



30th

ANNUAL REPORT

2081 - 2082



प्रभु इन्स्योरेन्स लिमिटेड
तीनकुने, काठमाडौं



सम्पूर्ण महानुभावहरूमा
नव वर्ष २०८३ को शुभ उपलक्ष्यमा
हार्दिक मंगलमय शुभकामना व्यक्त गर्दै
विगत ३० वर्षदेखि निरन्तररूपमा
यस कम्पनीको उन्नति र प्रगतिको लागि
यहाँहरू सबैबाट प्राप्त
सहयोग, समर्थन र प्रेरणा प्रति
हार्दिक कृतज्ञता
ज्ञापन गर्दछौं ।

सधैं हामीसँगै रहनुभएकोमा धन्यवाद !



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Chairman's Address

Respected Shareholders,

On behalf of the Board of Directors of Prabhu Insurance Limited, and on my own behalf, I extend a heartfelt welcome to all respected shareholders present at this 30th Annual General Meeting, as well as to the directors, representatives of regulatory bodies, the company's external and internal auditors, the company's Chief Executive Officer and employees, members of the press, and all other distinguished guests present in this dignified assembly.

The Company has formulated both short-term and long-term strategies at the policy level in order to achieve success in various dimensions. Alongside this, with a balanced and continuous growth strategy, the Company has been working with the objective of becoming a strong institution.



Recognizing that information technology has become the foundation of modern insurance and a key basis for customer satisfaction, the Company has adopted a policy of making appropriate use of technology to make information systems robust and reliable, and to provide fast and convenient services. The Company has also given special emphasis to strengthening institutional good governance and internal control systems, while minimizing risks seen in the insurance sector in a timely manner through effective risk management.

With the objective of becoming an excellent and reliable insurance company, and in order to realize the slogan With Prabhu **"Get insured, stay assured"** the Company has placed emphasis on business expansion, development and modernization of human resources, career development and training of employees, institutional good governance, risk management, and the full implementation of policies and procedures. Since employees are the main foundation of the institution, appropriate training and incentive measures have been adopted to further strengthen employee management.

In business growth, the Company has adopted a results-oriented policy rather than focusing merely on scale. Unnecessary expenses, except for essential ones, have been continuously controlled. Due to close attention to the management of both expenses and capital, the Company has made progress in its financial indicators despite an adverse environment.

Notwithstanding the challenging environment in the insurance sector, the Company has, from the profits earned during the reviewed fiscal year 2081/082, proposed the distribution of a total sum of NPR 15,57,71,753, equivalent to 9.1579% of the current paid-up capital, comprising 8.70% bonus shares and 0.4579% cash dividend for tax purposes on the bonus shares. This proposal has been submitted to this Annual General Meeting for approval.

I would also like to inform the respected shareholders that the Company's achievements and activities to date, as well as its future plans, have been described in detail in the Annual Report of the Board of Directors.

Finally, while expressing my sincere gratitude to the shareholders and distinguished guests present in this dignified assembly, I would like to thank you for your continued support and goodwill. Once again, I warmly welcome you all to this Annual General Meeting and wish the Company continued progress and prosperity.

Thank you.

Rajendra Malla
Chairman

Board of Director's Profile



Rajendra Malla
Chairman



Mr. Rajendra Malla is the Chairman of Prabhu Insurance Limited. He served as a Director of the company from B.S. 2057 to B.S. 2081 and as Chairman since B.S. 2081/02/01. Mr. Malla is the Immediate Past President of Nepal Chamber of Commerce. He is also the chairman of Thamel Trade Center & Boutique Hotel and the Director at Nepal Development Public Limited and Manang Air.



Mijas Bhattachan
Director



Mr. Mijas Bhattachan is the Director of Prabhu Insurance Limited. He is also a Director of Nepal Shipping and Multi-Modal Transport Pvt. Ltd. and Nepal Shipping Lines SDN. BHD. He has been serving as a Director of Prabhu Insurance Limited from the Promoter Shareholders Group since B.S. 2080/04/14.



Ramkrishna Lamichhane
Director



Mr. Ramkrishna Lamichhane is the Director of Prabhu Insurance Limited. He is the one of the Board of Directors of Capital One Limited. He is the Legal Advisor at Nepal Finance Company Limited, Simpani Online Media and Shree Laligurans Multipurpose Co-operative Limited. He represents the Promoter Shareholders Group and has been serving as a Director of Prabhu Insurance Limited since B.S. 2082/10/29.



“**Mr. Shanta Gautam** is the Director of Prabhu Insurance Limited. He is currently the Chief Manager at Employees' Provident Fund. He has been serving as a Director of Prabhu Insurance Limited as a representative of Employees Provident Fund since B.S. 2080/02/21.”



Shanta Gautam
Director

“**Mrs. Aakriti Lama** is the Director of Prabhu Insurance Limited. She is the Marketing Director of Dharmapala Thangka Center, Founder of La Karpet Udhyog, Executive Director of Green Tara Adventure and Managing Director of Jalpa Coffee. She has been serving as a Director of Prabhu Insurance Limited from the Public Shareholders Group since B.S. 2082/09/24.”



Aakriti Lama
Director

“**Mr. Sangay Lama** is the Director of Prabhu Insurance Limited. He previously served as the Chief Executive Officer of Prabhu Technology Pvt. Ltd. from B.S. 2075/05/01 to B.S. 2079/08/01. He has been serving as a Director of Prabhu Insurance Limited from the Public Shareholders Group since B.S. 2081/02/02.”



Sangay Lama
Director

“**Mrs. Sushama Sharma (Wasti)** is the Independent Director of Prabhu Insurance Limited. She is the Chairperson of Phool Prasad Pvt. Ltd., Chief Executive Officer of Himalayan Tranquility Pvt. Ltd and Founder President of WomenCan. She was appointed as an Independent Director of Prabhu Insurance Limited on B.S. 2081/03/06.”



Sushama Sharma (Wasti)
Independent Director

Commitment of the Chief Executive Officer



Dear Esteemed Shareholders,

On behalf of Prabhu Insurance Limited, I would like to extend my warm greetings and heartfelt welcome to the Respected Chairman presiding over this 30th Annual General Meeting, the members of the Board of Directors, founders, distinguished shareholders, representatives from regulatory bodies, invited guests, members of the press, and all our employees.

In recent years, the global economy has faced significant challenges arising from natural disasters, geopolitical tensions, political instability, and broader economic disruptions. These developments have had both direct and indirect implications for Nepal's economy, including the insurance sector and other key industries. Despite these challenging conditions marked by economic slowdown and contraction in industrial and commercial activities, the company has successfully sustained operational stability during the fiscal year 2081/82. This performance reflects the company's sound governance, strong institutional resilience, and the effective mobilization and coordination of its knowledge, resources, and human capital.

In alignment with the directives and regulatory framework established by the relevant authorities, the company has continued to strengthen its financial governance while further enhancing customer-centric insurance services. Guided by the objective of expanding access to insurance across the country, we have progressively broadened our branch network and operational presence. Currently, the company delivers insurance services through more than 60 branch offices nationwide, supported by a team of skilled and dedicated professionals who remain committed to delivering reliable and high quality service to our customers.

During the fiscal year 2081/82, the company successfully navigated a range of operational challenges while implementing the strategic direction provided by the Board of Directors. Through continuous improvements in service delivery, operational efficiency, and customer engagement, we have further strengthened

the confidence and trust of our valued clients. The progress achieved during the year is the result of the collective dedication and support of our customers, shareholders, Board of Directors, regulatory authorities, employees, and all stakeholders associated with the company.

The company remains firmly committed to enhance service excellence, expanding its market presence, ensuring prudent management of assets and liabilities, and strengthening internal governance and regulatory compliance. In addition, significant emphasis has been placed on the effective identification, monitoring, and management of risks associated with insurance operations. In response to evolving customer expectations and market dynamics, we continue to develop and deliver insurance products and services aligned with the needs of the market. Moreover, the rapid advancement of information technology is transforming the global insurance landscape, including in Nepal, and the company is actively embracing digital innovation to further enhance service delivery and operational efficiency.

Prabhu Insurance Limited remains dedicated to provide modern, technology-enabled insurance solutions that address the evolving needs of our customers. We regularly conduct insurance awareness initiatives aimed at improving public understanding and promoting the importance of financial protection through insurance. Our capable, knowledgeable, and motivated workforce continues to serve as the cornerstone of the company's sustained growth and institutional development. At the same time, we are committed to strengthening our human resources through continuous professional development, skill enhancement, leadership development, and capacity-building programs. Employees are encouraged to participate in both internal and external training initiatives to further enhance their professional competencies.

Looking ahead, the company remains focused on delivering stronger performance, sustainable growth, and greater value for all stakeholders. I would like to take this opportunity to express my sincere gratitude to our respected shareholders, regulatory authorities, stakeholders, service partners, and employees whose direct and indirect support has contributed to the company's continued progress. I also extend my heartfelt appreciation to the Board of Directors for their invaluable guidance, strategic direction, and continued encouragement. With your continued trust and cooperation, we remain committed to further strengthening our position as a reliable, innovative, and distinguished insurance company in Nepal.

With this commitment, we continue to stand by our promise: With Prabhu "Get Insured, stay assured."

Sanchit Bajracharya
Chief Executive Officer



Management Team

Chief Executive Officer Mr. Sanchit Bajracharya
with Samir Tamang, Batsal Dhakal, Arbind Kumar Karn, Nilhari Nepal on his right and
Brinda Shahi, Binita Shrestha, Sajani Tamang, Durga Poudel, Rachana Bajracharya
respectively on his left.

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प्रभु इन्स्योरेन्स लिमिटेड prabhu insurance

३० औं वार्षिक साधारण सभा बस्ने सम्बन्धी सूचना

आदरणीय शेयरधनी महानुभावहरू,

प्रभु इन्स्योरेन्स लिमिटेडको सञ्चालक समितिको ४६० औं बैठकको निर्णय अनुसार यस कम्पनीको ३० औं वार्षिक साधारण सभा निम्न लिखित स्थान, मिति र समयमा देहायका विषयहरू उपर छलफल गर्न बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूको उपस्थितिको लागि अनुरोध गरिएको छ।

सभा बस्ने स्थान, मिति र समय :

स्थान : प्रभु इन्स्योरेन्स लिमिटेडको केन्द्रीय कार्यालय, प्रभु कम्प्लेक्स, तीनकुने, काठमाण्डौ।

मिति : २०८३ वैशाख ०९ गते, बुधबार (२२ अप्रिल, २०२६)

समय : बिहान ११:०० बजे।

छलफलका विषयहरू :

(क) सामान्य प्रस्ताव :

- कम्पनीको ३० औं वार्षिक साधारण सभामा सञ्चालक समितिको तर्फबाट प्रस्तुत वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने।
- लेखापरीक्षकको प्रतिवेदन सहितको आ.व. २०८२ साल आषाढ मसान्तको वासलात तथा आ.व. २०८१/०८२ को नाफा/नोक्सान हिसाब एवं सोही अवधिको नगद प्रवाह विवरण, नाफा/नोक्सान बाँडफाँड हिसाब, इक्विटीमा भएको परिवर्तन लगायत वार्षिक आर्थिक विवरणसँग सम्बद्ध वित्तीय विवरण सहितका अनुसूचीहरू पारित गर्ने।
- सञ्चालक समितिबाट प्रस्ताव भए अनुसार प्रस्तावित बोनस शेयरमा लाम्ने कर प्रयोजनको लागि कम्पनीको चुक्ता पूँजी रु. १,७०,०९,५५,९१९/- को ०.४५७९ प्रतिशतले हुन आउने रकम रु. ७७,८८,५८८।०० नगद लाभांश पारित गर्ने।
- आ.व. २०८२/०८३ को लागि लेखापरीक्षकको नियुक्ति तथा पारिश्रमिक निर्धारण गर्ने सम्बन्धमा। (बहालवाला लेखापरीक्षक श्री महेश कुमार गुरागाँइ (एम.जि.एस. एण्ड एसोसिएट्स) पुनः नियुक्त हुन सक्नुहुने छ।

(ख) विशेष प्रस्ताव :

- सञ्चालक समितिबाट प्रस्ताव भए अनुसार आर्थिक वर्ष २०८१/०८२ सम्मको वितरणयोग्य मुनाफाबाट कम्पनीको हाल कायम चुक्ता पूँजी रु. १,७०,०९,५५,९१९/- को ८.७० प्रतिशतले हुन आउने रु. १४,७९,८३,१६५/- (अक्षरेपी चौध करोड उनान्अस्सी लाख त्रियासी हजार एक सय पैँसट्टी मात्र) रकम बराबरको बोनस शेयर वितरण गर्ने प्रस्ताव पारित गर्ने। बोनस शेयर वितरण गर्दा कायम हुन आउने दशमलवपछिको अंकलाई सम्बन्धित शेयरधनीको नाममा पछि समायोजन गर्ने गरि यथावत राख्ने।
- कम्पनी ऐन २०६३ को दफा १०५ (१) को खण्ड (ग) बमोजिम आ.व. २०८१/८२ मा कम्पनीबाट संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत भएको खर्चको अनुमोदन गर्ने।
- बोनस शेयर जारीपश्चात् कम्पनीको जारी तथा चुक्ता पूँजी वृद्धि हुने हुँदा सोको लागि कम्पनीको प्रबन्धपत्रको दफा ६ (क) तथा नियमावलीको नियम २.१ (क) संशोधन गरी सोही हदसम्म जारी पूँजी तथा चुक्ता पूँजी वृद्धि गर्ने।
- संशोधित प्रबन्धपत्र तथा नियमावली अभिलेख वा स्वीकृत गर्ने निकायबाट कुनै संशोधन वा फेरबदल गर्न निर्देशन प्राप्त भएमा सो अनुसार संशोधन वा फेरबदल गरी कार्यान्वयन गर्न सञ्चालक समितिलाई पूर्ण अख्तियारी प्रदान गर्ने।

(ग) विविध ।

साधारण सभा सम्बन्धी जानकारी :

१. कम्पनीको वार्षिक साधारणसभा प्रयोजनको लागि मिति चैत्र २६ गते, बिहीबार १ दिनको लागि कम्पनीको शेयरधनी दर्ता किताब बन्द गरिने छ। शेयरधनी दर्ता किताब बन्द भएको मिति २०८२ साल चैत्र २६ गते, बिहीबार भन्दा अघिल्लो कार्यदिनसम्म नेपाल स्टक एक्सचेञ्ज लिमिटेडमा कारोबार भई ७ कार्यदिनभित्र यस कम्पनीको शेयर रजिष्ट्रार प्रभु क्यापिटल लिमिटेड, कमलादी, काठमाण्डौले प्राप्त गरेको नामसारीको कागजातका आधारमा शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूले मात्र सभामा भाग लिन पाउने छन्।
२. सभा हुने दिन सभामा उपस्थितिका लागि हाजिर पुस्तिका बिहान १०:३० बजेदेखि खुल्ला रही हाजिर जनाउने व्यवस्था भएको हुँदा शेयरधनी महानुभावहरूले आफ्नो परिचय-पत्र तथा शेयर प्रमाण-पत्र वा हितग्राही खाताको विवरण (Demat Statement) अनिवार्य रूपमा प्रस्तुत गर्नुहुन अनुरोध छ।
३. प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीले प्रतिनिधि-पत्र (प्रोक्सी फाराम) भरी कम्पनीकै शेयरधनीलाई नियुक्त गरी कम्पनीको केन्द्रीय कार्यालयमा सभा शुरू हुनुभन्दा कम्तीमा ४८ घण्टाअगाडि दर्ता गरिसक्नुपर्ने छ। प्रतिनिधि (प्रोक्सी) नियुक्त हुने व्यक्ति सोही समूहको शेयरधनी हुनुपर्ने छ। एकै शेयरधनीले एकभन्दा बढी व्यक्तिलाई कुनै किसिमबाट विभाजन गरी वा नगरी प्रतिनिधि (प्रोक्सी) नियुक्त गरेको सक्कल दस्तखत भएमा त्यस्तो सबै प्रतिनिधि (प्रोक्सी) बदर हुने छ।
४. सभामा भाग लिन प्रतिनिधि (प्रोक्सी) नियुक्त गरिसकेपछि सम्बन्धित शेयरधनी आफैँ उपस्थित भएमा निजले दिएको प्रतिनिधि (प्रोक्सी) स्वतः बदर हुने छ।
५. कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा त्यस्ता शेयरधनीको तर्फबाट समेत प्रतिनिधि भई सभामा सहभागी हुन पाउने छ।
६. सक्कल दस्तखत भएको सोही फारमलाई मात्र मान्यता दिइने छ। फ्याक्स तथा इमेलबाट प्राप्त प्रोक्सी फारमलाई मान्यता दिइने छैन।
७. छलफलका विषयसूचीसँग सम्बन्धित विषयमा छलफल गर्न इच्छुक शेयर धनीले सभा हुनुभन्दा ७ दिन अगावै कम्पनी सचिवमार्फत सञ्चालक समितिको अध्यक्षलाई लिखित रूपमा जानकारी दिनुपर्ने छ।
८. शेयरधनीहरूबाट उठेको प्रश्न, जिज्ञासा वा मन्तव्यहरूको सम्बन्धमा सञ्चालक समितिको तर्फबाट अध्यक्ष वा अध्यक्षबाट अनुमति प्राप्त व्यक्तिले जवाफ दिने छन्।
९. साधारणसभा सम्बन्धी थप जानकारीको लागि कम्पनीको केन्द्रीय कार्यालय, तीनकुने, काठमाण्डौमा सम्पर्क राख्नुहुन अनुरोध छ। साथै कम्पनीको वार्षिक विवरण कम्पनीको वेबसाइट www.prabhuinsurance.com मा समेत हेर्न र डाउनलोड गर्न सकिने छ।

सञ्चालक समितिको आज्ञाले
कम्पनी सचिव

प्रभु इन्स्योरेन्स लिमिटेड

तीनकुने, पो.ब.नं. १०८११, काठमाण्डौ, नेपाल
(कम्पनी ऐन २०६३ को दफा ७१ (३) सँग सम्बन्धित)

प्रतिनिधि नियुक्त गर्ने फाराम (प्रोक्सी)

श्री सञ्चालक समिति,
प्रभु इन्स्योरेन्स लिमिटेड,
प्रभु कम्प्लेक्स, तीनकुने, काठमाण्डौ ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला न.पा./गा.वि.स. वडा नं. बस्ने म/हामी
..... शेयरधनी नं./BOID No. ले त्यस कम्पनीको
शेयरवालाको हैसियतले संवत् २०८३ वैशाख ०९ गते बुधबारका दिन हुने ३० औं वार्षिक साधारण सभामा म/हामी स्वयं उपस्थित
भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा मेरा/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका लागि
..... जिल्ला न.पा./गा.वि.स.
..... वडा नं. बस्ने
श्री लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको

निवेदक :

हस्ताक्षरको नमूना :

दस्तखत :

शेयरधनी नं./BOID No.:

नाम :

मिति :

ठेगाना :

शेयरधनी नं./BOID No.:

जम्मा कित्ता :

मिति:

द्रष्टव्य : यो प्रोक्सी निवेदन साधारण सभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको केन्द्रीय कार्यालयमा पेश गरिसक्नुपर्ने छ ।

.....

प्रभु इन्स्योरेन्स लिमिटेड

प्रवेश-पत्र

शेयरधनीको नाम :

शेयरधनी नं./BOID No. शेयर संख्या :

प्रभु इन्स्योरेन्स लिमिटेडको २०८३ वैशाख ०९ गते बुधबारका दिन हुने ३० औं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको
प्रवेश-पत्र ।

.....
शेयरधनीको सही

.....
अरविन्द कुमार कर्ण

कम्पनी सचिव

द्रष्टव्य : शेयरधनी आफैले खाली (कोष्ठहरू भर्नुहोला ।

(सभाकक्षमा प्रवेश गर्न यो प्रवेश-पत्र अनिवार्य रूपमा लिई आउनुहुन अनुरोध छ ।)

प्रभु इन्स्योरेन्स लिमिटेड

को

३० औं वार्षिक साधारण सभामा

सञ्चालक समितिको तर्फबाट प्रस्तुत

आर्थिक वर्ष २०८१/०८२ को ३० औं वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

यस प्रभु इन्स्योरेन्स लिमिटेडको ३० औं वार्षिक साधारण सभामा हाम्रो निमन्त्रणालाई स्वीकार गरी पाल्नुभएका आदरणीय शेयरधनी तथा उपस्थित महानुभावहरूमा कम्पनीको सञ्चालक समिति तथा समस्त कम्पनीको तर्फबाट हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछौं ।

यस गरिमामय सभामा सञ्चालक समितिको तर्फबाट कम्पनीले आर्थिक वर्ष २०८१/०८२ को समीक्षा अवधिमा भएको समग्र कारोबार, कम्पनीले हासिल गरेका उपलब्धि र भावी योजनाहरूका विषयहरू समेतलाई समेटेर नेपाल बीमा प्राधिकरणबाट जारी भएको "बीमकको वित्तीय विवरण सम्बन्धी निर्देशन, २०८०" एवं नेपाल धितोपत्र बोर्डबाट जारी सूचिकृत संगठित संस्थाहरूको संस्थागत सुशासन सम्बन्धी निर्देशिका, २०७४ समेतको परिधिभित्र रही कम्पनी ऐन, २०६३ को दफा १०९ तथा नेपाल वित्तीय प्रतिवेदन मान (NFRS) बमोजिम तयार गरेको कम्पनीको आर्थिक वर्ष २०८१/०८२ को वित्तीय विवरणसहितको वार्षिक प्रतिवेदन अनुमोदनका लागि सम्मानित सभासमक्ष प्रस्तुत गरेका छौं ।

(१) विगत वर्षको कारोवारको सिंहावलोकन :

यस कम्पनीले अधिल्लो वर्ष २०८०/०८१ र समीक्षा वर्ष २०८१/०८२ मा गरेको व्यवसाय अनुसार आर्जन भएको बीमा शुल्कको तुलनात्मक विवरण देहायबमोजिम रहेको व्यहोरा अवगत गराउँदछौं ।

बीमा व्यवसाय	आ.व. २०८०/०८१	आ.व. २०८१/०८२	फरक प्रतिशत
	कुल बीमाशुल्क रु.	कुल बीमाशुल्क रु.	
सम्पत्ती बीमा	२४१,१९७,७११	२६१,६७७,०४१	८.४९%
सामुद्रिक बीमा	२४,७०७,८३०	२०,०९७,०४४	-१८.६६%
मोटर बीमा	६६८,१८९,८८८	७०९,९४७,४६२	६.२५%
हवाई बीमा	३८२,२९१,९२३	४२०,०९७,७६९	९.८९%
ईन्जिनियरिङ बीमा	२१२,०२९,८६२	२१०,६४४,९७७	-०.६५%
विविध बीमा	१५७,७०६,९८६	२०३,३९९,५२२	२८.९७%
बाली तथा पशुधन बीमा	९०,१०७,३२६	४३,४४३,४६८	-५१.७९%
माइक्रो (लघु) बीमा	१,७१६,००८	६,१६१	-९९.६४%
जम्मा	१,७७७,९४७,५३४	१,८६९,३१३,४४४	५.१४%

(२) प्रतिवेदन तयार भएको मितिसम्म आर्थिक वर्ष २०८२/०८३ को उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा :

कम्पनीको चालु आर्थिक वर्ष २०८२/०८३ को फाल्गुण मसान्तसम्मको उपलब्धि देहायबमोजिम रहेको छ ।

बीमा व्यवसाय	आ.व. २०८१/०८२	आ.व. २०८२/०८३	बृद्धि रकम रु.	बृद्धि प्रतिशत
	(प्रथम ८ महिना)	(प्रथम ८ महिना)		
सम्पत्ती बीमा	१५६,६२२,०२३	१४७,९०९,२५१	(८,७१२,७७२)	-५.५६%
सामुद्रिक बीमा	१२,७६३,७६५	१२,९११,५२३	१४७,७५८	१.१६%
मोटर बीमा	४५६,५३८,५००	५९६,७६४,९७०	१४०,२२६,४७०	३०.७२%
हवाई बीमा	२८१,७०९,१९१	२०७,२९१,५८९	(७४,४१७,६०१)	-२६.४२%
ईन्जिनियरिङ बीमा	१३४,६३३,४९२	६३,५८१,९२३	(७१,०५१,५६९)	-५२.७७%
विविध बीमा	८२,६१३,५०२	१८५,४२५,७७९	१०२,८१२,२७७	१२४.४५%
बाली तथा पशुधन बीमा	३६,६३९,०११	३२१,७२१	(३६,३१७,२९०)	-९९.१२%
माइक्रो (लघु) बीमा	४,९९१	-	(४,९९१)	-१००.००%
जम्मा	१,१६१,५२४,४७४	१,२१४,२०६,७५६	५२,६८२,२८२	४.५४%

(३) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध :

कम्पनीले आफ्नो व्यावसायिक रणनीतिअनुरूप विभिन्न औद्योगिक घरना, व्यावसायिक प्रतिष्ठान तथा बहुराष्ट्रिय कम्पनीहरूसँग सुमधुर सम्बन्ध कायम राख्दै आइरहेको छ । कम्पनीका हरेक शाखा कार्यालयहरूले समेत आ-आफ्नो क्षेत्रमा आफ्नो व्यावसायिक सम्बन्धलाई विस्तार गर्दै आएका छन् । कम्पनीले विभिन्न बीमा सेवाहरूमार्फत विभिन्न औद्योगिक तथा व्यावसायिक प्रतिष्ठानहरूमा आफ्नो सम्बन्ध विस्तार गर्दै आइरहेको छ । आफ्ना ग्राहक महानुभावहरूलाई उच्च प्राथमिकतामा राख्ने सिद्धान्तबाट कम्पनी सदैव सचेत रहेको छ । विभिन्न बीमा सुविधाहरू प्रदान गर्दै ग्राहकहरूको आवश्यकता अनुसार उच्च गुणस्तरको सेवाहरू प्रदान गर्न सक्ने बीमा कम्पनीको रूपमा परिचित हुने लक्ष्य रहेको छ । हाम्रो सफलताको श्रेय ग्राहकहरूको अपार विश्वासलाई नै जान्छ र यस अवसरमा ग्राहक सेवाको गुणस्तर बढाउने प्रण गर्दछौं । कम्पनीले आफ्ना ग्राहकवर्ग, नियमनकारी निकायहरू, लगानीकर्ताहरू, विभिन्न औद्योगिक प्रतिष्ठानहरू, व्यवसायीहरू, बैंक तथा वित्तीय संस्थाहरू, स्वदेशी तथा विदेशी पुनर्बीमकहरू, कर्मचारीहरू तथा अन्य सरोकारवालाहरूसँग व्यावसायिकता, पारदर्शिता र औचित्यपूर्ण आधारमा सुमधुर सम्बन्ध कायम राखी आफ्नो व्यवसाय विस्तार गरिरहेको छ ।

(४) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :

कम्पनीको सञ्चालक समितिमा सर्वसाधारण शेयरधनी समूह (ग) बाट श्री क्लाउड मण्डप प्रा.लि. को तर्फबाट प्रतिनिधित्व गर्दै आउनुभएका सञ्चालक श्री रामेश्वर सापकोटालाई परिवर्तन गरी उहाँको सङ्गमा श्रीमती आकृति लामालाई प्रतिनिधि पठाएकोले श्री क्लाउड मण्डप प्रा.लि. को पत्रानुसार मिति २०८२/०९/२४ देखि लागु हुने गरी श्रीमती आकृति लामाले श्री क्लाउड मण्डप प्रा.लि. को तर्फबाट कम्पनीको सञ्चालक समितिमा सञ्चालकको रूपमा प्रतिनिधित्व गर्दै आउनुभएको छ । त्यसैगरी संस्थापक शेयरधनी श्री नेपाल होल्डिङ्ग प्रा.लि. को तर्फबाट प्रतिनिधित्व गर्दै आउनुभएका सञ्चालक परिवर्तन गरी श्री राहुल थोकर लामाको सङ्गमा श्री रामकृष्ण लामिछानेलाई प्रतिनिधि पठाएकोले श्री नेपाल होल्डिङ्ग प्रा.लि. को पत्रानुसार मिति २०८२/१०/२९ देखि लागु हुने गरी श्री रामकृष्ण लामिछानेले श्री नेपाल होल्डिङ्ग प्रा.लि. को तर्फबाट कम्पनीको सञ्चालक समितिमा सञ्चालकको रूपमा प्रतिनिधित्व गर्दै आउनुभएको छ । तत्कालीन सञ्चालकहरू श्री राहुल थोकर लामा तथा श्री रामेश्वर सापकोटाले कम्पनीलाई पुन्याउनुभएको उल्लेखनीय योगदानको कदर गर्दै हार्दिक धन्यवाद ज्ञापन गर्दछौं ।

(५) कारोबारलाई असर पार्ने मुख्य कुराहरू तथा नीतिगत एवं कार्यगत व्यवस्थाहरू :

कम्पनीको कारोबारलाई असर पार्न सक्ने विभिन्न किसिमका जोखिमहरूलाई तल प्रस्तुत गरिएको छ :

- राष्ट्रिय तथा अन्तर्राष्ट्रिय रूपमा आर्थिक अवस्थामा आउने परिवर्तनबाट पर्न सक्ने जोखिमहरू ।
- राष्ट्रको आर्थिक, मौद्रिक तथा वित्तीय नीति परिवर्तनबाट हुन सक्ने सम्भावित जोखिमहरू ।
- देशको राजनीतिक अस्थिरताले पर्न सक्ने असरहरू ।
- नियमनकारी निकायहरूबाट समयसमयमा जारी हुने निर्देशन तथा सोबाट बीमा बजारमा सिर्जना हुनसक्ने सम्भावित जोखिमहरू ।
- अन्तर्राष्ट्रिय राजनैतिक द्वन्द्वका तथा विश्वबजारमा हुने मन्दी तथा अन्य विश्वघटनाबाट नेपाली बजारमा पर्न सक्ने असरबाट हुन सक्ने आर्थिक जोखिमहरू ।
- तरलतामा हुने उतारचढावका कारणले बैंक/वित्तीय संस्थामा लगानी गरिने निक्षेप लगानीको ब्याजदरमा हुने परिवर्तनबाट ब्याज आमदानीमा आउन सक्ने जोखिमहरू ।
- विदेशी विनिमय कारोबार गर्दा विनिमयदरमा हुने परिवर्तनबाट हुन सक्ने जोखिमहरू ।
- वैकल्पिक लगानी क्षेत्रको अभाव ।
- पूँजीबजारमा आउन सक्ने उतारचढावका कारण कम्पनीको लगानी प्रतिफलमा पर्न सक्ने प्रभाव सम्बन्धी जोखिमहरू ।
- भूकम्प, बाढी, हावाहुरी लगायतका अन्य महाविपत्ति, जोखिम तथा मौसम परिवर्तन सम्बन्धी जोखिमहरू ।
- बीमा बजारमा देखिएको तीव्र प्रतिस्पर्धाका कारण पर्न सक्ने असरहरू ।

- सम्पत्ति शुद्धीकरणलाई रोक्नका लागि देशमा केन्द्रीकृत तथ्याङ्कहरू तथा पर्याप्त प्रविधिहरूको अभावका कारण हुन सक्ने जोखिम ।
- सूचना प्रविधिको विकाससँगै जोडिएका सञ्चालन जोखिम सम्बन्धी चुनौतीहरू ।

माथि उल्लेखित कुराहरूबाट कम्पनीलाई पर्ने प्रभावलाई न्यूनीकरण गर्न सञ्चालक समिति तथा व्यवस्थापनको तर्फबाट गहन अध्ययन तथा विश्लेषण गरी उचित रणनीति तथा योजनाहरू तर्जुमा गर्दै अगाडि बढिरहेको व्यहोरा जानकारी गराउन चाहन्छौं ।

- (६) **लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भए सोउपर सञ्चालक समितिको प्रतिक्रिया :**
आर्थिक वर्ष २०८१/०८२ को लेखापरीक्षण प्रतिवेदनमा लेखापरीक्षकबाट कुनै प्रतिकूल कैफियत नभएको व्यहोरा शेयरधनी महानुभावहरूमा जानकारीको लागि अनुरोध छ ।
- (७) **लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम :**
कम्पनीले समीक्षा वर्ष २०८१/०८२ को मुनाफाबाट हाल कायम चुक्ता पूँजी रु. १,७०,०९,५५,९१९ को ८.७० प्रतिशतले हुन आउने रकम रु. १४,७९,८३,१६५ बराबरको बोनस शेयर तथा उक्त प्रस्तावित बोनस शेयरमा लामो कर प्रयोजनको लागि चुक्ता पूँजीको ०.४५७९ प्रतिशतले हुन आउने रु. ७७,८८,५८८ नगद लाभांशसहित जम्मा ९.१५७९ प्रतिशत लाभांश बाँडफाँड गर्न प्रस्ताव गरिएको छ ।
- (८) **शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सोबापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयरबापत रकम फिर्ता गरेको भए सोको विवरण :**
कम्पनीले आ.व. २०८१/०८२ मा कुनै शेयर जफत नगरेको व्यहोरा जानकारी गराउँदछौं ।
- (९) **विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन,**
यस कम्पनीको कुनै सहायक कम्पनी नरहेको व्यहोरा जानकारी गराउँदछौं ।
- (१०) **कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्त्वपूर्ण परिवर्तन :**
कम्पनीको कुनै सहायक कम्पनी नरहेकोले उपरोक्त अनुसारको कुनै कारोबार नरहेको व्यहोरा जानकारी गराउँदछौं ।
- (११) **विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी :**
आ.व. २०८१/०८२ मा कम्पनीलाई आधारभूत शेयरधनीहरूबाट कुनै जानकारी प्राप्त नभएको व्यहोरा जानकारी गराउँदछौं ।
- (१२) **विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :**
कम्पनीको शेयर कारोबारमा कुनै पनि सञ्चालक संलग्न नभएको व्यहोरा जानकारी गराउँदछौं ।
- (१३) **विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा :**
कम्पनीका सञ्चालक तथा निजको नजिकको नातेदारहरूसँग कम्पनीसँग सम्बन्धित कुनै पनि सम्भौताहरूमा स्वार्थ नरहेको व्यहोरा जानकारी गराउँदछौं ।
- (१४) **कम्पनीले आफ्नो शेयर आफैँले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण त्यस्तो शेयर संख्या र अंकित मूल्य तथा त्यसरी शेयर खरिद गरेबापत कम्पनीले भुक्तानी गरेको रकम :**
कम्पनीले आफ्नो शेयर आफैँले खरिद नगरेको व्यहोरा जानकारी गराउँदछौं ।
- (१५) **आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :**
कम्पनीको आन्तरिक नियन्त्रण प्रणालीलाई प्रभावकारी बनाउनका लागि नेपाल बीमा प्राधिकरणबाट जारी भएको “बीमकको

संस्थागत सुशासन सम्बन्धी निर्देशिका, २०८०" बमोजिम सञ्चालक समितिका सदस्यहरूको संयोजकत्वमा गठित समितिहरूको हालको संरचना देहायबमोजिम रहेको छ।

क. मानव संसाधन समिति :

१. अध्यक्ष, श्री राजेन्द्र मल्ल, संयोजक
२. प्रमुख कार्यकारी अधिकृत, श्री सन्चित बज्राचार्य, सदस्य सचिव

ख. सम्पत्ति शुद्धीकरण निवारण समिति :

१. सञ्चालक, श्री शान्ता गौतम, संयोजक
२. प्रमुख कार्यकारी अधिकृत, श्री सन्चित बज्राचार्य, सदस्य सचिव

ग. लगानी समिति :

१. सञ्चालक, श्री मिजास भट्टचन, संयोजक
२. प्रमुख कार्यकारी अधिकृत, श्री सन्चित बज्राचार्य, सदस्य
३. लेखा प्रमुख, श्री अरविन्द कुमार कर्ण, सदस्य सचिव

घ. जोखिम व्यवस्थापन तथा वित्तीय स्वस्थता (सोलभेन्सी) :

१. सञ्चालक, श्री राहुल थोकर लामा, संयोजक, (२०८२/१०/२९ सम्म)
२. सञ्चालक, श्री रामकृष्ण लामिछाने, संयोजक, (२०८२/१०/२९ देखि)
३. प्रमुख कार्यकारी अधिकृत, श्री सन्चित बज्राचार्य, सदस्य सचिव

ङ. दावी भुक्तानी तथा पुनर्बीमा समिति :

१. सञ्चालक, श्री साङ्गे लामा, संयोजक
२. प्रमुख कार्यकारी अधिकृत, श्री सन्चित बज्राचार्य, सदस्य सचिव

च. लेखापरीक्षण समिति :

१. सञ्चालक, श्रीमती सुषमा शर्मा (वस्ती), संयोजक
२. सञ्चालक, श्री रामेश्वर सापकोटा, सदस्य (२०८२/०९/२४ सम्म)
३. सञ्चालक, श्री राहुल थोकर लामा, सदस्य (२०८२/१०/२९ सम्म)
४. सञ्चालक, श्रीमती आकृति लामा, सदस्य (२०८२/१०/२९ देखि)
५. श्रीमती रचना बज्राचार्य, सदस्य सचिव (२०८२/१०/२९ देखि)

(१६) विगत आ.व.को कूल व्यवस्थापन खर्चको विवरण :

कम्पनीको आ.व. २०८१/०८२ को वित्तीय विवरण अनुसार कूल व्यवस्थापन खर्च रु. ३३ करोड ७५ लाख ५४ हजार ९ सय ८५ रुपैयाँ रहेको छ।

(१७) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :

लेखापरीक्षण समितिका सदस्यहरूको नामावली निम्नानुसार रहेका छन्।

१. सञ्चालक, श्रीमती सुषमा शर्मा (वस्ती), संयोजक
२. सञ्चालक, श्री रामेश्वर सापकोटा, सदस्य (२०८२/०९/२४ सम्म)
३. सञ्चालक, श्री राहुल थोकर लामा, सदस्य (२०८२/१०/२९ सम्म)
४. सञ्चालक, श्रीमती आकृति लामा, सदस्य (२०८२/१०/२९ देखि)
५. श्रीमती रचना बज्राचार्य, सदस्य सचिव (२०८२/१०/२९ देखि)

कम्पनीको लेखापरीक्षण समितिले कम्पनी ऐन, बीमा ऐन, २०७९, बीमा नियमावली, २०८१ तथा नेपाल बीमा प्राधिकरणबाट जारी भएका निर्देशनहरूको अधिनमा रही कम्पनीको वित्तीय स्थिति, आन्तरिक नियन्त्रण, जोखिम व्यवस्थापन, नियमहरू पालना, लेखापरीक्षण कार्यक्रम आदिबारे नियमित समीक्षा गर्दै आएको छ। आन्तरिक साथै बाह्य लेखापरीक्षण प्रतिवेदनमा उल्लिखित

कैफियतहरूमाथि विस्तृत छलफल गरी समितिले आवश्यक सुधारका कामहरू समेत गर्दै आएको र त्यसको नियमित रूपमा संचालक समितिलाई जानकारी गराउने गरिएको छ। लेखापरीक्षण समितिका सदस्यहरूलाई भत्ताबापत मानव संसाधन समिति, लगानी, जोखिम व्यवस्थापन तथा वित्तीय स्वस्थता (सोल्भेन्सी) समिति, दाबी भुक्तानी तथा पुनर्बीमा समिति एवं सम्पत्ति शुद्धीकरण निवारण समितिको बैठक भत्ता सरह (संयोजक रु. ८,५००।०० प्रति बैठक तथा सदस्य रु. ८,०००।०० प्रति बैठक) प्रदान गरिएको छ।

(१८) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा कम्पनीलाई त्यस प्रकारको कुनै पनि रकम बुझाउन बाँकी नरहेको व्यहोरा जानकारी गराउँदछौं।

(१९) सञ्चालक तथा पदाधिकारीलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

(क) सञ्चालकहरू :

कम्पनीका अध्यक्ष लगायत सञ्चालकहरूलाई आ.व.२०८१/०८२ मा बैठक भत्ता बापत रु.१२ लाख २३ हजार ६ सय ५० रुपैयाँ प्रदान गरिएको छ।

(ख) प्रमुख कार्यकारी अधिकृत तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

१. प्रमुख कार्यकारी अधिकृत	रु. १,१२,५८,६५२।००
२. पदाधिकारीहरू	रु. ३,४७,७९,८२१।००
जम्मा	रु. ४,६०,३८,४७३।००

(२०) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम :

हालसम्म यस कम्पनीका शेयरधनीहरूलाई १० लाख ५६ हजार १ सय ५७ रुपैयाँ लाभांश भुक्तानी गर्न बाँकी रहेको देखिन्छ। जुन रकम कम्पनी ऐन, २०६३ को दफा १८२ (९) बमोजिम व्यवस्था गरी राखिएको छ।

(२१) दफा १४१ बमोजिम सम्पत्ति खरिद वा विक्री गरेको कुराको विवरण :

आर्थिक वर्ष २०८१/०८२ मा पछिल्लो आर्थिक वर्षको सम्पत्तिको मूल्यको १५ प्रतिशतभन्दा बढी मूल्यको सम्पत्ति खरिद नगरिएको व्यहोरा जानकारी गराउँदछौं।

(२२) दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोबार विवरण :

यस कम्पनीको कुनै पनि सहायक कम्पनी नभएको र यो कम्पनी अन्य कुनै मुख्य कम्पनीको सहायक कम्पनी पनि नभएको हुँदा उपरोक्त दफामा उल्लेख भए अनुसार कुनै पनि कारोबार नभएको व्यहोरा जानकारी गराउँदछौं।

(२३) कम्पनी ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनुपर्ने अन्य कुरा :

कम्पनी ऐन, २०६३ को दफा १०९ उपदफा ४ अनुसारको अतिरिक्त विवरणहरू तथा धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को नियम २६ को उपनियम (२) सँग सम्बद्ध विवरणलाई यसै प्रतिवेदनको अंगको रूपमा राखिएको छ।

(२४) लेखापरीक्षकको नियुक्ति सिफारिस :

कम्पनीको लेखापरीक्षण समितिले आर्थिक वर्ष २०८२/०८३ को लागि लेखापरीक्षक श्री एम.जि.एस. एण्ड एसोसिएट्स चार्टर्ड एकाउन्टेन्ट्स लाई रु. ३,८५,०००।०० (अक्षरेपी तीन लाख पचासी हजार मात्र) मु.अ. कर तथा अन्य वास्तविक शुल्कबाहेक पारिश्रमिक भुक्तानी गर्ने गरी नियुक्त गर्न सिफारिस गरेको छ।

(२५) अन्य आवश्यक कुराहरू :

कम्पनीको सानो सहयोगले समाजमा ठूलो परिवर्तन नभए तापनि यसले समाजको लागि सकारात्मक सन्देश प्रदान गर्ने कुरामा हामी विश्वस्त छौं। यस कम्पनीले समाजको वृहत्तर हितका लागि आगामी दिनहरूमा पनि समाजसेवाका कार्यहरूलाई थप प्रभावकारी बनाउन कम्पनीको केन्द्रीय कार्यालय, प्रादेशिक कार्यालय तथा शाखा कार्यालयहरूमा फर्त योजनाबद्ध रूपमा संस्थागत सामाजिक उत्तरदायित्व अन्तर्गतका कार्यक्रमहरू अघि बढाउँदै आएको छ र उक्त कार्यलाई आगामी दिनमा समेत निरन्तरता दिइने छ। समीक्षा वर्षमा कम्पनीले संस्थागत सामाजिक उत्तरदायित्वको लागि रु. १८,३५,७९५।०० व्यवस्था गरिएको छ।

धन्यवाद ज्ञापन

यस कम्पनीप्रति निरन्तर रूपमा विश्वास गरी सौहार्दपूर्ण वातावरणमा बीमा सेवा लिँदै आउनुभएका हाम्रा आदरणीय सम्पूर्ण ग्राहकवर्गहरूप्रति हार्दिक कृतज्ञता ज्ञापन गर्दछौं। ग्राहक महानुभावहरूबाट कम्पनीलाई प्राप्त हुँदै आएको सकृय सहयोगको उच्च मूल्याङ्कन गर्दै आउँदा दिनहरूमा आपना ग्राहकवर्गहरूलाई थप स्तरीय सेवा प्रदान गर्न हामी कटिबद्ध रहेका छौं। कम्पनी सञ्चालनका लागि आदरणीय शेयरधनी महानुभावहरूले हामीलाई सुम्पनुभएको गहनतम् अभिभारालाई इमानदारीपूर्वक वहन गर्न कटिबद्ध रहेको व्यहोरा अवगत गराउँदै यस कम्पनीको उन्नति र प्रगतिको लागि शेयरधनीहरूबाट प्राप्त निरन्तर सहयोग, समर्थन र प्रेरणाप्रति कृतज्ञता व्यक्त गर्दै यहाँहरूबाट निरन्तर सहयोग र सद्भाव पाउने विश्वाससहित कम्पनीको चौतर्फी प्रगतिका निमित्त प्रतिबद्ध रहेको विश्वास दिलाउन चाहन्छौं। कम्पनीको निरन्तर उन्नति एवं उत्तरोत्तर प्रगति तथा सम्वृद्धिका लागि अभिभावकको रूपमा निरन्तर मार्गदर्शन तथा सदा साथ दिनुहुने आदरणीय शेयरधनी महानुभावहरू तथा नियमनकारी निकायहरू नेपाल सरकार, नेपाल बीमा प्राधिकरण, नेपाल धितोपत्र बोर्ड, कम्पनी रजिष्ट्रारको कार्यालयका साथै नेपाल स्टक एक्सचेन्ज लि., आन्तरिक तथा बाह्य लेखापरीक्षक र अन्य प्रत्यक्ष वा अप्रत्यक्ष सहयोग पुऱ्याउँदै आउनुभएका हाम्रा सहयोगी सम्पूर्ण निकाय तथा महानुभावहरूप्रति हार्दिक कृतज्ञता ज्ञापन गर्दै भविष्यमा पनि यसै गरी यहाँहरूको साथ पाईरहने विश्वास लिएका छौं।

अन्त्यमा, कम्पनीको हितको लागि निरन्तर क्रियाशील भई ग्राहकवर्गको सेवामा संलग्न सम्पूर्ण कर्मचारीहरूले यस कम्पनीको प्रगति हासिल गर्नको लागि गरेको मेहनत र लगनशिलताको लागि विशेष धन्यवाद दिँदै यस सञ्चालक समिति आउँदा वर्षहरूमा पनि सबैसँग यस्तै सहयोगको अपेक्षा राख्दछौं।

धन्यवाद !

