856</b>	<b>26.36%</b>	<b>642,151,706</b>	<b>18.92%</b>
Income Tax Expense	140,840,793	2.87%	389,727,941	11.52%	197,096,179	5.81%
<b>Net Profit/(Loss) For The Year</b>	<b>455,880,754</b>	<b>9.28%</b>	<b>502,463,915</b>	<b>14.85%</b>	<b>445,055,527</b>	<b>13.11%</b>

## FINANCIAL INDICATOR

### BALANCE SHEET



YOY 3.48%

CAGR 6.56%

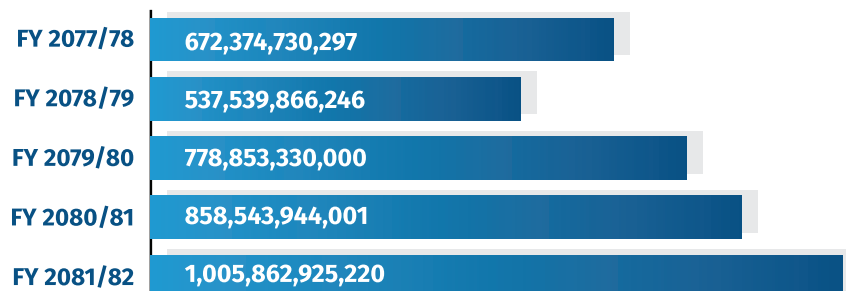
### PAID UP CAPITAL



YOY 0.00%

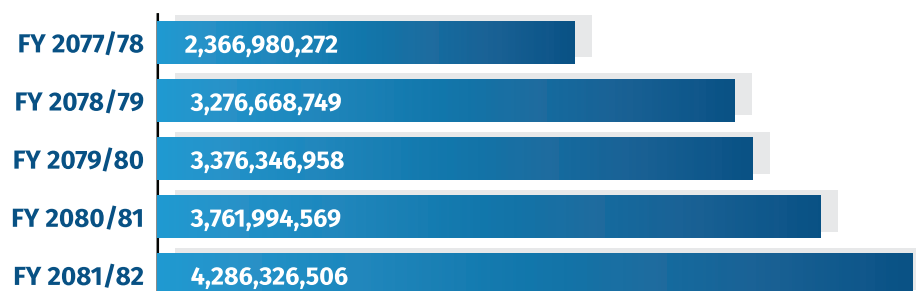
CAGR 1.83%



**SUM INSURED**

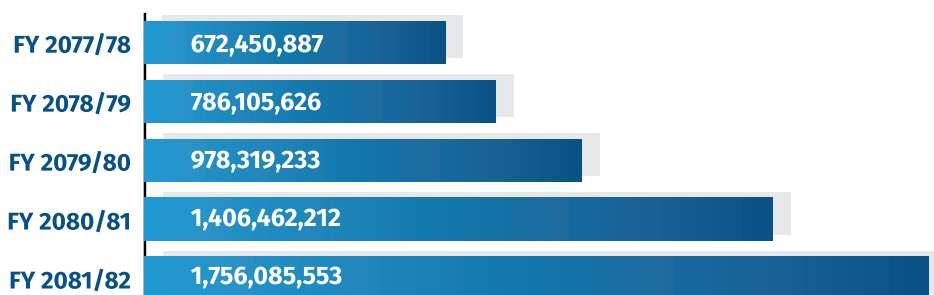
YOY 17.16%

CAGR 8.39%

**GROSS PREMIUM INCOME**

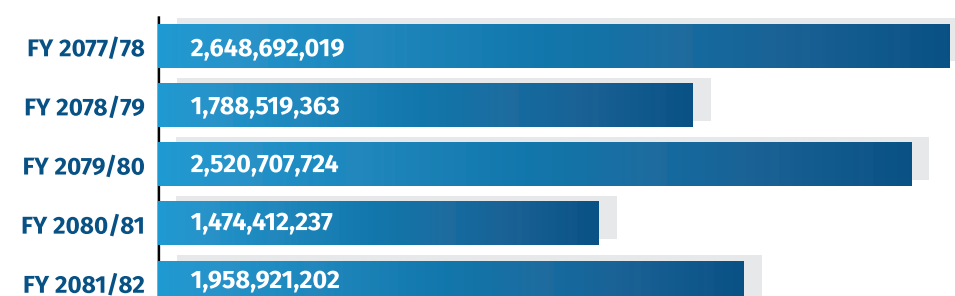
YOY 13.94%

CAGR 12.61%

**NET PREMIUM INCOME**

YOY 24.86%

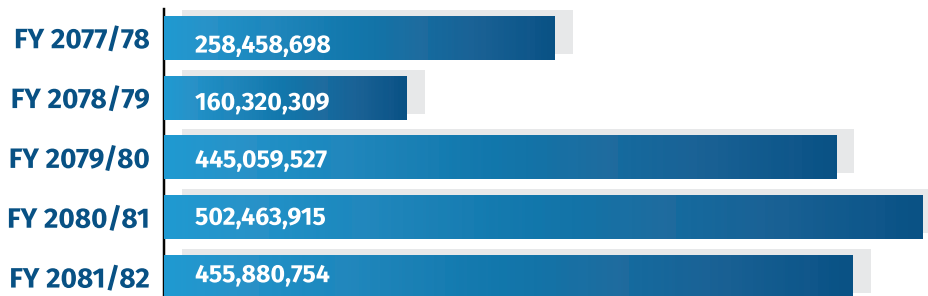
CAGR 21.16%

**GROSS CLAIM SETTLEMENT**

YOY 32.86%

CAGR -5.86%

### NET PROFIT



YOY -9.27%

CAGR 12.02%

### INVESTMENT



YOY 4.25%

CAGR 9.18%

### RETURN ON EQUITY



YOY -14.23%

CAGR 10.96%

### EARNING PER SHARE



YOY -9.27%

CAGR 9.58%



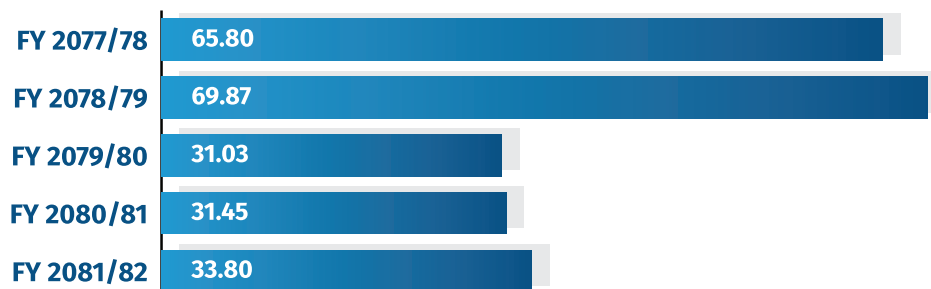
### STOCK PERFORMANCE



YOY -2.47%

CAGR -4.08%

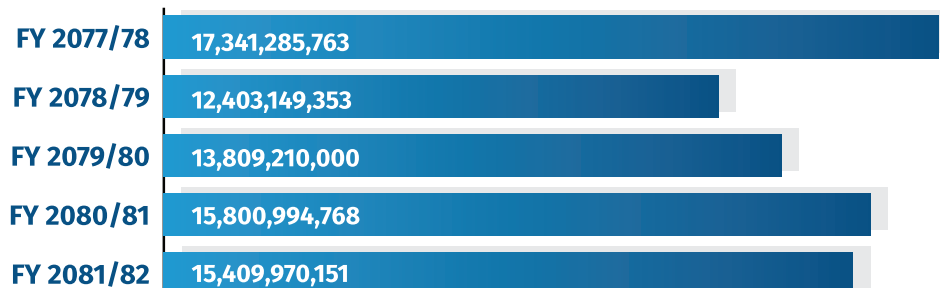
### PRICE EARNING RATIO



YOY 7.48%

CAGR -12.47%

### MARKET CAPITALIZATION



YOY -2.47%

CAGR -2.33%



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### Different products and insurance policies offered by Himalayan Everest Insurance

Portfolio	Class	Target Customers	Descriptions
Property Insurance	Home Insurance	House Owners	Protects house and household belongings from property losses/damaged caused by Natural Perils, RSMDSST, Accidents and Burglary.
	Property Insurance	Business Owners	Protects owners in the event of claim aroused due to Natural Perils, Accidents & RSMDSST for their physical assets & inventories.
	Loss of Profit Insurance	Business Owners	Protects owners the consequential loss of revenues in the event of claim aroused due to Natural Perils, Accidents & RSMDSST in their physical assets.
Motor Insurance	Motorcycle Insurance (Comprehensive)	Vehicle Owners	Protects loss/damage of two wheelers from the perils of accidents, natural calamities, fire and theft. It also covers the driver, pillion rider, third party person & properties.
	Motorcycle Insurance (Third Party)	Vehicle Owners	To driver, passengers & third Parties in case of accidental liabilities aroused from insured vehicles
	Private Vehicle Insurance (Comprehensive)	Vehicle Owners	Protects loss/damage of privately owned vehicles from the perils of accidents, natural calamities, fire and theft. It also covers the driver, passengers, third party person & properties.
	Private Vehicle Insurance (Third Party)	Driver, Passengers & Third Party	To driver, passengers & third Parties in case of accidental liabilities aroused from insured vehicles
	Commercial Vehicle Insurance (Comprehensive)	Vehicle Owners	Protects loss/damage of commercially operated vehicles from the perils of accidents, natural calamities, fire and theft. It also covers the driver, passengers, third party person & properties.
	Commercial Vehicle Insurance (Third Party)	Driver, Passengers & Third Party	To driver, passengers & third Parties in case of accidental liabilities aroused from insured vehicles.
	Extended Warranties Insurance (addons)	Vehicle Owners	It covers the extended warranties to the batteries further 2 years in addition to 8 years than those provided by manufacturer
	Extended Warranties Insurance (addons)	Vehicle Owners	It reimburses the allowable depreciation to the vehicle & its parts, return to invoice of total loss vehicle and daily commute allowances up to prescribed days and limits.



Portfolio	Class	Target Customers	Descriptions
<b>Marine Portfolio</b>	Marine Insurance	Buyers/Sellers of Voyaged Goods	It covers the goods in voyage whilst in transit by the mode of Air, Sea and Land. Also, this policy would be beneficial for regular traders provided coverage under one single open policy.
	Electric Equipment Insurance	Owners of Electronic items as IT Companies, Factories etc.	This policy covers all risks pertaining to electronic items whilst in operation by institutional insured.
	Construction Plant & Machinery Insurance	Construction Companies and Manufacturers	This policy covers all risks pertaining to Construction Machineries whilst in operation at construction sites.
<b>Engineering Portfolio</b>	Boiler Insurance	Licensed Factories & facilities using pressure boilers	This policy covers the explosion or implosion risks of boilers whilst in operation at factory premises. Also covers the affected surrounding properties by the explosion of such boilers.
	Business Machine Insurance	Construction Companies and Manufacturers	This policy covers all risks pertaining to Operational Machineries whilst in operation at factories & facilities.
	Machinery Breakdown LOP Insurance	Construction Companies and Manufacturers	This policy covers consequential losses aroused of insured perils under Business Machine Insurance whilst in operation at factories & facilities.
<b>Aviation Portfolio</b>	Contractor All Risk Insurance	Principal & Contractors of Construction Projects	It covers the loss of construction works and material, plants and equipment's, third party liabilities and other perils on the construction sites and offsites during construction.
	Erection All Risk Insurance	Principal & Contractors of Construction Projects	It covers the loss of erection works and material, plants and equipment's, third party liabilities, testing operations and other perils on the construction sites and offsites during erection.
	Marine Cum Election Insurance	Principal & Contractors of Construction Projects, Suppliers of Machineries	It covers the loss of erection works and material, plants and equipment's, third party liabilities, testing operations and another leg of after transit risk coverage on the construction sites and offsites.
	Aviation Insurance	Aviation Industries	It covers the hull of aircrafts, passenger legal liabilities, crew liabilities, third party liabilities, spares as mentioned in the policy.
	Loss of License Insurance	Aviation Industries	It covers the expenses incurred by the operators to the licensed crew members in the event of loss of license to fly aircrafts.

Portfolio	Class	Target Customers	Descriptions
Miscellaneous Portfolio	Group Personal Accident (GPA) Insurance	Individual members of a group	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents.
	Burglary Insurance	Owners of goods and properties	It covers the theft and burglary of goods & operational properties at the closed premises of factories, godowns and institutions.
	Money Insurance	Financial Institutions and large institutions	It covers the loss/theft/damage of money and money equivalent whilst in transit and/or kept in premises and/or stored in vault.
	Personal Accident (PA) Insurance	Individual members	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents.
	Biker GPA Insurance	Individual members of a biker group	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents.
	Cycle GPA Insurance	Individual members of a cycling group	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents.
	Shramajibi GPA Insurance	Individual members of a shramajibi group	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents.
	Nari GPA Insurance	Individual female or members or female group	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents.
	Personal Accident Trekking Insurance	Individual Trekker	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents while trekking.
	Fidelity Insurance	Institutions/Corporations	It covers the monetary loss/damage suffered by the institutions aroused due to fringed fidelity of the key position holder(s).
	Group Personal Accident Trekking Insurance	Individual trekker of a group of trekker	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents while trekking.

Portfolio	Class	Target Customers	Descriptions
Miscellaneous Portfolio	Group Personal Accident Player Insurance	Individual player of a group of player	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents while playing.
	Medical Insurance	Individual member of a group	It covers medical expenses of insured whilst hospitalized or under domiciliary treatment as per table of benefits provided.
	Hospital Indemnity Plan Insurance	Individual member of a group	It provides the pre-fixed amount for a number of days if insured member has been hospitalized for medical treatment regardless of his/her expenses thereof.
	Banker's Blanket Insurance	A, B C & D class financial Institutions	It blanketly covers the risk of damage/loss/theft/fidelity/dishonesty/forgery/hypothecation to the money and money equivalent whilst in premises or in transit.
	Group Personal Accident Rescue	Individual member of a group	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement, medical expenses due to accidents and rescue expenses.
	Personal Health Insurance	Individual Person	It covers medical expenses of insured whilst hospitalized or under domiciliary treatment as per table of benefits provided.
	Group Personal Accident Rafting Insurance	Individual rafter of a group of rafting team	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents while rafting.
	All Risk Insurance	Owners of moveable items	It covers all risk of damage/loss/theft of the moveable items such as mobile, camera, electronic goods etc.
	Public Liability Insurance	Institutions/Corporations	It covers the insured against any legal liabilities and the cost of litigation for the operation carried out as prespecified in the policy.
	Product Liability Insurance	Manufacturers/packagers/distributors of public consumption goods	It covers the insured against any legal liabilities and the cost of litigation pertaining to the defect within materials resulting loss/damage aroused to other people/properties in the course of uses/operations.



Portfolio	Class	Target Customers	Descriptions
Miscellaneous Portfolio	Student Safety Insurance	Individual members of a student group	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses due to accidents.
	Professional Indemnity Insurance	Licensed professionals	It covers the insured against any legal liabilities and the cost of litigation for the professional services carried out as prespecified in the policy.
	Travel Insurance	Travelers (inbound & outbound)	It covers the medical emergencies, accidents, daily cash benefits, baggage loss and other perils as specified in the policy of the traveler(s).
	International Travel Insurance	Travelers (inbound & outbound)	It covers the medical emergencies, accidents, daily cash benefits, baggage loss and other perils as specified in the policy of the traveler(s).
	BUPA Travel Insurance	Travelers (inbound & outbound)	It covers the medical emergencies, accidents, daily cash benefits, baggage loss and other perils as specified in the policy of the traveler(s).
	ITIMP Travel Insurance	Travelers (inbound & outbound)	It covers the medical emergencies, accidents, daily cash benefits, baggage loss and other perils as specified in the policy of the traveler(s).
	Tune Protect Travel Assurance	Travelers (inbound & outbound)	It covers the medical emergencies, accidents, daily cash benefits, baggage loss and other perils as specified in the policy of the traveler(s).
	Tune Protect Travel Cancellation	Travelers (inbound & outbound)	It covers the medical emergencies, accidents, daily cash benefits, baggage loss and other perils as specified in the policy of the traveler(s).
	Tune Protect Travel Safe	Travelers (inbound & outbound)	It covers the medical emergencies, accidents, daily cash benefits, baggage loss and other perils as specified in the policy of the traveler(s).
	Tune Protect Travel visit Assurance	Travelers (inbound & outbound)	It covers the medical emergencies, accidents, daily cash benefits, baggage loss and other perils as specified in the policy of the traveler(s).
	Tune Protect Travel Baggage Assurance	Travelers (inbound & outbound)	It covers the medical emergencies, accidents, daily cash benefits, baggage loss and other perils as specified in the policy of the traveler(s).
	Tune Protect Travel Airlines Assurance	Travelers (inbound & outbound)	It covers the medical emergencies, accidents, daily cash benefits, baggage loss and other perils as specified in the policy of the traveler(s).

Portfolio	Class	Target Customers	Descriptions
Miscellaneous Portfolio	Depositor and Loane of Bank Insurance	Loanee and Depositors of Financial Institutions	It covers death, permanent disablement, critical illness & medical expenses of insured members.
	Trekking Rescue Insurance	Individual trekker of a group of trekker	It covers accidental death, ritual & cremation expenses, amputations, temporary or permanent disablement and medical expenses & rescue expenses due to accidents while trekking.
	Cash In Transit Insurance	Financial Institutions and large institutions	It covers the loss/theft/damage of money and money equivalent whilst in transit.
	Critical Medical Insurance	Individual member of a group	It covers medical expenses or lumpsum amount to insured whilst suffered from Critical Illness as specified in the policy.
	Individual Health Insurance	Individual member of a group	It covers medical expenses of insured whilst hospitalized or under domiciliary treatment as per table of benefits provided.
	Group Health Insurance	Individual member of a group	It covers medical expenses of insured whilst hospitalized or under domiciliary treatment as per table of benefits provided.
	Mobile Banking Protection Insurance	Mobile Banking Users	It covers the wallet money provided by payment gateway companies if loss/theft from any unelicited parties and suffered the financial loss therefrom.
	Small Medium Enterprises Protection Insurance	SME owners	Covers the lumpsum amount for the shutdown of SME business for specified days.
	Agri Insurance	Farmers and Producers	It covers the agriculture products from natural calamities, accidents and pests/diseases.
	Cattle Insurance	Farmers and Producers	It covers the agriculture products from natural calamities, accidents and pests/diseases.
Agriculture Portfolio	Fish Insurance	Farmers and Producers	It covers the agriculture products from natural calamities, accidents and pests/diseases.
	Vegetable Insurance	Farmers and Producers	It covers the agriculture products from natural calamities, accidents and pests/diseases.

Portfolio	Class	Target Customers	Descriptions
Agriculture Portfolio	Fruits Insurance	Farmers and Producers	Covers the lumpsum amount for the shutdown of SME business for specified days.
	Poultry Insurance	Farmers and Producers	It covers the agriculture products from natural calamities, accidents and pests/diseases.
	Cereals Insurance	Farmers and Producers	It covers the agriculture products from natural calamities, accidents and pests/diseases.
	Citrus Insurance	Farmers and Producers	It covers the agriculture products from natural calamities, accidents and pests/diseases.
Micro Portfolio	Micro Household	Low income people	It covers the household of insured against property perils.
	Micro Comprehensive	Low income people	It covers the household, personal accidents, medical expenses of insured against property perils, accidents and medical emergencies respectively.
	Micro Personal Accident	Low income people	It covers the personal accidents of insured against accidents and medical emergencies aroused of accidents.
	Micro Insurance Medical	Low income people	It covers the medical expenses of insured against medical emergencies.



### Enterprise wise Function:

Himalayan Everest Insurance Limited operates through a set of specialized departments, each with clearly defined responsibilities to support business operations, risk management, innovation, and stakeholder satisfaction. Each department contributes uniquely to the Company's enterprise objectives:



### Key Performance Indicators

S. No	Particulars	Indicators	FY 2081/82	FY 2080/81	Growth (%)
1.	No of Policies Issued	Nos.	280,429	250,126	12.12%
2.	Gross Premium Income	Rs"000"	4,286,327	3,761,995	13.94%
3.	Net Premium Income	Rs"000"	1,756,086	1,406,462	24.86%
4.	Reinsurance Commission Income	Rs"000"	490,689	417,008	17.67%
5.	No of Claims Paid	Nos.	11,900	9,190	29.49%
6.	Gross Claims Paid	Rs"000"	1,958,921	1,474,412	32.86%
7.	Net Claims Paid	Rs"000"	1,075,365	717,750	49.82%
8.	Outstanding Claim	Nos.	8,444	7,898	6.91%
9.	Outstanding Claim (Gross)	Rs"000"	1,894,440	1,442,534	31.33%
10.	Outstanding Claim (Net)	Rs"000"	328,891	265,010	24.10%
11.	Employee Expenses	Rs"000"	354,377	336,229	5.40%
12.	Other Expenses	Rs"000"	296,403	221,749	33.67%
13.	Income from Investment	Rs"000"	219,224	344,043	-36.28%
14.	Net Profit (as per NFRS)	Rs"000"	455,881	502,464	-9.27%

During FY 2081/82, Himalayan Everest Insurance achieved significant growth across key operational and financial metrics. The company issued 280,429 policies, reflecting a 12.12% increase over the previous year, while gross premium income rose to Rs. 4,286,327 thousand, representing a 13.94% growth. Net premium income recorded an even higher growth of 24.86%, reaching Rs. 1,756,086 thousand, supported by an increase in reinsurance commission income of 17.67%. Claims activity saw a corresponding rise, with 11,900 claims paid, a 29.49% increase, and gross claims paid totaling Rs. 1,958,921 thousand, up 32.86%. Net claims paid grew significantly by 49.82%, reflecting higher risk exposure and settlement of major claims. Outstanding claims, both in number and value, increased moderately, indicating ongoing claims management. Operating expenses, including employee and other expenses, rose by 5.40% and 33.67%, respectively, reflecting business expansion and operational investments. Investment income declined by 36.28%, partly impacting profitability, with net profit as per NFRS standing at Rs. 455,881 thousand, a slight decrease of 9.27% compared to the prior year. Overall, the KPIs demonstrate strong business growth, enhanced underwriting activity, and effective claims management, balanced with prudent expense and risk oversight.

### Strategic Plan & Development

Himalayan Everest Insurance Limited's strategic roadmap is anchored in Vision 2030, which articulates the Company's commitment to sustainable and profitable growth, digital transformation, robust governance, and a consistently customer-centric operating model. This long-term vision provides a clear strategic direction while ensuring resilience in an increasingly competitive and regulated insurance landscape.

To translate Vision 2030 into actionable outcomes, the Company has adopted a phased strategic approach, structured across short-, medium-, and long-term horizons. This approach enables Himalayan Everest Insurance Limited to systematically strengthen its market position, optimize operational capabilities, and proactively respond to evolving industry dynamics, regulatory developments, and stakeholder expectations.

Each phase of the roadmap is supported by defined strategic priorities, measurable performance indicators, and periodic review mechanisms to ensure alignment with the Company's overall risk appetite, capital position, and long-term value creation objectives.

### Short-Term Strategic Priorities

In the near term, the Company focuses on strengthening core operations and service quality by:

#### 1. Market Expansion and Penetration

- Expand market reach through targeted, data-driven marketing initiatives to identify high-potential customer segments.
- Strengthen distribution channels, including branch networks, agency partners, and digital platforms, to increase accessibility and convenience.
- Focus on underserved segments, including SMEs, rural communities, and emerging urban markets, to improve insurance penetration.
- Leverage customer analytics to optimize product offerings and promotional campaigns for higher engagement and conversion rates.

#### 2. Claims Management and Customer Confidence

- Ensure fair, transparent, and prompt claims settlement to enhance policyholder trust and satisfaction.
- Optimize claims operations by standardizing workflows and empowering branch and provincial offices with clearly defined authority.
- Implement technology solutions, including digital claims portals and automated processing, to reduce turnaround times and improve accuracy.
- Maintain consistent communication with customers regarding claim status to reinforce transparency and confidence.

#### 3. Customer Service Excellence

- Improve service standards through focused training programs for all customer-facing staff.
- Refine internal processes and workflows to increase operational efficiency and responsiveness.
- Integrate technology-enabled solutions such as CRM systems, chatbots, and digital support platforms to

enhance customer experience.

- Regularly monitor and evaluate customer feedback to drive continuous improvement in service delivery.

#### 4. Compliant and Transparent Operations

- Strengthen internal governance, risk management, and compliance frameworks in line with Insurance Board directives.
- Achieve full compliance with NFRS 17 and ORSA requirements within prescribed timelines.
- Develop and maintain standard operating procedures, policies, and action plans to ensure consistent regulatory adherence.
- Continuously monitor operational and financial risks to safeguard solvency, stakeholder interests, and long-term sustainability.

### Medium-Term Strategic Priorities

#### 1. Product Innovation and Diversification

- Introduce innovative and specialized insurance products to meet emerging risks, including cyber insurance, tailored health solutions, and other niche offerings.
- Develop green and ESG-focused insurance products that encourage sustainable behavior and align with corporate social responsibility objectives.
- Continuously review and optimize existing product portfolios to ensure competitiveness, profitability, and alignment with evolving customer needs.

#### 2. Strategic Partnerships and Distribution Expansion

- Establish strategic collaborations with banks, fintech companies, mobile network providers, and other financial institutions to enhance distribution reach.
- Strengthen agency and intermediary networks, providing tools and incentives to improve sales performance and customer engagement.
- Explore partnerships for co-branded or bundled insurance offerings to tap into new customer segments.

#### 3. Market Penetration in Underserved Areas

- Expand access to insurance in rural, semi-urban, and underserved regions through branch expansion, digital platforms, and alternative delivery models.
- Leverage mobile and online platforms to increase convenience and accessibility for customers with limited physical access to branches.
- Implement targeted awareness and education campaigns to drive insurance literacy and adoption in untapped markets.

#### 4. Customer Retention and Market Share Growth

- Enhance customer retention programs, loyalty initiatives, and personalized services to strengthen long-term relationships.
- Use data-driven insights to optimize marketing strategies, improve cross-selling, and increase overall market presence.
- Monitor market trends and competitor activity to identify opportunities for growth and differentiation.

#### 5. Financial Optimization and Risk Management

- Optimize pricing strategies and underwriting frameworks to maximize profitability while maintaining competitive products.
- Strengthen reinsurance arrangements to improve risk-sharing, safeguard solvency, and maintain financial stability.
- Continuously assess investment strategies and capital allocation to ensure sustainable returns aligned with the Company's risk appetite.

### Long-Term Strategic Priorities

Aligned with Vision 2030, Himalayan Everest Insurance Limited aims to become a market leader in the non-life



insurance sector while delivering sustainable growth, operational excellence, and superior customer experience. The Company's long-term strategic priorities include:

### 1. Market Leadership and Brand Strengthening

- Achieve a leading position in the non-life insurance market through excellence in underwriting, claims management, customer service, and corporate governance.
- Strengthen brand equity and trust by consistently delivering high-quality services, ethical practices, and innovative insurance solutions.
- Enhance customer loyalty through personalized services, retention programs, and impactful CSR initiatives.

### 2. Advanced Digital Transformation

- Build end-to-end digital capabilities for online policy issuance, servicing, and claims management.
- Fully integrate automation, artificial intelligence, and data analytics to streamline operations, improve efficiency, and deliver a superior customer experience.
- Develop predictive tools and digital platforms to enhance underwriting accuracy, claims processing, and risk assessment.

### 3. Risk Management and Organizational Resilience

- Strengthen enterprise risk management frameworks to manage emerging risks, including cyber threats, climate-related exposures, and operational risks.
- Implement robust mitigation strategies to ensure financial stability and operational continuity during economic fluctuations or catastrophic events.
- Continuously enhance governance, compliance, and solvency management practices to safeguard stakeholders' interests.

### 4. Product and Market Innovation

- Lead the industry in insurance product innovation by developing solutions that address evolving customer needs, emerging risks, and sustainable development goals.
- Explore opportunities to expand services to new customer segments, including corporate, SME, and rural markets, and eventually international or diaspora markets.
- Establish research and innovation capabilities to gain insights into customer behavior, emerging risks, and market trends.

### 5. Investment and Financial Growth

- Diversify the investment portfolio to target high-growth sectors such as infrastructure, renewable energy, and technology.
- Optimize capital allocation strategies to maximize returns while maintaining solvency and aligning with the Company's long-term risk appetite.
- Leverage financial strength to support sustainable growth, product expansion, and strategic partnerships.

## Allocation of Resources to Strategic Priorities

### 1. Human Resources

Strategic Focus	Resource Allocation	Purpose / Outcome
Digital Transformation	Recruit IT specialists, data analysts, and digital product managers	Enhance digital platforms, automation, and analytics capabilities
Claims Management & Customer Service	Strengthen claims and customer service teams; provide ongoing training	Reduce turnaround times, improve service quality, and enhance customer trust
Risk Management & Compliance	Recruit risk officers, actuarial staff, and compliance specialists	Strengthen enterprise risk framework, solvency monitoring, and regulatory compliance
Product Development & Market Expansion	Employ product managers, business development officers, and market researchers	Design new insurance products, expand market reach, and strengthen partnerships

Leadership & Organizational Development	Conduct leadership programs, professional development, and succession planning	Build internal capabilities and future leadership pipeline
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## 2. Financial Resources

Strategic Focus	Resource Allocation	Purpose / Outcome
Product Innovation & Market Expansion	Budget for new product development, market research, and promotional campaigns	Increase market share and insurance penetration
Digital Platforms & Automation	Allocate funds for IT infrastructure, core system upgrades, and digital tools	Support seamless online policy issuance, claims processing, and customer interaction
Reinsurance & Risk Financing	Capital allocation for optimal reinsurance arrangements	Protect solvency, optimize risk-sharing, and ensure financial stability
Investment & Capital Management	Strategic investments in high-growth sectors (infrastructure, renewable energy, technology)	Enhance profitability, diversify portfolio, and support long-term growth
CSR & Brand Building	Funding for CSR initiatives and brand campaigns	Strengthen brand equity and customer loyalty

## 3. Technological Resources

Strategic Focus	Resource Allocation	Purpose / Outcome
Digital Transformation	Cloud platforms, mobile apps, AI-based systems, CRM, and analytics tools	Enable end-to-end digital operations and customer engagement
Claims Management	Automated claims processing systems, mobile inspection tools	Reduce settlement time, enhance transparency and accuracy
Risk Management	Enterprise risk management software, cybersecurity tools	Monitor and mitigate operational, financial, and cyber risks
Data & Analytics	Business intelligence platforms, predictive modeling tools	Support targeted marketing, underwriting decisions, and product innovation

## 4. Operational / Infrastructure Resources

Strategic Focus	Resource Allocation	Purpose / Outcome
Market Expansion	Branch offices in rural/semi-urban areas, digital kiosks	Increase accessibility and insurance penetration
Service Delivery & Customer Experience	Call centers, CRM systems, online support portals	Enhance service quality, responsiveness, and satisfaction
Product Development & Innovation	Research labs, innovation centers	Support continuous product development and market insights
Governance & Compliance	Policy documentation, SOP development, audit infrastructure	Strengthen operational governance and regulatory compliance

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

### 1. Insurance Development Strategy

Himalayan Everest Insurance (HEI) aims to expand insurance penetration across Nepal by combining market-driven innovation with digital transformation and customer-centric outreach.

#### Key initiatives:

- **Branch Network Expansion:** Establish additional branches in underserved rural areas to improve accessibility and financial inclusion.

- **Digital Platforms:** Launch a user-friendly online portal and mobile app to enable policy purchase, premium payment, and claims submission without visiting a physical branch.
- **Microinsurance Solutions:** Provide affordable insurance plans targeting low-income populations, including farmers and daily wage workers.
- **Insurance Literacy Campaigns:** Conduct community programs, workshops, and school/college initiatives to educate the public on the value of life, health, and property insurance.
- **Strategic Partnerships:** Collaborate with banks, fintech platforms, and healthcare providers to expand distribution channels and offer integrated solutions.
- **Bancassurance & Fintech Integration:** Enable seamless distribution of insurance products through banks and digital payment platforms such as eSewa and Khalti.

## 2. Insurance Product Strategy

HEI develops diversified, market-aligned products to address customer needs, emerging risks, and sustainability considerations.

### Key initiatives:

- **Market Research:** Continuously assess customer needs, industry trends, and global best practices to inform product design.
- **Tailored Policies:** Offer customizable coverage for motor, health, property, travel, and emerging risks, allowing clients to select specific benefits.
- **Data-Driven Pricing:** Use analytics for risk-based premium setting, including driver behavior for motor insurance and climate data for agricultural policies.
- **Sustainable Underwriting:** Align non-tariff insurance rates with local environmental conditions and historical performance.
- **Emerging Risks Coverage:** Introduce products for cyber risks, mental health, and other contemporary threats.
- **Green Insurance:** Promote environmentally friendly behavior with products such as electric vehicle insurance and green building coverage.
- **Inclusive Insurance:** Provide microinsurance and disaster protection solutions to underserved communities and high-risk areas

## 3. Insurance Service Strategy

HEI prioritizes seamless service delivery, operational efficiency, and high customer satisfaction through technology adoption and staff development.

### Key initiatives:

- **AI-Powered Customer Support:** Deploy chatbots and virtual assistants to handle queries and guide clients through claims processes.
- **Automated Policy Issuance:** Allow instant issuance of policies via mobile or web platforms
- **Simplified Claims Procedures:** Streamline documentation and approvals using digital channels
- **Rapid Claims Settlement:** Process minor claims (e.g., small auto repairs) within 24 hours using automated workflows.
- **Mobile App & 24/7 Support:** Enable round-the-clock management of policies, claims, and premium payments
- **Training & Development:** Continuous staff training and encouragement for professional qualifications (e.g., Fellowship in Insurance).
- **CRM & Data Analytics:** Utilize CRM systems to manage client relationships, track preferences, and anticipate customer needs.

## Sustainability Strategies and Objectives:

Himalayan Everest Insurance (HEI) places sustainability at the core of its long-term strategy, integrating Environmental, Social, and Governance (ESG) principles into all aspects of operations to ensure resilience, responsible growth, and stakeholder value creation.

### 1. Environmental Responsibility

HEI is committed to minimizing environmental impact and promoting eco-friendly practices:

- Implement paperless operations and green office practices to reduce resource consumption.



- Adopt environmentally responsible processes in underwriting, claims, and investment operations.
- Develop and promote eco-friendly insurance products that encourage sustainable behavior.
- Explore opportunities to support clients and communities in adopting low-carbon and energy-efficient solutions

## 2. Social Commitment

HEI emphasizes financial inclusion, customer education, and employee well-being:

- Expand access to insurance services in underserved and rural communities.
- Conduct insurance literacy campaigns to improve awareness of financial protection and risk management.
- Prioritize employee health, safety, and professional development through training programs and continuous learning opportunities.
- Foster an inclusive and diverse workplace that encourages equal participation and empowerment.

## 3. Governance and Ethics

HEI ensures transparency, compliance, and robust risk management throughout its operations:

- Strengthen adherence to national regulations and evolving industry best practices.
- Implement ethical business practices across underwriting, investment, and claims processes.
- Enhance risk management frameworks to address emerging risks, including climate-related and cyber threats.
- Ensure accountability and integrity in reporting, governance, and stakeholder communications.

## Overall objective to achieve the Integrated Outcome

By embedding ESG principles into its operations, HEI aims to:

- Achieve sustainable and responsible growth.
- Strengthen stakeholder trust and long-term value creation.
- Support environmental stewardship, social equity, and economic resilience.

## Future Business Prospects:

The non-life insurance industry in Nepal continues to demonstrate strong long-term potential. While economic challenges, regulatory changes, and global disruptions such as the COVID-19 pandemic have influenced growth, the sector is steadily recovering. Notable, the Gen-Z movement in September, 2024 has further emphasized the importance of Insurance. Increasing awareness of risk management, infrastructure development, and the emergence of digital technologies provide new avenues for expansion. Himalayan Everest Insurance (HEI) is well-positioned to capitalize on these trends, leveraging innovation, operational excellence, and a customer-centric approach to secure sustainable growth.

## 1. Sustained Growth in Premiums

HEI expects a gradual but steady increase in premium collections over the coming years, driven by economic stabilization, expanding middle-class income, and heightened awareness of the importance of insurance. Targeted marketing, strategic product offerings, and an improved distribution network will further accelerate growth.

## 2. Product Innovation and Diversification

To meet evolving customer needs, HEI will continue to innovate and diversify its product portfolio. Key initiatives include:

- New Product Development: Introducing insurance solutions tailored to emerging risks in sectors such as healthcare, construction, hydropower, and automobiles.
- Customized Offerings: Creating specialized policies for niche markets, including rural, SME, and climate-related parametric risk coverage.
- Sustainability Integration: Embedding Environmental, Social, and Governance (ESG) principles into product design to address emerging social and environmental risks.

## 3. Digital Transformation

Digitalization remains a core pillar of HEI's growth strategy. Technology will enhance efficiency, reduce operational costs, and improve customer engagement. Planned initiatives include:

- Digital Platforms: Expanding web portals, mobile applications, and AI-driven tools for policy issuance, claims processing, and customer service.
- Data-Driven Insights: Leveraging data analytics to offer personalized products, streamline underwriting, and enhance risk management.
- Operational Efficiency: Automating key processes to improve turnaround times and minimize errors.

#### 4. Customer-Centric Approach

HEI will strengthen its focus on building lasting customer relationships. By understanding customer preferences, offering tailored solutions, and improving service quality, the company aims to enhance satisfaction and loyalty.

##### Key measures include:

- Simplified claims procedures and prompt settlements.
- Value-added services, including risk advisory, wellness programs, and financial literacy initiatives.
- Loyalty programs and customized engagement campaigns.

#### 5. Geographic Expansion and Accessibility

Expanding HEI's reach across Nepal is a priority, particularly in underserved and remote areas. The strategy includes:

- Establishing additional branch offices and leveraging mobile and digital platforms for broader coverage.
- Developing localized insurance products that cater to the unique risks and requirements of different communities.
- Collaborating with local partners to improve awareness and uptake of insurance services.

#### 6. Strategic Partnerships and Alliances

HEI will actively pursue partnerships to enhance its product offerings, distribution, and service capabilities. Potential alliances include:

- Financial Institutions: Banks and microfinance institutions for bancassurance and cross-selling opportunities.
- Telecom and Technology Firms: Leveraging digital platforms to reach tech-savvy customers.
- International Insurers: Gaining access to global best practices, innovative products, and reinsurance solutions.

#### 7. Regulatory Alignment and Support

HEI is committed to fully complying with regulatory guidelines while leveraging policy initiatives to strengthen business prospects. This includes:

- Adhering to Nepal Insurance Authority regulations, including digital insurance policies and solvency requirements.
- Supporting government programs that promote financial inclusion and insurance literacy.
- Utilizing incentives and tax benefits to enhance affordability and penetration of insurance products.

#### 8. Emphasis on Awareness and Education

Increasing customer awareness about the benefits of insurance remains critical. HEI will continue to engage communities through:

- Insurance literacy campaigns and workshops targeting students, businesses, and underserved communities.
- Digital content and social media initiatives to educate customers about risk management and insurance benefits.
- Collaborations with NGOs, government agencies, and other stakeholders to build trust and promote informed decision-making.

## Effect on External Environment:

The Company operates within a dynamic external environment shaped by economic conditions, regulatory reforms, technological advancements, and social trends. Factors such as inflation, interest rate movements, and government spending influence insurance demand and investment returns.

Regulatory developments, including Risk-Based Capital and enhanced solvency requirements, increase compliance costs but also strengthen sector resilience. Technological innovation continues to improve efficiency and service delivery, while introducing new risks such as cybersecurity threats, which the Company actively addresses through robust controls and risk management frameworks.

External Factor	Effect on HEI	Positive Impact	Negative Impact	Recent Example / Notes
<b>Economic Conditions</b>	Economic growth, inflation, and income levels affect insurance demand and affordability.	Robust economy and rising incomes increase demand for insurance.	Economic downturns and high inflation reduce disposable income, lowering insurance uptake.	Post-COVID-19 recovery and banking crises reduced growth in insurance demand
<b>Interest Rates</b>	Determine investment returns, impacting profitability.	Higher interest rates improve returns on fixed deposits.	Lower interest rates reduce investment income, affecting profits.	Regulatory provision requires ≥50% investment in fixed deposits.
<b>Regulatory Framework</b>	Regulations and compliance shape operations and costs.	Favorable policies, tax incentives, and simplified compliance encourage growth.	Increased reporting, accounting, or coverage obligations raise operational costs.	NIA Digital Insurance Guidelines 2024 enable online policy issuance.
<b>Socio-Political Environment</b>	Political stability, government policies, and governance quality affect investor confidence and operations.	Stable policies and financial inclusion initiatives support expansion, especially in rural areas.	Political instability, strikes, or frequent policy changes can disrupt operations and reduce trust.	Gen Z Movement (Sept 2024): Raised awareness, also increased Claims
<b>Technological Advancements</b>	Digitalization transforms operations, customer engagement, and risk management.	AI-driven underwriting, mobile apps, and online platforms improve efficiency, reduce costs, and enhance customer experience.	Rapid technological changes require significant investment; falling behind may result in loss of market share.	Investment in cybersecurity is necessary to maintain trust.
<b>Natural Calamities / Environmental Factors</b>	Earthquakes, floods, and landslides directly impact claims and risk exposure.	Awareness of environmental risks drives demand for disaster and parametric insurance products.	Frequent disasters increase claims payouts and affect profitability.	Nepal is highly prone to earthquakes and floods; parametric insurance products can address this.
<b>Competitive Environment</b>	Market competition affects pricing, service quality, and market share.	Healthy competition encourages innovation, better service, and technology adoption.	Intense competition may lead to price wars, lowering profit margins.	Competitors' digital platforms push HEI to enhance its offerings.
<b>Global Environment</b>	Global economic trends, foreign investment, and partnerships affect capital and innovation.	Collaborations with international insurers bring expertise and innovative products.	Global recessions or geopolitical tensions may reduce foreign investments and increase costs.	Example: Russia-Ukraine conflict impacts global inflation and operating costs.
<b>Legal Environment</b>	Changes in consumer protection, taxation, and insurance laws affect operations.	Stronger consumer protection builds trust and encourages policy uptake.	Increased legal liabilities or mandatory coverage may raise costs.	Enhanced claim settlement laws improve reputation for reliability.