सञ्चालक समितिको तर्फबाट

राजेन्द्र मल्ल

अध्यक्ष

मिति: २०८३ वैशाख ०९ गते, बुधबार।



protecting your future.



Vision Mission and Objectives



Vision

To be established as a competitive insurance company that safeguard futures and build lasting confidence through trusted and innovative insurance services.

Mission

To offer customer oriented, innovative insurance services that safeguard individuals and businesses, while ensuring transparency, and delivering value to all stakeholders.



Strategies and Objective

Expand Risk Coverage and Market Reach

We aim to increase our presence across Nepal by offering diverse and innovative non-life insurance products tailored to the needs of individuals, businesses, and communities. Our focus is on expanding access in rural and underserved areas to ensure broader financial protection against unforeseen risks.

Ensure Financial Sustainability

Our priority is to maintain strong financial health through sound underwriting practices, controlled claim settlements, and effective reinsurance partnerships. This helps us ensure long-term sustainability while continuing to meet our obligations to policyholders.

Increase Insurance Awareness

We are committed to promoting insurance literacy through public awareness campaigns, community programs, and partnerships. By educating people about the benefits and importance of general insurance, we aim to build trust and increase overall market participation.

Technological Integration

Integration of technology into our operations shall boost our service delivery and internal efficiency. By adopting digital tools and data analysis for policy management, decision making, claims processing, and customer interaction, we aim to enhance user experience and support smarter business decisions.

Maintain Compliance and Good Governance

Adhering to regulatory standards set by the Nepal Insurance Authority is a core value. We aim to operate with transparency, accountability, and ethical practices, supported by strong internal controls and effective corporate governance.

Boost Customer Trust and Satisfaction

Customer satisfaction is at the heart of our service. We prioritize clear communication, fair and prompt claims handling, and easy access to insurance services to build long-term relationships with our clients.

Develop Skilled Human Resources

We believe our employees are our greatest asset. By investing in training, skill development, and performance-based growth opportunities, we are building a professional team equipped to meet the evolving needs of our customers and the market.

Core Values

Customer-Centricity

Our customers are at the heart of our mission. We are dedicated to understanding their needs and delivering personalized, timely, and reliable insurance services that offer peace of mind.

Innovation

We continuously embrace change by adopting new technologies and creative solutions. Innovation drives us to improve service delivery, design new products, and stay ahead in a fast-evolving market.

Excellence

We strive for the highest standards in every aspect of our operations from policy issuance to claims handling. Our goal is to deliver consistent quality and exceed expectations.

Teamwork

Collaboration is our strength. We promote open communication and shared goals, empowering our employees to work together and create a positive, inclusive workplace.

Transparency

Clear, open, and honest communication is key to our success. We ensure our processes and decisions are transparent and accountable to our clients and regulators.

Compliance

We strictly follow all regulatory and legal frameworks, maintaining high standards of governance, ethics, and sustainability in everything we do.

Code of Conduct

Confidentiality

We strictly protect the confidentiality of client and company information. Employees must prevent unauthorized disclosures and use information only for legitimate business purposes.

Regulatory Compliance

We adhere to all relevant laws, industry regulations, anti-money laundering guidelines, and internal standards. This commitment ensures transparency, fairness, and legal accountability in all operations.

Conflict of Interest

Employees must avoid any situation where personal interests may interfere with the company's obligations or customer interests. Any potential conflicts must be disclosed and managed appropriately.

Professionalism

All employees are expected to demonstrate professionalism, respect, and courtesy in every interaction with clients, regulators, and colleagues alike.

Accountability

We take full responsibility for our actions, decisions, and outcomes. Employees are encouraged to act with integrity and take ownership of their roles while maintaining trust with stakeholders.

Corporate and Social Responsibility

We are committed to contributing positively to society through community service, disaster relief, education, and wellness initiatives-supporting broader social development.

Customer Protection

We ensure fair treatment of policyholders, timely claim settlements, and ethical conduct during product sales and services.

Fair and Transparent Practices

All operations must be conducted with integrity, clarity, and openness, promoting trust with clients and the public.



Organizational Structure

Overview of the Company

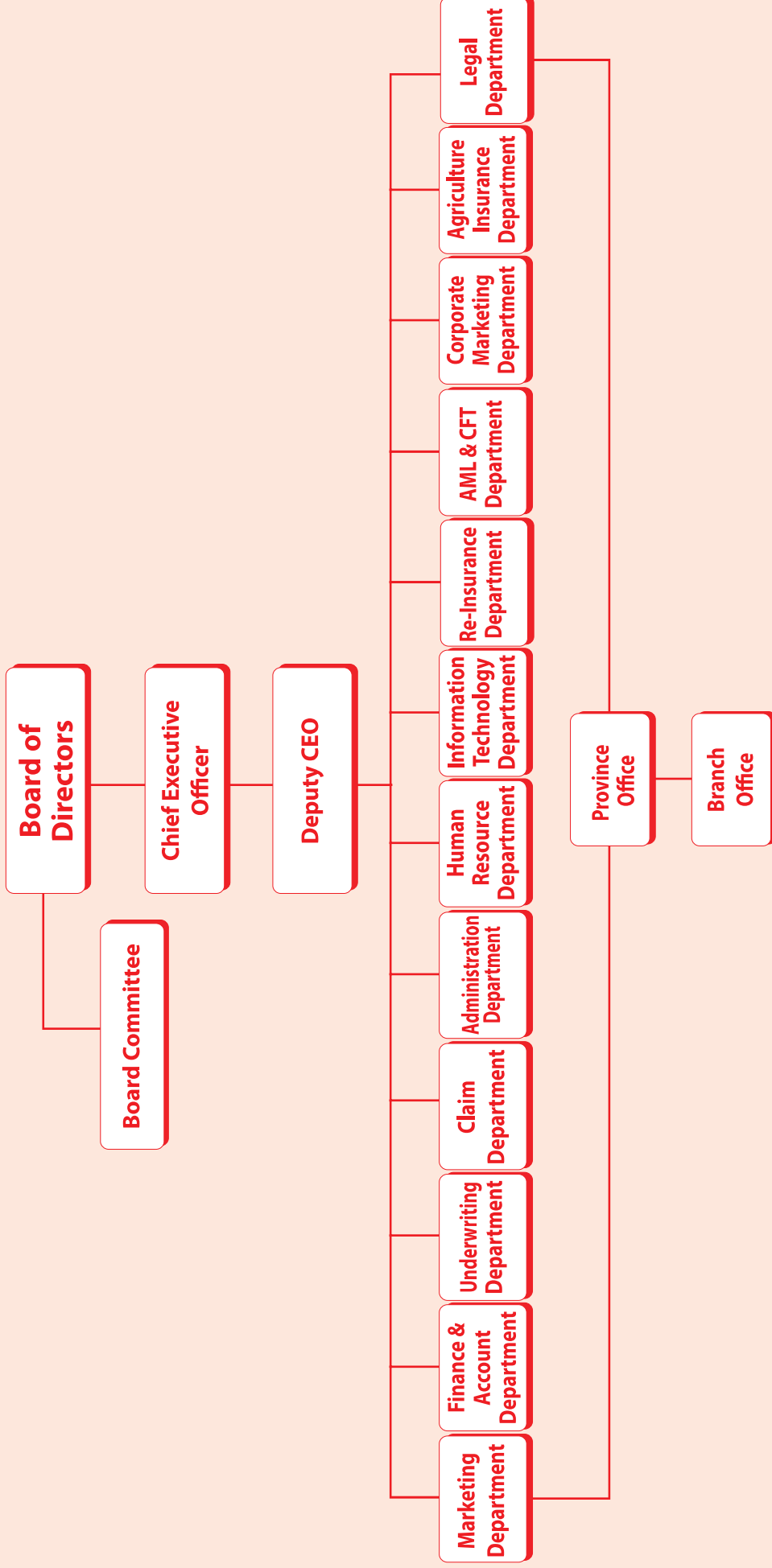
Prabhu Insurance Limited is a leading non-life insurance company in Nepal, established as a Public Limited Company on 2052/03/18. The company received its operating license on 2053/04/01, in accordance with Section 10(3) of the Insurance Act 2079. It officially commenced its business operations on 2053/04/17 and has since been committed to providing reliable and comprehensive insurance solutions across the country. The registered office of the company is at Kathmandu, Nepal.

Prabhu Insurance has major shareholding of Prabhu Group and Employees Provident Fund. Currently, the paid-up capital of the company is above NRs. 1.70 Arba. With a strong focus on customer satisfaction and risk protection, the company aims to safeguard clients against unforeseen events while contributing to national economic resilience.

The company operates through an extensive network of 60 branches and sub-branches strategically located throughout Nepal, ensuring accessibility and timely service delivery. Prabhu Insurance offers a diverse range of products tailored to meet the needs of individuals, businesses, and communities. These include insurance contracts for Property, Marine, Motor, Engineering, Aviation, Agriculture & Cattle, Micro Insurance, and other Miscellaneous Policies. Through innovation, regulatory compliance, and a commitment to excellence, Prabhu Insurance continues to strengthen its position as a trusted name in the Nepali insurance sector.



Organizational Structure



Company Highlights

Name of the Company	: Prabhu Insurance Limited
Registered Head Office	: Tinkune, Kathmandu
Type of Organization	: Public Limited Company
Nature of Business	: Non-life Insurance Company
Date of Incorporation	: B.S. 2052-03-18 (1995-07-02)
Operating License Issue Date	: B.S. 2053-04-01 (1996-07-16)
Date of Commencement of Business	: B.S. 2053-04-17 (1996-08-01)
Company Registration No.	: 183/051/52
Name of Chief Executive Officer	: Mr. Sanchit Bajracharya
Authorized Capital	: 3 Arba
Paid-Up Capital	: 1.70 Arba
Number of Directors	: 7
Number of Shareholders	: 21,829
Number of Branches/Sub-branches	: 60
Number of Employees	: 267
Statutory Auditor	: Mr. Mahesh Kumar Guragain, M.G.S & Associates
Internal Auditor	: Mr. Gyanendra Bhari, B.R.S. Neupane & Co.
Information System Auditor	: Mr. Ridesh Rai, Cube Technologies Pvt. Ltd.
Appointed Actuary	: Mrs. Asha Murali
Credit Rating	: IRN BBB+ (Is) (July 30, 2025)
Credit Rating Agency	: Informerics Credit Rating Nepal
PAN number	: 500105630
E-mail	: info@prabhuinsurance.com
Website	: www.prabhuinsurance.com
Phone Number	: 5199220, 5199226

Board of Director Composition

S.N	Name	Designation	Representing Group	Shares Hold	Appointment Date	Oath Date
1	Mr. Rajendra Malla	Chairman	Public Shareholder	6,36,256	2081/01/20	2081/02/01
2	Mr. Mijas Bhattachan	Director	Promoter Shareholder	32,673	2081/01/20	2081/02/02
3	Mr. Ramkrishna Lamichhane	Director	Promoter Shareholder	1,450	2082/10/29	2082/10/29
4	Mr. Shanta Gautam	Director	Promoter Shareholder	36,76,419	2080/02/21	2080/02/21
5	Mrs. Aakriti Lama	Director	Public Shareholder	118	2082/09/24	2082/10/29
6	Mr. Sangay Lama	Director	Public Shareholder	557	2081/01/20	2081/02/02
7	Mrs. Sushama Sharma (Wasti)	Director	Independent	-	2081/03/06	2081/03/16

The Board of Directors of the company is appointed from the promoters' shareholder group and the public shareholder group through elections held at the Annual General Meeting (AGM) of the company. Independent directors are appointed by the elected Board of Directors.

The Board of Directors is responsible for:

- Ensuring that the company's vision, mission, goals, and objectives are aligned with market opportunities and stakeholder expectations.
- Establishing governance structures to promote transparency, accountability, and ethical decision-making.
- Ensuring a robust risk management framework is in place to identify, assess, and manage key risks.
- Approving budgets and financial statements, and ensuring solvency, profitability, and prudent asset management.
- Ensuring adherence to insurance laws and regulatory requirements, and fostering a strong compliance culture.
- Safeguarding policyholders' interests by maintaining the company's financial strength and honoring claims.
- Overseeing internal audits and internal controls to ensure accurate reporting and operational integrity.
- Evaluating management performance and ensuring corrective actions are taken when targets are not met.

Board Meeting Details

Meeting Date of Current Financial Year	No. of Directors Present	No. of Directors Opposing Board's Decision	Meeting Date of Last Financial Year
2081/04/09	7	None	2080/04/17
2081/06/04	6	None	2080/05/05
2081/06/21	6	None	2080/07/01
2081/07/13	7	None	2080/07/17
2081/08/16	6	None	2080/08/15
2081/09/19	6	None	2080/09/22
2081/11/09	6	None	2080/11/20
2081/12/25	5	None	2080/12/28
2082/01/25	6	None	2081/01/18
2082/03/08	7	None	2081/01/30
2082/03/24	7	None	2081/02/02
			2081/03/06
			2081/03/16

Other Information about Board Meeting

Whether the director or alternate director attended the meeting of the board of directors (in case of absence, state the reason along with the date of the meeting):	Not Attended
A separate record of the directors present at the meeting of the board of directors, the matters discussed and the details of the decisions made in that regard (minutes) is/not kept:	Kept
Maximum gap (in days) between two consecutive meetings of the Board of Directors	57
Date of the meeting held regarding the meeting allowance of the Board of Directors:	2078/02/06
Allowance per meeting of Board of Directors:	Chairman: Rs. 12,000 Director: Rs. 11,000
Total Board Meeting Expenses for the Fiscal Year	Rs. 909,808

The Board of Directors has established specialized sub-committees which focus on specific operational and regulatory matters, enabling better governance and effective decision-making. The main sub-committees include:

- Audit Committee
- Claim Settlement and Reinsurance Committee
- Investment Committee
- Risk management, Financial & Solvency Management Committee
- Human Resource Management Committee
- Anti-Money Laundering Committee

Audit Committee Composition and Role

Audit committee was composed on 2081/03/16, and was subsequently changed on 2082/10/29 due to changes in the board composition and following are the members of the committee:

Name of Committee Members	Designation
Mrs. Sushama Sharma (Wasti) Director	Coordinator
Mr. Rameshwor Sapkota Director	Member (till 2082/09/24)
Mr. Rahul Thokar Lama Director	Member (till 2082/10/29)
Mrs. Aakriti Lama Director	Member (from 2082/10/29)
Mrs. Rachana Bajracharya Acting Manager	Member Secretary (from 2082/10/29)

Audit committee met 9 times during the year.

Role and Terms of Reference (TOR) of the audit committee are as follows:

- To discuss the internal audit report of the company of each quarter, and address audit findings, comments and suggestion by the auditor.
- To review the quarterly financial reports and verify the accuracy of the reporting
- To review the company's financial reporting processes, internal controls, and audit results.
- To ensure compliance of financial reporting with Nepal financial reporting standards (NFRS) and directives of Nepal Insurance Authority

Claim Settlement and Reinsurance Committee Composition and Role

Claim settlement and Reinsurance committee was composed on 2081/02/02 and following are the members of the committee:

Name of Committee Members		Designation
Mr. Sangay Lama	Director	Coordinator
Mr. Sanchit Bajracharya	Chief Executive Officer	Member Secretary

Claim committee met 4 times during the year.

Role and Terms of Reference (TOR) of the claim committee are as follows:

- To oversee the claims management process to ensure fairness, transparency, and timely settlement of claims.
- To review large or complex claims and makes recommendations for approvals or rejections.
- To monitor claim trends and suggests necessary improvements in underwriting and claims practices.
- To review the regular claim related report
- To provide necessary recommendations to the board for making any decision regarding claim management of the company
- To provide strategic guidance to strengthen the company's claim handling capabilities and customer satisfaction

Investment Committee Composition and Role

Investment committee was composed on 2081/02/02 and following are the members of the committee:

Name of Committee Members		Designation
Mr. Mijas Bhattachan	Director	Coordinator
Mr. Sanchit Bajracharya	Chief Executive Officer	Member
Mr. Arbind Kumar Karn	Finance Head	Member Secretary

Investment committee met 5 times during the year.

Role and Terms of Reference (TOR) of the committee are as follows:

- To formulate and monitor investment strategies to ensure they align with company policies and risk appetite.
- To review investment performance and ensure compliance with regulatory limits.
- To safeguard policyholders' funds through prudent asset management.
- To oversee the implementation of investment policy of the company

Risk Management, Financial and Solvency Management Committee Composition and Role

Risk Management, Financial and Solvency Management Committee was composed on 2081/02/02, and was subsequently changed on 2082/10/29 due to changes in the board composition and following are the members of the committee:

Name of Committee Members		Designation
Mr. Rahul Thokar Lama	Director	Coordinator (till 2082/10/29)
Mr. Ramkrishna Lamichhane	Director	Coordinator (from 2082/10/29)
Mr. Sanchit Bajracharya	Chief Executive Officer	Member Secretary

Risk Management, Financial and Solvency Management Committee met 1 time during the year.

Role and Terms of Reference (TOR) of the committee are as follows:

- To identify, assess, and monitor various risks facing the company.
- To ensure that proper risk management policies and frameworks are implemented.
- To oversee financial stability, solvency position, and capital adequacy requirements.
- To oversee the implementation of risk management policy and its effectiveness

Human Resource Management Committee Composition and Role

Human Resource Management Committee was composed on 2081/02/02 and following are the members of the committee:

Name of Committee Members		Designation
Mr. Rajendra Malla	Chairman	Coordinator
Mr. Sanchit Bajracharya	Chief Executive Officer	Member Secretary

Human Resource Management Committee met 9 times during the year.

Role and Terms of Reference (TOR) of the committee are as follows:

- To oversee HR policies related to recruitment, compensation, training, and employee development.
- To ensure alignment of HR practices with the company's goals and regulatory requirements.
- To review leadership, succession planning and organizational structure.
- To develop and recommend framework for employees' remuneration, including salary increment and incentive program.
- To promote HR practices that promote a fair, inclusive and productive work environment
- To ensure company HR policy and practices complies with the existing labors law, directives and industry standard.

Anti-money Laundering (AML) Committee Composition and Role

Anti-money Laundering (AML) Committee was composed on 2081/02/02 and following are the members of the committee:

Name of Committee Members		Designation
Mr. Shanta Gautam	Director	Coordinator
Mr. Sanchit Bajracharya	Chief Executive Officer	Member Secretary

Anti-money Laundering (AML) Committee met 10 times during the year.

Role and Terms of Reference (TOR) of the committee are as follows:

- To assist the Board of Directors in formulating rules, regulations and standards to combat money laundering and terrorism financing.
- To ensure strict compliance with anti-money laundering (AML) and combating the financing of terrorism (CFT) regulations.
- To review and monitor suspicious activities and transaction reports.
- To implement and update AML/CFT policies and bring them in compliance with the local and international laws of money laundering and terrorism financing.

Our Insurance Products

Property Insurance



House Insurance



Property Insurance

Motor Insurance



Third Party Liability

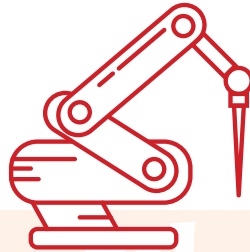


Comprehensive

Engineering Insurance



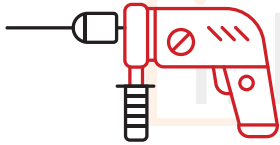
Contractors' All Risk Insurance



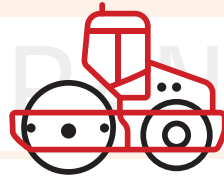
Electronic Equipment Insurance



Erection All Risk Insurance



Machinery Breakdown Insurance



Contractors Plant & Machinery Insurance

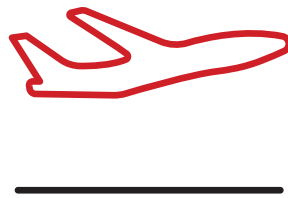
Marine Cargo Insurance



Micro Insurance



Aviation Insurance



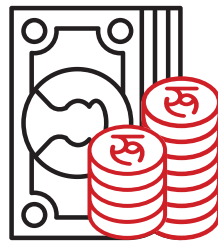
Agriculture Insurance



Miscellaneous Insurance



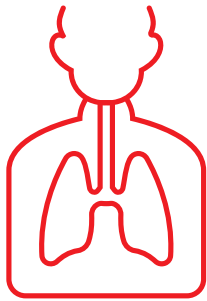
Burglary & Housebreaking Insurance



Cash in Transit Insurance



Fidelity Guarantee Insurance



Group Medical Insurance



Accident Insurance



Public Liability Insurance



Students' Safety Insurance Scheme



Bankers' Indemnity Insurance



Travel Insurance

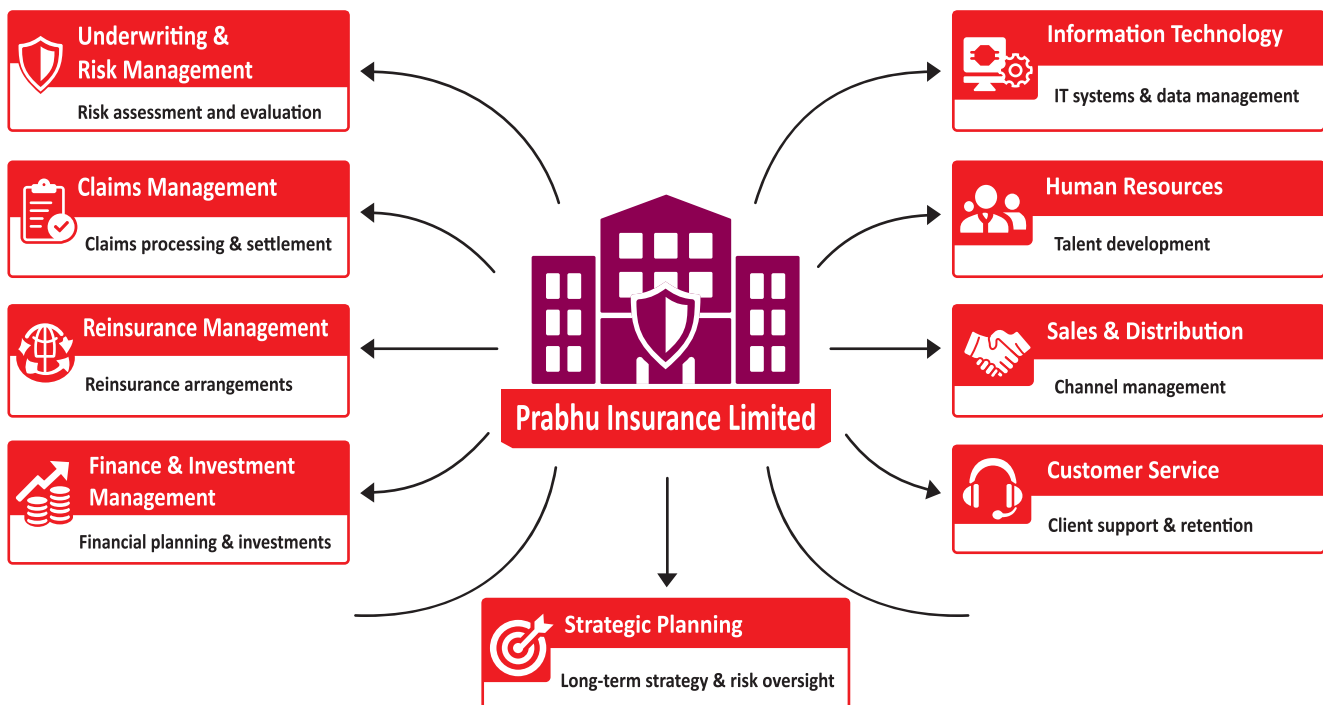


Trekking and Mountaineering Insurance



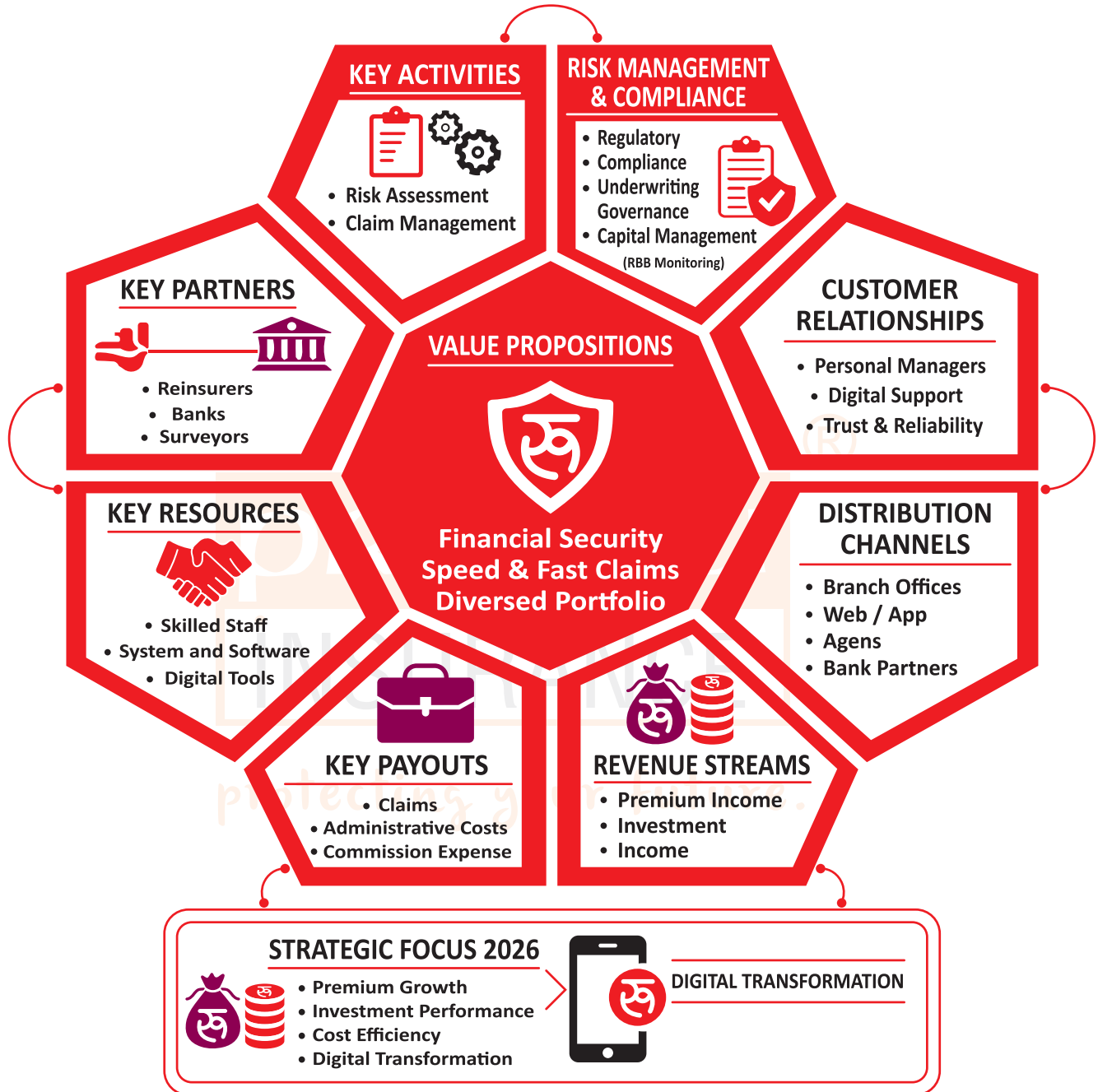
Cash Policy

Enterprise Wide Functions of the Company



Business Model

Business Model and Its Description



Prabhu Insurance Limited is one of the well-established non-life insurance company in Nepal, dedicated to delivering comprehensive and innovative general insurance solutions. With a focus on customer trust, risk protection, and financial resilience, the company serves a wide range of customers—from individuals to corporate and government agencies.

Our business model is centered to deliver sustainable growth while ensuring financial security and operational resilience. At its core, the value proposition focuses on providing policyholders with financial protection, fast and efficient claims settlement, and a diversified insurance portfolio that addresses the evolving risk needs of individuals and businesses. This customer-centric approach strengthens trust, enhances market reputation, and supports long-term retention.

The Company's key activities revolve around risk assessment, underwriting, and effective claim management. Through prudent underwriting practices and systematic risk evaluation, Prabhu Insurance ensures that risks are

appropriately priced and managed. Efficient claims handling remains a central pillar of the business, reinforcing customer confidence and strengthening the Company's reputation in the market. These operational activities are supported by strong internal controls and continuous process improvements.

Risk management and regulatory compliance form the foundation of the Company's governance framework. Prabhu Insurance places significant emphasis on compliance with regulatory requirements, underwriting governance, and capital management, including regular monitoring of Risk-Based Capital (RBC). This structured approach enhances financial resilience, safeguards policyholders' interests, and supports long-term sustainability.

The Company's business model is further strengthened by strategic partnerships with reinsurers, banks, and licensed surveyors. Reinsurance arrangements enable effective risk sharing and capital protection, while partnerships with banks and agents expand market reach and distribution capabilities. Surveyors support transparent and accurate claims assessment, ensuring fairness and operational integrity.

Prabhu Insurance relies on skilled human resources, robust systems and software infrastructure, and modern digital tools as its key resources. These capabilities enhance operational efficiency, improve service delivery, and enable digital innovation. The Company maintains strong customer relationships through dedicated relationship management, digital support platforms, and a service culture built on trust and reliability.

Revenue is primarily generated through premium income and investment income. While premium income constitutes the core operating revenue, prudent investment management contributes to overall profitability and financial strength. Major payouts include claims payments, administrative costs, and commission expenses, which are carefully managed to ensure underwriting discipline and cost efficiency.

Looking ahead, the Company's strategic focus for 2026 centers on premium growth, enhanced investment performance, cost efficiency, and digital transformation. By leveraging technology, strengthening operational effectiveness, and maintaining sound risk management practices, Prabhu Insurance Limited continues to position itself as a resilient and forward-looking non-life insurer committed to delivering sustainable value to its stakeholders.

Resources, Usage, Sustainable Competitive Edge and Value Creation

Prabhu Insurance Limited relies on a comprehensive set of resources to operate efficiently, innovate continuously, and deliver customer-focused insurance services across Nepal. These resources can be broadly categorized as follows:

Human Resources and Intellectual Resources

Human resources are at the core of Prabhu Insurance. Skilled professionals, including underwriters, claims officers, actuary, legal and compliance experts, marketing teams, and customer service personnel, are essential for delivering high-quality insurance solutions. These experts handle critical functions such as underwriting, risk assessment, pricing, policy issuance, and claims settlement. Additionally, Prabhu Insurance places significant value on internal training and continuous professional development to maintain a high-performance workforce.

Human resources and intellectual resources are used for the following functions:

- Risk assessment and pricing
- Product development and innovation
- Claims management and fraud control
- Regulatory compliance and reporting
- Customer service and engagement
- Reinsurance and risk management
- Marketing, branding, and communications
- Strategic planning and governance

These human and intellectual resources serve as a cornerstone of the company's sustainable competitive advantage. Prabhu Insurance's emphasis on continuous professional development, cross-functional training, and institutional knowledge allows it to adapt to emerging risks like climate change, cyber threats, and health crises. By maintaining a high-performing, knowledgeable team and harnessing industry best practices, the company creates meaningful value for customers through trust, service excellence, and tailored insurance products that address evolving market needs.

Financial Resources

Financial resources are vital for ensuring operational sustainability, claim settlements, and business growth. Prabhu Insurance generates revenue primarily through premium collections from policyholders, investment returns on insurance reserves, and commission income from reinsurance arrangements and service fees.

These funds are allocated toward core financial activities such as:

- Settling claims across diverse insurance lines
- Maintaining solvency margins and capital adequacy
- Funding technology upgrades and infrastructure development
- Meeting operational and administrative expenses
- Supporting strategic expansion and partnerships

Sound financial management ensures the company can honor obligations and remain resilient against adverse market or claim events. Its strong financial base not only safeguards policyholder interests but also supports scalable growth, shareholder returns, and the ability to respond quickly to new business opportunities. This financial discipline reinforces the company's value proposition of stability, reliability, and long-term sustainability.

Technological Resources

Prabhu Insurance actively invests in advanced digital platforms and core insurance management systems. These resources enable real-time policy administration, automated claims processing, and robust data analytics for risk evaluation.

Technology is leveraged for:

- Digital policy issuance and renewal systems
- Claims tracking and fraud detection tools
- Customer Relationship Management (CRM) platforms to manage customer relationships
- Cybersecurity frameworks to protect sensitive data
- Online portal for policyholder convenience

By modernizing tech infrastructure, the company enhances customer experience, operational efficiency, and data-driven management. The adoption of digital tools also helps the company scale operations without proportional increases in costs. Through enhanced convenience, transparency, and accessibility, technology contributes to value creation by improving customer satisfaction, expanding reach, and supporting continuous innovation.

Physical Resources

Prabhu Insurance operates through a nationwide network of branches, regional offices, and counters to ensure strong market presence. Physical infrastructure includes office buildings, IT hardware, communication systems, office vehicles, furniture and fixtures. By strengthening its local presence, Prabhu Insurance enhances brand trust, builds stronger community relationships, and ensures inclusivity in access to insurance and thus creating both economic and social value.

Major Sources of Capital and Their interconnectedness:

The major sources of the capital for the company includes Equity capital, Reinsurance recoveries, Reserves and Retained Earning.

Equity Share Capital

Share Capital is the primary source of capital for the company. It refers to the money invested by the company's shareholders in exchange for ownership. Prabhu Insurance has raised the capital through initial public offering. The current paid up capital of the company is 1.70 Arba.

Reinsurance Recoveries

The company has transferred a portion of its risk to different reinsurers under reinsurance arrangement. In the event of a claim that meets the reinsurance terms, the reinsurer reimburses the insurer for its share of the losses. These recoveries help maintain the insurer's liquidity and protect its capital during large or catastrophic events by reducing the financial burden of large claims.



Reserves and Retained Earning

The company allocates a portion of its after-tax profits to meet future claim obligations and strengthen its financial position. These allocations are maintained through various reserves, including the special reserve, catastrophe reserve, fair value reserve, actuarial reserve, insurance funds, and retained earnings. Collectively, these reserves enhance the company's long-term financial stability and risk-bearing capacity. As of the reporting date, the company has maintained a special reserve of NRs. 1.22 Arba, a catastrophe reserve of NRs. 10 Crores, retained earnings of NRs. 43 Crores, and other reserves amounting to NRs. 19 Crores, reflecting a prudent and resilient capital management approach.

Interconnectedness

These sources of capital are closely interconnected, working together to ensure Prabhu Insurance's financial strength and long-term stability. Equity share capital serves as the foundation of our funding, raised through initial public offering, right shares and bonus shares enabling us to underwrite insurance policies and absorb unforeseen losses. As we operate and generate profits, a portion of these earnings is retained and allocated into various reserves, including catastrophic, actuarial, and special reserves. These retained earnings and reserves strengthen our capital base over time, reducing the need for additional equity infusion. Reinsurance recoveries also play a critical role in our capital management by transferring a portion of our liabilities to reinsurers. This arrangement provides financial protection during large or catastrophic claims, helping us preserve both equity and accumulated reserves by reducing the financial burden. With effective reinsurance support, we are able to operate with greater confidence and financial flexibility, reinforcing profitability and enabling further capital growth. Together, these capital components form a dynamic and interdependent system that enhances our ability to manage risk, maintain solvency, and support sustainable growth.

Plan for Resource Usage and Major Programs and their Relation with the Capital Plan

At Prabhu Insurance, our resource usage strategy is closely connected with our long-term capital planning framework to ensure sustainable growth, financial resilience, and value creation for all stakeholders. This integrated approach allows us to strengthen core business functions, drive innovation, and maintain regulatory compliance, all while preserving a robust capital position.

Throughout the fiscal year, we focused on strategically allocating resources to key operational areas that directly support our performance objectives. Significant investments were made in enhancing our underwriting function through the adoption of advanced analytics, digital underwriting platforms, and refined risk selection methodologies. In claims management, we directed resources toward upgrading systems and streamlining processes to ensure timely and transparent claims settlement. Concurrently, we expanded our outreach by strengthening both our branch network and digital distribution platforms, enabling us to reach a broader customer base, particularly in underserved regions. We also continued to prioritize employee development through structured training programs and leadership initiatives, fostering a culture of high performance, adaptability, and service excellence. Additionally, upgrades to our IT infrastructure and cybersecurity frameworks supported operational efficiency, data protection, and improved customer engagement.

Our major programs during the year were designed to enhance long-term competitiveness and operational effectiveness. The Digital Transformation Program remained a key strategic initiative, enabling end-to-end digitization of customer journeys and internal processes. This program is already delivering measurable improvements in cost efficiency, service turnaround times, and customer experience. Product innovation also remained a focal area, with the introduction of insurance products tailored to customer need and wants. These offerings have helped diversify our product portfolio and enhance risk management. In parallel, we continued to strengthen our reinsurance arrangements to safeguard our capital, reduce volatility, and support underwriting stability.

All resource deployment initiatives and strategic programs were carefully aligned with our capital plan, which remains central to our financial strategy. Our capital management framework is structured to maintain a healthy buffer above regulatory solvency requirements, enabling us to absorb potential market and underwriting shocks. We ensure that each investment or initiative is evaluated for its return potential and its impact on capital adequacy, thereby promoting disciplined capital efficiency. Our capital structure provides us both flexibility and stability in supporting business expansion and meeting regulatory standards.

Prabhu Insurance remains committed to the strategic alignment of resource utilization, program implementation, and capital planning. This approach underpins our ability to deliver sustainable value to policyholders, shareholders, and regulators, while building a future-ready organization capable of adapting to the dynamic insurance landscape in Nepal.



Strategic Plan and Development

Short, Medium and Long Term Strategies of the Organization and Resources Allocation for Achieving them

Short-term Strategies (1-2 Years)

1. Strengthen operational efficiency

In the short term, the organization will prioritize improving efficiency in core operational areas such as claims processing, underwriting support, and policy administration. Streamlining workflows and reducing manual interventions will help lower processing time, minimize errors, and improve consistency in service delivery.

Resource allocation: Funds will be directed toward upgrading existing digital systems, introducing basic automation tools, and engaging internal teams for process re-engineering and documentation.

2. Enhance customer service and service quality

Improving the customer experience will be a key objective, with a focus on faster response times, clearer communication, and improved claims handling. Frontline employees will be trained to handle customer interactions more effectively and professionally.

Resource allocation: Budget will be allocated for structured training programs, service quality monitoring mechanisms, and improvements in customer support infrastructure.

3. Improve market visibility of existing products

Marketing activities will focus on increasing awareness and understanding of the organization's current insurance offerings to support short-term business growth and customer retention.

Resource allocation: Resources will be utilized for targeted marketing campaigns, customer communication initiatives, and promotional activities across digital and traditional channels.

4. NFRS-17 Implementation

The organization will prioritize the implementation of Nepal Financial Reporting Standard (NFRS)-17 to ensure timely compliance with financial reporting and regulatory requirements. This will include conducting a comprehensive gap analysis between existing accounting practices and NFRS-17 requirements, establishing clear governance structures, and defining implementation timelines and responsibilities. Systems and data processes will be reviewed and enhanced to support NFRS-17 calculations, disclosures, and reporting, with interim solutions adopted where full system upgrades are not immediately feasible. Capacity building across finance, actuarial, IT, and relevant operational teams will be emphasized to ensure a smooth transition and sustainable compliance.

Resource allocation: Resources will be allocated for system configuration or upgrades, data mapping and cleansing exercises, staff training and workshops, and short-term external actuarial and accounting consultancy support.

5. Capacity building and staff development

The company will prioritize capacity building to ensure employees have the necessary technical, operational, and regulatory knowledge to support ongoing improvements and upcoming changes. This includes enhancing skills in claims management, underwriting, digital systems usage, regulatory compliance, and financial reporting. Cross-functional knowledge sharing will be encouraged to improve coordination between departments.

Resource allocation: Resources will be directed toward targeted training programs, internal workshops, knowledge-transfer sessions, and selective external training or certification programs for key staff.

Medium-term Strategies (3-5 years)

1. Strengthening distribution and digital channels

The company will focus on improving agent productivity and expanding digital distribution capabilities to increase market reach and improve customer accessibility. Digital platforms will be enhanced to support end-to-end policy servicing, including issuance, renewals, and endorsements.

Resource allocation: Investment will be directed toward upgrading digital sales and servicing platforms, agent enablement tools, training programs, and cybersecurity measures.