#### 4. Corporate Social Responsibility:

##### Company's Initiatives for Staff Welfare:

The Company recognizes that a skilled, motivated, and engaged workforce is fundamental to achieving the company's vision, mission and objectives. During the year, the Company invested in staff welfare through structured training programs, capacity building initiatives, leadership development, and employee engagement activities. The company has implemented health and accidental insurance in addition to the benefits from enrollment from Social Security Fund.

Both in-house and external training programs were conducted to enhance technical expertise and industry knowledge. Leadership development initiatives were designed to strengthen managerial capabilities and build future leaders. Employee engagement activities fostered collaboration, teamwork, and a positive organizational culture, contributing to improved productivity and operational effectiveness. The company has also started formal recognition programs to acknowledge the hard work and dedication of its long-serving employees. These recognition programs motivate employees to strive for excellence and foster a culture of appreciation.

##### Employee Engagement

Himalayan Everest Insurance Limited recognizes employee engagement as a key driver of organizational performance. During the year, the Company implemented several engagement initiatives to promote open communication, teamwork, and a positive work culture. Regular interactions, feedback mechanisms, and employee-focused activities helped foster a motivated workforce and strengthened alignment with the Company's values and goals.



HEI team's participation in Futsal Tournament.



HEI team in NIA Anniversary Rally.



HEI Sudurpaschim Province team's participation in Futsal Tournament.



HEI Annual Picnic.



## Training and Development

The Company continued to prioritize employee capacity building through structured training and development programs throughout FY 2081/82. Various internal and external training sessions were conducted to enhance technical knowledge, professional skills, regulatory compliance, and leadership capabilities. These initiatives were aimed at strengthening employee competence, improving service quality, and supporting the Company's long-term strategic objectives.



HEI Compliance, Legal & Risk team becomes the first ever digital learning batch in Insurance Institute Nepal's history.



HEI Team at Mumbai, India for Insurance Training.



Employee Orientation session welcoming our new team member to the world of non-life insurance.



HEI CEO Ms. Anju Shrestha addressing as panelist on Action-Driven Leadership program organized by NBI.



Advancing Insurance Expertise: Non-Life Reserving Training



Impactful Leadership training by Mr. Bhanu Dawadi.



## ***Connect, Collaborate and Create*** training





# WOMEN'S TABLOID

THE VOICE OF THE WOMEN

## AWARDS 2025



**Best Women CEO  
In Strategic Leadership General Insurance**



**Ms. Anju Shrestha**  
**CEO, Himalayan Everest Insurance Limited**

### Awards and Achievements

During FY 2081/82, Himalayan Everest Insurance Limited received recognition for its performance, service quality, and operational excellence from various institutions and stakeholders. These awards reflect the Company's strong market presence, commitment to customer satisfaction, and adherence to sound governance and professional standards.



Insurance Asia Awards 2025: Domestic General Insurer of the year, New Insurance Product of the year.



Best Presented Annual Report: Merit Award General Insurance.



## Reward and Recognition Program

To encourage high performance and acknowledge employee contributions, the Company continued its Reward and Recognition Program during FY 2081/82. Employees demonstrating outstanding performance, dedication, and adherence to organizational values were recognized through structured appreciation mechanisms. This program reinforced a performance-oriented culture and motivated employees to strive for excellence.



Recognition Program of Gandaki, Sudurpaschim & Karnali Provinces.



Recognition Program of Madhesh Province.



Recognition Program of Bagmati Province.



Recognition Program of Bagmati Province.



Recognition Program of Lumbini Province.



Recognition Program of Koshi Province.



Recognition Program of Koshi Province.





## Company's Contribution in National Economy:

### 1. Tax Compliance:

The Company contributes to Nepal's economy through consistent and transparent tax compliance. By fulfilling its tax obligations promptly, it supports public revenue generation, which enables the government to fund infrastructure, healthcare, education, and other essential public services.

### 2. Investment in Infrastructure, Hospitals, and Hydroelectricity:

The Company actively invests in critical sectors such as infrastructure, hospitals, and hydroelectric projects. These investments not only foster economic growth but also support the development of essential services, enhance energy security, and improve public access to healthcare and modern infrastructure.

### 3. Risk Mitigation through Insurance Products:

Through comprehensive insurance solutions, the Company facilitates risk transfer and safeguards investments in large-scale development projects. By mitigating financial and operational risks, it enhances project bankability and ensures the stability and continuity of critical infrastructure, construction, and commercial initiatives.

### 4. Employment Creation:

The Company plays a significant role in employment generation, both directly and indirectly. By expanding its operations, opening new branches, and supporting development projects, it creates jobs, promotes skill development, and contributes to overall economic stability.

### 5. Corporate Social Responsibility (CSR):

The Company implements CSR initiatives focused on insurance literacy, community welfare, and support for underserved and vulnerable groups. These initiatives, complemented by digital outreach and branch expansion, strengthen financial inclusion, enhance social resilience, and reflect the Company's commitment to sustainable and inclusive economic growth.

## Company's action to achieve sustainability and contribution to Sustainable Global Economy:

Himalayan Everest Insurance (HEI) recognizes sustainability as an essential contributor to long-term resilience, competitiveness, and stakeholder trust. Guided by our strategic initiative "Sustainability through focus on ESG", FY 2082/83 marks the beginning of our structured efforts to embed environmental, social, and governance (ESG) considerations into our operations. Initial activities focused on responsible waste management and cleaning initiatives, laying the foundation for deeper ESG integration in the years ahead. For an insurance company operating in a climate-vulnerable geography, ESG considerations, and particularly climate risk, are directly linked to underwriting outcomes, investment performance, solvency, and long-term shareholder value.

FY 2082/83 therefore serves as HEI's baseline year for structured ESG integration, against which future progress will be measured.

## 1. Governance

### Board Oversight

The Board provides overall direction on ESG matters by monitoring quarterly progress and ensuring alignment with strategic objectives. While ESG currently remains an emerging focus area and climate and sustainability topics are discussed quarterly to support gradual integration into core decision making.

### Management's Role

ESG implementation is led by the Chief Executive Officer and supported by the Sustainability Unit under the Risk Management Department. The Head of Risk Management, together with an ESG Officer, coordinates day-to-day activities. Climate risk has been identified as one of HEI's nine key risks and is integrated into both the **Risk Management framework and the Own Risk and Solvency Assessment (ORSA)**.

## 2. Strategy

### 2.1 ESG Initiative: "Sustainability Through ESG"

HEI has adopted a phased approach to ESG, beginning with practical, high impact steps across the Environmental,

Social, and Governance pillars. Key initiatives included:

- Responsible waste management with Doko Recyclers
- Reduction of paper use through process optimization
- Increased green cover by promoting internal greenery and office environment improvements
- Promotion of responsible and ethical workplace behavior

These form the foundation for long-term sustainability integration. Given HEI's current scale and operational footprint, the Company prioritized internal operational efficiency and governance strengthening as the most immediate and controllable entry points for ESG integration.

## 2.2 Climate Related Risks & Opportunities

### Physical Risks:

HEI is exposed to climate-related hazards such as floods, wildfires, GLOFs (Glacier Lake Outburst Floods), landslides, and storms, which may increase claim frequency and severity.

### Transition Risks:

Emerging ESG regulations, shifting market expectations, technological transitions, and changes in investment landscapes may influence business practices and risk profiles.

### Opportunities:

Climate transition opens avenues for innovation through green insurance products, sustainability-focused investments, and digitalization that reduces resource consumption.

An increase in the frequency and severity of climate-related events may exert upward pressure on claims ratios, reinsurance costs, and capital requirements, reinforcing the importance of early climate risk integration.

## 2.3 Time Horizons

HEI has adopted standard climate-assessment time frames:

- **Short-term: 1–3 years**
- **Medium-term: 3–10 years**
- **Long-term: 10–30 years**

HEI assesses climate-related risks and opportunities across multiple time horizons to reflect both immediate operational considerations and longer-term strategic and solvency impacts. These time horizons guide the sequencing of ESG integration under the Company's phased approach.

### Short-term (1–3 years | “Now”)

Focuses on immediate operational and regulatory considerations, including governance strengthening, baseline data collection, early risk identification, and the integration of climate risk into existing risk management and ORSA processes.

### Medium-term (3–10 years | “Next”)

Emphasizes the gradual incorporation of climate considerations into core insurance activities, such as underwriting, reinsurance strategy, product development, and investment decision-making, as well as enhanced metrics, targets, and scenario analysis.

### Long-term (10–30 years | “Later”)

Considers structural changes driven by climate transition and physical risks, including shifts in risk exposure, capital requirements, business models, and market dynamics, to support long-term resilience, solvency, and value creation.

These time horizons enable HEI to balance near-term practicality with long-term strategic planning, ensuring that sustainability considerations are integrated progressively and in line with the Company's evolving ESG maturity.

## 2.4 Business Impact

ESG considerations are beginning to influence HEI's key functions: ESG considerations are at an early stage of integration into HEI's core business functions.

- **Investments:** Integrated ESG considerations, including hydropower and sustainable hospitality projects ESG factors are considered in selected investment decisions, with current exposure to hydropower and environmentally responsible hospitality projects.
- **Underwriting, Reinsurance & Product Development:** No ESG-based adjustments yet, but future opportunities exist ESG-based adjustments have not yet been implemented, however, management is evaluating potential future applications, particularly in relation to climate risk and product design.

### 3. Risk Management

#### 3.1 Identification

ESG and climate risks are identified through the risk management framework using a bottom-up approach involving all business units. Climate risks are recorded in departmental risk registers.

#### 3.2 Assessment & Monitoring

A dedicated Climate Risk Policy is planned, which will outline climate risk limits, methodologies, and monitoring processes. Climate risks are already considered within the ORSA framework, demonstrating early integration into solvency planning. The inclusion of climate risk within the ORSA framework ensures that emerging ESG risks are evaluated not only from an operational perspective, but also in terms of capital adequacy and long-term solvency.

#### 3.3 Mitigation

Initial mitigation actions include:

- **Green office practices**
- **Waste reduction through recycling partners**
- **Gradual minimization of paper-based processes**

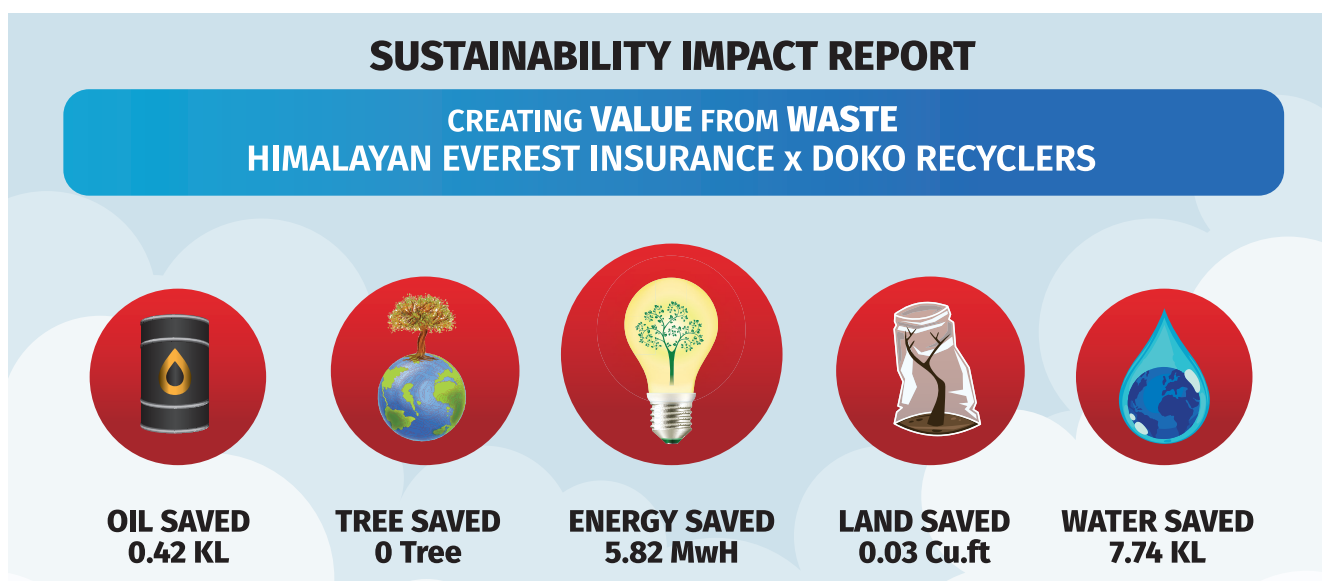
More advanced initiatives such as climate-sensitive underwriting and scenario modelling will be developed as the ESG program matures in the later stages.

### 4. Metrics & Targets

#### 4.1 Environmental Metrics

Current measurements and initiatives include:

- Electricity from NEA (majority hydropower)
- ~20% solar energy contribution at head office through installed solar panels in co-ordination with Gham Power
- Waste recycling through Doko Recyclers





### Areas for development:

- Carbon emissions (Scope 1, 2, 3) – mechanisms to be built
- Paper consumption tracking

### 4.2 Social Metrics

#### HEI monitors:

- Employee diversity: Females represent 38.82% of our employees.
- Training: At least one training committed per employee

### 4.3 Governance Metrics

#### Currently tracked:

- Compliance performance
- Risk management indicators through tracking approved risk limits determined by the Board

#### In progress:

- Whistleblower Policy

## 5. Insurance-Specific Sustainability Focus

### 5.1 Sustainable Underwriting

No ESG-linked underwriting practices are in place yet. ESG-based underwriting practices have not yet been implemented, but are under evaluation. HEI plans to explore:

- Climate-resilient products
- Incentives for sustainable practices
- Integration of climate parameters in underwriting

### 5.2 Sustainable Investments

Existing sustainable investments include:

- Hydropower projects
- Environmentally responsible hospitality ventures

### 5.3 Community Support

Community initiatives tied directly to climate or environmental resilience are not yet established but represent areas for future development.

While ESG-linked underwriting and community resilience initiatives are not yet operationalized, management views these as medium-term strategic levers aligned with Nepal's climate risk profile and the evolving insurance market.



HEI Initiatives for ESG-MOU Signed with DOKO Recyclers.

## 6. General Disclosures

### 6.1 Stakeholder Engagement

Primary stakeholders include policyholders, claimants, employees, regulators, shareholders, business partners, and local communities. ESG-focused engagement processes are being developed.

### 6.2 Policies & Codes

#### Existing:

- Responsible Investment Policy

#### Planned:

- Code of Conduct
- Whistleblower Policy

### Annual CSR Engagement:

During the year, Himalayan Everest Insurance Limited actively contributed to social development, health, education, and community awareness across Nepal. Key initiatives included traffic awareness programs in Butwal and Birtamode, health camps in Bardibas, Rautahat, and Dhanusha, and support for ambulance procurement at Manmohan Memorial Medical College and Teaching Hospital in Kathmandu. Educational support included libraries, digital literacy programs for visually impaired students, school infrastructure repairs, and distribution of essential goods to underserved schools.

The Company also supported community awareness and fundraising activities, such as musical events, temple consecration ceremonies, literacy and environmental programs, and blood donation camps in collaboration with local NGOs and foundations. Practical interventions, including the handover of alcohol testers to traffic police and provision of USG machines to primary health posts, further demonstrate HEI's commitment to community safety and health infrastructure.

During the year, a total of NPR 6,595,080 from CSR reserves was deployed to these activities, reinforcing the Company's dedication to social inclusion, community welfare, education, health awareness, and sustainable development across Nepal.

## OUR COMMITMENTS TOWARDS SOCIETY

Every fiscal year one percent of net profit is set as budget in CSR fund of the company which is utilized across the provinces of nation under various headings.

S.No	Forms of Spending	Contribution (NPR)
1.	Art and Literature	500,000.00
2.	Insurance Awareness	906,000.00
3.	Health	4,078,780.00
4.	Education	800,000.00
5.	Fundraising Event	260,300.00
6.	Other Activity	50,000.00
	<b>Total</b>	<b>6,595,080.00</b>





USG machine handover to Lalitpur Metropolitan City - 10



Breathalyzer Machine handover to Gandaki traffic police.



Insurance awareness at Bara District.



Insurance awareness at Chautara, Sindhupalchowk District.



Cultural Promotion Support at Bajrabarahi Jatra.



Blood Donation Program at HEI Head office.



Support to Blood Donation Program at Nawalparasi.



Free Health Camp Program.



## Our Initiatives for Education, Inclusion & Skill Development Program

Himalayan Everest Insurance Limited conducted MOU with Sarwodaya, NGO working with education, skill development, and social inclusion of Visually Impaired Students.

### Soft Skills Training & Assistive Support for Visually Impaired Students

As part of this initiative, the first phase of the Soft Skills Training Program was successfully conducted as a one-day training for 20 visually impaired students from Classes 1 to 10 at Namuna Machhindra Secondary School, Lagankhel, Lalitpur. The session was highly productive, with active participation from the students, who benefitted from interactive activities designed to enhance communication, confidence, and interpersonal skills.



### Distribution of talking watch to Visually Impaired Students

In continuation of the initiative and on the occasion of International Day of Persons with Disabilities, 75 talking watches were distributed to students at Shree Amarsingh Model Secondary School, Ramghat-12, Pokhara, enabling greater independence and improved time management in their daily academic activities. The program also included motivational interactions by Mr. Saugat Wagle and Mr. Gautam Pokhrel, distinguished alumni of the school.

As December 3 is also observed as the International Day of Persons with Disabilities, we believe this event carries further significance. We expect that the use of talking watches will support the students in managing their study time more effectively.





# FLY HIGH LAND SAFE STAY INSURED



Trust HEI to keep your sky journey  
smooth, secured, and unstoppable.

## 5. Corporate Governance & Compliance:

### Compliance Mechanism & Reporting:

Himalayan Everest Insurance Limited is committed to upholding the highest standards of corporate governance and regulatory compliance. The Company strictly adheres to the Insurance Act 2079, Insurance Regulations, the Companies Act, the Securities Exchange Act, the Labor Act, and all directives and circulars issued by the Nepal Insurance Authority (NIA).

To ensure robust compliance, a dedicated Compliance Team continuously monitors regulatory developments, evaluates internal adherence, and provides guidance to align operations with statutory requirements. The Board of Directors actively oversees governance practices, continuously monitors organizational compliance, and takes follow-up actions to ensure adherence to policies and regulatory frameworks. This proactive approach strengthens internal controls, mitigates risks, and promotes ethical business practices throughout the organization.

As part of its compliance framework, the Company submits quarterly compliance reports to the Nepal Insurance Authority, ensuring timely and accurate fulfillment of all regulatory obligations. These reports provide a comprehensive view of adherence to legal provisions, governance standards, and internal control mechanisms.

By integrating compliance into its corporate culture and governance structure, Himalayan Everest Insurance Limited reinforces accountability, transparency, and sustainability, thereby fostering trust among regulators, stakeholders, and the broader financial ecosystem.

### Report on Corporate Governance as per Corporate Governance directive, 2080

#### १. पृष्ठभूमि:

हिमालयन एभरेष्ट इन्स्योरेन्स लिमिटेड नेपालमा निर्जीवन बीमा क्षेत्रमा दुई दशकभन्दा बढीको अनुभव भएका हिमालयन जनरल इन्स्योरेन्स कम्पनी लिमिटेड र एभरेष्ट इन्स्योरेन्स कम्पनी लिमिटेड एक आपसमा मर्ज भई साउन १, २०७९ (जुलाई १७, २०२२) बाट "हिमालयन एभरेष्ट इन्स्योरेन्स" को नाममा संयुक्त रूपमा व्यवसायिक कारोबार सुरु भई संचालनमा रहेको कम्पनी हो।

देशभर फैलिएको शाखा सञ्जालमार्फत व्यक्ति, व्यवसाय तथा संस्थालाई विविध प्रकारका निर्जीवन बीमा सेवाहरू प्रदान गर्दै आएको छ। जोखिम व्यवस्थापनमा व्यावसायिक दक्षता, समयमै दावी भुक्तानी, नवीन तथा ग्राहक-केन्द्रित सेवाका मार्फत बीमितहरूको सेवामा प्रतिवद्ध हुँदै सुदृढ सुशासन, वित्तीय स्थायित्व र सामाजिक उत्तरदायित्वप्रति प्रतिवद्ध रहदै आएको छ।

#### २. कम्पनीले पालना गर्नु पर्ने कानुन, नियामकिय निर्देशन र सोको कार्यान्वयनको अवस्था:

क्र.स.	कानुन, नियामकिय निर्देशन	कार्यान्वयनको अवस्था	कैफियत
१.	बिमा ऐन २०७९	पालना भएको	
२.	बिमा नियमावली, २०८१	पालना भएको	
३.	बिमकको संस्थागत सुशासन सम्बन्धि निर्देशिका २०८०	पालना भएको	
४.	सम्पति सुदृढीकरण तथा आतंकवादी कृत्याकलापमा वित्तीय लगानी निवारण सम्बन्धि निर्देशन २०८२	अधिक पालना भएको	
५.	बिमा दावी भुक्तानी मार्ग दर्शन २०८१	पालना भएको	
६.	पुनर्विमा निर्देशिका २०८०	पालना भएको	
७.	बिमकको शाखा कार्यालय सम्बन्धि निर्देशिका २०७९	अधिक पालना भएको	
८.	बिमकको लगानी निर्देशिका २०८२	पालना भएको	
९.	बिमकको संस्थापक शेयर कारोबार सम्बन्धि निर्देशिका २०७७	पालना भएको	
१०.	बिमकको सूचना प्रविधि सम्बन्धि मार्गदर्शन २०७६	पालना भएको	
११.	लघु बिमा सम्बन्धि निर्देशिका २०७९	पालना भएको	
१२.	कृषि पशुपंक्षी तथा जडीबुटी सम्बन्धि निर्देशिका २०७९	पालना भएको	
१३.	निर्जीवन तथा पुनर्विमा व्यवसाय गर्ने बिमकको विमांकीय मुल्यांकन सम्बन्धि निर्देशिका २०७६	पालना भएको	

उपरोक्त कानुन, विनियमावली, नियामकीय निर्देशिकाका अतिरिक्त श्री नेपाल बिमा प्राधिकरणबाट समय समयमा जारी हुने निर्देशिका तथा परिपत्रको पूर्ण पालना गर्न कम्पनी प्रतिवद्ध छ।

#### ३. कम्पनीले पालना गर्न नसकेका बिषयहरूको संक्षिप्त विवरण:

कम्पनीले विभिन्न व्यवहारिक परिस्थितिहरूका कारण निम्नबमोजिमको कानुनी व्यवस्थाहरूको पालना गर्न नसकिएको:

क) सम्पति सुदृढीकरण तथा आतंकवादी कृत्याकलापमा वित्तीय लगानी निवारण सम्बन्धि निर्देशनका केहि व्यवस्थाहरू।

ख) प्रचलित कानुन बमोजिम समयमा वार्षिक साधारण सभा गर्ने सम्बन्धि व्यवस्था।

ग) बिमकको शाखा कार्यालय सम्बन्धि निर्देशिका २०७९।

निरज मान सिंह प्रधान  
परिपालना अधिकृत



**नेपाल धितोपत्र बोर्ड**  
**संस्थागत सुशासन सम्बन्धि वार्षिक अनुपालना प्रतिवेदन**  
**आर्थिक वर्ष २०८१/८२**  
**(सूचिकृत संगठित संस्थाहरूको संस्थागत सुशासन सम्बन्धि निर्देशिका २०७४ बमोजिम)**

सूचिकृत संगठित संस्थाको नाम	हिमालयन एभरेष्ट इन्स्योरेन्स लिमिटेड
ठेगाना, इमेल र वेबसाईट	का.म.न.पा. वार्ड नं ११ बबरमहल EmailM info@hei=com=np WebsiteM www=hei=com=np
सम्पर्क नं	०१-५९७०७७९
प्रतिवेदन पेश गरेको आर्थिक वर्ष	२०८१/०८२

**१. संचालक समिति सम्बन्धि विवरण:**

क) संचालक समितिको अध्यक्षको नाम तथा नियुक्ति मिति  
श्री महेन्द्र कृष्ण श्रेष्ठ, नियुक्ति मिति : २०७९/१२/२९

ख) संस्थाको शेयर संरचना सम्बन्धि विवरण (संस्थापक, सर्वसाधारण शेयर तथा अन्य)  
संस्थापक शेयर : ५९.१० प्रतिशत  
सर्वसाधारण : ४०.९० प्रतिशत

ग) संचालक समिति सम्बन्धि विवरण:

क्र.स.	संचालकहरूको नाम तथा ठेगाना	प्रतिनिधित्व भएको समूह	शेयर संख्या	नियुक्ति भएको मिति	पद तथा गोपनीयताको सपथ लिएको मिति	संचालक नियुक्तिको बिधि
१.	श्री महेन्द्र कृष्ण श्रेष्ठ भनिमंडल ललितपुर	संस्थापक	२९,३५,२५२	२०७९/१२/२९	२०७९/१२/२९	निर्वाचन
२.	श्री विजित कृष्ण श्रेष्ठ जावलाखेल ललितपुर	संस्थापक	२९,८३८	२०७९/१२/२९	२०७९/१२/२९	निर्वाचन
३.	श्रीमती अभिलाषा पन्त शर्मा भैसेपाटी, ललितपुर	संस्थापक	१०९	२०८०/०२/१०	२०८०/०२/१०	संचालक समितिबाट मनोनित तथा तीसौं वार्षिक साधारण सभाबाट अनुमोदित
४.	श्री अजय रत्न स्थापित ज्याठा, काठमाडौं।	सर्वसाधारण	१७,४६२	२०७९/१२/२९	२०७९/१२/२९	निर्वाचन
५.	श्री हेम राज थापा बुढीगंगा, बाजुरा	सर्वसाधारण	८९१	२०७९/१२/२९	२०७९/१२/२९	निर्वाचन
६.	श्री विजय कुमार पन्त बुढानिलकण्ठ, काठमाडौं।	स्वतन्त्र	-	२०८०/०१/०६	२०८०/०१/०६	संचालक समितिबाट मनोनित तथा तीसौं वार्षिक साधारण सभाबाट अनुमोदित

**पछिल्लो साधारण सभा पछि संचालकहरू नियुक्ति भए सो सम्बन्धि जानकारी र सो सम्बन्धमा बोर्डलाई जानकारी गराएको मिति:**

पछिल्लो साधारण सभा पछि संचालकहरू नियुक्ति नभएको।

घ) संचालक समितिको बैठक सम्बन्धि विवरण:

क्र.स.	आ. व. २०८१/८२ संचालक समितिको	उपस्थित संचालकको संख्या	बैठकको निर्णयमा भिन्न मत राखी हस्ताक्षर गर्ने संचालकको संख्या	गत आ.व. मा बसेको बैठकको मिति
१.	२०८१/०४/१४	५	छैन	२०८०/०४/१४
२.	२०८१/०४/३१	६	छैन	२०८०/०५/१७
३.	२०८१/०५/२३	६	छैन	२०८०/०५/२९
४.	२०८१/०५/२९	६	छैन	२०८०/०६/२४
५.	२०८१/०६/१६	६	छैन	२०८०/०७/०२
६.	२०८१/०७/१७	६	छैन	२०८०/०७/०२

७.	२०८१।०७।२९	६	छैन	२०८०।०७।०२
८.	२०८१।०८।१८	६	छैन	२०८०।०९।२५
९.	२०८१।०९।२८	६	छैन	२०८०।०९।२६
१०.	२०८१।१०।०४	६	छैन	२०८०।१०।१२
११.	२०८१।१०।२९	५	छैन	२०८०।१०।२३
१२.	२०८१।११।०२	५	छैन	२०८०।१०।२९
१३.	२०८१।११।२३	५	छैन	२०८०।१२।०२
१४.	२०८१।१२।११	६	छैन	२०८०।१२।१३
१५.	२०८२।०१।११	५	छैन	२०८१।०१।०९
१६.	२०८२।०२।२७	५	छैन	२०८१।०१।१६
१७.	२०८२।०३।१०	६	छैन	२०८१।०२।२०
१८.	२०८२।०३।१३	६	छैन	२०८१।०२।२८
१९.	२०८२।०३।१७	६	छैन	२०८१।०३।११
२०.	-	-	-	२०८१।०३।१२
२१.	-	-	-	२०८१।०३।१४
२२.	-	-	-	२०८१।०३।१६
२३.	-	-	-	२०८१।०३।३१

### कुनै संचालक समितिको बैठक गणपुरक संख्या नपुगी स्थगित भएको भए सोको विवरण:

छैन।

#### संचालक समितिको बैठक सम्बन्धि अन्य विवरण

संचालक समितिको बैठकमा बैकल्पिक संचालक भए/नभएको (भएको अवस्थामा बैठकको मिति र कारण)	बैकल्पिक संचालकको व्यवस्था नभएको।
संचालक समितिको बैठकमा उपस्थित संचालक, छुलफल भएको विषय र तत्सम्बन्धमा भएको निर्णयको विवरण (साईन्युट) को छुट्टै अभिलेख राखे/नराखेको	राखेको।
संचालक समितिको दुई लगातार बसेको बैठकको अधिकतम अन्तर (दिनमा)	४६ दिन
संचालक समितिको बैठक भत्ता निर्धारण सम्बन्धमा बसेको वार्षिक साधारण सभाको मिति	२०८०/१०/२५
संचालक समिति प्रति बैठक भत्ता	अध्यक्ष रु १२,५०० (कर सहित) सदस्य रु १०,००० (कर सहित)
आर्थिक वर्ष २०८१/८२ संचालक समितिको कूल बैठक खर्च	रु १४,१२,०००

#### २. संचालकको आचरण सम्बन्धि तथा अन्य विवरण:

संचालकको आचरण सम्बन्धमा सम्बन्धित संस्थाको आचारसंहिता भए/नभएको	विमकको संस्थागत सुशासन सम्बन्धि निर्देशिका २०८० मा आचारसंहिता तोकिएको र सोहि बमोजिम भएको
एकाघर परिवारको एक भन्दा बढी संचालक भए सो सम्बन्धि विवरण	एकाघर परिवारको एक भन्दा बढी संचालक नभएको

#### संचालकहरूको वार्षिक रूपमा सिकाई तथा पुनर्ताजकी कार्यक्रम सम्बन्धि विवरण:

क्र.स. विषय	मिति	सहभागी संचालकको संख्या	तालिम संचालन भएको स्थान
१. Introduction to Risk Concept and Risk Dashboard	२०८१/१२/०७	४	केन्द्रीय कार्यालय बबरमहल
२. Risk Management Framework and Risk Appetite Statement	२०८१/१२/०८	४	केन्द्रीय कार्यालय बबरमहल
३. Risk Policies	२०८२/०२/११	६	केन्द्रीय कार्यालय बबरमहल
४. ORSA- Risk Overview	२०८२/०३/१३	४	केन्द्रीय कार्यालय बबरमहल

प्रत्येक संचालकले आफु संचालकको पदमा नियुक्त वा मनोनित भएको पन्द्र दिन भित्र देहायका कुराहरूको लिखित जानकारी गराएको/नगराएको र नगराएको भए सोको विवरण

- क) संस्थासंग निज वा निजको एकाघर परिवारको सदस्यले कुनै किसिमको करार गरेको वा गर्न लागेको भए सोको विवरण : छैन।
- ख) निज वा निजको एकाघर परिवारको सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिएको शेयर वा डिबेन्चरको विवरण: छैन।
- ग) निज अन्य कुनै संगठित संस्थाको आधारभूत शेयरधनि वा संचालक रहेको भए सोको विवरण: छैन।
- घ) निजको एकाघर परिवारको कुनै सदस्य संस्थामा कुनै पदाधिकारी वा कर्मचारीको हैसियतमा काम गरि रहेको भए सोको विवरण: छैन।
- ड) संचालक(हरु) लाई नियमन निकाय वा अन्य निकायहरू बाट कुनै कारवाही गरेको भए सोको जानकारी: छैन।

### ३. संस्थाको जोखिम व्यवस्थापन सम्बन्धि विवरण

क) जोखिम व्यवस्थापन सम्बन्धि कुनै समिति गठन भए/नभएको (नभएको भए सोको कारण): गठन भएको।

ख) जोखिम व्यवस्थापन समिति सम्बन्धि जानकारी

#### अ) समितिको संरचना

नाम	पद
श्री विजय कुमार पन्त-संचालक	संयोजक
श्री हेम राज थापा-संचालक	सदस्य
श्रीमती अन्जु श्रेष्ठ- प्रमुख कार्यकारी अधिकृत	सदस्य
श्रीमती नसला शाक्य- प्रमुख जोखिम विभाग	सदस्य सचिव

आ) आर्थिक वर्ष २०८१/८२ मा समितिको बैठक संख्या:

आर्थिक वर्ष २०८१/८२ मा जोखिम व्यवस्थापन समितिको ४ वटा बैठक बसेको छ।

#### इ) समितिको कार्य सम्बन्धि विवरण:

नेपाल बिमा प्राधिकरणबाट जारी निर्देशिका, जोखिम व्यवस्थापन सम्बन्धमा संचालक समितिबाट स्वीकृत नीति तथा अवधारणा बमोजिम जोखिम व्यवस्थापन सम्बन्धि कार्य हुँदै आएको छ। समिक्षा आर्थिक वर्ष २०८१/८२ मा जोखिम व्यवस्थापन समितिको ४ वटा बैठक बसेको छ। समिक्षा आर्थिक वर्ष २०८१/८२ मा Risk Management Framework अन्तर्गत विभिन्न प्रकृतिका जोखिम सम्बद्ध नीतिहरूको तर्जुमा, विभाग विशेषमा पहिचान भएका जोखिम सम्बन्धि Risk Register मा आवधिक छलफल तथा Own Risk and Solvency Assessment को प्रारम्भिक चरणको काम सम्पन्न भएको छ।

ग) आन्तरिक नियन्त्रण कार्यविधि भए / नभएको: भएको।

घ) आन्तरिक नियन्त्रण प्रणालीका लागि कुनै समिति गठन भए/नभएको (नभएको भए सोको कारण): भएको।

ङ) आन्तरिक नियन्त्रण प्रणाली संग सम्बन्धित समितिको विवरण:

अ) दावी भुक्तानी तथा पुनर्बिमा समिति

नाम	पद
श्री हेम राज थापा-संचालक	संयोजक
श्रीमती अभिलाषा पन्त शर्मा-संचालक	सदस्य
श्रीमती अन्जु श्रेष्ठ- प्रमुख कार्यकारी अधिकृत	सदस्य
प्रमुख- दावी विभाग	सदस्य
प्रमुख -पुनर्बिमा विभाग	सदस्य सचिव

#### आ) मानव संसाधन समिति

नाम	पद
श्री विजय कृष्ण श्रेष्ठ- संचालक	संयोजक
श्री विजय कुमार पन्त-संचालक	सदस्य
श्रीमती अन्जु श्रेष्ठ- प्रमुख कार्यकारी अधिकृत	सदस्य
प्रमुख-मानव संसाधन विभाग	सदस्य सचिव

#### इ) सम्पति सुदिकरण निवारण समिति

नाम	पद
श्री विजय कुमार पन्त- संचालक	संयोजक
श्री अजय कुमार स्थापित	सदस्य
श्रीमती अन्जु श्रेष्ठ-प्रमुख कार्यकारी अधिकृत	सदस्य
प्रमुख-कानून ईकाई	सदस्य सचिव

#### च) समितिको कार्य सम्बन्धि छोटो विवरण

दावी भुक्तानी तथा पुनर्बिमा सम्बन्धि निर्णय गर्ने।

मानव संसाधन व्यवस्थापन सम्बन्धि विविध कार्य गर्ने।

सम्पति सुदिकरण निवारण सम्बन्धि व्यवस्थाहरूको पालना गराउने।



छ) आर्थिक प्रशासन सम्बन्धि विनियमावली भएरनभएको/भएको।

४. सूचना तथा जानकारी प्रवाह सम्बन्धि विवरण:

क) संस्थाले सार्वजनिक गरेको सूचना तथा जानकारी प्रवाहको विवरण:

विषय	माध्यम	सार्वजनिक गरेको मिति
वार्षिक साधारण सभाको सूचना	राष्ट्रिय दैनिक पत्रिका	२०८२/०९/१४
विशेष साधारण सभाको सूचना	-	-
संक्षिप्त आर्थिक प्रतिवेदन	वेबसाइट	२०८१ फाल्गुन ०४
आर्थिक वर्ष २०८०/८१	राष्ट्रिय दैनिक पत्रिका	२०८१ फाल्गुन १८
त्रैमासिक प्रतिवेदन	वेबसाइट	२०८१ कार्तिक ३०
	राष्ट्रिय दैनिक पत्रिका	२०८१ माघ ३०
		२०८२ वैशाख ३०
		२०८२ श्रावण ३०
धितोपत्रको मूल्यमा प्रभाव पर्ने मूल्य संवेदनशील सूचना	नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, विमा प्राधिकरण, कम्पनी रजिष्ट्रार कार्यालय, सिडिएससी एण्डक्लियरिंगलाई पत्र दर्ता मार्फत तथा नियमनकारी निकाय र सम्बद्ध निकायको आधिकारिक वेबसाइट/ वेब पोर्टलमा पेश	२०८२/०९/११
सूचनाको हक	वेबसाइट	२०८१ कार्तिक ३०
	राष्ट्रिय दैनिक पत्रिका	२०८१ माघ ३०
		२०८२ वैशाख ३०
		२०८२ श्रावण ३०
केन्द्रीय कार्यालय स्थानान्तरणको सूचना	वेबसाइट	२०८१/०६/०२
	राष्ट्रिय दैनिक पत्रिका	
नगद लाभांश प्रस्तावको सूचना	नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, विमा प्राधिकरण, कम्पनी रजिष्ट्रार कार्यालय, सिडिएससी एण्डक्लियरिंगलाई पत्र दर्ता मार्फत साथै नेपाल स्टक एक्सचेन्जको वेब पोर्टलमा पेश	२०८२/०९/११

ख) सूचना सार्वजनिक नगरेको वा अन्य कारणले धितोपत्र बोर्ड तथा अन्य निकायबाट कारवाहीमा परेको भए सो सम्बन्धि जानकारी: छैन।

ग) पछिल्लो वार्षिक तथा विशेष साधारण सभा सम्पन्न भएको मिति: २०८१/११/२७ (एकतिसौ वार्षिक साधारण सभा)

५. संस्थागत संरचना र कर्मचारी सम्बन्धि विवरण:

क) कर्मचारी पदपूर्ति, वृद्धि विकास, तालिम तलब भत्ता तथा अन्य सुविधा, हाजिरी र विदा तथा आचारसंहिता लगायतका विषयहरू समेटेको कर्मचारी सेवा शर्त विनियमावली भए/नभएको : भएको।

ख) सांगठनिक संरचना भए/ नभएको: भएको।

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

क्र.स.	विवरण	पद	शैक्षिक योग्यता	अनुभव
१.	श्रीमती अञ्जु श्रेष्ठ	प्रमुख कार्यकारी अधिकृत	एम.वि.ए.	विमा क्षेत्रमा २८ वर्ष
२.	श्री रतन कुमार लामा	नायब महाप्रबन्धक	बि.ए.	विमा क्षेत्रमा ३४ वर्ष
३.	श्री सपना रावल	सहायक महाप्रबन्धक	बि.ए.	विमा क्षेत्रमा २९ वर्ष
४.	श्री बच्चु राम खड्का	सहायक महाप्रबन्धक	एम.वि.ए.	विमा क्षेत्रमा २९ वर्ष
५.	श्री सुदर्शन कुमार श्रेष्ठ	सहायक महाप्रबन्धक	बि.बि.एस.	विमा क्षेत्रमा २८ वर्ष
६.	श्री रोशन कुमार श्रेष्ठ	सहायक महाप्रबन्धक	एम.वि.ए.	विमा क्षेत्रमा २९ वर्ष

घ) कर्मचारी सम्बन्धि अन्य विवरण:

विवरण	पालनाको व्यहोरा
संरचना अनुसार कर्मचारी पदपूर्ति गरेको/नगरेको	गरेको
नयाँ कर्मचारी पदपूर्ति गर्दा अपनाएको प्रकृया	लिखित/मौखिक अन्तरवार्ता
व्यवस्थापनस्तरका कर्मचारी संख्या	६०
कूल कर्मचारी संख्या	५३१
कर्मचारी उत्तराधिकारी योजना भए/नभएको	भएको
आर्थिक वर्ष २०८१/८२ मा कर्मचारी तालिम तथा सम्मिलित कर्मचारीको संख्या	५२ वटा कर्मचारी तालिम संचालन भएको र उक्त तालिममा ५९४ जना कर्मचारी सम्मिलित भएका।
आर्थिक वर्ष २०८१/८२ को कर्मचारी तालिम खर्च	५६,३५,७६०
कूल कर्मचारी खर्चमा तालिम खर्चको प्रतिशत	१.३४%
कूल खर्चमा कर्मचारी खर्चको प्रतिशत	५६.०५%

#### ६. संस्थाको लेखा तथा लेखा परिक्षण सम्बन्धि व्यवस्था:

##### क) लेखा तथा लेखा परिक्षण सम्बन्धि विवरण:

विवरण	पालनाको व्यहोरा
संस्थाको पछिल्लो आर्थिक वर्षको वित्तीय विवरण प्रचलित लेखामान अनुसार तयार गरे/नगरेको	तयार गरेको ।
संचालक समितिबाट पछिल्लो वित्तीय विवरण स्वीकृत भएको मिति	२०८२/०९/११
अन्तिम लेखा परिक्षण सम्पन्न भएको मिति	२०८२/०९/११
साधारण सभाबाट वित्तीय विवरण स्वीकृत भएको मिति (आर्थिक वर्ष २०८०/८१)	२०८१/११/२७
आन्तरिक लेखा परिक्षणको व्यवस्था भए/नभएको	भएको
आन्तरिक लेखा परिक्षणका लागि नियुक्त भएको संस्थाको विवरण	जि.पि. राजवाहक एण्ड कम्पनी
आन्तरिक लेखा परिक्षणको आवधिक अवधि	त्रैमासिक

##### ख) लेखा परिक्षण समिति सम्बन्धि विवरण:

##### समिति संयोजक, सदस्यहरूको नाम पद तथा योग्यता

नाम	पद	योग्यता
श्री अजय रत्न स्थापित-संचालक	संयोजक	वी.कम.
श्री हेम राज थापा-संचालक	सदस्य	वि.एड.,वि.एल.
श्री विजय कुमार पन्त-संचालक	सदस्य	एम.ए

##### बैठक सम्बन्धि विवरण

क्र.स.	बैठकको मिति	उपस्थिति संचालक संख्या
१.	२०८१/०४/२८	३
२.	२०८१/०५/२५	३
३.	२०८१/०७/२९	३
४.	२०८१/०८/२५	३
५.	२०८१/१०/०४	३
६.	२०८१/१०/२९	३
७.	२०८१/११/२५	३
८.	२०८२/०१/२८	३
९.	२०८२/०२/२९	३
१०.	२०८२/०३/११	३
११.	२०८२/०३/३२	३

##### अन्य विवरण:

प्रति बैठक भत्ता	रु १०,००० (कर सहित)
लेखा परिक्षण समितिले आफ्नो काम कारवाहीको विवरण संचालक समितिमा पेश गरेको मिति	२०८१/०४/३१
	२०८१/०७/२९
	२०८१/१०/०४
	२०८१/१०/२९
	२०८२/०२/२७

##### अन्य विवरण:

संस्थाले संचालक तथा निजको एकाघर परिवारको वित्तीय स्वार्थ भएको व्यक्ति, बैंक वित्तीय संस्थाबाट ऋण, वा सापटी वा अन्य कुनै रकम लिए/नलिएको	नलिएको
प्रचलित कानून बमोजिम कम्पनीको संचालक,शेयरधनि, कर्मचारी, सल्लाहकार, परामर्शदाताको हैसियतमा पाउने सुविधा वा लाभ बाहेक सूचिकृत संगठित संस्थाको वित्तीय स्वार्थ भएको कुनै व्यक्ति, फर्म,कम्पनी,कर्मचारी, सल्लाहकार, परामर्शदाताले संस्थाको कुनै सम्पति कुनै किसिमले भोग चलन गरे/नगरेको	नगरेको
नियमनकारी निकायले ईजाजतपत्र जारी गर्दा तोकेका शर्तहरू पालना भए/नभएको	भएको
नियमनकारी निकायले संस्थाको नियमन, निरिक्षण वा सुपरिवेक्षण गर्दा संस्थालाई दिएको निर्देशन पालना भए/नभएको	भएको
संस्था वा संचालक विरुद्ध अदालतमा कुनै मुद्दा चलिरहेको भए सोको विवरण	नभएको

## Annual Report of FY 2081/82 presented by Board of Directors in the 32nd 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 32nd Annual General Meeting of the company.