2. Enhancing underwriting discipline and pricing

Underwriting practices will be strengthened through improved risk assessment, portfolio monitoring, and pricing adequacy. Greater use of data analytics will support informed underwriting decisions, while reinsurance programs will be optimized to align with the company's risk appetite and growth plans.

Resource allocation: Resources will be allocated for analytics tools, actuarial and underwriting expertise, portfolio monitoring systems, and reinsurance advisory support.

3. Strengthening risk management and regulatory compliance

The company will continue to enhance its enterprise risk management framework and governance practices to ensure ongoing compliance with Nepal Insurance Authority requirements. Insights from Risk Based Capital (RBC), Own Risk and Solvency Assessment (ORSA) and NFRS-17 implementation will be embedded into routine business and reporting processes.

Resource allocation: Resources will be set aside for risk management systems, compliance monitoring tools, internal audit strengthening, and external professional support where required.

4. Talent development and organizational capability building

Developing strong technical and managerial capabilities will be a priority to support medium-term growth. This includes strengthening actuarial, finance, IT, analytics, and risk management functions, along with leadership development and succession planning.

Resource allocation: Budget will be allocated for structured training programs, professional certifications, recruitment of specialized personnel, leadership development initiatives, and performance management systems.

Long-term Strategies (5+ years)

1. Diversify product portfolio and address emerging risks

The company will develop innovative solutions for emerging risks, including environmental, climate-related, and other evolving exposures, while continuing to strengthen its core product lines. Diversification will help reduce concentration risk and enhance long-term financial stability.

Resource allocation: Investment in research and development, actuarial modeling, and product innovation initiatives; funding for pilot programs and market testing of new products.

2. Strengthen capital position and enterprise risk management

Prabhu Insurance Limited will maintain robust capital adequacy and enhance its risk management frameworks to ensure resilience against unexpected losses and regulatory compliance. This includes optimizing reinsurance arrangements, improving solvency monitoring, and embedding risk-based decision-making into all business functions.

Resource allocation: Resources will be allocated to capital strengthening initiatives, risk management systems, solvency monitoring tools, and external advisory support.

3. Expand strategic partnerships and collaboration

Long-term growth will be supported by partnerships with reinsurers, healthcare providers, digital platforms, and other stakeholders. These collaborations will enable the company to access new markets, leverage technology, and share risk effectively.

Resource allocation: Funds will be dedicated to partnership development, joint initiatives, and collaborative projects with technology and service providers.

4. Embed sustainability and governance practices

The company will integrate environmental, social, and governance (ESG) principles into its business model, aligning operations and investments with international best practices. This will enhance corporate reputation, stakeholder trust, and long-term resilience.

Resource allocation: Investment in sustainability initiatives, ESG reporting frameworks, governance enhancement programs, and stakeholder engagement activities.

Strategy for the Insurance Development, Insurance Products and Insurance Services

At Prabhu Insurance, our strategic focus is on fostering inclusive insurance development by expanding our reach to underserved populations and enhancing financial literacy across the country. We are committed to increasing insurance awareness and accessibility through community engagement, strategic partnerships, and the adoption of

digital technologies. By actively contributing to the development of the insurance sector and aligning with national priorities, we aim to strengthen public trust and promote long-term financial protection for all segments of society. Our product strategy is centered around innovation, affordability, and relevance. We continuously design and refine insurance solutions that address the evolving needs of our customers. Each product is developed with a focus on simplicity, flexibility, and regulatory compliance, ensuring that we deliver value while maintaining sustainability and integrity.

To complement our product offerings, Prabhu Insurance is committed to delivering superior service through a customer-centric and technology-driven approach. We have digitized key processes including policy issuance, renewals, and claims management to enhance efficiency, transparency, and speed. Through continuous improvement, investment in staff development, and modern communication channels, we ensure that our customers receive reliable and responsive support at every stage of their insurance journey.

Sustainability Strategy with Measurable Objectives

At Prabhu Insurance, our sustainability strategy reflects our deep commitment to responsible business practices, long-term value creation, and the well-being of our customers, employees, and the wider community. We believe that integrating sustainability into our operations is not only essential for our growth but also for contributing to a more resilient and inclusive society. Our approach is guided by environmental, social, and governance (ESG) principles that shape how we operate, serve, and lead in the insurance industry.

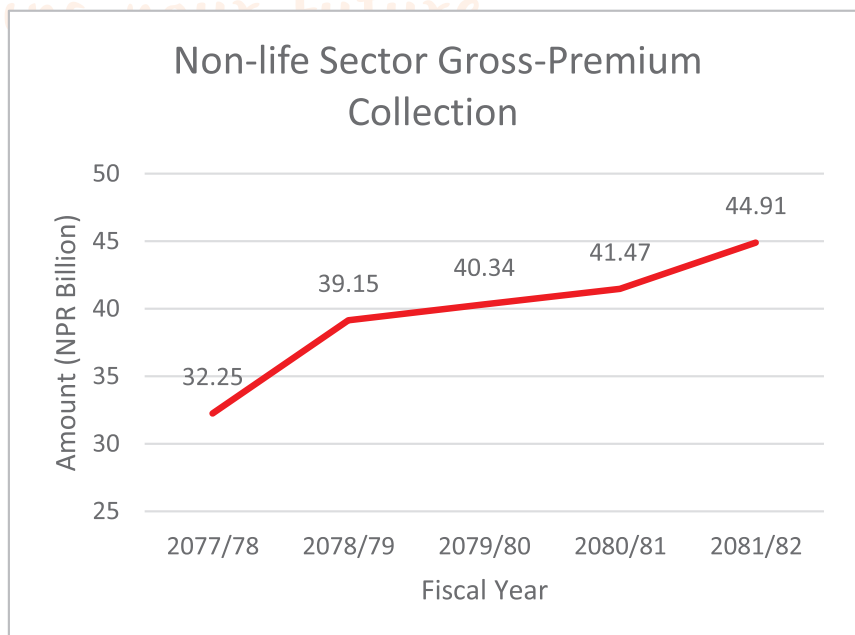
On the environmental front, we strive to reduce our carbon footprint by adopting eco-friendly practices and embracing digital transformation. This includes minimizing the use of paper, conserving energy in our offices, and promoting digital communication across all levels of our organization. These efforts support our vision of building a more sustainable operational model that aligns with global environmental standards.

Socially, we are focused on expanding access to insurance and supporting financial inclusion. We continuously work to develop insurance products and services that are accessible, relevant, and tailored to the needs of diverse communities. Our commitment extends to raising awareness about the importance of insurance through educational initiatives and engagement programs, helping people better understand and access the protection they need.

In terms of governance, Prabhu Insurance upholds a strong ethical foundation in all aspects of our business. We are committed to transparency, accountability, and fairness in our dealings with policyholders, partners, and regulators. Our internal policies, training programs, and compliance frameworks ensure that our workforce operates with integrity and that our sustainability goals are consistently monitored and improved. By embedding ESG values into our culture, we aim to build a future-ready organization that leads with purpose and responsibility.

Future Outlook and Business Prospects

At Prabhu Insurance, we are optimistic about the evolving landscape of the non-life insurance sector. The non-life insurance sector has exhibited a steady upward trend in gross premium collection over the past five fiscal years, increasing from NPR 32.25 billion in FY 2077/78 to NPR 44.91 billion in FY 2081/82. This consistent growth reflects improving insurance awareness, expansion of economic activities, and strengthening demand for non-life insurance products. The Company's business prospects remain closely linked to overall economic activity, infrastructure growth, rising motorization, and gradual improvements in insurance penetration across the country. Within this context, the Company continues to focus on balanced and sustainable growth supported by prudent underwriting and effective risk management.



Data source: Nepal Insurance Authority

The Company's sound capital position and strong solvency provide a stable foundation for underwriting diversified risks while meeting regulatory requirements. Emphasis on underwriting discipline, appropriate

pricing, and effective reinsurance arrangements is expected to support financial stability and protect the Company against adverse loss experience. Continuous improvements in claims management and operational processes are also expected to enhance efficiency and service quality.

Looking ahead, Prabhu Insurance Limited aims to strengthen its market presence through gradual expansion of business volumes, product diversification, and enhancement of distribution capabilities. Ongoing initiatives in digitalization and process automation are expected to improve operational effectiveness, internal controls, and customer engagement. The Company remains focused on improving productivity and cost efficiency while maintaining service standards.

At the same time, management recognizes the potential challenges arising from economic uncertainty, increasing competition, regulatory changes, and exposure to natural catastrophes. These risks are addressed through a robust risk management framework, adequate reinsurance protection, and strong governance practices. The Company will continue to monitor the external environment and adapt its strategies accordingly.

The Company is actively leveraging technology to enhance service delivery, streamline claims processing, and extend our reach to previously underserved markets. Our digital initiatives aim to simplify the customer journey while ensuring efficiency, transparency, and convenience at every touchpoint. With a strong focus on innovation, operational excellence, and customer-centricity, Prabhu Insurance is confidently positioned for sustainable growth. We remain committed to adapting to market changes, embracing new opportunities, and delivering long-term value to our stakeholders in the years ahead.

Effect of External Environment

At Prabhu Insurance, we recognize that our performance and strategic direction are closely influenced by the broader external environment. Understanding and responding to these factors enables us to navigate challenges effectively while capitalizing on emerging opportunities. The following outlines key external forces that have impacted, and continue to shape, our business operations:

- **Economic Environment**

The macroeconomic conditions of Nepal remain a significant determinant of insurance uptake and financial performance. Factors such as GDP growth, inflation, interest rates, and employment trends directly affect consumer purchasing power and, in turn, influence demand for insurance products. In FY 2081/82, while moderate economic recovery supported business activities, inflationary pressures impacted customer affordability.

- **Regulatory and Legal Landscape**

The insurance industry is governed by the Nepal Insurance Authority, whose policies and directives continue to shape the operational framework of insurers. During the fiscal year, regulatory updates aimed at strengthening governance, solvency margins, and capital adequacy have prompted strategic realignments. Prabhu Insurance remains committed to full compliance with evolving regulations and continues to engage constructively with the regulator to align with national financial inclusion goals.

- **Technological Advancements**

Technology remains a transformative force within the insurance sector. The acceleration of digital adoption, particularly post-pandemic, has redefined customer expectations. In response, Prabhu Insurance has continued to invest in digital infrastructure to enhance service delivery, claims processing, and policy management. The digital push also presents cyber risk challenges, necessitating increased focus on data security and IT resilience.

- **Sociocultural Dynamics**

Public perception and awareness of insurance remain critical to market growth. Socioeconomic shifts, urbanization, and rising financial literacy are gradually enhancing insurance penetration, particularly in underserved segments. However, cultural hesitancy and limited awareness in rural regions continue to pose barriers. Prabhu Insurance has intensified outreach and awareness campaigns to address these gaps and expand its footprint.

- **Competitive Environment**

The domestic insurance market remains competitive, with insurers vying for customer loyalty through product innovation, digital engagement, and service excellence. Prabhu Insurance has focused on maintaining competitiveness through customer-centric offerings, timely claims servicing, and robust distribution strategies.

- **Environmental and Natural Risks**

Nepal is highly susceptible to natural disasters, including earthquakes, floods, and landslides. These events not only elevate risk exposure but also highlight the critical role of insurance in recovery and resilience. During the reporting period, Prabhu Insurance continued to refine its risk assessment frameworks and diversify its reinsurance arrangements to mitigate large-scale exposure.



Corporate Responsibility

Company's Initiative for the Staff Development

At Prabhu Insurance, we firmly believe that the well-being of our employees is not just a human resource priority but a cornerstone of long-term organizational success. To ensure that our team members are healthy, motivated, and equipped for success, we have implemented a wide range of welfare programs that focus on physical health, emotional well-being, professional advancement, and financial stability.

Health and Medical Benefits

Our health and safety benefits reflect our commitment to protecting our employees and their families. We offer extensive health insurance coverage that includes hospitalization, outpatient care, and personal accident protection, giving them peace of mind and financial security. For additional support, the company has provisions in place to assist employees in urgent or extraordinary medical situations.

Employee Training and Capacity Building

Prabhu Insurance is equally invested in the professional development of its workforce. During the fiscal year, we spent a total of NRs. 30,15,063 toward training and capacity-building programs. These covered a diverse spectrum of learning, including leadership training, technical skills enhancement, regulatory updates, and insurance-specific workshops. We also partnered with industry experts and external institutions to ensure that our staff remain at the forefront of professional excellence.

Employee Wellbeing and Mental Health

The company maintains a competitive compensation structure to ensure employees are fairly rewarded according to their roles and responsibilities. It also focuses on recognizing employee contributions by providing fair opportunities for promotion, career advancement, and overall professional growth.

In our efforts to promote a healthy work-life balance, we provide generous leave benefits, including sick, casual, maternity, mourning and home leave. Additional leave days are also granted in special circumstances to ensure that employees can attend to personal matters without undue stress.

Awards and Recognition

Recognizing effort and commitment is integral to our work culture. We have formal employee recognition programs in place to celebrate outstanding contributions and long-term service. Employees are honored with various awards for outstanding achievements, and those completing 10 and 25 years of service are recognized for their loyalty and sustained contribution to the organization. These initiatives boost morale, reinforce a sense of achievement, and encourage a positive, engaged workplace culture.

Altogether, Prabhu Insurance's approach to employee welfare reflects a strong commitment to creating a supportive, inclusive, and high-performing work environment. By prioritizing the overall needs of our people, we foster a culture where employees feel valued, secure, and empowered to give their best.

Company's Contribution in National Economy

Prabhu Insurance Limited, as a prominent non-life insurance provider in Nepal, contributes to the national economy by enhancing financial security, supporting business continuity, and facilitating sustainable economic development. Through its diverse portfolio of general insurance products, the Company provides protection to individuals, businesses, and infrastructure projects across multiple sectors, helping mitigate financial risks arising from unforeseen events. This risk transfer mechanism encourages investment, supports entrepreneurship, and promotes economic stability. Beyond insurance services, the Company contributes through investment of funds, payment of taxes, employment creation, and initiatives aimed at expanding insurance awareness and financial inclusion throughout the country.

Risk Protection and Financial Stability

Prabhu Insurance provides comprehensive non-life insurance coverage across sectors such as motor, property, engineering, marine, aviation, agriculture, and miscellaneous risks. By protecting individuals and businesses

against financial losses from unforeseen events, the Company enhances financial security, promotes business continuity, and fosters investor confidence, contributing to overall economic stability in Nepal.

Mobilization and Investment of Domestic Funds

Premiums collected from policyholders are strategically invested in different sectors. During the year, the company mobilized NRs. 1.46 Arba in different investments like government securities, fixed deposits with banks and financial institutions, hydropower and infrastructure projects, and other productive sectors. These investments support capital formation, infrastructure development, and sustainable economic growth, while maintaining the security and liquidity of policyholders' funds.

Contribution to Government Revenue

The Company contributes directly to national revenue through income tax, value-added tax, insurance-related levies, and service fees to the regulators. These payments support public finances and enable government programs that drive national development. During the fiscal year, Prabhu Insurance Limited contributed NRs. 25.18 Crores as total tax to the government.

Employment Generation

Through its branch network, agency force, brokers, surveyors, and allied service providers, Prabhu Insurance creates both direct and indirect employment opportunities, supporting livelihoods and skill development across the insurance and financial services sector.

Promotion of Financial Inclusion and Insurance Awareness

Prabhu Insurance actively promotes insurance literacy and risk awareness, expanding access to non-life insurance products across urban and semi-urban regions. This encourages responsible risk management, empowers individuals and businesses, and strengthens Nepal's financial ecosystem.

Support for Emerging Sectors and Sustainable Development

By providing coverage to emerging sectors such as renewable energy projects, small and medium enterprises (SMEs), and infrastructure initiatives, the Company contributes to sustainable development and long-term economic growth in Nepal.

Strengthening Economic Resilience

Through its risk management services, investment activities, and promotion of insurance culture, Prabhu Insurance enhances the resilience of Nepal's financial and economic environment, supporting stability during crises and fostering long-term national growth.

Overall, Prabhu Insurance Limited continues to play an important role in strengthening Nepal's economic resilience through its insurance operations, investment activities, and commitment to responsible financial practices. By protecting assets, mobilizing financial resources, supporting emerging sectors, and promoting insurance accessibility, the Company contributes to sustainable economic growth and financial stability. Moving forward, Prabhu Insurance remains committed to supporting national development priorities and fostering a secure and resilient economic environment in Nepal.

Impact on the Environment

Prabhu Insurance Limited operates in the non-life insurance sector and does not undertake manufacturing or other activities that have a material direct impact on the natural environment. The Company's direct environmental impact is therefore limited in nature and primarily relates to routine office operations, including energy consumption, paper usage, and staff mobility across its branch network.

While the Company's operational footprint is modest, its business is inherently exposed to environmental and climate-related risks through the insurance of assets and activities susceptible to natural perils. In particular, increasing frequency and severity of events such as floods, landslides, and other weather-related incidents have a direct bearing on claims experience and overall risk exposure within the non-life insurance portfolio.

Environmental factors are therefore relevant to the Company mainly from a risk management and financial exposure perspective rather than from direct environmental emissions or resource-intensive activities. These factors influence underwriting outcomes, claims patterns, and reinsurance requirements, and are considered as part of the Company's broader risk assessment framework. Accordingly, the Company's interaction with environmental matters is indirect and arises primarily from the nature of the risks it underwrites, rather than from its operational activities.

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

We recognize the growing responsibility of businesses to operate sustainably and contribute toward building a greener, more inclusive global economy. In alignment with both national priorities and international sustainability goals, the company has taken deliberate steps to integrate environmental, social, and governance (ESG) principles into its operational framework.

A major shift toward digital transformation has been central to these efforts. By promoting the use of electronic policies, digital claim processing, and online customer support services, the company has significantly reduced its reliance on paper, printing, and physical logistics lowering its environmental Carbon footprint. In terms of corporate operations, Prabhu Insurance prioritizes eco-friendly procurement, encourages waste reduction, and practices responsible resource usage. As a part of Corporate Social Responsibility, the company conducts and funds various environmental protection and awareness programs, contributing to a more sustainable environment.

From a broader perspective, Prabhu Insurance also supports sustainable development by insuring environmentally responsible projects and businesses. This includes providing coverage for renewable energy ventures such as hydropower projects, solar energy installations, and eco-tourism-based enterprises. In doing so, the company not only mitigates risks for such projects but also contributes to Nepal's green economic transition. Additionally, the company promotes renewable sources of energy through its investments in different hydropower companies and in the NIFRA Green Energy Bond, further contributing to Nepal's green economic transition.

Internally, sustainability is promoted through staff awareness programs and stakeholder engagement, fostering a culture of responsibility, accountability, and environmental stewardship. These actions reflect Prabhu Insurance's long-term commitment to balancing profitability with purpose, as the company continues to evolve as a responsible corporate citizen contributing to a more resilient and sustainable global economy.

Disclosure in relation to Corporate Social Responsibility

At Prabhu Insurance, we are committed to operating in a manner that benefits society, the environment, and our diverse stakeholders. We believe that responsible business practices and sustainable development are essential to long-term success and the welfare of the communities we serve. In alignment with our core values and regulatory obligations, we allocate 1% of our net profit each year to a dedicated CSR fund.

Prabhu Insurance company ensures that all the statutory dues and obligations are fulfilled, implements strict controls to prevent fund funds from being misused, avoids providing any support to the unlawful or harmful activities. The company ensures that the CSR activities are implemented in accordance with section (45) of Corporate Governance Directive, 2080 (Amended 2082) issued by Nepal Insurance Authority and company's Board approved CSR manual. Impact Assessment and period reporting is conducted to ensure accountability and responsible implementation of the fund.

As per the provision of section (45) of Corporate Governance Directive, 2080 (Amended 2082), an insurance company can spend on the following projects through CSR reserve:

- Social welfare projects: Education, health, disaster management, economic upliftment of deprived sector public, Insurance Awareness, Insurance protection and insurance of marginalized public
- Direct Subsidy: Education and health of deprived and marginalized public
- Poverty reduction: Insurance protection of deprived sector public from natural disaster
- Expense of childcare center for children of the staff of the company.
- Expenses contributed to Government of Nepal funds for relief, rehabilitation and reconstruction of damages caused by natural disasters, civil unrest, public demonstrations.

During the fiscal year, the CSR fund opened with a balance of Rs. 3,272,366. An additional Rs. 1,841,534 was allocated from this year profit, Of which, Rs. 2,871,901 was spent on various CSR activities like Blood Donation Program, Traffic Awareness Program, Swimming Championship, Free Reproduction Health Camp and many more. The company contributed Rs. 2,500,000 to the Prime Minister Disaster Relief fund as part of our CSR program.

Our CSR focus reflects our belief in social welfare, community development, inclusive growth and long-term nation building. Our CSR programs are aligned with national development goals and focus on healthcare, education, financial literacy, and environmental protection. Activities are implemented in partnership with local authorities and development organizations, with careful monitoring to ensure measurable outcomes. CSR disclosures are made publicly available through our annual reports and other communication platforms to keep stakeholders informed of our contributions and commitments.

Corporate Governance and Compliance

Compliance Report and Non-Compliance Issues

Prabhu Insurance Limited continues to uphold high standards of corporate governance, guided by its dedicated leadership and skilled workforce. The company places strong emphasis on adhering to regulatory frameworks, facilitating timely and fair claim settlements, and aligning with all relevant laws, guidelines, and directives issued by the Nepal Insurance Authority. We are committed to strengthening transparency, accountability, and ethical conduct across all levels of operation.

S. N	Name of the Policies or Directives	Compliance Status
1	Insurance Act, 2079	Complied
2	Insurance Regulation, 2081	Complied
3	Insurer's Corporate Governance, 2080	Complied
4	AML/CFT Policy and Procedures, 2082	Mostly Complied
5	Claim Settlement Guideline, 2081	Mostly Complied
6	Reinsurance Directive, 2080	Complied
7	Insurance Branch Office Directives, 2079	Mostly Complied
8	Investment Directives, 2082	Complied
9	Insurer's Information Technology Guidelines, 2076	Complied
10	Micro Insurance Policies, 2079	Complied
11	Livestock, Crop and Herbal Insurance Policies, 2079	Complied
12	Property Insurance Directive, 2080	Complied
13	Motor Insurance Guideline, 2073	Complied
14	Risk Management Guidelines for Insurance Companies, 2076	Complied
15	Securities Act, 2063	Complied
16	Labor Act, 2074	Complied
17	Bonus Act, 2030	Complied
18	Insurance Financial Directive, 2080	Complied
19	IRMIS Guidelines, 2080	Complied
20	Guidelines Related to Appointment of Actuary, 2024 (2081) (Amended, 2082/04/29)	Complied
21	Risk Based Capital and Solvency Directive, 2082	Complied

Despite our efforts, full compliance has not been achieved in the following areas due to various operational or transitional challenges:

- Certain elements of the AML/CFT Policy and Procedures, 2082
- A few sections of the Claim Settlement Guideline, 2081
- Some provisions of the Insurance Branch Office Directives, 2079

Durga Poudel

Compliance Officer

Report of Senior Management

The fiscal year 2081/82 was a year of purposeful growth and operational enhancement for Prabhu Insurance Limited. Amid an evolving regulatory landscape, growing climate-related risks, and shifting customer expectations, the company remained focused on sustainable performance, digital innovation, and service excellence. Through disciplined underwriting, strategic investments, and operational efficiency, we were able to deliver strong financial results while reinforcing our long-term competitiveness.

Financial Performance

The company reported significant growth across key financial metrics, demonstrating robust operational strength.

Gross Written Premium (GWP) : NRs. 1,869,313,444; 5.14% increase from the previous fiscal year.

Net Profit : NRs. 205,860,016

Investment Income : NRs. 84,718,087

Solvency Margin : 548.1% which is much above the regulatory target level of 130%.

Gross Claims Paid : NRs. 557,134,939

This strong performance underscores the company's ability to manage risk effectively and respond to changing market conditions.

Operational Highlights

Throughout the year, operational excellence was prioritized across all key departments. The company expanded its reach through its extensive network of branches and introduced several innovative insurance products tailored to customer needs. These efforts helped diversify our product mix and increase policyholder engagement. The claims department implemented system upgrades to accelerate processing time, successfully reducing the average claims settlement duration. Our digital initiatives enabled customers to renew policies, submit claims, and make inquiries online, contributing to increased service efficiency and client satisfaction. These operational improvements have positioned the company well for long-term scalability and modernization. The company has been honoured with "Best General Insurance Company" at 6th Emerging Asia Conclave & Awards 2025, Bangkok.

Governance and Risk Management

In line with best practices, the company maintained high standards of corporate governance and regulatory compliance. The Board of Directors met regularly to review strategic goals and operational risks. Governance structures were further strengthened through enhanced internal audits and risk controls. A major focus of the year was aligning internal processes with the Risk-Based Capital (RBC) framework, as required by Nepal Insurance Authority. This reflects our commitment to transparency, accountability, and responsible risk management.

Outlook for FY 2082/83

Looking ahead, Prabhu Insurance is focused on deepening its digital capabilities, enhancing product accessibility, and reinforcing its risk management practices. We plan to introduce inclusive solutions for small businesses, leveraging partnerships with banks and cooperatives for wider reach. A key strategic priority will be the adoption of predictive analytics to optimize pricing, detect fraud, and improve customer segmentation. At the same time, we will accelerate our preparations for full RBC implementation and align our financial reporting practices with international standards with NFRS 17. Through these initiatives, we aim to drive sustainable growth while remaining responsive to stakeholder needs and market developments.

Acknowledgement

The fiscal year 2081/82 was marked by strong execution, financial discipline, and forward-looking investments. The management team expresses its sincere appreciation to all stakeholders: shareholders, policyholders, employees, agents, reinsurers partners, and regulators for their continued trust and support. With clear strategy, skilled workforce, and our strong commitment to service excellence, Prabhu Insurance Limited is well-positioned to lead responsibly and deliver long-term value in the years ahead.

Sanchit Bajracharya

Chief Executive Officer

Major Policies and Practices

S.N	Policies	Purpose
1	HR Policy, 2081	To establish clear guidelines on recruitment, compensation, performance evaluation, training, employee rights, and discipline, ensuring consistency and legal compliance in managing human resources.
2	Claim Manual, 2078	To provide a standardized procedure for receiving, processing, evaluating, and settling claims to ensure timely, fair, and transparent claim management and customer satisfaction.
3	Reinsurance Manual, 2079	To define the processes and protocols for managing reinsurance arrangements, including selection of reinsurers, treaty terms, facultative placement, accounting, and recoveries, thereby ensuring effective risk transfer and protection of the company's financial stability.
4	Risk Management Policy	To identify, assess, monitor, and mitigate internal and external risks that may affect the company's objectives, ensuring business continuity and regulatory compliance.
6	Underwriting Policy, 2079	To guide the risk assessment and pricing decisions for issuing insurance policies, ensuring consistent and profitable underwriting practices aligned with the company's risk appetite.
7	Finance and Administration Policy, 2081	To ensure proper governance of administrative and financial operations, including budgeting, financial reporting, procurement, and internal controls, thereby maintaining financial discipline and accountability.
8	AML policy, 2080	To prevent, detect, and report money laundering and financing of terrorism activities, in compliance with national and international regulatory frameworks.
9	Succession Planning, 2078	To ensure leadership continuity and minimize disruption by identifying and developing internal personnel with the potential to fill key leadership positions in the future.
10	IT Policy, 2077	To govern the secure and efficient use of IT resources, data protection, cybersecurity, and digital infrastructure in alignment with the company's operational and strategic goals.
11	TOR of Board of Director and board committees, 2078	To clearly define the roles, responsibilities, authority, and structure of the Board and its committees, ensuring good corporate governance and accountability
12	Audit Manual	To establish the framework and procedures for internal and external audits, including planning, execution, reporting, and follow-up of audit findings, promoting transparency and control.
13	Marketing Manual, 2079	To provide guidance on branding, product promotion, communication strategies, and customer engagement, ensuring consistent messaging and market growth aligned with company objectives.
14	Agriculture and Livestock directive, 2078	To provide structured, fair, and accessible insurance coverage to safeguard farmers and livestock owners against agricultural and livestock-related risks.
15	CSR Manual, 2082	To guide the company's initiatives in contributing to social, environmental, and economic development by promoting responsible business practices, supporting community welfare, and aligning with national priorities for inclusive and sustainable growth

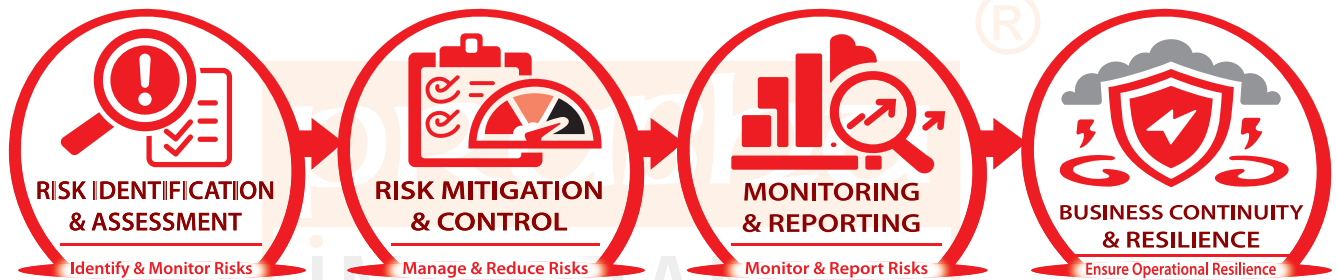


Risk Management and Internal Control

Risk Management Framework

Effective risk management is a fundamental component of our corporate governance and operational strategy. We recognize that the insurance business inherently involves the acceptance and management of risk, and we are committed to identifying, assessing, and mitigating risks to safeguard our stakeholders' interests and ensure long-term sustainability.

Risk governance is overseen by the Board of Directors, with key responsibilities delegated to the Risk Management Committee. The committee regularly reviews risk exposures, assesses the effectiveness of risk controls, and ensures alignment with the company's risk appetite. Senior management is responsible for implementing risk management policies and integrating them into day-to-day operations.



Risk Identification and Assessment:

Risks are identified through continuous monitoring of internal and external environments, including changes in regulatory frameworks, economic conditions, and operational processes. A structured risk assessment process is applied to evaluate the potential impact and likelihood of each risk. Every department of the company maintains its own risk register for initial risk identification and assessment.

Risk Mitigation and Control:

We maintain a system of internal controls and risk limits to reduce exposure to unacceptable levels. For underwriting risk, we follow prudent pricing and risk selection practices. Credit risks are minimized through careful selection of reinsurance partners and financial counterparties. Market and liquidity risks are managed through sound investment strategies and regular stress testing.

Monitoring and Reporting:

A robust reporting system is in place to ensure timely communication of key risk indicators to the Board and senior management. Internal audit and compliance teams conduct regular reviews to evaluate the adequacy of risk controls and ensure adherence to policies.

Business Continuity and Resilience:

We have developed and tested business continuity plans to ensure operational resilience in the face of unforeseen disruptions, including natural disasters, cyber threats, and pandemics.

Climate Risk Related Disclosure

Prabhu Insurance recognizes the growing impact of climate change on the insurance industry and is committed to proactively managing associated risks and opportunities. In 2025, the company adopted its Climate Change Policy 2082, which provides a strategic framework for identifying, assessing, and mitigating climate-related risks across our operations, underwriting practices, and investment strategies. Chief Executive Officer of the company is responsible for the monitoring and evaluating the implementation of the policy. The primary activities included identifying potential climate-related risks to the company's underwriting and investment portfolio, coordinating with the Risk Management Committee to incorporate climate risk into the enterprise risk framework, and

initiating groundwork for the formation of a dedicated Climate Change Committee. The responsible person also led internal awareness sessions to build capacity on climate-related financial disclosures and engaged with external stakeholders to stay aligned with emerging regulatory and environmental expectations.

At present, climate change risks are overseen by the Risk Management Committee, ensuring that environmental factors are integrated into our overall risk assessment and governance processes. To further strengthen our approach, the company is in the process of establishing a dedicated Climate Change Committee. This committee will focus on developing specialized risk models, enhancing climate resilience in our portfolio, and aligning our practices with national and global sustainability goals. Prabhu Insurance remains committed to transparency and accountability in its climate-related disclosures and actions.

Reinsurance Policy and Adequacy of Reinsurance Coverage

Reinsurance plays a critical role in the risk management strategy of Prabhu Insurance, helping to enhance our underwriting capacity, protect our balance sheet, and ensure long-term financial stability. Our reinsurance policy is designed to provide robust protection against catastrophic losses, limit exposure to large individual risks, and support the company’s solvency position in accordance with regulatory requirements and international best practices.

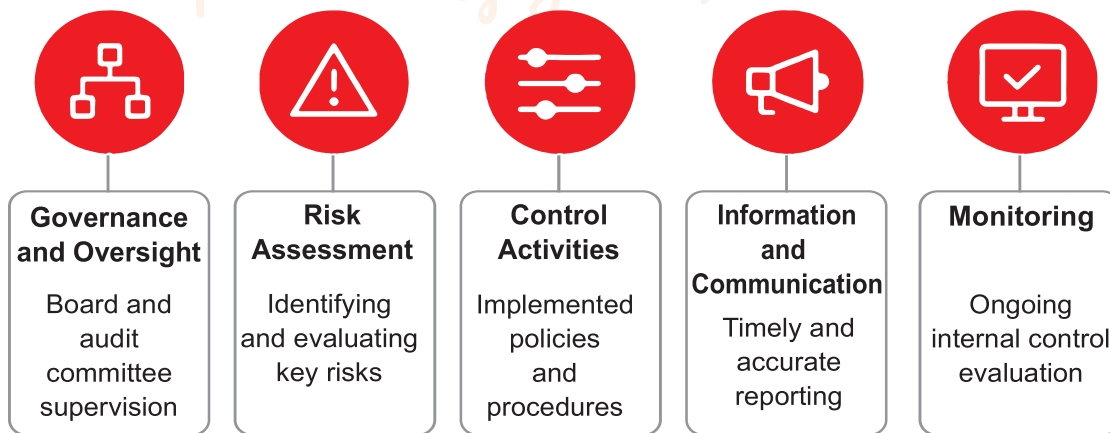
The company partners with the top-rated international as well as regional reinsurers to safeguard its financial strength and maintain operational resilience. We follow a prudent and structured approach to reinsurance, placing appropriate treaties and facultative arrangements based on the nature, size, and complexity of the risks underwritten. Our reinsurance program includes both proportional and non-proportional treaties. This diversified structure ensures that our risk exposure remains within acceptable limits and aligned with the company’s risk appetite

The adequacy of our reinsurance arrangements is assessed on a regular basis through actuarial reviews, exposure analysis, and stress testing. These evaluations confirm that the current reinsurance program is well-aligned with our underwriting portfolio and provides sufficient protection against adverse claim developments, including catastrophe risks. For the catastrophic protection, company has a catastrophic excess of loss reinsurance arrangement with maximum retention of NRs. 4 Crore for each and every loss or series of losses arising out of any one event/occurrence.

Overall, our reinsurance policy is adequate and effective in supporting our business operations, maintaining solvency, and providing security to our stakeholders. We remain committed to continuously reviewing and enhancing our reinsurance strategy in line with market dynamics, emerging risks, and regulatory expectations.

Internal Control Framework and its Effectiveness

INTERNAL CONTROL FRAMEWORK



At Prabhu Insurance, a strong and effective internal control framework forms the backbone of our governance structure and is essential for achieving operational efficiency, financial accuracy, regulatory compliance, and risk mitigation. Our internal control system is designed to ensure the integrity of financial reporting, safeguard assets, promote operational effectiveness, and ensure adherence to applicable laws, regulations, and internal policies.

The internal control framework is based on the principles of accountability, transparency, and continuous improvement. It operates across all levels of the organization and is embedded in our daily processes, ensuring that key risks are identified, assessed, and appropriately controlled. The Board of Directors, through the Audit Committee, provides oversight and ensures that the internal control mechanisms are functioning effectively and are regularly reviewed.

Key components of our internal control framework include well-defined roles and responsibilities, standardized operating procedures, segregation of duties, authorization and approval hierarchies, and secure information systems. These controls help minimize the risk of error, fraud, and mismanagement across business functions.

The Internal Audit team plays a central role in independently evaluating the adequacy and effectiveness of internal controls. Regular audits are conducted in accordance with a risk-based audit plan approved by the Audit Committee. Findings and recommendations from these audits are reported to senior management and the Board, and corrective actions are monitored for timely implementation.

We also promote a culture of compliance and ethical conduct throughout the organization. Staff at all levels are regularly trained on company policies, regulatory requirements, and internal control procedures. This helps foster awareness and accountability, ensuring that internal controls are not only implemented but consistently followed.

Prabhu Insurance remains committed to strengthening its internal control environment through continuous monitoring, technological enhancements, and alignment with international best practices. This ensures that we operate with integrity, efficiency, and resilience, while maintaining the trust of our policyholders, regulators, investors, and other stakeholders.

IT Systems, Controls, and Cybersecurity

In today's increasingly digital environment, robust Information Technology (IT) systems and strong internal controls are essential to achieving operational resilience, data security, and regulatory compliance. Prabhu Insurance Ltd remains committed to investing in secure, efficient, and scalable IT infrastructure to support business continuity, improve service delivery, and strengthen our risk management framework.

IT Infrastructure and Operations

We continue to modernize our IT infrastructure to meet the evolving needs of our business and stakeholders. Our infrastructure strategy focuses on reliability, scalability, and efficiency:

- **Virtualized Servers & Hybrid Cloud:** A combination of on-premise and cloud-based servers supports critical applications and enhances system flexibility.
- **Enterprise Storage Systems:** Centralized and redundant storage ensures rapid data access and recovery in case of failure.
- **Network Architecture:** High-speed, secure communication links connect all branch offices, supported by network segmentation for added security and performance.
- **Productivity Tools:** Employees are equipped with licensed and secure productivity tools, to promote secure collaboration.

Governance and Policy Framework

A robust IT governance model ensures our technology environment aligns with business goals and regulatory requirements:

- **IT Policies:** Comprehensive policies covering Acceptable Use, Data Classification, Password Management, and Mobile Device Security are enforced organization-wide.
- **Regulatory Compliance:** IT practices are aligned with IT guidelines issued by Nepal Insurance Authority 2076 and international frameworks such as ISO 27001.
- **IT Steering Committee:** This cross-functional committee oversees major technology investments, risk mitigation, and digital strategy implementation.

Cybersecurity and Risk Mitigation

Protecting our digital assets and ensuring system integrity are key components of our cybersecurity strategy:

- **Network Security:** Next-generation firewalls, intrusion prevention systems (IPS), and deep-packet inspection tools provide advanced perimeter security.
- **Endpoint Protection:** All employee devices are secured with enterprise-grade antivirus, patch management, and threat detection systems.
- **Access Controls:** Role-based access and Multi-Factor Authentication (MFA) are enforced across critical systems to prevent unauthorized access.
- **Encryption:** Sensitive data is encrypted both at rest and in transit using industry-standard algorithms.
- **Staff Training:** Regular cybersecurity awareness training is provided to all employees to recognize threats such as phishing, ransomware, and insider risks.

Disaster Recovery and Business Continuity

To ensure service continuity in the event of a disruption, Prabhu Insurance Ltd has implemented comprehensive business continuity and disaster recovery (BC/DR) protocols:

- **Disaster Recovery Site:** A geographically distant DR site mirrors our primary systems to ensure resilience against natural and man-made disasters.

- Data Backup: Automated and encrypted backups are maintained at multiple secure offsite locations.
- Recovery Testing: Periodic drills are conducted to validate recovery plans and restore operations within defined RTO/RPO benchmarks.

Digital Platforms and Customer Engagement

Digital transformation is central to our mission of improving customer experience and operational agility:

- Online Customer Portal: Customers can securely purchase policies, submit and track claims, and access services anytime through a user-friendly portal.
- Third-Party Integrations: We collaborate with payment gateways and external platforms for seamless customer transactions and real-time data exchange.
- API Ecosystem: Secure APIs allow efficient data sharing with regulators and digital partners, enhancing operational transparency and speed.

Monitoring, Audits and Compliance

Continuous improvement and proactive oversight are pillars of our technology risk management:

- IS Audits and VAPT: We conduct periodic Information Security audits and Vulnerability Assessments & Penetration Testing (VAPT) to identify and remediate risks.
- Patch and Change Management: Critical systems receive regular updates, and all changes undergo approval and documentation through our IT Change Management process.
- IT Risk Register: A centralized register is maintained to document, assess, and mitigate technology-related risks.

Future IT Roadmap

Prabhu Insurance Ltd is committed to continued IT excellence through:

- Expansion of Automation and AI: Investing in artificial intelligence and process automation to enhance efficiency and decision-making.
- Cloud Optimization: Increasing adoption of scalable and cost-effective cloud infrastructure.
- Enhanced Data Analytics: Leveraging big data for deeper customer insights and improved product offerings.
- Compliance with International Standards: Continued progress toward ISO/IEC 27001 and other global best practices.

Our sustained investments in IT systems, controls, and cybersecurity reflect Prabhu Insurance Ltd 's strategic commitment to innovation, risk resilience, and stakeholder trust. These efforts ensure that our operations remain secure, agile, and prepared for the challenges of a dynamic digital landscape.

CERTIFICATE OF COMPLETION

This Certificate is Proudly Presented To:

Prabhu Insurance Limited

For Successfully Completion of IS audit and VAPT assessment. These audits have been successfully completed according to NIA, ISO 27001 & COBIT Guidelines and compliances with the aim of strengthening cybersecurity. We look forward to future collaborations.



MR. RIDESH RAI
LEAD AUDITOR

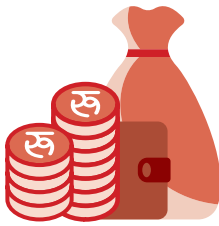


DATE OF COMPLETION
2082/09/17

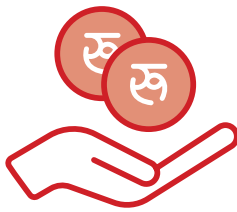


Performance Evaluation & Key Performance Indicators

Financial Highlights



Authorized Share Capital
NPR. 3 Arba



Paid-up Capital
NPR. 1.70 Arba



Net Worth
NPR. 3.39 Arba



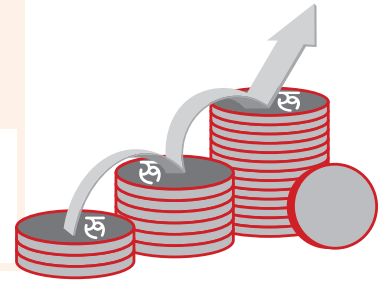
Special Reserve
NPR. 1.22 Arba



Catastrophic Reserve
NPR. 10 Crores



Retained Earnings
NPR. 43 Crores



Total Investment
NPR. 1.46 Arba



Gross Premium Collection
NPR. 1.86 Arba



Gross Technical Provisions
NPR. 2.62 Arba



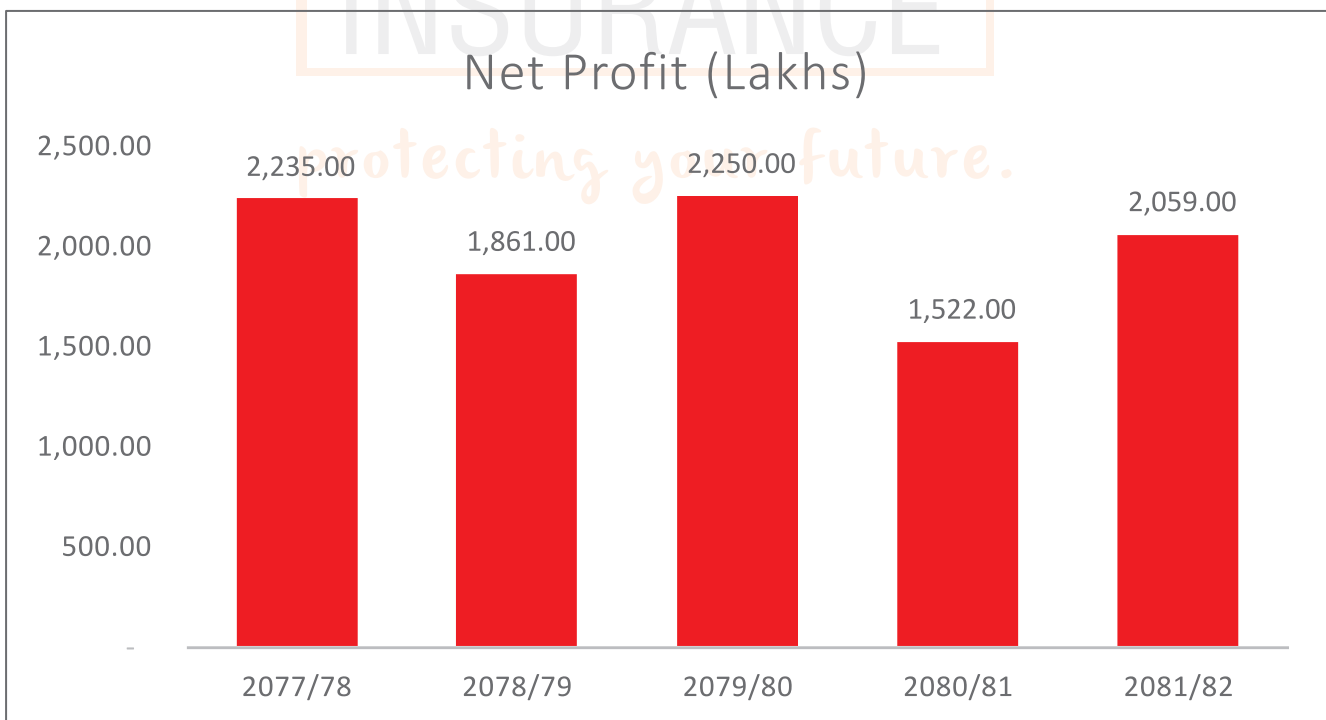
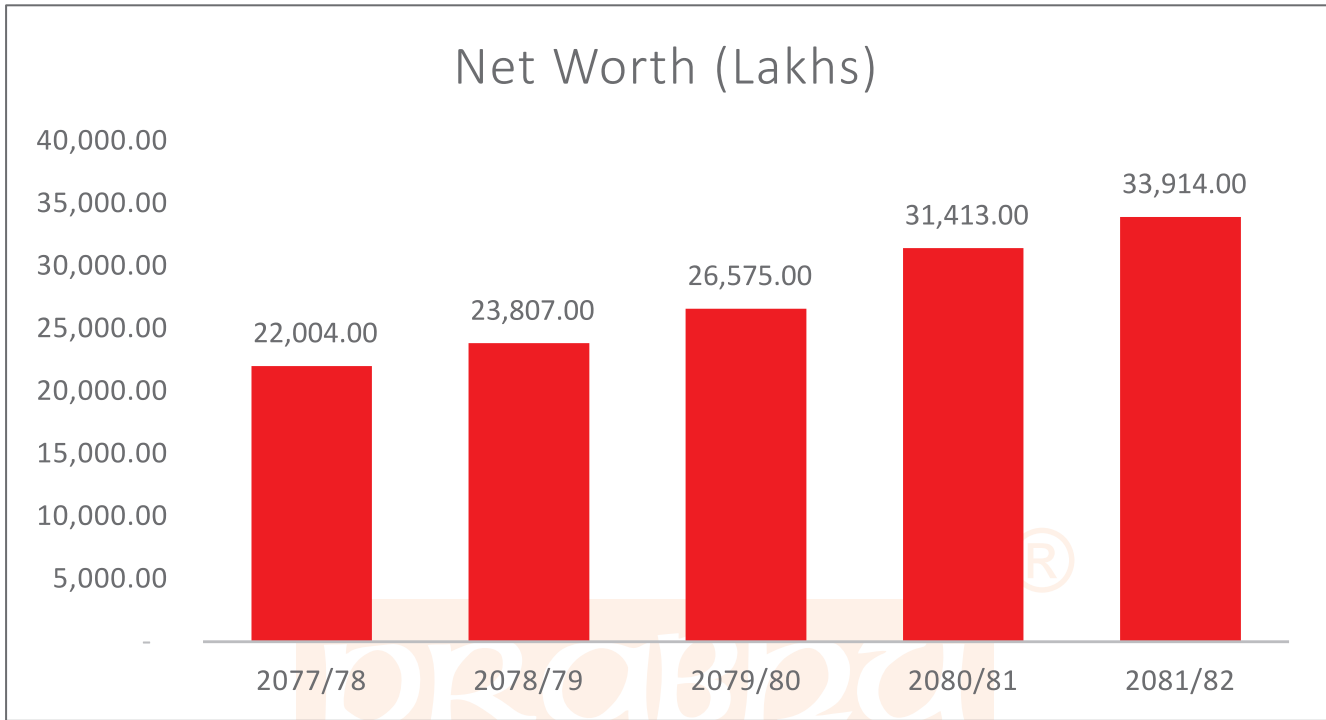
Earning per Share (EPS)
NPR. 12.10

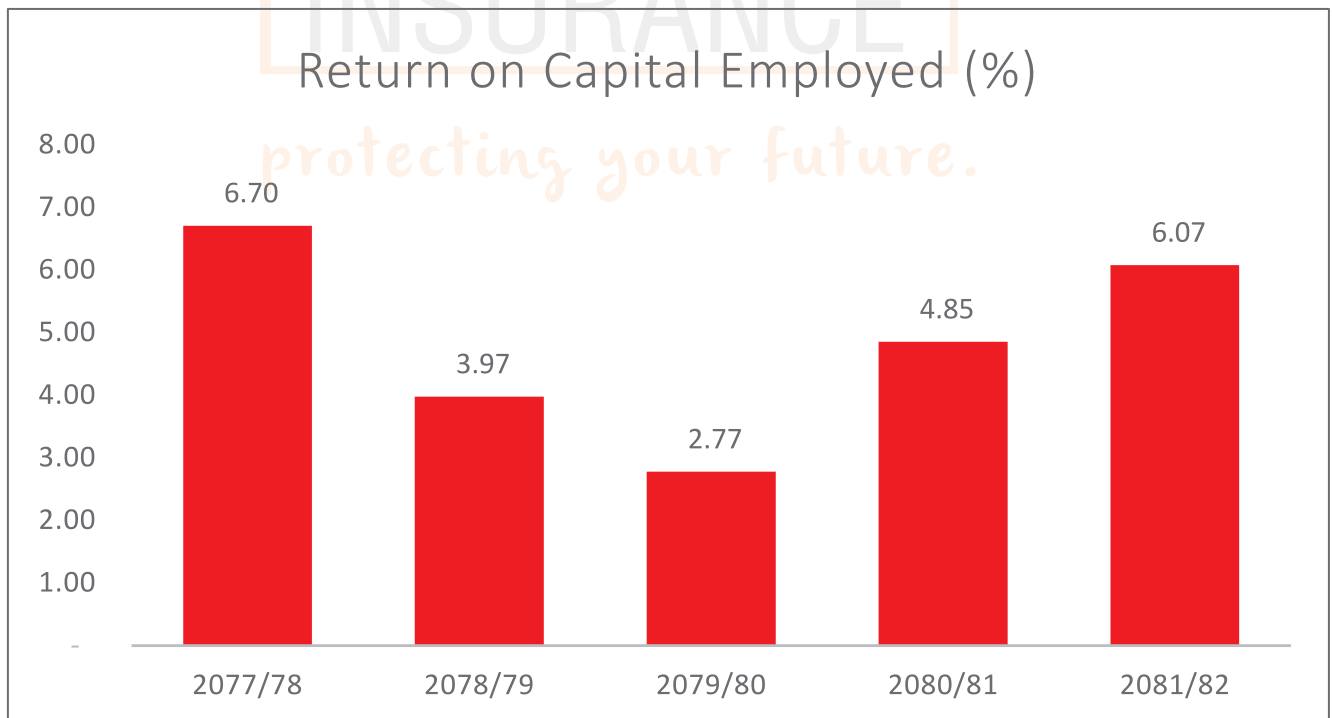
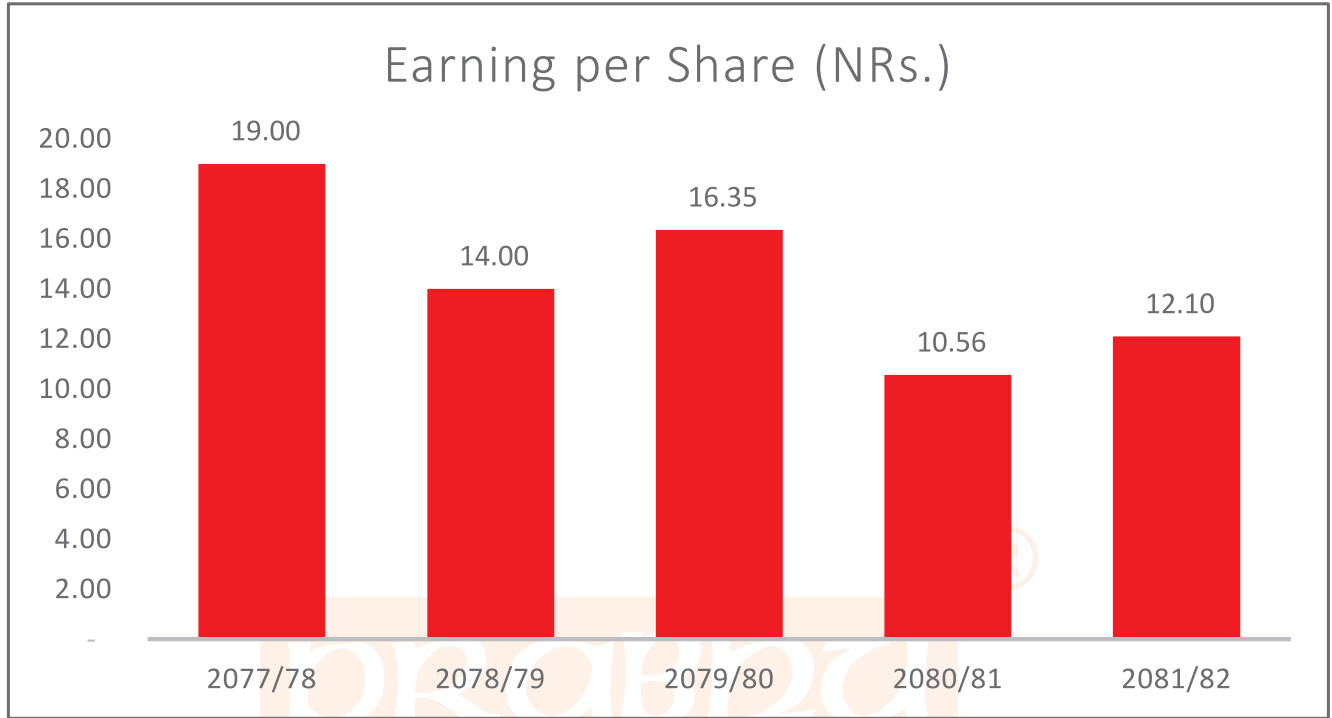


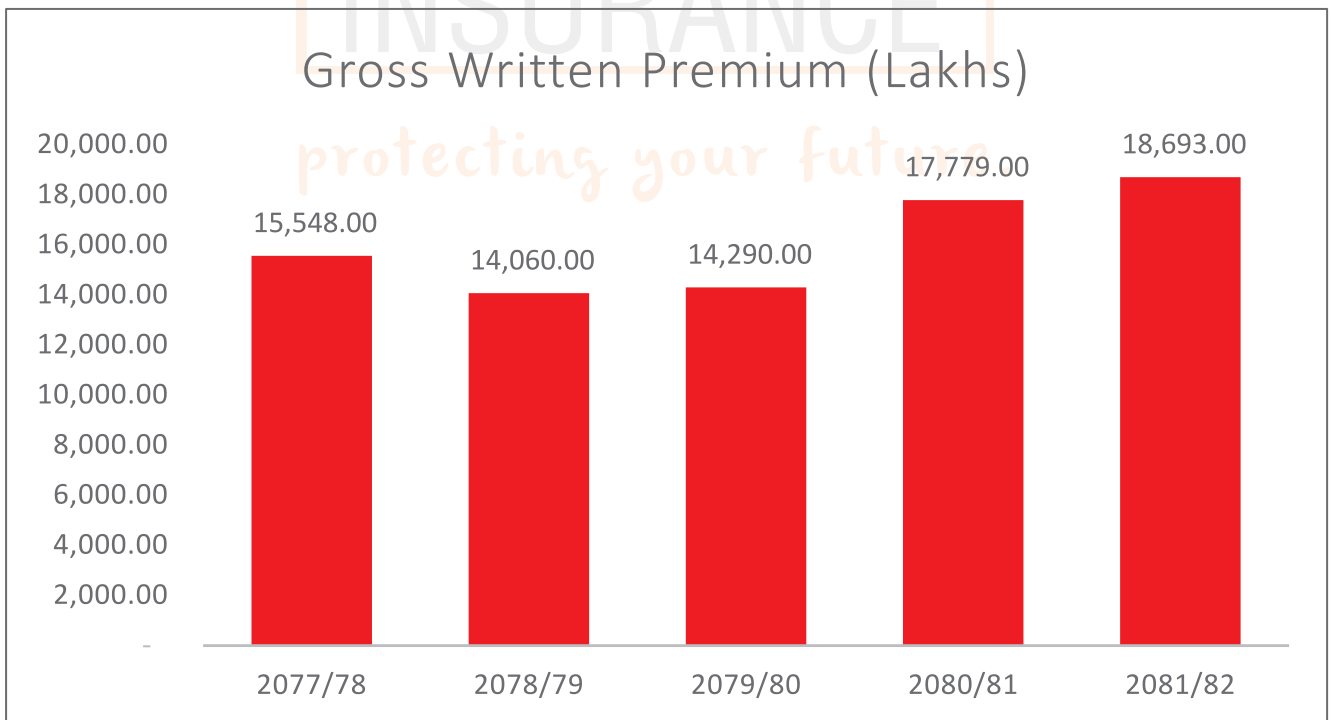
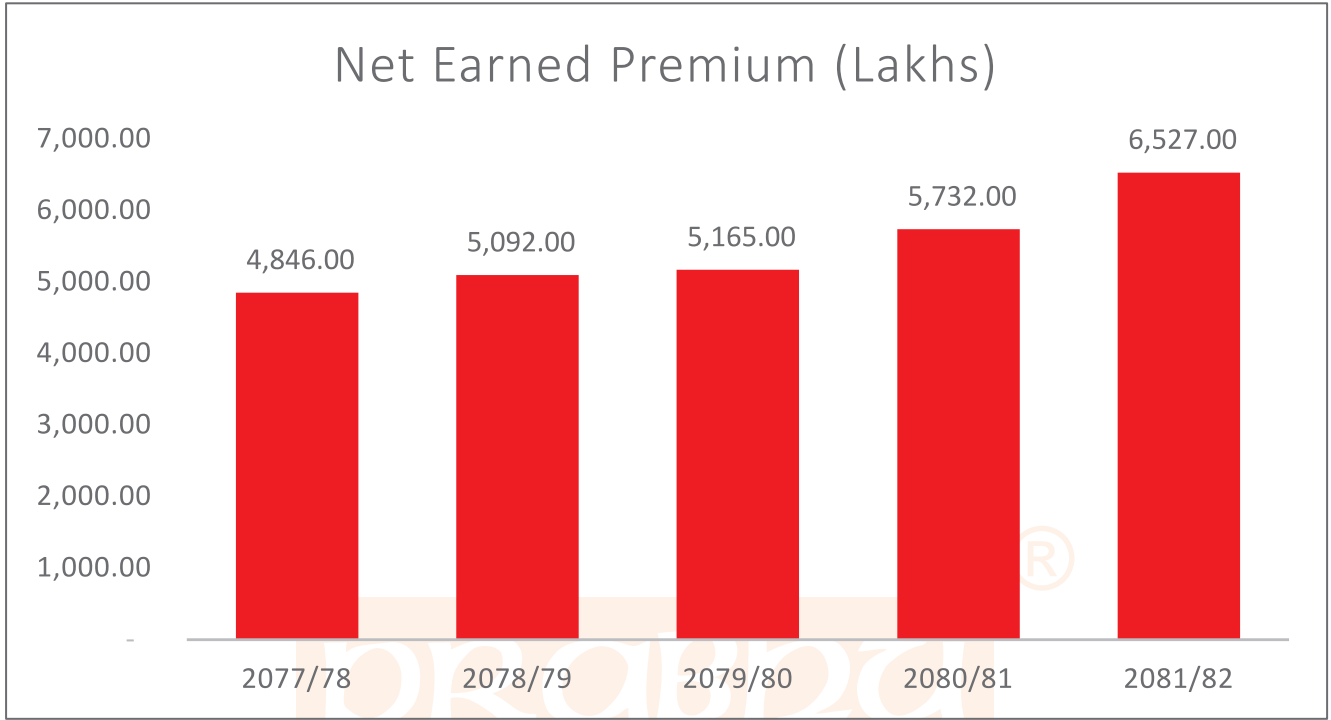
Networth per Share
NPR. 235.27



Solvency Margin Ratio
548.1%







Financial Statement Related Disclosures

Finance Head's Responsibility Statement

As the Finance Head, I acknowledge and accept responsibility for the preparation and fair presentation of the financial statements of the Company. These financial statements have been prepared in accordance with:

- Nepal Financial Reporting Standard (NFRS) issued by Accounting Standard Board of Nepal
- The Companies Act, 2063
- Risk Based Capital and Solvency Directive, 2082
- The Insurance Act, 2079 and other Directives, Guidelines and Circulars issued by the Nepal Insurance Authority (NIA)

The financial statements have been prepared using the prescribed formats and templates issued by the Nepal Insurance Authority and comply with the relevant accounting and regulatory standards. Appropriate accounting policies have been applied consistently unless otherwise stated in the accompanying notes.

The Board of Directors is responsible for ensuring that the management fulfills its financial reporting obligations and the Management of the company accept responsibility for the integrity and objectivity of the financial statements. Judgments and estimates used are based on prudent and reasonable assumptions. Adequate internal controls have been implemented to safeguard assets and ensure the reliability of financial reporting. The financial statements fairly reflect the financial position and performance of the Company, free from material misstatements.

Where differences or material fluctuations exist compared to the previous year, necessary disclosures and justifications have been provided. We confirm that the Company has complied with applicable tax laws, and that any liabilities, including reinsurance obligations and off-balance-sheet exposures, have been disclosed accurately.

In line with the directives of the Nepal Insurance Authority, we have also ensured the accurate preparation and certification of the Risk-Based Capital Valuation Note and RBC Summary Certification. The Company has met the minimum solvency margin as required by the Risk Based Capital & Solvency Directive, 2082.

To the best of my knowledge, the financial statements are complete, accurate, and comply with all applicable financial and regulatory standards.

Arbind Kumar Karn

Head, Account and Finance Department

To,
Prabhu Insurance Limited,
P.O.Box 10811,
Tinkune, Kathmandu, Nepal

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

Dear Sirs,

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

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

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



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



INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Prabhu Insurance Limited
Report on the Audit of Financial Statements**

Opinion

We have audited the accompanying financial statements of Prabhu Insurance Limited (hereinafter referred to as the "Company"), which comprise the Statement of Financial Position as at Ashad 32, 2082 (July 16, 2025), 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 and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as at Ashad 32, 2082 (July 16, 2024), and of its financial performance and cash flows for the year then ended, in accordance with Nepal Financial Reporting Standards (NFRS).

Basis of 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 Institute of Chartered Accountants of Nepal's (ICAN) Code of Ethics for Professional Accountants, together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N	Key Audit Matter	Our Audit Approach and Response
a)	<p>Revenue Recognition(Premium Income) The Company recognizes gross earned premiums after including total direct premiums received from the insured, premiums on reinsurance accepted, and changes in unearned premiums. Direct premiums represent the total premiums receivable for the entire coverage period of contracts entered during the</p>	<p>Our audit approach included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process of issuing insurance policies in accordance with the directives issued by the Nepal Insurance Authority and the related process of recording premium income. • Understood and tested the design, implementation, and operating effectiveness of key internal controls over



<p>reporting period and are recognized on the policy commencement date.</p> <p>Net earned premium, which is the Company's primary source of revenue, is derived by deducting premiums ceded to reinsurers from gross earned premiums.</p> <p>Unearned premium reserves represent the portion of premiums written that relate to risk periods extending beyond the reporting period and are calculated on a pro-rata basis, with the portion attributable to subsequent periods deferred as a provision.</p> <p>Direct reinsurance premiums, representing premiums payable for reinsurance contracts commencing during the reporting period, are recognized on the contract inception date, including any adjustments related to contracts from prior periods.</p>	<p>premium collection and revenue recognition.</p> <ul style="list-style-type: none"> • Verified, on a sample basis, underwriting documents and premium calculations in accordance with regulatory requirements and the Company's internal policies, including verification of premium receipts with time stamps to ensure recognition in the appropriate accounting period. • Verified, on a sample basis, premiums ceded to reinsurers in accordance with the applicable reinsurance treaties and agreements. • Reviewed the unearned premium income as determined by the Company-appointed Actuary in the actuarial valuation report.
<p>b) Insurance Claim and Provision for Outstanding Claim</p> <p>Insurance claims represent a major area of expense for the Company.</p> <p>Total claims incurred include paid claims, outstanding claims (OC), claims incurred but not reported (IBNR), and claims incurred but not enough reported (IBNER). The liability for claims is calculated at the reporting date using standard actuarial projection techniques, based on historical data and current assumptions. The Company also makes provisions for remaining amounts payable against claims submitted before the end of the financial year. IBNR and IBNER claims are recognized based on estimates determined using actuarial methods.</p> <p>The payment and processing of claims require significant auditor attention and have been identified as a Key Audit Matter in our report.</p>	<p>Our audit approach included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the claim processing procedures and guidelines in accordance with the directives issued by the Nepal Insurance Authority. • Reviewed the Company's operational guidelines relating to claim processing and performed tests of controls, tests of details, and analytical procedures on outstanding claims. • Verified, on a sample basis, claims paid and claim provisions with supporting documents, including payment evidence, claim files, preliminary loss advice received from the ceding company, and surveyor's reports. • Obtained an understanding of the claim recording process in the books of account and reviewed supporting documentation for accuracy and completeness. • In respect of Claims Incurred but Not Reported (IBNR) and Claims Incurred but Not Enough Reported (IBNER), reviewed the actuarial valuation of claim liabilities as at Ashadh 32, 2082 (July 16, 2025), as certified by the Company-




		appointed Actuary, and verified the amounts and related liabilities based on such actuarial report.
c)	<p>Investment Valuation, Identification and Impairment</p> <p>The Company's investments comprise quoted and unquoted equity instruments, debentures, and fixed deposits with various banks and financial institutions.</p> <p>Investments in fixed deposits are recognized at amortized cost at the reporting date, whereas investments in equity instruments, other than those held for trading, are measured at fair value through other comprehensive income.</p> <p>Due to the different valuation treatments applied based on the nature of cash flows, the business model adopted, the complexity of calculations, and the materiality of the amounts involved, investment valuation has been identified as a Key Audit Matter in our report.</p>	<p>Our audit approach included:</p> <ul style="list-style-type: none"> • Reviewed investment valuation and classification in accordance with NFRS and verified compliance with the Investment Directive, 2079. • Assessed management's business model and expected cash flows to evaluate appropriate classification of investments as amortized cost, FVTOCI, or FVTPL. • Tested valuation of investments measured at amortized cost, including effective interest rates and amortization schedules, on a sample basis. • Verified fair valuation of quoted equity investments using closing market prices on the Nepal Stock Exchange (NEPSE) and evaluated valuation methodologies for unquoted investments. • Assessed the adequacy of impairment allowances and verified accounting treatment of realized gains on disposal of investments in compliance with NFRS and regulatory directives.
d)	<p>Information Technology</p> <p>Information Technology (IT) controls play a critical role in recording transactions, generating reports in compliance with Nepal Insurance Authority guidelines, and meeting other regulatory requirements. The accuracy and reliability of such reporting are highly dependent on the effective functioning of software and related systems.</p> <p>We have considered IT controls as a Key Audit Matter because any lapses in controls, inadequate validation features, incorrect input data, or errors in data extraction may result in inaccurate reporting to management, shareholders, regulators, and other stakeholders.</p>	<p>Following audit procedures were performed:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's Information Technology environment, including the Core Insurance Software and other allied systems used for accounting and regulatory reporting, in accordance with the Information Technology Guidelines, 2076 issued by the Nepal Insurance Authority. • Understood the processes for data input, processing, and extraction of financial information and reports from the IT systems used by the Company. • Reviewed user access and system change requirements to assess whether changes arising from regulatory or internal policy updates were appropriately implemented. • Performed a sample-based review of system-generated reports and verified premium income, expenses, and claim




		payments in relation to issued policies and reported claims.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management 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 will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We confirm that we have nothing material to report, add, or draw attention to in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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, designing, 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 misstatements, 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 it is not a guarantee that an audit 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 the financial statements.

As part of an audit in accordance with Nepal Standards on Auditing (NSAs), we exercise professional judgment and maintain professional skepticism throughout the audit.

We:

- 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, including the disclosures, represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

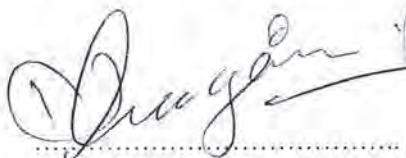
We have determined to communicate the following matters in accordance with the requirements of Nepal Insurance Authority Directives, Companies Act, 2063, Nepal Insurance Act, 2079, and other regulatory requirements.



The image shows a handwritten signature in black ink on the left. To its right is a circular stamp. The stamp contains the text "M.G. & ASSOCIATES" at the top, "Kathmandu" in the center, and "Chartered Accountants" at the bottom.

- We have obtained all necessary information and explanations, to the best of our knowledge and belief, for the purpose of our audit.
- Based on our audit, proper books of accounts as required by law have been kept by the Company.
- The Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Cash Flow Statement, and Statement of Changes in Equity covered by this report align with the Company's books of accounts.
- The returns received from the branch offices of the Company, though the statements are not independently audited, were deemed sufficient and appropriate for the purposes of our audit. These returns provided adequate information to support our audit procedures and conclusions regarding the Company's financial statements.
- To the best of our knowledge, the Company has maintained the Special Reserve and other required reserves in line with directives issued by the Insurance Board.
- Based on our examination of the Company's books of accounts, and to the best of our knowledge and according to the explanations provided, we have not identified any instances where the Board of Directors or any office bearer of the Company has acted contrary to the provisions of applicable laws, including the Insurance Act, 2079, or violated directives issued by the Nepal Insurance Authority. Furthermore, we have not come across any cases of misappropriation, actions causing loss or damage to the Company, or conduct that would endanger the interests and security of the Company and its shareholders.
- The business of the Company has been conducted satisfactorily and operated within its jurisdiction and has been functioning as per Nepal Insurance Authority Directives.
- We have not identified any instances indicating engagement of the Company in activities other than the insurance business as approved and licensed by the Nepal Insurance Authority.
- We have not come across any action or situation that impairs internal control relevant to the Company's operation and fair presentation of the financial statements.
- The internal control system implemented by the Company was found to be effective.
- To the best of our knowledge, the Company is capable of bearing its long-term liabilities from its assets.

For MGS & Associates,
Chartered Accountants



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Mahesh Kumar Guragain, FCA
Partner

UDIN No. 260303CA00125NYFR2

Date: 2082.11.17

Place: Kathmandu, Nepal

Prabhu Insurance Limited

Statement of Financial Position
As at 16th July, 2025 (Ashadh End 2082)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Assets			
Goodwill & Intangible Assets	4	58,936	198,859
Property and Equipment	5	117,624,880	111,269,343
Investment Properties	6	21,439,042	22,059,715
Deferred Tax Assets	7	-	-
Investment in Subsidiaries	8	-	-
Investment in Associates	9	-	-
Investments	10	1,462,386,630	1,266,382,041
Loans	11	-	-
Reinsurance Assets	12	2,031,915,823	1,512,415,729
Current Tax Assets	21	-	16,612,641
Insurance Receivables	13	1,026,760,780	944,063,621
Other Assets	14	501,763,454	504,355,250
Other Financial Assets	15	317,819,424	172,461,567
Cash and Cash Equivalent	16	1,249,670,891	1,398,625,811
Total Assets		6,729,439,859	5,948,444,575
Equity & Liabilities			
Equity			
Share Capital	17 (a)	1,441,488,067	1,441,488,067
Share Application Money Pending Allotment	17 (b)	-	-
Share Premium	17 (c)	-	-
Special Reserves	17 (d)	1,224,382,848	1,132,593,119
Catastrophe Reserves	17 (e)	101,275,169	92,096,196
Retained Earnings	17 (f)	429,354,936	351,281,081
Other Equity	17 (g)	194,841,650	123,881,165
Total Equity		3,391,342,670	3,141,339,628
Liabilities			
Provisions	18	117,937,150	118,763,059
Gross Insurance Contract Liabilities	19	2,625,576,650	2,024,076,117
Deferred Tax Liabilities	7	2,636,979	4,813,857
Insurance Payable	20	397,366,073	409,840,726
Current Tax Liabilities	21	28,293,924	-
Borrowings	22	-	-
Other Liabilities	23	125,551,725	233,645,467
Other Financial Liabilities	24	40,734,688	15,965,721
Total Liabilities		3,338,097,189	2,807,104,947
Total Equity and Liabilities		6,729,439,859	5,948,444,575

The accompanying notes form an Integral Part of Financial Statements.

Arbind Kumar Karn
Finance Head

Sanchit Bajracharya
Chief Executive Officer

Rajendra Malla
Chairman

As per Our Report of evendate.
Mahesh Kumar Guragain, FCA
Partner

Mijas Bhattachan
Director

Ramkrishna Lamichhane
Director

Shanta Gautam
Director

For. M.G.S & Associates.
Chartered Accountants

Aakriti Lama
Director

Sangay Lama
Director

Sushama Sharma (Wasti)
Director

Date : 2082.11.17
Place : Kathmandu

Prabhu Insurance Limited

Statement of Profit or Loss
For Period 16th July, 2024 - 16th July, 2025
(For the Year Ended Ashadh 2082)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Income:			
Gross Earned Premiums	25	2,033,345,820	1,706,611,906
Premiums Ceded	26	1,380,661,848	1,133,369,654
Net Earned Premiums		652,683,972	573,242,252
Commission Income	27	177,920,266	180,043,901
Other Direct Income	28	11,684,601	10,774,215
Income from Investments & Loans	29	84,718,087	108,718,571
Net Gain/ (Loss) on Fair Value Changes	30	1,600,863	538,471
Net Realised Gains/ (Losses)	31	2,218,144	699,194
Other Income	32	4,968,223	5,727,479
Total Income		935,794,156	879,744,083
Expenses:			
Gross Claims Paid	33	557,134,939	421,375,339
Claims Ceded	33	(339,062,295)	(231,714,157)
Gross Change in Contract Liabilities	34	765,532,909	353,056,813
Change in Contract Liabilities Ceded to Reinsurers	34	(721,746,213)	(324,856,770)
Net Claims Incurred		261,859,340	217,861,225
Commission Expenses	35	51,677,671	63,039,005
Service Fees	36	5,181,733	4,415,067
Other Direct Expenses	37	-	-
Employee Benefits Expenses	38	227,267,676	211,082,341
Depreciation and Amortization Expenses	39	33,670,652	30,722,124
Impairment Losses	40	14,800,000	45,548,300
Other Operating Expenses	41	66,662,397	65,700,596
Finance Cost	42	4,772,528	3,753,136
Total Expenses		665,891,997	642,121,795
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax		269,902,159	237,622,288
Share of Net Profit of Associates accounted using Equity Method	9	-	-
Profit Before Tax		269,902,159	237,622,288
Income Tax Expense	43	64,042,144	85,399,153
Net Profit/(Loss) For The Year		205,860,016	152,223,135
Earning Per Share	50		
Basic EPS		12.10	10.56
Diluted EPS		12.10	10.56

The accompanying notes form an Integral Part of Financial Statements.

Arbind Kumar Karn
Finance Head

Sanchit Bajracharya
Chief Executive Officer

Rajendra Malla
Chairman

As per Our Report of eventdate.
Mahesh Kumar Guragain, FCA
Partner

Mijas Bhattachan
Director

Ramkrishna Lamichhane
Director

Shanta Gautam
Director

For. M.G.S & Associates.
Chartered Accountants

Aakriti Lama
Director

Sangay Lama
Director

Sushama Sharma (Wasti)
Director

Date : 2082.11.17
Place : Kathmandu

Prabhu Insurance Limited
Statement of Other Comprehensive Income
For Period 16th July, 2024 - 16th July, 2025
(For the Year Ended Ashadh 2082)

Fig. in NPR

Particulars	Notes	Current Year	Previous Year
Net Profit/(Loss) For the Year		205,860,016	152,223,135
Other Comprehensive Income			
a) Items that are or may be Reclassified to Profit or Loss			
Changes in Fair Value of FVOCI Debt Instruments			
Cash Flow Hedge - Effective Portion of Changes in Fair Value			
Exchange differences on translation of Foreign Operation			
Share of other comprehensive income of associates accounted for using the equity method	9	-	-
Income Tax Relating to Above Items			
Reclassified to Profit or Loss			
b) Items that will not be Reclassified to Profit or Loss			
Changes in fair value of FVOCI Equity Instruments		66,516,087	73,740,974
Revaluation of Property and Equipment/ Goodwill & Intangible Assets			
Remeasurement of Post-Employment Benefit Obligations		496,181	9,124,172
Share of other comprehensive income of associates accounted for using the equity method			
Income Tax Relating to Above Items		(20,103,680)	(24,859,544)
Total Other Comprehensive Income For the Year, Net of Tax		46,908,587	58,005,602
Total Comprehensive Income For the Year, Net of Tax		252,768,603	210,228,737

The accompanying notes form an Integral Part of Financial Statements.

Arbind Kumar Karn
Finance Head

Sanchit Bajracharya
Chief Executive Officer

Rajendra Malla
Chairman

As per Our Report of eventdate.
Maresh Kumar Guragain, FCA
Partner

Mijas Bhattachan
Director

Ramkrishna Lamichhane
Director

Shanta Gautam
Director

For. M.G.S & Associates.
Chartered Accountants

Aakriti Lama
Director

Sangay Lama
Director

Sushama Sharma (Wasti)
Director

Date : 2082.11.17
Place : Kathmandu

Prabhu Insurance Limited

Statement of Cash Flows
For Period 16th July, 2024 - 16th July, 2025
(For the Year Ended Ashadh 2082)

Fig. in NPR

Particulars	Current Year	Previous Year
Cash Flow From Operating Activities:		
Cash Received		
Gross Premium Received	1,869,313,444	1,777,947,535
Reinsurance Commission Received	177,920,266	180,043,900
Claim Recovery Received from Reinsurers	339,062,295	231,714,157
Realised Foreign Exchange Income other than on Cash and Cash Equivalents		-
Other Direct Income Received	11,684,601	10,774,215
Others (to be specified)	-	-
Other Income	-	3,364,540
Cash Paid		
Gross Benefits and Claims Paid	(557,134,939)	(421,375,339)
Reinsurance Premium Paid	(1,178,415,729)	(1,189,271,872)
Commission Paid	(51,677,671)	(63,039,005)
Service Fees Paid	(5,181,733)	(4,415,067)
Employee Benefits Expenses Paid	(227,597,403)	(221,834,690)
Other Expenses Paid	(297,181,329)	(16,721,842)
Other Direct Expenses Paid	-	-
Others (to be specified)		
Income Tax Paid	(80,309,336)	(135,922,698)
Net Cash Flow From Operating Activities [1]	482,466	151,263,832
Cash Flow From Investing Activities		
Acquisitions of Intangible Assets		
Proceeds From Sale of Intangible Assets		
Acquisitions of Investment Properties		
Proceeds From Sale of Investment Properties		
Acquisitions of Property & Equipment	(2,319,097)	(11,754,600)
Proceeds From Sale of Property & Equipment	-	1,739,529
Investment in Subsidiaries		
Receipts from Sale of Investments in Subsidiaries		
Investment in Associates	(31,350,000)	
Receipts from Sale of Investments in Associates		
Purchase of Equity Instruments	(67,807,587)	(36,151,471)
Proceeds from Sale of Equity Instruments	-	565,778,611
Purchase of Mutual Funds	(13,093,000)	(4,000,000)
Proceeds from Sale of Mutual Funds	-	-
Purchase of Preference Shares		
Proceeds from Sale of Preference Shares		
Purchase of Debentures	(20,000,001)	-
Proceeds from Sale of Debentures		
Purchase of Bonds	(29,670,000)	
Proceeds from Sale of Bonds		
Investments in Deposits	(36,500,000)	(47,500,000)
Maturity of Deposits		-
Loans Paid		
Proceeds from Loans		
Rental Income Received	13,515,128	8,958,645
Proceeds from Finance Lease		
Interest Income Received	70,495,033	96,809,303
Dividend Received	1,308,618	3,123,806
Others (to be specified)		
Name Transfer Income	672,357	846,507
Total Cash Flow From Investing Activities [2]	(114,748,548)	577,850,330

Particulars	Current Year	Previous Year
Cash Flow From Financing Activities		
Interest Paid		-
Proceeds From Borrowings		
Repayment of Borrowings		
Payment of Finance Lease	(32,531,959)	(31,412,545)
Proceeds From Issue of Share Capital		
Share Issuance Cost Paid	(153,828)	(161,572)
Dividend Paid	(3,440,306)	(3,440,306)
Dividend Distribution Tax Paid		
Others (to be specified)		
Utilization of CSR Expenses	(2,871,901)	(1,412,288)
Total Cash Flow From Financing Activities [3]	(38,997,994)	(36,426,711)
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	(153,264,075)	692,687,451
Cash & Cash Equivalents At Beginning of The Year/Period	1,398,625,810	703,420,326
Effect of Exchange Rate Changes on Cash and Cash Equivalents	4,309,156	2,518,033
Cash & Cash Equivalents At End of The Year/Period	1,249,670,891	1,398,625,810
Components of Cash & Cash Equivalents		
Cash In Hand	160,000	160,000
Cheque in Hand		
Term Deposit with Banks (with initial maturity upto 3 months)		
Balance With Banks	1,249,510,891	1,398,465,811

The accompanying notes form an Integral Part of Financial Statements.

Arbind Kumar Karn
Finance Head

Mijas Bhattachan
Director

Aakriti Lama
Director

Sanchit Bajracharya
Chief Executive Officer

Ramkrishna Lamichhane
Director

Sangay Lama
Director

Rajendra Malla
Chairman

Shanta Gautam
Director

Sushama Sharma (Wasti)
Director

As per Our Report of eventdate.
Mahesh Kumar Guragain, FCA
Partner
For. M.G.S & Associates.
Chartered Accountants

Date : 2082.11.17
Place : Kathmandu

Prabhu Insurance Limited

Statement of Changes In Equity
For Period 17th July, 2023 - 15th July, 2024
(For the Year Ended Ashadh 2081)

PREVIOUS YEAR

Fig. in NPR

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2080	1,376,122,260	-	-	-	69,796,827	-	1,050,403,865	-	83,877,271	3,040,869	-	133,343,865	(112,818,107)	53,694,340	-	2,657,461,190
Prior period adjustment																
Restated Balance as at Shrawan 1, 2080																
Profit/(Loss) For the Year					152,223,133											152,223,133
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											51,618,682					51,618,682
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets																
vi) Remeasurement of Post-Employment Benefit Obligations																
Transfer to Reserves/ Funds					(92,051,964)		82,189,254		8,218,925	1,643,785						
Transfer to Insurance Fund Including Insurance Reserve																
Transfer to Deferred Tax Reserves					12,155,374								(12,155,374)			
Transfer of Depreciation on Revaluation of Property and Equipment																
Transfer on Disposal of Revalued Property and Equipment					(161,572)											(161,572)
Share Issuance Costs																
Contribution by/ Distribution to the owners of the Company																
i) Bonus Share Issued	65,365,807				(65,365,807)											
ii) Share Issue																
iii) Cash Dividend					(3,440,306)											(3,440,306)
iv) Dividend Distribution Tax																
v) Others (To be specified)																
Transfer on Disposal of Equity Instruments Measured at FVOCI					278,663,867											278,663,867
Corporate Social Responsibility actual Expense										(1,412,288)						(1,412,288)
Others - Tax on Share premium															538,471	
Net gain Realised on FVTPL					(538,471)											
Impairment loss on Investment																
Balance as on Ashadh end, 2081	1,441,488,067	-	-	-	351,281,081	-	1,132,593,119	-	92,096,196	3,272,366	-	184,962,547	(106,431,187)	41,538,966	538,471	3,141,339,627

The accompanying notes form an Integral Part of Financial Statements.

Arbind Kumar Kam
Finance Head

Mijas Bhattachan
Director

Aakriti Lama
Director

Sanchit Bajracharya
Chief Executive Officer

Ramkrishna Lamichhane
Director

Sangay Lama
Director

Rajendra Malla
Chairman

Shanta Gautam
Director

Sushama Sharma (Wasti)
Director

As per Our Report of eventdate.
Maresh Kumar Guragain, FCA
Partner

For. M.G.S & Associates,
Chartered Accountants

Date : 2082.11.17
Place : Kathmandu

Prabhu Insurance Limited

Statement of Changes In Equity
For Period 16th July, 2024 - 16th July, 2025
(For the Year Ended Ashadh 2082)

CURRENT YEAR

Fig. in NPR

Particulars	Ordinary Share Capital	Preference Shares	Share Application Money Pending Allotment	Share Premium	Retained Earnings	Revaluation Reserves	Special Reserves	Capital Reserves	Catastrophe Reserve	Corporate Social Responsibility (CSR) Reserves	Insurance Fund Including Insurance Reserve	Fair Value Reserves	Actuarial Reserves	Deferred Tax Reserve	Other Reserves	Total
Balance as on Shrawan 1, 2081	1,441,488,067	-	-	-	351,281,081	-	1,132,593,119	-	92,096,196	3,272,366	-	184,962,547	(106,431,187)	41,538,966	538,471	3,141,339,627
Prior period adjustment																
Restated Balance as at Shrawan 1, 2081					205,860,016											205,860,016
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												46,561,261				46,561,261
v) Revaluation of Property and Equipment/ Goodwill & Intangible Assets													347,327			347,327
vi) Remeasurement of Post-Employment Benefit Obligations																
Transfer to Reserves/ Funds					(102,804,497)		91,789,729.03		9,178,973	1,835,795						(0)
Transfer to Insurance Fund Including Insurance Reserve																
Transfer to Deferred Tax Reserves					(22,280,558)									22,280,558		
Transfer of Depreciation on Revaluation of Property and Equipment																
Transfer on Disposal of Revalued Property and Equipment					(153,828)											(153,828)
Share Issuance Costs																
Contribution by/ Distribution to the owners of the Company																
i) Bonus Share Issued																
ii) Share Issue																
iii) Cash Dividend																
iv) Dividend Distribution Tax																
v) Others (To be specified)																
Transfer to Employees Training Reserves					(1,206,584)											
Transfer on Disposal of Equity Instruments Measured at FVTOCI																
Corporate Social Responsibility actual Expense										(2,871,901)						(2,871,901)
Others - Tax on Share premium																
Fair Value changes- Unrealised gain of FVTPL					(1,600,863)											(1,600,863)
Impairment loss on Investment																
Changes in Fairvalue of Mutual fund Measured at FVTOCI																
Transfer on Disposal of Mutual Measured at FVTOCI					260,168											260,168
Prior Period Tax Adjustment																
Balance as on Ashadh end, 2082	1,441,488,067	-	-	-	429,354,936	-	1,224,382,848	-	101,275,169	2,236,260	-	231,523,808	(106,083,860)	63,819,524	3,345,918	3,391,342,670

The accompanying notes form an Integral Part of Financial Statements.