We have presented the 32nd Annual Report of the Company prepared pursuant to section 109 of the Companies Act 2063 for the Financial Year 2081/82 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 2081/82 has been prepared based on Nepal Financial Reporting Standards (NFRS).

Complete sets of financial statement for the FY 2081/82 have been prepared, Audited and Approved by Nepal Insurance Authority.

We are pleased to place before you the 32st Annual report of the company prepared pursuant to section (109) of the Companies Act, 2063 for the Financial Year 2081/82 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 2081/82	FY 2080/81	Growth (%)
1	No of Policies Issued	Nos.	280,429	250,126	12.12%
2	Gross Premium Income	Rs"000"	4,286,327	3,761,995	13.94%
3	Net Premium Income	Rs"000"	1,756,086	1,406,462	24.86%
4	Reinsurance Commission Income	Rs"000"	490,689	417,008	17.67%
5	No of Claims Paid	Nos.	11,900	9,190	29.49%
6	Gross Claims Paid	Rs"000"	1,958,921	1,474,412	32.86%
7	Net Claims Paid	Rs"000"	1,075,365	717,750	49.82%
8	Outstanding Claim	Nos.	8,444	7,898	6.91%
9	Outstanding Claim (Gross)	Rs"000"	1,894,440	1,442,534	31.33%
10	Outstanding Claim (Net)	Rs"000"	328,891	265,010	24.10%
11	Employee Expenses	Rs"000"	354,377	336,229	5.40%
12	Other Expenses	Rs"000"	296,403	221,749	33.67%
13	Income from Investment	Rs"000"	219,224	344,043	-36.28%
14	Net Profit (as per NFRS)	Rs"000"	455,881	502,464	-9.27%

### 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 130%. The Solvency margin of the company stands at 438.1%, which stands well above the prescribed minimum as on Ashad End 2082.

### 2. Review of Previous Year's Performance 2081/82 (Financial Year 2024-25):

The company's market share in Financial Year 2081/82 among general insurance companies in terms of gross premium was 9.33 %. The company recorded a Gross Direct Premium of Rs. 4.29 billion (4 Arba 29 Crore) in FY 2081/82 as compared to Rs. 3.76 billion (3 Arba 76 Crore) in FY 2080/81.

The major premium contributor for 2081/82 was the motor portfolio. This portfolio contributed 29.73% of our gross



premium. Specifically, Fire, Motor, Marine, Engineering, Micro, Aviation, Agriculture and Miscellaneous portfolios contributed 21.75%, 29.73%, 3.01%, 20.31%, 0.000014%, 1.16%, 0.81% and 23.23% respectively in FY 2081/82.

#### Gross Premium Income:

Portfolio	FY 2081/82	Weightage	FY 2080/81	Weightage	FY 2079/80	Weightage
Fire	932,398,693	21.75%	680,356,188	18.08%	538,706,116	15.96%
Motor	1,274,211,397	29.73%	957,192,953	25.44%	933,706,904	27.65%
Marine	129,160,493	3.01%	82,056,489	2.18%	66,672,876	1.97%
Engineering	870,422,089	20.31%	735,957,195	19.56%	531,195,936	15.73%
Micro	600	0.000014%	600	0.00002%	2,400	0.0001%
Aviation	49,813,125	1.16%	329,303,834	8.75%	354,605,187	10.50%
Agriculture	34,814,969	0.81%	38,494,365	1.02%	90,360,564	2.68%
Miscellaneous	995,505,140	23.23%	938,632,945	24.95%	861,096,975	25.50%
<b>Total</b>	<b>4,286,326,506</b>	<b>100.00%</b>	<b>3,761,994,569</b>	<b>100.00%</b>	<b>3,376,346,958</b>	<b>100%</b>

#### Gross Claim Settlement:

Gross Claim Settlement during FY 2081/82 was Rs 1 Arba 96 Crore as compared to Rs 1 Arba 47 Crore in FY 2080/81. 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.

Portfolio	FY 2081/82	Weightage	FY 2080/81	Weightage	FY 2079/80	Weightage
Fire	560,341,481	28.60%	170,139,206	11.54%	139,089,942	5.52%
Motor	632,205,213	32.27%	470,138,918	31.89%	481,130,629	19.09%
Marine	25,704,516	1.31%	33,332,168	2.26%	40,186,253	1.59%
Engineering	237,622,719	12.13%	171,908,233	11.66%	196,593,054	7.80%
Micro	-	0.00%	750,000	0.05%	53,325,000	2.12%
Aviation	3,391,647	0.17%	205,943,545	13.97%	1,169,582,848	46.40%
Agriculture	51,172,298	2.61%	50,412,260	3.42%	143,705,134	5.70%
Miscellaneous	448,483,328	22.89%	371,787,907	25.22%	297,094,864	11.79%
<b>Total</b>	<b>1,958,921,202</b>	<b>100%</b>	<b>1,474,412,237</b>	<b>100%</b>	<b>2,520,707,724</b>	<b>100%</b>

#### Re-insurance:

The Company has maintained comprehensive reinsurance treaty arrangements with a diversified panel of reputed domestic, regional, and international reinsurance companies. These arrangements include participation from established reinsurers across South Asia, the Middle East, Africa, Europe, and other international markets, ensuring adequate capacity, technical expertise, and risk dispersion. The diversified nature of the reinsurance panel enhances the Company's resilience against large and catastrophic losses and strengthens its ability to underwrite a broad range of insurance portfolios in line with regulatory and prudential requirements.

S. No	Name of reinsurers	Rating	Agency
1	General Insurance Corporation of India, India	B++	A.M. Best
2	Oman Re	B+	A.M. Best
3	Kenya Reinsurance Corporation Ltd., Nairobi, Kenya	B	A.M. Best
4	Asian Reinsurance Company Limited	B+	A.M. Best
5	Cica Reinsurance, India	B+	A.M. Best
6	GIC Bhutan Reinsurance Company Limited	A	A.M. Best
7	The New India Assurance Company Limited	B++	A.M. Best
8	Abu Dhabi National Insurance Company	A	A.M. Best
9	Nepal Reinsurance Company Ltd.	-	-
10	Himalayan Reinsurance Company Ltd.	B+	A.M. Best
11	Sirius International	A-	A.M. Best
12	Odyssey Reinsurance	A+	A.M. Best

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

The impact of national and international events on the Company's business remains significant, influencing its operating environment and performance. Such events include economic fluctuations, political developments, social and demographic shifts, technological changes, and environmental factors, all of which require continuous assessment and adaptive strategies. National and global economic conditions—such as inflationary pressures, liquidity constraints, currency volatility, and broader macroeconomic uncertainty—have directly affected investment returns during the year.

In addition, the Gen-Z movement that occurred in September in Nepal, largely driven by youth participation, led to increased claims during the year, particularly arising from property damage and business disruptions. On the positive side, this movement has played a constructive role in enhancing public understanding of the importance of insurance as a financial protection tool, supporting broader insurance penetration and long-term market development.

Despite these challenges, the Company has continued to strengthen its market presence. Overall market penetration has increased, reaching new customer segments as well as expanding coverage to previously underserved geographic areas. In line with the country's federal structure, the establishment of provincial offices across all seven provinces has enhanced accessibility, operational efficiency, and the delivery of insurance services nationwide, positioning the Company for sustainable growth amid a dynamic external environment.

#### 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 2081/82, claims incurred due to Climatic risk, particularly Flood of Ashwin, 2081, is shown in the table below:

S.N	Particulars	Gross Claim Paid	Net Claim Paid
1.	Fire Portfolio	320,757,570	169,919,414
2.	Engineering Portfolio	64,129,390	6,685,770
3.	Motor Portfolio	58,374,225	48,286,854
4.	Marine Portfolio	125,602	8,792
	<b>Total</b>	<b>443,386,788</b>	<b>224,900,830</b>

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

The comparative premium underwritten during the Fiscal Year 2082/83 is tabulated below:

S. No	Particulars	FY 2082/83 (up to Mangsir)	FY 2081/82 (up to Mangsir)	Increase
1.	Gross Premium Income	2,007,021,389	1,393,995,862	43.98%

#### Future Plan:

The Company is pursuing a clear and purposeful strategy to expand its nationwide presence, while making focused investments to drive technological transformation and operational excellence. The successful merger has been a defining milestone, enabling us to establish a truly national footprint and providing an opportunity to reassess our strengths, capabilities, and long-term market potential. Building on this foundation, we are positioning the Company to capture emerging opportunities, strengthen our market leadership, and create sustainable value for all stakeholders.

Guided by a clear and unwavering Vision 2030, we remain committed to transforming the Company into a resilient, innovative, and future-ready institution. With the continued trust and support of our stakeholders, we are confident in our ability to achieve our strategic ambitions and shape a stronger, more inclusive future for the organization.

### 5. Industrial and Business Relations:

As a socially responsible organization, the Company has diligently ensured that all disclosures and information required under the applicable Acts, Rules, and Regulations have been submitted, published, and communicated

transparently. Throughout the year 2081/82, we have actively engaged with our stakeholders through multiple channels, reinforcing trust and accountability at every level.

We are deeply committed to nurturing a culture of collaboration and excellence within and across our teams, recognizing that strong internal relationships are the cornerstone of our future growth and long-term success. In pursuit of this vision, we continue to attract and develop talent whose values resonate with our mission, and we invest in comprehensive training and capacity-building programs to empower our people to reach their full potential. By fostering innovation, teamwork, and continuous learning, we are equipping the Company to achieve its ambitious goals and create sustainable value for all stakeholders.

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

There have not been any changes in composition of the Board of Directors during the review period 2081/82. The following are the details of the existing Board of Directors.

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. Avilasha Panth Sharma	2080/02/10
6.	Mr. Bijay Kumar Pant	2080/01/06

Ms. Anju Shrestha assumed charge as the Chief Executive Officer (CEO) of the Company with effect from 18th Ashwin 2081. Prior to this, she served as the Officiating CEO from 13th Ashad 2081 to 17th Ashwin 2081.

## 7. Major Factors affecting Business:

- Post Pandemic Effect.
- Gen-Z Movement
- Flood and Catastrophic Events
- Changes in Acts & Regulatory Directives
- Political Instability
- Rapid Advancements in Technology
- Limited Reinsurance Market
- Inflation, Currency Fluctuations.
- Lower Interest Rate Environment

## 8. Dividend:

We have proposed Cash Dividend 8% of Rs. 20,00,12,592 (Including tax on cash dividend) from the distributable profit of the company.

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

The meeting of the Audit committee has recommended M/s N. Amatya & Co. as its Statutory auditor for FY 2082/83. The total fee of Nrs. 8,20,000 (Excluding VAT) – [Audit Fee (including Tax Audit) 7,70,000 (Excluding Vat) and Fee for Long Form Audit Report Nrs. 50,000 (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 2081/82.

S.No	Particular	Paid Up Capital (Nrs)
1	Himalayan Everest Insurance Limited	2,50,01,57,400

Nepal Insurance Authority has prescribed minimum paid of capital of Rs 250 Crore for Non-Life Insurance Company.



## 11. Conclusion:

We extend our deepest gratitude to the 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 and Development Banks, Finance Companies, our valued clients, and all well-wishers who have supported us, directly or indirectly, in the growth and success of our company. We also sincerely acknowledge the steadfast commitment of our agents and surveyors, whose efforts continue to strengthen our operations.

The dedication and professionalism demonstrated by all employees during the period are highly commendable. Their commitment to excellence and service remains the driving force behind our achievements.

We express our heartfelt thanks to our shareholders and AGM attendees for your valuable presence, insightful participation, and continued trust in our company. Your support inspires us to reach greater heights.

As we look toward the future, aligned with Vision 2030, we remain committed to expanding our nationwide presence, embracing technological transformation, and delivering innovative insurance solutions. With collective effort and unwavering dedication, we are poised to strengthen our market leadership and create lasting value for all stakeholders.

**Thank You,**

**Ajaya Ratna Sthapit,**  
Director

**Mahendra Krishna Shrestha**  
Chairman  
Date: 2082/09/13

## 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:

The Company has no subsidiaries or associates as of the reporting date. The investment previously classified as an associate in Nepal Infrastructure Investment Fund Limited has been derecognized as an associate in the current year, as the Company's holding as of the reporting date stands at 17.46%.

### 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 to achieve the following key organizational objectives:

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

At the organizational level, the Company has established an Internal Audit Committee, chaired by public director Mr. Ajaya Ratna Sthapit. An independent Chartered Accountant firm, M/s G.P. Rajbahak & Co, has been appointed as the Company's Internal Auditor.

The internal audit reports issued by the auditor are presented to the Audit Committee for review and discussion. Comments and recommendations from both the Internal Auditor and the Audit Committee are implemented on an ongoing basis. The Company strongly believes that the effective implementation of these recommendations enhances the overall strength and efficiency of the internal control system.

The Company has been adhering to the Corporate Governance Directive, 2080, issued by the Insurance Authority, which has significantly contributed to strengthening internal controls and promoting good governance practices. In addition, the Company has established a Risk Management Committee to ensure effective identification, assessment, and management of both internal and external risks. The following is the composition of Risk Management Committee:

<b>S.No</b>	<b>Name</b>	<b>Designation</b>
1	Mr. Bijay Kumar Pant	Coordinator
2	Mr. Hem Raj Thapa	Member
3	Ms. Nasala Shakya	Member Secretary

The Risk Management committee is headed by Independent Director Mr. Bijay Kumar Pant.

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

The company has spent Rs. 296,402,987 (Twenty-Nine Crore Sixty Four Lakh Two Thousand Nine Hundred Eighty Seven Rupees) as total management expenses in FY 2081/82.

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

During the review period, the Company constituted a three-member Audit Committee, chaired by a Public Director. The composition of the Committee is as follows:

<b>S.No</b>	<b>Name</b>	<b>Designation</b>
1	Mr. Ajaya Ratna Sthapit	Chairperson
2	Mr. Hem Raj Thapa	Member
3	Mr. Bijay Kumar Pant	Member

The meeting fee for each audit committee meeting has been fixed at Rs.10,000 (Ten Thousand) inclusive of Tax.

The actions made by the audit committee are as follows,

1. Review of Statutory Audit Report and recommendation to management for the improvements, as required.
2. Review of Internal Audit Report and recommend management for the improvements, as required.
3. Review the financial statements prior to submission to the Board, ensuring accuracy, completeness, and compliance with applicable accounting standards.
4. Recommend the appointment of Statutory Auditor to the AGM.
5. Review of the Internal Control System of the company and provide suggestions for improvement.

**j. Disclosure on amount receivable 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	51,30,757

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

S.N	Particulars	Detail	Tenure	Amount	Other Facilities
1.	Salary & Allowances	Ms. Anju Shrestha	13th Ashad 2081 – till 17th Ashwin (as officiating CEO) and Ashwin 18th 2081 – till Ashad End, 2082 as CEO	1,01,36,745	Vehicle with Driver, Fuel, Insurance, Telephone, & Statutory Bonus & Other as per Terms of Contract

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

- The remaining dividend of Rs. 3,51,99,966 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 transactions between associated companies as per clause 175:**

None.

**o. Any other details to be disclosed in the report as per the company's act and existing laws:**

The company has a market share of 9.33% (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.



## MAJOR POLICIES AND PRACTICES

<b>Terms of Reference (TOR) for Board and Committees</b>	Defines the roles, responsibilities, authority, composition, and accountability of the Board and its Committees to ensure effective corporate governance and regulatory oversight.
<b>Underwriting Manual</b>	Provides standardized principles, procedures, authority limits, and risk acceptance criteria to ensure consistent, prudent, and compliant underwriting across all lines of business.
<b>Claims Manual</b>	Establishes uniform procedures for claim registration, assessment, approval, settlement, and reporting to ensure fair, timely, transparent, and controlled claim management.
<b>Reinsurance Manual</b>	Defines the framework for reinsurance placement, retention limits, treaty and facultative arrangements, and counterparty management to optimize risk transfer and protect solvency.
<b>Financial Administrative Bylaws</b>	Prescribes rules governing financial management, accounting, budgeting, internal controls, payments, and reporting to ensure financial discipline, transparency, and regulatory compliance.
<b>Investment Policy</b>	Sets out principles, asset allocation limits, risk parameters, approval processes, and monitoring mechanisms for managing investment activities in a prudent and compliant manner.
<b>Procurement Bylaws</b>	Establishes transparent and accountable procedures for procurement of goods and services, including vendor selection, approval authority, and documentation to ensure value for money and integrity.
<b>Human Resource Bylaws</b>	Defines policies relating to recruitment, performance management, remuneration, training, conduct, and discipline to ensure effective workforce governance and organizational integrity.
<b>Agricultural Insurance Manual</b>	Provides underwriting, claims, pricing, and operational guidelines specific to agricultural insurance products to ensure technical consistency and alignment with regulatory directives.
<b>AML/CFT Policy</b>	Establishes measures for prevention, detection, monitoring, and reporting of money laundering and terrorist financing risks in compliance with prevailing laws and regulatory requirements.
<b>IT Policy and Guidelines</b>	Defines governance, security, access control, system development, data protection, and continuity standards to ensure reliability, confidentiality, and integrity of information systems.
<b>Risk Management Framework</b>	Provides a structured approach for identifying, assessing, mitigating, monitoring, and reporting risks to support sound decision-making, capital adequacy, and regulatory compliance.
<b>Monitoring and Supervision Framework</b>	Establishes mechanisms for ongoing oversight, internal monitoring, compliance tracking, and performance evaluation to ensure effective implementation of policies and regulatory adherence.
<b>Marketing Guidelines</b>	Prescribes ethical, transparent, and compliant marketing and sales practices, including product disclosure, promotional activities, and intermediary conduct, to protect policyholders and the Company's reputation.
<b>Employee Health and Safety Policy</b>	Establishes standards and responsibilities to ensure a safe, healthy, and compliant workplace, including occupational safety, emergency preparedness, and employee well-being.

### 6. Risk Management Framework & Internal Control:

Himalayan Everest Insurance (HEI) has implemented a comprehensive and forward-looking Risk Management Framework designed to ensure that risks arising from business activities are effectively identified, assessed, managed, monitored, and reported across the company. The framework aligns with the Nepal Insurance Authority's Risk Management Guidelines, Risk-Based Capital Directive, and ORSA Directive, ensuring strong governance and regulatory compliance.

During FY 2081/82, Himalayan Everest Insurance Limited made significant progress in strengthening its enterprise risk management capabilities. The Company successfully implemented a comprehensive Risk Management Framework (RMF) aligned with regulatory expectations and best practices, including the development and institutionalization of Board-approved Risk Appetite Statements covering nine material risk categories. ORSA preparedness was further enhanced through structured data collection processes and targeted training sessions across key functions. To support systematic risk identification and monitoring, a SharePoint-based risk register prototype was developed. The Risk Management function also played a key role in supporting post-merger transition risk management, conducted a Board-requested analysis on hydro portfolio concentration risk, and actively coordinated with senior management in the formulation of the Company's strategic plan, ensuring risk considerations were embedded in strategic decision-making.





हिमालयन एभरेष्ट  
इन्स्योरेन्स लिमिटेड

# तपाईंको सपना हाम्रो सुरक्षाको योजना!





## 1. Governance & Oversight

HEI's framework is anchored in a clear governance structure where:

- The Board of Directors approves all risk policies and ensures alignment with HEI's strategic objectives and solvency goals.
- The Board Risk Management Committee oversees implementation and annually reviews the framework and policies.
- The Head of Risk Management owns the framework and ensures its ongoing effectiveness.
- Business Units act as first-line risk owners, responsible for identifying, managing, and reporting risks in their areas.

## 2. Risk Management Principles

HEI's approach is based on five core principles:

1. Three Lines of Defense structure with clear accountability.
2. A Board-driven Risk Appetite Statement tailored to HEI's business model.
3. A robust risk management cycle covering identification, assessment, mitigation, monitoring, and reporting.
4. Mandatory risk consideration in all major decisions.
5. Promotion of a strong risk culture, including capacity-building and awareness.

## 3. Risk Appetite

HEI defines its Risk Appetite both in aggregate and for each material risk category, prioritizing:

- Strong underwriting discipline
- Balanced retention and reinsurance
- Portfolio diversification
- Capital preservation and solvency strength

## 4. Core Risk Categories

HEI employs a comprehensive risk taxonomy consistent with regulatory guidelines. The major categories include:

- Insurance Risk (pricing, selection, reserving, catastrophe exposure)
- Market Risk (interest rate, equity, currency, ALM/liquidity)
- Credit Risk (counterparty, invested assets, concentration)
- Operational Risk (people, process, systems, external events)
- Strategic Risk (business model, competition, macro factors)
- Compliance & Legal Risk
- Conduct Risk
- Money Laundering & Terrorism Financing Risk
- Climate Risk (physical, transition, liability impacts)

## 5. Risk Policy Framework

HEI maintains separate risk policies for each material risk, approved by the Board.

The Risk Management Department:

- Maintains and reviews policies annually
- Monitors compliance

### Business Units:

- Report breaches or incidents

## 6. Risk Management Cycle

The framework applies a structured cycle covering:

- a) Risk Identification – bottom-up and top-down approaches, including emerging risks.
- b) Risk Assessment & Analysis – qualitative and quantitative methods.
- c) Risk Treatment – mitigation, transfer, avoidance, or acceptance.
- d) Risk Monitoring – BU-level monitoring with oversight from Risk Management & Internal Audit.
- e) Risk Reporting – quarterly reporting to Senior Management, RMC, and the Board.

## 7. Integration with ORSA

The framework forms the foundation of HEI's ORSA process providing a forward-looking view on risks and solvency aligned with business strategy.

## 8. Risk Culture

HEI promotes a responsible and informed risk culture, expecting every employee to understand the risks inherent in their



work.

- Risk is embedded in BU performance evaluations.
- Training and capability-building strengthens risk competencies.

## Climate Risk Related Disclosure

### Physical Risks:

HEI is exposed to climate-related hazards such as floods, wildfires, GLOFs (Glacier Lake Outburst Floods), landslides, and storms, which may increase claim frequency and severity.

### Transition Risks:

Emerging ESG regulations, shifting market expectations, technological transitions, and changes in investment landscapes may influence business practices and risk profiles.

### Opportunities:

Climate transition opens avenues for innovation through green insurance products, sustainability-focused investments, and digitalization that reduces resource consumption.

An increase in the frequency and severity of climate-related events may exert upward pressure on claims ratios, reinsurance costs, and capital requirements, reinforcing the importance of early climate risk integration.

### Time Horizons

HEI has adopted standard climate-assessment time frames:

- **Short-term:** 1–3 years
- **Medium-term:** 3–10 years
- **Long-term:** 10–30 years

HEI assesses climate-related risks and opportunities across multiple time horizons to reflect both immediate operational considerations and longer-term strategic and solvency impacts. These time horizons guide the sequencing of ESG integration under the Company's phased approach.

### Short-term (1–3 years | “Now”)

Focuses on immediate operational and regulatory considerations, including governance strengthening, baseline data collection, early risk identification, and the integration of climate risk into existing risk management and ORSA processes.

### Medium-term (3–10 years | “Next”)

Emphasizes the gradual incorporation of climate considerations into core insurance activities, such as underwriting, reinsurance strategy, product development, and investment decision-making, as well as enhanced metrics, targets, and scenario analysis.

### Long-term (10–30 years | “Later”)

Considers structural changes driven by climate transition and physical risks, including shifts in risk exposure, capital requirements, business models, and market dynamics, to support long-term resilience, solvency, and value creation.

These time horizons enable HEI to balance near-term practicality with long-term strategic planning, ensuring that sustainability considerations are integrated progressively and in line with the Company's evolving ESG maturity.

## Adequacy of Reinsurance Coverage Including Catastrophic Risk

The Reinsurance Management Framework (RMF) of Himalayan Everest Insurance (HEI) establishes the governance, oversight, and strategic mechanisms through which the company structures and manages its reinsurance arrangements. The framework is designed to safeguard the company's risk appetite, capital strength, and financial stability while ensuring compliance with directives from the Nepal Insurance Authority (NIA). HEI's reinsurance program aims to optimize risk transfer, stabilize earnings, and enhance underwriting capacity across all lines of business.

### Reinsurance Strategy

The Company's reinsurance strategy is designed to:

- Transfer major risks, stabilize profits, and strengthen solvency.
- Support portfolio growth, product expansion, and underwriting capacity.
- Fully align with corporate goals and regulatory requirements.

- Define target retention levels by line of business.
- Utilize proportional and non-proportional treaties to address predictable, high-severity, and catastrophic risks.
- Be reviewed annually or upon material changes in risk profile.

#### Types of Reinsurance Used:

- **Proportional Reinsurance:** Quota Share and Surplus treaties to share predictable risks.
- **Non-Proportional Reinsurance:** Excess of Loss treaties for high-severity events, including catastrophic and large-loss protection.
- **Facultative Reinsurance:** For large, unusual, or high-value risks not covered under treaty arrangements.

#### Reinsurance Assessment & Placement

The Company follows a structured process to ensure appropriate reinsurance coverage:

1. **Risk Identification:** Using historical loss data, exposure analysis, and portfolio review.
2. **Retention Determination:** Guided by risk appetite, capital, solvency, and historical claims.
3. **Reinsurer Selection:** Based on creditworthiness, rating, capacity, claims performance, terms, and regulatory compliance.
4. **Pricing & Negotiation:** Establish premiums and terms using exposure metrics, loss trends, portfolio growth, and market intelligence.
5. **Contract Documentation:** Clearly defined, enforceable, and timely finalized, with all coverage, exclusions, and claims procedures detailed.
6. **Regulatory Compliance:** Submission to NIA for approval where required.

#### Governance

The governance of HEI's reinsurance program is anchored in a robust oversight framework to ensure alignment with corporate objectives, risk appetite, and regulatory requirements. The Board is responsible for defining the overall reinsurance strategy and monitoring its implementation through the CEO and senior management. Continuous oversight is exercised on treaty performance, reinsurer solvency, and exposure levels to ensure risks remain within approved limits. Reinsurance considerations are integrated into the company's Own Risk and Solvency Assessment (ORSA) to support capital planning and solvency management. In addition, the internal audit function periodically reviews reinsurance operations, controls, and compliance, ensuring that all activities are accurate, transparent, and in line with established policies and regulatory standards.

#### Catastrophic Reinsurance

HEI maintains a robust catastrophic reinsurance program designed to limit exposure to extreme losses and safeguard the company's financial stability. The program provides comprehensive coverage across all major portfolios, including property, engineering, motor, marine, cattle, and miscellaneous lines. Catastrophic reinsurance protects against natural disasters such as earthquakes, floods, fires, and other low-frequency, high-severity events, with clearly defined limits and retention levels. The coverage is calibrated to ensure that the company's maximum retention per event remains within prudent risk appetite, thereby reducing earnings volatility and supporting solvency while providing assurance of financial resilience during catastrophic scenarios.

#### Key features include:

- **Scope:** Covers all major portfolios, including Property, Marine, Motor, Engineering, Cattle, and Miscellaneous Insurance.
- **Perils Covered:** Natural disasters such as earthquakes, floods, fire, and other catastrophic events.
- **Objective:** Provides spillover protection beyond proportional treaty limits, stabilizing financial performance during high-severity events.
- The company's catastrophic program represents one of the most comprehensive reinsurance arrangements among Nepalese insurers.

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	Oman Re	B+	A.M. Best
3	Kenya Reinsurance Corporation Ltd., Nairobi, Kenya	B (Fair)	A.M. Best
4	Asian Reinsurance Company Limited	B+ (Good)	A.M. Best
5	Cica Reinsurance, India	B+	A.M. Best
6	GIC Bhutan Reinsurance Company Limited	A	A.M. Best
7	The New India Assurance Company Limited	B++	A.M. Best
8	Abu Dhabi National Insurance Company	A (Excellent)	A.M. Best
9	Nepal Re	-	-
10	Himalayan Re	B+	A.M. Best
11	Sirius International	A-	A.M. Best
12	Odyssey Reinsurance	A+	A.M. Best

### Framework of Internal Control System and its effectiveness

Himalayan Everest Insurance (HEI) is committed to maintaining a robust Internal Control System as a cornerstone of its governance and operational excellence. The internal control system provides a structured framework to ensure the reliability and accuracy of financial and operational information, safeguard the Company's assets, and promote compliance with applicable laws, regulations, and internal policies. By embedding effective controls across all levels of the organization, HEI seeks to enhance operational efficiency, mitigate risks, and foster transparency, accountability, and stakeholder confidence in its business practices.

### Components of Internal Control

Component	Description	Key Elements at HEI
Control Environment	Establishes organizational culture and ethical standards.	<ul style="list-style-type: none"> <li>• Board &amp; management oversight</li> <li>• Code of conduct &amp; ethics</li> <li>• Defined organizational structure</li> <li>• Employee competence &amp; accountability</li> </ul>
Risk Assessment	Identification, analysis, and management of risks affecting operations and objectives.	<ul style="list-style-type: none"> <li>• Operational, underwriting, claims, and financial risks</li> <li>• Regular enterprise-wide risk assessment</li> <li>• Periodic risk reporting to management &amp; board</li> <li>• Authorization &amp; approval limits for transactions</li> </ul>
Control Activities	Policies, procedures, and actions to mitigate identified risks.	<ul style="list-style-type: none"> <li>• Segregation of duties</li> <li>• Reconciliations and verification</li> <li>• IT system access controls</li> <li>• Internal reporting systems</li> </ul>
Information & Communication	Ensures timely, accurate, and transparent information flow.	<ul style="list-style-type: none"> <li>• Regular management meetings</li> <li>• Whistleblower &amp; grievance mechanisms</li> <li>• Communication with regulators and stakeholders</li> </ul>
Monitoring Activities	Continuous and periodic assessment of internal control system effectiveness.	<ul style="list-style-type: none"> <li>• Internal audit and self-assessment</li> <li>• Management review of key risk indicators</li> <li>• External audit and regulatory feedback</li> <li>• Timely corrective action for control deficiencies</li> </ul>

## 3. Key Policies and Controls

Himalayan Everest Insurance (HEI) is committed to maintaining a robust Internal Control System as a cornerstone of its governance and operational excellence. The internal control system provides a structured framework to ensure the reliability and accuracy of financial and operational information, safeguard the Company's assets, and promote compliance with applicable laws, regulations, and internal policies. By embedding effective controls across all levels of the organization, HEI seeks to enhance operational efficiency, mitigate risks, and foster transparency, accountability, and stakeholder confidence in its business practices.

### 1. Authorization & Approval:

- Transactions above defined thresholds require managerial or board approval.
- Segregation between initiation, approval, and recording of transactions.



## 2. Segregation of Duties:

- Critical functions such as cash handling, policy issuance, underwriting, and claims processing are segregated.

## 3. Asset Safeguarding:

- Physical and electronic security for cash, bank balances, investments, and IT infrastructure.

## 4. Financial & Accounting Controls:

- Standardized processes for ledger maintenance, reconciliations, and timely financial reporting.

## 5. Compliance & Regulatory Control:

- Adherence to Insurance Act, NRB directives, Financial Reporting Standards, and other statutory requirements.

## 6. IT & Data Security:

- Access rights review, cybersecurity measures, system backups, and disaster recovery protocols.

## 7. Operational Risk Controls:

- Underwriting guidelines, claims approval limits, and policy issuance checks to reduce operational risks.

## 4. Roles & Responsibilities

Role	Responsibility
<b>Board of Director</b>	Oversight of Internal Control System effectiveness, policy approval, risk management framework.
<b>Senior Management</b>	Implementation, monitoring, and continuous improvement of Internal Control System.
<b>Internal Audit</b>	Independent evaluation of control adequacy and reporting of deficiencies.
<b>Department Heads</b>	Compliance with controls within respective departments.
<b>Employees</b>	Adherence to policies and reporting of discrepancies or risks.

## 5. Monitoring & Reporting

### 1. Ongoing Monitoring:

- Daily/weekly reconciliation, exception reporting, and operational supervision.

### 2. Periodic Assessment:

- Internal audits, risk reviews, and departmental self-assessment reports.

### 3. Reporting:

- Internal audit findings to management and board.
- Regulatory compliance reporting to regulators.

## Information Technology System and Control

The Information Technology (IT) Division of Himalayan Everest Insurance (HEI) serves as a strategic enabler of the Company's operations, governance, and digital transformation agenda. It is responsible for the development, management, security, and continuous improvement of enterprise information systems and IT infrastructure, ensuring technology supports operational efficiency, business growth, and stakeholder confidence.

A key focus of the Division is building internal technical capability, reducing reliance on external vendors, and establishing sustainable ownership of core business systems.

### 1. IT System Overview

HEI's IT infrastructure and enterprise applications form the backbone for operational efficiency, process automation, and customer service excellence. Key elements include:

- **Core System:** HEI's central system supports multiple business processes, now fully managed in-house by the IT Division, ensuring control over system maintenance, enhancements, deployments, and issue resolution.
- **IT Support & Service Management:** Introduction of a centralized IT ticketing system for structured incident handling, improved response time, and enhanced transparency.

- **Security & Operational Resilience:** Strengthened access controls, proactive monitoring, backup and recovery mechanisms, and continuity planning to ensure system reliability.

## 2. IT Governance and Control

The Division has strengthened governance, risk management, and operational control over IT systems through:

Governance Area	Key Measures
<b>Access &amp; Security Controls</b>	Role-based access, secure authentication, and continuous monitoring of critical applications
<b>Change &amp; Release Management</b>	Structured version control, module-wise deployments, and documented release procedures
<b>Audit &amp; Compliance</b>	System-based audit trails and traceable operational processes
<b>Process Standardization</b>	Standard operating procedures, operational manuals, and comprehensive system documentation

## 3. System Development and Operational Management

Key achievements in FY 2024/25 include:

- **Strengthening Internal IT Capability:** Formation of specialized teams for software development, IT infrastructure, and support/service management.
- **Core System Ownership:** Transition from external vendor dependency to in-house system management, with full control over code and operational enhancements.
- **System Enhancements:** Over 110 successful system deployments, including functional improvements, performance tuning, and controlled module-wise upgrades.
- **Operational Efficiency:** Faster turnaround for business requirements and process automation, reducing costs and improving service delivery.

## 4. Security, Stability, and Risk Management

HEI's IT Division emphasizes secure and resilient operations through:

- Enhanced application access controls and cybersecurity mechanisms
- Improved backup, recovery, and business continuity arrangements
- Proactive monitoring and early issue resolution to ensure high system availability
- Lessons learned highlighting the importance of structured documentation, version control, and disciplined operational management

## 5. Strategic IT Initiatives

The IT Division aligns its initiatives with HEI's strategic objectives:

- Building sustainable internal IT capability
- Supporting digital transformation and long-term value creation
- Enhancing operational resilience and stakeholder confidence
- Reducing vendor dependency while improving scalability and stability

## 6. Key Challenges

- Managing a complex, large-scale core system
- Maintaining system stability during frequent deployments and transitions

## 7. Plans and Priorities for FY 2025/26

Initiative	Objective
<b>Customer Portal Development</b>	Self-service digital platform for improved customer experience and transparency
<b>Sales Application (Sales App)</b>	Digitally enable sales operations via mobile/web solutions
<b>Claims Module Re-engineering</b>	Process redesign to improve efficiency, control, and turnaround time
<b>API &amp; Workflow Enhancements</b>	Better integration and interoperability with internal and external systems
<b>Stakeholder Login Portal</b>	Secure, role-based access for agents, partners, and other stakeholders
<b>Core System Modernization</b>	Continuous upgrades, automation, and cybersecurity enhancements

Through these initiatives, HEI's IT Division continues to focus on secure, efficient, and innovative technology solutions that support business growth, governance, and stakeholder satisfaction.

## INFORMATION SYSTEM AUDIT REPORT

CYNICAL TECHNOLOGY PVT. LTD  
KATHMANDU, NEPAL

Date:-30/11/2025

To,  
  
Himalayan Everest Insurance Limited  
  
Babarmahal, Kathmandu, Nepal

Subject: Submission of Information System Audit Report

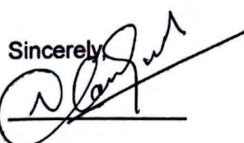
Dear Sir/Madam,

With reference to the Information System Audit engagement conducted between **Himalayan Everest Insurance Limited** and **Cynical Technology Pvt. Ltd.**, we are pleased to formally submit the Information System Audit Report outlining our detailed observations, assessments, and recommendations.

The audit was carried out in alignment with applicable regulatory requirements, recognized international standards, and industry best practices. The primary objective of this engagement was to evaluate the effectiveness of information security controls, governance mechanisms, and overall compliance posture of the organization.

We kindly request the management to review the findings and initiate appropriate corrective and preventive measures where necessary. Should you require any clarification or further assistance regarding the report, we remain at your disposal

Thank you for the opportunity to be of service.

Sincerely,  


Naresh Lamgade

Founder/CEO

CISA





## Financial Statements & Related Disclosures:

### Statement of Responsibilities of Chief Financial Officer

The Chief Finance Officer (CFO) is responsible for ensuring the accuracy, transparency, and compliance of the company's annual financial statements with the prevailing Act Rules Regulations.

#### The key responsibilities include:

##### Preparation and Fair Presentation:

Ensuring that the annual financial statements are prepared in accordance with applicable accounting standards, laws, and regulatory requirements.

Presenting a true and fair view of the company's financial position, performance, and cash flows.

Ensuring transparency in financial disclosures.

##### Compliance with Regulatory Standards

Adhering to accounting principles (e.g., IFRS, GAAP) and relevant financial reporting laws.

Ensuring compliance with corporate governance policies and statutory reporting requirements.

##### Accuracy and Integrity of Financial Data

Ensuring that financial statements are free from material misstatement, whether due to fraud or error.

Reviewing and validating financial reports before submission to the Board of Directors and regulatory authorities.

##### Ethical and Professional Conduct

Ensuring financial reporting aligns with the company's strategic goals and long-term sustainability.

Through the above key responsibilities, Chief Finance Officer ensures that the company's financial statements accurately reflect its financial health and comply with the regulatory requirements set forth by the Nepal Insurance Authority.

### Rajkumar Khadka

Chief Financial Officer



**Saket Singhal**

**Actuaries & Financial Consultants**

503, Ellora Fiesta, Sector 11, Sanpada (W),  
Opp. Juinagar Station, Navi Mumbai,  
Maharashtra India – 400705  
Tel : (+91) 9987050647, 9967970647

Date: 29<sup>th</sup> December 2025

To,  
**Himalayan Everest Insurance Limited,**  
Thapagaun, Baneshwor,  
Kathmandu, Nepal

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

Dear Sirs,

We have carried out actuarial valuation of insurance (Incurred But Not (Enough) Reported, Premium Deficiency along with the Margin Over Best Estimates) and employee benefits (Earned and Sick Leave Schemes) liabilities for Himalayan Everest Insurance Limited as on 16<sup>th</sup> July 2025. The data required for the valuations was provided by the management of the Company. The assumptions and other information considered for the valuation were discussed with the Company.

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

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

Best Regards

Saket Singhal

(Fellow of Institute of Actuaries of India)

(Certificate of Practice Number: 175/058)

Place: Navi Mumbai

## **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 HEI 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, fines 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. Aso, services charge has been paid within stipulated timeline to Nepal Insurance Authority.

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

The share structure of the company is as follows:

<b>Particulars</b>	<b>Percentage of ownership</b>
Promotor Share Holding	51.10%
Public Share Holding	48.9%

##### **3. Solvency Ratio:**

The solvency ratio of the company as on Year Ended 32nd Asar 2082 under Risk Based Capital and Solvency Directive 2025 stands to 438.1%, which is well above than the minimum requirement of 130% 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 as per Risk Based Capital and Solvency Directive, 2025 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 32nd Asar 2082.

Particulars	Number
Number of Claim Settled (FY 2081/82)	11,900
Number of Claim Outstanding (As on 32nd Asar 2082) (including 5,832 Covid Claim)	8,444

## 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, 2081, 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 32nd Asar 2082, 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 has 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 the Insurance Act, 2079, Insurance Regulation, 2081, 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 2081/82.

## 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

Place : Kathmandu  
Date : 11-Poush-2082

UDIN: 251226CA01923npASd

**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 32, 2082 (July 16, 2025), 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 32, 2082 (July 16, 2025), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

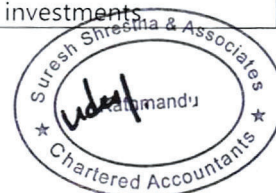
**Basis for opinion**

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.

**Key audit matters**

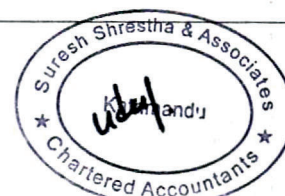
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the financial year ended on Ashad 32, 2082 (July 16, 2025). These matters were addressed in the context of our audit of the financial statements as a whole, and 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.