Arbind Kumar Karn
Finance Head

Mijas Bhattachan
Director

Aakriti Lama
Director

Sanchit Bajracharya
Chief Executive Officer

Ramkrishna Lamichhane
Director

Sangay Lama
Director

Rajendra Malla
Chairman

Shanta Gautam
Director

Sushama Sharma (Wasti)
Director

As per Our Report of eventdate,
Maresh Kumar Guragain, FCA
Partner
For. M.G.S & Associates,
Chartered Accountants

Date : 2082.11.17
Place : Kathmandu

Prabhu Insurance Limited

Statement of Distributable Profit or Loss

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

(For the Year Ended Ashadh 2082)

Fig. in NPR

Particulars	Current Year	Previous Year
Opening Balance in Retained Earnings	351,281,081	69,796,827
Transfer from OCI reserves to retained earning in current year	-	-
Net profit or (loss) as per statement of profit or loss	205,860,016	152,223,133
Appropriations:		
i) Transfer to Insurance Fund		
ii) Transfer to Special Reserve	(91,789,729)	(82,189,254)
iii) Transfer to Catastrophe Reserve	(9,178,973)	(8,218,925)
iv) Transfer to Capital Reserve		
v) Transfer to CSR reserve	(1,835,795)	(1,643,785)
vi) Employees' Training Fund	(1,206,584)	
vi) Transfer to/from Regulatory Reserve	-	-
vii) Transfer to Fair Value Reserve		
viii) Transfer of Deferred Tax Reserve	(22,280,558)	12,155,374
ix) Transfer to OCI reserves due to change in classification		
x) Others (to be Specified)		
Transfer to Actuarial Reserve		
Share issuance cost	(153,828)	(161,572)
Deductions:		
i) Accumulated Fair Value Gain on each Financial Assets Measured at FVTPL		
a) Equity Instruments	(1,600,863)	(538,471)
b) Mutual Fund		
c) Others (if any)		
ii) Accumulated Fair Value gain on Investment Properties		
iii) Accumulated Fair Value gain on Hedged Items in Fair Value Hedges		
iv) Accumulated Fair Value gain on Hedging Instruments in Fair Value Hedges		
v) Accumulated Fair value gain of Ineffective Portion on Cash Flow Hedges		
vi) Goodwill Recognised		
vii) Unrealised Gain on fluctuation of Foreign Exchange Currency		
viii) Accumulated Share of Net Profit of Associates accounted using Equity Method included in Investment Account		
ix) Overdue loans		
x) Fair value gain recognised in Statement of Profit or Loss		
xi) Investment in unlisted shares		
xii) Delisted share Investment or mutual fund investment		
xiii) Bonus share/ dividend paid	-	(68,806,113)
xiv) Deduction as per Sec 17 of Financial directive		
xiv) Deduction as per Sec 18 of Financial directive		
xv) Others (to be specified)		
Issuance of Bonus share		
Dividend		
Adjusted Retained Earning	429,094,768	72,617,214
Add: Transfer from Share Premium Account		
Less: Amount apportioned for Assigned capital		
Less: Deduction as per sec 15(1) Of Financial directive		
Less: Impairment of Investment	-	-
Add/Less: Others (to be specified)		
Add: Transfer on Disposal of Equity Instruments Measured at FVTOCI	-	278,663,867
Add: Transfer of Disposal of Mutual Fund Measured at FVTOCI	260,168	
Less: Prior Period Tax Expenses	-	-
Less: Provision for tax on Share premium	-	-
Total Distributable Profit/(loss)	429,354,936	351,281,081

The accompanying notes form an Integral Part of Financial Statements.

Arbind Kumar Karn
Finance Head

Sanchit Bajracharya
Chief Executive Officer

Rajendra Malla
Chairman

As per Our Report of eventdate.
Mahesh Kumar Guragain, FCA

Mijas Bhattachan
Director

Ramkrishna Lamichhane
Director

Shanta Gautam
Director

Partner
For. M.G.S & Associates.
Chartered Accountants

Aakriti Lama
Director

Sangay Lama
Director

Sushama Sharma (Wasti)
Director

Date : 2082.11.17
Place : Kathmandu

Notes to the Financial Statements

For the year ended Ashadh 32, 2082 (July 16th, 2025)

1. Reporting Entity

Prabhu Insurance Limited (herein after referred to as the 'Company') is a public limited company, incorporated on 2053.04.01 and operated as Non-Life Insurance Company after obtaining license on 17th Shrawan 2053 under the Insurance Act 2049.

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

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

2. Basis of Preparation

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

(a) Reporting Period and approval of financial statements

The Company reporting period is from 1st Shrawan 2081 to 32nd Ashadh 2082 with the corresponding previous year from 1st Shrawan 2080 to 31st Ashadh 2081. These financial statements have been approved by the Board of Directors of the company on 459th Board Meeting dated 2082-11-17.

(b) Statement of Compliance

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

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

(c) Basis of Measurement

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

- i. Certain Financial Assets and Liabilities which are required to be measured at fair value
- ii. Defined Employee Benefits
- iii. Insurance Contract Liabilities which are required to be determined using actuarial valuation for Risk Based Capital and Solvency Assessment.

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

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

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

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

(d) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the reported balance of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the year presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on

an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the Financial Statements.

(e) Functional and Presentation Currency

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

(f) Going Concern

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

(g) Change in Accounting Policies

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

(h) Recent Accounting Pronouncements

Accounting standards issued and effective

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

Accounting standards issued and non-effective

NFRS-17 Insurance Contract

NFRS 17 is an updated version of NFRS 4, insurance contracts. NFRS 17 requires entities to reflect the time value of money in estimated payments to settle the incurred claims, which is not provisioned by NFRS 4. NFRS 17 requires a company to recognize profits as it delivers insurance service and to provide information about insurance contract profits, the company expects to recognize in the future.

(i) Carve-outs

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

(j) Presentation of financial statements

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

(k) Offsetting

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

(l) Materiality and Aggregation

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

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

3. Significant Accounting Policies

The note provides a list of the significant policies adopted in the preparation of these financial Statements.

(a) Property and Equipment

i) Recognition

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

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

ii) Revaluation

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

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

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

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

iii) Depreciation

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

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

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

List of Assets Categories	Useful Life (In Years) for SLM
Land	Not Applicable
Buildings	60
Leasehold Improvement	Lease Period
Furniture & Fixture	10
Computers and IT Equipment	5
Officer Equipment	5
Vehicles	10
Other Assets	8

iv) Derecognition

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

v) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the Asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. Assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

vi) Capital Work-In-Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system

development which are to be capitalized. Capital Work in Progress would be transferred to the relevant asset when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.

(b) Intangible Assets

i) Recognition

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

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

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

(a) The aggregate of:

1. The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value
2. The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3, and
3. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

ii) Amortization

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

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

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

List of Assets Categories	Useful Life (in years) for SLM
Softwares	5
Licenses	License Period

iii) Derecognition

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

iv) Impairment of Assets

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

(c) Investment Properties

Cost Model

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

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

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

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

The company has recognized rentable area as Investment Property valued at Rs. 37,342,372.92. The company has classified 48.38% (22,343 Sq. Ft) of total building area as property held for rental income. Such classification is based on fair value determined by NIPS Consult Pvt. Ltd.

(d) Cash & Cash Equivalent

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

(e) Financial Assets

i) Initial Recognition & Measurement

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

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

ii) Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

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

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

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

iii) De-Recognition

A Financial Asset is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Assets. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv) Impairment of Financial Assets

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

(f) Financial Liabilities

i) Initial Recognition & Measurement

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

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

ii) Subsequent Measurement

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

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair Value due to short maturity of these instruments.

iii) De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(g) Offsetting financial instruments

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

(h) Reinsurance Assets

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

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

(i) Equity

Financial Instruments issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(j) Reserves and Funds

- i) **Share Application Money Pending Allotment:** If the company has received any calls in advance amount, the amount will be presented under this head.
- ii) **Share Premium:** If the Company issues share capital at premium, it receives extra amount other than share capital such amount is transferred to share premium. The amount in share premium is allowed for distribution subject to provisions of company act & regulatory requirement.
- iii) **Special Reserve:** The Company has allocated a special reserve as per Regulator's Directive. 50% of net profit after adjustment of deferred tax reserve is transferred to special reserve.
- iv) **Catastrophe Reserve:** The Company has allocated catastrophic reserve for the amount which is 10% of the distributable profit for the year as per Regulator's Directives.
- v) **Fair Value Reserve:** The Company has policy of creating a fair value reserve equal to the amount of Fair Value Gain recognized in statement of other comprehensive income as per Regulator's directive.
- vi) **Regulatory Reserves:** Reserve created out of net profit in line with different circulars issued by Nepal Insurance Authority.
- vii) **Actuarial Reserves:** Reserve against actuarial gain or loss on present value of defined benefit obligation resulting from, experience adjustments (the effects of difference between the previous actuarial assumptions and what has actually occurred); and the effects of changes in actuarial assumptions.
- viii) **Cashflow Hedge Reserves:** Is the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognized asset or liability or a higher probable forecast transaction, and could affect profit or loss. Reserve represents effective portion of the gain or loss on the hedging instrument recognized in other comprehensive income.

- ix) **Revaluation Reserves:** Reserve created against revaluation gain on property, plant & equipment & intangible assets, other than the reversal or earlier revaluation losses charged to profit or loss.
- x) **Other Reserves: Corporate Social Responsibility Reserve:** As per Regulator's Directive, 1% of Net profit for the year is allocated as Corporate Social Responsibility Reserve.

(k) Insurance Contract Liabilities

i) Provision for unearned premiums

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

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

ii) Outstanding claims provisions

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

iii) Provision for claim incurred but not reported (IBNR), IBNER, MOBE, EPR & URR

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

The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin over best estimates and earthquake premium reserve.

Reserving

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

(l) Employee Benefits

i) Short Term Obligations

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

ii) Post-Employment Benefits

-Defined Contribution Plan

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

-Defined Benefit Plan

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

iii) Long Term Employee Benefits

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

iv) Termination

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

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

(m) Revenue Recognition

i) Gross Premium

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

ii) Unearned Premium Reserves

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

iii) Premiums on Reinsurance Accepted

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

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

iv) Reinsurance Premium

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

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

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

v) Commission Income

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

vi) Investment Income

Interest income is recognized in the statement of profit or loss as it accrues. Investment income includes dividend income, which is recognized when right to receive payment is established.

vii) Net realized gains and losses

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

(n) Claims and Expenses

i) Gross Claims

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

IBNR, IBNER are calculated by actuary applying the Basic chain ladder method and MOBE is calculated at 75 percent confidence level and earthquake premium is calculated at 15% of Net Earthquake Premium.

ii) Reinsurance Claims

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

(o) Product Classification

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

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

- i) **Property Portfolio** - Property/Fire insurance business means the business of affecting and carrying out contracts of insurance, otherwise than incidental to some other class of insurance business against loss or damage to property due to fire, explosion, storm and other occurrences customarily included among the risks insured against in the property/fire insurance business.
- ii) **Motor Portfolio** - Motor insurance business means the business of affecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.
- iii) **Marine Portfolio** - Marine insurance business means the business of affecting and carrying out contracts of insurance against loss of consignment of goods during transit.
- iv) **Engineering Portfolio** - Engineering insurance business means the insurance that provides economic safeguard to the risks faced by the ongoing construction project, installation project, and machines and equipment in project operation.
- v) **Micro Portfolio** - Micro Insurance protects against loss of or damage to crops or livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.
- vi) **Aviation Portfolio** - Aviation Insurance provides coverage for hull losses as well as liability for passenger injuries, environmental and third-party damage caused by aircraft accidents.
- vii) **Cattle and Crop Portfolio** - Cattle and Crop Insurance provides insurance against loss of or damage to Cattle and crops.
- viii) **Miscellaneous Portfolio** - All the insurance business which doesn't fall in above categories fall under miscellaneous insurance business. Group Personal Accidents, Medical Insurances, Professional indemnity insurance etc. fall under this category of business.

(p) Borrowing Costs

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

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

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

(q) Cash Flow Statement

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

(r) Leases

The lease liability has been accounted for under NFRS 16 "Leases". For all the significant lease, the Right-of-Use assets has been recognized at its initial recognition under cash model. The Lease liability has been recognized at the present value of the lease payments that are not paid at that date.

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

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

(s) Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

i) Current Tax

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii) Deferred Tax

Deferred Tax is recognized on temporary difference between the carrying amounts of Assets and Liabilities in the Statement of Financial Position and their Tax Base. Deferred Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profit nor Loss at the time of the transaction.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible Temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred Tax Liabilities are generally recognized for all taxable Temporary Difference.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

(t) Provisions, Contingent Liabilities & Contingent Assets

i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Provisions for Contingent Liability are recognized in the books a matter of abundant precaution and conservative approach based on management's best estimate. However, Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

ii) Contingent Liabilities

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

iii) Contingent Assets

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

(u) Functional Currency & Foreign Currency Transactions

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

(v) Earnings Per Share

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

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

(w) Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by NFRS 8, "Operating Segment".

Company's Income & Expenses including interest are considered as part of un-allocable Income & Expenses which are not identifiable to any business segment. Company's Asset & Liabilities are considered as part of un-allocable Assets & Liabilities which are not identifiable to any business.

Prabhu Insurance Limited

Notes to the Financial Statements

4. Goodwill & Intangible Assets

Fig. in NPR

Particulars	Softwares	Goodwill	Others (to be Specify)	Total
Gross carrying amount				
As at Shrawan 1, 2080	1,496,745			1,496,745
Additions during the year				
Acquisition				-
Internal Development				-
Business Combination(to be Specified)				-
Disposals during the year				-
Revaluation/Adjustment				-
Balance as at Ashadh 31, 2081	1,496,745	-	-	1,496,745
Additions during the year				
Acquisition				
Internal Development				
Business Combination(to be Specified)				
Disposals during the year				
Revaluation/Adjustment				
Balance as at Ashadh end, 2082	1,496,745	-	-	1,496,745
Accumulated amortization and impairment				
As at Shrawan 1, 2080	1,216,987			1,216,987
Additions during the year	80,900			80,900
Disposals during the year				-
Impairment during the year				-
Balance as at Ashadh 31, 2081	1,297,887	-	-	1,297,887
Additions during the year	139,923			139,923
Disposals during the year				
Impairment during the year				
Balance as at Ashadh end, 2082	1,437,810	-	-	1,437,810
Capital Work-In-Progress				
As at Shrawan 1, 2080				
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as at Ashadh 31, 2081	-	-	-	-
Additions during the year				
Capitalisation during the year				
Disposals during the year				
Impairment during the year				
Balance as at Ashadh end, 2082	-	-	-	-
Net Carrying Amount				
As on Ashadh end , 2081	198,859	-	-	198,859
As on Ashadh end, 2082	58,936	-	-	58,936

Prabhu Insurance Limited

Notes to the Financial Statements

5. Property and Equipment

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Gross carrying amount									
As at Shrawan 1, 2080	31,405,600	39,846,788	-	19,484,300	11,601,012	10,786,266	14,434,532	8,037,686	135,596,184
Additions during the year									
Acquisition				914,441	508,228	951,559	9,380,373		11,754,600
Capitalization									
Disposals during the year									
Write-offs during the year							(4,511,592)		(4,511,592)
Revaluation during the year									
Transfer/ adjustments									
Balance as at Ashadh 31, 2081	31,405,600	39,846,788	-	20,398,741	12,109,240	11,737,825	19,303,314	8,037,686	142,839,193
Additions during the year									
Acquisition				482,802	590,372	884,065	361,858		2,319,097
Capitalization									
Disposals during the year									
Write-offs during the year				(13,155,142)	(8,794,314)	(8,422,247)	(5,700,528)		(36,072,231)
Revaluation during the year									
Transfer/ adjustments									
Balance as at Ashadh end, 2082	31,405,600	39,846,788	-	7,226,401	3,905,297	4,199,643	13,964,644	8,037,686	109,086,059
Accumulated depreciation and impairment									
As on Shrawan 1, 2080	-	15,784,453	-	14,528,797	9,300,069	9,340,831	8,899,949	7,975,375	65,829,475
Depreciation during the year		523,157	-	748,567	740,932	581,727	1,119,709	30,021	3,744,112
Disposals during the year							(3,126,127)		(3,126,127)
Write-offs during the year									
Impairment during the year									
Transfer/ adjustments									
Balance as on Ashadh 31, 2081	-	16,307,610	-	15,277,364	10,041,001	9,922,558	6,893,531	8,005,396	66,447,460
Depreciation during the year		662,299	-	779,738	726,458	682,175	1,395,583	29,859	4,276,111
Disposals during the year				(13,155,142)	(8,794,314)	(8,422,247)	(5,510,588)		(35,882,291)
Write-offs during the year									
Impairment during the year									
Transfer/ adjustments									
Balance as on Ashadh 32, 2082	-	16,969,908	-	2,901,961	1,973,145	2,182,486	2,778,526	8,035,255	34,841,281

Prabhu Insurance Limited

Notes to the Financial Statements

5. Property and Equipment

Fig. in NPR

Particulars	Land	Buildings	Leaschold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Capital Work-In-Progress									
As on Shrawan 1, 2080									-
Additions during the year									-
Capitalisation during the year									-
Disposals during the year									-
Impairment during the year									-
Balance as on Ashadh 31, 2081	-	-	-	-	-	-	-	-	-
Additions during the year									-
Capitalisation during the year									-
Disposals during the year									-
Impairment during the year									-
Balance as on Ashadh 32, 2082	-	-	-	-	-	-	-	-	-
Net Carrying Amount									
As on Ashadh 31, 2081	31,405,600	23,539,178	-	5,121,376	2,068,238	1,815,267	12,409,783	32,290	76,391,732
As on Ashadh 32, 2082	31,405,600	22,876,880	-	4,824,440	1,932,152	2,017,157	11,186,118	2,431	74,244,778
Right-of-Use Assets (after Implementation of NFRS 16)									
Gross carrying amount									
As on Shrawan 1, 2080	-	74,413,963	-	-	-	-	-	-	74,413,963
Additions during the year		18,528,311							18,528,311
Disposals during the year		(4,597,025)							(4,597,025)
Write-offs during the year									-
Revaluation during the year									-
Transfer/Adjustment		(95,922)							(95,922)
Balance as on Ashadh 31, 2081	-	88,249,328	-	-	-	-	-	-	88,249,328
Additions during the year		31,126,856							31,126,856
Disposals during the year									-
Write-offs during the year									-
Revaluation during the year									-
Transfer/Adjustment									-
Balance as on Ashadh 32, 2082	-	119,376,184	-	-	-	-	-	-	119,376,184

Prabhu Insurance Limited

Notes to the Financial Statements

5. Property and Equipment

Fig. in NPR

Particulars	Land	Buildings	Leasehold Improvement	Furniture & Fixtures	Computers and IT Equipments	Office Equipment	Vehicles	Other Assets	Total
Accumulated depreciation									
As on Shrawan 1, 2080	-	28,461,477	-	-	-	-	-	-	28,461,477
Depreciation during the year		26,406,837							26,406,837
Disposals during the year		(1,496,596)							(1,496,596)
Write-offs during the year									
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 31, 2081	-	53,371,717	-	-	-	-	-	-	53,371,717
Depreciation during the year		28,633,945							28,633,945
Disposals during the year		(6,009,580)							(6,009,580)
Write-offs during the year									
Impairment during the year									
Transfer/adjustments									
Balance as on Ashadh 32, 2082	-	75,996,083	-	-	-	-	-	-	75,996,083
Net Carrying Amount									
As on Ashadh 31, 2081	-	34,877,610	-	-	-	-	-	-	34,877,610
As on Ashadh 31, 2082	-	43,380,102	-	-	-	-	-	-	43,380,102
Grand Total									
As on Ashadh 31, 2081	31,405,600	58,416,789	-	5,121,376	2,068,238	1,815,267	12,409,783	32,290	111,269,343
As on Ashadh 31, 2082	31,405,600	66,256,981	-	4,824,440	1,932,152	2,017,157	11,186,118	2,431	117,624,880

Prabhu Insurance Limited

Notes to the Financial Statements

6. Investment Properties

Investment Properties at Cost

Fig. in NPR

Particulars	Land	Building	Total
Gross carrying amount			
As at Shrawan 1, 2080			-
Additions during the year			-
Acquisition			-
Subsequent Expenditure			-
Assets classified as held for sales			-
Disposals during the year			-
Revaluation/Adjustment		37,342,373	37,342,373
Balance as at Ashadh 31, 2081	-	37,342,373	37,342,373
Additions during the year			-
Acquisition			-
Subsequent Expenditure			-
Assets classified as held for sales			-
Disposals during the year			-
Revaluation/Adjustment		-	-
Balance as at Ashadh 32, 2082	-	37,342,373	37,342,373
Accumulated depreciation and impairment			
As at Shrawan 1, 2080			-
Depreciation during the year		490,276	490,276
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments		14,792,383	14,792,383
Balance as at Ashadh 31, 2081	-	15,282,658	15,282,658
Depreciation during the year		620,672	620,672
Disposals during the year			-
Impairment during the year			-
Transfer/Adjustments			-
Balance as at Ashadh 32, 2082	-	15,903,331	15,903,331
Capital Work-In-Progress			
As on Shrawan 1, 2080			
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 31, 2081	-	-	-
Additions during the year			
Capitalisation during the year			
Disposals during the year			
Impairment during the year			
Balance as on Ashadh 32, 2082			
Net Carrying Amount			
Net Balance As At Ashad 31, 2081	-	22,059,715	22,059,715
Net Balance As At Ashad 32, 2082	-	21,439,042	21,439,042

(i) Amounts recognised in statement of profit or loss

Fig. in NPR

Particulars	Current Year	Previous Year
Rental income	13,515,128	8,958,645
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	13,515,128	8,958,645
Depreciation charge	620,672	490,276
Profit from investment properties	12,894,456	8,468,369

(ii) Fair value of investment properties:

Fig. in NPR

Particulars	Current Year	Previous Year
Land		
Building		
Total	-	-

Notes on Fair Value :

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

- 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 determined byThe main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

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

(iv) Contractual obligations: N/A

Prabhu Insurance Limited

Notes to the Financial Statements

8. Investment in Subsidiaries

Fig. in NPR

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Quoted Subsidiaries	-	-	-	-
Investment in Unquoted Subsidiaries	-	-	-	-
Less: Impairment Losses				
Total	-	-	-	-

Investment in Quoted Subsidiaries

Fig. in NPR

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs. Each of Ltd.				
..... Shares of Rs. Each of Ltd.				
Total	-	-	-	-

Investment in Unquoted Subsidiaries

Fig. in NPR

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
..... Shares of Rs. Each of Ltd.				
..... Shares of Rs. Each of Ltd.				
Total	-	-	-	-

Information Relating to Subsidiaries

Fig. in NPR

Particulars	Percentage of Ownership	
	Current Year	Previous Year
..... Shares of Rs. Each of Ltd.		
..... Shares of Rs. Each of Ltd.		
..... Shares of Rs. Each of Ltd.		
..... Shares of Rs. Each of Ltd.		

Prabhu Insurance Limited

Notes to the Financial Statements

9. Investment in Associates

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	(or) Equit Method
Investment in Quoted Associates				
Investment in Unquoted Associates				
Less: Impairment Losses				
Total				

Fig. in NPR

Investment in Quoted Associates

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	(or) Equit Method
..... Shares of Rs. Each of Ltd.				
..... Shares of Rs. Each of Ltd.				
Add: Share of Profit or Loss for Earlier Years				
Add: Share of Profit or Loss for Current Year				
Total				

Fig. in NPR

Investment in Unquoted Associates

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	(or) Equit Method
..... Shares of Rs. Each of Ltd.				
..... Shares of Rs. Each of Ltd.				
Add: Share of Profit or Loss for Earlier Years				
Add: Share of Profit or Loss for Current Year				
Total				

Fig. in NPR

Information Relating to Associates

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

Fig. in NPR

Prabhu Insurance Limited

Notes to the Financial Statements

10. Investments

Fig. in NPR

Particulars	Current Year	Previous Year
Investments measured at Amortised Cost	936,270,001	850,100,000
i) Investment in Preference Shares of Bank and Financial Institutions		
ii) Investment in Debentures	80,000,001	60,000,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	34,670,000	5,000,000
iv) Fixed Deposits in "A" Class Financial Institutions	624,800,000	594,800,000
v) Fixed Deposits in Infrastructure Banks		
vi) Fixed Deposits in "B" Class Financial Institutions	152,000,000	156,000,000
vii) Fixed Deposits in "C" Class Financial Institutions	32,800,000	22,300,000
viii) Others (to be Specified)		
Citizen Investment Planning Fund	12,000,000	12,000,000
Less: Impairment Losses		
Investments at FVTOCI	508,216,903	397,174,316
i) Investment in Equity Instruments (Quoted)	424,293,464	357,693,877
ii) Investment in Equity Instruments (Unquoted)	7,360,439	7,360,439
iii) Investment in Mutual Funds	25,713,000	12,620,000
v) Investment in Debentures	-	-
v) Investment in Private Equity Fund	20,000,000	20,000,000
vi) Investment in Public Investment Company	31,350,000	
Less: Impairment Losses	(500,000)	(500,000)
Investments at FVTPL	17,899,726	19,107,725
i) Investment in Equity Instruments (Quoted)	17,264,425	15,616,638
ii) Investment in Equity Instruments (Unquoted)	-	-
iii) Investment in Mutual Funds		
iv) Others (to be specified)-Siddhartha capital PMS-cash Balance	635,301	3,491,087
Total	1,462,386,630	1,266,382,041

a) Details of Impairment Losses

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions		
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions		
Fixed Deposit with "C" Class Financial Institutions		
Others (to be Specified)		
Investment in Equity share	500,000	500,000
Total	500,000	500,000

b) Investments having expected maturities less than 12 months

Fig. in NPR

Particulars	Current Year	Previous Year
Investment in Equity Instruments (Quoted)		
Investment in Equity Instruments (Unquoted)		
Investment in Mutual Funds		
Investment in Preference Shares of Bank and Financial Institutions		
Investment in Debentures		
Investment in Bonds (Nepal Government/NRB/Guaranteed by Nepal Government)		
Fixed Deposit with "A" Class Financial Institutions	624,800,000	594,800,000
Fixed Deposit with Infrastructure Banks		
Fixed Deposit with "B" Class Financial Institutions	152,000,000	156,000,000
Fixed Deposit with "C" Class Financial Institutions	32,800,000	22,300,000
Others (to be Specified)		
Total	809,600,000	773,100,000

c) Information relating to investment in equity instruments

Fig. in NPR

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Investment in Equity Instruments (Quoted)				
Central Finance Limited Promoter Share 6267 share of 100 each	550,000	1,052,856	550,000	1,052,856
Himalayan Bank Limited Promoter Share 5267 share of 100 each	525,000	700,511	525,000	658,375
Nepal Infrastructure Bank Limited Promoter share 486,000 share of 100 each	45,000,000	53,946,000	45,000,000	53,946,000
Nepal Reinsurance Company Limited Promoter Share 98,488 share of 100 each	7,669,725	27,675,128	7,669,725	27,675,128
Prabhu Mahalaxmi Life Insurance Limited Promoter Share 169,575 share of 100 each	13,000,000	51,364,267	13,000,000	39,310,596
Maya Khola Hydropower Company Limited 460000 share of 100 each	46,000,000	190,320,400	46,000,000	163,208,000
Reliance Lotus Finance Limited Promoter Share 45,266 share of 100 each	3,000,000	12,402,884	3,000,000	9,234,264
Standard Chartered Bank Limited 320 share of 100 each	165,123	209,952	165,123	181,202
Kumari Bank Limited 224 share of 100 each	31,500	49,228	31,500	34,429
Himalayan Bank Limited 4249 share of 100 each	840,275	1,008,288	840,275	867,646
Soaltee Hotel Limited 1,19,812 share of 100 each	19,715,635	69,201,015	19,715,635	48,142,640
Nepal Doorsanchar Company Limited 864 share of 100 each	448,220	757,961	448,220	730,080
Nabil Bank Limited 7051 share of 100 each	1,602,780	3,817,200	1,602,780	3,694,724
Green Development Bank Limited 280 share of 100 each	26,000	416,324	26,000	136,989
Deprosc Development Bank Limited 7127 share of 100 each	3,063,562	6,287,796	3,063,562	5,474,069
First Micro Finance Laghubitta Sanstha Limited 1016 share of 100 each	422,213	811,865	422,213	634,692
Shangrilla Development Bank Limited 5817 share of 100 each	600,000	2,692,224	600,000	1,958,588
Ngadi Group Power Limited 3529 share of 100 each	324,000	1,406,906	147,500	601,524
National Laghubitta Sanstha Limited 121 share of 100 each	-	169,406	-	149,354
RSDC Laghubitta Sanstha Limited 1 share of 100 each	-	701	-	692
Sanima Bank Limited 1 share of 100 each	-	375	-	279
Nepal SBI Bank Limited 2 share of 100 each	-	880	-	656
Global IME Bank Limited 1 share of 100 each	-	260	-	194
Chimek Laghubitta Sanstha Limited 1 share of 100 each	-	1,036	-	900
Prime Commercial Bank Limited 2659 share of 100 each	-	-	570,223	589,766
Standard Chartered Bank Limited 2652 share of 100 each	1,047,619	1,739,977	1,047,619	1,204,000
Citizens Bank International Limited 469 share of 100 each	-	-	91,643	90,752
Chimek Laghubitta Bikas Bank Limited 1908 share of 100 each	764,000	1,976,650	764,000	931,500
National Laghubitta Sanstha Limited 145 share of 100 each	-	-	232,830	204,305
Life Insurance Company Nepal 615 share of 100 each	-	-	807,950	884,370
National Life Insurance Company Ltd 2038 share of 100 each	-	-	1,271,214	1,212,610
Ridi Power Company Ltd 1260 share of 100 each	-	-	348,121	240,030
Himalayan Distillery Ltd 352 share of 100 each	-	-	811,946	487,168
Shine Resunga Development Bank Limited 4778 share of 100 each	-	-	1,733,091	1,935,568
Himalayan Life Insurance Ltd 511 share of 100 each	-	-	257,759	199,801
Sana Kisan Bikas Laghubitta Bitiya Sansta Ltd 1405 share of 100 each	825,664	1,242,596	825,664	1,058,588
Nepal Doorsanchar Company Limited 1900 share of 100 each	1,668,522	1,666,813	1,668,522	1,605,500
Shivam Cements Limited 3545 share of 100 each	1,159,556	1,896,717	901,916	889,071
Kamana Sewa Development Bank Limited 5573 share of 100 each	1,525,723	2,790,345	1,218,000	1,248,000
Gurkhas Finance Limited 1500 share of 100 each	-	-	1,102,500	1,080,000
Mountain Energy Nepal Limited 2940 share of 100 each	-	-	1,838,916	1,755,180

Particulars	Current Year		Previous Year	
	Cost	Fair Value	Cost	Fair Value
Surya Jyoti Life Insurance Ltd 1 share of 100 each	-	-	-	430
Chandragiri Hills Ltd 2260 share of 100 each	-	2,160,605	-	-
Green Ventures Ltd 1760 share of 100 each	-	848,848	-	-
Ngadi Group Power Limited 4500 share of 100 each	-	1,794,015	-	-
Upper Solu Hydro Electric Company Limited 2462 share of 100 each	-	1,147,858	-	-
			-	-
Investment in Mutual Fund				
Siddhartha Equity Fund share 200000 of 10 each	2,000,000	2,058,000	2,000,000	1,678,000
Sanima Equity Fund share of 200000 10 each	-	-	2,000,000	2,182,000
NMB 50share 250000of 10 each	2,500,000	2,672,500	2,500,000	2,510,000
NABIL BALANCED FUND-2 share 250000 of 10 each	2,500,000	2,527,500	2,500,000	2,250,000
Kumari Sabal Yojana share 400000 of 10 each	4,000,000	4,000,000	4,000,000	4,000,000
NMB Hybrid Fund L-II share 500000 of 10 each	5,000,000	4,530,000	-	-
Garima Samriddhi share 500000 of 10 each	5,000,000	4,975,000	-	-
Muktinath Mutual Fund-1 share 500000of 10 each	5,000,000	4,950,000	-	-
Investment in Equity Instruments (Un Quoted)				
Sindu Jwala Hydrosposwer Ltd 5000 Shares of 100 each	500,000	500,000	500,000	500,000
Other Investments				
Insurance Institute Nepal Ltd. 47800 Shares of 100 each	4,780,000	4,780,000	4,780,000	4,780,000
Nepal Insurer's Association Mutual fund for Micro Insurance 20804 shares of 100 each	2,080,439	2,080,439	2,080,439	2,080,439
Alpha plus vision- Private Equity fund 200000 shares of 100 each	20,000,000	20,000,000	20,000,000	20,000,000
Investment in Public Investment Company	31,350,000	31,350,000	-	-
Total	234,685,557	525,981,327	198,659,886	413,290,954

d) The company has earmarked investments amounting to NPR. 80,96,00,000 to Nepal Insurance Authority.

Prabhu Insurance Limited

Notes to the Financial Statements

11. Loans

Fig. in NPR

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

a) Expected repayment of loan within 12 months:

Fig. in NPR

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

12. Reinsurance Assets

Fig. in NPR

Particulars	Current Year	Previous Year
Reinsurance Assets on:		
Unearned Premiums	404,140,374	606,386,493
Unexpired Risk Reserve	12,827,903	-
Earthquake Premium Reserves	-	-
Margin over Best Estimates	-	-
Incurred but not reported (IBNR)	142,957,275	187,237,041
Incurred but not enough reported (IBNER)	71,478,638	76,315,333
Outstanding Claims	1,400,511,633	642,476,862
Others		
Less: Impairment Losses		
Total	2,031,915,823	1,512,415,729

13. Insurance Receivables

Fig. in NPR

Particulars	Current Year	Previous Year
Receivable from Reinsurer	822,128,996	903,752,344
Receivable from Other Insurance Companies	330,913,350	151,792,843
Others(to be Specified)		
Less: Impairment Losses	(126,281,566)	(111,481,566)
Total	1,026,760,780	944,063,621

a) Expected receivable within 12 months:

Fig. in NPR

Particulars	Current Year	Previous Year
Receivable from Reinsurer	822,128,996	903,752,344
Receivable from Other Insurance Companies	330,913,350	151,792,843
Others(to be Specified)		
Total	1,153,042,346	1,055,545,187

14. Other Assets

Fig. in NPR

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses	-	6,780
Claim Advances	458,544,386	464,766,819
Advance To Suppliers		
VAT Receivable	-	
Staff Advances	4,263,640	4,054,265
Printing and Stationary Stocks		
Stamp Stocks	392,815	459,787
Deferred Expenses		
Deferred Reinsurance Commission Expenses	21,698,331	22,818,953
Deferred Agent Commission Expenses	16,864,282	12,248,645
Lease Receivables		
Recoverable from Re-insurance Companies		-
Less: Impairment Losses		
Total	501,763,454	504,355,250

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

Fig. in NPR

Particulars	Current Year	Previous Year
Capital Advances		
Prepaid Expenses	-	6,780
Claim Advances	458,544,386	464,766,819
Advance To Suppliers		
Staff Advances	4,263,640	4,054,265
VAT Receivable	-	
Printing and Stationary Stocks		
Stamp Stocks	392,815	459,787
Deferred Expenses	-	
Deferred Reinsurance Commission Expenses	21,698,331	
Deferred Agent Commission Expenses	16,864,282	
Lease Receivables		
Others (to be specified)		
Total	501,763,454	469,287,651

15. Other Financial Assets

Fig. in NPR

Particulars	Current Year	Previous Year
Security Deposits	15,834,346	18,816,809
Accured Interest	2,915,679	3,516,371
Other Receivables		
Other Deposits		
Sundry Debtors	299,069,399	150,128,387
Other (to be Specified)		
Less: Impairment Losses		
Total	317,819,424	172,461,567

a) Expected maturities within 12 months:

Fig. in NPR

Particulars	Current Year	Previous Year
Security Deposits		
Accured Interest	2,915,679	3,516,371
Other Receivables	-	-
Other Deposits		
Sundry Debtors	299,069,399	150,128,387
Other (to be Specified)		
Total	301,985,078	153,644,758

16. Cash and Cash Equivalent

Fig. in NPR

Particulars	Current Year	Previous Year
Cash in Hand	160,000	160,000
Cheque in Hand		
Bank Balances		
i) Balance With "A" Class Financial Institutions	58,377,501	58,036,575
ii) Balance With Infrastructure Banks		
iii) Balance With "B" Class Financial Institutions	9,599,559	15,586,398
iv) Balance With "C" Class Financial Institutions	330,973	1,053,435
Less: Impairment Losses		
Deposit with initial maturity upto 3 months		
Others (to be Specified)- Call Deposits in various bank and Financial institution	1,181,202,858	1,323,789,402
Less: Impairment Losses		
Total	1,249,670,891	1,398,625,811

Prabhu Insurance Limited

Notes to the Financial Statements

17 (a) Share Capital

Particulars	Current Year	Previous Year
Ordinary Shares		
As at Shrawan 1, 2081	1,441,488,067	1,376,122,260
Additions during the year		
i) Bonus Share Issue	-	65,365,807
ii) Share Issue		
As at Ashadh 32, 2082	1,441,488,067	1,441,488,067
Convertible Preference Shares (Equity Component Only)		
As at Shrawan 1, 2081		
Additions during the year		
As at Ashadh 32, 2082		
Irredeemable Preference Shares (Equity Component Only)		
As at Shrawan 1, 2081		
Additions during the year		
As at Ashadh 32, 2082		
Total	1,441,488,067	1,441,488,067

(i) Ordinary Shares

Particulars	Current Year	Previous Year
Authorised Capital:		
30,000,000 Ordinary Shares of Rs. 100 each	3,000,000,000	3,000,000,000
Issued Capital:		
14414880.67 Ordinary Shares of Rs. 100 Each.	1,441,488,067	1,441,488,067
Subscribed and Paid Up Capital:		
14414880.67 Ordinary Shares of Rs. 100 Each.	1,441,488,067	1,441,488,067
Total	1,441,488,067	1,441,488,067

(ii) Preference Share Capital

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

Shareholding Structure of Share Capital

Particulars	Number of Shares		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Promoters				
Government of Nepal				
Nepali Organized Institutions	3,115,609.86	3,115,609.86	21.61	21.61
Nepali Citizens	4,235,980.01	4,235,980.01	29.39	29.39
Foreigners				
Others (to be Specified)				
Total (A)	7,351,589.87	7,351,589.87	51.00	51.00
Other than Promoters				
General Public	7,063,290.80	7,063,290.80	49.00	49.00
Others (to be Specified)				
Total (B)	7,063,290.80	7,063,290.80	49.00	49.00
Total(A+B)	14,414,880.67	14,414,880.67	100.00	100.00

Prabhu Insurance Limited

Notes to the Financial Statements

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
KARMACHARI SANCHAYA KOSH	3,115,609.85	3,115,609.85	21.61	21.61
PRABHU BANK LIMITED	2,017,693.04	2,017,693.04	14.00	14.00
DEVI PRAKASH BHATTACHAN	1,114,187.78	1,114,187.78	7.73	7.73
RAJENDRA MALLA	539,200.07	539,200.07	3.74	3.74
PURNA MAN SHAKYA	230,811.44	230,811.44	1.60	1.60
PRABHU MANAGEMENT PVT LTD	187,182.33	187,182.33	1.30	1.30

17 (b) Share Application Money Pending Allotment

Fig. in NPR

Particulars	Current Year	Previous Year
Share Application Money Pending Allotment		
Total	-	-

17 (c) Share Premium

Fig. in NPR

Particulars	Current Year	Previous Year
As at 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)		
As at Ashadh 32, 2082	-	-

17 (d) Special Reserves

Fig. in NPR

Particulars	Current Year	Previous Year
As at Shrawan 1, 2081	1,132,593,119	1,050,403,865
Additions	91,789,729	82,189,254
Utilizations		
As at Ashadh 32, 2082	1,224,382,848	1,132,593,119

17 (e) Catastrophe Reserves

Fig. in NPR

Particulars	Current Year	Previous Year
As at Shrawan 1, 2081	92,096,196	83,877,271
Additions	9,178,973	8,218,925
Utilizations		
As at Ashadh 32, 2082	101,275,169	92,096,196

17 (f) Retained Earnings

Fig. in NPR

Particulars	Current Year	Previous Year
As at Shrawan 1, 2081	351,281,081	69,796,826
Net Profit or Loss	205,860,016	152,223,133
Items of OCI recognised directly in retained earnings		
Remeasurement of Post-Employment Benefit Obligations		
Transfer to reserves		
Revaluation Reserves		
Special Reserves	(91,789,729)	(82,189,254)

Particulars	Current Year	Previous Year
Capital Reserves		
Catastrophe Reserves	(9,178,973)	(8,218,925)
Corporate Social Responsibility (CSR) Reserves	(1,835,795)	(1,643,785)
Insurance Fund including Insurance Reserves		
Fair Value Reserves		
Actuarial Reserves	-	-
Transfer to Employees' training reserves	(1,206,584)	
Deferred Tax Reserves	(22,280,558)	12,155,375
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	-	278,663,867
Issue of Bonus Shares	-	(65,365,807)
Transaction costs on issue of Shares	(153,828)	(161,572)
Dividend Paid	-	(3,440,306)
Dividend Distribution Tax		
Others (to be Specified)	-	-
Prior Period tax adjustment	-	-
Net Gain realised on FVTPL	(1,600,863)	(538,471)
Transfer of Disposal of Mutual Fund Measured at FVTOCI	260,168	
Impairment Loss	-	-
Provision for tax on share premium	-	-
As at Ashadh 32, 2082	429,354,936	351,281,081

17 (g) Other Equity

Fig. in NPR

Particulars	Current Year	Previous Year
Revaluation Reserves		
Capital Reserves		
Corporate Social Responsibility (CSR) Reserves	2,236,260	3,272,366
Fair Value Reserves	231,523,808	184,962,547
Actuarial Reserves	(106,083,860)	(106,431,187)
Insurance Fund including Insurance Reserves		
Deferred Tax Reserve	63,819,524	41,538,966
Regulatory Reserves		
Other Reserve(to be specified)	-	-
Employees's Training Reserve	1,206,584	
Fair Value changes- Unrealised gain of FVTPL	2,139,334	538,471
Total	194,841,650	123,881,165

Prabhu Insurance Limited

Notes to the Financial Statements

18. Provisions

Fig. in NPR

Particulars	Current Year	Previous Year
Provision for employee benefits		
i) Provision for Leave	42,511,946	32,308,162
ii) Provision for Gratuity	45,436,076	60,052,420
iii) Termination Benefits		
iv) Other Employee Benefit obligations (to be Specified)- Staff Bonus Provision	29,989,129	26,402,476
Provision for tax related legal cases	-	-
Provision for non-tax legal cases		
Total	117,937,150	118,763,059