<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Investments</b> (Refer Note 3.5 "Financial instruments, financial assets and financial liabilities" and Note 10 of the financial statements)</p> <p>The Company's investments represent substantial portion of the assets as at Ashad 32, 2082 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.</p> <p>Valuation of actively traded equity shares and mutual fund units are done as per the last traded 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>Our audit procedures included the following:</p> <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 – Financial Instruments along with the Company's own valuation policy.</li> <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> </ul>



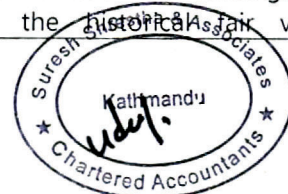


<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p>Unlisted equity instruments and mutual fund units are measured at cost.</p> <p>All other securities including debt instruments have been measured at historical cost subject to amortization of premium paid, if any, over the 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>	<ul style="list-style-type: none"> <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>  <i>(Refer Note 3.14 "Benefits and claims"; Note 3.11 "Insurance contract liabilities"; Note 33 and Note 19 of the financial statements)</i></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 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 32, 2082 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 with the liabilities recognised in the financial statements.</li> <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>





<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<b>Revenue Recognition (Premium Income)</b> <i>(Refer Note 3.13 "Revenue recognition" and Note 25 of the financial statements)</i>	
<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 with special attention to the timestamp 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>
<b>Gain on disposal of FVOCI Instrument</b> <i>(Refer Note 31 and statement of changes in equity of the financial statements)</i>	
<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 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</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 requirements of NAS 39 – Financial Instruments: Recognition and Measurement read together with NFRS 9 – Financial Instruments.</li> <li>▪ Checked the accuracy of the amount that has been recognised to retained earnings by analyzing both the historical and fair value</li> </ul>





<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p>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 32, 2082, the Company have recognised loss of Rs. 2,905,235 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>adjustment to other comprehensive income (OCI) and the current disposal value of the FVOCI instruments.</p> <ul style="list-style-type: none"> <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:

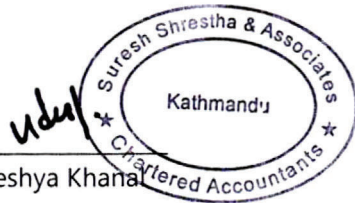
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
-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



Udeshya Khana  
Partner  
Suresh Shrestha & Associates  
Chartered Accountants

Place: Kathmandu

Date: December 26, 2025 (Poush 11, 2082)

**HIMALAYAN EVEREST INSURANCE LIMITED****Statement of Financial Position**

As at Ashad 32, 2082 (July 16, 2025)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>ASSETS</b>			
Goodwill & Intangible Assets	4	17,145,750	18,868,120
Property and Equipment	5	1,175,836,559	1,051,365,598
Investment Properties	6	-	-
Deferred Tax Assets	7	-	12,531,846
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	210,161,858
Investments	10	5,242,231,416	4,818,274,239
Loans	11	-	-
Reinsurance Assets	12	2,697,992,261	2,847,849,366
Current Tax Assets	21	188,503,919	75,341,583
Insurance Receivables	13	523,215,128	457,156,412
Other Assets	14	76,107,083	85,042,482
Other Financial Assets	15	114,113,235	86,397,271
Cash and Cash Equivalent	16	145,744,832	175,773,574
<b>TOTAL ASSETS</b>		<b>10,180,890,183</b>	<b>9,838,762,349</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital	17 (a)	2,500,157,400	2,500,157,400
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17 (c)	-	-
Special Reserves	17 (d)	1,913,190,116	1,667,570,965
Catastrophe Reserves	17 (e)	82,195,510	69,914,552
Retained Earnings	17 (f)	301,556,975	304,786,863
Other Equity	17 (g)	414,274,032	383,881,726
<b>TOTAL EQUITY</b>		<b>5,211,374,034</b>	<b>4,926,311,506</b>
<b>LIABILITIES</b>			
Provisions	18	8,161,536	1,681,849
Gross Insurance Contract Liabilities	19	3,855,161,138	3,998,842,065
Deferred Tax Liabilities	7	54,705,673	-
Insurance Payable	20	580,005,198	358,680,424
Current Tax Liabilities	21	-	-
Borrowings	22	-	-
Other Liabilities	23	273,566,694	340,693,164
Other Financial Liabilities	24	197,915,910	212,553,341
<b>TOTAL LIABILITIES</b>		<b>4,969,516,149</b>	<b>4,912,450,843</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,180,890,183</b>	<b>9,838,762,349</b>

**The accompanying notes form an Integral Part of 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

**Anju Shrestha**  
Chief Executive Officer

**Rajkumar Khadka**  
Chief Financial Officer

**Udeshya Khanal**  
Partner

 Suresh Shrestha & Associates  
Chartered Accountants

 Place : Kathmandu  
Date : 11-Poush-2082

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Statement of Profit or Loss**

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad 2082)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>INCOME</b>			
Gross Earned Premiums	25	4,910,110,704	3,384,296,904
Premiums Ceded	26	(2,996,733,380)	(2,104,185,974)
<b>Net Earned Premiums</b>		<b>1,913,377,324</b>	<b>1,280,110,930</b>
Commission Income	27	544,552,849	342,886,515
Other Direct Income	28	-	-
Income from Investments & Loans	29	219,223,683	344,043,010
Net Gain/ (Loss) on Fair Value Changes	30	-	-
Net Realised Gains/ (Losses)	31	4,531,045	361,558,301
Other Income	32	9,163,073	174,779,042
<b>TOTAL INCOME</b>		<b>2,690,847,973</b>	<b>2,503,377,798</b>
<b>EXPENSES</b>			
Gross Claims Paid	33	1,958,921,202	1,474,412,237
Claims Ceded	33	(883,556,159)	(756,662,048)
Gross Change in Contract Liabilities	34	480,103,271	(582,942,145)
Change in Contract Liabilities Ceded to Reinsurers	34	(316,635,322)	611,121,658
<b>Net Claims Incurred</b>		<b>1,238,832,992</b>	<b>745,929,702</b>
Commission Expenses	35	84,728,455	58,727,559
Service Fees	36	14,821,168	12,103,722
Other Direct Expenses	37	4,308,293	3,628,920
Employee Benefits Expenses	38	420,679,388	425,448,469
Depreciation and Amortization Expenses	39	33,486,253	20,513,155
Impairment Losses	40	-	132,852,751
Other Operating Expenses	41	296,402,987	221,749,258
Finance Cost	42	866,890	1,446,864
<b>TOTAL EXPENSES</b>		<b>2,094,126,426</b>	<b>1,622,400,400</b>
<b>Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax</b>		<b>596,721,547</b>	<b>880,977,398</b>
Share of Net Profit of Associates accounted using Equity Method	9	-	11,214,458
<b>Profit Before Tax</b>		<b>596,721,547</b>	<b>892,191,856</b>
Income Tax Expense	43	140,840,793	389,727,941
<b>Net Profit/(Loss) For The Year</b>		<b>455,880,754</b>	<b>502,463,915</b>
<b>Earning Per Share</b>	50		
Basic EPS		18.23	20.10
Diluted EPS		18.23	20.10

**The accompanying notes form an Integral Part of 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

**Anju Shrestha**  
Chief Executive Officer

**Rajkumar Khadka**  
Chief Financial Officer

**Udeshya Khanal**  
Partner

Suresh Shrestha & Associates  
Chartered Accountants

Place : Kathmandu  
Date : 11-Poush-2082



**HIMALAYAN EVEREST INSURANCE LIMITED****Statement of Other Comprehensive Income**

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad 2082)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
<b>Net Profit/(Loss) For the Year</b>		<b>455,880,754</b>	<b>502,463,915</b>
<b>Other Comprehensive Income</b>			
<b>a) Items that are or may be Reclassified to Profit or Loss</b>			
Changes in Fair Value of FVOCI Debt Instruments			-
Cash Flow Hedge - Effective Portion of Changes in Fair Value			-
Exchange differences on translation of Foreign Operation			-
Share of other comprehensive income of associates accounted for using the equity method	9	-	-
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		93,677,221	20,619,630
Revaluation of Property and Equipment/ Goodwill & Intangible Assets		-	370,212,473
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		(28,103,165)	(117,249,631)
<b>Total Other Comprehensive Income For the Year, Net of Tax</b>		<b>65,574,056</b>	<b>273,582,472</b>
<b>Total Comprehensive Income For the Year, Net of Tax</b>		<b>521,454,810</b>	<b>776,046,387</b>

**The accompanying notes form an Integral Part of 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**  
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As per our report of even date

**Bijay Kumar Pant**  
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**Anju Shrestha**  
Chief Executive Officer

**Rajkumar Khadka**  
Chief Financial Officer

**Udeshya Khanal**  
Partner

 Suresh Shrestha & Associates  
Chartered Accountants

 Place : Kathmandu  
Date : 11-Poush-2082

## HIMALAYAN EVEREST INSURANCE LIMITED

### Statement of Changes In Equity

For Period 16th July, 2024 – 16th July, 2025 (For the Year Ended Ashad 2082)

Fig. in NPR

Particulars	Ordinary Share	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
<b>Balance as on</b>																
<b>Shrawan 1, 2080</b>	2,301,535,000	-	-	-	226,482,875	-	1,410,503,655	191,053,636	57,061,186	4,673,583	-	8,706,900	-	90,362,723	-	4,290,379,558
<b>Prior period adjustment</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance as at Shrawan 1, 2080	2,301,535,000	-	-	-	226,482,875	-	1,410,503,655	191,053,636	57,061,186	4,673,583	-	8,706,900	-	90,362,723	-	4,290,379,558
Profit/(Loss) For the Year	-	-	-	-	502,463,915	-	-	-	-	-	-	-	-	-	-	502,463,915
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	-	-	-	-	-	-	-	-	-	-	-	14,433,741	-	-	-	14,433,741
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Remeasurement of Post-Employment Benefit Obligations	-	-	-	-	-	259,148,731	-	-	-	-	-	-	-	-	-	259,148,731
Transfer to Reserves/ Funds	-	-	-	-	(275,062,022)	-	257,067,310	-	12,853,366	5,141,346	-	-	-	-	-	-
Transfer to Deferred Tax Reserves	-	-	-	-	(31,360,410)	-	-	-	-	-	-	-	-	31,360,410	-	-
Transfer of Depreciation on Revaluation of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Revalued Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer on Disposal of Equity Instruments Measured at FV/OCI	-	-	-	-	39,299,583	-	-	-	-	-	-	(27,509,708)	-	-	-	11,789,875
Transfer on Writeoff of Goodwill	-	-	-	-	-	-	-	(2,860,535)	-	-	-	-	-	-	-	(2,860,535)
Share Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Reserve utilized	-	-	-	-	-	-	-	(2,436,000)	-	-	-	-	-	-	-	(2,436,000)
Contribution by/ Distribution to the owners of the Company	-	-	-	-	(10,429,299)	-	-	(188,193,101)	-	-	-	-	-	-	-	-
i) Bonus Share Issued	198,622,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Cash Dividend	-	-	-	-	(142,585,223)	-	-	-	-	-	-	-	-	-	-	(142,585,223)
iv) Dividend Distribution Tax	-	-	-	-	(4,022,556)	-	-	-	-	-	-	-	-	-	-	(4,022,556)
v) Others (To be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh end, 2081</b>	2,500,157,400	-	-	-	304,786,863	259,148,731	1,667,570,965	-	69,914,552	7,378,929	-	(4,369,067)	-	121,723,133	-	4,926,311,506

Particulars	Ordinary Share	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
<b>Balance as on Shrawan 1, 2081</b>	<b>2,500,157,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>304,786,863</b>	<b>259,148,731</b>	<b>1,667,570,965</b>	<b>-</b>	<b>69,914,552</b>	<b>7,378,929</b>	<b>-</b>	<b>(4,369,067)</b>	<b>-</b>	<b>121,723,133</b>	<b>-</b>	<b>4,926,311,506</b>
Prior period adjustment																
Restated Balance as at Shrawan 1, 2080	2,500,157,400	-	-	-	304,786,863	259,148,731	1,667,570,965	-	69,914,552	7,378,929	-	(4,369,067)	-	121,723,133	-	4,926,311,506
Profit/(Loss) For the Year					455,880,754											455,880,754
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												65,574,055				65,574,055
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets																-
vi) Remeasurement of Post-Employment Benefit Obligations																-
vii) Derecognition of Investment in Associates																-
Transfer to Reserves/ Funds					(101,61,858)											(101,61,858)
Transfer to Staff Training Reserves					(262,812,492)		245,619,151		12,280,958	4,912,383					2,730,067	-
Transfer to Deferred Tax Reserves					(2,730,067)										(38,262,783)	-
Transfer of Depreciation on Revaluation of Property and Equipment					38,262,783											-
Transfer on Disposal of Property and Equipment																-
Transfer on Disposal of Equity Instruments Measured at FVTOCI					(2,905,235)							2,033,664				(871,571)
Transfer on Writeoff of Goodwill																-
Share Issuance Costs																-
Corporate Social Responsibility Reserve utilized Contribution by/ Distribution to the owners of the Company										(6,595,080)						(6,595,080)
i) Bonus Share Issued																-
ii) Share Issue																-
iii) Cash Dividend					(210,555,269)											(210,555,269)
iv) Dividend Distribution Tax					(8,208,504)											(8,208,504)
v) Others (To be specified)																-
<b>Balance as on Ashadh end, 2082</b>	<b>2,500,157,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>301,556,975</b>	<b>259,148,731</b>	<b>1,913,190,116</b>	<b>-</b>	<b>82,195,510</b>	<b>5,696,232</b>	<b>-</b>	<b>63,238,652</b>	<b>-</b>	<b>83,460,350</b>	<b>2,730,067</b>	<b>5,211,374,034</b>

The accompanying notes form an Integral Part of 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

**Anju Shrestha**  
Chief Executive Officer

**Rajkumar Khadka**  
Chief Financial Officer

**Udeshya Khanal**  
Partner  
Suresh Shrestha & Associates  
Chartered Accountants

Place : Kathmandu  
Date : 11-Poush-2082



**HIMALAYAN EVEREST INSURANCE LIMITED**
**Statement of Cash Flows**

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad 2082)

Fig. in NPR

Particulars	Current Year	Previous Year
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Cash Received</b>		
Gross Premium Received	4,043,284,541	3,605,732,317
Reinsurance Commission Received	201,666,334	268,765,170
Claim Recovery Received from Reinsurers	495,530,454	1,270,763,840
Realised Foreign Exchange Income other than on Cash and Cash Equivalents	(1,796,685)	40,859
Other Direct Income Received	-	-
Others (Miscellaneous Income)	729,028	6,515,948
<b>Cash Paid</b>		
Gross Benefits and Claims Paid	(1,914,891,153)	(1,214,762,671)
Reinsurance Premium Paid	(1,535,151,378)	(2,585,041,513)
Commission Paid	(64,950,177)	(52,191,015)
Service Fees Paid	(49,266,516)	(27,364,966)
Employee Benefits Expenses Paid	(406,565,690)	(399,222,503)
Other Expenses Paid	(364,729,551)	(267,885,179)
Other Direct Expenses Paid	(5,897,716)	(7,048,255)
Others (CSR Utilised)	(4,995,080)	(2,749,500)
Others (to be specified)	-	-
Income Tax Paid	(167,076,976)	(466,208,637)
<b>Net Cash Flow From Operating Activities [1]</b>	<b>225,889,435</b>	<b>129,343,895</b>
<b>Cash Flow From Investing Activities</b>		
Acquisitions of Intangible Assets	(225,000)	(3,012,132)
Proceeds From Sale of Intangible Assets	-	-
Acquisitions of Investment Properties	-	-
Proceeds From Sale of Investment Properties	-	-
Acquisitions of Property & Equipment	(159,778,426)	(389,159,679)
Proceeds From Sale of Property & Equipment	1,897,689	775,897
Investment in Subsidiaries	-	-
Receipts from Sale of Investments in Subsidiaries	-	-
Investment in Associates	-	-
Receipts from Sale of Investments in Associates	-	-
Purchase of Equity Instruments	(116,407,444)	(397,387,812)
Proceeds from Sale of Equity Instruments	468,989	562,632,920
Purchase of Mutual Funds	-	-
Proceeds from Sale of Mutual Funds	2,182,505	3,209,021
Purchase of Preference Shares	-	-
Proceeds from Sale of Preference Shares	-	-
Purchase of Debentures	(28,298,000)	(71,164,888)
Proceeds from Sale of Debentures	-	-
Purchase of Bonds	-	-
Proceeds from Sale of Bonds	-	-
Investments in Deposits	(4,200,074,200)	(3,742,506,300)
Maturity of Deposits	4,244,545,600	3,680,387,500
Loans Paid	-	-
Proceeds from Loans	-	-
Rental Income Received	3,144,815	-
Proceeds from Finance Lease	-	-
Interest Income Received	207,550,070	329,383,408

Particulars	Current Year	Previous Year
Dividend Received	5,450,274	9,526,984
Others (to be specified)		-
<b>Total Cash Flow From Investing Activities [2]</b>	<b>(39,543,128)</b>	<b>(17,315,081)</b>
<b>Cash Flow From Financing Activities</b>		
Interest Paid		-
Proceeds From Borrowings		-
Repayment of Borrowings		-
Payment of Finance Lease		-
Proceeds From Issue of Share Capital		-
Share Issuance Cost Paid		-
Dividend Paid	(210,555,269)	(142,585,224)
Dividend Distribution Tax Paid	(8,208,504)	(4,022,556)
Others (to be specified)		-
<b>Total Cash Flow From Financing Activities [3]</b>	<b>(218,763,773)</b>	<b>(146,607,780)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents [1+2+3]</b>	<b>(32,417,467)</b>	<b>(34,578,966)</b>
Cash & Cash Equivalents At Beginning of The Year/Period	175,773,573	207,456,354
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,388,725	2,896,185
<b>Cash &amp; Cash Equivalents At End of The Year/Period</b>	<b>145,744,832</b>	<b>175,773,573</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash In Hand	1,379,998	1,124,800
Cheque in Hand	-	-
Term Deposit with Banks (with initial maturity upto 3 months)		-
Balance With Banks	144,364,834	174,648,774

**The accompanying notes form an Integral Part of Financial Statements.**

For and on behalf of Himalayan Everest Insurance Limited

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Place : Kathmandu  
Date : 11-Poush-2082

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Statement of Distributable Profit or Loss**

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad 2082)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	304,786,863	226,482,875
Retained earning brought in from merger		-
Transfer from OCI reserves to retained earning in current year	(2,905,235)	39,299,583
Net profit or (loss) as per statement of profit or loss	455,880,754	502,463,915
<b>Appropriations</b>		
i) Transfer to Insurance Fund		
ii) Transfer to Special Reserve	(245,619,151)	(257,067,310)
iii) Transfer to Catastrophe Reserve	(12,280,958)	(12,853,366)
iv) Transfer to Capital Reserve		-
v) Transfer to CSR reserve	(4,912,383)	(5,141,346)
vi) Transfer to/from Regulatory Reserve		-
vii) Transfer to Fair Value Reserve		-
viii) Transfer of Deferred Tax Reserve	38,262,783	(31,360,410)
ix) Transfer to OCI reserves due to change in classification		-
x) Others (Transfer to Staff Training Reserve)	(2,730,067)	-
<b>Deductions</b>		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments		-
b) Mutual Fund		-
c) Others (if any)		-
ii) Accumulated Fair Value gain on Investment Properties		-
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges		-
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges		-
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges		-
vi) Goodwill Recognised		-
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency	(2,388,730)	(4,120,485)
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account	(10,161,858)	(10,161,858)
ix) Overdue loans		-
x) Fair value gain recognised in Statement of Profit or Loss		-
xi) Investment in unlisted shares		-
xii) Delisted share Investment or mutual fund investment		-
xiii) Bonus share/ dividend paid	(218,763,773)	(157,037,078)
xiv) Deduction as per Sec 16 of Financial directive		-
xv) Deduction as per Sec 17 of Financial directive	(1,000,000)	-
xvi) Deduction as per Sec 18 of Financial directive	(56,747,627)	(61,825,249)
xvii) Others (to be specified)		-
<b>Adjusted Retained Earning</b>	<b>241,420,618</b>	<b>228,679,271</b>
Add: Transfer from Share Premium Account		-
Less: Amount apportioned for Assigned capital		-
Less: Deduction as per sec 15(1) Of Financial directive	-	(4,369,067)
Add/Less: Others (to be specified)		-
<b>Total Distributable Profit/(loss)</b>	<b>241,420,618</b>	<b>224,310,204</b>

**The accompanying notes form an Integral Part of Financial Statements.**

For and on behalf of Himalayan Everest Insurance Limited

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Partner

Suresh Shrestha & Associates  
Chartered Accountants

Place : Kathmandu  
Date : 11-Poush-2082



## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes forming Part of Financial Statements

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad 2082)

#### 1. Company overview

Himalayan Everest Insurance Company 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 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 HEI House, Babar Mahal, Kathmandu, Nepal. The Company's share is 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 subsidiaries. It has investment in Nepal Infrastructure Investment Fund Limited with significant stakes and accounted the same as investment in companies.

The company merged with Everest Insurance Limited and commenced joint operation in the name of the merged entity, Himalayan Everest Insurance Limited from Shrawan 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 Shrawan 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 11th Poush 2082 (26th December, 2025).

##### 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 Shrawan 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:

- 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.
- c. Insurance contract liabilities are actuarially determined values under the Actuarial Valuation Directive 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 recognized in the period in which the estimate is revised if the revision affects only that period; they are recognized 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)
Margin over best estimate	Note 3.11(d)
Earthquake reserve	Note 3.11(e)
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 Shrawan 1, 2080 (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 recognize 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 recognize in the future period.

NFRS 17 becomes effective from financial year commencing from Shrawan 1, 2082 (July 16, 2025). 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 recognized 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 recognized 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 derecognized 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 derecognized 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 recognized 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 recognized 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, and system development which are to be capitalized. Capital work-in-progress are capitalized 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 recognized immediately in the statement of profit or loss as a bargain purchase gain.

##### ***ii. Amortization and impairment***

Goodwill is not amortized 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 recognized for goodwill is not reversed in a subsequent period.

#### ***b. Other intangible assets***

##### ***iii. Initial recognition***

Intangible assets are recognized 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 amortization and accumulated impairment losses, if any.

##### ***iv. Subsequent recognition***

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

##### ***v. Amortization***

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 amortized using the straight-line method to write down the cost over its estimated useful economic lives and is recognized in statement of profit or loss.

<b>Class of intangible assets</b>	<b>Useful life</b>
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 derecognized upon disposal or when no future economic benefits are expected from their use. Any gain or loss arising on derecognition of the asset, is recognized in statement of profit or loss in the year the asset is derecognized.

#### **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 recognized in the statement of profit or loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

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

Land previously carried at historical cost, however, has been revalued and presented accordingly in the financial statement. buildings are depreciated over their estimated useful lives as mentioned above.

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

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 recognized 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 amortized 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 recognized 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 amortized 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 amortized cost***

A financial asset is measured at amortized 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 amortized 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 recognized 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 recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized 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 amortized 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 derecognized 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 derecognized 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 recognized 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 amortized 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 are recognized for all financial assets which are considered as doubtful of recovery. Losses arising from impairment are recognized in the statement of profit or loss.

### **c. Financial liabilities**

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

#### *i. Subsequent measurement*

After initial recognition, financial liabilities are subsequently measured at amortized cost. Any discount or premium on redemption / settlement is recognized 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 derecognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## **3.6 Reinsurance assets**

The Company cedes insurance risk in the normal course of business to recognize 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 are 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 recognized in the statement of profit or loss.

Reinsurance assets are derecognized 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 amortized over the period in which the related revenues are earned. All other costs are recognized 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 utilized for issuing fully paid bonus shares to the ordinary shareholders.

#### **b. Revaluation reserves**

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

#### **c. Special reserve**

Represents appropriation of 50% of net profit for the year as per Insurance Act, 2079. 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 the regulator's directive.

#### **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. Catastrophe 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.

#### **f. Corporate social responsibility reserve**

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

#### **g. 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.

#### **h. 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.)

#### ***i. Deferred tax reserve***

Represents amount appropriated from retained earnings for an amount equal to deferred tax assets recognized.

#### ***j. 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 the previous reporting period.

### **3.11 Insurance contract liabilities**

Insurance contract liabilities include outstanding claim reserve (OCR) including liability recognized for incurred but not reported (IBNR) claims and provision for unearned risk premiums (UPR). Insurance contract liabilities are derecognized 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 recognized 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 recognized based on liability assessed by Actuary.

#### ***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 recognized based on liability assessed by Actuary.

#### ***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 recognized based on liability assessed by Actuary.

#### ***d. Margin over best estimate***

Margin over best estimate (MOBE) is actuarially calculated as required by the Risk Based Capital and Solvency Directive, 2078 to reflect the inherent uncertainty in cash flows related to incurred but not reported claims (IBNR) and is calculated to ensure a confidence level of not lower than 75%.

#### ***e. Earthquake reserve***

Earthquake reserve is the accumulation of earthquake premiums and is calculated at 15% of accumulated earthquake premium. Any earthquake premium contributed to the EPR shall remain in the reserves, up to 150% of the highest gross premium amounts of the last 5 years.

#### ***f. 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 recognized 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 recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### **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 recognized 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 recognized 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 recognized 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 these comprise of contributions to the social security fund with the government.

#### **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 recognizes 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 recognizes costs for a restructuring that is within the scope of NAS 37 and involves the payment of termination benefits.

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

### **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 recognized 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 recognized 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 recognized 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 amortized over the period in which the related revenues are earned.

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

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

Interest income is recognized 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 recognized when the right to receive dividend is established.

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

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

### **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 recognized when the related gross insurance claim is recognized 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 provide 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 recognized 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 amortization and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally amortized 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 recognized as expense in the periods in which they are incurred. Interest on lease liability is recognized 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that the future taxable amounts will be available to utilize 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 recognized 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 recognized in statement of profit or loss.

### **3.22 Dividend distribution**

Dividends paid are recognized 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 organized 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.

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

**HIMALAYAN EVEREST INSURANCE LIMITED****Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**4. GOODWILL & INTANGIBLE ASSETS**

Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be Specify)	Total
<b>Gross carrying amount</b>				
<b>As at Ashadh 31, 2080</b>	<b>26,229,140</b>	<b>2,860,535</b>	<b>-</b>	<b>29,089,675</b>
<b>Additions during the year</b>				
Acquisition	3,012,132	-	-	3,012,132
Internal Development	-	-	-	-
Business Combination( to be Specified)	-	-	-	-
Disposals during the year	-	-	-	-
Write-offs during the year	-	(2,860,535)	-	(2,860,535)
Revaluation/Adjustment	651,106	-	-	651,106
<b>Balance as at Ashadh 31, 2081</b>	<b>29,892,378</b>	<b>-</b>	<b>-</b>	<b>29,892,378</b>
<b>Additions during the year</b>				
Acquisition	1,425,000			1,425,000
Internal Development				-
Business Combination( to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment				-
<b>Balance as at Ashadh 32, 2082</b>	<b>31,317,378</b>	<b>-</b>	<b>-</b>	<b>31,317,378</b>
<b>Accumulated amortization and impairment</b>				
<b>As at Ashadh 31, 2080</b>	<b>8,097,488</b>	<b>-</b>	<b>-</b>	<b>8,097,488</b>
Additions during the year	2,607,186	-	-	2,607,186
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
Revaluation/Adjustment	319,584	-	-	319,584
<b>Balance as at Ashadh 31, 2081</b>	<b>11,024,258</b>	<b>-</b>	<b>-</b>	<b>11,024,258</b>
Additions during the year	3,147,370			3,147,370
Disposals during the year	-			-
Impairment during the year	-			-
Revaluation/Adjustment				-
<b>Balance as at Ashadh 32, 2082</b>	<b>14,171,628</b>	<b>-</b>	<b>-</b>	<b>14,171,628</b>
<b>Capital Work-In-Progress</b>				
<b>As at Ashadh 31, 2080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additions during the year	-	-	-	-
Capitalisation during the year	-	-	-	-
Disposals during the year	-	-	-	-
Impairment during the year	-	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
<b>Balance as on Ashadh 32, 2082</b>				
<b>Net Carrying Amount</b>				
<b>As on Ashadh 31, 2081</b>	<b>18,868,120</b>	<b>-</b>	<b>-</b>	<b>18,868,120</b>
<b>As on Ashadh 32, 2082</b>	<b>17,145,750</b>	<b>-</b>	<b>-</b>	<b>17,145,750</b>

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 5. PROPERTY AND EQUIPMENT

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Fig in NPR									
<b>Gross carrying amount</b>									
<b>Balance as on Ashadh 31, 2080</b>	<b>35,404,075</b>	<b>12,066,955</b>	<b>14,102,585</b>	<b>38,347,252</b>	<b>35,042,942</b>	<b>24,411,589</b>	<b>44,655,876</b>	<b>-</b>	<b>204,031,274</b>
Additions during the year									
Acquisition	223,870,038	-	6,302,736	3,141,337	5,157,965	5,269,047	15,481,463	-	259,222,586
Capitalization	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	(57,666)	-	(92,920)	-	(623,131)	-	(773,717)
Write-offs during the year	-	-	(339,364)	(1,043,070)	(4,941,475)	(3,082,127)	(321,306)	-	(9,727,342)
Revaluation during the year	370,212,473	-	-	-	-	-	-	-	370,212,473
Transfer/ adjustments	-	-	5,670,271	(7,271,870)	6,239,330	(5,288,837)	-	-	(651,106)
<b>Balance as on Ashadh 31, 2081</b>	<b>629,486,586</b>	<b>12,066,955</b>	<b>25,678,562</b>	<b>33,173,649</b>	<b>41,405,842</b>	<b>21,309,672</b>	<b>59,192,902</b>	<b>-</b>	<b>822,314,168</b>
Additions during the year									
Acquisition	-	329,836,139	7,418,658	12,066,629	12,237,053	67,035,576	-	12,832,389	441,426,444
Capitalization	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	(231,699)	(260,802)	(85,381)	-	(3,449,099)	-	(4,026,981)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 32, 2082</b>	<b>629,486,586</b>	<b>341,903,094</b>	<b>32,865,521</b>	<b>44,979,476</b>	<b>53,557,514</b>	<b>88,345,248</b>	<b>55,743,803</b>	<b>12,832,389</b>	<b>1,259,713,631</b>
<b>Accumulated depreciation and impairment</b>									
<b>Balance as on Ashadh 31, 2080</b>	<b>-</b>	<b>241,339</b>	<b>8,060,008</b>	<b>18,865,098</b>	<b>23,967,651</b>	<b>14,608,662</b>	<b>19,406,070</b>	<b>-</b>	<b>85,148,828</b>
Additions during the year	-	241,353	2,314,832	2,458,152	3,420,833	2,842,451	3,521,959	-	14,799,580
Disposals during the year	-	-	(8,531)	-	(7,281)	-	(442,264)	-	(458,076)
Write-offs during the year	-	-	(33,656)	(568,961)	(4,281,145)	(2,236,852)	(263,175)	-	(7,383,789)
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	3,055,761	(4,080,924)	2,941,133	(2,235,556)	-	-	(319,586)
<b>Balance as on Ashadh 31, 2081</b>	<b>-</b>	<b>482,692</b>	<b>13,388,414</b>	<b>16,673,365</b>	<b>26,041,191</b>	<b>12,978,705</b>	<b>22,222,590</b>	<b>-</b>	<b>91,786,957</b>
Additions during the year	-	4,221,024	3,264,935	3,185,483	5,445,377	6,657,685	4,505,469	818,157	28,098,130
Disposals during the year	-	-	(140,378)	(154,648)	(55,696)	-	(2,859,213)	-	(3,209,935)
Write-offs during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Transfer/ adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashadh 32, 2082</b>	<b>-</b>	<b>4,703,716</b>	<b>16,512,971</b>	<b>19,704,200</b>	<b>31,430,872</b>	<b>19,636,390</b>	<b>23,868,846</b>	<b>818,157</b>	<b>116,675,152</b>



**HIMALAYAN EVEREST INSURANCE LIMITED**  
**Notes to the Financial Statements**  
As at Ashad End, 2082 (July 16, 2025)

**5. PROPERTY AND EQUIPMENT**  
**Particulars**

	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Fig in NPR Total
<b>Capital Work-In-Progress</b>									
<b>Balance as on Ashadh 31, 2080</b>	-	181,394,807	-	-	1,944,444	-	-	-	183,339,251
Additions during the year	-	129,507,898	-	-	-	-	-	-	129,507,898
Capitalisation during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	(1,944,444)	-	-	-	(1,944,444)
<b>Balance as on Ashadh 31, 2081</b>	-	310,902,705	-	-	-	-	-	-	310,902,705
Additions during the year		(283,451,199)							(283,451,199)
Capitalisation during the year									
Disposals during the year									
Impairment during the year									
<b>Balance as on Ashadh 32, 2082</b>	-	27,451,506	-	-	-	-	-	-	27,451,506
<b>Net Carrying Amount</b>									
<b>As on Ashadh 31, 2081</b>	629,486,586	322,486,968	12,290,148	16,500,284	15,364,651	8,330,967	36,970,312	-	1,041,429,916
<b>As on Ashadh 32, 2082</b>	629,486,586	364,650,884	16,352,550	25,275,276	22,126,642	68,708,858	31,874,957	12,014,232	1,170,489,986
<b>Right-of-Use Assets (after Implementation of NFRS 16)</b>									
<b>Gross carrying amount</b>									
<b>Balance as on Ashadh 31, 2080</b>	-	-	-	-	-	-	-	18,061,890	18,061,890
Additions during the year	-	-	-	-	-	-	-	324,534	324,534
Disposals during the year	-	-	-	-	-	-	-	-	-
Write-offs during the year	-	-	-	-	-	-	-	-	-
Revaluation during the year	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	(2,353,567)	(2,353,567)
<b>Balance as on Ashadh 31, 2081</b>	-	-	-	-	-	-	-	16,032,857	16,032,857
Additions during the year									
Disposals during the year									
Write-offs during the year									
Revaluation during the year									
Transfer/Adjustment								(4,079,629)	(4,079,629)
<b>Balance as on Ashadh 32, 2082</b>	-	-	-	-	-	-	-	11,953,228	11,953,228

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**HIMALAYAN EVEREST INSURANCE LIMITED****Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**6. INVESTMENT PROPERTIES**

The Company did not hold any investment property as at the end of the reporting period.

Investment Properties at Cost

Fig. in NPR

Particulars	Land	Building	Total
<b>Gross carrying amount</b>			
<b>As at Shrawan 1, 2080</b>			-
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluation/Adjustment	-	-	-
<b>Balance as at Ashadh 31, 2081</b>	-	-	-
Additions during the year	-	-	-
Acquisition	-	-	-
Subsequent Expenditure	-	-	-
Assets classified as held for sales	-	-	-
Disposals during the year	-	-	-
Revaluation/Adjustment	-	-	-
<b>Balance as at Ashadh 32, 2082</b>	-	-	-

**Accumulated depreciation and impairment**

<b>As at Shrawan 1, 2080</b>			-
Additions during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
<b>Balance as at Ashadh 31, 2081</b>	-	-	-
Additions during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
Transfer/Adjustments	-	-	-
<b>Balance as at Ashadh 32, 2082</b>	-	-	-

**Capital Work-In-Progress**

<b>As on Shrawan 1, 2080</b>			
Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
<b>Balance as on Ashadh 31, 2081</b>	-	-	-



**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

Additions during the year	-	-	-
Capitalisation during the year	-	-	-
Disposals during the year	-	-	-
Impairment during the year	-	-	-
<b>Balance as on Ashadh 32, 2082</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Net Carrying Amount**

<b>Net Balance As At Ashad 31, 2081</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Balance As At Ashad 32, 2082</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
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>	<b>-</b>	<b>-</b>

**(ii) Fair value of investment properties**

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

**Notes on Cost :**

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

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences,
- discounted cash flow projections based on reliable estimates of future cash flows,
- capitalised income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.

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

**(iii) Disclosure on restriction on the realisability of investment properties:**
**(iv) Contractual obligations:**

**HIMALAYAN EVEREST INSURANCE LIMITED****Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

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

Fig. in NPR

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
Goodwill & Intangible Assets	2,636,380		2,636,380	1,695,958	-	1,695,958
Property and Equipment	(18,492,230)	(111,063,742)	(129,555,972)	(10,223,379)	(111,063,742)	(121,287,121)
Investment in Associates			-	-	-	-
Financial Assets at FVPTL			-	-	-	-
Financial Assets at FVTOCI		(27,102,281)	(27,102,281)	-	1,872,455	1,872,455
Provision for Leave	9,457,412		9,457,412	8,615,695	-	8,615,695
Provision for Gratuity	17,218,309		17,218,309	17,258,415	-	17,258,415
Impairment Loss on Financial Assets			-	-	-	-
Impairment Loss on Other Assets			-	-	-	-
Provision for unrealised premium			-	-	-	-
Unearned Premium Reserve	(91,791,910)		(91,791,910)	7,839,123	-	7,839,123
Premium Deficiency Reserve	274,559		274,559	24,969	-	24,969
Outstanding Claim Reserve	-		-	(123,874,409)	-	(123,874,409)
IBNR and IBNER Claims	24,643,580		24,643,580	146,435,329	-	146,435,329
Margin over Best Estimate	21,618,764		21,618,764	5,510,388	-	5,510,388
Earthquake Premium Reserve	15,525,598		15,525,598	6,964,672	-	6,964,672
Carry forward of unused tax losses			-	-	-	-
Changes in tax rate			-	-	-	-
Investment in Associates	60,000,000		60,000,000	(3,364,337)	-	(3,364,337)
Lease liability	347,436		347,436	3,390,797	-	3,390,797
Deferred fee and commission expenses	(5,047,589)		(5,047,589)	(10,906,183)	-	(10,906,183)
Deferred commission income	47,070,041		47,070,041	63,229,222	-	63,229,222
Provision for bad debt	-		-	8,434,781	-	8,434,781
Provision for probable salary	-		-	692,092	-	692,092
<b>Total</b>	<b>83,460,350</b>	<b>(138,166,023)</b>	<b>(54,705,673)</b>	<b>121,723,133</b>	<b>(109,191,287)</b>	<b>12,531,846</b>
Deferred Tax Asstes	198,792,079	-	198,792,079	270,091,441	1,872,455	271,963,896
Deferred Tax Liabilities	(115,331,729)	(138,166,023)	(253,497,752)	(148,368,308)	(111,063,742)	(259,432,050)

**MOVEMENTS IN DEFERRED TAX ASSETS/ (LIABILITIES)**

Particulars	Current Year			Previous Year		
	Through SOPL	Through SOCI	Total	Through SOPL	Through SOCI	Total
<b>As at Shrawan 1, 2081</b>	<b>121,723,134</b>	<b>(109,191,288)</b>	<b>12,531,846</b>	<b>94,094,255</b>	<b>(3,731,532)</b>	<b>90,362,723</b>
Components from merger				-	-	-
Charged/(Credited) to Statement of Profit or Loss	(38,262,784)		(38,262,784)	27,628,879	-	27,628,879
Charged/(Credited) to Other Comprehensive Income		(28,103,165)	(28,103,165)	-	(117,249,631)	(117,249,631)
Charged/(Credited) to Equity		(871,571)	(871,571)	-	11,789,875	11,789,875
<b>As at Ashadh 32, 2082</b>	<b>83,460,350</b>	<b>(138,166,023)</b>	<b>(54,705,673)</b>	<b>121,723,134</b>	<b>(109,191,288)</b>	<b>12,531,846.00</b>

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 8. INVESTMENT IN SUBSIDIARIES

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	-	-
Less: Impairment Losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### INVESTMENT IN QUOTED SUBSIDIARIES

Particulars	Current Year			Previous Year		
	COST	FAIR VALUE	(OR) EQUIT METHOD	COST	FAIR VALUE	(OR) EQUIT METHOD
..... Shares of ..... Rs. Each of ..... Ltd.	-	-	-	-	-	-
..... Shares of ..... Rs. Each of ..... Ltd.	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### INVESTMENT IN UNQUOTED SUBSIDIARIES

Particulars	Current Year			Previous Year		
	COST	FAIR VALUE	(OR) EQUIT METHOD	COST	FAIR VALUE	(OR) EQUIT METHOD
..... Shares of ..... Rs. Each of ..... Ltd.	-	-	-	-	-	-
..... Shares of ..... Rs. Each of ..... Ltd.	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### INFORMATION RELATING TO SUBSIDIARIES

Particulars	PERCENTAGE OF OWNESHIP	
	Current Year	Previous Year
..... Shares of ..... Rs. Each of ..... Ltd.	-	-
..... Shares of ..... Rs. Each of ..... Ltd.	-	-
..... Shares of ..... Rs. Each of ..... Ltd.	-	-
..... Shares of ..... Rs. Each of ..... Ltd.	-	-



**HIMALAYAN EVEREST INSURANCE LIMITED****Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**9. INVESTMENT IN ASSOCIATES**

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Quoted Associates		-
Investment in Unquoted Associates	-	210,161,858
Less: Impairment Losse		-
<b>Total</b>	<b>-</b>	<b>210,161,858</b>

**INVESTMENT IN QUOTED ASSOCIATES**

Particulars	Current Year			Previous Year		
	COST	FAIR VALUE	(OR) EQUITY METHOD	COST	FAIR VALUE	(OR) EQUITY METHOD
..... Shares of .... Rs. Each of ..... Ltd.	-	-	-	-	-	-
..... Shares of .... Rs. Each of ..... Ltd.	-	-	-	-	-	-
Add: Share of Profit or Loss for Earlier Years	-	-	-	-	-	-
Add: Share of Profit or Loss for Current Year	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**INVESTMENT IN UNQUOTED ASSOCIATES**

Particulars	Current Year			Previous Year		
	COST	FAIR VALUE	(OR) EQUITY METHOD	COST	FAIR VALUE	(OR) EQUITY METHOD
..... Shares of .... Rs. Each of ..... Ltd.			-	-	-	200,000,000
Add: Share of Profit or Loss for Earlier Years			-	-	-	-
Add: Share of Profit or Loss for Current Year			-	-	-	11,214,458
Less: Dividend Paid			-	-	-	(1,052,600)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,161,858</b>