(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	32,308,162	13,598,692	11,362,805			34,544,049
ii) Provision for Gratuity	60,052,420	20,043,179		28,071,212		52,024,387
iii) Termination Benefits						
iv) Other Employee Benefit obligations (to be Specified)	26,402,476	29,989,129	26,402,476			29,989,129
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		
ii) Provision for Gratuity		
iii) Termination Benefits		
iv) Other Employee Benefit obligations (to be Specified)	29,989,129	26,402,476
Provision for tax related legal cases		
Provision for non-tax related legal cases		
Others (to be Specified)		

Prabhu Insurance Limited

Notes to the Financial Statements

19 Gross Insurance Contract Liabilities

Fig. in NPR

Particulars	Current Year		Previous Year	
Unearned Premiums Reserve		736,691,949		900,724,325
Unexpired Risk Reserve		14,318,648		-
Earthquake Premium Reserves		23,032,320		10,596,161
Margin over Best Estimates		36,828,544		11,269,683
Incurred But not Reported (IBNR)		214,637,943		256,879,596
Incurred But not Enough Reported (IBNER)		107,318,972		112,998,809
Outstanding Claims		1,492,748,274		731,607,543
Others				
Total		2,625,576,650		2,024,076,117

19.1 Gross Insurance Contract Liabilities

a) Gross Insurance Contract Liability

Fig. in NPR

Particulars	Line of Business							Total		
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop		Miscellaneous	
As at Shrawan 1, 2081										
Unearned Premiums Reserve	126,927,030	339,245,046	12,353,915	106,045,919	858,004	191,145,962	45,053,663	79,094,786		900,724,325
Unexpired Risk Reserve	-	-	-	-	-	-	-	-	-	-
Earthquake Premium Reserves	1,159,105	6,030,425	165,698	1,614,590	28,711	46,401	460,058	1,091,173		10,596,161
Margin over Best Estimates	1,034,978	6,817,673	303,082	1,200,040	52,830	12,189	181,360	1,667,531		11,269,683
Incurred But not Reported (IBNR)	15,601,681	113,759,763	2,252,019	35,103,344	1,268,119	62,493,477	4,256,463	22,144,730		256,879,596
Incurred But not Enough Reported (IBNER)	7,800,840	52,215,887	2,189,156	15,612,800	93,333	31,246,738	187,038	3,653,017		112,998,809
Outstanding Claims	101,500,835	174,739,372	11,765,806	56,040,538	280,000	378,317,692	590,300	8,373,000		731,607,543
Others	-	-	-	-	-	-	-	-	-	-
Total Balance As at Shrawan 1, 2081	254,024,469	692,808,166	29,029,676	215,617,231	2,580,997	663,262,459	50,728,882	116,024,237		2,024,076,117
Changes during the year										
Unearned Premiums Reserve	3,779,733	13,527,424	(2,959,370)	(9,335,993)	(853,741)	(142,769,288)	(33,738,946)	8,317,806		(164,032,376)
Unexpired Risk Reserve	-	-	-	8,029,680	-	6,288,968	-	-	-	14,318,648
Earthquake Premium Reserves	1,797,377	7,760,433	162,118	1,687,037	102	53,688	330,043	645,361		12,436,159
Margin over Best Estimates	4,469,180	11,606,261	89,151	8,739,570	(36,509)	332,503	480,464	(121,760)		25,558,861
Incurred But not Reported (IBNR)	10,571,416	(3,740,915)	321,192	(2,645,948)	(1,038,899)	(41,931,066)	(1,262,271)	(2,515,161)		(42,241,653)
Incurred But not Enough Reported (IBNER)	5,285,708	2,793,537	(902,551)	615,898	21,277	(20,965,533)	1,310,058	6,161,768		(5,679,837)
Outstanding Claims	39,673,791	40,922,376	(11,007,489)	114,351,258	157,700,000	420,000,000	1,748,475	(2,247,680)		761,140,731
Others	-	-	-	-	-	-	-	-		-
Total changes during the year	65,577,205	72,869,115	(14,296,949)	121,441,502	155,792,230	221,009,273	(31,132,176)	10,240,334		601,500,533
As at Ashadh 32, 2082										
Unearned Premiums Reserve	130,706,763	352,772,470	9,394,545	96,709,926	4,263	48,376,674	11,314,717	87,412,591		736,691,949
Unexpired Risk Reserve	-	-	-	8,029,680	-	6,288,968	-	-	-	14,318,648
Earthquake Premium Reserves	2,956,482	13,790,858	327,816	3,301,627	28,813	100,089	790,101	1,736,534		23,032,320
Margin over Best Estimates	5,504,158	18,423,934	392,233	9,939,610	16,321	344,692	661,824	1,545,771		36,828,544
Incurred But not Reported (IBNR)	26,173,097	110,018,848	2,573,211	32,457,396	229,220	20,562,411	2,994,192	19,629,569		214,637,943
Incurred But not Enough Reported (IBNER)	13,086,548	55,009,424	1,286,605	16,228,698	114,610	10,281,205	1,497,096	9,814,785		107,318,972
Outstanding Claims	141,174,626	215,661,748	758,317	170,391,796	157,980,000	798,317,692	2,338,775	6,125,320		1,492,748,274
Others	-	-	-	-	-	-	-	-		-
Total Balance As at Ashadh 32, 2082	319,601,674	765,677,282	14,732,727	337,058,733	158,373,227	884,271,731	19,596,706	126,264,571		2,625,576,650

Prabhu Insurance Limited

Notes to the Financial Statements

Fig. in NPR

b) Reinsurance Assets

Particulars	Line of Business										Total		
	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous					
As at Shrawan 1, 2081													
Unearned Premiums Reserve	94,729,651	186,733,253	7,751,185	66,696,178	60,462	189,607,043	31,274,284	29,534,437					606,386,493
Unexpired Risk Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Earthquake Premium Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Margin over Best Estimates	-	-	-	-	-	-	-	-	-	-	-	-	-
Incurred But not Reported (IBNR)	8,265,508	72,303,660	529,158	29,579,147	240,226	62,296,093	3,541,144	10,482,104					187,237,041
Incurred But not Enough Reported (IBNER)	5,489,221	20,970,276	1,469,310	14,858,776	78,400	30,965,920	154,507	2,328,922					76,315,333
Outstanding Claims	93,960,095	101,031,565	9,444,481	53,465,501	235,200	377,475,239	487,632	6,377,150					642,476,862
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Balance As at Shrawan 1, 2081	202,444,474	381,038,754	19,194,134	164,599,602	614,288	660,344,295	35,457,568	48,722,613					1,512,415,729
Changes during the year													
Unearned Premiums Reserve	(13,346,396)	(49,497,434)	(2,566,830)	(12,936,487)	(59,951)	(141,573,843)	(24,735,045)	42,469,867					(202,246,119)
Unexpired Risk Reserve	-	-	-	8,029,680	-	6,288,968	-	(1,490,745)					12,827,903
Earthquake Premium Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Margin over Best Estimates	-	-	-	-	-	-	-	-	-	-	-	-	-
Incurred But not Reported (IBNR)	10,468,566	(15,669,274)	789,393	(1,409,237)	(224,222)	(42,635,794)	(1,252,203)	5,653,006					(44,279,766)
Incurred But not Enough Reported (IBNER)	3,877,816	7,346,917	(810,034)	(773,821)	(70,398)	(21,135,771)	989,963	5,738,633					(4,836,695)
Outstanding Claims	31,163,535	46,415,815	(9,240,042)	112,539,407	157,744,800	419,842,874	1,360,327	(1,791,945)					758,034,771
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes during the year	32,163,520	(11,403,976)	(11,827,514)	105,449,541	157,390,229	220,786,434	(23,636,957)	50,578,816					519,500,094
As at Ashadh 32, 2082													
Unearned Premiums Reserve	81,383,255	137,235,819	5,184,355	53,759,691	511	48,033,200	6,539,239	72,004,304					404,140,374
Unexpired Risk Reserve	-	-	-	8,029,680	-	6,288,968	-	(1,490,745)					12,827,903
Earthquake Premium Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Margin over Best Estimates	-	-	-	-	-	-	-	-	-	-	-	-	-
Incurred But not Reported (IBNR)	18,734,074	56,634,386	1,318,551	28,169,910	16,004	19,660,299	2,288,941	16,135,110					142,957,275
Incurred But not Enough Reported (IBNER)	9,367,037	28,317,193	659,276	14,084,955	8,002	9,830,150	1,144,471	8,067,555					71,478,638
Outstanding Claims	125,123,629	147,447,380	204,439	166,004,908	157,980,000	797,318,113	1,847,959	4,585,205					1,400,511,633
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Balance As at Ashadh 32, 2082	234,607,994	369,634,778	7,366,620	270,049,143	158,004,517	881,130,729	11,820,611	99,301,429					2,031,915,823

Prabhu Insurance Limited

Notes to the Financial Statements

19.2 Disclosure of Outstanding claim

Fig. in NPR

S.No	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	131,779,535	6,245,091	150,000	3,000,000	9,395,091.00	141,174,626	125,123,629	16,050,998
2	Motor	167,941,248	30,203,000	4,967,500	12,550,000	47,720,500.00	215,661,748	147,447,380	68,214,368
3	Marine	658,317	100,000	-	-	100,000	758,317	204,439	553,878
4	Engineering	131,326,258	31,065,000	350,000	7,650,538	39,065,538	170,391,796	166,004,908	4,386,888
5	Micro	-	-	-	157,980,000	157,980,000	157,980,000	157,980,000	-
6	Aviation	420,000,000	-	-	378,317,692	378,317,692	798,317,692	797,318,113	999,579
7	Cattle and Crop	2,137,775	149,500	51,500	-	201,000	2,338,775	1,847,959	490,816
8	Miscellaneous	3,675,320	150,000	-	2,300,000	2,450,000.00	6,125,320	4,585,205	1,540,115
	Total	857,518,453	67,912,591	5,519,000	561,798,230	635,229,821	1,492,748,274	1,400,511,633	92,236,642

20 Insurance Payable

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer	74,570,832	195,579,172
Payable to Other Insurance Companies	322,795,241	214,261,554
Withdrawal Premium		
Withdrawal Claims		
Others (to be Specified)		
Total	397,366,073	409,840,726

Payable within 12 months:

Fig. in NPR

Particulars	Current Year	Previous Year
Payable to Reinsurer	74,570,832	195,579,172
Payable to other Insurance Companies	322,795,241	214,261,554
Withdrawal Premium		
Withdrawal Claims		
Others (to be Specified)		
Total	397,366,073	409,840,726

Prabhu Insurance Limited

Notes to the Financial Statements

21 Current Tax Assets/(Liabilities) (Net)

Fig. in NPR

Particulars	Current Year	Previous Year
Income Tax Liabilities	86,322,701	85,399,153
Income Tax Assets	(58,028,778)	(102,011,794)
Total	28,293,924	(16,612,641)

22 Borrowings

Fig. in NPR

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

Payable within 12 months:

Fig. in NPR

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

23 Other Liabilities

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable	9,252,755	3,969,741
VAT Payable	13,413,905	2,313,367
Unidentified deposits	-	
Advance Premiums	-	
Insurance Service Fee Payable	4,198,745	13,334,606
Lease Liability	48,008,685	38,713,462
Deferred Reinsurance Commission Income	50,566,134	55,886,918
Deferred Income	-	
Others (to be specified)	-	
Tax liability on Gain on Financial Instrument disposed off	111,500	119,427,372
Total	125,551,725	233,645,467

Payable within 12 months

Fig. in NPR

Particulars	Current Year	Previous Year
TDS Payable	9,252,755	3,969,741
VAT Payable	13,413,905	2,313,367
Unidentified Deposits		
Advance Premiums		
Insurance Service Fee Payable	4,198,745	13,334,606
Lease Liability	48,008,685	38,713,462
Deferred Reinsurance Commission Income	50,566,134	55,886,918
Deferred Income		
Others (to be specified)		
Total	125,440,224	114,218,095

Prabhu Insurance Limited
Notes to the Financial Statements

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		
Payable to Agents	11,221,061	5,046,472
Payable to Surveyor	2,118,515	2,235,552
Sundry Creditors	24,629,332	6,306,413
Retention and deposits		
Short-term employee benefits payable		
i) Salary Payables		
ii) Bonus Payables		
iii) Other employee benefit payable (to be Specified)- Vehicle Deposit	509,622	384,332
Audit Fees Payable		
Actuarial Fees Payable	1,200,000	-
Dividend Payable	1,056,157	1,056,157
Others (to be specified)	-	936,795
Total	40,734,688	15,965,721

Payable within 12 months

Fig. in NPR

Particulars	Current Year	Previous Year
Redeemable Preference Shares		
Irredeemable Cumulative Preference Shares		
Refundable Share Application Money		
Payable to Insured		
Payable to Agents	11,221,061	5,046,472
Payable to Surveyor	2,118,515	2,235,552
Sundry Creditors	24,629,332	6,306,413
Retention and deposits	-	-
Short-term employee benefits payable	-	-
i) Salary Payables	-	-
ii) Bonus Payables	-	-
iii) Other employee benefit payable (to be Specified)	509,622	384,332
Audit Fees Payable	-	-
Actuarial Fees Payable	1,200,000	-
Dividend Payable	1,056,157	1,056,157
Others (to be specified)	-	936,795
Total	40,734,688	15,965,721

Prabhu Insurance Limited

Notes to the Financial Statements

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	257,933,035	239,242,977	3,744,006	1,954,735	(3,779,733)	(26,258,093)	257,897,308	214,939,618
Motor	473,317,780	465,990,628	236,629,683	202,199,260	(13,527,424)	(17,746,446)	696,420,039	650,443,442
Marine	20,097,044	24,707,830	-	-	2,959,370	(123,437)	23,056,415	24,584,394
Engineering	209,772,424	211,024,671	872,554	1,005,191	9,335,993	79,556,110	219,980,970	291,585,971
Micro	6,161	1,716,008	-	-	853,741	321,517	859,902	2,037,525
Aviation	388,594,517	382,291,923	31,503,253	-	142,769,288	(166,979,308)	562,867,057	215,312,615
Cattle and Crop	43,443,468	90,107,326	-	-	33,738,946	5,778,006	77,182,414	95,885,333
Miscellaneous	203,399,522	157,706,986	-	-	(8,317,806)	54,116,022	195,081,716	211,823,008
Total	1,596,563,949	1,572,788,349	272,749,495	205,159,185	164,032,376	(71,335,628)	2,033,345,820	1,706,611,906

25.1 Direct Premiums

Fig. in NPR

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	91,138,766	128,586,104	166,794,269	109,939,954	-	716,918	257,933,035	239,242,977
Motor	263,174,770	278,452,999	210,143,010	187,537,629	-	-	473,317,780	465,990,628
Marine	20,097,044	24,334,510	-	-	-	373,320	20,097,044	24,707,830
Engineering	170,882,138	174,257,336	33,194,402	36,432,608	5,695,884	334,727	209,772,424	211,024,671
Micro	7,320	336,364	(1,159)	1,379,644	-	-	6,161	1,716,008
Aviation	93,781,458	30,098,051	294,813,059	352,193,872	-	-	388,594,517	382,291,923
Cattle and Crop	43,394,393	89,476,671	49,075	630,655	-	-	43,443,468	90,107,326
Miscellaneous	66,720,218	129,564,176	33,179,304	28,142,810	103,500,000	-	203,399,522	157,706,986
Total	749,196,105	855,106,211	738,171,960	716,257,173	109,195,884	1,424,965	1,596,563,949	1,572,788,349

Prabhu Insurance Limited

Notes to the Financial Statements

26 Premiums Ceded

Fig. in NPR

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	161,822,785	176,802,953	13,346,396	(29,342,731)	175,169,181	147,460,222
Motor	278,812,271	363,166,303	49,497,434	(14,845,163)	328,309,704	348,321,141
Marine	11,090,501	15,502,372	2,566,830	26,370,809	13,657,332	41,873,181
Engineering	116,920,689	133,330,381	12,936,487	101,504,269	129,857,176	234,834,650
Micro	520	120,924	59,951	117,992	60,470	238,916
Aviation	417,115,075	379,214,085	141,573,843	(169,100,743)	558,688,918	210,113,342
Cattle and Crop	25,107,762	62,548,568	24,735,045	(6,202,072)	49,842,807	56,346,496
Miscellaneous	167,546,125	58,586,286	(42,469,867)	35,595,422	125,076,259	94,181,708
Total	1,178,415,729	1,189,271,872	202,246,119	(55,902,218)	1,380,661,848	1,133,369,654

26.1 Portfolio-wise detail of Net Earned Premiums

Fig. in NPR

Particulars	Gross Earned Premiums		Premium Ceded		Net Earned Premium	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	257,897,308	214,939,618	175,169,181	147,460,222	82,728,127	67,479,396
Motor	696,420,039	650,443,442	328,309,704	348,321,141	368,110,334	302,122,302
Marine	23,056,415	24,584,394	13,657,332	41,873,181	9,399,083	(17,288,787)
Engineering	219,980,970	291,585,971	129,857,176	234,834,650	90,123,794	56,751,322
Micro	859,902	2,037,525	60,470	238,916	799,431	1,798,609
Aviation	562,867,057	215,312,615	558,688,918	210,113,342	4,178,139	5,199,273
Cattle and Crop	77,182,414	95,885,333	49,842,807	56,346,496	27,339,607	39,538,837
Miscellaneous	195,081,716	211,823,008	125,076,259	94,181,708	70,005,457	117,641,300
Total	2,033,345,820	1,706,611,906	1,380,661,848	1,133,369,654	652,683,972	573,242,252

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	58,432,902	50,106,493	(13,120,552)	(13,384,681)			45,312,350	36,721,812
Motor	72,433,992	68,941,217	(16,281,707)	(15,703,437)			56,152,284	53,237,780
Marine	5,726,928	7,893,016	(1,478,877)	(2,192,259)			4,248,051	5,700,757
Engineering	28,803,424	44,934,259	(6,220,304)	(7,683,204)			22,583,120	37,251,055
Micro	14,462	61,002	(41)	(14,373)			14,421	46,629
Aviation	5,035,966	2,442,163	(1,215,420)	(924,408)			3,820,546	1,517,755
Cattle and Crop	17,801,398	31,080,025	(3,903,273)	(9,340,635)			13,898,125	21,739,391
Miscellaneous	40,237,328	30,472,643	(8,345,960)	(6,643,922)			31,891,368	23,828,721
Total	228,486,400	235,930,819	(50,566,134)	(55,886,918)	-	-	177,920,266	180,043,901

Prabhu Insurance Limited
Notes to the Financial Statements

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	11,684,601	10,774,215			11,684,601	10,774,215
Marine					-	-
Engineering					-	-
Micro					-	-
Aviation					-	-
Cattle and Crop					-	-
Miscellaneous					-	-
Total	11,684,601	10,774,215	-	-	11,684,601	10,774,215

29 Income from Investments & Loans

Fig. in NPR

Particulars	Current Year	Previous Year
Interest Income from Financial Assets Designated at Amortised Costs		
i) Fixed Deposit with "A" Class Financial Institutions	48,587,058	50,397,115
ii) Fixed Deposit with Infrastructure Bank	-	-
iii) Fixed Deposit with "B" Class Financial Institutions	9,415,723	12,796,130
iv) Fixed Deposit with "C" Class Financial Institutions	1,656,159	1,261,924
v) Debentures	4,723,720	5,455,000
vi) Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	546,500	546,500
vii) Bank Deposits other than Fixed Deposit		18,964,474
xiii) Employee Loans		
ix) Other Interest Income (CIT Fund)	800,808	1,251,357
x) Other Interest Income (Gratuity Fund)	4,163,342	5,963,620
Financial Assets Measured at FVTOCI		
i) Interest Income on Debentures		
ii) Dividend Income	1,308,618	3,123,806
iii) Other Interest Income (to be specified)- Call Deposit	1,032.26	-
Financial Assets Measured at FVTPL		
i) Interest Income on Debentures		
ii) Dividend Income		
iii) Other Interest Income (to be specified)		
Rental Income	13,515,128	8,958,645
Others(to be Specified)		
Total	84,718,087	108,718,571

Prabhu Insurance Limited
Notes to the Financial Statements

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	1,600,863	538,471
ii) Mutual Fund		-
iii) Others (to be specified)		
Changes in Fair Value on Investment Properties		
Changes in Fair Value on Hedged Items in Fair Value Hedges		
Changes in Fair Value on Hedging Instruments in Fair Value Hedges		
Gains/(Losses) of Ineffective Portion on Cash Flow Hedges		
Transaction cost		-
Total	1,600,863	538,471

31 Net Realised Gains/ (Losses)

Fig. in NPR

Particulars	Current Year	Previous Year
Realised Gain/(Losses) on Derecognition of Financial Assets Measured at FVTPL		
i) Equity Instruments	2,218,144	699,194
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)		
Total	2,218,144	699,194

32 Other Income

Fig. in NPR

Particulars	Current Year	Previous Year
Unwinding of discount on Financial Assets at Amortised Cost		
i) Employee Loan		
ii) Bonds		
iii) Others (to be Specified)		
Foreign Exchange Income	4,309,156	2,518,033
Interest Income from Finance Lease		
Amortization of Deferred Income		
Profit from disposal of Property and Equipment	(95,073)	354,064
Amortization of Deferred Income		
Stamp Income		
Others (to be specified)		
Direct Business Income	672,357	846,507
Loss on disposal of lease liability Opening	-	(5,144,330)
Gain on derecognition of lease	81,782	7,153,205
Total	4,968,223	5,727,479

Prabhu Insurance Limited

Notes to the Financial Statements

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	175,185,418	27,712,513	144,304,144	12,066,682	30,881,274	15,645,831
Motor	218,369,830	242,007,350	89,081,292	126,041,094	129,288,538	115,966,256
Marine	10,478,234	2,510,566	7,987,229	1,491,473	2,491,005	1,019,093
Engineering	56,417,115	15,378,787	36,613,578	11,710,090	19,803,537	3,668,697
Micro	56,658	12,091	9,065	2,418	47,593	9,673
Aviation	-	-	-	-	-	-
Cattle and Crop	887,262	1,308,835	716,284	1,047,068	170,978	261,767
Miscellaneous	95,740,422	132,445,198	60,350,703	79,355,332	35,389,719	53,089,866
Total	557,134,939	421,375,339	339,062,295	231,714,157	218,072,644	189,661,182

33.1 Details of Gross Claim Paid

Fig. in NPR

Particulars	Claim Paid		Survey Fees		Total Claims Paid	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	168,458,076	24,622,690	6,727,342	3,089,823	175,185,418	27,712,513
Motor	208,432,027	231,476,973	9,937,803	10,530,377	218,369,830	242,007,350
Marine	9,029,312	1,501,992	1,448,922	1,008,574	10,478,234	2,510,566
Engineering	52,114,626	12,471,635	4,302,489	2,907,152	56,417,115	15,378,787
Micro	43,334	-	13,324	12,091	56,658	12,091
Aviation	-	-	-	-	-	-
Cattle and Crop	743,400	1,112,860	143,862	195,975	887,262	1,308,835
Miscellaneous	95,491,232	132,153,995	249,190	291,203	95,740,422	132,445,198
Total	534,312,007	403,340,144	22,822,932	18,035,195	557,134,939	421,375,339

34 Change in Insurance Contract Liabilities

Fig. in NPR

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	61,797,472	89,207,616	45,509,916	84,519,174	16,287,557	4,688,442
Motor	59,341,692	67,897,040	38,093,458	51,453,822	21,248,234	16,443,218
Marine	(11,337,578)	11,148,694	(9,260,683)	8,413,704	(2,076,895)	2,734,990
Engineering	130,777,495	77,794,730	118,386,029	72,349,397	12,391,466	5,445,333
Micro	156,645,971	971,602	157,450,180	553,826	(804,209)	417,776
Aviation	363,778,560	92,662,879	362,360,277	93,262,013	1,418,283	(599,134)
Cattle and Crop	2,606,770	3,087,780	1,098,088	2,817,878	1,508,682	269,902
Miscellaneous	1,922,528	10,286,472	8,108,949	11,486,956	(6,186,421)	(1,200,484)
Total	765,532,909	353,056,813	721,746,213	324,856,770	43,786,697	28,200,043

Prabhu Insurance Limited

Notes to the Financial Statements

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	3,489,043	3,905,280	23,263,354	51,203,314	(1,848,212)	(1,063,846)	24,904,184	54,044,748
Motor	5,171,113	7,101,559	27,450,256	-	(23,433,687)	(24,541,513)	9,187,681	(17,439,953)
Marine	732,331	896,965	-	-	(280,016)	(280,641)	452,316	616,325
Engineering	1,342,288	8,555,561	74,419	-	(441,939)	(722,532)	974,769	7,833,029
Micro	50,859	210,044	-	-	54	(50,946)	50,913	159,098
Aviation	10,527,858	5,085,438	-	-	(5,364,420)	(1,874,564)	5,163,438	3,210,873
Cattle and Crop	8,384,906	15,581,931	-	-	(2,465,938)	(4,407,125)	5,918,968	11,174,806
Miscellaneous	9,753,857	5,566,512	-	-	(4,728,455)	(2,126,432)	5,025,402	3,440,080
Total	39,452,255	46,903,290	50,788,029	51,203,314	(38,562,613)	(35,067,599)	51,677,671	63,039,005

36 Service Fees

Fig. in NPR

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	1,962,578	1,808,983	1,213,671	1,326,022	748,907	482,961
Motor	5,324,606	5,011,424	2,091,092	2,723,747	3,233,514	2,287,677
Marine	150,728	185,309	83,179	116,268	67,549	69,041
Engineering	1,579,837	1,590,224	876,905	999,978	702,932	590,246
Micro	46	12,870	4	907	42	11,963
Aviation	3,150,733	2,867,189	3,128,363	2,844,106	22,370	23,084
Cattle and Crop	325,826	675,805	188,308	469,114	137,518	206,691
Miscellaneous	1,525,496	1,182,802	1,256,596	439,397	268,900	743,405
Total	14,019,851	13,334,607	8,838,118	8,919,539	5,181,733	4,415,067

37 Other Direct Expenses

Fig. in NPR

Particulars	Other Direct Expenses		Other (to be Specified)		Total Other Direct Expenses	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Property	-	-	-	-	-	-
Motor	-	-	-	-	-	-
Marine	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
Micro	-	-	-	-	-	-
Aviation	-	-	-	-	-	-
Cattle and Crop	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total	-	-	-	-	-	-

Prabhu Insurance Limited
Notes to the Financial Statements

38 Employee Benefits Expenses

Fig. in NPR

Particulars	Current Year	Previous Year
Salaries	104,265,378	95,600,782
Allowances	27,925,485	27,028,980
Festival Allowances	8,385,335	7,632,122
Other Allowance	-	-
Defined Benefit Plans		
i) Gratuity	20,043,179	22,032,475
ii) Others (to be Specified)		
Defined Contribution Plans		
i) Provident Fund/ Social Security Fund	8,289,326	7,925,714
ii) Others (to be specified)		
Leave Encashments	13,598,692	11,700,071
Termination Benefits	-	-
Training Expenses	3,015,063	2,042,474
Uniform Expenses	2,145,934	2,180,985
Staff Medical Expenses	6,937,694	6,040,505
Staff Insurance Expenses	555,218	545,249
Staff Welfare	862,472	1,108,346
Others(to be Specified)		
Overtime Expenses	679,374	629,543
Wages Expense	575,397	212,620
Sub Total	197,278,547	184,679,865
Employees Bonus	29,989,129	26,402,476
Total	227,267,676	211,082,341

39 Depreciation and Amortization Expenses

Fig. in NPR

Particulars	Current Year	Previous Year
Amortization of goodwill & Intangible Assets (Refer Note. 4)	139,923	80,900
Depreciation on Property and Equipment(Refer Note.5)	32,910,056	30,150,949
Depreciation on Investment Properties (Refer Note. 6)	620,672	490,276
Total	33,670,652	30,722,124

40 Impairment Losses

Fig. in NPR

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 Asssets		
Impairment Losses on Financial Assets		
i) Investments		
ii) Loans		
iii) Other Financial Assets		
iv) Cash and Cash Equivalents		
v) Others (to be Specified)		
Impairment Losses on Other Assets		
i) Reinsurance Assets		
ii) Insurance Receivables	14,800,000	45,548,300
iii) Lease Receivables		
iv) Others (to be Specified)		
Total	14,800,000	45,548,300

Prabhu Insurance Limited

Notes to the Financial Statements

41 Other Operating Expenses

Fig. in NPR

Particulars	Current Year	Previous Year
Rent Expenses	-	-
Electricity and Water	2,855,898	2,623,538
Repair & Maintenance	-	-
i) Building	707,087	832,449
ii) Vehicle	615,433	660,922
iii) Office Equipments	466,680	2,448,830
iv) Others(to be Specified)	-	-
Repair & Maintenance - Computer & IT	1,614,378	-
Repair & Maintenance - Furniture	172,597	-
Repair & Maintenance - Soft Ware	685,250	-
Telephone & Communication	5,935,818	5,939,761
Printing & Stationary	6,196,551	7,651,299
Office Consumable Expenses	901,333	311,651
Conveyance Expenses	1,559,372	1,550,229
Travelling Expenses	-	-
i) Domestic	1,684,663	1,308,268
ii) Foreign	1,532,213	417,596
Agent Training	105,050	150,000
Other Agent Expenses	-	-
Insurance Premium	2,830,412	1,295,656
Security & Outsourcing Expenses	722,250	751,425
Legal and Consulting Expenses	1,711,333	1,310,353
Newspapers, Books and Periodicals	451,100	478,005
Advertisement & Promotion Expenses	6,171,223	4,677,351
Business Promotion	3,306,711	2,496,987
Corporate Social Responsibility	-	-
Guest Entertainment	910,467	2,754,170
Gift and Donations	-	-
Board Meeting Fees and Expenses	-	-
i) Meeting Allowances	788,150	1,132,500
ii) Other Allowances	121,658	272,766
Other Committee/ Sub-committee Expenses	-	-
i) Meeting Allowances	435,500	438,676
ii) Other Allowances	45,650	141,896
General Meeting Expenses	-	657,326
Actuarial Service Fee	2,000,000	750,000
Other Actuarial Expenses	-	-
Audit Related Expenses	-	-
i) Statutory Audit	163,750	143,750
ii) Tax Audit	143,750	143,750
iii) Long Form Audit Report	42,500	42,500
iv) Other Fees	-	-
v) Internal Audit	400,000	400,000
vi) Audit Expenses	218,465	222,359
Bank Charges	359,506	335,795
Fee and Charges	5,677,728	7,111,332
Foreign Exchange Losses	-	592,232
Fines and Penalties	50,000	-
Others (to be Specified)	-	-
Stamp Expenses	300,813	285,456
Annual Maintenance Charge-Software	-	500,000
Cleaning Expenses	1,324,455	1,441,031
Anniversary Expenses	402,295	182,985
Fuel Expenses	7,554,779	8,693,016
Miscellaneous Expenses	3,260,787	2,204,884
Refreshment Expenses	2,236,794	2,349,854
Total	66,662,397	65,700,596

Prabhu Insurance Limited

Notes to the Financial Statements

42 Finance Cost

Fig. in NPR

Particulars	Current Year	Previous Year
Unwinding of discount on Provisions		
Unwinding of discount on Financial Liabilities at Amortised Costs		
Interest Expenses - Bonds		
Interest Expenses - Debentures		
Interest Expenses - Term Loans		
Interest Expenses - Leases	4,772,528	3,753,136
Interest Expenses - Overdraft Loans		
Others (to be Specified)		
Total	4,772,528	3,753,136

43 Income Tax Expense

(a) Income Tax Expense

Fig. in NPR

Particulars	Current Year	Previous Year
Current Tax		
i) Income Tax Expenses for the Year	86,322,701	73,243,779
ii) Income Tax Relating to Prior Periods		
Deferred Tax For The Year		
i) Originating and reversal of temporary differences	(22,280,558)	12,155,374
ii) Changes in tax rate		
iii) Recognition of previously unrecognised tax losses		
iv) Write-down or reversal		
v) Others (to be Specified)		
Income Tax Expense	64,042,144	85,399,153

(b) Reconciliation of Taxable Profit & the Accounting Profit

Fig. in NPR

Particulars	Current Year	Previous Year
Accounting Profit Before Tax	269,902,159	237,622,288
Applicable Tax Rate	30%	30%
Tax at the applicable rate on Accounting Profit	80,970,648	71,286,686
Add: Tax effect of expenses that are not deductible for tax purpose	22,977,882	21,677,672
Less: Tax effect on exempt income and additional deduction	(17,667,900)	(19,720,579)
Less: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others (to be Specified)		
Income Tax Expense	86,280,630	73,243,779
Effective Tax Rate	31.97%	30.82%

OR

Fig. in NPR

Particulars	Current Year	Previous Year
Accounting Profit Before Tax		
Income Tax Expense	64,042,143	85,399,153
Average Effective Tax Rate		
Less: Tax effect of expenses that are not deductible for tax purpose		
Add: Tax effect on exempt income and additional deduction		
Add: Adjustments to Current Tax for Prior Periods		
Add/ (Less): Others (to be Specified)		
Applicable Tax Rate	-	-

Prabhu Insurance Limited

Notes to the Financial Statements

44 Employee Retirement Benefits

a) Post Employment Benefit - Defined Contribution Plans

For the year ended Ashadh 32, 2082 (July 16, 2025) the company has recognised an amount of NPR. 82,89,326, as an expenses under the defined contribution plans in the Statement of Profit or Loss.

b) Post Employment Benefit - Defined Benefit Plans

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out.

c) Total Expenses Recognised in the Statement of Profit or Loss

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost	15,655,225	12,930,547		
Past service cost				
Net interest cost (a-b)	14,023,198	13,973,117		
a. Interest expense on defined benefit obligation (DBO)	14,023,198	13,973,117		
b. Interest (income) on plan assets		-		
Defined benefit cost included in Statement of Profit or Loss	29,678,423	26,903,664	-	-

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

Fig. in NPR

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	2,343,093	(1,032,561)		
c. Return on plan assets (greater)/ less than discount rate	-	-		
Total actuarial (gain)/ loss included in OCI	2,343,093	(1,032,561)	-	-

e) Total cost recognised in Comprehensive Income

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cost recognised in Statement of Profit or Loss	29,678,423	26,903,664		
Remeasurements effects recognised in OCI	2,343,093	(1,032,561)		
Total cost recognised in Comprehensive Income	32,021,516	25,871,103	-	-

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	168,055,605	168,051,399		
Service cost	15,655,225	12,930,547		
Interest cost	14,023,198	13,973,117		
Benefit payments from plan assets	(9,432,161)	(20,693,356)		
Actuarial (gain)/ loss - financial assumptions	72,358	(6,206,102)		
Actuarial (gain)/ Loss - experience				
Defined Benefit Obligation as at Year End	188,374,225	168,055,605	-	-

g) Change in Fair Value of Plan Assets

Fig. in NPR

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	75,695,022	60,865,173		
Interest Income				
Expected return on plan assets	1,133,000	1,807,156		
Employer contributions	30,000,000	35,523,206		
Participant contributions	5,301,077	3,366,384		
Benefit payments from plan assets	(9,432,161)	(20,693,356)		
Transfer in/ transfer out				
Actuarial gain/ (loss) on plan assets	(2,270,735)	(5,173,541)		
Fair value of Plan Assets as at Year End	100,426,203	75,695,022	-	-

Prabhu Insurance Limited
Notes to the Financial Statements

h) Net Defined Benefit Asset/(Liability)

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation	188,374,225	168,055,605	-	-
Fair Value of Plan Assets	(100,426,203)	(75,695,023)	-	-
Liability/ (Asset) Recognised in Statement of Financial Position	87,948,022	92,360,582	-	-

i) Expected Company Contributions for the Next Year

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Expected company contributions for the next year	40,187,003	31,824,921		

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	87,948,022	92,360,583		
Defined benefit cost included in Statement of Profit or Loss	(6,755,654)	(13,793,082)		
Total remeasurements included in OCI	(496,181)	(3,234,547)		
Acquisition/ divestment				
Employer contributions				
Net defined benefit liability/(asset)	80,696,187	75,332,954	-	-

k) Reconciliation of Statement of Other Comprehensive Income

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Cumulative OCI - (Income)/Loss, beginning of period	59,406,354	50,282,182		
Total remeasurements included in OCI	496,181	9,124,172		
Cumulative OCI - (Income)/Loss	59,902,535	59,406,354	-	-

l) Current/Non - Current Liability

Fig. in NPR

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
Current Liability	188,374,225	168,055,605		
Non-Current Liability- Net of Plan Assets	100,426,203	75,695,022		
Total	288,800,428	243,750,627	-	-

m) Expected Future Benefit Payments

Fig. in NPR

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				
Total	-	-	-	-

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Notes to the Financial Statements

n) Plan Assets

Particulars	Employee Benefit Plan		Any Other Funded Liability	
	Current Year	Previous Year	Current Year	Previous Year
	(% Invested)	(% Invested)	(% Invested)	(% Invested)
Government Securities (Central and State)				
Corporate Bonds (including Public Sector bonds)				
Mutual Funds				
Deposits	114.19%	81.96%		
Cash and bank balances				
Others (to be Specified)				
Total	114.19%	81.96%	-	-

o) Sensitivity Analysis

Fig. in NPR

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	5.34% (RFR)	
Escalation Rate (Rate of Increase in Compensation Levels)	6%	
Attrition Rate (Employee Turnover)	8.5%	
Mortality Rate During Employment	NALM 2009	

q) Risk Exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

Prabhu Insurance Limited

Notes to the Financial Statements

45 Fair Value Measurements

(i) Financial Instruments by Category & Hierarchy

This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are (a) recognised and measured at fair value and (b) measured at Amortised Cost and for which Fair Values are disclosed in the Financial Statements.

To provide an indication about the reliability of the inputs used in determining Fair Value, the Company has classified its financial instruments into Three Levels prescribed as per applicable NFRS.

Fig. in NPR

Particulars	Level	Current Year			Previous Year		
		FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Investments							
i) Investment in Equity Instruments						-	
Investment in Equity (Quoted)	1	17,264,425	423,793,464		15,616,638	357,193,877	
Investment in Equity (Unquoted)	3		7,360,439			7,360,439	
ii) Investment in Mutual Funds	1		37,713,000			24,620,000	
iii) Investment in Preference Shares of Bank and Financial Institutions							
iv) Investment in Debentures	3			80,000,001			60,000,000
v) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	3			34,670,000			5,000,000
vi) Fixed Deposits	3			809,600,000			773,100,000
vii) Others (to be specified)							
Public Investment Companies	3			31,350,000			-
PMS cash Balance	3			635,301			3,491,087
Investment in Private Equity Fund	3			20,000,000			20,000,000
Loans	3						-
Other Financial Assets	3			317,819,424			172,461,567
Cash and Cash Equivalents	3	1,249,670,891			1,398,625,811		
Total Financial Assets		1,266,935,316	468,866,903	1,294,074,725	1,414,242,449	389,174,316	1,034,052,654
Borrowings							
Other Financial Liabilities	3			40,734,688			15,965,721
Total Financial Liabilities		-	-	40,734,688	-	-	15,965,721

Level 1: Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

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

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

(ii) Valuation Technique Used to Determine Fair Value

- Use of quoted market prices or dealer quotes for similar instruments
- Fair Value of remaining financial instruments is determined using discounted cash flow analysis

(iii) Valuation Process

The finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. Discussion on valuation processes and results are held at least once in a year. The main level 3 inputs are derived and evaluated as follows:

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

Prabhu Insurance Limited

Notes to the Financial Statements

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

Fig. in NPR

Particulars	Current Year		Previous Year	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investments				
i) Investment in Preference Shares of Bank and Financial Institutions				
ii) Investment in Debentures	80,000,001	80,000,001	60,000,000	60,000,000
iii) Investment in Bonds (Nepal Government/ NRB/ Guaranteed by Nepal Government)	34,670,000	34,670,000	5,000,000	5,000,000
iv) Fixed Deposit	809,600,000	809,600,000	773,100,000	773,100,000
v) Others (to be Specified)- Public Investment companies	31,350,000	31,350,000		-
Citizen Investment Planning Fund	12,000,000	12,000,000	12,000,000	12,000,000
Loans				-
i) Loan to Employees	-	-	-	-
ii) Others (to be Specified)				
Other Financial Assets	317,819,424	317,819,424	172,461,567	172,461,567
Total Financial Assets at Amortised Cost	1,285,439,424	1,285,439,424	1,022,561,567	1,022,561,567
Borrowings				
i) Bonds	-	-	-	-
ii) Debentures	-	-	-	-
iii) Term Loans - Bank and Financial Institution	-	-	-	-
iv) Bank Overdrafts	-	-	-	-
v) Others (to be Specified)	-	-	-	-
Other Financial Liabilities	40,734,688		-	15,965,721
Total Financial Liabilities at Amortised Cost	40,734,688	-	-	15,965,721

The fair values of the above financial instruments measured at amortised cost are calculated based on cash flows discounted using current discount rate. The carrying amounts of cash and cash equivalents are considered to be the same as their fair values due to their short-term nature.

46 Insurance Risk

Insurance risk includes the risk of incurring higher claims costs than expected owing to the random nature of claims, frequency and severity and the risk of change in the legal or economic conditions of insurance or reinsurance cover. This may result in the insurer having either received too little premium for the risks it has agreed to underwrite and hence has not enough funds to invest and pay claims, or that claims are in excess of those expected.

The Company seeks to minimise insurance risk through a formalised reinsurance arrangement with an appropriate mix and spread of business between classes of business based on its overall strategy. This is complemented by observing formalised risk management policies.

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

- | | |
|------------------------|--------------------|
| a) Product development | b) Pricing |
| c) Underwriting | d) Claims Handling |
| e) Reinsurance | f) Reserving |

a) Product development:

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

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

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

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

b) Pricing:

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

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

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

c) Underwriting:

The Company's underwriting process is governed by the by the internal underwriting procedures. Some of the actions undertaken to mitigate underwriting risks are detailed below:

- i) Investments are made on the training and development of underwriting and claims management staff, including those attached to the distribution network.
- ii) Application of Four-Eye principle on underwriting process.
- iii) Pre-underwriting inspections are made on new business over a predetermined threshold to evaluate risk prior to acceptance.
- iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed.
- v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers.

d) Claims handling:

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

- i) Mortality Risk – risk of loss arising due to policyholder death experience being different than expected
- ii) Longevity Risk – risk of loss arising due to the annuitant living longer than expected
- iii) Investment Return Risk – risk of loss arising from actual returns being different than expected
- iv) Expense Risk – risk of loss arising from expense experience being different than expected
- v) Policyholder Decision Risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

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

- i) Claims are assessed immediately,
- ii) Assessments are carried out by in-house as well as independent assessors/loss adjustors working throughout,
- iii) The service of a qualified independent actuary is obtained annually to assess the adequacy of reserves,
- iv) Post-underwriting reviews are conducted to ensure that set guidelines have been observed,
- v) Adequate reinsurance arrangements are in place and reviews are undertaken to ensure the adequacy of these covers.

e) Reinsurance

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

Prabhu Insurance Limited

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Sensitivities

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

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

Fig. in NPR

Particulars	Changes in Assumptions	Current Year				Previous Year			
		Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax	Increase/ (Decrease) on Gross Liabilities	Increase/ (Decrease) on Net Liabilities	Increase/ (Decrease) - Profit Before Tax	Increase/ (Decrease) - Profit After Tax
Average Claim Cost	"+" 10%	132,266,785	26,185,934	26,185,934	7,855,780	77,443,215	21,786,122	21,786,122	6,535,837
Average Number of Claims	"+" 10%	132,266,785	26,185,934	26,185,934	7,855,780	77,443,215	21,786,122	21,786,122	6,535,837
Average Claim Cost	"-" 10%	(132,266,785)	(26,185,934)	(26,185,934)	(7,855,780)	(77,443,215)	(21,786,122)	(21,786,122)	(6,535,837)
Average Number of Claims	"-" 10%	(132,266,785)	(26,185,934)	(26,185,934)	(7,855,780)	(77,443,215)	(21,786,122)	(21,786,122)	(6,535,837)

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

Fig. in NPR

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year						2,049,883,213	2,049,883,213
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Current estimate of cumulative claims	-	-	-	-	-	2,049,883,213	2,049,883,213
At end of incident year						557,134,939	557,134,939
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Cumulative payments to date	-	-	-	-	-	557,134,939	557,134,939
Gross outstanding claim provision	-	-	-	-	-	1,492,748,274	1,492,748,274

Net outstanding claim provision

Fig. in NPR

Year of incident	> PY 4	PY 4	PY 3	PY 2	PY 1	Current Year	Total
At end of incident year						310,309,285	310,309,285
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Current estimate of cumulative claims	-	-	-	-	-	310,309,285	310,309,285
At end of incident year						218,072,644	218,072,644
One year later							-
Two year later							-
Three year later							-
Four year later							-
More than Four years							-
Cumulative payments to date	-	-	-	-	-	218,072,644	218,072,644
Net outstanding claim provision	-	-	-	-	-	92,236,642	92,236,642

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Notes to the Financial Statements

f) Reserving

Insurance Contract Liabilities are created to cover this risk based on the actuarial valuation report.

The table below sets out the concentration of risk associated with above mentioned products. Risk as at year end has been measured as insurance contract liabilities and disclosed as below:

Particulars	Current Year			Previous Year		
	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities	Gross Insurance Liabilities	Reinsurance Assets	Net Liabilities
Property	825,585,888	(638,915,276)	1,464,501,164	636,450,160	(475,563,752)	1,112,013,912
Motor	1,029,098,496	(796,412,292)	1,825,510,788	793,339,508	(592,793,492)	1,386,133,000
Marine	49,380,147	(38,214,958)	87,595,105	38,067,514	(28,444,537)	66,512,051
Engineering	265,873,577	(205,757,744)	471,631,321	204,963,873	(153,151,644)	358,115,516
Micro	267,009	(206,636)	473,645	205,839	(153,806)	359,645
Aviation	-	-	-	-	-	-
Cattle and Crop	4,181,347	(3,235,916)	7,417,262	3,223,431	(2,408,589)	5,632,019
Miscellaneous	451,190,186	(349,173,001)	800,363,187	347,825,793	(259,899,910)	607,725,703
Total	2,625,576,650	(2,031,915,823)	4,657,492,473	2,024,076,117	(1,512,415,729)	3,536,491,846

47 Financial Risk Management

The Company's activities expose it to Credit Risk, Liquidity Risk & Market Risk.

i) Credit Risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company. Thus, for an insurance contract, credit risk includes the risk that an insurer incurs a financial loss because a reinsurer defaults on its obligations under the reinsurance contract.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

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

Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh 32, 2082

Fig. in NPR

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

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Expected Credit Losses for Financial Assets at Amortised Costs as at Ashadh 32, 2082

Fig. in NPR

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

Reconciliation of Loss Allowance Provision

Fig. in NPR

Particulars	Measured at 12 months expected credit losses	Measured at life-time expected credit losses	
		Credit Risk has significantly increased and not credit impaired	Credit Risk has significantly increased and credit impaired
Loss Allowance on Ashadh 31, 2081			
Changes in loss allowances			
Write-offs			
Recoveries			
Loss Allowance on Ashadh 32, 2082	-	-	-

ii) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

Maturity of Financial Liabilities:

The table below summarises the Company's Financial Liabilities into Relevant Maturity Groupings based on their Contractual Maturities for all Financial Liabilities.

Particulars	Current Year			Previous Year		
	Upto 1 Year	1 Year to 5 Year	More than 5 Year	Upto 1 Year	1 Year to 5 Year	More than 5 Year
Borrowings						
Other Financial Liabilities	40,734,688			15,965,721		
Total Financial Liabilities	40,734,688	-	-	15,965,721	-	-

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.

Alternative note for Foreign Currency Risk Exposure (where there is Foreign Currency Risk)

Operation of the Company has exposed it to foreign exchange risk arising from foreign currency transactions, with respect to the USD and Currency A. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the NPR cash flows of highly probable forecast transactions.

Prabhu Insurance Limited

Notes to the Financial Statements

The Company's exposure to foreign currency risk at the end of the reporting period expressed

Particulars	-		Previous Year	
	USD	Indian Rs.	USD	Indian Rs.
Investments				
Loans				
Insurance Receivables	7,792,068	641,725,487	7,403,840	813,847,949
Other Financial Assets				
Less: Derivative Assets				
i) Foreign exchange forward contracts - Sell Foreign Currency				
ii) Foreign exchange option contracts - Sell Foreign Currency				
Net Exposure to Foreign Currency Risk/ (Assets)	7,792,068	641,725,487	7,403,840	813,847,949
Insurance Payables	2,972,739	248,353,796	3,214,185	256,150,454
Other Financial Liabilities				
Less: Derivative Liabilities				
i) Foreign exchange forward contracts - Buy Foreign Currency				
ii) Foreign exchange option contracts - Buy Foreign Currency				
Net Exposure to Foreign Currency Risk/ (Liabilities)	2,972,739	248,353,796	3,214,185	256,150,454

a2) Foreign Currency Risk - Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on the other components of equity arising from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

Particulars	Impact on profit after tax		Impact on other component of equity	
	Current Year	Previous Year	Current Year	Previous Year
USD Sensitivity				
NPR/ USD - Increases by 10% *	(7,792,068)	(7,403,840)	(7,792,068)	(7,403,840)
NPR/ USD - Decreases by 10% *	7,792,068	7,403,840	7,792,068	7,403,840
INR Sensitivity				
NPR/ Currency A - Increases by 10% *	24,835,380	321,418		
NPR/ Currency A - Decreases by 10% *	(24,835,380)	(321,418)		

* Holding all other variable constant

b1) Interest Rate Risk

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

The major interest rate risk that the Company is exposed to is the discount rate for determining insurance liabilities.

b2) Interest Rate Sensitivity

Profit or Loss is sensitive to changes in Interest Rate for Borrowings.

A change in Market Interest Level by 1% which is reasonably possible based on Management's Assessment would have the following effect on the Profit After Tax.

Fig. in NPR

Particulars	Current Year	Previous Year
Interest Rate - Increase By 1%*	2,058,600	1,522,231
Interest Rate - Decrease By 1%*	(2,058,600)	(1,522,231)

* 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.

Prabhu Insurance Limited

Notes to the Financial Statements

c2) Sensitivity

The table below summarises the impact of increase/decrease of the index in the Company's equity and impact on OCI for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 1% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

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

* Other components of equity would increase/decrease as a result of gains/ (losses) on equity securities classified as fair value through other comprehensive income.

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

Climate change is a source of financial risk, having an impact on the Revenues, Expenditure, Assets. It refers to the potential financial and operational impacts that arise from climate change and related environmental factors. For businesses, understanding and managing climate risk is crucial due to its potential to affect financial stability, operational efficiency, and regulatory compliance. Thus, while measuring the business implications of climate change, the manner in which climate-related risks and opportunities are likely to affect current and future financial performance. The organisation will integrate climate change considerations into its overall business strategy via accessing, addressing and minimizing the risks associated with the climate change. The Board Oversees climate change related risk policy through the Risk Management committee. The risk related due to climate change is monitor by the underwriting department.

50 Capital Management

The Company's objectives when managing Capital are to:

- Safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Regulatory minimum paid up capital

Non-Life insurance companies were required by the Directive of Nepal Insurance Authority to attain a stipulated minimum paid up capital of NPR. 2,50,00,00,000 by 31 Ashadh 2080. As on the reporting date, the company's paid up capital is NPR 1,70,09,55,919.

Dividend

Fig. in NPR

Particulars	Current Year	Previous Year
(i) Dividends recognised		
Final dividend for the year ended Ashadh 31, 2081 of NPR. 259467852/- (Ashadh 31, 2081 - NPR 18.00 per fully paid share)	259,467,852	65,365,807
	259,467,852	65,365,807
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the year ended the directors have recommended the payment of a final dividend of NPR 100.- per fully paid equity share (Ashadh 32, 2082 - NPR.14,79,83,165). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	147,983,165	259,467,852
	147,983,165	259,467,852

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Notes to the Financial Statements

51 Earnings Per Share

Fig. in NPR

Particulars	Current Year	Previous Year
Profit For the Year used for Calculating Basic Earning per Share	205,860,016	152,223,135
Add: Interest saving on Convertible Bonds		
Profit For the Year used for Calculating Diluted Earning per Share	205,860,016	152,223,135
Weighted Average Number of Equity Shares Outstanding During the Year For Basic Earning per Share	17,009,559	14,414,881
Adjustments for calculation of Diluted Earning per Share:		
i) Dilutive Shares		
ii) Options		
iii) Convertible Bonds		
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted Earning Per Share	17,009,559	14,414,881
Nominal Value of Equity Shares	17,009,559	14,414,881
Basic Earning Per Share	12.10	10.56
Diluted Earning Per Share	12.10	10.56
Proposed Bonus Share	147,983,165	259,467,852
Restated Basic Earning Per Share	-	-
Restated Diluted Earning Per Share	-	-

52 Segmental Information

Segment information is presented in respect of the Company's business segments. Management of the Company has identified portfolio as business segment and the Company's internal reporting structure is also based on portfolio. Performance is measured based on segment profit as management believes that it is most relevant in evaluating the results of segment relative to other entities that operate within these industries.

Segment asset is disclosed below based on total of all asset for each business segment.

The Company operates predominantly in Nepal and accordingly, the Management of the Company is of the view that the financial information by geographical segments of the Company's operation is not necessary to be presented.

Business Segments of the Company's are:

- | | |
|----------------------|---------------------|
| i) Property | ii) Motor |
| iii) Marine | iv) Engineering |
| v) Micro | vi) Aviation |
| vii) Cattle and Crop | viii) Miscellaneous |

Prabhu Insurance Limited

Notes to the Financial Statements

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

Fig. in NPR

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	257,897,308	696,420,039	23,056,415	219,980,970	859,902	562,867,057	77,182,414	195,081,716	-	2,033,345,820
Premiums Ceded	(175,169,181)	(328,309,704)	(13,657,332)	(129,857,176)	(60,470)	(558,688,918)	(49,842,807)	(125,076,259)	-	(1,380,661,848)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	82,728,127	368,110,334	9,399,083	90,123,794	799,431	4,178,139	27,339,607	70,005,457	-	652,683,972
Commission Income	45,312,350	56,152,284	4,248,051	22,583,120	14,421	3,820,546	13,898,125	31,891,368	-	177,920,266
Other Direct Income	-	11,684,601	-	-	-	-	-	-	-	11,684,601
Income from Investments and Loans	-	-	-	-	-	-	-	-	-	-
Net Gain/ (Loss) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/ (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	128,040,477	435,947,220	13,647,134	112,706,914	813,852	7,998,685	41,237,732	101,896,825	-	842,288,839
Expenses:										
Gross Claims Paid	175,185,418	218,369,830	10,478,234	56,417,115	56,658	-	887,262	95,740,422	-	557,134,939
Claims Ceded	(144,304,144)	(89,081,292)	(7,987,229)	(36,613,578)	(9,065)	-	(716,284)	(60,350,703)	-	(339,062,295)
Gross Change in Contract Liabilities	61,797,472	59,341,692	(11,337,578)	130,777,495	156,645,971	363,778,560	2,606,770	1,922,528	-	765,532,909
Change in Contract Liabilities Ceded to Reinsurers	(45,509,916)	(38,093,458)	9,260,683	(118,386,029)	(157,450,180)	(362,360,277)	(1,098,088)	(8,108,949)	-	(721,746,213)
Net Claims incurred	47,168,831	150,536,772	414,109	32,195,003	(756,616)	1,418,283	1,679,660	29,203,298	-	261,859,340
Commission Expenses	24,904,184	9,187,681	452,316	974,769	50,913	5,163,438	5,918,968	5,025,402	-	51,677,671
Service Fees	748,907	3,233,514	67,549	702,932	42	22,370	137,518	268,900	-	5,181,733
Employee Benefits Expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenses	72,821,922	162,957,967	933,974	33,872,704	(705,661)	6,604,091	7,736,146	34,497,600	-	318,718,744
Total Segmental Results	55,218,555	272,989,252	12,713,160	78,834,210	1,519,513	1,394,594	33,501,586	67,399,224	-	523,570,095
Segment Assets	234,607,994	369,634,778	7,366,620	270,049,143	158,004,517	881,130,729	11,820,611	99,301,429		2,031,915,823
Segment Liabilities	319,601,674	765,677,282	14,732,727	337,058,733	158,373,227	884,271,731	19,596,706	126,264,571		2,625,576,650

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b) Segmental Information for the year ended Ashadh 31, 2081 (July 15, 2024)

Fig. in NPR

Particulars	Property	Motor	Marine	Engineering	Micro	Aviation	Cattle and Crop	Miscellaneous	Inter Segment Elimination	Total
Income:										
Gross Earned Premiums	214,939,618	650,443,442	24,584,394	291,585,971	2,037,525	215,312,615	95,885,333	211,823,008	-	1,706,611,906
Premiums Ceded	(147,460,222)	(348,321,141)	(41,873,181)	(234,834,650)	(238,916)	(210,113,342)	(56,346,496)	(94,181,708)	-	(1,133,369,654)
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Net Earned Premiums	67,479,396	302,122,302	(17,288,787)	56,751,322	1,798,609	5,199,273	39,538,837	117,641,300	-	573,242,252
Commission Income	36,721,812	53,237,780	5,700,757	37,251,055	46,629	1,517,755	21,739,389	23,828,721	-	180,043,900
Other Direct Income	-	10,774,215	-	-	-	-	-	-	-	10,774,215
Income from Investments and Loans	-	-	-	-	-	-	-	-	-	-
Net Gain/(Loss) on Fair Value Changes	-	-	-	-	-	-	-	-	-	-
Net Realised Gains/(Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Segmental Income	104,201,209	366,134,296	(11,588,029)	94,002,377	1,845,238	6,717,028	61,278,226	141,470,021	-	764,060,367
Expenses:										
Gross Claims Paid	27,712,513	242,007,350	2,510,566	15,378,787	12,091	-	1,308,835	132,445,198	-	421,375,339
Claims Ceded	(12,066,682)	(126,041,094)	(1,491,473)	(11,710,090)	(2,418)	-	(1,047,068)	(79,355,332)	-	(231,714,157)
Gross Change in Contract Liabilities	89,207,616	67,897,040	11,148,694	77,794,730	971,602	92,662,879	3,087,780	10,286,472	-	353,056,813
Change in Contract Liabilities Ceded to Reinsurers	(84,519,174)	(51,453,822)	(8,413,704)	(72,349,397)	(553,826)	(93,262,013)	(2,817,878)	(11,486,956)	-	(324,856,770)
Net Claims incurred	20,334,273	132,409,474	3,754,083	9,114,030	427,449	(599,134)	531,669	51,889,382	-	217,861,225
Commission Expenses	2,915,306	33,656,985	616,712	7,865,145	159,098	3,210,873	11,174,806	3,440,080	-	63,039,005
Service Fees	482,961	2,287,677	69,041	590,246	11,963	23,084	206,691	743,405	-	4,415,067
Employee Benefits Expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization Expenses	-	-	-	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenses	23,732,540	168,354,136	4,439,836	17,569,421	598,510	2,634,823	11,913,166	56,072,867	-	285,315,298
Total Segmental Results	80,468,669	197,780,160	(16,027,866)	76,432,956	1,246,728	4,082,206	49,365,061	85,397,155	-	478,745,069
Segment Assets	202,444,475	381,038,754	19,194,134	164,599,602	614,288	660,344,295	35,457,568	48,722,613		1,512,415,729
Segment Liabilities	254,024,469	692,808,166	29,029,676	215,617,231	2,580,997	663,262,459	50,728,882	116,024,237		2,024,076,117

Prabhu Insurance Limited

Notes to the Financial Statements

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

Fig. in NPR

Particulars	Current Year	Previous Year
Segment Profit	523,570,095	478,745,069
Less: Employee Benefits Expenses	(227,267,676)	(211,082,341)
Less: Depreciation and Amortization	(33,670,652)	(30,722,124)
Less: Non-cash expenses other than Depreciation and Amortization		
Less: Unallocable Corporate Expenditures	(66,662,397)	(65,700,596)
Less: Other Operating Expenses		
Less: Impairment Losses	(14,800,000)	(45,548,300)
Less: Finance Cost	(4,772,528)	(3,753,136)
Add: Unallocable Other Income	93,505,317	115,683,715
Profit Before Tax	269,902,159	237,622,286

d) Reconciliation of Assets

Fig. in NPR

Particulars	Current Year	Previous Year
Segment Assets	2,031,915,823	1,512,415,729
Goodwill & Intangible Assets	58,936	198,859
Property, Plant and Equipment	117,624,880	111,269,343
Investment Properties	21,439,042	22,059,715
Deferred Tax Assets	-	-
Investment in Subsidiaries		
Investment in Associates		
Investments	1,462,386,630	1,266,382,041
Loans		
Current Tax Assets (Net)	-	16,612,641
Other Assets	1,528,524,234	1,448,418,871
Other Financial Assets	317,819,424	172,461,567
Cash and Cash Equivalents	1,249,670,891	1,398,625,811
Total Assets	6,729,439,859	5,948,444,575

e) Reconciliation of Liabilities

Fig. in NPR

Particulars	Current Year	Previous Year
Segment Liabilities	2,625,576,650	2,024,076,117
Provisions	117,937,150	118,763,059
Deferred Tax Liabilities	2,636,979	4,813,857
Current Tax Liabilities (Net)	28,293,924	-
Other Financial Liabilities	522,917,798	643,486,193
Other Liabilities	40,734,688	15,965,721
Total Liabilities	3,338,097,189	2,807,104,948

Prabhu Insurance Limited

Notes to the Financial Statements

53 Related Party Disclosure

(a) Identify Related Parties

Holding Company:	N/A
Subsidiaries:	N/A
Associates:	N/A
Fellow Subsidiaries:	N/A
Board of Director and Key Management Personnel:	
Mr. Rajendra Malla	- Chairman
Mr. Mijas Bhattachan	- Director
Mr. Ramkrishna Lamichhane	- Director
Mr. Shanta Gautam	- Director
Mrs. Aakriti Lama	- Director
Mr. Sangay Lama	- Director
Mrs. Sushama Sharma (Wasti)	- Director
Mr. Sanchit Bajracharya	- Chief Executive Officer

(b) Key Management Personnel Compensation:

Fig. in NPR

Particulars	Current Year	Previous Year
Short-term employee benefits	34,779,821	33,977,569
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Total	34,779,821	33,977,569

Payment to Chief Executive Officer (CEO)

Fig. in NPR

Particulars	Current Year	Previous Year
Annual salary and allowances	9,600,000	8,805,000
Performance based allowances		
i) Employee Bonus	1,639,402	1,637,060
ii) Benefits as per prevailing provisions		
iii) Incentives		
Insurance related benefits		
i) Life Insurance		
ii) Accident Insurance		
iii) Health Insurance (including family members)	19,250	12,626
Total	11,258,652	10,454,686

(c) Related Party Transactions:

Fig. in NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Premium Earned						
Current Year						-
Previous Year						-
						-
Commission Income						-
Current Year						-
Previous Year						-
						-
Rental Income						-
Current Year						-
Previous Year						-
						-
Interest Income						-
Current Year						-
Previous Year						-
						-

Prabhu Insurance Limited

Notes to the Financial Statements

Fig. in NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Sale of Property & Equipment						-
Current Year						-
Previous Year						-
						-
Purchase of Property & Equipment						-
Current Year						-
Previous Year						-
						-
Premium Paid						-
Current Year						-
Previous Year						-
						-
Commission Expenses						-
Current Year						-
Previous Year						-
						-
Dividend						-
Current Year						-
Previous Year						-
						-
Meeting Fees						-
Current Year					1,223,650	1,223,650
Previous Year					1,506,177	1,506,177
						-
Allowances to Directors						-
Current Year						-
Previous Year						-
						-
Others (to be specified)						-
Current Year						-
Previous Year						-

(d) Related Party Balances:

Fig. in NPR

Particulars	Holding Company	Subsidiaries	Associates	Fellow Subsidiaries	Key Managerial Personnel	Total
Receivables including Reinsurance Receivables						
Current Year						
Previous Year						
						-
Other Receivables (to be Specified)						
Current Year						
Previous Year						
						-
Payables including Reinsurance Payables						
Current Year						
Previous Year						
						-
Other Payables (to be Specified)						
Current Year						
Previous Year						

Prabhu Insurance Limited

Notes to the Financial Statements

54 Leases

(a) Leases as Lessee

(i) Operating Leases:

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

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

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

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

(ii) Finance Lease:

The Company holds assets under finance leases. Future minimum lease payments and lease liability at the end of the year is given below:

Fig. in NPR

Future Minimum Lease Payments	Current Year	Previous Year
i) Not Later than 1 year	29,904,451	18,342,247
ii) Later than 1 year and not later than 5 years	23,345,593	30,977,743
iii) Later than 5 years		
Total Future Minimum Lease Payments	53,250,044	49,319,990
Less: Effect of Discounting	5,241,358	10,606,528
Finance lease liability recognised	48,008,685	38,713,462

(b) Leases as Lessor

(i) Operating Lease:

The Company has leased out certain office spaces that are renewable on a periodic basis. Rental income received during the year in respect of operating lease is NPR (Ashadh ..., 20X1/ July ..., 20X1: NPR). Details of assets given on operating lease as at year end are as below.

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

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

(ii) Finance Lease:

The Company has given assets under finance leases. At the year end receivables under finance lease agreements fall due as follows:

Particulars	Current Year			Previous Year		
	Gross Investment	Unearned Finance Income	Net Investment	Gross Investment	Unearned Finance Income	Net Investment
i) Not Later than 1 year						
ii) Later than 1 year and not later than 5 years						
iii) Later than 5 years						
Total	-	-	-	-	-	-

Prabhu Insurance Limited

Notes to the Financial Statements

55 Capital Commitments

Estimated amount of contracts remaining to be executed in capital accounts and not provided for

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

56 Contingent Liabilities

Estimated amount of contracts remaining to be executed in capital accounts and not provided for (net of advances)

Fig. in NPR

Particulars	Current Year	Previous Year
Claims against Company not acknowledged as debts		
a) Income Tax	31,799,799	7,755,320
b) Indirect Taxes		
c) Others (to be Specified)		
Total	31,799,799	7,755,320

57 Events occurring after Balance Sheet

58 Assets Pledged as Security (only if pledged)

The carrying amount of assets pledged as security are:

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

59 Corporate Social Responsibility

Company has to allocate 1% its net profit on Corporate Social Responsibility fund (CSR) as per the provision of Financial directives issued by Nepal Insurance Authority.

Company has appropriated 1% of its net profit NPR 18,35,795 for Corporate Social Responsibility Reserves and the company utilized amount Rs. 28,71,901 corporate social responsibility reserve during this financial year.

60 Miscellaneous

- All amounts are in Nepalese Rupees unless otherwise stated.
- All figures are in the Nearest Rupee & Rounded off.
- Previous year's figures have been regrouped or rearranged whenever necessary.

Prabhu Insurance Limited

Major Financial Indicators

S.N	Particular	Indicators	Fiscal Year			
			2081-82	2080-81	2079/80	2078/79
A	Equity:					
1	Net worth	NPR	3,391,342,670	3,141,339,628	2,657,461,190	2,200,394,452
2	Net Profit	NPR	205,860,016	152,223,133	225,046,535	223,514,216
3	Number of Shares	No.s	17,009,559	14,414,881	13,761,223	11,619,023
4	Earning per Shares (EPS)	NPR	12.10	10.56	16.35	19.00
5	Book value per shares	NPR	199.38	217.92	193.11	189.00
6	Dividend per Shares (DPS)	NPR	8.70	18.00	5.00	7.05
7	Market Price per Shares (MPPS)	NPR	910.00	826.00	747.00	428.00
8	Price Earning Ratio (PE Ratio)	Ratio	75.19	78.22	45.68	30.00
9	Change in Equity	%	7.96	18.21	11.62	8.20
10	Return on Equity	%	6.07	4.85	2.77	3.97
11	Affiliate Ratio	%	N/A	N/A	N/A	N/A
12	Capital to Total Net Assets Ratio	%	50.16	45.89	28.91	29.71
13	Capital to Technical Reserve Ratio	%	286.52	281.73	294.00	302.00
14	Market Share	%	4.16	4.32	4.09	3.96
15	Solvency Margin	%	548.10	466.30	373.80	194.00
B	Income:					
16	Net Earnings Ratio	%	31.54	26.55	39.43	36.03
17	Gross Earned Premium Growth rate	%	19	9	11	(5)
18	Direct Premium Growth Rate	%				
	<i>Property</i>	%	7.81	18.83	15.00	17.00
	<i>Motor</i>	%	1.57	8.77	15.00	19.00
	<i>Marine</i>	%	(18.66)	1.01	14.00	4.00
	<i>Engineering</i>	%	(0.59)	(43.15)	4.00	72.00
	<i>Micro</i>	%	(100)	(27.26)	4.00	95.00
	<i>Aviation</i>	%	1.65	11.82	83.00	31.00
	<i>Cattle and Crop</i>	%	(51.79)	(11.37)	2.03	49.00
	<i>Miscellaneous</i>	%	28.97	(40.81)	3.09	11.77
19	Retention ratio	%	32.10	33.59	36.39	36.51
20	Net Reinsurance inflow/(Outflow)	Amount in Cr.	(661,433,169)	(777,513,815)	(397,654,854)	(403,436,476)
21	Reinsurance Commission Income/ Premium Ceded	%	15.10	15.14	20.37	14.23
22	Gross Earned premium to Equity	%	59.96	54.33	59.01	59.42
23	Net earned premium to equity	%	19.25	18.25	21.48	21.70
24	Gross Earned Insurance Premium to Total Assets	%	20.95	20.32	21.99	21.36
25	Gross Premium to equity	%	55.12	56.60	62.42	60.02
26	Net Profit to Gross Premium	%	11.01	8.56	13.57	13.03
27	Yield on Investments and Loan	%	4.04	5.72	5.33	4.24

Prabhu Insurance Limited

Major Financial Indicators

प्रभु इन्स्योरेन्स लिमिटेड
prabhu insurance



S.N	Particular	Indicators	Fiscal Year				
			2081-82	2080-81	2079/80	2078/79	2077/78
C	Expenses:						
28	Reinsurance Ratio	%	67.90	66.41	63.61	63.49	65.64
29	Management expenses Ratio	%	17.07	20.91	22.12	16.46	13.19
30	Regulatory Expenses Ratio		1.50	1.69	1.25	1.06	1.10
31	Employee Expenses per Employee	NPR	576,821.51	555,479.85	518,971.29	403,441.05	454,062.63
32	Commission Ratio	%	2.54	3.69	2.14	2.04	2.36
33	Employee Expenses to Total Expenses(Excluding claims and benefits	%	65.46	59.16	55.35	59.26	70.17
34	Expense Ratio	%	8.23	11.46	6.47	6.88	7.27
35	Loss Ratio	%	37.90	37.01	32.60	51.10	37.99
36	Combined Ratio	%	46.13	48.47	39.06	57.98	45.26
D	Assets:						
37	Increment in Investment	%	15.48	(0.01)	(11.52)	9.21	7.88
38	Increment in Loan	%	-	-	-	-	-
39	Liquidity Ratio		46.96	55.97	37.79	11.97	24.78
40	Return on Assets	%	2.12	1.81	3.16	2.81	3.68
41	Long term Investments to Total Investments	%	69.91	67.11	65.81	30.95	30.78
42	Short term Investments to Total Investments	%	30.09	32.89	34.19	69.05	69.22
43	Total Investment & Loan to Gross Insurance Contract Liabilities	%	55.70	62.57	79.17	83.23	74.39
44	Reinsurer Receivable to Total Assets	%	30.19	25.43	23.11	17.71	11.03
45	Investment in Shares to Total Assets	%	6.67	6.40	9.27	6.97	7.34
46	Investment in Unlisted Shares to Total Assets	%	0.11	0.12	0.10	1.06	1.10
E	Liabilities:						
47	Increment in Gross Insurance Contract Liabilities	%	29.72	26.53	(6.98)	(2.39)	57.51
48	Gross Technical Provisions to Gross earned Premium	%	129.13	118.60	102.01	121.57	118.89
49	Gross Technical Provisions to equity Total Equity	%	59.96	54.33	59.01	59.42	67.35
50	Outstanding Claim Number/ Number of paid claim	%	16.50	12.16	11.38	12.02	7.18
51	No. of Outstanding Claim/ No. of Intimated Claim	%	14.16	10.85	10.22	10.73	6.69
52	Total Number of Inforce Policies	No.s	123,873.00	123,815.00	118,630.00	120,455.00	96,267.00
53	Number of Renewed Policy/ Last Year's Total Number of In Force Policies	%	32.17	26.25	27.04	30.42	30.48
F	Others:						
54	Number of Offices	No.s	60	60.00	55.00	55.00	54.00
55	Number of Agents	No.s	216	192.00	172.00	158.00	123.00
56	Number of Employees	No.s	267	254.00	252.00	236.00	212.00
57	Number of Surveyor	No.s	316	266.00	288.00	220.00	187.00
58	Employee Expenses to Number of Employee	NPR	576,821.51	555,479.85	518,971.29	403,441.05	454,062.63

Prabhu Insurance Limited

Annexure IV Statement of Sum Assured

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	19,030	16,315	143,532,989,056	134,517,744,538	88,809,432,548	83,231,350,776	54,723,556,508	51,286,393,762
2	Motor	91,986	92,096	22,394,479,436	46,346,639,190	2,465,406,724	5,102,298,368	19,929,072,712	41,244,340,822
3	Marine	2,637	2,727	12,075,611,261	15,822,023,263	9,056,708,446	11,866,517,447	3,018,902,815	3,955,505,816
4	Engineering	2,048	1,612	37,118,219,674	49,110,548,287	28,050,235,763	37,112,837,577	9,067,983,911	11,997,710,711
5	Micro	14	774	2,160,000	877,750,424	719,679	292,453,204	1,440,321	585,297,220
6	Aviation	33	32	996,058,521	172,900,000	981,117,643	170,306,500	14,940,878	2,593,500
7	Cattle and Crop	1,644	2,891	862,342,625	1,882,213,110	646,756,969	1,411,659,833	215,585,656	470,553,278
8	Miscellaneous	6,481	7,368	81,380,260,301	93,385,084,140	63,069,701,733	72,373,440,209	18,310,558,568	21,011,643,932
	Total	123,873	123,815	298,362,120,874	342,114,902,952	193,080,079,505	211,560,863,913	105,282,041,369	130,554,039,039

Prabhu Insurance Limited

Report of Board of Directors

As per Section 5(1) KA of Financial Directives, 2080

A Information related to Prabhu Insurance Limited

- 1 Date of establishment : 2052/03/18
- 2 Insurer license date : 2053/04/01
- 3 Insurance business type, nature : Non-life insurance Business
- 4 Date of commencement of business : 2053/04/17
- 5 Other matters : There are Sixty branches all over the Nepal.

B Declaration of Board of Directors

- 1 Tax, service charges, fine and penalties to be paid under laws & regulation whether paid or not
The Company had paid all taxes, service charges, fine and penalties under laws and regulation whether paid or not.
- 2 Share structure of the insurer, changes if any in line with prevailing laws & regulation
The Share Structure of the company is as below:
Promoter Share Holding: 51%
Public Share Holding: 49%
There has been no any change in the shareholding structure of the company in the financial year 2081-82.
- 3 Whether solvency ratio as prescribed by Nepal Insurance Authority is maintained or not
The company has been maintained the Solvency ratio as prescribed by Nepal Insurance Authority.
- 4 Statement regarding assets that financial amount contained in SOFP are not overstated than it's fair value.
a) The Financial amount of assets contained on SOFP are stated as per it's faie value so it is not Overstated.
b) The assets recognized in financial statements is based upon expert's advice.
- 5 Declaration on investment made by insurer that are in line with prevailing laws. If not reason to be disclosed.
Investment made by the company in line with prevailing laws except government bonds. Incase government bonds,
it is less than prescribed limit due to non availability of government bonds in the market.
- 6 Number of claim settled within the year and outstanding claim number and time frame to settle the outstanding claim.
Total number of claim settled during the year is 10,074 and outstanding claim is 1662.
- 7 Declaration on compliance with the provision of Insurance Act 2079, Insurance Regulation 2063, Company Act 2063, NFRSs and other prevailing laws & regulation to which insurer shall adhere to and any non compliance with reasons thereof.
Company's financial statements are prepared as complied with insurance Act 2079, Company Act 2063, NFRS and Other prevailing laws and regulation that needs to be adhered.
- 8 Declaration that the appropriate accounting policy has been consistently adopted.
The company has consistently applied the appropriate accounting policy for the preparation of financial statement.
- 9 Declaration on Financial Statements as at Reporting Date that the insurer's Financial Position and Financial Performance are presented true & fairly.
Company has presented true and fair Financial Position and Financial Performance accordance with the prescribed accounting standards.

- 10 Declaration that Board of Directors have implemented adequate and appropriate provision to safeguard the assets and for identification and mitigation against losses due to fraud, embezzlement and irregularities.
The BOD of company has adopted the necessary provision to safeguard the assets and for identification and mitigation against losses due to fraud and embezzlement.
- 11 Declaration that Financial Statements have been prepared based on going concern basis.
The Financial Statement have been prepared based on going concern basis.
- 12 Declaration that the internal control system is commensurate with the size, nature & volume of the insurer's business.
The internal Control system of company is commensurate with the size, nature, and volume of the insurer's business.
- 13 Declaration that the insurer has not conducted any transactions contrary to Insurance Act, 2079, Companies Act, 2063, related regulations and directions with any person, firm, company and insurer's director or with any entity in which insurer's director has interest.
The company has not conducted any transaction contrary to Insurance Act, 2079, company Act, 2063, related regulations and the directions with any person, firm, company and director or with any entity in which insurer's director has interest.
- 14 Disclosure on any penalties, levied by Nepal Insurance Authority for the particular financial year.
No any fines and penalties has been levied by Nepal Insurance Authority pertaining to current fiscal year.
- 15 Other disclosure which is deemed appropriate by management
Management has no other deemed appropriate disclosure.

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नेपाल बीमा प्राधिकरण NEPAL INSURANCE AUTHORITY



मिति: २०८२।११।२८

वि. वि. शा. : १४२ (२०८२/०८३) च.नं. ५१४३

श्री प्रभु इन्स्योरेन्स लिमिटेड,
तिनकुने, काठमाण्डौं ।

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

तहाँको मिति २०८२/११/१९ (च.नं.१२३(०८२/०८३) को पत्र साथ प्राधिकरणमा पेश भएको आ.व. २०८१।८२ को वित्तीय विवरण सम्बन्धमा लेखिदैंछ ।

उपरोक्त सम्बन्धमा बीमक श्री प्रभु 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. बीमकले प्राधिकरणबाट तोकिए बमोजिमको चुक्ता पुँजी कायम गर्ने ।
२. बीमकले प्राधिकरणबाट जारी बीमकको लगानी निर्देशन, २०८२ बमोजिम लगानी गर्ने ।
३. बीमकले NFRS-17 Insurance Contracts लागु गर्न आवश्यक तयारी गर्ने ।
४. बीमकको जोखिमाङ्कन तथा दाबी भुक्तानी प्रक्रियालाई थप प्रभावकारी गराउने ।
५. बीमकले पूनर्बीमक तथा बीमकसँग सम्बन्धित लेनादेना हिसाब राफसाफ गर्ने ।
६. बीमकले जोखिम व्यवस्थापनलाई थप प्रभावकारी बनाउने ।
७. 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 ।
८. 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 ।
९. बीमकको लेखापरीक्षकहरुले औँल्याएका कैफियतहरु सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिन आवश्यक व्यवस्था गर्ने ।
१०. बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६०(साठी) दिन भित्र साधारण सभा गर्ने ।


(सन्तोष कार्की)
चार्टर्ड एकाउन्टेन्ट

कम्पनीको आर्थिक वर्ष २०८१/०८२ को वित्तीय विवरण ३० औं वार्षिक साधारण सभा प्रयोजनको लागि प्रकाशन गर्न श्री नेपाल बीमा प्राधिकरणबाट स्वीकृती प्रदान गर्दा जारी गरेको शर्तहरूको सम्बन्धमा सञ्चालक समितिको जवाफ देहायबमोजिम रहेको छ ।

१. **बीमकले प्राधिकरणबाट तोकिए बमोजिमको चुक्ता पूँजी कायम गर्ने ।**
प्रत्युत्तर : कम्पनीले प्राधिकरणबाट तोकिए बमोजिमको चुक्ता पूँजी कायम गर्ने प्रयोजनको निमित्त हाल कायम चुक्ता पूँजीको ४७ प्रतिशत हकप्रद शेयर निष्काशनको लागि श्री नेपाल धितोपत्र बोर्डमा स्वीकृतिको लागि पेश गरिएको र तहाँबाट स्वीकृति प्राप्त हुनासाथ हकप्रद शेयर जारी गरी तोकिए बमोजिमको चुक्ता पूँजी कायम गरिने व्यहोरा अनुरोध गर्दछौं ।
२. **बीमकले प्राधिकरणबाट जारी बीमकको लगानी निर्देशन, २०८२ बमोजिम लगानी गर्ने ।**
प्रत्युत्तर : कम्पनीले प्राधिकरणबाट जारी भएको बीमकको लगानी निर्देशन, २०८२ को परिधिभित्र रही लगानी गर्दै आएको र उक्त निर्देशनलाई सदैव पालना गरिने व्यहोरा अनुरोध गर्दछौं ।
३. **बीमकले NFRS-17 Insurance Contracts लागू गर्नको लागि आवश्यक तयारी गर्ने ।**
प्रत्युत्तर : कम्पनीले NFRS-17 Insurance Contracts लागू गर्न आवश्यक तयारी शुरु गरिसकिएको व्यहोरा अनुरोध गर्दछौं ।
४. **बीमकको जोखिममाङ्कन तथा दाबी भुक्तानी प्रक्यालाई थप प्रभावकारी बनाउने ।**
प्रत्युत्तर : कम्पनीको जोखिममाङ्कन तथा दाबी भुक्तानी प्रक्रिया प्रभावकारी बनाउँदै लगिएको र आगामी दिनमा अझ बढी प्रभावकारी बनाउँदै लगिने व्यहोरा अनुरोध गर्दछौं ।
५. **बीमकको पुनर्बीमक तथा बीमकसँग सम्बन्धित लेना देना हिसाब राफसाफ गर्ने ।**
प्रत्युत्तर : कम्पनीले पुनर्बीमक तथा बीमकहरू सम्बन्धित लेना/देना हिसाबलाई राफसाफ गर्दै आएको व्यहोरा अनुरोध गर्दै आगामी दिनमा बाँकी हिसाबलाई राफसाफ गर्दै लगिने व्यहोरा अनुरोध गर्दछौं ।
६. **बीमकले जोखिम व्यवस्थापनलाई थप प्रभावकारी बनाउने ।**
प्रत्युत्तर : कम्पनीले जोखिम व्यवस्थापनलाई प्रभावकारी बनाउँदै लगिएको व्यहोरा अनुरोध गर्दै प्राधिकरणबाट जारी भएको जोखिम व्यवस्थापन सम्बन्धी मार्गदर्शनमा भएका व्यवस्थाहरूको पूर्ण रूपमा कार्यान्वयन तथा पालना गरिने व्यहोरा अनुरोध गर्दछौं ।
७. **बीमकको आर्थिक वर्षको चौथो त्रैमासिक अवाधिको त्रैमासिक वित्तीय विवरण र वार्षिक वित्तीय विवरणको Statement of Financial Position, Statement of Profit or Loss तथा Statement of Other Comprehensive Income विवरणको विभिन्न शीर्षकहरूमा दश प्रतिशत भन्दा बढी रकमले फरक भएको देखिएकोले आगामी दिनमा सो कैफियतलाई सुधार गर्ने ।**
प्रत्युत्तर : माथि उल्लेखित विवरणहरूलाई सुधार गरिने व्यहोरा जानकारीको लागि अनुरोध गर्दछौं ।
८. **बीमकले वार्षिक प्रतिवेदन तयार गर्दा मिति २०८१/०७/१३ गते प्राधिकरणबाट जारी परिपत्र (ने.बी.प्रा. ९५ (२०८१/०८२) च.नं.२०४०-वि.वि.शा.१) बमोजिमका बुँदाहरू समावेश गर्ने ।**
प्रत्युत्तर : कम्पनीले आर्थिक वर्ष २०८१/०८२ को वार्षिक प्रतिवेदनमा प्राधिकरणबाट जारी परिपत्र (ने.बी.प्रा. ९५ (२०८१/०८२) च.नं.२०४०-वि.वि.शा.१) बमोजिमका बुँदाहरू समावेश गरिएको व्यहोरा अनुरोध गर्दछौं ।
९. **बीमकको लेखापरीक्षकहरूले औँल्याएका कैफियतहरू सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिन आवश्यक व्यवस्था गर्ने ।**
प्रत्युत्तर : कम्पनीले लेखापरीक्षकहरूले औँल्याएका कैफियतहरू सुधार गर्दै लगिएको तथा उक्त कैफियतहरू पुनः दोहोरिन नदिन आवश्यक व्यवस्था मिलाइने व्यहोरा अनुरोध गर्दछौं ।
११. **बीमकले प्राधिकरणबाट वित्तीय विवरण स्वीकृत भएको मितिले ६० (साठी) दिनभित्र साधारण सभा गर्ने ।**
प्रत्युत्तर : सोही अनुसार मिति २०८३ वैशाख ०९ गते, बुधबार कम्पनीको ३० औं वार्षिक साधारण सभा आह्वान गरिएको व्यहोरा अनुरोध गर्दछौं ।

Prabhu Insurance Limited
Comparative Financial Position for 5 years
(NFRS Based Financial Statement)