**INFORMATION RELATING TO ASSOCIATES**

Particulars	Current Year	Previous Year
NAME		Nepal Infrastructure Investment Fund Ltd.
PLACE OF BUSINESS		NEPAL
ACCOUNTING METHOD		EQUITY METHOD
% OF OWNERSHIP	-	49.76%
CURRENT ASSETS	-	15,301,483
NON-CURRENT ASSETS	-	411,200,000
CURRENT LIABILITIES	-	3,423,226
NON-CURRENT LIABILITIES	-	-
INCOME		
NET PROFIT OR LOSS		24,295,424
OTHER COMPREHENSIVE INCOME	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-</b>	<b>24,295,424</b>
<b>COMPANY'S SHARE OF PROFITS</b>	<b>-</b>	<b>-</b>
NET PROFIT OR LOSS	-	11,214,458
OTHER COMPREHENSIVE INCOME	-	-

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 10. INVESTMENT

Fig. in NPR

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	3,989,138,718	4,005,312,118
i) Investment in Preference Shares of Bank and Financial Institutions	-	-
ii) Investment in Debentures	288,564,518	260,266,518
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
iv) Fixed Deposits in "A" Class Financial Institutions	2,992,874,200	3,097,373,600
v) Fixed Deposits in Infrastructure Banks	-	-
iv) Fixed Deposits in "B" Class Financial Institutions	457,200,000	476,672,000
iv) Fixed Deposits in "C" Class Financial Institutions	250,500,000	171,000,000
v) Others ( to be Specified)	-	-
Less: Impairment Losses	-	-
Investments at FVTOCI	1,253,092,698	812,962,121
i) Investment in Equity Instruments (Quoted)	564,467,559	472,124,532
ii) Investment in Equity Instruments (Unquoted)	568,656,761	284,560,000
iii) Investment in Mutual Funds	119,968,378	56,277,589
v) Investment in Debentures	-	-
v) Others ( to be Specified)	-	-
Investments at FVTPL	-	-
i) Investment in Equity Instruments (Quoted)	-	-
ii) Investment in Equity Instruments (Unquoted)	-	-
iii) Investment in Mutual Funds	-	-
iv) Others (to be specified)	-	-
<b>Total</b>	<b>5,242,231,416</b>	<b>4,818,274,239</b>

#### a) Details of Impairment Losses

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

#### 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	2,987,874,200	3,040,869,300
Fixed Deposit with Infrastructure Banks	-	-
Fixed Deposit with "B" Class Financial Institutions	411,700,000	456,952,000
Fixed Deposit with "C" Class Financial Institutions	223,000,000	171,000,000
Others (to be Specified)	-	-
<b>Total</b>	<b>3,622,574,200</b>	<b>3,668,821,300</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**C) INFORMATION RELATING TO INVESTMENT IN EQUITY INSTRUMENTS**

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Agriculture Development Bank Ltd CY 15992 Shares of Rs 327.13 Each PY 19426 Shares Of Rs 294 Each	4,621,465	5,231,463	5,803,760	5,711,244
Asian Life Insurance Co Ltd CY 2416 Shares of Rs 498.36 Each PY 2416 Shares Of Rs 623 Each	1,490,782	1,204,038	1,389,182	1,505,168
Api Power Company Ltd CY 27649 Shares of Rs 295.92 Each PY 7285 Shares Of Rs 191 Each	6,916,444	8,181,892	1,688,452	1,391,435
Butwal Power Company Ltd CY 362 Shares of Rs 957.29 Each PY 362 Shares Of Rs 310 Each	100,387	346,539	100,387	112,220
Chhimek Laghubitta Bikas Bank Ltd CY 9141 Shares of Rs 1035.98 Each PY 4761 Shares Of Rs 900 Each	8,861,413	9,469,893	5,072,196	4,284,900
Citizen Investment Trust CY 6230 Shares of Rs 1975.72 Each PY 5108 Shares Of Rs 1945 Each	9,507,583	12,308,736	9,507,583	9,935,060
Citizen Life Insurance Company Ltd CY 2539 Shares of Rs 474.24 Each PY 2000 Shares Of Rs 544.6 Each	967,421	1,204,095	967,421	1,089,200
Citizen Bank International Ltd CY 29622 Shares of Rs 228.28 Each PY 36283 Shares Of Rs 193.5 Each	7,732,357	6,762,110	10,015,610	7,020,761
Deprosc Laghubitta Bittiya Sanstha Limited CY 4590 Shares of Rs 882.25 Each PY 4192 Shares Of Rs 841 Each	4,006,429	4,049,528	4,006,429	3,525,472
Garima Bikas Bank Limited CY 700 Shares of Rs 428.36 Each PY 6175 Shares Of Rs 385.1 Each	260,877	299,852	2,132,879	2,377,993
Global Ime Bank Ltd CY 58546 Shares of Rs 259.57 Each PY 74268 Shares Of Rs 194.2 Each	14,429,412	15,196,785	18,410,445	14,422,846
Global Ime Laghubitta Bittiya Sanstha Limited CY 1 Shares of Rs 1320.74 Each PY 1 Shares Of Rs 1365 Each	-	1,321	-	1,365
Himalayan Bank Ltd CY 27294 Shares of Rs 237.3 Each PY 27294 Shares Of Rs 204.2 Each	8,147,411	6,476,866	8,147,411	5,573,435
Himalayan Distillery Limited CY 2625 Shares of Rs 1236.54 Each PY 2282 Shares Of Rs 1384 Each	4,360,133	3,245,918	4,360,133	3,158,288
Hydroelectricity Investment And Development Company Ltd CY 1809 Shares of Rs 292.61 Each   PY 1809 Shares Of Rs 179 Each	159,300	529,331	159,300	323,811
Infinity Laghubitta Bittaya Sanstha Ltd CY 4251 Shares of Rs 915.94 Each PY 4251 Shares Of Rs 1196 Each	5,038,191	3,893,661	5,038,191	5,084,196
Kumari Bank Ltd CY 25493 Shares of Rs 219.77 Each PY 25493 Shares Of Rs 153.7 Each	5,555,047	5,602,597	5,555,047	3,918,274
Machhapuchchhre Bank Ltd CY 22330 Shares of Rs 259.41 Each PY 23140 Shares Of Rs 200 Each	5,579,545	5,792,625	5,673,812	4,628,000
Manjushree Finance Limited CY 6847 Shares of Rs 623.27 Each PY 6847 Shares Of Rs 602.9 Each	4,431,455	4,267,530	4,431,455	4,128,056
Mahalaxmi Bikas Bank Ltd CY 6190 Shares of Rs 411.67 Each PY 6010 Shares Of Rs 352 Each	2,217,232	2,548,237	2,217,232	2,115,520
Nabil Bank Ltd (Old Nbb) CY 7169 Shares of Rs 541.37 Each PY 7169 Shares Of Rs 523.5 Each	3,996,120	3,881,082	3,996,120	3,752,972
Nepal Bank Ltd CY 30631 Shares of Rs 291.44 Each PY 42331 Shares Of Rs 229.5 Each	8,269,208	8,927,099	11,546,656	9,714,965
Nic Asia Bank Ltd CY 17927 Shares of Rs 420.05 Each PY 17927 Shares Of Rs 443.2 Each	11,114,793	7,530,236	11,114,793	7,945,246
Nepal Investment Mega Bank Ltd CY 43522 Shares of Rs 231.02 Each PY 46022 Shares Of Rs 175.1 Each	13,282,415	10,054,452	14,045,386	8,058,452

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

Nepal Investment Mega Bank Ltd Promoter Share CY 1563 Shares of Rs 168 Each   PY 1563 Shares Of Rs 138.9 Each	501,442	262,584	501,442	217,101
Nepal Life Insurance Co Ltd CY 19421 Shares of Rs 772.97 Each PY 21555 Shares Of Rs 619 Each	14,005,804	15,011,850	17,217,959	13,342,545
National Life Insurance Co Ltd CY 28430 Shares of Rs 623.58 Each PY 29456 Shares Of Rs 595 Each	16,853,941	17,728,379	18,167,217	17,526,320
Nmb Bank Ltd CY 39455 Shares of Rs 269.72 Each PY 41055 Shares Of Rs 218 Each	11,132,367	10,641,803	11,588,799	8,949,990
Nerude Mirmire Laghubitta Bikas Bank Ltd CY 7682 Shares of Rs 700.35 Each   PY 7682 Shares Of Rs 720.2 Each	8,337,395	5,380,089	8,337,395	5,532,576
Nrn Infrastructure And Development Limited CY 3403 Shares of Rs 2279.19 Each   PY 3241 Shares Of Rs 748 Each	1,672,473	7,756,084	1,672,473	2,424,268
Nepal Doorsanchar Company Limited CY 12164 Shares of Rs 877.27 Each   PY 12164 Shares Of Rs 845 Each	12,136,138	10,671,112	12,136,138	10,278,580
Nirdhan Utthan Bank Ltd CY 7182 Shares of Rs 768.71 Each PY 7182 Shares Of Rs 711.9 Each	7,578,239	5,520,875	7,578,239	5,112,866
Prime Commercial Bank Ltd CY 8716 Shares of Rs 276.31 Each PY 8716 Shares Of Rs 221.8 Each	2,174,281	2,408,318	2,174,281	1,933,209
Prabhu Bank Ltd CY 8863 Shares of Rs 221.89 Each PY 8863 Shares Of Rs 163.7 Each	1,945,128	1,966,611	1,945,128	1,450,873
Sanima Bank Ltd CY 16359 Shares of Rs 374.77 Each PY 20610 Shares Of Rs 279 Each	4,448,776	6,130,862	5,604,841	5,750,190
Nepal Sbi Bank Ltd CY 754 Shares of Rs 439.98 Each PY 726 Shares Of Rs 328 Each	211,581	331,745	211,581	238,128
Siddhartha Bank Ltd CY 42864 Shares of Rs 383.77 Each PY 50664 Shares Of Rs 283 Each	13,358,498	16,449,917	15,811,003	14,337,912
Standard Chartered Bank Nepal Ltd CY 9521 Shares of Rs 656.1 Each   PY 9720 Shares Of Rs 602 Each	4,145,708	6,246,728	4,507,414	5,851,440
Shivam Cement Pvt Ltd CY 31577 Shares of Rs 535.04 Each PY 26787 Shares Of Rs 502.3 Each	19,100,319	16,894,958	17,748,037	13,455,110
Soaltee Hotel Limited CY 7920 Shares of Rs 577.58 Each PY 7200 Shares Of Rs 442 Each	3,250,043	4,574,434	3,250,043	3,182,400
Surya Jyoti Life Insurance Co Ltd CY 13461 Shares of Rs 446.69 Each   PY 13461 Shares Of Rs 429.9 Each	7,576,220	6,012,894	7,576,220	5,786,884
Synergy Power Development Ltd CY 6021 Shares of Rs 417.51 Each PY 7581 Shares Of Rs 254.9 Each	1,924,893	2,513,828	2,423,619	1,932,397
Swabalamban Laghubitta Bittiya Asnstha Limited CY 2 Shares of Rs 881.44 Each   PY 1 Shares Of Rs 940 Each	-	1,763	-	940
Vijaya Laghubitta Bittaya Sanstha Ltd CY 3530 Shares of Rs 886.19 Each   PY 5480 Shares Of Rs 1040 Each	4,015,271	3,128,251	6,233,339	5,699,200
Nepal Reinsurance Co Ltd CY 2248870 Shares of Rs 100 Each PY 2146892 Shares Of Rs 100 Each	167,548,706	224,887,000	167,548,706	214,689,200
Hydroelectricity Investment And Development Company Ltd Promotor CY 100000 Shares of Rs 210.56 Each PY 100000 Shares Of Rs 103 Each	10,010,000	21,056,000	10,010,000	10,300,000
Lumbini Bikas Bank Ltd CY 6000 Shares of Rs 480.69 Each PY 6234 Shares Of Rs 416.6 Each	2,288,741	2,884,140	2,452,316	2,597,084
Mountain Energy Nepal Limited CY 5175 Shares of Rs 639.19 Each PY 4500 Shares Of Rs 597 Each	2,625,545	3,307,808	2,625,545	2,686,500
Nesdo Sambridha Laghubitta Bittiya Sanstha Ltd CY Nil PY 792 Shares Of Rs 2099 Each	-	-	1,334,258	1,662,408



## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

Nerude Mirmire Laghubitta Bikas Bank Ltd CY Nil PY 780 Shares Of Rs 720.2 Each	-	-	1,115,191	561,756
Shine Resgunga Development Bank Ltd CY 11870 Shares of Rs 431.97 Each PY 11525 Shares Of Rs 405.1 Each	4,282,910	5,127,484	4,282,910	4,668,778
Super Mardi Hydropower Ltd CY Shares of Rs Each PY 3500 Shares Of Rs 622 Each	-	-	1,317,723	2,177,000
Chandragadhi Hills Limited CY 2500 Shares of Rs 956.02 Each PY	2,259,444	2,390,050	-	-
Everest Bank Ltd CY 3000 Shares of Rs 701.56 Each PY	1,998,554	2,104,680	-	-
Greenlife Hydropower Limited CY 1000 Shares of Rs 272.62 Each PY	310,106	272,620	-	-
Muktinath Bikas Bank CY 4000 Shares of Rs 405.92 Each PY	1,577,236	1,623,680	-	-
National Laghubitta CY 2500 Shares of Rs 1400.05 Each PY	3,300,984	3,500,125	-	-
Nmb Bank Ltd Promoter Share CY 150000 Shares of Rs 123 Each PY	17,295,738	18,450,000	-	-
Nepal Finance Limited Promoter Share CY 75000 Shares of Rs 163 Each PY	7,500,000	12,225,000	-	-

#### INVESTMENT IN EQUITY INSTRUMENTS (UNQUOTED)

Insurance Institute Nepal Ltd CY 95600 Shares of Rs 100 Each PY 95600 Shares Of Rs 100 Each	9,560,000	9,560,000	9,560,000	9,560,000
Nepal Power Exchange Ltd CY 10000 Shares of Rs 100 Each PY 10000 Shares Of Rs 100 Each	1,000,000	1,000,000	1,000,000	1,000,000
Nepal Infrastructure Investment Fund Limited CY 2000000 Shares of Rs 212.89 Each PY	200,000,000	212,896,761	-	-
Global Equity Fund Ltd CY 35000 Shares of Rs 100 Each PY 35000 Shares Of Rs 100 Each	3,500,000	3,500,000	3,500,000	3,500,000
Star Hospital Limited CY 1065000 Shares of Rs 100 Each PY 1065000 Shares Of Rs 100 Each	106,500,000	106,500,000	106,500,000	106,500,000
Classic View Resort Limited CY 1000000 Shares of Rs 100 Each PY 1000000 Shares Of Rs 100 Each	100,000,000	100,000,000	100,000,000	100,000,000
Upper Seti Hydro Limited CY 640000 Shares of Rs 100 Each PY 640000 Shares Of Rs 100 Each	64,000,000	64,000,000	64,000,000	64,000,000
LAXMI SUSTAINABLE ENERGY FUND CY 237000 Shares of Rs 100 Each PY Nil	23,700,000	23,700,000	-	-
NEPAL IMPACT GROWTH EQUITY FUND	47,500,000	47,500,000	-	-

#### INVESTMENT IN MUTUAL FUNDS

CITIZENS SUPER 30 CY 50000 Shares of Rs 10.08 Each PY 50000 Shares of Rs 10 Each	500,000	504,000	500,000	500,000
CITIZENS MUTUAL FUND -1(CMF1) CY Nil PY 115900 Shares of Rs 9.64 Each	-	-	1,125,815	1,117,276
GLOBAL IME BALANCED FUND-1 CY 5001 Shares of Rs 10.91 Each PY 5001 Shares of Rs 9.1 Each	41,268	54,561	41,268	45,509
GARIMA SAMRIDDHI YOJANA CY 3000000 Shares of Rs 9.95 Each PY Nil	30,000,000	29,850,000	-	-
HIMALAYAN 80-20 CY 1000000 Shares of Rs 11.6 Each PY 1000000 Shares of Rs 9.99 Each	10,000,000	11,600,000	10,000,000	9,990,000
KUMARI DHANBRIDDHI YOJANA CY 100000 Shares of Rs 10.05 Each PY 100000 Shares of Rs 9.67 Each	1,000,000	1,005,000	1,000,000	967,000
MEGA MUTUAL FUND-1 CY 611440 Shares of Rs 9.58 Each PY 611440 Shares of Rs 7.72 Each	6,107,169	5,857,595	6,107,169	4,720,317
MUKTINATH MUTUAL FUND 1 CY 1000000 Shares of Rs 9.9 Each PY Nil	10,000,000	9,900,000	-	-

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

NABIL BALANCE FUND-2 (NBF2) CY 2000 Shares of Rs 10.11 Each PY 2000 Shares of Rs 9 Each	16,852	20,220	16,852	18,000
NABIL BALANCE FUND-3 (NBF3) CY 28270 Shares of Rs 9.99 Each PY 28270 Shares of Rs 7.8 Each	251,762	282,417	251,762	220,506
NIBL SAMRIDHDI FUND-2 (NIBSF2) CY 200300 Shares of Rs 8.83 Each   PY 200300 Shares of Rs 8.25 Each	2,002,250	1,768,649	2,002,250	1,652,475
NIC ASIA BALANCE FUND CY 344378 Shares of Rs 9.77 Each   PY 344378 Shares of Rs 9.6 Each	3,452,558	3,364,573	3,452,558	3,306,029
NIC ASIA GROWTH FUND (NICGF) CY Nil PY 106000 Shares of Rs 9.9 Each	-	-	1,056,690	1,049,400
NMB50 MUTUAL FUND (NMB50) CY 508000 Shares of Rs 10.69 Each PY 508000 Shares of Rs 10.04 Each	5,072,723	5,430,520	5,072,723	5,100,320
NMB SARAL BACHAT FUND-E (NMBSBF) CY 9500 Shares of Rs 11.2 Each PY 9500 Shares of Rs 10 Each	95,000	106,400	95,000	95,000
NMB SULAV INVESTMENT FUND -2 CY 250200 Shares of Rs 11.29 Each PY 250200 Shares of Rs 10.06 Each	2,501,685	2,824,758	2,501,685	2,517,012
RBB MUTUAL FUND-2 CY 50000 Shares of Rs 10.08 Each PY 50000 Shares of Rs 9.5 Each	500,000	504,000	500,000	475,000
SANIMA GROWTH FUND CY 3605 Shares of Rs 10.32 Each PY 3605 Shares of Rs 10.14 Each	31,526	37,204	31,526	36,555
SIDDHARTHA EQUITY FUND (SEF) CY 906348 Shares of Rs 10.29 Each PY 906348 Shares of Rs 8.39 Each	9,036,177	9,326,321	9,036,177	7,604,260
SUNRISE FOCUSED EQUITY FUND (SFEF) CY 250000 Shares of Rs 10.04 Each PY 250000 Shares of Rs 8.24 Each	2,500,000	2,510,000	2,500,000	2,060,000
SUNRISE FIRST MUTUAL FUND (SFMF) CY 100000 Shares of Rs 10.68 Each PY 100000 Shares of Rs 10.35 Each	1,000,000	1,068,000	1,000,000	1,035,000
SIDDHARTHA INVESTMENT GROWTH SCHME 2 CY 1040175 Shares of Rs 10.5 Each PY 1040175 Shares of Rs 9.48844750162233 Each	13,394,952	10,921,838	13,394,952	9,869,646
SANIMA LARGE CAP FUND (SLCF) CY 310100 Shares of Rs 10.23 Each PY 310100 Shares of Rs 9.29 Each	3,075,936	3,172,323	3,075,936	2,880,829
MBL EQUITY FUND (MBLEF) CY 2000000 Shares of Rs 9.93 Each PY Nil	20,000,000	19,860,000	-	-
MEGA MUTUAL FUND-1 CY Nil PY 34800 Shares of Rs 7.72 Each	-	-	347,588	268,656
NIC Asia Balance Fund CY Nil PY 78000 Shares of Rs 9.6 Each	-	-	781,988	748,800

**d) The company has earmarked investments amounting to NPR. 3,700,574,200 (2080-81: 3,678,821,300) to Nepal Insurance Authority.**

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**11. LOANS**

Fig. in NPR

Particulars	Current Year	Previous Year
<b>Loans measured at Amortised Cost</b>		
Loan to Employees	-	-
Others ( to be Specified)	-	-
Less: Impairment Losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**a) Expected repayment of loan within 12 months:**

Particulars	Current Year	Previous Year
<b>Loans measured at Amortised Cost</b>		
Loan to Employees	-	-
Others ( to be Specified)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**12. REINSURANCE ASSETS**

Particulars	Current Year	Previous Year
<b>Reinsurance Assets on:</b>		
Unearned Premium Reserve	830,669,854	1,297,162,281
Unexpired Risk Reserve	-	-
Outstanding Claims	1,565,549,572	1,177,523,867
IBNR	271,595,551	373,163,218
IBNER Claim	30,177,284	-
Margin over Best Estimate	-	-
Earthquake Reserve	-	-
<b>Total</b>	<b>2,697,992,261</b>	<b>2,847,849,366</b>

**13. INSURANCE RECEIVABLES**

Particulars	Current Year	Previous Year
Receivable from Reinsurer	281,778,404	219,804,343
Receivable from Other Insurance Companies	249,165,947	245,081,292
Others( to be Specified)	-	-
Less: Impairment Losses	(7,729,223)	(7,729,223)
<b>Total</b>	<b>523,215,128</b>	<b>457,156,412</b>

**a) Expected receivable within 12 months:**

Particulars	Current Year	Previous Year
Receivable from Reinsurer	281,204,164	219,230,103
Receivable from Other Insurance Companies	242,010,964	237,926,309
Others (to be Specified)	-	-
<b>Total</b>	<b>523,215,128</b>	<b>457,156,412</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**14. OTHER ASSETS**

Fig. in NPR

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	195,183	587,606
Claim Advances	13,800,000	5,700,000
Advance To Suppliers	8,760,202	5,139,466
VAT Receivable	-	-
Staff Advances	1,184,198	3,566,528
Printing and Stationary Stocks	-	-
Stamp Stocks	142,235	250,180
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	141,195	232,313
Deferred Agent Commission Expenses	16,684,104	36,121,629
Lease Receivables	-	-
Others (Leave Encashment- Plan Assets)	-	9,427,150
Others (Advance for Dividend Payment)	35,199,966	24,017,610
Less: Impairment Losses	-	-
<b>Total</b>	<b>76,107,083</b>	<b>85,042,482</b>

**a) Expected to be recovered/ settled within 12 months:**

Particulars	Current Year	Previous Year
Capital Advances	-	-
Prepaid Expenses	195,183	587,606
Claim Advances	13,800,000	5,700,000
Advance To Suppliers	8,760,202	5,139,466
VAT Receivable	-	-
Staff Advances	1,184,198	3,566,528
Printing and Stationary Stocks	-	-
Stamp Stocks	142,235	250,180
Deferred Expenses	-	-
Deferred Reinsurance Commission Expenses	141,195	232,313
Deferred Agent Commission Expenses	16,684,104	36,121,629
Lease Receivables	-	-
Others (Leave Encashment- Plan Assets)	-	-
Others (Advance for Dividend Payment)	35,199,966	24,017,610
<b>Total</b>	<b>76,107,083</b>	<b>75,615,332</b>

**15. OTHER FINANCIAL ASSETS**

Fig. in NPR

Particulars	Current Year	Previous Year
Security Deposits	-	-
Accured Interest	14,029,225	14,997,888
Other Receivables	-	-
Other Deposits	59,137,191	25,699,288
Sundry Debtors	28,965,066	65,938,137
Others ( to be Specified)	11,981,753	148,672
Less: Impairment Losses	-	(20,386,714)
<b>Total</b>	<b>114,113,235</b>	<b>86,397,271</b>



**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**a) Expected maturities within 12 months:**

Particulars	Current Year	Previous Year
Security Deposits	-	-
Accrued Interest	14,029,225	14,997,888
Other Receivables	-	-
Other Deposits	-	-
Sundry Debtors	28,965,066	45,551,423
Other ( to be Specified)	11,981,753	148,672
<b>Total</b>	<b>54,976,044</b>	<b>60,697,983</b>

**16. CASH AND CASH EQUIVALENT**

Fig. in NPR

Particulars	Current Year	Previous Year
Cash in Hand	1,379,998	1,124,800
Cheque in Hand	-	-
Bank Balances		
i) Balance With "A" Class Financial Institutions	111,185,557	145,319,740
ii) Balance With Infrastructure Banks	-	-
iii) Balance With "B" Class Financial Institutions	16,089,773	21,257,683
iv) Balance With "C" Class Financial Institutions	17,089,504	8,071,351
Less: Impairment Losses	-	-
Deposit with initial maturity upto 3 months	-	-
Others ( to be Specified)	-	-
Less: Impairment Losses	-	-
<b>Total</b>	<b>145,744,832</b>	<b>175,773,574</b>

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 17. (A) SHARE CAPITAL

Fig. in NPR

Particulars	Current Year	Previous Year
<b>Ordinary Shares</b>		
As at Shrawan 1, 2081	2,500,157,400	2,500,157,400
Additions during the year	-	-
i) Bonus Share Issue	-	-
ii) Shares added through Merger	-	-
iii) Share Issue	-	-
<b>As at Ashadh 32, 2082</b>	<b>2,500,157,400</b>	<b>2,500,157,400</b>
<b>Convertible Preference Shares (Equity Component Only)</b>	<b>-</b>	<b>-</b>
As at Shrawan 1, 2081	-	-
Additions during the year	-	-
<b>As at Ashadh 32, 2082</b>	<b>-</b>	<b>-</b>
<b>Irredeemable Preference Shares (Equity Component Only)</b>	<b>-</b>	<b>-</b>
As at Shrawan 1, 2081	-	-
Additions during the year	-	-
<b>As at Ashadh 32, 2082</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,500,157,400</b>	<b>2,500,157,400</b>

#### (i) Ordinary Shares

Particulars	Current Year	Previous Year
<b>Authorised Capital:</b>		
5,00,00,000 Ordinary Shares of Rs. 100 Each.	5,000,000,000	5,000,000,000
<b>Issued Capital:</b>		
25,001,574 Ordinary Shares of Rs. 100 Each.	2,500,157,400	2,500,157,400
<b>Subscribed and Paid Up Capital:</b>		
25,001,574 Ordinary Shares of Rs. 100 Each.	2,500,157,400	2,500,157,400
<b>Total</b>	<b>2,500,157,400</b>	<b>2,500,157,400</b>

#### (ii) Preference Share Capital

Particulars	Current Year	Previous Year
<b>Authorised Capital:</b>		
..... Convertible Preference Shares of Rs. XXX Each	-	-
.....Irredeemable Preference Shares of Rs. XXX Each	-	-
<b>Issued Capital:</b>		
..... Convertible Preference Shares of Rs. XXX Each	-	-
.....Irredeemable Preference Shares of Rs. XXX Each	-	-
<b>Subscribed and Paid Up Capital:</b>		
..... Convertible Preference Shares of Rs. XXX Each	-	-
.....Irredeemable Preference Shares of Rs. XXX Each	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**Shareholding Structure of Share Capital**

Fig. in NPR

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
<b>Promoters</b>				
Government of Nepal	-	-	0.00%	0.00%
Nepali Organized Institutions	1,329,289	1,390,614	5.32%	5.56%
Nepali Citizens	11,446,515	11,385,190	45.78%	45.54%
Foreigners	-	-	0.00%	0.00%
Others ( to be Specified)	-	-	0.00%	0.00%
<b>Total (A)</b>	<b>12,775,804</b>	<b>12,775,804</b>	<b>51.10%</b>	<b>51.10%</b>
Other than Promoters				
<b>General Public</b>	<b>12,225,770</b>	<b>12,225,770</b>	<b>48.90%</b>	<b>48.90%</b>
Others ( to be Specified)	-	-	0.00%	0.00%
<b>Total (B)</b>	<b>12,225,770</b>	<b>12,225,770</b>	<b>48.90%</b>	<b>48.90%</b>
<b>Total (A+B)</b>	<b>25,001,574</b>	<b>25,001,574</b>	<b>100.00%</b>	<b>100.00%</b>

**Details of shareholders holding 1% or more than 1% of the aggregate shares in the Company:**

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
<b>Promoters</b>				
Shree Mahendra Krishna Shrestha	2,135,252	2,135,252	8.54%	8.54%
Shree Bikram Krishna Shrestha	1,805,084	1,882,477	7.22%	7.53%
Shree Binod Krishna Shrestha	1,656,717	1,656,717	6.63%	6.63%
Shree Shubarna Krishna Shrestha	1,652,500	1,652,500	6.61%	6.61%
Shree Pankaj Jhunjunwala	1,562,643	1,562,643	6.25%	6.25%
Shree Rajendra Kumar Khetan	1,225,736	1,130,412	4.90%	4.52%
Laxmi Sunrise Bank Limited	888,944	1,119,874	3.56%	4.48%
Smt. Kavita Lohia	314,700	-	1.26%	-
Global IME Capital	186,711	252,271	0.75%	1.01%

**17. (B) SHARE APPLICATION MONEY PENDING ALLOTMENT**

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**17. (C) SHARE PREMIUM**

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

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 17. (D) SPECIAL RESERVES

Fig. in NPR

Particulars	Current Year	Previous Year
As on Shrawan 1, 2081	1,667,570,965	1,410,503,655
Components from merger	-	-
Additions	245,619,151	257,067,310
Utilizations	-	-
<b>As on Ashadh 32, 2082</b>	<b>1,913,190,116</b>	<b>1,667,570,965</b>

#### 17. (E) CATASTROPHE RESERVES

Particulars	Current Year	Previous Year
As on Shrawan 1, 2081	69,914,552	57,061,186
Components from merger	-	-
Additions	12,280,958	12,853,366
Utilizations	-	-
<b>As on Ashadh 32, 2082</b>	<b>82,195,510</b>	<b>69,914,552</b>



**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**17. (F) RETAINED EARNINGS**

Fig. in NPR

Particulars	Current Year	Previous Year
As on Shrawan 1, 2081	304,786,863	226,482,875
Components from merger	-	-
Net Profit or Loss	455,880,754	502,463,915
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves	-	-
Special Reserves	(245,619,151)	(257,067,310)
Capital Reserves	-	-
Catastrophe Reserves	(12,280,958)	(12,853,366)
Corporate Social Responsibility (CSR) Reserves	(4,912,383)	(5,141,346)
Insurance Fund including Insurance Reserves		
Fair Value Reserves	-	-
Actuarial Reserves		
Deferred Tax Reserves	38,262,783	(31,360,410)
Regulatory Reserves		
Other Reserve(to be specified)		
Transfer of Depreciation on Revaluation of Property and Equipment		
Transfer of Disposal of Revalued Property and Equipment		
Transfer of Disposal of Equity Instruments Measured at FVTOCI	(2,905,235)	39,299,583
Transfer on Derecognition of Investment in Associates	(10,161,858)	
Issue of Bonus Shares	-	(10,429,299)
Transaction costs on issue of Shares	-	-
Dividend Paid	(210,555,269)	(142,585,223)
Dividend Distribution Tax	(8,208,504)	(4,022,556)
Others ( Staff Training)	(2,730,067)	-
<b>As on Ashadh 32, 2082</b>	<b>301,556,975</b>	<b>304,786,863</b>

**17. (G) OTHER EQUITY**

Particulars	Current Year	Previous Year
Revaluation Reserves	259,148,731	259,148,731
Capital Reserves	-	-
Corporate Social Responsibility (CSR) Reserves	5,696,232	7,378,929
Insurance Fund including Insurance Reserves	-	-
Fair Value Reserves	63,238,652	(4,369,067)
Actuarial Reserves	-	-
Deferred Tax Reserve	83,460,350	121,723,133
Other Reserve(to be specified)	2,730,067	-
<b>Total</b>	<b>414,274,032</b>	<b>383,881,726</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**18. PROVISIONS**

Fig. in NPR

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	6,613,372	-
ii) Provision for Gratuity	1,548,164	1,681,849
iii) Termination Benefits		
iv) Other Employee Benefit obligations( to be Specified)		
Provision for tax related legal cases	-	-
Provision for non-tax legal cases	-	-
Others( to be Specified)	-	-
<b>Total</b>	<b>8,161,536</b>	<b>1,681,849</b>

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

DESCRIPTION	Opening Balance	Additions during the year	Utilised during the year	Reversed during the year	Unwinding of discount	Closing balance
Provision for employee benefits						
i) Provision for Leave	-	6,613,372	-	-	-	6,613,372
ii) Provision for Gratuity	1,681,849	(133,685)	-	-	-	1,548,164
iii) Termination Benefits	-	-	-	-	-	-
iv) Other Employee Benefit obligations (to be Specified)	-	-	-	-	-	-
Provision for tax related legal cases	-	-	-	-	-	-
Provision for non-tax legal cases	-	-	-	-	-	-
Others( to be Specified)	-	-	-	-	-	-

**(b) Provision with expected payouts within 12 months**

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	-	5,379,158
ii) Provision for Gratuity	-	-
iii) Termination Benefits	-	-
iv) Other Employee Benefit obligations( to be Specified)	-	-
Provision for tax related legal cases	-	-
Provision for non-tax related legal cases	-	-
Others ( to be Specified)	-	-

**19. GROSS INSURANCE CONTRACT LIABILITIES**

Fig. in NPR

Particulars	Current Year	Previous Year
Unearned Premium Reserve	1,402,739,597	2,026,523,795
Unexpired Risk Reserve	915,196	83,231
Outstanding Claims	1,894,440,122	1,442,533,743
IBNR	389,926,516	488,117,763
IBNER Claim	43,325,169	-
Margin over Best Estimate	72,062,546	18,367,959
Earthquake Reserve	51,751,992	23,215,574
<b>Total</b>	<b>3,855,161,138</b>	<b>3,998,842,065</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**  
**Notes to the Financial Statements**  
As at Ashad End, 2082 (July 16, 2025)

**19. GROSS INSURANCE CONTRACT LIABILITIES**

Fig. in NPR

PARTICULARS	LINE OF BUSINESS						
	PROPERTY	MOTOR	MARINE	ENGINEERING	MICRO	AVIATION	CATTLE AND CROP
MISCELLANEOUS							
TOTAL							
<b>As at Ashadh 31, 2081</b>							
Unearned Premium Reserve	364,346,501	492,609,843	118,525,992	405,472,156	292	164,645,489	19,115,459
Unexpired Risk Reserve	-	-	-	-	-	-	83,231
Outstanding Claims	331,516,515	153,025,727	29,597,958	249,733,782	505,725,000	73,629,302	45,856,683
IBNR Claims	17,255,684	128,093,039	13,108,427	91,217,946	10,115,250	119,684,079	8,218,234
IBNER Claims	-	-	-	-	-	-	-
Margin over Best Estimate	1,531,435	11,809,593	554,247	2,565,277	-	45,993	297,127
Earthquake Reserve	4,640,145	8,833,859	462,458	1,715,774	9	6,428	48,492
<b>Total Balance As at Ashadh 31, 2081</b>	<b>719,290,280</b>	<b>794,372,061</b>	<b>162,249,082</b>	<b>750,704,935</b>	<b>515,840,551</b>	<b>358,011,291</b>	<b>73,619,226</b>
<b>624,754,639</b>							<b>3,998,842,065</b>
Changes during the year							
Unearned Premium Reserve	(71,451,865)	151,043,394	(100,536,171)	(127,186,394)	(182)	(164,286,387)	(4,220,112)
Unexpired Risk Reserve	-	-	-	-	-	-	831,965
Outstanding Claims	195,857,280	134,404,081	(20,696,435)	161,020,303	-	(3,391,647)	(16,831,369)
IBNR Claims	38,122,827	(16,361,196)	(2,681,621)	(15,049,891)	(1,011,929)	(74,804,210)	(3,934,349)
IBNER Claims	6,153,168	12,414,649	1,158,534	8,463,118	1,011,480	4,986,652	475,987
Margin over Best Estimate	6,709,707	24,291,594	288,332	15,731,374	18	536,353	434,543
Earthquake Reserve	4,592,072	12,745,779	710,250	1,993,357	8	877	45,956
<b>Total changes during the year</b>	<b>179,983,189</b>	<b>318,538,301</b>	<b>(121,757,111)</b>	<b>44,971,867</b>	<b>(605)</b>	<b>(236,958,362)</b>	<b>(23,197,379)</b>
<b>(305,260,827)</b>							<b>(143,680,927)</b>
<b>As at Ashadh 32, 2082</b>							
Unearned Premium Reserve	292,894,636	643,653,237	17,989,821	278,285,762	110	359,102	14,895,347
Unexpired Risk Reserve	-	-	-	-	-	-	915,196
Outstanding Claims	527,373,795	287,429,808	8,901,523	410,754,085	505,725,000	70,237,655	29,025,314
IBNR Claims	55,378,511	111,731,843	10,426,806	76,168,055	9,103,321	44,879,869	4,283,885
IBNER Claims	6,153,168	12,414,649	1,158,534	8,463,118	1,011,480	4,986,652	475,987
Margin over Best Estimate	8,241,142	36,101,187	842,579	18,296,651	18	582,346	731,670
Earthquake Reserve	9,232,217	21,579,638	1,172,708	3,709,131	17	7,305	94,448
<b>Total Balance As at Ashadh 32, 2082</b>	<b>899,273,469</b>	<b>1,112,910,362</b>	<b>40,491,971</b>	<b>795,676,802</b>	<b>515,839,946</b>	<b>121,052,929</b>	<b>50,421,847</b>
<b>319,493,812</b>							<b>3,855,161,138</b>

PARTICULARS	LINE OF BUSINESS								
	PROPERTY	MOTOR	MARINE	ENGINEERING	MICRO	AVIATION	CATTLE AND CROP	MISCELLANEOUS	TOTAL
<b>As at Ashadh 31, 2081</b>									
Unearned Premium Reserve	264,796,600	185,196,863	77,004,542	369,059,625	48	164,437,646	17,630,789	219,036,168	1,297,162,281
Unexpired Risk Reserve	-	-	-	-	-	-	-	-	-
Outstanding Claims	269,587,685	41,341,349	20,151,011	195,338,363	505,725,000	73,555,673	40,611,915	31,212,871	1,177,523,867
IBNR Claims	7,208,048	52,812,997	9,642,994	76,844,520	10,114,644	119,500,106	6,604,185	90,435,724	373,163,218
IBNER Claims	-	-	-	-	-	-	-	-	-
Margin over Best Estimate	-	-	-	-	-	-	-	-	-
Earthquake Reserve	-	-	-	-	-	-	-	-	-
<b>Total Balance As at Ashadh 31, 2081</b>	<b>541,592,333</b>	<b>279,351,209</b>	<b>106,798,547</b>	<b>641,242,508</b>	<b>515,839,692</b>	<b>357,493,425</b>	<b>64,846,889</b>	<b>340,684,763</b>	<b>2,847,849,366</b>
Changes during the year									
Unearned Premium Reserve	(25,025,545)	41,478,521	(65,431,933)	(92,923,999)	(35)	(164,082,135)	(4,046,231)	(156,461,070)	(466,492,427)
Unexpired Risk Reserve									-
Outstanding Claims	223,450,657	35,177,404	(14,180,519)	160,862,883	-	(3,388,256)	(14,145,833)	249,369	388,025,705
IBNR Claims	37,340,203	(15,208,320)	(2,422,893)	(16,675,443)	(1,011,560)	(74,668,017)	(3,086,239)	(25,835,398)	(101,567,667)
IBNER Claims	4,949,806	4,178,297	802,234	6,685,453	1,011,454	4,981,343	390,882	7,177,815	30,177,284
Margin over Best Estimate									-
Earthquake Reserve									-
<b>Total changes during the year</b>	<b>240,715,121</b>	<b>65,625,902</b>	<b>(81,233,111)</b>	<b>57,948,894</b>	<b>(141)</b>	<b>(237,157,065)</b>	<b>(20,887,421)</b>	<b>(174,869,284)</b>	<b>(149,857,105)</b>
<b>As at Ashadh 32, 2082</b>									
Unearned Premium Reserve	239,771,055	226,675,384	11,572,609	276,135,626	13	355,511	13,584,558	62,575,098	830,669,854
Unexpired Risk Reserve	-	-	-	-	-	-	-	-	-
Outstanding Claims	493,038,342	76,518,753	5,970,492	356,201,246	505,725,000	70,167,417	26,466,082	31,462,240	1,565,549,572
IBNR Claims	44,548,251	37,604,677	7,220,101	60,169,077	9,103,084	44,832,089	3,517,946	64,600,326	271,595,551
IBNER Claims	4,949,806	4,178,297	802,234	6,685,453	1,011,454	4,981,343	390,882	7,177,815	30,177,284
Margin over Best Estimate	-	-	-	-	-	-	-	-	-
Earthquake Reserve	-	-	-	-	-	-	-	-	-
<b>Total Balance As at Ashadh 32, 2082</b>	<b>782,307,454</b>	<b>344,977,111</b>	<b>25,565,436</b>	<b>699,191,402</b>	<b>515,839,551</b>	<b>120,336,360</b>	<b>43,959,468</b>	<b>165,815,479</b>	<b>2,697,992,261</b>



**HIMALAYAN EVEREST INSURANCE LIMITED**  
**Notes to the Financial Statements**  
As at Poush 11, 2082 (December 26, 2025)

**19.2 DISCLOSURE OF OUTSTANDING CLAIM**

Fig. in NPR

S.N.	TYPE OF INSURANCE	OUTSTANDING CLAIM FOR CLAIMS INTIMATED DURING THE YEAR (A)	UNCLAIMED FUND			TOTAL UNCLAIMED FUND (B)	GROSS OUTSTANDING CLAIM (A+B)	REINSURANCE SHARE (C)	NET OUTSTANDING CLAIM (A+B-C)
			OUTSTANDING CLAIM FOR CLAIMS INTIMATED DURING THE PREVIOUS 1 YEAR	OUTSTANDING CLAIM FOR CLAIMS INTIMATED DURING THE PREVIOUS 2 YEAR	OUTSTANDING CLAIM FOR CLAIMS INTIMATED DURING THE PREVIOUS 3 YEAR				
1	Property	519,996,870	1,422,000	3,750,425	2,204,500	7,376,925	527,373,795	493,038,342	34,335,453
2	Motor	266,531,137	15,149,597	4,080,043	1,669,030	20,898,671	287,429,808	76,518,753	210,911,055
3	Marine	6,771,086	2,130,438			2,130,438	8,901,524	5,970,492	2,931,032
4	Engineering	330,339,676	72,428,362	3,320,098	4,665,950	80,414,409	410,754,085	356,201,246	54,552,839
5	Micro	-	-	-	505,725,000	505,725,000	505,725,000	505,725,000	0
6	Aviation	-	-	-	70,237,655	70,237,655	70,237,655	70,167,417	70,238
7	Cattle and Crop	27,527,065	1,463,250		35,000	1,498,250	29,025,315	26,466,082	2,559,233
8	Miscellaneous	36,675,442	4,635,000	6,477,500	7,205,000	18,317,500	54,992,942	31,462,240	23,530,702
	<b>Total</b>	<b>1,187,841,275</b>	<b>97,228,647</b>	<b>17,628,066</b>	<b>591,742,135</b>	<b>706,598,847</b>	<b>1,894,440,123</b>	<b>1,565,549,572</b>	<b>328,890,551</b>

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 20. INSURANCE PAYABLE

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer	481,644,136	260,516,808
Payable to Other Insurance Companies	98,361,062	98,163,616
Portfolio Withdrawal Premium	-	-
Withdrawal Claims	-	-
Others (to be Specified)	-	-
<b>Total</b>	<b>580,005,198</b>	<b>358,680,424</b>

#### Payable within 12 months:

Particulars	Current Year	Previous Year
Payable to Reinsurer	481,644,136	260,516,808
Payable to Other Insurance Companies	98,361,062	98,163,616
Portfolio Withdrawal Premium	-	-
Withdrawal Claims	-	-
Others (to be Specified)	-	-
<b>Total</b>	<b>580,005,198</b>	<b>358,680,424</b>

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

Particulars	Current Year	Previous Year
Income Tax Liabilities	92,292,644	325,850,250
Income Tax Assets	(280,796,563)	(401,191,833)
<b>Total</b>	<b>(188,503,919)</b>	<b>(75,341,583)</b>

#### 22. BORROWINGS

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

#### Payable within 12 months:

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

**HIMALAYAN EVEREST INSURANCE LIMITED****Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**23. OTHER LIABILITIES**

Fig. in NPR

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
TDS Payable	9,477,667	12,925,332
VAT Payable	57,748,448	35,515,881
SSF Payable	-	-
Unidentified deposits	-	-
Advance Premiums	27,281,504	37,066,720
Insurance Service Fee Payable	11,095,892	28,214,959
Lease Liability	6,504,692	11,302,658
Deferred Reinsurance Commission Income	156,900,135	210,764,074
Deferred Income	-	-
Others (Prior Period Tax Liabilities)	3,172,766	2,851,381
Others (Staff Vehicle Deposit)	1,385,590	2,052,159
<b>Total</b>	<b>273,566,694</b>	<b>340,693,164</b>

**Payable within 12 months**

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
TDS Payable	9,477,667	12,925,332
VAT Payable	57,748,448	35,515,881
SSF Payable	-	-
Unidentified Deposits	-	-
Advance Premiums	27,281,504	37,066,720
Insurance Service Fee Payable	11,095,892	28,214,959
Lease Liability	3,551,333	3,057,689
Deferred Reinsurance Commission Income	156,900,135	210,764,074
Deferred Income	-	-
Others (Prior Period Tax Liabilities)	3,172,766	2,851,381
Others (Staff Vehicle Deposit)	-	-
<b>Total</b>	<b>269,227,745</b>	<b>330,396,036</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**24. OTHER FINANCIAL LIABILITIES**

Fig. in NPR

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	732,369	34,705,434
Payable to Agents	26,587,942	36,546,576
Payable to Surveyor	-	542,497
Sundry Creditors	59,186,611	14,685,681
Retention and deposits	440,000	440,000
Short-term employee benefits payable		
i) Salary Payables	-	-
ii) Bonus Payables	66,302,393	89,219,185
iii) Other employee benefit payable (Profit Commission Payable)		4,049,278
iv) Other employee benefit payable (Other Employee Salary)	7,507,054	6,856,830
Audit Fees Payable	758,450	689,500
Actuarial Fees Payable	1,201,125	800,750
Dividend Payable	35,199,966	24,017,610
Others (to be specified)	-	-
<b>Total</b>	<b>197,915,910</b>	<b>212,553,341</b>

**PAYABLE WITHIN 12 MONTHS**

Particulars	Current Year	Previous Year
Redeemable Preference Shares	-	-
Irredeemable Cumulative Preference Shares	-	-
Refundable Share Application Money	-	-
Payable to Insured	732,369	34,705,434
Payable to Agents	26,587,942	36,546,576
Payable to Surveyor	-	542,497
Sundry Creditors	59,186,611	14,685,681
Retention and deposits	-	-
Short-term employee benefits payable		
i) Salary Payables	-	-
ii) Bonus Payables	66,302,393	89,219,185
iii) Other employee benefit payable (Profit Commission Payable)	-	4,049,278
iv) Other employee benefit payable (Other Employee Salary)	7,507,054	6,856,830
Audit Fees Payable	758,450	689,500
Actuarial Fees Payable	1,201,125	800,750
Dividend Payable	35,199,966	24,017,610
Others (to be specified)	-	-
<b>Total</b>	<b>197,475,910</b>	<b>212,113,341</b>



## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 25. GROSS EARNED PREMIUMS

Fig. in NPR

Particulars	Direct Premiums		Premium on Reinsurance Accepted		Gross Change in Unearned Premium		Gross Earned Premiums	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	931,029,399	679,929,957	1,369,294	426,231	(71,451,865)	219,657,011	1,003,850,558	460,699,177
Motor	1,125,457,621	830,621,461	148,753,776	126,571,492	151,043,394	25,756,388	1,123,168,003	931,436,565
Marine	129,160,493	82,056,489	-	-	(100,536,171)	2,594,124	229,696,664	79,462,365
Engineering	870,422,080	732,561,835	9	3,395,360	(127,186,394)	100,664,856	997,608,483	635,292,339
Micro	600	600	-	-	(182)	(908)	782	1,508
Aviation	49,813,125	329,303,834	-	-	(164,286,387)	24,605,152	214,099,512	304,698,682
Cattle and Crop	34,814,969	38,494,365	-	-	(4,220,112)	(26,838,534)	39,035,081	65,332,899
Miscellaneous	938,223,155	893,997,558	57,281,985	44,635,387	(307,146,481)	31,259,576	1,302,651,621	907,373,369
<b>Total</b>	<b>4,078,921,442</b>	<b>3,586,966,099</b>	<b>207,405,064</b>	<b>175,028,470</b>	<b>(623,784,198)</b>	<b>377,697,665</b>	<b>4,910,110,704</b>	<b>3,384,296,904</b>

#### 25. DIRECT PREMIUMS

Particulars	New Business Premium		Renewal Premium		Co-Insurance Premium		Total Direct Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	452,175,915	317,039,182	410,179,229	350,618,093	68,674,255	12,272,682	931,029,399	679,929,957
Motor	840,356,714	566,226,751	284,437,608	264,245,613	663,299	149,097	1,125,457,621	830,621,461
Marine	128,214,987	81,715,636	-	-	945,506	340,853	129,160,493	82,056,489
Engineering	726,912,915	618,372,189	117,313,389	113,514,693	26,195,775	674,953	870,422,080	732,561,835
Micro	-	-	600	600	-	-	600	600
Aviation	49,813,125	327,400,019	-	1,903,815	-	-	49,813,125	329,303,834
Cattle and Crop	33,533,149	34,139,083	1,281,820	4,355,282	-	-	34,814,969	38,494,365
Miscellaneous	664,158,997	681,347,545	269,741,424	211,766,769	4,322,733	883,244	938,223,155	893,997,558
<b>Total</b>	<b>2,895,165,803</b>	<b>2,626,240,405</b>	<b>1,082,954,071</b>	<b>946,404,865</b>	<b>100,801,568</b>	<b>14,320,829</b>	<b>4,078,921,442</b>	<b>3,586,966,099</b>

#### 26. PREMIUMS CEDED

Particulars	Premium Ceded To Reinsurers		Reinsurer's Share of Change in Unearned Premiums		Premium Ceded	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	728,306,593	474,127,534	(25,025,545)	220,073,916	753,332,138	254,053,618
Motor	424,492,265	368,269,007	41,478,521	20,990,605	383,013,744	347,278,402
Marine	81,810,467	51,225,928	(65,431,933)	(2,593,106)	147,242,400	53,819,034
Engineering	781,828,461	659,700,587	(92,923,999)	85,034,836	874,752,460	574,665,751
Micro	72	96	(35)	(192)	107	288
Aviation	49,754,654	328,875,291	(164,082,135)	24,541,754	213,836,789	304,333,537
Cattle and Crop	31,751,255	35,261,578	(4,046,231)	(23,714,174)	35,797,486	58,975,752
Miscellaneous	432,297,186	438,072,336	(156,461,070)	(72,987,256)	588,758,256	511,059,592
<b>Total</b>	<b>2,530,240,953</b>	<b>2,355,532,357</b>	<b>(466,492,427)</b>	<b>251,346,383</b>	<b>2,996,733,380</b>	<b>2,104,185,974</b>

#### 26. PORTFOLIO-WISE DETAIL OF NET EARNED PREMIUMS

Particulars	Gross Earned Premiums		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	1,003,850,558	460,699,177	753,332,138	254,053,618	250,518,420	206,645,559
Motor	1,123,168,003	931,436,565	383,013,744	347,278,402	740,154,259	584,158,163
Marine	229,696,664	79,462,365	147,242,400	53,819,034	82,454,264	25,643,331
Engineering	997,608,483	635,292,339	874,752,460	574,665,751	122,856,023	60,626,588
Micro	782	1,508	107	288	675	1,220
Aviation	214,099,512	304,698,682	213,836,789	304,333,537	262,723	365,145
Cattle and Crop	39,035,081	65,332,899	35,797,486	58,975,752	3,237,595	6,357,147
Miscellaneous	1,302,651,621	907,373,369	588,758,256	511,059,592	713,893,365	396,313,777
<b>Total</b>	<b>4,910,110,704</b>	<b>3,384,296,904</b>	<b>2,996,733,380</b>	<b>2,104,185,974</b>	<b>1,913,377,324</b>	<b>1,280,110,930</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**27. COMMISSION INCOME**

Fig. in NPR

Particulars	Reinsurance Commission Income		Deferred Commission Income		Profit Commission		Commission Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	122,332,629	112,988,532	22,023,079	(40,684,445)	5,136,401	11,556,703	149,492,109	83,860,790
Motor	100,725,737	80,251,297	(16,304,877)	(21,382,850)	1,348,023	6,206,442	85,768,883	65,074,889
Marine	28,077,252	14,906,127	17,620,389	(17,313,273)	1,387,514	774,912	47,085,155	(1,632,234)
Engineering	126,440,547	84,381,178	1,569,107	(1,446,521)	8,355,596	9,311,913	136,365,250	92,246,570
Micro	11	14	5	9	11	14	27	37
Aviation	2,383,339	16,365,676	8,165,337	(738,301)	-	-	10,548,676	15,627,375
Cattle and Crop	5,030,818	7,441,887	1,543,077	4,664,338	-	231,943	6,573,895	12,338,168
Miscellaneous	86,777,232	68,196,310	19,247,822	2,779,698	2,693,800	4,394,912	108,718,854	75,370,920
<b>Total</b>	<b>471,767,565</b>	<b>384,531,021</b>	<b>53,863,939</b>	<b>(74,121,345)</b>	<b>18,921,345</b>	<b>32,476,839</b>	<b>544,552,849</b>	<b>342,886,515</b>

**28. OTHER DIRECT INCOME**

Fig. in NPR

Particulars	Other Direct Income		Other (to be Specified)		Total Other Direct Income	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-	-	-	-	-
Motor	-	-	-	-	-	-
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**29. INCOME FROM INVESTMENTS & LOANS**

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions	144,748,641	250,022,848
ii) Fixed Deposit with Infrastructure Bank	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	24,433,878	47,456,875
iv) Fixed Deposit with "C" Class Financial Institutions	12,607,967	12,436,226
v) Debentures	25,418,757	20,228,057
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-
vii) Bank Deposits other than Fixed Deposit	1,860,588	4,843,810
xiii) Employee Loans	-	-
ix) Other Interest Income ( to be Specified)	-	-
Financial Assets Measured at FVTOCI		
i) Interest Income on Debentures	-	-
ii) Dividend Income	5,896,537	9,055,194
iii) Other Interest Income ( to be specified)	-	-
Financial Assets Measured at FVTPL		
i) Interest Income on Debentures	-	-
ii) Dividend Income	-	-
iii) Other Interest Income ( to be specified)	-	-
Rental Income	4,257,315	-
Others	-	-
<b>Total</b>	<b>219,223,683</b>	<b>344,043,010</b>

**HIMALAYAN EVEREST INSURANCE LIMITED****Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**30. NET GAIN/ (LOSS) ON FAIR VALUE CHANGES**

Fig. in NPR

Particulars	Current Year	Previous Year
Changes in Fair Value of Financial Assets Measured at FVTPL		
i) Equity Instruments	-	-
ii) Mutual Fund	-	-
iii) Others (to be specified)	-	-
Changes in Fair Value on Investment Properties	-	-
Changes in Fair Value on Hedged Items in Fair Value Hedges	-	-
Changes in Fair Value on Hedging Instruments in Fair Value Hedges	-	-
Other ( to be Specified)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Particulars	Current Year	Previous Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments	4,400,427	361,558,301
ii) Mutual Fund	-	-
iii) Others (to be specified)	-	-
Realised Gain/(Losses) on Derecognition of Financial Assets at Amortised Costs		
i) Debentures	-	-
ii) Bonds	-	-
iii) Others (to be specified)	130,618	-
<b>Total</b>	<b>4,531,045</b>	<b>361,558,301</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 (to be Specified)	-	-
Foreign Exchange Income	851,628	4,397,790
Interest Income from Finance Lease	-	-
Amortization of Deferred Income	-	-
Profit from disposal of Property and Equipment	162,418	(2,263,355)
Stamp Income	4,133,960	3,469,550
Others (Provision Written Back)	-	161,303,648
Others (Gains from Lease Extinguishment)	-	849,506
Others (Cancellation Service Fee Premium)	677,500	485,000
Others (Miscellaneous)	3,337,567	6,536,903
<b>Total</b>	<b>9,163,073</b>	<b>174,779,042</b>

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 33. GROSS CLAIMS PAID AND CLAIMS CEDED

Fig. in NPR

Particulars	Gross Claims Paid		Claims Ceded		Net Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	560,341,481	170,139,206	433,615,243	136,995,783	126,726,238	33,143,423
Motor	632,205,213	470,138,918	133,858,082	122,757,596	498,347,131	347,381,322
Marine	25,704,516	33,332,168	16,857,221	20,368,667	8,847,295	12,963,501
Engineering	237,622,719	171,908,233	229,167,653	153,390,814	8,455,066	18,517,419
Micro	-	750,000	-	750,000	-	-
Aviation	3,391,647	205,943,545	3,377,682	205,750,415	13,965	193,130
Cattle and Crop	51,172,298	50,412,260	40,112,448	44,600,490	11,059,850	5,811,770
Miscellaneous	448,483,328	371,787,907	26,567,830	72,048,283	421,915,498	299,739,624
<b>Total</b>	<b>1,958,921,202</b>	<b>1,474,412,237</b>	<b>883,556,159</b>	<b>756,662,048</b>	<b>1,075,365,043</b>	<b>717,750,189</b>

#### 33. DETAILS OF GROSS CLAIM PAID

Particulars	Claim Paid		Survey Fees		Total Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	537,099,420	159,695,528	23,242,061	10,443,678	560,341,481	170,139,206
Motor	613,853,750	453,710,694	18,351,463	16,428,224	632,205,213	470,138,918
Marine	22,794,516	30,580,595	2,910,000	2,751,573	25,704,516	33,332,168
Engineering	222,257,139	160,192,429	15,365,580	11,715,804	237,622,719	171,908,233
Micro	-	750,000	-	-	-	750,000
Aviation	3,391,647	205,943,545	-	-	3,391,647	205,943,545
Cattle and Crop	48,488,135	49,814,288	2,684,163	597,972	51,172,298	50,412,260
Miscellaneous	448,020,768	371,248,409	462,560	539,498	448,483,328	371,787,907
<b>Total</b>	<b>1,895,905,375</b>	<b>1,431,935,488</b>	<b>63,015,827</b>	<b>42,476,749</b>	<b>1,958,921,202</b>	<b>1,474,412,237</b>

#### 34. CHANGE IN INSURANCE CONTRACT LIABILITIES

Particulars	Gross Change in Insurance Contract Liabilities		Change in Reinsurance Assets		Net Change in Insurance Contract Liabilities	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	251,435,054	(269,341,170)	(265,740,666)	302,247,776	(14,305,612)	32,906,606
Motor	167,494,907	(57,771,325)	(24,147,381)	27,883,671	143,347,526	(29,887,654)
Marine	(21,220,940)	(12,248,016)	15,801,178	13,257,045	(5,419,762)	1,009,029
Engineering	172,158,261	2,663,365	(150,872,893)	12,969,410	21,285,368	15,632,775
Micro	(423)	(766,831)	106	765,111	(317)	(1,720)
Aviation	(72,671,975)	(230,204,472)	73,074,930	230,056,151	402,955	(148,321)
Cattle and Crop	(18,977,267)	15,061,536	16,841,190	(15,108,511)	(2,136,077)	(46,975)
Miscellaneous	1,885,654	(30,335,232)	18,408,214	39,051,005	20,293,868	8,715,773
<b>Total</b>	<b>480,103,271</b>	<b>(582,942,145)</b>	<b>(316,635,322)</b>	<b>611,121,658</b>	<b>163,467,949</b>	<b>28,179,513</b>



## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 35. COMMISSION EXPENSES

Fig. in NPR

Particulars	Commission Expenses on Direct Premiums		Commission Expenses on Premium on Reinsurance Accepted		Deferred Commission Expenses		Total Commission Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	11,624,752	13,089,859	204,147	63,935	3,322,881	(4,670,799)	15,151,780	8,482,995
Motor	5,115,521	3,610,574	-	-	(1,067,439)	50,610	4,048,082	3,661,184
Marine	977,639	553,836	-	-	663,817	(458,241)	1,641,456	95,595
Engineering	12,707,088	13,680,884	240,750	398,003	2,867,021	(1,881,208)	15,814,859	12,197,679
Micro	30	-	-	-	(6)	23	24	23
Aviation	2,526,250	-	-	-	(18,212)	2,653,827	2,508,038	2,653,827
Cattle and Crop	2,440,213	4,580,216	-	-	1,230,407	4,359,965	3,670,620	8,940,181
Miscellaneous	29,363,423	35,306,031	-	-	12,530,173	(12,609,956)	41,893,596	22,696,075
<b>Total</b>	<b>64,754,916</b>	<b>70,821,400</b>	<b>444,897</b>	<b>461,938</b>	<b>19,528,642</b>	<b>(12,555,779)</b>	<b>84,728,455</b>	<b>58,727,559</b>

#### 36. SERVICE FEES

Particulars	Service Fees		Reinsurer's Share of Service Fees		Net Service Fees	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	6,992,990	5,102,671	5,252,983	3,455,455	1,740,007	1,647,216
Motor	9,556,585	7,178,947	1,904,360	1,674,034	7,652,225	5,504,913
Marine	968,704	615,424	610,310	421,391	358,394	194,033
Engineering	6,528,166	5,519,679	5,931,734	4,881,713	596,432	637,966
Micro	5	5	1	1	4	4
Aviation	373,598	2,469,779	385,872	2,470,811	(12,274)	(1,032)
Cattle and Crop	261,113	288,708	238,134	264,462	22,979	24,246
Miscellaneous	7,466,288	7,039,747	3,002,887	2,943,371	4,463,401	4,096,376
<b>Total</b>	<b>32,147,449</b>	<b>28,214,960</b>	<b>17,326,281</b>	<b>16,111,238</b>	<b>14,821,168</b>	<b>12,103,722</b>

#### 37. OTHER DIRECT EXPENSES

Particulars	Other Direct Expenses		Other(to be Specified)		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	584,320	565,840	-	-	584,320	565,840
Motor	2,818,800	2,291,360	-	-	2,818,800	2,291,360
Marine	222,680	171,640	-	-	222,680	171,640
Engineering	74,020	52,170	-	-	74,020	52,170
Micro	40	40	-	-	40	40
Aviation	-	40	-	-	-	40
Cattle and Crop	240,063	239,530	-	-	240,063	239,530
Miscellaneous	368,370	308,300	-	-	368,370	308,300
<b>Total</b>	<b>4,308,293</b>	<b>3,628,920</b>	<b>-</b>	<b>-</b>	<b>4,308,293</b>	<b>3,628,920</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**38. EMPLOYEE BENEFITS EXPENSES**

Fig. in NPR

Particulars	Current Year	Previous Year
Salaries	148,984,373	137,052,224
Allowances	124,636,052	109,736,911
Festival Allowances	17,421,666	17,516,636
Defined Benefit Plans		
i) Gratuity	-	-
ii) Others ( to be Specified)	-	-
Defined Contribution Plans		
i) Provident Fund/ Social Security Fund	28,697,332	26,453,240
ii) Others ( to be specified)	-	-
Leave Encashments	12,996,920	14,860,910
Termination Benefits	-	13,216,667
Training Expenses	5,635,760	7,157,099
Uniform Expenses	-	-
Medical Expenses	-	-
Insurance Expenses	9,175,529	5,121,766
Staff Welfare Expenses	6,829,362	5,113,831
Others( to be Specified)	-	-
<b>Sub Total</b>	<b>354,376,994</b>	<b>336,229,284</b>
Employees Bonus	66,302,394	89,219,185
<b>Total</b>	<b>420,679,388</b>	<b>425,448,469</b>

**39. DEPRECIATION AND AMORTIZATION EXPENSES**

Particulars	Current Year	Previous Year
Amortization of Goodwill & Intangible Assets (Refer Note. 4)	3,147,370	2,607,186
Depreciation on Property and Equipment(Refer Note.5)	30,338,883	17,905,969
Depreciation on Investment Properties ( Refer Note. 6)	-	-
<b>Total</b>	<b>33,486,253</b>	<b>20,513,155</b>

**40. IMPAIRMENT LOSSES**

Particulars	Current Year	Previous Year
Impairment Losses on Property and Equipment, Investment Properties and Goodwill & Intangible Assets		
i) Property and Equipment	-	-
ii) Investment properties	-	-
iii) Goodwill & Intangible Assets	-	-
Impairment Losses on Financial Assets		
i) Investments	-	-
ii) Loans	-	-
iii) Other Financial Assets	-	-
iv)Cash and Cash Equivalents	-	-
v)Others ( to be Specified)	-	-
Impairment Losses on Other Assets		
i) Reinsurance Assets	-	132,852,751
ii) Insurance Receivables	-	-
iii) Lease Receivables	-	-
iv)Others (to be Specified)	-	-
<b>Total</b>	<b>-</b>	<b>132,852,751</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**41. OTHER OPERATING EXPENSES**

Fig. in NPR

Particulars	Current Year	Previous Year
Rent Expenses	35,650,339	35,831,811
Electricity and Water	6,887,639	4,696,309
Repair & Maintenance		
i) Building	-	-
ii) Vehicle	1,296,821	1,566,940
iii) Office Equipments	1,043,816	1,283,227
iv) Others (Furnitures & Office Premises)	605,019	697,450
Telephone & Communication	5,712,310	7,217,539
Printing & Stationary	8,724,757	9,177,441
Office Consumable Expenses	73,606,725	33,795,705
Travelling Expenses		
i) Domestic	2,219,705	3,362,742
ii) Foreign	1,282,073	2,934,315
Transportation & Fuel Expenses	10,116,708	12,341,039
Agent Training	22,600	14,595
Other Agent Expenses	-	-
Insurance Premium	1,514,841	1,197,104
Security & Outsourcing Expenses	12,399,835	9,171,679
Legal and Consulting Expenses	39,611,998	25,810,290
Newspapers, Books and Periodicals	64,509	1,663,382
Advertisement & Promotion Expenses	15,529,568	10,169,943
Business Promotion	7,820,537	10,630,438
Guest Entertainment	160,381	215,114
Gift and Donations	-	313,500
Board Meeting Fees and Expenses		
i) Meeting Allowances	3,212,000	2,266,331
ii) Other Allowances	111,183	65,903
Other Committee/ Sub-committee Expenses		
i) Meeting Allowances	1,790,000	944,000
ii) Other Allowances	17,574	4,394
General Meeting Expenses	873,328	1,041,161
Actuarial Service Fee	1,413,088	800,750
Other Actuarial Expenses	-	-
Audit Related Expenses		
i) Statutory Audit	770,000	700,000
ii) Tax Audit	-	-
iii) Long Form Audit Report	-	-
iv) Other Fees	250,000	780,000
v) Internal Audit	550,000	500,000
vi) Others (Audit Expenses)	1,650,066	749,019
Bank Charges	868,712	1,127,369
Fee and Charges	56,427,839	37,669,577
Postage Charges	4,149,473	2,947,795
Foreign Exchange Losses	-	-
Fines and Penalties	-	-
Others (CSR Activities)	-	-
Others (Merger Expenses)	-	-
Others (Miscellaneous Exp)	49,543	62,396
<b>Total</b>	<b>296,402,987</b>	<b>221,749,258</b>

**42. Finance Cost**

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions	-	-
Unwinding of discount on Financial Liabilities at Amortised Costs	-	-
Interest Expenses - Bonds	-	-
Interest Expenses - Debentures	-	-
Interest Expenses - Term Loans	-	-
Interest Expenses - Leases	866,890	1,446,864
Interest Expenses - Overdraft Loans	-	-
Others (to be Specified)	-	-
<b>Total</b>	<b>866,890</b>	<b>1,446,864</b>

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 43. INCOME TAX EXPENSE

Fig. in NPR

##### (a) Income Tax Expense

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year	92,292,644	325,850,250
ii) Income Tax Relating to Prior Periods	10,285,366	91,453,939
ii) Income Tax on Dividend Income of Associates	-	52,630
Deferred Tax For The Year		
i) Originating and reversal of temporary differences	38,262,783	(27,628,878)
ii) Changes in tax rate	-	-
iii) Recognition of previously unrecognised tax losses	-	-
iv) Write-down or reversal	-	-
v) Others ( to be Specified)	-	-
<b>Income Tax Expense</b>	<b>140,840,793</b>	<b>389,727,941</b>

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

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	596,721,547	892,191,856
Applicable Tax Rate	30%	30%
<b>Tax at the applicable rate on Accounting Profit</b>	<b>179,016,464</b>	<b>267,657,557</b>
Add: Tax effect of expenses that are not deductible for tax purpose		
i) Utilisation of capital reserve from merger for Bonus Shares		56,457,930
ii) Leave Encashment	4,144,724	
iii) Bonus Distributed to Employees from Dividend Income	99,881	150,338
iv) Disallowed Expenses	366,785	572,420
v) Provision Expenses	9,126,873	-
vi) Difference of Depreciation as per Tax Base and Accounting Base	2,264,332	-
vii) Share Related Expenses		340,540
viii) Taxes & Fines		7,081,627
ix) Unwinding of Lease Liability	616,136	-
x) Tax effect of realised gain/loss on disposal of equity instruments	-	
Less: Tax effect on exempt income and additional deduction		
i) Dividend Income	(998,813)	(1,503,383)
ii) Income tax on dividend income from Associates	-	52,630
iii) Provision Written Back	-	(48,391,094)
iv) Unrealised FX Income	(716,619)	(1,236,146)
v) Interest Income on Plan Assets		(1,048,302)
vi) Difference in opening provision for doubtful debts		(562,909)
vii) Gain on sale of shares through fair value reserve		11,789,875
viii) Unexpired risk reserve of Marine Portfolio		6,711,328
ix) Difference of cost of disposed shares for tax base		(1,384,657)
x) Derecognizing the Investment in Associates	(63,364,337)	-
Less: Adjustments to Current Tax for Prior Periods		
i) Taxes pertaining to prior period	10,285,366	91,453,939
Add/ (Less): Others(to be Specified)		
i) Opening deferred tax adj on net contract liabilities of EIC		-
ii) Opening deferred tax adj on deferred commission income & expenses of EIC		-
iii) Opening unexpired risk reserve for HGI		-
iv) Origination and reversal of temporary differences as DTA/DTL		
v) Interest on current tax	-	1,586,248
<b>Income Tax Expense</b>	<b>140,840,793</b>	<b>389,727,941</b>
<b>Effective Tax Rate</b>	<b>23.60%</b>	<b>43.68%</b>



**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**44. Employee Retirement Benefits**
**a) Post Employment Benefit - Defined Contribution Plans**

For the year ended Ashadh 32, 2082 the company has recognized an amount of NPR 28,697,332 as an expenses under the defined contribution plans in the Statement of Profit or Loss.

**b) Post Employment Benefit - Defined Benefit Plans**

For Defined Benefit Plans, the cost of Providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out.

**c) Total Expenses Recognized in Statement of Profit or Loss**

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	-	-	-	-
Past Service Cost -	-	-	-	-
Net Interest Cost (a-b)	-	-	-	-
a. Interest expenses on Defined Benefit Obligation (DBO)	-	-	-	-
b. Interest (income) on Plan Assets	-	-	-	-
Net Actuarial losses/(gains) recognized during the period	-	-	-	-
<b>Defined Benefit Cost Included in Statement of Profit or Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

**e. Total Cost Recognized in Comprehensive Income**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost Recognized in statement of Profit or loss	-	-	-	-
Remeasurements effects recognized in OCI	-	-	-	-
<b>Defined Benefit Cost Included in Statement of Profit or Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**f) Change in Defined Benefit Obligation**

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined benefit obligation as at the beginning of the year	-	-	-	-
Service cost	-	-	-	-
Interest cost	-	-	-	-
Acquisition	-	-	-	-
Benefit payments	-	-	-	-
Actuarial (gain)/ loss - financial assumptions	-	-	-	-
Actuarial (gain)/ Loss - experience	-	-	-	-
<b>Defined Benefit Obligation as at Year End</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**g) Change in Fair Value of Plan Assets**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of plan assets at end of prior year	-	-	-	-
Opening Balance Adjustment	-	-	-	-
Interest Income	-	-	-	-
Expected return on plan assets	-	-	-	-
Employer contributions	-	-	-	-
Participant contributions	-	-	-	-
Benefit payments from plan assets	-	-	-	-
Transfer in/ transfer out	-	-	-	-
Actuarial gain/ (loss) on plan assets	-	-	-	-
<b>Fair value of Plan Assets as at Year End</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**h) Net Defined Benefit (Asset) / Liability**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation	-	-	-	-
Fair Value of Plan Assets	-	-	-	-
<b>Liability/ (Asset) Recognised in Statement of Financial Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**i) Expected Company Contributions for the Next Year**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year	-	-	-	-

**HIMALAYAN EVEREST INSURANCE LIMITED****Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**j) Reconciliation of amounts in Statement of Financial Position**

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Net defined benefit liability/(asset) at prior year end	-	-	-	-
Defined benefit cost included in Statement of Profit or Loss	-	-	-	-
Total remeasurements included in OCI	-	-	-	-
Acquisition/ divestment	-	-	-	-
Opening Balance Adjustment	-	-	-	-
Employer contributions	-	-	-	-
Benefit Paid	-	-	-	-
<b>Net defined benefit liability/ (asset)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**k) Reconciliation of Statement of Other Comprehensive Income**

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

**l) Current/Non - Current Liability**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	-	-	-	-
Non - Current Liability	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**m) Expected Future Benefit Payments**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	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>	<b>-</b>	<b>-</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**n) Plan assets**

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year (% Invested)	Previous Year (% Invested)	Current Year (% Invested)	Previous Year (% Invested)
Government Securities (Central and State)	-	-	-	-
Corporate Bonds (including Public Sector bonds)	-	-	-	-
Mutual Funds	-	-	-	-
Deposits	-	-	-	-
Cash and bank balances	-	-	-	-
Retirement Fund	-	-	-	-
Others (Plan assets with CIT)	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**o) Sensitivity Analysis**

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

**p) Assumptions**

Particulars	Employee Benefit Plan		Any Other Funded Liability	
Discount Rate	N/A		N/A	
Escalation Rate (Rate of Increase in Compensation Levels)	N/A		N/A	
Attrition Rate (Employee Turnover)	N/A		N/A	
Mortality Rate During Employment	N/A		N/A	



**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**45. Fair Value Measurements**
**(i) Financial Instruments by Category & Hierarchy**

This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are (a) recognised and measured at fair value and (b) measured at Amortised Cost and for which Fair Values are disclosed in the Financial Statements.

Fig. in NPR

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Authorised Cost
<b>Investments</b>							
i) Investment in Equity Instruments		-	-	-			
Investment in Equity (Quoted)	1	-	564,467,559	-	-	472,124,532	-
Investment in Equity (Unquoted)	3	-	568,656,761	-	-	284,560,000	-
ii) Investment in Mutual Funds	1	-	119,968,378	-	-	56,277,589	-
iii) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-	-	-	-
iv) Investment in Debentures	3	-	-	288,564,518	-	-	260,266,518
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-	-	-	-
vi) Fixed Deposits	3	-	-	3,700,574,200	-	-	3,745,045,600
vii) Others (to be specified)		-	-	-	-	-	-
Loans		-	-	-	-	-	-
Other Financial Assets	3	-	-	114,113,235	-	-	86,397,271
Cash and Cash Equivalents	1	-	-	145,744,832	-	-	175,773,574
<b>Total Financial Assets</b>		-	<b>1,253,092,698</b>	<b>4,248,996,785</b>	-	<b>812,962,121</b>	<b>4,267,482,963</b>
Borrowings		-	-	-	-	-	-
Other Financial Liabilities	3	-	-	197,915,910	-	-	212,553,341
<b>Total Financial Liabilities</b>		-	-	<b>197,915,910</b>	-	-	<b>212,553,341</b>

**Level 1:** Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

**Level 2:** Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

**(ii) Valuation Technique Used to Determine Fair Value**

- Use of quoted market prices or dealer quotes for similar instruments
- Fair Value of remaining financial instruments is determined using discounted cash flow analysis

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### (iii) Valuation Process

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

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

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

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

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

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Investments</b>				
i) Investment in Preference Shares of Bank and Financial Institutions	-	-	-	-
ii) Investment in Debentures	288,564,518	288,564,518	260,266,518	260,266,518
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	-	-	-	-
iv) Fixed Deposit	3,700,574,200	3,700,574,200	3,745,045,600	3,745,045,600
v) Others (Unquoted Equity Shares)	-	-	-	-
<b>Loans</b>				
i) Loan to Employees	-	-	-	-
ii) Others (to be Specified)	-	-	-	-
Other Financial Assets	114,113,235	114,113,235	86,397,271	86,397,271
Total Financial Assets at Amortised Cost	4,103,251,953	4,103,251,953	4,091,709,389	4,091,709,389
<b>Borrowings</b>				
i) Bonds	-	-	-	-
ii) Debentures	-	-	-	-
iii) Term Loans - Bank and Financial Institution	-	-	-	-
iv) Bank Overdrafts	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Other Financial Liabilities	197,915,910	197,915,910	212,553,341	212,553,341
<b>Total Financial Liabilities at Amortised Cost</b>	<b>197,915,910</b>	<b>197,915,910</b>	<b>212,553,341</b>	<b>212,553,341</b>

The fair values of the above financial instruments measured at amortised cost are calculated based on cash flows discounted using current discount rate.

The carrying amounts of cash and cash equivalents are considered to be the same as their fair values due to their short-term nature.

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 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 it 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:

Particulars	For the year ended Ashadh 32, 2082 (July 16, 2025)		For the year ended Ashad 31, 2081 (July 15, 2024)	
	Gross written Premium	Concentration Percentage	Gross written Premium	Concentration Percentage
Fire	932,398,693	22%	680,356,188	18%
Motor	1,274,211,397	30%	957,192,953	25%
Marine	129,160,493	3%	82,056,489	2%
Engineering	870,422,089	20%	735,957,195	20%
Micro	600	0%	600	0%
Aviation	49,813,125	1%	329,303,834	9%
Cattle and crop	34,814,969	1%	38,494,365	1%
Miscellaneous	995,505,140	23%	938,632,945	25%
<b>Total</b>	<b>4,286,326,506</b>	<b>100%</b>	<b>3,761,994,569</b>	<b>100%</b>

## **HIMALAYAN EVEREST INSURANCE LIMITED**

### **Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

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:

<b>NAME OF REINSURERS</b>	<b>RATING</b>	<b>ISSUING AGENCY</b>
General Insurance Corporation of India, India	B++	AM Best
Oman Re	B+	AM Best
Kenya Re	B	AM Best
Asian Re	B+	AM Best
Cica Re	B+	AM Best
General Insurance Corporation, Bhutan	A	AM Best
The New India Assurance Company Limited	B++	AM Best
ADNIC reinsurance	A	AM Best
Nepal Reinsurance Company Limited		
Himalayan Reinsurance Company Limited	B+	AM Best
Sirius International	A-	AM Best
Odyssey Reinsurance	A+	AM Best



**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**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 estimate 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.

Particulars	Changes in Assumptions	Current Year				Previous Year			
		Increase/ (Decrease)	Increase/ (Decrease) -	Increase/ (Decrease) -	Increase/ (Decrease) -	Increase/ (Decrease) -	Increase/ (Decrease)	Increase/ (Decrease) -	Increase/ (Decrease) -
		on Gross	on Net	Profit Before	Profit After	Gross	on Net	Profit	Profit
		Liabilities	Liabilities	Tax	Tax	Liabilities	Liabilities	Before Tax	After Tax
Average Claim Cost	"+" 10%	240,066,955	(263,300,608)	67,408,488	47,185,941	257,795,654	3,934,517	(291,415,939)	(203,991,157)
Average Number of Claims	"+" 10%	(45,156,685)	13,493,153	(13,493,153)	(9,445,207)	26,473,826	14,017,173	(14,017,173)	(9,812,021)
Average Claim Cost	"-" 10%	(240,066,955)	263,300,608	(67,408,488)	(47,185,941)	(257,795,654)	(3,934,517)	291,415,939	203,991,157
Average Number of Claims	"-" 10%	45,156,685	(13,493,153)	13,493,153	9,445,207	(26,473,826)	(14,017,173)	14,017,173	9,812,021

**ii. Claim development table**

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

**Gross outstanding claim provision**

YEAR OF INCIDENT	> PY 4	PY 4	PY 3	PY 2	PY 1	CURRENT YEAR	TOTAL
At end of incident year	-	-	-	-	-	2,631,100,933	2,631,100,933
One year later	-	-	-	-	484,753,859	-	484,753,859
Two year later	-	-	-	183,639,589	-	-	183,639,589
Three year later	-	-	9,249,782	-	-	-	9,249,782
Four year later	-	544,617,162	-	-	-	-	544,617,162
More than Four years	-	-	-	-	-	-	-
<b>Current estimate of cumulative claims</b>	<b>-</b>	<b>544,617,162</b>	<b>9,249,782</b>	<b>183,639,589</b>	<b>484,753,859</b>	<b>2,631,100,933</b>	<b>3,853,361,325</b>
At end of incident year	-	-	-	-	-	1,443,259,658	1,443,259,658
One year later	-	-	-	-	317,287,557	-	317,287,557
Two year later	-	-	-	166,011,523	-	-	166,011,523
Three year later	-	-	4,779,052	-	-	-	4,779,052
Four year later	-	27,583,412	-	-	-	-	27,583,412
More than Four years	-	-	-	-	-	-	-
<b>Cumulative payments to date</b>	<b>-</b>	<b>27,583,412</b>	<b>4,779,052</b>	<b>166,011,523</b>	<b>317,287,557</b>	<b>1,443,259,658</b>	<b>1,958,921,202</b>
<b>Gross outstanding claim provision</b>	<b>-</b>	<b>517,033,750</b>	<b>4,470,730</b>	<b>17,628,066</b>	<b>167,466,302</b>	<b>1,187,841,275</b>	<b>1,894,440,122</b>

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### Net outstanding claim provision

YEAR OF INCIDENT	> PY 4	PY 4	PY 3	PY 2	PY 1	CURRENT YEAR	TOTAL
At end of incident year	-	-	-	-	-	1,170,430,013	1,170,430,013
One year later	-	-	-	-	193,530,572	-	193,530,572
Two year later	-	-	-	24,821,320	-	-	24,821,320
Three year later	-	-	3,670,512	-	-	-	3,670,512
Four year later	-	11,803,178	-	-	-	-	11,803,178
More than Four years	-	-	-	-	-	-	-
<b>Current estimate of cumulative claims</b>	<b>-</b>	<b>11,803,178</b>	<b>3,670,512</b>	<b>24,821,320</b>	<b>193,530,572</b>	<b>1,170,430,013</b>	<b>1,404,255,595</b>
At end of incident year	-	-	-	-	-	876,617,566	876,617,566
One year later	-	-	-	-	171,666,542	-	171,666,542
Two year later	-	-	-	14,723,094	-	-	14,723,094
Three year later	-	-	1,639,249	-	-	-	1,639,249
Four year later	-	10,718,593	-	-	-	-	10,718,593
More than Four years	-	-	-	-	-	-	-
<b>Cumulative payments to date</b>	<b>-</b>	<b>10,718,593</b>	<b>1,639,249</b>	<b>14,723,094</b>	<b>171,666,542</b>	<b>876,617,566</b>	<b>1,075,365,043</b>
<b>Net outstanding claim provision</b>	<b>-</b>	<b>1,084,586</b>	<b>2,031,263</b>	<b>10,098,226</b>	<b>21,864,030</b>	<b>293,812,447</b>	<b>328,890,550</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:

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Fire	899,273,469.00	782,307,454.00	116,966,015	719,290,280	541,592,333	177,697,947
Motor	1,112,910,362.00	344,977,111.00	767,933,251	794,372,061	279,351,209	515,020,852
Marine	40,491,971.00	25,565,436.00	14,926,535	162,249,082	106,798,547	55,450,535
Engineering	795,676,802.00	699,191,402.00	96,485,400	750,704,935	641,242,508	109,462,427
Micro	515,839,946.00	515,839,551.00	395	358,011,291	357,493,425	517,866
Aviation	121,052,929.00	120,336,360.00	716,569	358,011,291	357,493,425	517,866
Cattle and Crop	50,421,847.00	43,959,468.00	6,462,379	73,619,226	64,846,889	8,772,337
Miscellaneous	319,493,812.00	165,815,479.00	153,678,333	624,754,639	340,684,763	284,069,876
<b>Total</b>	<b>3,855,161,138</b>	<b>2,697,992,261</b>	<b>1,157,168,877</b>	<b>3,841,012,805</b>	<b>2,689,503,099</b>	<b>1,151,509,706</b>

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

#### 47. Financial Risk Management

The Company's activities expose it to Credit Risk, Liquidity Risk & Market Risk.

##### i) Credit Risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company and includes the risk of failure of financial institutions with which the Company have placed deposits / investment to meet its contractual obligations. Thus, for an insurance contract, credit risk includes the risk that an insurer incurs a financial loss because a reinsurer defaults on its obligations under the reinsurance contract.

The 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. 3,700,574,200 (2080-81: Rs. 3,745,045,600) and in debentures issued by listed companies Rs. 288,564,518 (2080-81: Rs. 260,266,518) 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. 7,729,222 (2080-81: Rs. 28,115,937). The amount due from Aviation Assets Management Ltd which was provisioned has been written back by collecting final settlement realization after it's liquidation. The company also has receivable of Rs. 7,154,982 (2080-81: Rs. 7,154,982) 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		
<b>Balance of loss allowance as at Ashad 31, 2081</b>	<b>7,729,222</b>	<b>169,032,870</b>
Add: Transferred from business acquisition	-	-
Add: Loss allowance recognised during the year	-	-
Less: Loss allowance written back during the year	-	(161,303,648)
<b>Balance of loss allowance as at Ashadh 32, 2082</b>	<b>7,729,222</b>	<b>7,729,222</b>

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

#### The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

a) Company has credit risk policy which sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures/ breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

b) Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by entering into agreement with more than one party. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

c) The company deals with only creditworthy counterparties and obtains sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh 32, 2082**

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses	Reinsurance Asset				
		Fixed Deposit				
		Debenture				
		Other Financial assets				
Credit Risk has significantly increased and not a credit impaired	Loss allowance measured at life-time expected credit losses	-	-	-	-	-
Credit Risk has significantly increased and credit impaired		-	-	-	-	-

**Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh 31, 2081**

Particulars		Asset Group	Gross Carrying Amount	Expected probability of Default	Expected Credit Losses	Carrying Amount After Provision
Credit Risk has not significantly increased since initial recognition	Loss allowance measured at 12 months expected credit losses	Reinsurance Asset				
		Fixed Deposit				
		Debenture				
		Other Financial assets				
Credit Risk has significantly increased and not a credit impaired	Loss allowance measured at life-time expected credit losses	-	-	-	-	-
Credit Risk has significantly increased and credit impaired		-	-	-	-	-

**Reconciliation of Loss Allowance Provision**

Particulars	Measured at 12 months expected credit losses	Measured at life-time expected credit losses	
		Credit Risk has significantly increased and not a credit impaired	Credit Risk has significantly increased and credit impaired
Loss Allowance on Ashadh 31, 2081	-	-	-
Changes in loss allowances	-	-	-
Write-offs	-	-	-
Recoveries	-	-	-
<b>Loss Allowance on Ashadh 32, 2082</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ii) 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.



### Maturity of Financial Liabilities:

The table below summarises the Company's Financial Liabilities into Relevant Maturity Groupings based on their Contractual Maturities for all Financial Liabilities.

Particulars	Current Year			Previous Year		
	Upto 1 year	1 to 5 years	More than 5 years	Upto 1 year	1 year to 5 year	More than 5 year
Borrowings						
Other Financial Liabilities	197,475,910	440,000		212,113,341	440,000	-
<b>Total Financial Liabilities</b>	<b>197,475,910</b>	<b>440,000</b>		<b>212,113,341</b>	<b>440,000</b>	<b>-</b>

### iii) Market Risk

#### a1) Foreign Currency Risk Exposure

Foreign exchange risk is the potential for the Company to experience volatility in the value of its assets, liabilities and solvency and to suffer actual financial losses as a result of changes in value between the currencies of its assets and liabilities and its reporting currency. The Company does not maintain foreign currency denominated assets in its investment portfolios and as such is not exposed to foreign exchange risk related to investments.

The Company has no significant concentration of currency risk. The amount with reinsurer is settled in Nepali Rupee.

#### b1) Interest Rate Risk

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

The major interest rate risk that the Company is exposed to is the discount rate for determining insurance liabilities.

#### b2) Interest Rate Sensitivity

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

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

\* Holding all other Variable Constant

#### c1) Equity Price Risk

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

The Company has invested in equity securities and the exposure is equity securities price risk from investments held by the Company and classified in the statement of financial position as fair value through OCI/ fair value through profit or loss.

#### c2) Sensitivity

The table below summarises the impact of increase/decrease of the index in the Company's equity and impact on OCI/ profit or loss for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 1% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	Current Year	Previous Year
Equity Index - Increase By 1%*	6,844,359	5,284,021
Equity Index - Decrease By 1%*	(6,844,359)	(5,284,021)

\* Other components of equity would increase/decrease as a result of gains/ (losses) on equity securities classified as fair value through other comprehensive income.

#### 48. Operational Risk

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

#### 49. Climate Related 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's objectives when managing Capital are to:

- a) Safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- b) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

##### Regulatory minimum paid up capital

Non-Life insurance companies were required by the Directive of Nepal Insurance Authority to attain a stipulated minimum paid up capital of NPR 2.5 billion by mid-July 2023. As on the reporting date, the company's paid up capital is NPR 25,001,574.

Particulars	Current Year	Previous Year
<b>(i) Dividends recognised</b>		
Final cash dividend for the year ended Ashadh 31, 2081 of NPR 8.75/- (Ashadh 31, 2080 - NPR 6.37/-) per fully paid share	218,763,773	146,607,780
Final bonus Share for the year ended Ashadh 31, 2081 of Nil (Ashadh 31, 2080 - NPR 8.63/-) per fully paid share	-	198,622,400
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, for the year ended the Board of Directors have recommended the payment of a final Cash Dividend of NPR 8/- per fully paid equity share (Including Tax). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	200,012,592	218,763,773

## 51. Earnings Per Share (EPS)

Particulars	Current Year	Previous Year
Profit For the Year	455,880,754	502,463,915
Less: Dividend on Preference Shares	-	-
Profit For the Year used for Calculating Basic Earning per Share	455,880,754	502,463,915
Add: Interest saving on Convertible Bonds	-	-
<b>Profit For the Year used for Calculating Diluted Earning per Share</b>	<b>455,880,754</b>	<b>502,463,915</b>
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	25,001,574	25,001,574
Adjustments for calculation of Diluted Earning per Share:		
i) Dilutive Shares	-	-
ii) Options	-	-
iii) Convertible Bonds	-	-
<b>Weighted Average Number of Equity Shares Outstanding During the</b>		
Year for Diluted Earning Per Share	25,001,574	25,001,574
Nominal Value of Equity Shares	100	100
<b>Basic Earnings Per Share</b>	<b>18.23</b>	<b>20.10</b>
<b>Diluted Earnings Per Share</b>	<b>18.23</b>	<b>20.10</b>
Proposed Bonus Shares		
<b>Weighted Average Number of Equity Shares Outstanding During the</b>		
<b>Year for Restated Earning Per Share</b>		
Nominal Value of Equity Shares		
<b>Restated Basic Earnings Per Share</b>		
<b>Restated Diluted Earnings Per Share</b>		

## 52. Operational Segment

Segment information is presented in respect of the Company's business segments. Management of the Company has identified portfolio as business segment and the Company's internal reporting structure is also based on portfolio. Performance is measured based on segment profit as management believes that it is most relevant in evaluating the results of segment relative to other entities that operate within these industries.

Segment asset is disclosed below based on total of all asset for each business segment.

The Company operates predominantly in Nepal and accordingly, the Management of the Company is of the view that the financial information by geographical segments of the Company's operation is not necessary to be presented. Business Segments of the Company's are:"

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

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

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Camp	Miscellaneous	Inter Segment Elimination	Total
<b>Income:</b>										
Gross Earned Premiums	1,003,850,558 (753,332,138)	1,123,168,003 (383,013,744)	229,696,664 (147,242,400)	997,608,483 (874,752,460)	782 (107)	214,099,512 (213,836,789)	39,035,081 (35,797,486)	1,302,651,621 (588,758,256)	-	4,910,110,704 (2,996,733,380)
Premiums Ceded	-	-	-	-	-	-	-	-	-	-
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
<b>Net Earned Premiums</b>	<b>250,518,420</b>	<b>740,154,259</b>	<b>82,454,264</b>	<b>122,856,023</b>	<b>675</b>	<b>262,723</b>	<b>3,237,595</b>	<b>713,893,365</b>	<b>-</b>	<b>1,913,377,324</b>
Commission Income	149,492,109	85,768,883	47,085,155	136,365,250	27	10,548,676	6,573,895	108,718,854	-	544,552,849
Other Direct Income	-	-	-	-	-	-	-	-	-	-
Income from Investments and Loans	-	-	-	-	-	-	-	-	-	-
Net Gains/ (Losses) on	-	-	-	-	-	-	-	-	-	-
Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
<b>Total Segmental Income</b>	<b>400,010,529</b>	<b>825,923,142</b>	<b>129,539,419</b>	<b>259,221,273</b>	<b>702</b>	<b>10,811,399</b>	<b>9,811,490</b>	<b>822,612,219</b>	<b>-</b>	<b>2,457,930,173</b>
<b>Expenses:</b>										
Gross Claims Paid	560,341,481 (433,615,243)	632,205,213 (133,858,082)	25,704,516 (16,857,221)	237,622,719 (229,167,653)	-	3,391,647 (3,377,682)	51,172,298 (40,112,448)	448,483,328 (26,567,830)	-	1,958,921,202 (883,556,159)
Claims Ceded	-	-	-	-	-	-	-	-	-	-
Gross Change in Contract Liabilities	251,435,054	167,494,907	(21,220,940)	172,158,261	(423)	(72,671,975)	(18,977,267)	1,885,654	-	480,103,271
Change in Reinsurance Assets	(265,740,666)	(24,147,381)	15,801,178	(150,872,893)	106	73,074,930	16,841,190	18,408,214	-	(316,635,322)
<b>Net Claims Paid</b>	<b>112,420,626</b>	<b>641,694,657</b>	<b>3,427,533</b>	<b>29,740,434</b>	<b>(317)</b>	<b>416,920</b>	<b>8,923,773</b>	<b>442,209,366</b>	<b>-</b>	<b>1,238,832,992</b>
Commission Expenses	15,151,780	4,048,082	1,641,456	15,814,859	24	2,508,038	3,670,620	41,893,596	-	84,728,455
Service Fees	1,740,007	7,652,225	358,394	596,432	4	(12,274)	22,979	4,463,401	-	14,821,168
Other Direct Expenses	584,320	2,818,800	222,680	74,020	40	-	240,063	368,370	-	4,308,293
Employee Benefits Expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-	-	-	-	-
<b>Total Segmental Expenses</b>	<b>129,896,733</b>	<b>656,213,764</b>	<b>5,650,063</b>	<b>46,225,745</b>	<b>(249)</b>	<b>2,912,684</b>	<b>12,857,435</b>	<b>488,934,733</b>	<b>-</b>	<b>1,342,690,908</b>
<b>Total Segmental Results</b>	<b>270,113,796</b>	<b>169,709,378</b>	<b>123,889,356</b>	<b>212,995,528</b>	<b>951</b>	<b>7,898,715</b>	<b>(3,045,945)</b>	<b>333,677,486</b>	<b>-</b>	<b>1,115,239,265</b>
<b>Segment Assets</b>	<b>782,307,454</b>	<b>344,977,111</b>	<b>25,565,436</b>	<b>699,191,402</b>	<b>515,839,551</b>	<b>120,336,360</b>	<b>43,959,468</b>	<b>165,815,479</b>	<b>-</b>	<b>2,697,992,261</b>
<b>Segment Liabilities</b>	<b>899,273,469</b>	<b>1,112,910,362</b>	<b>40,491,971</b>	<b>795,676,802</b>	<b>515,839,946</b>	<b>121,052,929</b>	<b>50,421,847</b>	<b>319,493,812</b>	<b>-</b>	<b>3,855,161,138</b>



## b) Segmental Information for the year ended Ashadh 31, 2081 (July 15, 2024)

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Camp	Miscellaneous	Inter Segment Elimination	Total
<b>Income:</b>										
Gross Earned Premiums	460,699,177	931,436,565	79,462,365	635,292,339	1,508	304,698,682	65,332,899	907,373,369	-	3,384,296,904
Premiums Ceded	(254,053,618)	(347,278,402)	(53,819,034)	(574,665,751)	(288)	(304,333,537)	(58,975,752)	(511,059,592)	-	(2,104,185,974)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
<b>Net Earned Premiums</b>	<b>206,645,559</b>	<b>584,158,163</b>	<b>25,643,331</b>	<b>60,626,588</b>	<b>1,220</b>	<b>365,145</b>	<b>6,357,147</b>	<b>396,313,777</b>	<b>-</b>	<b>1,280,110,930</b>
Commission Income	83,860,790	65,074,889	(1,632,234)	92,246,570	37	15,627,375	12,338,168	75,370,920	-	342,886,515
Other Direct Income	-	-	-	-	-	-	-	-	-	-
Income from Investments	-	-	-	-	-	-	-	-	-	-
and Loans	-	-	-	-	-	-	-	-	-	-
Net Gains/ (Losses) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
<b>Total Segmental Income</b>	<b>290,506,349</b>	<b>649,233,052</b>	<b>24,011,097</b>	<b>152,873,158</b>	<b>1,257</b>	<b>15,992,520</b>	<b>18,695,315</b>	<b>471,684,697</b>	<b>-</b>	<b>1,622,997,445</b>
<b>Expenses:</b>										
Gross Claims Paid	170,139,206	470,138,918	33,332,168	171,908,233	750,000	205,943,545	50,412,260	371,787,907	-	1,474,412,237
Claims Ceded	(136,995,783)	(122,757,596)	(20,368,667)	(153,390,814)	(750,000)	(205,750,415)	(44,600,490)	(72,048,283)	-	(756,662,048)
Gross Change in Contract Liabilities	(269,341,170)	(57,771,325)	(12,248,016)	2,663,365	(766,831)	(230,204,472)	15,061,536	(30,335,232)	-	(582,942,145)
Change in Reinsurance Assets	302,247,776	27,883,671	13,257,045	12,969,410	765,111	230,056,151	(15,108,511)	39,051,005	-	611,121,658
<b>Net Claims Paid</b>	<b>66,050,029</b>	<b>317,493,668</b>	<b>13,972,530</b>	<b>34,150,194</b>	<b>(1,720)</b>	<b>44,809</b>	<b>5,764,795</b>	<b>308,455,397</b>	<b>-</b>	<b>745,929,702</b>
Commission Expenses	8,482,995	3,661,184	95,595	12,197,679	23	2,653,827	8,940,181	22,696,075	-	58,727,559
Service Fees	1,647,216	5,504,913	194,033	637,966	4	(1,032)	24,246	4,096,376	-	12,103,722
Other Direct Expenses	565,840	2,291,360	171,640	52,170	40	40	239,530	308,300	-	3,628,920
Employee Benefits Expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-	-	-	-	-
<b>Total Segmental Expenses</b>	<b>76,746,080</b>	<b>328,951,125</b>	<b>14,433,798</b>	<b>47,038,009</b>	<b>(1,653)</b>	<b>2,697,644</b>	<b>14,968,752</b>	<b>335,556,148</b>	<b>-</b>	<b>820,389,903</b>
<b>Total Segmental Results</b>	<b>213,760,269</b>	<b>320,281,927</b>	<b>9,577,299</b>	<b>105,835,149</b>	<b>2,910</b>	<b>13,294,876</b>	<b>3,726,563</b>	<b>136,128,549</b>	<b>-</b>	<b>802,607,542</b>
<b>Segment Assets</b>	<b>541,592,333</b>	<b>279,351,209</b>	<b>106,798,547</b>	<b>641,242,508</b>	<b>515,839,692</b>	<b>357,493,425</b>	<b>64,846,889</b>	<b>340,684,763</b>	<b>-</b>	<b>2,847,849,366</b>
<b>Segment Liabilities</b>	<b>719,290,280</b>	<b>794,372,061</b>	<b>162,249,082</b>	<b>750,704,935</b>	<b>515,840,551</b>	<b>358,011,291</b>	<b>73,619,226</b>	<b>624,754,639</b>	<b>-</b>	<b>3,998,842,065</b>

## HIMALAYAN EVEREST INSURANCE LIMITED

### Notes to the Financial Statements

As at Ashad End, 2082 (July 16, 2025)

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

Particulars	Current Year	Previous Year
<b>Segmental Profit</b>	<b>1,115,239,264.67</b>	<b>802,607,542</b>
Add: Income from Investment & Loans	219,223,683	344,043,010
Add: Net Realised Gains/ (Losses)	4,531,045	361,558,301
Add: Unallocable Other Income	9,163,073	174,779,042
Add: Share of Profit of Associates	-	11,214,458
Less: Depreciation and Amortization	(33,486,253)	(20,513,155)
Less: Unallocable Corporate expenses	(717,082,375)	(780,050,478)
Less: Impairment Losses	-	-
Less: Finance Cost	(866,890)	(1,446,864)
<b>Profit Before Tax</b>	<b>596,721,547</b>	<b>892,191,856</b>

#### d) Reconciliation of Assets

Particulars	Current Year	Previous Year
<b>Segment Assets</b>	<b>2,697,992,261.00</b>	<b>2,847,849,366</b>
Goodwill and Intangible Assets	17,145,750	18,868,120
Property, Plant and Equipment	1,175,836,559	1,051,365,598
Investment Properties	-	-
Deferred Tax Assets	-	12,531,846
Investments in Subsidiaries	-	-
Investments in Associates	-	210,161,858
Investments	5,242,231,416	4,818,274,239
Loans	-	-
Current Tax Assets (Net)	188,503,919	75,341,583
Insurance Receivables	523,215,128	457,156,412
Other Assets	76,107,083	85,042,482
Other Financial Assets	114,113,235	86,397,271
Cash and Cash Equivalents	145,744,832	175,773,574
<b>Total Assets</b>	<b>10,180,890,183</b>	<b>9,838,762,349</b>

#### E) Reconciliation of Liabilities

Particulars	Current Year	Previous Year
<b>Segment Liabilities</b>	<b>3,855,161,138.00</b>	<b>3,998,842,065</b>
Provisions	8,161,536	1,681,849
Deferred Tax Liabilities	54,705,673	-
Current Tax Liabilities (Net)	-	-
Insurance Payables	580,005,198	358,680,424
Other Financial Liabilities	273,566,694	340,693,164
Other Liabilities	197,915,910	212,553,341
<b>Total Liabilities</b>	<b>4,969,516,149</b>	<b>4,912,450,843</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**53. Related Party Disclosure**

(a) Identify Related Parties

**Holding Company:**

The company does not have any holding company.

**Subsidiaries:**

The company does not have any Subsidiaries.

**Associates:**

The company does not have any associates.

**Fellow Subsidiaries:**

The company does not have any Fellow Subsidiaries.

**Key Management Personnel:**

KMPs of the Himalayan Everest Insurance Ltd. includes members of Board of directors and Chief Executive Officer.

Name of Key Management Personnel	Designation
Mr. Mahendra Krishna Shrestha	Chairman (From Chaitra 29, 2079)
Mr. Vijit Krishna Shrestha	Director (From Chaitra 29, 2079)
Ms. 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)
Ms. Anju Shrestha	Chief Executive Officer (From Ashwin 18, 2081)

**(b) Key Management Personnel Compensation:**

Particulars	Current Year	Previous Year
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits to CEO	-	7,462,500
Board meeting allowance	5,130,757	3,280,628
<b>Total</b>	<b>5,130,757</b>	<b>10,743,128</b>

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

Particulars	Current Year	Previous Year
Annual salary and allowances	8,980,974.40	10,147,838
Performance based allowances		
i) Employee Bonus	1,089,160	1,809,073
ii) Benefits as per prevailing provisions	-	-
iii) Incentives	-	2,901,191
Insurance related benefits		
i) Life Insurance	-	-
ii) Accident Insurance		
iii) Health Insurance (including family members)	66,611	64,462
<b>Total</b>	<b>10,136,745</b>	<b>14,922,564</b>

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**(c) Related Party Transactions:**

Particular	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
<b>Premium Earned</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)						
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Commission Income</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)						
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Rental Income</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)						
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Interest Income</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)						
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Sale of Property, Plant &amp; Equipment</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)						
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Purchase of Property, Plant &amp; Equipment</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)						
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Premium Paid</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)						
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Commission Expenses</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)						
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Dividend</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)	-	-	-	-	19,032,099	-
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	999,970	-		-
<b>Meeting Fees</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)					5,130,757	
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	3,280,628	
<b>Allowances to Directors</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)						
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Others (to be specified)</b>						
For The Year Ended Ashadh 32, 2082 (July 16, 2025)						
For The Year Ended Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-



**HIMALAYAN EVEREST INSURANCE LIMITED**
**Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

**(d) Related Party Balances:**

Particular	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
<b>Receivables including Reinsurance Receivables</b>						
As at Ashadh 32, 2082 (July 16, 2025)			-			
As at Ashadh 31, 2081 (July 15, 2024)	-	-	210,161,858	-	-	210,161,858
<b>Other Receivables (to be Specified)</b>						
As at Ashadh 32, 2082 (July 16, 2025)						
As at Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Payables including Reinsurance Payables</b>						
As at Ashadh 32, 2082 (July 16, 2025)						
As at Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-
<b>Other Payables (to be Specified)</b>						
As at Ashadh 32, 2082 (July 16, 2025)						
As at Ashadh 31, 2081 (July 15, 2024)	-	-	-	-	-	-

**54. Leases**

Leases as Lessee

Operating Leases:

The Company has not entered into any lease agreement i.e. rental agreements to be classified as operating leases.

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

The identified non- cancellable leases have not been amortized. The undiscounted maturities of lease liabilities over the remaining lease term are as follows:

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	2,481,857	3,057,689
ii) Later than 1 year and not later than 5 years	2,755,857	6,467,883
iii) Later than 5 years	1,266,979	1,777,086

**55. Capital Commitments**

Estimated amount of contracts remaining to be executed and not provided for: No capital Commitments has been made

Particulars	Current Year	Previous Year
Property, Plant and Equipment	-	-
Investment Properties	-	-
Goodwill & Intangible Assets	-	-
Investment	-	47,550,659
<b>Total</b>	<b>-</b>	<b>47,550,659</b>

## **HIMALAYAN EVEREST INSURANCE LIMITED**

### **Notes to the Financial Statements**

As at Ashad End, 2082 (July 16, 2025)

#### **56. Contingent Liabilities**

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

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Claims against Company not acknowledged as debts		
a) Income Tax	32,644,124	32,644,124
b) Indirect Taxes	-	-
c) Claim Petitions	10,600,000	7,009,288
c) Other (to be Specified)	-	-
<b>Total</b>	<b>43,244,124</b>	<b>39,653,412</b>

#### **57. Events occurring after Balance Sheet**

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

#### **58. Assets Pledged as Security (only if pledged)**

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

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Reinsurance Receivables	-	-
Investments in equity	-	-
Fixed Deposits	-	-
Property and equipment	-	-
Others (to be Specified)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### **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 amount utilised from the CSR Reserve for the year 2081.82 is NPR. 6595080.

#### **60. Miscellaneous**

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

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

**HIMALAYAN EVEREST INSURANCE LIMITED**  
**Annexure III (Major Financial Indicator)**

As at Ashad End, 2082 (July 16, 2025)

S.N.	Particular	Indicators	2081/82	2080/81	2079/80	2078/79	2077/78
<b>A</b>	<b>Equity</b>						
1.	Net worth	NPR	5,211,374,034	4,926,202,120	4,290,379,558	3,798,287,114	3,701,858,932
2.	Net Profit	NPR	455,880,754	502,354,528	445,059,527	160,320,310	258,458,698
3.	Number of Shares	No.s	25,001,574	25001574	23015350	22399366.64	21064004.4
4.	Earning per Share	NPR	18.23	20	19	14	21
5.	Book value per Share	NPR	208.44	197.04	186.41	169.57	175.74
6.	Dividend per Share (DPS)	NPR	8.00	8.75	15	3	4
7.	Market Price per Shares (MPPS)	NPR	616.36	632	600	945	1405
8.	Price Earning Ratio	Ratio	33.80	31.45	31.03	69.87	65.80
9.	Change in Equity	%	5.79%	14.82%	12.96%	5.49%	-5.64%
10.	Return on Equity	%	8.75%	10.20%	10.37%	4.22%	6.98%
11.	Affiliate Ratio	%	-	4.27%	-	-	-
12.	Capital to Net Assets Ratio	%	47.98%	50.75%	53.64%	30.90%	56.90%
13.	Capital to Technical Reserve Ratio	%	216.06%	217.22%	230.97%	252.28%	313.01%
14.	Market Share	%	9.84%	9.07%	8.14%	7.90%	7.00%
15.	Solvency Margin	%	438.10%	332.40%	324.00%	414.00%	376.00%
<b>B.</b>	<b>Income</b>						
16.	Net Earnings Ratio	%	23.83%	39.24%	45.49%	20.39%	38.44%
17.	Gross Earned Premium Growth Rate	%	45.09%	-0.29%	18.40%	23.67%	-8.91%
18.	Direct Premium Growth Rate	%	13.72%	13.00%	4.29%	42.76%	-4.72%
	Property	%	36.93%	26.22%	20.63%	34.03%	21.57%
	Motor	%	35.50%	9.47%	23.02%	17.70%	1.45%
	Marine	%	57.40%	23.08%	-24.99%	17.04%	49.05%
	Engineering	%	18.82%	38.24%	31.73%	60.57%	-17.69%
	Micro	%	0.00%	-75.00%	-68.07%	-99.98%	10.17%
	Aviation	%	-84.87%	-7.14%	-25.61%	62.27%	373.41%
	Cattle and Crop	%	-9.56%	-57.40%	-47.00%	31.25%	118.32%
	Miscellaneous	%	4.95%	7.04%	-0.79%	71.44%	-47.74%

19.	Retention Ratio	%	38.97%	37.83%	28.82%	27.42%	29.01%
	Property	%	24.96%	44.85%	21.17%	21.08%	22.16%
	Motor	%	65.90%	62.72%	70.38%	75.05%	61.51%
	Marine	%	35.90%	32.27%	-624.54%	-143.35%	20.04%
	Engineering	%	12.32%	9.54%	18.91%	9.62%	11.10%
	Micro	%	86.32%	80.90%	-1939264.37%	-1050.12%	60.84%
	Aviation	%	0.12%	0.12%	-3.18%	-55.49%	0.33%
	Cattle and Crop	%	8.29%	9.73%	27.41%	-19.94%	19.86%
	Miscellaneous	%	54.80%	43.68%	33.31%	1256.11%	16.42%
20.	Net Reinsurance inflow/(outflow)	Amount in Cr	-117.49	-121.43	0.29	-86.75	75.76
21.	RI Commission Income/ Premium ceded	%	19.78%	16.32%	14.03%	12.95%	14.97%
22.	Gross Premium Revenue/ Equity	%	78.27%	76.37%	78.70%	86.27%	63.94%
23.	Net Premium Revenue/ Equity	%	36.72%	25.99%	22.80%	20.70%	18.17%
24.	Gross Insurance Premium/ Total Assets	%	49.15%	34.51%	23.77%	35.08%	28.55%
25.	Gross Written Premium to Equity	%	78.27%	76.37%	78.70%	36.68%	63.94%
26.	Net Profit/ Gross Insurance Premium	%	11.18%	13.35%	13.18%	4.89%	10.92%
27.	Yield on Investment and Loan	%	1.07%	1.83%	2.06%	1.07%	6.87%
<b>C. Expenses:</b>							
28.	Reinsurance Ratio	%	51.53%	69.60%	65.52%	84.63%	70.99%
29.	Management expenses/ Gross Insurance Premium%	%	15.29%	19.73%	15.66%	14.98%	16.61%
30.	Regulatory Expense Ratio	%	1.34%	1.49%	1.49%	1.91%	1.37%
31.	Employee Expense per Employee	NPR	792,239.90	1,008,167	865,015	603,296	672,630
32.	Commission Ratio (Commission Expense/ Net Written Premium)	%	1.73%	1.74%	1.74%	1.90%	1.61%
33.	Employee Expense to Total Expenses (Excluding claims and benefits)	%	496.50%	724.44%	592.03%	472.96%	36.61%
34.	Expense Ratio (Underwriting Expense/ Net Written Premium)	%	5.91%	5.29%	5.26%	2.28%	6.45%
35.	Loss Ratio {(Claim Paid + change in reserve)/ (Net Written Premium)}	%	61.24%	51.03%	43.09%	20.75%	69.99%
36.	Combined Ratio (Loss Ratio + Expense Ratio)	%	67.15%	56.33%	48.35%	23.04%	76.43%



<b>D. Assets:</b>						
37	Increment in Investment Held	%	4.25%	8.03%	152.46%	-3.86%
38	Increment in Loan		-	-	-	-22.10%
39	Liquidity Ratio	%	704.17%	498.60%	459.31%	418.85%
40	Return on Assets	%	4.56%	5.12%	6.03%	1.96%
41	Long term Investments/Total Investments	%	29.11%	27.04%	26.60%	58.95%
42	Short term Investments/Total Investments	%	70.89%	72.96%	73.40%	41.05%
43	Total Investment & Loan/Gross Insurance Contract Liabilities	%	135.98%	126.99%	111.76%	80.13%
44	Re(insurer) Receivable/Total Assets	%	5.14%	4.67%	11.76%	6.14%
45	Investment in Shares/ Total Assets	%	12.31%	8.30%	8.04%	5.98%
46	Investment in Unlisted Shares/ Total Assets	%	5.59%	2.90%	1.16%	1.85%
<b>E. Liabilities:</b>						
47	Increment in Gross Insurance Contract Liabilities	%	-2.64%	-4.93%	-6.83%	40.56%
48	Gross Technical Provision / Gross Earned Premium	%	78.51%	117.00%	122.71%	155.93%
49	Gross Technical Provision / Total Equity	%	73.98%	80.38%	97.07%	117.69%
50	Outstanding Claim Number/ Number of paid claim	%	70.96%	85.94%	71.96%	90.26%
51	No. of Outstanding Claim/No. of intimated claim	%	15.51%	14.33%	15.73%	36.53%
52	Total number of Inforce Insurance Policies	No.s	280,429	250,126	238,474	213,030
53	Total number of renewed insurance policy/ Last year's Total Number of Inforce Policies	%	24.45%	20.47%	26.84%	24.16%
<b>Others:</b>						
54	Number of Offices	No.s	90	89	79	38
55	Number of Agents	No.s	350	301	160	212
56	Number of Employees	No.s	531	422	405	213
57	Number of Surveyors	No.s	134	124	163	164
58	Employee Expense to Number of Employees	NPR	792,240	1,008,167	865,015	1,212,257
						672,630

## HIMALAYAN EVEREST INSURANCE LIMITED

### Annexure IV

#### Statement of Sum Assured

As at Ashad End, 2082 (July 16, 2025)

Fig. in NPR

S.N.	Insurance Types	Existing Insurance Policies Numbers		Insured Amount against Existing Insurance Policies		Insured Risk Ceded to Re-Insurer		Net Insured Risk Retained by Insurer	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1.	Property	29,294	28,365	402,989,373	314,392,812	248,930,215	143,117,002	154,059,158	171,275,810
2.	Motor	170,855	190,911	101,504,125	53,107,047	61,724,658	9,159,340	39,779,467	43,947,707
3.	Marine	11,262	8,691	68,117,227	62,273,705	37,082,055	45,156,633	31,035,172	17,117,073
4.	Engineering	3,722	2,639	135,076,526	134,198,731	112,727,221	113,524,840	22,349,305	20,673,891
5.	Micro	2	2	600	600	96	96	504	504
6.	Aviation	-	2	-	6,614,100	-	6,548,017	-	66,083
7.	Cattle and Crop	3,931	4,015	630,202	788,297	574,435	722,080	55,767	66,217
8.	Miscellaneous	61,363	15,501	297,544,872	287,168,652	247,087,256	173,988,025	50,457,617	113,180,627
<b>Total</b>		<b>280,429</b>	<b>250,126</b>	<b>1,005,862,925</b>	<b>858,543,945</b>	<b>708,125,937</b>	<b>492,216,034</b>	<b>297,736,989</b>	<b>366,327,911</b>

## Disclosures on Quality of Assets and Capital Resources:

### Quality of Assets

#### Asset Quality

The quality of an insurance company's assets is a critical measure of its financial stability and its ability to meet policyholder claims. HEI maintains a well-diversified portfolio of investments and other assets, emphasizing liquidity, prudent risk management, and compliance with regulatory requirements. Regular monitoring and risk assessments ensure that assets continue to perform reliably, supporting both operational needs and long-term commitments.

#### Asset Composition

HEI's total assets reached NPR 10.18 billion in 2081/82, reflecting steady growth over the past three years. Investments and reinsurance assets form the core of the asset base, collectively accounting for approximately 78% of total assets. Other asset categories include property and equipment, cash, insurance receivables, financial assets, and intangible assets. Key details are summarized below (in NPR):

<b>Assets</b>	<b>2081/82</b>	<b>2080/81</b>	<b>2079/80</b>
Goodwill & Intangible Assets	17,145,750	18,868,120	20,992,187
Property and Equipment	1,175,836,559	1,051,365,598	316,695,727
Deferred Tax Assets	-	12,531,846	90,362,723
Investment in Associates	-	210,161,858	-
Investments	5,242,231,416	4,818,274,239	4,654,708,234
Reinsurance Assets	2,697,992,261	2,847,849,366	3,168,415,309
Current Tax Assets	188,503,919	75,341,583	-
Insurance Receivables	523,215,128	457,156,412	1,154,516,677
Other Assets	76,107,083	85,042,482	48,959,553
Other Financial Assets	114,113,235	86,397,271	151,561,392
Cash and Cash Equivalent	145,744,832	175,773,574	207,456,354
<b>Total Assets</b>	<b>10,180,890,183</b>	<b>9,838,762,349</b>	<b>9,813,668,156</b>

Investments include fixed deposits, debentures, equities, and other instruments, selected to balance return generation with liquidity and risk mitigation. Reinsurance assets represent amounts recoverable from reinsurers against unexpired premiums, outstanding claims, and actuarial reserves. The company regularly evaluates its investment performance and maintains confidence in the stability and expected returns of its portfolio.

HEI's assets are primarily held in Nepal, with reinsurance receivables from international reinsurers. All assets remain largely unencumbered, ensuring operational flexibility and safeguarding policyholder interests.

### Capital Resources

A strong capital base underpins HEI's capacity to manage risks, meet liabilities, and pursue growth opportunities. The company maintains a conservative capital policy to ensure solvency above regulatory minima, while also supporting operational efficiency and strategic investments.

### Shareholders' Fund and Solvency

HEI's total equity grew to NPR 5.21 billion in 2081/82, up from NPR 4.93 billion in 2080/81. The composition of equity reflects a mix of share capital, reserves, retained earnings, and other equity contributions. Solvency remains robust, with the company maintaining a solvency margin of 438.10% in 2081/82, significantly higher than the minimum requirement of 130%. This demonstrates the company's ability to absorb potential losses and continue underwriting risks confidently.

<b>Equity Component</b>	<b>2081/82</b>	<b>2080/81</b>	<b>2079/80</b>
Share Capital	2,500,157,400	2,500,157,400	2,301,535,000
Special Reserves	1,913,190,116	1,667,570,965	1,410,503,655
Catastrophe Reserves	82,195,510	69,914,552	57,061,186
Retained Earnings	301,556,975	304,786,863	226,482,875
Other Equity	414,274,032	383,881,726	294,796,842
<b>Total Equity</b>	<b>5,211,374,034</b>	<b>4,926,311,506</b>	<b>4,290,379,558</b>

#### **Return on Equity (ROE)**

The company's ROE for 2081/82 stood at 8.75%, reflecting consistent profitability while balancing growth and risk management. ROE for the previous two years was 10.20% and 10.37%, respectively.

#### **Dividend Policy**

Based on its strong capital and solvency position, HEI has proposed an 8% cash dividend for 2081/82. Previous years' dividends included 8.75% cash in 2080/81, and a combination of 6.37% cash and 8.63% bonus shares in 2079/80. This demonstrates HEI's commitment to returning value to shareholders while maintaining financial stability.



## अनुसूची- १५

(धितोपत्र दर्ता तथा निष्कासन नियमावली २०७३ को नियम २६ को उपनियम (२) सँग सम्बन्धित)  
हिमालयन एभरेष्ट इन्स्योरेन्स लिमिटेड-आर्थिक वर्ष २०८१/८२ को वार्षिक प्रतिवेदन

- १) संचालक समितिको प्रतिवेदन: ३२औं वार्षिक साधारण सभाको प्रतिवेदन संलग्न छ।  
२) लेखापरिक्षको प्रतिवेदन: कम्पनीको आर्थिक वर्ष २०८१/०८२ को लेखा परिक्षको प्रतिवेदन संलग्न छ।  
३) लेखा परिक्षण भएको वित्तीय विवरण : श्री नेपाल विमा प्राधिकरणबाट स्वीकृत भएको यस कम्पनीको आर्थिक वर्ष २०८१/०८२ को लेखापरिक्षण सम्पन्न वित्तीय विवरण संलग्न गरेका छौं।

## ४) कानुनी कारवाही सम्बन्धि विवरण:

- क) यस अवधिमा छिटफुट दावी भुक्तानी सम्बन्धि पुनरावेदन बाहेकमा कम्पनीको विरुद्ध कुनै मुद्दा दायर नभएको।  
ख) कम्पनी संस्थापक वा संचालकले वा संस्थापक वा संचालक विरुद्ध प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सन्दर्भमा कुनै मुद्दा दायर नभएको।  
ग) कुनै संचालक वा संचालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर नभएको।

## ५) कम्पनीको शेयर कारोवार तथा प्रगतिको विश्लेषण:

- क) गत आर्थिक वर्षमा धितोपत्र बजारमा कम्पनीको शेयर कारोवार सामान्य रूपमा भएको देखिन्छ। धितोपत्र बजारमा भएका उतार चढावको अवस्था अनुसार यस कम्पनीको शेयर मूल्यमा पनि प्रभाव परेको व्यवस्थापनको विश्लेषण छ।  
ख) गत वर्षको प्रत्येक त्रैमासिक अवधिमा यस कम्पनीको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कूल कारोवार संख्या र कूल कारोवार दिन निम्नानुसार रहेको छ।

## सर्वसाधारण शेयर कारोवार:

त्रैमासिक अवधि	अधिकतम मूल्य रु.	न्यूनतम मूल्य रु.	अन्तिम मूल्य रु.	कारोवार शेयर संख्या	कारोवार दिन
प्रथम	८१०.००	६१०.००	६७६.००	३८,७१,९८५	५७
दोश्रो	७२२.००	५९८.००	६१२.१०	११,६४,०७९	५५
तेस्रो	७१०.००	५८२.१०	५९१.१८	१४,५१,२८७	५६
चौथो	६३७.५०	५४७.४०	६१६.३६	११,७६,७६२	६३

## संस्थापक शेयर कारोवार:

त्रैमासिक अवधि	अधिकतम मूल्य रु.	न्यूनतम मूल्य रु.	अन्तिम मूल्य रु.	कारोवार शेयर संख्या	कारोवार दिन
प्रथम	४३५.००	३४२.००	३७८.००	३,९६,५५७	५७
दोश्रो	५६३.००	३५४.००	४६९.००	६,२२,२४३	५५
तेस्रो	४८५.८	३५३.२०	३६३.६५	१२,६३,७७१	५६
चौथो	३८२.८०	३४७.००	३७५.०१	३,३५,७१९	६३

## ६) समस्या र चुनौती:

- क) बढ्दो मुद्रास्फीति र संचालन खर्चमा वृद्धि।  
ख) निर्जिवन विमा सम्बन्धि जनचेतनामा कमि।  
ग) विमा बजारमा बढ्दो प्रतिस्पर्धाको चुनौती।  
घ) अस्थिर आर्थिक तथा राजनीतिक वातावरणले व्यवसायमा पार्ने प्रभाव।  
ङ) महाभूकम्प, बाढी, पहिरो तथा दैवीप्रकोपले पर्न सक्ने महाविपत्तिको प्रभाव।

## ७) संस्थागत सुशासन:

- संस्थागत सुशासन कायम राख्न कम्पनी सदैव प्रतिवद्ध रहेको छ। साथै, संस्थागत सुशासन कायम राख्न कम्पनीले देहाय बमोजिमको व्यवस्था अवलम्बन गरेको छ।  
क) विमा ऐन, विमा नियमावली तथा विद्यमान कानून र नियमनकारी निकायको नियम तथा निर्देशनको पालना गरि संस्थागत सुशासन कायम राख्न संचालक समिति तथा व्यवस्थापन कटिबद्ध छ।  
ख) आन्तरिक नियन्त्रण प्रणाली निरन्तर व्यवस्थित गर्ने उद्देश्य अनुरूप विभिन्न कार्ययोजनाहरू कार्यान्वयनमा छन् साथै आवधिक आन्तरिक लेखा परिक्षण, प्रणाली परिक्षण गर्ने व्यवस्था जारी छ।

**Grievance Handling Mechanism:**

Himalayan Everest Insurance (HEI) is committed to ensuring that grievances and complaints from its stakeholders—including customers, investors, and partners—are addressed promptly, fairly, and transparently. A dedicated Nodal Officer has been appointed to manage the grievance handling process effectively.

**Receipt of Grievance**

Stakeholders may submit their grievances through multiple convenient channels:

- **In-Person:** At HEI branch offices and the head office.
- **Online:** Via HEI's official website grievance form.
- **Telephone:** Dedicated customer service helpline.
- **Letter:** Written complaints to the registered office address.
- **Email:** To the designated grievance email ID.

**Nodal Officer** reviews the complaint to determine its nature and scope. Relevant details are verified, and the grievance is forwarded to the concerned department—such as Claims, Underwriting, finance or Marketing—for further investigation.

If further investigation is required, the Nodal Officer ensures a fair and unbiased inquiry into the matter. Upon completion, a resolution is proposed and communicated to the stakeholder through appropriate channels (phone, email, or letter).

The grievance is formally closed once the stakeholder confirms satisfaction with the resolution.

**If a grievance is not resolved within the expected timeframe, it may be escalated to -**

- **Senior Management:** Direct intervention for high-priority or complex issues.

**Roles and responsibilities****Chief Executive Officer (CEO):**

Oversees grievance handling policies, ensures instructions are provided for resolution, and communicates outcomes to stakeholders.

**Senior Management / Department Heads:**

Provide necessary facts, details, and support to investigate grievances effectively.

**Grievance Officer / Nodal Officer:**

Receives, assesses, investigates, and tracks grievances; proposes resolutions and ensures timely communication and record-keeping.



# नेपाल बीमा प्राधिकरण NEPAL INSURANCE AUTHORITY

मिति: २०८२/०९/१३

वि. वि. शा. : १२५ (२०८२/०८३) च.नं. ३७६८



श्री हिमालयन एभरेष्ट इन्स्योरेन्स लिमिटेड,  
बबरमहल, काठमाण्डौ ।


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

तहाँको मिति २०८२/०९/१३ (च.नं.७८४(२०८२/०८३) को पत्र साथ प्राधिकरणमा पेश भएको आ.व. २०८१/८२ को वित्तीय विवरण सम्बन्धमा लेखिदैछ ।

उपरोक्त सम्बन्धमा बीमक श्री हिमालयन एभरेष्ट इन्स्योरेन्स लिमिटेडबाट पेश भएको आ.व. २०८१/८२ को वित्तीय विवरण तथा अन्य कागजातहरु अध्ययन गर्दा बीमा ऐन, २०७९ को दफा ३८, ३९, ४० र ४१ तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ११ बमोजिम बीमा कोष, अनिवार्य जगेडा कोष, महाविपत्ति कोष र दाबी भुक्तानी कोष तथा जगेडा कोष कायम गरेको देखिएकोले तहाँको आ.व. २०८१/८२ को वार्षिक वित्तीय विवरणलाई बीमा ऐन, २०७९ को दफा ८७ को उपदफा (८) तथा बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८० को दफा ७, ८ र ९ बमोजिम वार्षिक प्रतिवेदनमा समावेश गर्न, साधारण सभामा पेश गर्न तथा प्रकाशित गर्न देहायको निर्देशन, शर्त तथा आदेश सहित स्वीकृति प्रदान गरिएको व्यहोरा निर्णयानुसार जानकारी गराउदछौं ।

### शर्तहरु:

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

  
(सन्तोष कार्की)

चार्टर्ड एकाउन्टेन्ट

**श्री नेपाल बिमा प्राधिकरणबाट आर्थिक वर्ष २०८१/०८२ को वित्तीय विवरण स्वीकृति प्रदान  
हुँदाका शर्तहरूका सम्बन्धमा संचालक समितिको जवाफ:**

- १) आन्तरिक नियन्त्रण प्रणालीका माध्यमबाट जोखिमका कन तथा दावी भुक्तानी प्रकृतिलाई अझ प्रभावकारी बनाईनेछ।
- २) बिमक तथा पुनर्विमकसँगको हिसाब मिलान विवरण बमोजिम लेनादेना फरफारक गर्नका लागि आवश्यक कदम चाल्ने व्यवस्था गरिनेछ।
- ३) नेपाल बिमा प्राधिकरणबाट जारी जोखिम व्यवस्थापन सम्बन्धि मार्गदर्शनको अधिनमा रही जोखिम व्यवस्थापनको कार्य गरिनेछ।
- ४) **NFRS-17 Insurance Contracts** लागु गर्न परामर्शदाता छनोट सम्पन्न भई निजको नियुक्ति स्वीकृति नेपाल बिमा प्राधिकरणबाट प्राप्त भएको छ। **NFRS-17 Insurance Contracts** कार्यान्वयनको आवश्यक कार्यगत योजना तयार गरि लागु गरिनेछ।
- ५) आर्थिक वर्ष २०८१/८२ को चौथो त्रैमासिक अवधिको वित्तीय विवरण र वार्षिक वित्तीय विवरणको **Statement** या **Financial Position, Statement** या **Profit or Loss Statement** तथा **Other Comprehensive Income** विवरणको विभिन्न शिर्षकहरूमा दश प्रतिशत भन्दा बढी फरक पर्न गएको कारण र आधार सहितको जानकारी वार्षिक वित्तीय विवरणमा राख्ने व्यवस्था गरिएको छ। साथै, प्राधिकरणको निर्देशन बमोजिम आर्थिक वर्ष २०८२/८३ मा प्राप्त निर्देशन कार्यान्वयन गर्न आवश्यक कदम चाल्ने व्यवस्था गरिनेछ।
- ६) बिमकको वार्षिक प्रतिवेदनमा प्राधिकरणबाट मिति २०८१/०७/१३ गते जारी परिपत्र (ने.वि.प्रा. ९५ (२०८१/०८२) च नं. २०४०-वि.वि.शा १) बमोजिमका बुँदाहरू समावेश गरिनेछ।
- ७) बिमकको लेखापरिक्षकहरूले औल्याएका कैफियतहरूलाई दोहोरिन नदिन आन्तरिक नियन्त्रण प्रणालीलाई सुदृढ गर्ने व्यवस्था गरिनेछ।
- ८) प्राधिकरणबाट आर्थिक वर्ष २०८१/८२ को वित्तीय विवरण स्वीकृत भएको ६० दिन भित्र वार्षिक साधारण सभा सम्पन्न गरिनेछ।



**HIMALAYAN EVEREST INSURANCE LIMITED****Statement of Variances of Quarterly Results and Audited Statement of Financial Position**

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad 2082)

Particulars	Amount Per Quarterly Statetement	Amount as Per Audited Financial Statement	Variance Amount	Variance %	Remarks
<b>Assets</b>					
Goodwill & Intangible Assets	20,293,120	17,145,750	(3,147,369)	(16%)	बाह्य लेखा परिक्षण बमोजिम हासकट्टी खर्च समायोजनका कारण
Property and Equipment	1,193,558,836	1,175,836,559	(17,722,278)	(1%)	
Investment Properties	-	-	-	-	
Deferred Tax Assets	12,531,847	-	(12,531,847)	(100%)	बार्षिक वित्तीय विवरणमा Tax को Computation को कारण
Investment in Subsidiaries	-	-	-	-	
Investment in Associates	210,161,858	-	(210,161,858)	(100%)	बार्षिक वित्तीय विवरणमा Associates को लेखांकन हटाइएको कारण
Investments	4,972,080,712	5,242,231,416	270,150,704	5%	
Loans	-	-	-	-	
Reinsurance Assets	3,165,921,400	2,697,992,261	(467,929,139)	(15%)	चौथो त्रैमासिक तथा तेश्रो पक्ष पुलको अन्तिम हिसाब पश्चात लिनादेना रकम तथा Actuary मुल्यांकन बमोजिम लेखांकनका कारणले
Current Tax Assets	36,891,059	188,503,919	151,612,860	411%	बार्षिक वित्तीय विवरणमा Tax को Computation को कारण
Insurance Receivables	570,409,869	523,215,128	(47,194,741)	(8%)	
Other Assets	99,434,508	76,107,083	(23,327,425)	(23%)	
Other Financial Assets	115,766,059	114,113,235	(1,652,824)	(1%)	Actuary मुल्यांकन बमोजिम कमिसन रकम डीफर्ड गरिएको कारणले
Cash and Cash Equivalent	122,229,000	145,744,832	23,515,832	19%	
<b>Total Assets</b>	<b>10,519,278,268</b>	<b>10,180,890,183</b>	<b>(338,388,085)</b>	<b>(3%)</b>	बैंकमा रहेको मुद्दती निक्षेप अवधि समाप्त भई बैंक मौज्दात लेखांकन भएका कारणले
<b>Equity &amp; Liabilities</b>					
<b>Equity</b>					
Share Capital	2,500,157,400	2,500,157,400	-	0%	
Share Application Money					
Pending Allotment	-	-	-	-	
Share Premium	-	-	-	-	
Special Reserves	1,933,738,730	1,913,190,116	(20,548,614)	(1%)	
Catastrophe Reserves	83,222,941	82,195,510	(1,027,431)	(1%)	
Retained Earnings	333,559,104	301,556,975	(32,002,128)	(10%)	
Other Equity	408,218,705	414,274,032	6,055,327	1%	Actuary मुल्यांकन बमोजिम थप व्यवस्थाका कारणले
<b>Total Equity</b>	<b>5,258,896,879</b>	<b>5,211,374,034</b>	<b>(47,522,846)</b>	<b>(1%)</b>	
<b>Liabilities</b>					
Provisions	6,382,524	8,161,536	1,779,012	28%	
Gross Insurance Contract Liabilities	4,333,407,497	3,855,161,138	(478,246,359)	(11%)	संचित बिदा बापतको प्रोभिसन रकम Actuary मुल्यांकन बमोजिम समायोजन गरिएको कारणले
Deferred Tax Liabilities	-	54,705,673	54,705,673	-	चौथो त्रैमासिक तथा तेश्रो पक्ष पुलको अन्तिम हिसाब पश्चात लिनादेना रकम तथा Actuary मुल्यांकन बमोजिम लेखांकनका कारणले
Insurance Payable	382,392,689	580,005,198	197,612,509	52%	
Current Tax Liabilities	-	-	-	-	
Borrowings	-	-	-	-	
Other Liabilities	316,643,353	273,566,694	(43,076,659)	(14%)	
Other Financial Liabilities	221,555,326	197,915,910	(23,639,416)	(11%)	Actuary मुल्यांकन बमोजिम कमिसन रकम डीफर्ड गरिएको कारणले
<b>Total Liabilities</b>	<b>5,260,381,389</b>	<b>4,969,516,149</b>	<b>(290,865,240)</b>	<b>(6%)</b>	बाह्य लेखापरिक्षण पश्चात कर्मचारी बोनस व्यवस्था घटेका कारणले
<b>Total Equity and Liabilities</b>	<b>10,519,278,268</b>	<b>10,180,890,183</b>	<b>(338,388,085)</b>	<b>(3%)</b>	

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Statement of Variances of Quarterly Results and Audited Profit or Loss Statement**

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad 2082)

Particulars	Amount Per Quarterly Statetement	Amount as Per Audited Financial Statement	Variance Amount	Variance %	Remarks
<b>Assets</b>					
Gross Earned Premiums	4,095,259,700	4,910,110,704	814,851,004	19.90%	Actuary मुल्यांकन बमोजिम लेखांकनका कारणले
Premiums Ceded	(2,074,194,374)	(2,996,733,380)	(922,539,006)	44.48%	Actuary मुल्यांकन बमोजिम लेखांकनका कारणले
<b>Net Earned Premiums</b>	<b>2,021,065,326</b>	<b>1,913,377,324</b>	<b>(107,688,002)</b>	<b>(5.33%)</b>	
Commission Income	438,795,776	544,552,849	105,757,073	24.10%	Actuary मुल्यांकन बमोजिम Deferral लेखांकनका कारणले
Other Direct Income	-	-	-	-	बार्षिक वित्तीय विवरणमा Associates को लेखांकन हटाइएको कारण
Income from Investments & Loans	216,204,992	219,223,683	3,018,691	1.40%	
Net Gain/ (Loss) on Fair Value Changes	-	-	-	-	
Net Realised Gains/ (Losses)	1,237,657	4,531,045	3,293,388	266.10%	बार्षिक वित्तीय विवरणमा शेयर बिक्री बापत प्राप्त रकमलाई SOCI र SOPL मार्फत गणना गरिएको कारणले
Other Income	10,199,496	9,163,073	(1,036,423)	(10.16%)	घर भाडा आय लेखांकन बर्गिकरण परिवर्तन भएका कारणले
<b>Total Income</b>	<b>2,687,503,246</b>	<b>2,690,847,973</b>	<b>3,344,727</b>	<b>0.12%</b>	
<b>Expenses:</b>					
Gross Claims Paid	1,895,792,105	1,958,921,202	63,129,097	3.33%	
Claims Ceded	(929,926,174)	(883,556,159)	46,370,015	(4.99%)	
Gross Change in Contract Liabilities	165,541,642	480,103,271	314,561,629	190.02%	बार्षिक वित्तीय विवरणका लागि Actuary मार्फत मुल्यांकन भई आएको हिसाब बमोजिम गणना गरिएको कारणले
Change in Contract Liabilities Ceded to Reinsurers	(17,883,618)	(316,635,322)	(298,751,704)	1670.53%	बार्षिक वित्तीय विवरणका लागि Actuary मार्फत मुल्यांकन भई आएको हिसाब बमोजिम गणना गरिएको कारणले
<b>Net Claims Incurred</b>	<b>1,113,523,955</b>	<b>1,238,832,992</b>	<b>125,309,037</b>	<b>11.25%</b>	बार्षिक वित्तीय विवरणका लागि Actuary मार्फत मुल्यांकन भई आएको हिसाब बमोजिम गणना गरिएको कारणले
Commission Expenses	65,199,813	84,728,455	19,528,642	29.95%	Actuary मुल्यांकन बमोजिम Deferral लेखांकनका कारणले
Service Fees	16,444,444	14,821,168	(1,623,276)	(9.87%)	
Other Direct Expenses	2,623,343	4,308,293	1,684,950	64.23%	हुलाक टिकट खर्च बार्षिक हिसाब मिलान पश्चात लेखांकन भएकाले
Employee Benefits Expenses	435,770,516	420,679,388	(15,091,128)	(3.46%)	
Depreciation and Amortization Expenses	27,524,445	33,486,253	5,961,808	21.66%	कम्पनीको स्वामित्वमा रहेको बबरमहलको भवनको थप हासकट्टीका कारणले
Impairment Losses	-	-	-	-	
Other Operating Expenses	285,850,506	296,402,987	10,552,481	3.69%	
Finance Cost	1,133,311	866,890	(266,421)	(23.51%)	शाखा कार्यालयको परिमार्जित घर भाडा सम्मकोता बमोजिम लिज लेखांकन गर्नु नपरेको कारणले
<b>Total Expenses</b>	<b>1,948,070,334</b>	<b>2,094,126,426</b>	<b>146,056,092</b>	<b>7.50%</b>	
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	739,432,912	596,721,547	(142,711,365)	(19.30%)	माथि उल्लेखित कारणहरू
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-	
<b>Profit Before Tax</b>	<b>739,432,912</b>	<b>596,721,547</b>	<b>(142,711,365)</b>	<b>(19.30%)</b>	माथि उल्लेखित कारणहरू
Income Tax Expense	207,097,381	140,840,793	(66,256,588)	(31.99%)	माथि उल्लेखित कारणहरू
<b>Net Profit/(Loss) For The Year</b>	<b>532,335,531</b>	<b>455,880,754</b>	<b>(76,454,777)</b>	<b>(14.36%)</b>	माथि उल्लेखित कारणहरू

**HIMALAYAN EVEREST INSURANCE LIMITED****Statement of Variances of Quarterly Results and Audited Statement of Other Comprehensive Income**

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad 2082)

Particulars	Amount Per Quarterly Statement	Amount as Per Audited Financial Statement	Variance Amount	Variance %	Remarks
<b>Net Profit/(Loss) For the Year</b>	<b>532,335,531</b>	<b>455,880,754</b>	<b>(76,454,776)</b>	<b>(14.36%)</b>	बाह्य लेखा परिक्षण पश्चात खुद नाफा रकम एकीन भई सोहि बमोजिम लेखांकन भएका कारणले
<b>Other Comprehensive Income</b>					
a) Items that are or may be Reclassified to Profit or Loss					
Changes in Fair Value of FVOCI Debt Instruments					
Cash Flow Hedge - Effective Portion of Changes in Fair Value					
Exchange differences on translation of Foreign Operation					
Share of other comprehensive income of associates accounted for using the equity method					
Income Tax Relating to Above Items					
Reclassified to Profit or Loss					
<b>b) Items that will not be Reclassified to Profit or Loss</b>					
Changes in fair value of FVOCI Equity Instruments	50,631,309	93,677,221	43,045,911	85.02%	दोश्रो बजारमा सुचिकृत लगानीको हिसाब मुल्यांकन समायोजन गरि लेखांकन भएका कारणले
Revaluation of Property and Equipment/ Goodwill & Intangible Assets		-			
Remeasurement of Post-Employment Benefit Obligations		-			
Share of other comprehensive income of associates accounted for using the equity method		-			
Income Tax Relating to Above Items		(28,103,165)			
<b>Total Other Comprehensive Income For the Year, Net of Tax</b>		<b>65,574,056</b>			
<b>Total Comprehensive Income For the Year, Net of Tax</b>	<b>582,966,840</b>	<b>521,454,810</b>	<b>(61,512,030)</b>	<b>(10.55%)</b>	माथि उल्लेखित कारणहरू

**HIMALAYAN EVEREST INSURANCE LIMITED**
**Comparative Statement of Solvency Balance Sheet and NFRS based Financial Statement**

For Period 16th July, 2024 - 16th July, 2025 (For the Year Ended Ashad 2082)

Particulars	Financial Statement	Solvency Balance Sheet	Difference	Remarks
<b>Assets</b>				
Goodwill	-	-	-	
Deferred acquisition costs	-	-	-	
Intangible assets	17,145,750	-	17,145,750	Intangible Assets does not qualify for Solvency.
Deferred tax assets	-	-	-	
Pension benefit surplus	-	-	-	
Property, plant & equipment held for own use	1,175,836,559	1,180,226,066	-4,389,507	Furniture & fixtures, Leasehold improvements and ROU Assets not considered for Solvency. Building has been considered at latest market value for solvency purpose.
Investments (other than replicating unit portion index/ unit-linked contracts)	5,242,231,416	5,222,118,671	20,112,745	
Investments in properties (other than for own use)	-	-	-	
Investment in subsidiaries	-	-	-	
Investment in associates	-	-	-	
<b>Equities</b>	<b>1,133,124,320</b>	<b>1,133,124,320</b>	<b>-</b>	
Equities - listed in stock exchange licensed by SEBON	564,467,559	564,467,559	-	
Equities - listed in stock exchange other than licensed by SEBON	-	-	-	
Equities - unlisted	568,656,761	568,656,761	-	
<b>Bonds</b>	<b>288,564,518</b>	<b>313,687,395</b>	<b>-25,122,877</b>	
Government Bonds	-	-	-	
Corporate Bonds	288,564,518	313,687,395	-25,122,877	
Fixed-income bonds with no option	288,564,518	313,687,395	-25,122,877	Present value of the future cash flows of debentures using RFR rate as published by NIA.
Floating rate notes	-	-	-	
Other bonds with embedded interest rate derivatives	-	-	-	
Structured notes	-	-	-	
Collateralised securities	-	-	-	
Collective Investments	-	-	-	
Undertakings	119,968,378	119,968,378	-	
Derivatives	-	-	-	
Deposits other than cash equivalents	3,700,574,200	3,655,338,578	45,235,622	Present value of the future cash flows of fixed deposits using RFR rate as published by NIA.
Other investments	-	-	-	
Loans and mortgages	-	-	-	
Loans on policies	-	-	-	
Other loans with collateral or guarantees	-	-	-	
Other loans without collateral or guarantees	-	-	-	
Assets replicating the unit portion	-	-	-	



Particulars	Financial Statement	Solvency Balance Sheet	Difference	Remarks
of index/unit-linked contracts	-	-	-	
<b>Reinsurance recoverables from:</b>	<b>2,984,174,995</b>	<b>2,687,972,338</b>	<b>296,202,657</b>	
Non-life technical reserves (after risk correction)	2,697,992,261	2,480,378,906	217,613,355	Reinsurance technical reserves risk corrected based on the credit quality of the reinsurers, including nullification of identified unrated reinsurers.
Life excluding index-linked and unit-linked technical reserves (after risk correction)	-	-	-	
Life index-linked and unit-linked technical reserves (after risk correction)	-	-	-	
Deposits to cedants (related to accepted reinsurance)	-	-	-	
Reinsurance receivables	286,182,734	207,593,433	78,589,301	Credit risk adjustment for reinsurer's receivable balances based on their credit rating.
Current tax assets (net)	186,098,984	186,098,984	-	
<b>Insurance, coinsurance and intermediaries receivables</b>	<b>240,955,016</b>	<b>213,686,100</b>	<b>27,268,916</b>	
Receivables from insurers other than coinsurance	94,524,450	75,078,626	19,445,824	Credit risk adjustment for facultative receivable balances from insurers based on their credit rating.
Receivables from coinsurance/pools	144,684,211	138,607,474	6,076,737	Credit risk adjustment for co-insurance/pool receivable balances based on their credit rating.
Receivables from intermediaries	1,746,355	-	1,746,355	Credit risk adjustment for unrated broker's receivable balances.
Own shares (held directly)	-	-	-	
Amounts due in respect own equity items called up but not yet paid in	-	-	-	
Cash and cash equivalents	145,744,832	145,744,832	-	
Any other assets, not elsewhere shown	190,220,318	173,199,836	17,020,482	Out of all other assets, prepaid expenses and deferred reinsurance commission and agent's commission were nullified for solvency.
<b>Total assets</b>	<b>10,182,407,870</b>	<b>9,809,046,827</b>	<b>373,361,043</b>	
<b>LIABILITIES (WITHOUT transitionals)</b>				
<b>Technical provisions - non-life</b>	<b>3,855,161,138</b>	<b>3,855,161,138</b>	<b>-</b>	
Best Estimate Direct Insurance (excluding Earthquake reserves)	3,580,241,340	3,580,241,340	-	
Best estimate Direct Insurance Earthquake reserves	46,081,724	46,081,724	-	
Margin over best estimate Direct insurance	65,666,608	65,666,608	-	

Particulars	Financial Statement	Solvency Balance Sheet	Difference	Remarks
Best estimate Accepted reinsurance (excluding Earthquake reserves)	151,105,260	151,105,260	-	
Best estimate Accepted Earthquake reserves	5,670,268	5,670,268	-	
Margin over best estimate Accepted reinsurance	6,395,938	6,395,938	-	
Technical provisions - life (excluding index-linked and unit-linked)	-	-	-	
Best Estimate Direct insurance participating life insurance	-	-	-	
Best Estimate Direct insurance non-participating life insurance	-	-	-	
Margin over best estimate Direct insurance	-	-	-	
Best estimate Accepted reinsurance	-	-	-	
Margin over best estimate Accepted reinsurance	-	-	-	
Technical provisions - index-linked and unit-linked life insurance contracts	-	-	-	
Technical provisions calculated as a whole (unit reserves)	-	-	-	
Best Estimate (non unit reserves)	-	-	-	
Margin over best estimate	-	-	-	
Other technical provisions	-	-	-	
<b>Reinsurance deposits and payables</b>	<b>572,673,322</b>	<b>572,673,322</b>	<b>-</b>	
Deposits from reinsurers	-	-	-	
Reinsurance payables	572,673,322	572,673,322	-	
<b>Insurance, coinsurance and intermediaries payables</b>	<b>11,254,498</b>	<b>11,254,498</b>	<b>-</b>	
Payables to insurers other than coinsurance	4,616,370	4,616,370	-	
Payables to coinsurance/pools	-	-	-	
Payables to intermediaries	6,638,128	6,638,128	-	
Other payables (not related to insurance or reinsurance)	198,798,659	198,798,659	-	
Debts owed to credit institutions	-	-	-	
Other financing debts	-	-	-	
Qualified as Tier 1 Available Capital Resources	-	-	-	
Qualified as Tier 2 Available Capital Resources	-	-	-	
Not qualified as Available Capital Resources	-	-	-	
Derivatives	-	-	-	
Current tax liabilities	-	-	-	
Provisions other than technical provisions	8,161,536	8,161,536	-	
Contingent liabilities	-	-	-	
Pension benefit obligations	-	-	-	
Deferred tax liabilities	62,643,522	-	62,643,522	Deferred tax recalculated for solvency balance which resulted in deferred tax asset, and hence not recognized for solvency.
Any other liabilities, not elsewhere shown	264,667,494	264,667,494	-	
<b>Total liabilities</b>	<b>4,973,360,169</b>	<b>4,910,716,647</b>	<b>62,643,522</b>	
<b>Excess of assets over liabilities</b>		<b>4,898,330,180</b>		

**EQUITY**

Share capital	2,500,157,400
Share application money pending allotment	-
Share premium	-
Special reserves	1,915,995,874
Catastrophe reserves	82,335,797
Retained earnings	306,896,399

**Other equity**

	<b>403,662,231</b>
Revaluation reserves	259,148,731
Capital reserves	-
Corporate Social Responsibility Reserves (CSR)	5,752,347
Insurance Fund	-
Fair Value Reserves	63,238,652
Actuarial reserves	-
Deferred Tax Reserves	75,522,501
Other reserves	-

**Total Equity****5,209,047,701****TIER 1 CAPITAL. List of items****Solvency balance sheet**

Excess of assets over liability as per Solvency Balance Sheet	4,898,330,180
Add: Paid-in (paid-up) subordinated debts qualified as tier 1 Available Capital Resources	-
Less: Revaluation reserve	(259,148,731)
Less: CSR Reserve	(5,752,347)
Less: Fair value reserve	(63,238,652)
Less: Actuarial reserve	-
Less: Excess of deferred tax reserve shown in equity of 02.01 BS over deferred tax assets as per Financial Statement	(75,522,501)
Less: Assets pledged by the insurer when the facility guaranteed is not in the liability side of the solvency balance sheet	-
Less: Credit Facilities granted by the insurer and secured by its own shares when the facility is not in the liability side	-
Less: Direct and indirect investments, reciprocal cross holdings, arranged either directly or indirectly between financial institutions	(17,666,932)
Less: Assets not valued at nil whose valuation in the solvency balance sheet should not increase the Available Capital Resources	(200,012,592)
Less: Deduction as per para 66(6) of Risk-Based Capital and Solvency Directive if not valued at nil in solvency balance sheet	-
Less: Deduction as per para 66(7) of Risk-Based Capital and Solvency Directive if not valued at nil in solvency balance sheet	-
Less: Embedded profit if already included in surplus i.e. excess of assets over liability as per 02.01 BS	-

**TIER 1 - TOTAL BEFORE LIMITS****4,276,988,425****TIER 2 CAPITAL. List of items**

Cumulative irredeemable preference shares qualified as tier 2 Available Capital Resources	-
Irredeemable subordinated debts qualified as tier 2 Available Capital Resources	-
Other capital resources qualified as Tier 2, including unpaid preference shares, unpaid subordinated debt, letters of credit, guarantees and mutual member calls	-
Future profits embedded in the valuation of technical provisions (reserves)	-

**TIER 2 - TOTAL BEFORE LIMITS**

-

**AVAILABLE CAPITAL RESOURCE [TIER 1 + TIER 2]****4,276,988,425**

## Other Disclosures

### Communication Mechanism for Interaction and Information Flow to Stakeholders:

Himalayan Everest Insurance (HEI) maintains a structured communication mechanism to ensure effective and transparent interaction with all stakeholders, including customers, employees, shareholders, regulators, and business partners. This framework fosters trust, collaboration, and accountability across the organization

### Objectives of the Communication Mechanism

- **Transparency & Accountability:** Provide clear, accurate, and reliable information about organizational activities, performance, and decisions.
- **Timely Communication:** Ensure stakeholders receive information promptly to make informed decisions.
- **Two-way Engagement:** Facilitate feedback from stakeholders to enhance processes, products, and services.
- **Regulatory Compliance:** Ensure adherence to statutory requirements and industry standards.

### Communication Channels

Stakeholder Group	Channels & Methods	Purpose / Use
<b>Policyholders</b>	Website, SMS/Email alerts, Social Media	Provide information on policies, renewals, claims updates, and engage directly with customers.
<b>Employees &amp; Internal Stakeholders</b>	Emails & circulars, Meetings & workshops, Internal collaboration platforms (e.g., MS Teams), newsletters	Share organizational updates, procedural changes, gather feedback, and enhance professional skills.
<b>Shareholders</b>	Annual General Meetings, Reports (annual/Quarterly financial, performance), Notices	Communicate financial performance, strategic decisions, and updates.
<b>Regulatory Authorities &amp; Compliance Bodies</b>	Reports, Meetings, Official correspondence	Submit statutory reports, maintain compliance, and ensure regulatory alignment.
<b>Business Partners &amp; Reinsurers</b>	Trainings, Coordination meetings, Workshops	Provide product updates, compliance guidance, and ensure adequate reinsurance coverage.

### Publication of Statutory Notices

HEI publishes statutory notices in national newspapers and on its official website, including:

- Quarterly proactive disclosures as required by the Right to Information Act.
- Quarterly financial statements.
- Notices for Annual or Special General Meetings, including financial statements.
- Announcements regarding book closure, bonus shares, right shares, or new share issuance.
- Any other notices required by law or regulation.

### Responsibility and Accountability

Role	Responsibilities
Information Officer	Primary contact for public information requests.
Company Secretary	Responsible for shareholder-related communication.
Nodal Officer	Handles general inquiries and internal information requests.

Stakeholders may approach the relevant officer to obtain legitimate information in a timely and transparent manner.



# The HEI INSIGHTS

## Monthly Newsletter

As part of its ongoing efforts to strengthen internal communication, promote knowledge sharing, and foster a learning and reading culture within the organization, Himalayan Everest Insurance Limited (HEI) introduced “HEI Insight”, the Company’s internal monthly newsletter.

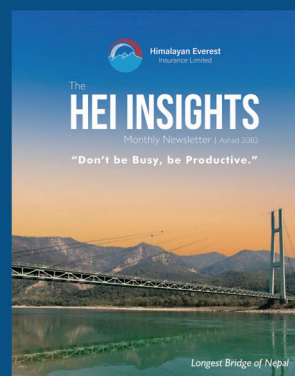
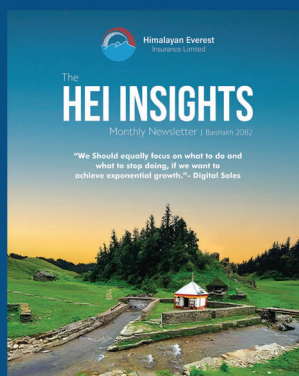
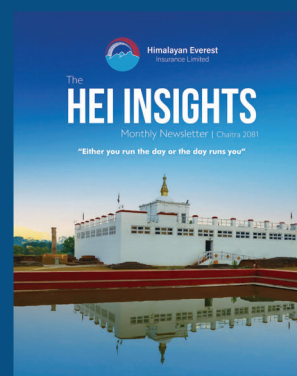
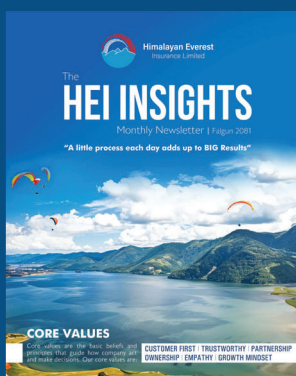
HEI Insight is an initiative of the Branding and Corporate Communication Department and was officially launched in Poush 2081. During FY 81/82, a total of seven (7) issues of the newsletter were published and circulated internally.

The newsletter serves as an informative platform that captures and reflects the collective identity of the HEI family. It features ideas, articles, and creative write-ups contributed by employees across various departments, levels and provinces, thereby encouraging staff

participation and intellectual engagement.

HEI Insight also highlights key activities conducted within the organization, including training and development programs, partnerships, internal events, corporate initiatives, and other significant milestones. Through regular updates, the newsletter keeps employees informed about ongoing developments and achievements across the Company.

This initiative represents a continuous effort by the Company to cultivate learning habits, encourage reading culture, and enhance awareness of organizational activities among employees. By strengthening internal communication and engagement, HEI Insight contributes to building a more informed, connected, and knowledge-driven workforce, aligned with the Company’s values and long-term strategic objectives.







31st AGM glimpses.



31st AGM glimpses.



HEI joins hands with the Nepal Motion Pictures Association for its Golden Jubilee celebration.



HEI staffs attending training session by Insurance Institute of Nepal.



HEI partnership with Frontline Hospital.



HEI partnership with VAYODHA hospital.



HEI staffs attending risk management training.



HEI honouring staffs childrens who have graduated SEE examination.



## OUR NETWORKS

### BAGMATI PROVINCE

Bajrabarahi Sub Branch	01-5572943
Banepa Branch	01-1660408
Baneshwor Branch	01-4592875
Chabahil Sub Branch	01-4478980
Chautara Sub Branch	01-1620250
Chaya Devi Extention Counter Office	
Dhading Sub Branch	01-0590123
Gongabu Branch	01-4957099
Gwarko Sub Branch	01-5920390
Hattisar Main Branch Office	01-4544717
Hetauda Branch	057-590753
Jawalakhel Branch	01-5420366
Kalanki Branch	01-5925349
Kalimati Branch	01-5303076
Kaushaltar Branch	01-6639730
Khurkot Office	047-590465
Lagankhel Branch	01-5431307
Maharajunj Branch	01-5908563
Melamchi Sub Branch	011-401082
Narayangadh Branch	056-598482
New Road Branch	01-4232952
Nuwakot Sub Branch	010-560616
Parsa Branch	056-583167
Sallaghari Branch	01-6620527
Samakhusi Branch	01-4964516
Sanobharyang TP Counter	
Sindhuli Branch	047-590465
Thamel Branch	01-4960272
Thankot Sub Branch	01-4316628
Uttardhoka Branch	01-4542405

### GANDAKI PROVINCE

Baglung Branch	068-520870
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Damauli Sub Branch	065-562683
Dumre TP	9805846731
Gorkha Sub Branch	064-590033
Kawasoti Branch	078-541194
Lekhnath Branch	061-582188
Pokhara Branch	061-585200
Syangja Sub Branch	9801911062

### KARNALI PROVINCE

Chinchu Branch	083-590978
Dailekh Branch	091-590623
Kalikot Branch	087-440290
Surkhet Branch	083-522567

### KOSHI PROVINCE

Biratchowk Branch	021-547471
Biratnagar Branch	021-590142
Birtamod Branch	023-530787
Birtamod TP	9824125610
Damak Branch	023-574982
Dharan Branch	025-539167
Duhabi Branch	025-542239
Gaighat Branch	035-590027
Ilam Sub Branch	027-590015
Itahari Branch	025-588990
Kakadvitta Branch	023-591122
Mahendra Chowk Branch	021-518130
Panchthar Sub Branch	024-590127
Pathari Branch	021-555960

### LUMBINI PROVINCE

Bardiya Branch	084-420114
Bhairahawa Branch	071-570023
Bhairahawa TP	

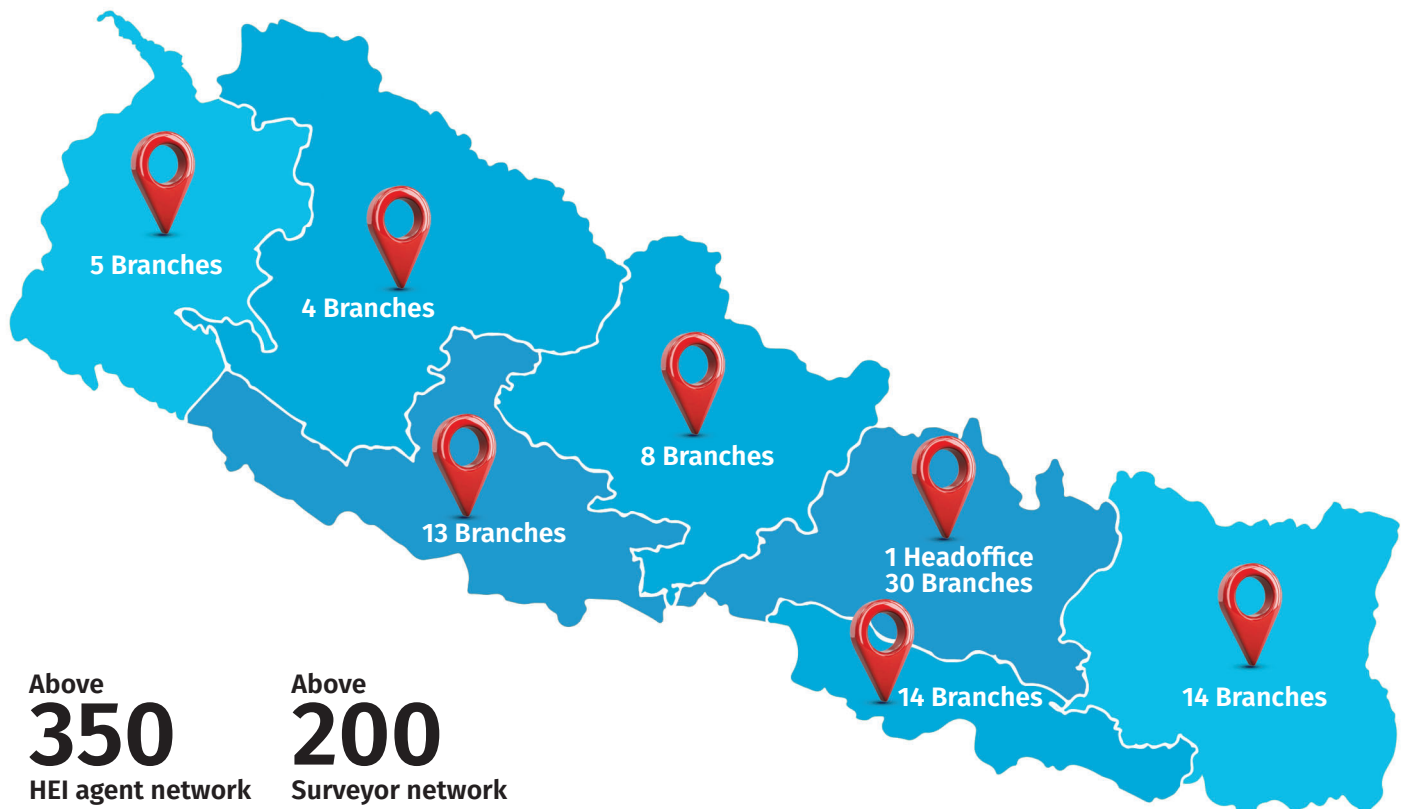
Butwal Branch	071-437266
Chandrauta Sub Branch	076-540702
Ghorahi Branch	082-564395
Jeetpur Sub Branch	076-590714
Kohalpur Branch	081-531692
Manigram TP	
Nepalgunj Branch	081-535070
Parasi Branch	078-590336
Pushpalal Park Branch	071-532294
Tulshipur Branch	082-590375

### MADHESH PROVINCE

Adarshanagar Branch	051-531026
Barahathawa Branch	046-590918
Bardibas Branch	044-590876
Birgunj Branch	051-525366
Chandranigahapur Branch	055-540003
Dhanusha Branch	031-590144
Janakpur Branch	041-420516
Janakpur TP	9816829004
Kallaiya Branch	053-590311
Lahan Branch	033-563952
Lalbandi Branch	046-590082
Mirchaiya Branch	033-550510
Rajbiraj Branch	031-590144
Simara Branch	053-520148

### SUDURPASCHIM PROVINCE

Attariya Branch	091-590630
Dhangadhi Branch	091-416163
Lamki Branch	091-590623
Mahendranagar Branch	099-590018
Sanfebagar Sub Branch	097-590474





Himalayan Everest  
Insurance Limited

# SIMPLIFY YOUR INSURANCE EXPERIENCE WITH HEI CUSTOMER PORTAL

ACCESS AND MANAGE  
YOUR POLICIES ANYTIME

TRACK RENEWAL DATES  
EFFORTLESSLY

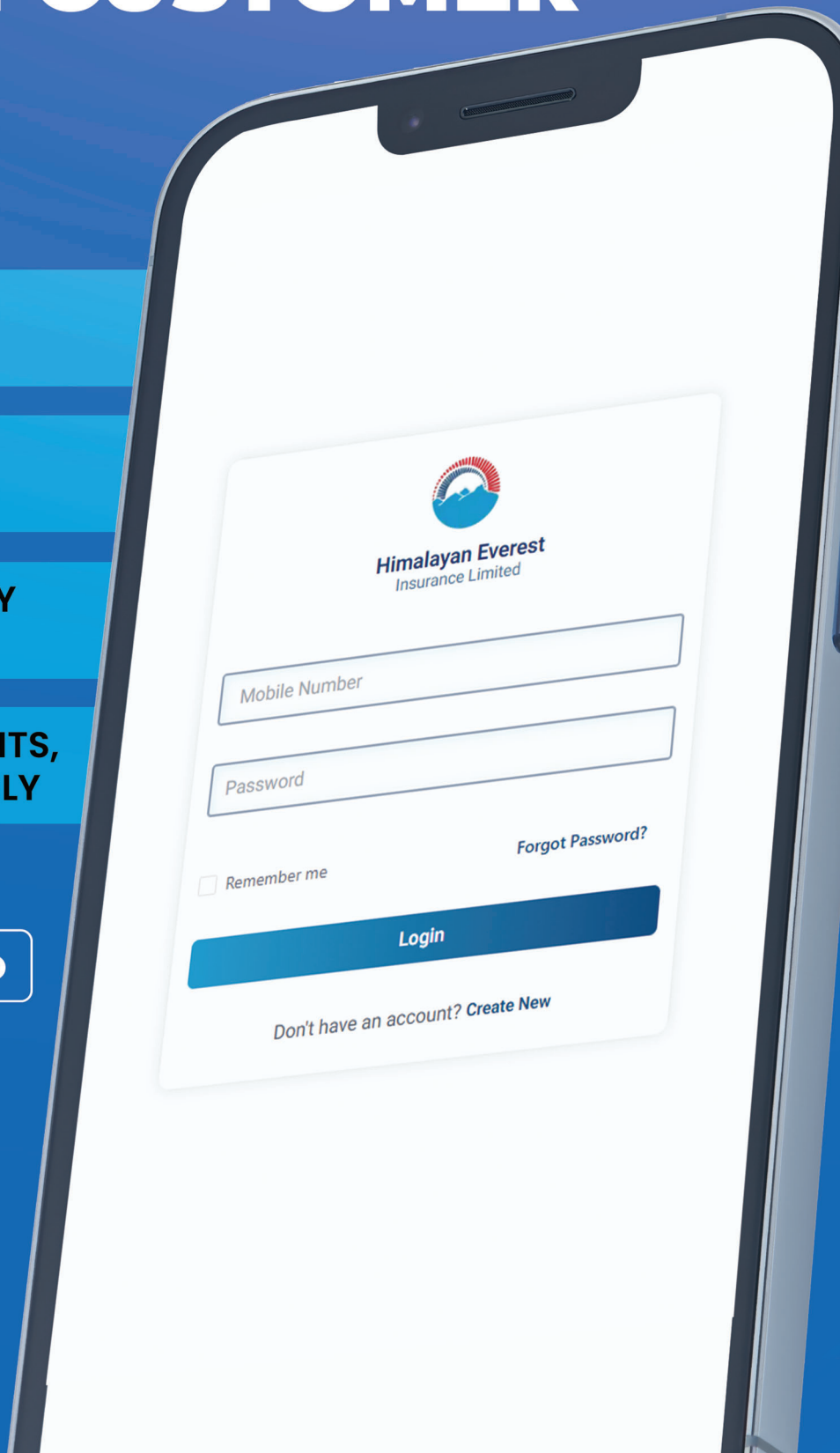
DOWNLOAD YOUR POLICY  
INSTANTLY

HANDLE CLAIMS, PAYMENTS,  
AND SERVICES SEAMLESSLY

BUY POLICY HERE



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**Himalayan Everest**  
Insurance Limited

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