Fig in NPR

Particulars	2081/82	2080/81	2079/80	2078/79	2077/78
Assets					
Goodwill & Intangible Assets	58,936	198,859	279,759	360,659	382,579
Property and Equipment	117,624,880	111,269,343	115,719,196	114,709,847	88,905,752
Investment Properties	21,439,042	22,059,715	22,549,990	-	-
Deferred Tax Assets	-	-	32,201,061	15,582,612	-
Investment in Subsidiaries	-	-	-	-	-
Investment in Associates	-	-	-	-	-
Investments	1,462,386,630	1,266,382,041	1,266,498,489	1,431,355,124	1,310,684,812
Loans	-	-	-	-	-
Reinsurance Assets	2,031,915,823	1,512,415,729	1,131,656,741	1,293,369,482	1,334,974,511
Current Tax Assets	-	16,612,641	-	-	-
Insurance Receivables	1,026,760,780	944,063,621	905,528,856	791,759,844	474,627,910
Other Assets	501,763,454	504,355,250	576,069,204	564,505,325	571,933,699
Other Financial Assets	317,819,424	172,461,567	142,731,692	169,775,321	344,042,383
Cash and Cash Equivalent	1,249,670,891	1,398,625,811	703,420,326	89,576,779	176,956,737
Total Assets	6,729,439,859	5,948,444,575	4,896,655,314	4,470,994,993	4,302,508,383
Equity & Liabilities					
Equity					
Share Capital	1,441,488,067	1,441,488,067	1,376,122,260	1,289,711,584	1,161,902,328
Share Application Money Pending Allotment	-	-	-	-	-
Share Premium	-	-	-	-	-
Special Reserves	1,224,382,848	1,132,593,119	1,050,403,865	915,371,881	826,370,051
Catastrophe Reserves	101,275,169	92,096,196	83,877,271	73,049,913	64,033,234
Retained Earnings	429,354,936	351,281,081	69,796,826	91,032,736	139,815,289
Other Equity	194,841,650	123,881,165	77,260,968	11,556,246	8,273,550
Total Equity	3,391,342,670	3,141,339,628	2,657,461,190	2,380,722,360	2,200,394,452
Liabilities					
Provisions	117,937,150	118,763,059	152,076,309	82,904,855	100,841,692
Gross Insurance Contract Liabilities	2,625,576,650	2,024,076,117	1,599,683,676	1,719,810,939	1,761,918,058
Deferred Tax Liabilities	2,636,979	4,813,856	-	-	203,274
Insurance Payable	397,366,073	409,840,726	205,475,987	48,873,307	61,479,760
Current Tax Liabilities	28,293,924	-	62,678,919	30,793,991	19,650,900
Borrowings	-	-	-	-	-
Other Liabilities	125,551,725	233,645,467	200,458,091	157,821,695	127,063,550
Other Financial Liabilities	40,734,688	15,965,721	18,821,142	50,067,847	30,956,699
Total Liabilities	3,338,097,189	2,807,104,947	2,239,194,124	2,090,272,634	2,102,113,933
Total Equity and Liabilities	6,729,439,859	5,948,444,575	4,896,655,314	4,470,994,993	4,302,508,383

Prabhu Insurance Limited
Comparative Income Statement for 5 years
(NFRS Based Financial Statement)

Fig. in NPR

Particulars	2081/82	2080/81	2079/80	2078/79	2077/78
Income:					
Gross Earned Premiums	2,033,345,820	1,706,611,906	1,568,178,822	1,414,701,388	1,481,931,638
Premiums Ceded	(1,380,661,848)	(1,133,369,654)	(997,472,310)	(898,156,158)	(972,767,129)
Net Earned Premiums	652,683,972	573,242,252	570,706,512	516,545,230	509,164,509
Commission Income	177,920,266	180,043,900	214,492,861	135,234,152	146,869,117
Other Direct Income	11,684,601	10,774,215	5,657,736	5,539,642	-
Income from Investments & Loans	84,718,087	108,718,571	104,616,081	83,388,063	69,074,868
Net Gain/ (Loss) on Fair Value Changes	1,600,863	538,471	(413,748)	(2,924,673)	-
Net Realised Gains/ (Losses)	2,218,144	699,194	-	-	-
Other Income	4,968,223	5,727,479	3,027,965	4,510,470	17,606,171
Total Income	935,794,156	879,744,082	898,087,406	742,292,884	742,714,665
Expenses:					
Gross Claims Paid	557,134,939	421,375,339	631,790,636	624,077,709	500,399,276
Claims Ceded	(339,062,295)	(231,714,157)	(440,904,784)	(411,480,893)	(296,463,171)
Gross Change in Contract Liabilities	765,532,909	353,056,813	(210,725,836)	(56,388,115)	719,277,967
Change in Contract Liabilities Ceded to Reinsurers	(721,746,213)	(324,856,770)	217,292,931	93,600,391	(711,773,240)
Net Claims Incurred	261,859,340	217,861,225	197,452,947	249,809,092	211,440,832
Commission Expenses	51,677,671	63,039,005	33,483,115	28,831,330	34,905,334
Service Fees	5,181,733	4,415,067	5,677,697	4,788,309	5,565,487
Other Direct Expenses	-	-	-	-	-
Employee Benefits Expenses	227,267,676	211,082,341	192,019,378	137,976,840	137,126,915
Depreciation and Amortization Expenses	33,670,652	30,722,124	33,021,247	25,858,248	3,577,863
Impairment Losses	14,800,000	45,548,300	60,893,693	5,039,573	-
Other Operating Expenses	66,662,397	65,700,596	54,308,542	60,055,609	54,715,334
Finance Cost	4,772,528	3,753,136	6,697,257	3,913,106	-
Total Expenses	665,891,997	642,121,796	583,553,876	516,272,107	447,331,765
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	269,902,159	237,622,286	314,533,530	226,020,777	295,382,900
Share of Net Profit of Associates accounted using Equity Method	-	-	-	-	-
Profit Before Tax	269,902,159	237,622,286	314,533,530	226,020,777	295,382,900
Income Tax Expense	(64,042,144)	(85,399,153)	(89,486,995)	(39,895,031)	(71,868,684)
Net Profit/(Loss) For The Year	205,860,016	152,223,133	225,046,535	186,125,746	223,514,216
Earning Per Share	-	-	-	-	-
Basic EPS	12.10	10.56	16.35	14.43	19.24
Diluted EPS	12.10	10.56	16.35	14.43	19.24

Prabhu Insurance Limited

Variance Report

Annual Financial Position 2081-82 Vs 4th Quarter Financial Position 2081-82

Fig. in NPR

Particulars	As per Audited Financial Statement 2081-82	As per Unaudited Financial Statement-4 th Quarter-2081-82	Difference in Amount	Variance in %	Reason for Variance
Assets					
Goodwill & Intangible Assets	58,936	117,956	(59,020)	-50%	Due to changes in Depreciation after 4 th Quarterly
Property and Equipment	117,624,880	110,999,184	6,625,696	6%	
Investment Properties	21,439,042	21,437,341	1,701	0%	
Deferred Tax Assets	-	-	-		
Investment in Subsidiaries	-	-	-		
Investment in Associates	-	-	-		
Investments	1,462,386,630	1,432,471,754	29,914,875	2%	
Loans	-	-	-		
Reinsurance Assets	2,031,915,823	2,118,163,150	(86,247,327)	-4%	
Current Tax Assets	-	-	-		
Insurance Receivables	1,026,760,780	1,101,133,487	(74,372,707)	-7%	
Other Assets	501,763,454	597,505,661	(95,742,207)	-16%	Variance due to Reclassification of Assets/Liabilities
Other Financial Assets	317,819,424	345,999,908	(28,180,484)	-8%	
Cash and Cash Equivalent	1,249,670,891	1,250,483,751	(812,860)	0%	
Total Assets	6,729,439,859	6,978,312,192	(248,872,333)		
Equity & Liabilities					
Equity					
Share Capital	1,441,488,067	1,441,488,067	-	0%	
Share Application Money Pending Allotment	-	-	-		
Share Premium	-	-	-		
Special Reserves	1,224,382,848	1,238,572,591	(14,189,743)	-1%	
Catastrophe Reserves	101,275,169	102,694,143	(1,418,974)	-1%	
Retained Earnings	429,354,936	444,389,188	(15,034,252)	-3%	
Other Equity	194,841,650	163,510,814	31,330,836	19%	Due to Actuarial Valuation after 4 th Quarterly
Total Equity	3,391,342,670	3,390,654,803	687,866	0	
Liabilities					
Provisions	117,937,150	96,996,059	20,941,091	22%	Due to Actuarial Valuation of Gratuity and Leave
Gross Insurance Contract Liabilities	2,625,576,650	2,709,328,270	(83,751,619)	-3%	
Deferred Tax Liabilities	2,636,979	4,813,856	(2,176,877)		
Insurance Payable	397,366,073	549,884,854	(152,518,781)	-28%	Reinsurance Adjustment Entry passed after 4 th Quarter
Current Tax Liabilities	28,293,924	42,576,202	(14,282,278)	-34%	Variance due to Deferred Tax liabilities
Borrowings	-	-	-		
Other Liabilities	125,551,725	144,465,070	(18,913,345)	-13%	Changes in Deferred RI Commission Income
Other Financial Liabilities	40,734,688	39,593,078	1,141,610	3%	
Total Liabilities	3,338,097,189	3,587,657,388	(249,560,199)	-7%	
Total Equity and Liabilities	6,729,439,858	6,978,312,192	(248,872,333)	-4%	

Prabhu Insurance Limited

Variance Report

Annual Financial Performance 2081-82 Vs 4th Quarter Financial Performance 2081-82

Fig. in NPR

Particulars	As per Audited Financial Statement 2081-82	As per Unaudited Financial Statement-4th Quarter-2081-82	Difference in Amount	Variance in %	Reason for Variance
Income:					
Gross Earned Premiums	2,033,345,820	1,835,381,047	197,964,773	11%	Due to Actuarial reserving
Premiums Ceded	1,380,661,848	1,200,478,132	180,183,716	15%	Due to Actuarial reserving
Net Earned Premiums	652,683,972	634,902,915	17,781,057	3%	
Commission Income	177,920,266	196,524,541	(18,604,275)	-9%	
Other Direct Income	11,684,601	10,919,209	765,392	7%	
Income from Investments & Loans	84,718,087	113,239,527	(28,521,440)	-25%	Due to impact of Accrued Interest Income
Net Gain/ (Loss) on Fair Value Changes	1,600,863	-	1,600,863		
Net Realised Gains/ (Losses)	2,218,144	-	2,218,144		
Other Income	4,968,223	6,514,767	(1,546,544)	-24%	Modification of Lease arrangement calculation
Total Income	935,794,156	962,100,959	(26,306,803)	-3%	-
			-		
Expenses:					
Gross Claims Paid	557,134,939	516,307,165	40,827,774	8%	
Claims Ceded	(339,062,295)	(298,685,328)	(40,376,967)	14%	Due to Actuarial reserving
Gross Change in Contract Liabilities	765,532,909	651,319,756	114,213,154	18%	Due to changes in Covid claim payable
Change in Contract Liabilities Ceded to Reinsurers	(721,746,213)	(618,042,276)	(103,703,937)	17%	Due to changes in Covid claim Receivable
Net Claims Incurred	261,859,340	250,899,317	10,960,024	4%	-
Commission Expenses	51,677,671	38,273,627	13,404,044	35%	Variance is due to change in Deferred Commission Expenses
Service Fees	5,181,733	5,108,476	73,257	1%	
Other Direct Expenses	-	-	-		
Employee Benefits Expenses	227,267,676	210,227,915	17,039,761	8%	
Depreciation and Amortization Expenses	33,670,652	31,679,857	1,990,794	6%	
Impairment Losses	14,800,000	-	14,800,000		
Other Operating Expenses	66,662,397	106,531,391	(39,868,994)	-37%	Variance due to rent expenses Lease working and Final Reconciliation
Finance Cost	4,772,528	1,781,885	2,990,643	168%	Variance is due to calculation of Lease Liability
Total Expenses	665,891,997	644,502,468	21,389,529	3%	-
Net Profit/(Loss) For The Year Before Share of Net Profits of Associates Accounted for Using Equity Method and Tax	269,902,159	317,598,491	(47,696,332)	-15%	-
Share of Net Profit of Associates accounted using Equity Method	-	-	-		
Profit Before Tax	269,902,159	317,598,491	(47,696,332)	-15%	-
Income Tax Expense	(64,042,144)	(90,839,547)	26,797,404	-29%	Due to changes in Profitability
Net Profit/(Loss) For The Year	205,860,016	226,758,944	(20,898,928)	-9%	-

Prabhu Insurance Limited
Statement of Other Comprehensive Income
For Period 16th July, 2024 - 16th July, 2025
(For the Year Ended Ashadh 2082)
Variance Report on Other Comprehensive Income

Fig. in NPR

Particulars	As per Audited Financial Statement 2081-82	As per Unaudited Financial Statement-4 th Quarter-2081-82	Difference in Amount	Variance in %	Reason for Variance
Net Profit/(Loss) For the Year	205,860,016	226,758,944	(20,898,928)	-9%	
			-		
Other Comprehensive Income			-		
<u>a) Items that are or may be Reclassified to Profit or Loss</u>			-		
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			-		
			-		
<u>b) Items that will not be Reclassified to Profit or Loss</u>			-		
Changes in fair value of FVOCI Equity Instruments	66,516,087	57,688,517	8,827,570	15%	Increase in Fair value of Equity Instrument
Revaluation of Property and Equipment/ Goodwill & Intangible Assets			-		
Remeasurement of Post-Employment Benefit Obligations	496,181	-	496,181		As per Actuarial Valuation
Share of other comprehensive income of associates accounted for using the equity method			-		
Income Tax Relating to Above Items	(20,103,680)	(17,306,555)	(2,797,125)	16%	Increase in Fair value of Equity Instrument
			-		
Total Other Comprehensive Income For the Year, Net of Tax	46,908,587	40,381,962	6,526,625	16%	-
Total Comprehensive Income For the Year, Net of Tax	252,768,603	267,140,906	(14,372,303)	-5%	-

Comparative Statement of Solvency Balance Sheet and NFRS Based Financial Statement

Assets	NFRS Based Financial Statement	Solvency Balance Sheet
Goodwill	-	-
Deferred acquisition costs	-	-
Intangible assets	58,936	-
Deferred tax assets	-	-
Pension benefit surplus	-	-
Property, plant & equipment held for own use	117,624,880	387,435,859
Investments (other than replicating unit portion index/unit-linked contracts)	1,483,825,671	1,513,936,677
Investments in properties (other than for own use)	21,439,042	57,869,043
Investment in subsidiaries	-	-
Investment in associates	-	-
Equities	499,768,327	499,768,327
Equities - listed in stock exchange licensed by SEBON	441,557,888	441,557,888
Equities - listed in stock exchange other than licensed by SEBON	-	-
Equities - unlisted	58,210,439	58,210,439
Bonds	114,670,000	118,953,075
Government Bonds	34,670,000	34,921,860
Corporate Bonds	80,000,000	84,031,215
Fixed-income bonds with no option	80,000,000	84,031,215
Floating rate notes	-	-
Other bonds with embedded interest rate derivatives	-	-
Structured notes	-	-
Collateralised securities	-	-
Collective Investments Undertakings	25,713,000	25,713,000
Derivatives	-	-
Deposits other than cash equivalents	809,600,000	798,997,931
Other investments	12,635,301	12,635,301
Loans and mortgages	-	-
Loans on policies	-	-
Other loans with collateral or guarantees	-	-
Other loans without collateral or guarantees	-	-
Assets replicating the unit portion of index/unit-linked contracts	-	-
Reinsurance recoverables from:	3,058,676,603	2,703,715,528
Non-life technical reserves (after risk correction)	2,031,915,823	1,935,159,250
Life excluding index-linked and unit-linked technical reserves (after risk correction)	-	-
Life index-linked and unit-linked technical reserves (after risk correction)	-	-
Deposits to cedants (related to accepted reinsurance)	-	-
Reinsurance receivables	1,026,760,780	768,556,278
Current tax assets (net)	-	-
Insurance, coinsurance and intermediaries receivables	-	-
Receivables from insurers other than coinsurance	-	-
Receivables from coinsurance/pools	-	-
Receivables from intermediaries	-	-
Own shares (held directly)	-	-
Amounts due in respect own equity items called up but not yet paid in	-	-
Cash and cash equivalents	1,249,670,891	1,229,871,304
Any other assets, not elsewhere shown	819,582,877	778,104,586
Total assets	6,729,439,859	6,613,063,952

Liabilities	NFRS Based Financial Statement	Solvency Balance Sheet
Technical provisions - non-life	2,625,576,650	2,625,576,650
Best Estimate Direct Insurance (excluding Earthquake reserves)	2,275,996,601	2,275,996,601
Best estimate Direct Insurance Earthquake reserves	17,708,707	17,708,707
Margin over best estimate Direct insurance	27,644,915	27,644,915
Best estimate Accepted reinsurance (excluding Earthquake reserves)	289,719,185	289,719,185
Best estimate Accepted Earthquake reserves	5,323,613	5,323,613
Margin over best estimate Accepted reinsurance	9,183,628	9,183,628
Technical provisions - life (excluding index-linked and unit-linked)	-	-
Best Estimate Direct insurance participating life insurance	-	-
Best Estimate Direct insurance non-participating life insurance	-	-
Margin over best estimate Direct insurance	-	-
Best estimate Accepted reinsurance	-	-
Margin over best estimate Accepted reinsurance	-	-
Technical provisions - index-linked and unit-linked life insurance contracts	-	-
Technical provisions calculated as a whole (unit reserves)	-	-
Best Estimate (non unit reserves)	-	-
Margin over best estimate	-	-
Other technical provisions	-	-
Reinsurance deposits and payables	397,366,073	397,366,073
Deposits from reinsurers	-	-
Reinsurance payables	397,366,073	397,366,073
Insurance, coinsurance and intermediaries payables	11,221,061	11,221,061
Payables to insurers other than coinsurance	-	-
Payables to coinsurance/pools	-	-
Payables to intermediaries	11,221,061	11,221,061
Other payables (not related to insurance or reinsurance)	-	-
Debts owed to credit institutions	-	-
Other financing debts	-	-
Qualified as Tier 1 Available Capital Resources	-	-
Qualified as Tier 2 Available Capital Resources	-	-
Not qualified as Available Capital Resources	-	-
Derivatives	-	-
Current tax liabilities	28,297,412	28,297,412
Provisions other than technical provisions	29,977,502	29,977,502
Contingent liabilities	-	-
Pension benefit obligations	87,948,022	87,948,022
Deferred tax liabilities	2,636,979	-
Any other liabilities, not elsewhere shown	155,065,351	155,065,351
Total liabilities	3,338,089,049	3,335,452,070
Excess of Assets Over Liabilities		3,277,611,882

Equity	NFRS Based Financial Statement
Share capital	1,441,488,067
Share application money pending allotment	-
Share premium	-
Special reserves	1,224,386,917
Catastrophe reserves	101,275,576
Retained earnings	430,565,101

Equity	NFRS Based Financial Statement
Other equity	193,635,147
Revaluation reserves	-
Capital reserves	-
Corporate Social Responsibility Reserves (CSR)	2,236,341
Insurance Fund	-
Fair Value Reserves	231,523,808
Actuarial reserves	(106,083,860)
Deferred Tax Reserves	63,819,524
Other reserves	2,139,334
Total Equity	3,391,350,808

Statement of Available Capital Resources

TIER 1 CAPITAL. List of items (capital resources that absorb losses on a going-concern basis and in winding-up basis)	
Excess of assets over liability as per Solvency Balance Sheet	3,277,611,882
Add: Paid-in (paid-up) subordinated debts qualified as tier 1 Available Capital Resources	-
Less: Revaluation reserve	-
Less: CSR Reserve	(2,236,341)
Less: Fair value reserve	(231,523,808)
Less: Actuarial reserve	-
Less: Excess of deferred tax reserve shown in equity of 02.01 BS over deferred tax assets as per Financial Statement	(63,819,524)
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	(108,415)
Less: Assets not valued at nil whose valuation in the solvency balance sheet should not increase the Available Capital Resources	(430,565,101)
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	2,549,358,694
TIER 2 CAPITAL. List of items (capital resources that absorb losses only in winding-up basis)	
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	-

Solvency Situation

	Calculations without transitional	Calculations with transitionals
Risk-Based Capital Requirement	465,128,631	465,128,631
Reduction of life technical reserves due to transitional provisions Annexure VII of RBC Directive		-
Reduction of non-life technical reserves due to transitional provisions Annexure VII of RBC Directive		-
	Calculations without transitional	Calculations with transitionals
Tier 1 items before limits	2,549,358,694	2,549,358,694
Tier 1 Paid-in subordinated debt before limit	-	-
Reduction to limit up to 30% Tier 1	-	-
Tier 1 Paid-in subordinated debt after deduction of the limit	-	-
Exceptional increase para (65)(6) Annexure V of RBC Directive - only previous NIA approval	-	-
Tier 1 items after limits	2,549,358,694	2,549,358,694
Tier 2 before limits	-	-
Before limits - Future profits embedded in technical reserves	-	-
After limits - Future profits embedded in technical reserves	-	-
Recalculated Tier 2 after limits to Future profits embedded in technical reserves	-	-
Tier 2 after limit 40% RBC	-	-
Total Solvency Available Capital Resources	2,549,358,694	2,549,358,694
Solvency surplus/deficit	2,084,230,063	2,084,230,063
Solvency ratio	548.1%	548.1%
Supervisory Target Capital Level (paragraph (85) Annexure VI of RBC Directive (%))		130%
	Calculations without transitional	Calculations with transitionals
MINIMUM CAPITAL REQUIREMENT	155,042,877	155,042,877
Tier 1 covering MCR	2,549,358,694	2,549,358,694
Tier 2 covering MCR	-	-
MCR surplus/deficit	2,394,315,817	2,394,315,817
MCR ratio	1644.3%	1644.3%

Main Drivers of Risk Based Capital Requirement

Risks	Capital Requirement
Market Risk	211,514,416
Credit Risk	188,980,538
Non-Life Insurance Risk	168,980,245
Diversification Benefits	(146,630,989)
Operational Risk	42,284,421
Total Risk	465,128,631

1. Market Risk

Risks	Capital Requirement
Spread Risk	19,566,764
Equity Risk	113,925,651
Interest Rate Risk	102,303,062
Currency Risk	7,277,399
Concentration Risk	677,444
Property Risk	42,568,678
Diversification Benefit	(74,804,581)
Total Market Risk	211,514,416

2. Credit Risk

Risks	Capital Requirement
Other Assets (Non- Investments)	124,952,664
Reinsurance Risk	64,027,874
Off Balance sheet Assets Risk	-
Total Credit Risk	188,980,538

3. Non-Life Insurance Risk

Risks	Capital Requirement
Capital Charge on Outstanding claims Reserve	31,649,416
Capital charge on Net Earned Premium	108,548,278
Catastrophic Risk	28,782,552
Total Non-life Insurance Risk	168,980,245

Other Disclosures

Communication Mechanism for Interaction and Information Flow to Stakeholders

Prabhu Insurance is committed to maintaining open, transparent, and responsive communication with all its stakeholders. We believe that effective information flow not only builds trust but also enhances collaboration and accountability across all levels of operation.

Our communication efforts are shaped by the following principles:

- **Transparency:** Sharing accurate, timely, and relevant information to ensure openness in operations.
- **Inclusiveness:** Reaching all stakeholder groups through appropriate and accessible channels.
- **Responsiveness:** Ensuring stakeholder concerns, feedback, and queries are addressed promptly and respectfully.
- **Continuity:** Maintaining consistent communication practices that align with regulatory and corporate standards.

Stakeholders Categories and Communication Practices

1. Internal Stakeholders (Employees, Management, Board)

- Regular departmental briefings, leadership meetings, and policy updates.
- Internal memos, emails, and notice boards for general announcements.
- Use of collaborative tools for real-time discussions and coordination.
- Training sessions and engagement forums to strengthen internal alignment.

2. Policyholders and Clients

- Service-related updates and notifications sent via SMS, email, and customer support hotlines.
- FAQs, product brochures, and claims procedures available on the company website.
- Feedback forms, complaint submission portals, and call center assistance for queries and grievances.

3. Regulatory Bodies and Government Agencies

- Timely submission of compliance reports.
- Participation in regulatory consultations and review meetings.
- Prompt responses to queries from the Nepal Insurance Authority and other supervisory bodies.

4. Shareholders and Investors

- Publication of audited financial statements, Quarterly Reports.
- Notices and agendas for annual general meetings shared in advance through official channels.
- Investor briefings and updates via the corporate website and official announcements.

This communication structure enables Prabhu Insurance to uphold its commitment to transparency, stakeholder inclusion, and regulatory compliance.

Grievance Handling Mechanism

Prabhu Insurance is committed to delivering customer-centric services and ensuring that all stakeholders, especially policyholders, are treated fairly, respectfully, and promptly. The Grievance Handling Mechanism is designed to provide a transparent, efficient, and accessible system for addressing complaints and resolving issues.

Channels for Grievance Submission

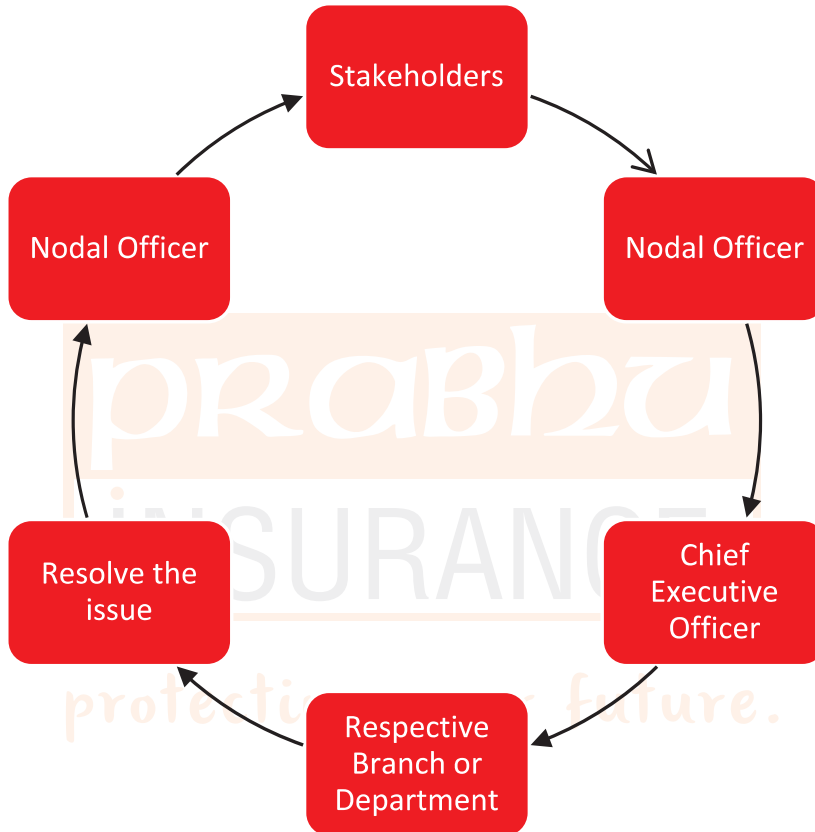
Email: info@prabhuinsurance.com, batsal.dhakal@prabhuinsurance.com

Phone: Customer care helpline (01-5199220)

Website: Online Grievance at www.prabhuinsurance.com

Branches: Grievance box or verbal reporting to branch manager

Grievance Handling Mechanism



At Prabhu Insurance Limited, we ensure that all grievances received from stakeholders are addressed in a structured and transparent manner. The process follows these steps:

- 1. Stakeholder Submission:** All grievances are first received from stakeholders through designated channels.
- 2. Nodal Officer Acknowledgment:** The grievance is acknowledged by the Nodal Officer to ensure proper receipt and initial tracking.
- 3. Escalation to Chief Executive Officer (if required):** For issues that require higher-level attention, the grievance is escalated to the Chief Executive Officer for review and direction.
- 4. Forwarding to Respective Branch/Department:** The grievance is then assigned to the respective branch or department responsible for investigating and addressing the concern.
- 5. Resolution Implementation:** The concerned branch or department takes the necessary actions to resolve the issue in accordance with applicable policies, laws, and regulations.
- 6. Feedback to Stakeholder:** After resolution, the outcome and actions taken are communicated back to the stakeholder to ensure transparency and closure.
- 7. Monitoring and Reporting:** The status of grievances is continuously monitored by the Nodal Office, and summary reports are reviewed to support accountability, governance, and continuous improvement.

This process ensures timely, effective, and transparent grievance management while fostering stakeholder trust and satisfaction.

Reinsurance Partners



Best Meridian Insurance Company



Kenya Reinsurance Corporation Limited



Nepal Reinsurance Company Limited



Himalayan Reinsurance Limited



CICA Re



Asian Re
Asian Reinsurance Corporation

Asian Reinsurance Corporation



GIC-Bhutan Reinsurance Company Limited



Sirius International Insurance Group, Ltd.



ION Insurance Group S.A.



Global Re Overseas Ltd.

Corporate Governance Compliance Report

(As per the Corporate Governance Guidelines for Listed Institution, 2074)

Name of Listed Organized Institution : Prabhu Insurance Limited

Address : Tinkune, Kathmandu

Email : info@prabhuinsurance.com

Website : www.prabhuinsurance.com

Phone Number : 5199220,5199226

Fiscal year of annual report reported : 2081/82

1) Board of Directors' Profile

a) Chairman of the Board:

Name: Mr. Rajendra Malla

Appointment date: 2081/1/20

b) Ownership Structure of the Company:

Promoters: 51%

General Public: 49%

c) Details of Board of Directors:

S.N	Name	Designation	Representing Group	Shares Hold	Appointment Date	Oath Date
1	Mr. Rajendra Malla	Chairman	Public Shareholder	6,36,256	2081/01/20	2081/02/01
2	Mr. Mijas Bhattachan	Director	Promoter Shareholder	32,673	2081/01/20	2081/02/02
3	Mr. Ramkrishna Lamichhane	Director	Promoter Shareholder	1,450	2082/10/29	2082/10/29
4	Mr. Shanta Gautam	Director	Promoter Shareholder	36,76,419	2080/02/21	2080/02/21
5	Mrs. Aakriti Lama	Director	Public Shareholder	118	2082/09/24	2082/10/29
6	Mr. Sangay Lama	Director	Public Shareholder	557	2081/01/20	2081/02/02
7	Mrs. Sushama Sharma (Wasti)	Director	Independent	-	2081/03/06	2081/03/16

d) Board Meetings:

Meeting Date of Current Financial Year	No. of Directors Present	No. of Directors Opposing Board's Decision	Meeting Date of Last Financial Year
2081/04/09	7	None	2080/04/17
2081/06/04	6	None	2080/05/05
2081/06/21	6	None	2080/07/01
2081/07/13	7	None	2080/07/17
2081/08/16	6	None	2080/08/15
2081/09/19	6	None	2080/09/22
2081/11/09	6	None	2080/11/20
2081/12/25	5	None	2080/12/28
2082/01/25	6	None	2081/01/18
2082/03/08	7	None	2081/01/30
2082/03/24	7	None	2081/02/02
			2081/03/06
			2081/03/16

e) **Other Information about Board meeting**

Whether the director or alternate director attended the meeting of the board of directors (in case of absence, state the reason along with the date of the meeting):	Not Attended
A separate record of the directors present at the meeting of the board of directors, the matters discussed and the details of the decisions made in that regard (minutes) is/not kept:	Kept
Maximum gap (in days) between two consecutive meetings of the Board of Directors	57
Date of the meeting held regarding the meeting allowance of the Board of Directors:	2078/02/06
Allowance per meeting of Board of Directors:	Chairman: Rs. 12,000 Director: Rs. 11,000
Total Board Meeting Expenses for the Fiscal Year	Rs. 909,808

2) **Code of Conduct and Other Details Related to Directors:**

Code of Conduct:

- Existence of a code of conduct for Board of Directors of the concerned organization: **Available**
- Details if more than one director from the same household: **None**
- Each director has/has not informed the following in writing within fifteen days of his appointment or nomination to the post of director and details of the same if not: **Informed**
- If the director or any member of their family has entered into or is about to enter into any kind of agreement with the organization, the details thereof: **None**
- Details of the shares or debentures held by them or any member of their immediate family in the organization or the main or subsidiary company of the organization: **None**
- If they are a substantial shareholder or director of any other organization, details thereof: **None**
- If any family member of director is working as an employee in the organization, the details of the same: **None**
- If the director has worked as a Director, Executive Officer, Executive Head or Employee of a listed organization with similar nature of purpose, details of the same: **None**
- If any action has been taken against the Directors by regulatory bodies and other bodies, details of the same: **None**

3) **Risk Management and Internal Control System**

a) If any committee related to risk management has/has not been formed, the details thereof: **Formed**

b) **Information related to risk management committee:**

i. **Risk Management Committee Structure**

1. Mr. Rahul Thokar Lama, Coordinator (till 2082/10/29)
2. Mr. Ramkrishna Lamichhane, Coordinator (from 2082/10/29)
3. Mr. Sanchit Bajracharya, Chief Executive Officer

ii. **Committee Meeting details: 1 time in FY 2081/82**

iii. **Short Descriptions of Committee Responsibility**

The committee is responsible for identifying, assessing, and monitoring key risks facing the company. It ensures the implementation of appropriate risk management policies and frameworks to address these risks effectively. Additionally, the committee oversees the company's financial stability, including its solvency position and capital adequacy, while regularly reviewing the effectiveness of the overall risk management policy.

c) Internal Control System framework: **Exist**

d) Any committee has / has not been formed for internal control system: **Formed**

e) **Details of Internal Control System committee:**

To ensure the effectiveness of the company's internal control system, different committee of the director and senior management has been formed. Additionally, various other committees have been established for operational management purposes.

I. Committee Structure (Name and position of coordinator and members):

Audit Committee

1. Mrs. Sushama Sharma (Wasti) : Coordinator
2. Mr. Rameshwor Sapkota : Member (till 2082/09/24)
3. Mr. Rahul Thokar Lama : Member (till 2082/10/29)
4. Mrs. Aakriti Lama : Member (from 2082/10/29)
5. Mrs. Rachana Bajracharya : Member Secretary (from 2082/10/29)

Claim Settlement and Reinsurance Committee

1. Mr. Sangay Lama : Coordinator
2. Mr. Sanchit Bajracharya : Chief Executive Officer

Investment Committee

1. Mr. Mijas Bhattachan : Coordinator
2. Mr. Sanchit Bajracharya : Chief Executive Officer
3. Mr. Arbind Kumar Karn : Finance Head

Risk Management & Solvency management Committee

1. Mr. Rahul Thokar Lama : Coordinator (till 2082/10/29)
2. Mr. Ramkrishna Lamichhane : Coordinator (from 2082/10/29)
3. Mr. Sanchit Bajracharya : Chief Executive Officer

Human Resource Committee

1. Mr. Rajendra Malla : Coordinator
2. Mr. Sanchit Bajracharya : Chief Executive Officer

Anti-Money laundering Committee

1. Mr. Shanta Gautam : Coordinator
2. Mr. Sanchit Bajracharya : Chief Executive Officer

II. Details of Committee Meetings

Audit Committee : 9 times

Claim Settlement and Reinsurance Committee : 4 times

Investment Committee : 5 times

Risk Management, Financial & Solvency management Committee : 1 time

Human Resource Committee : 9 times

Anti-Money Laundering Committee : 10 times

III. Short Description of Committee's Responsibility

Audit Committee

The Audit Committee oversees the financial reporting process, internal control systems, and compliance with laws and regulations. It ensures transparency, accuracy, and accountability in the company's financial statements and operations. The committee also liaises with internal and external auditors to review audit findings and recommend improvements

Claim Settlement and Reinsurance Committee

The Claim Settlement and Reinsurance Committee is responsible for evaluating and approving insurance claims submitted by policyholders. It ensures that claims are handled fairly, promptly, and in accordance with company policies and regulatory standards. The committee also works to prevent and detect fraudulent claims and protects the interests of both the company and its customers.

Investment Committee

The Investment Committee is responsible for developing and monitoring the company's investment strategies. It ensures that all investment decisions align with the company's risk appetite, regulatory limits, and long-term financial goals. The committee also prioritizes the safety and profitability of policyholders' funds through prudent asset management.

Risk Management, Financial & Solvency management Committee

The Risk Management & Solvency Management Committee is responsible for identifying, assessing, and mitigating various risks that could impact the company. It ensures effective implementation of risk management frameworks and monitors the company's solvency position and capital adequacy to meet financial obligations.

Human Resource Committee

The Human Resource Committee focuses on formulating and overseeing HR policies, including recruitment, training, performance evaluation, and staff welfare. It ensures that the company attracts, develops, and retains a skilled and motivated workforce to support its strategic objectives.

Anti-Money Laundering Committee

The Anti-Money Laundering (AML) Committee is responsible for implementing and monitoring policies and procedures to prevent money laundering and terrorist financing. It ensures compliance with relevant AML regulations and works to detect and report suspicious transactions, safeguarding the company's operations from illicit activities.

f.) Financial Administration Regulation: in place and Available

4) Information and Communication Management

a) Details of Notice and Announcement made by the Organization:

Topic	Medium	Date of Announcement
Annual General Meeting	Rajdhani National Daily Newspaper	2082/12/18, First Publication 2082/12/25, Second Publication
Special General Meeting	-	
Annual Report	Rajdhani National Daily Newspaper and Company's Website	2082/12/18
Quarterly Report	National Daily Newspaper and Company's Website	Within 30 days after the end of each quarter 2081/07/30, 2081/10/30, 2082/01/29, 2082/04/30
SEBON	Nepal Stock Exchange, National Daily Newspaper and Electronic Media	-
Others	National Daily Newspaper	-

b) Information related to non-publicity of the information or action taken by the Securities Board and other agencies due to other reasons: **None**

c) Date of Last Annual General Meeting: **2082/04/23**

5) Institutional Structure and Personnel Details

a) Whether there is an employee service condition regulation/system containing the structure, appointment, professional development, training, salary, allowances and other facilities, attendance and leave, code of conduct etc.: **Available**

b) Attached organizational structure: **Attached**

c) Name, Education and Experience of Senior Management Team

Name	Designation	Education	Experience
Mr. Sanchit Bajracharya	Chief Executive Officer	Masters	18 years in insurance and 31 years including other financial Sector
Mr. Samir Tamang	Deputy Chief Executive Officer	Bachelor	26 years in insurance sector
Mr. Arbind Kumar Karn	Act. Chief Manager	Masters	18 years in insurance sector
Mr. Batsal Dhakal	Act. Senior Manager	Masters	23 years in insurance sector
Mrs. Binita Shrestha	Act. Senior Manager	Bachelor	22 years in insurance sector
Mrs. Rachana Bajracharya	Act. Manager	Masters	19 years in insurance sector
Ms. Sajani Tamang	Deputy Manager	Masters	12 years in insurance sector
Mrs. Brinda Shahi	Act. Deputy Manager	Masters	18 years in insurance sector
Ms. Durga Poudel	Act. Deputy Manager	Masters	15 years in insurance sector

d) Other details related to employees

Whether or not to appoint employees according to the regulations	Appointed according to regulations
Procedure adopted for the appointment of new employees	Advertisement and Interview
Number of management level employees	9
Total number of employees	267
Whether or not there is a succession plan for employees	Exist
The number of trainings given to employees and the number of employees involved	Number of training: 19 Number of employees involved: 196
Staff training and development expenses	NRs. 3,015,063
Percentage of Staff expenses in total expenses	65.46%
Percentage of training expenses in personnel expenses	1.33%

6) Financial management and audit details

a) Details related to account

Preparation of Financial Statements following NFRS or not with reasons for the Last Fiscal Year	Prepared as per NFRS
Date of Approval of the Financial Statement by the Board of Directors	2082/11/17
Publication of Quarterly Financial Statements	Within 30 days after the end of each quarter
Date of Completion of Final Audit	2082/10/12
Date of Approval of Financial Statements by the General Meeting	2083/01/09
Details of Internal Audit of the Organization:	
1) Internal Audit Conducted /External Audit Expert Appointed	1) Gyanendra Bhari
2) Details if External Experts Were Appointed:	2) Mahesh Kumar Guragain (Statutory Auditor)
3) Frequency of Internal Audit:	3) Quarterly

b) Details related to Audit Committee

Names, Designations and Qualifications of Coordinator and Members:	1) Mrs. Sushama Sharma (Wasti), Coordinator 2) Mr. Rameshwor Sapkota, Member (till 2082/09/24) 3) Mr. Rahul Thokar Lama, Member (till 2082/10/29) 4) Mrs. Aakriti Lama, Member (from 2082/10/29) 5) Mrs. Rachana Bajracharya, Member Secretary (from 2082/10/29)
Meeting Dates and Number of Members Present:	2081/04/29: 2 members 2081/05/30: 3 members (including auditor) 2081/07/29: 2 members 2081/09/21: 3 members (including auditor) 2081/10/29: 2 members 2081/12/01: 3 members (including auditor) 2082/01/28: 2 members 2082/02/29: 3 members (including auditor) 2082/03/12: 3 members (including auditor)
Per Meeting Allowance	Coordinator: NRs. 8500 Member: NRs. 8000
Date of Submission of Audit Committee's Report to the Board of Directors	2082/11/17

7) Other Disclosures

Loan or Financial Transactions with Directors or Close Family Members	None
Usage of the Organization's Assets by Individuals or Entities with Financial Interests	None
Compliance with Conditions Set by Regulatory Authorities During Licensing	Complied
Compliance with Directives Issued During Regulation, Inspection, or Supervision	Complied
Details of Legal Cases Against the Organization or Its Directors	None

Compliance Officer's Name : Durga Poudel

Designation : Act. Dy. Manager

Date : 2082/11/17

Organization's Seal :

Date of Approval of Report by the Board of Directors : 2082/11/17

Information as required by Securities Registration and Issuance Regulation 2073

(Related to Sub rule (2) of rule 26)

1) Board of Director's Report

Board of Director's Report is included in this annual report

2) External Auditor's Report

External Auditor's Report is included in this annual report.

3) Audited Financial Statement

Audited Financial statement is included in this annual report.

4) Details Regarding Legal Action

- Case filed by or to company during the period: There are no other legal cases filed by or to company.
- Case by or against the promoter or director of company regarding disobedience of prevailing law commission of criminal offence: None to our knowledge
- Case by or against the promoter or director of company regarding commission of financial crime: None to our knowledge.

5) Analysis of share transaction and progress of organized institution

Maximum, minimum and last share price of the organized institution including total transaction and transaction days during the year:

Quarter	Maximum Price	Minimum Price	Closing Price	No. of Traded Shares	Traded Days
First	1113	810	999	22,25,431	57
Second	1046	934	946	6,18,865	58
Third	1089	898	912	8,07,138	56
Fourth	959	806	910	14,68,750	62

6) Problems and Challenges

During the period, the national economy slowed down due to falling market interest rates and periodic liquidity shortages. The global economic recession and rising fuel prices also affected key sectors like hotels, tourism, and transportation. Political instability and low public awareness of insurance further limited business growth. These factors had a direct impact on the insurance industry. In addition, the company's operating costs increased due to various regulatory and operational requirements during the year.

7) Corporate Governance

The company remains committed to maintaining high standards of corporate governance. It operates according to the laws, rules, and guidelines issued by the Nepal Insurance Authority and other regulators. The company also follows internal policies and various procedures to ensure transparency and responsibility in its daily work. The company is committed to timely dissemination of necessary information to its shareholders, customers, regulatory bodies, and the general public through various financial and non-financial disclosures. Corporate governance has been top priority, and the company is focused on further improving the quality of its services in the days to come.



Infomerics Credit Rating Nepal Limited

Infomerics Rating
Nepal

July 30, 2025

Mr. Sanchit Bajracharya
Chief Executive Officer
Prabhu Insurance Limited
Tinkune, Kathmandu, Nepal



CONFIDENTIAL

Dear Sir,

Issuer Rating Letter

Please refer to the Mandate contract dated **June 04, 2024** on the captioned subject and your letter/e-mail dated **July 8, 2024** accepting our rating & use thereof.

1. The following ratings has been reaffirmed by Infomerics Credit Rating Nepal Limited's (Infomerics Nepal) Rating Committee:

S. N.	Facility/ Instrument	Amount (NPR Million)	Rating	Rating Action
1.	Issuer Rating	NA	IRN BBB+ (Is) [Triple B Plus (Issuer)]	Reaffirmed

2. The rationale for this rating will be communicated to you separately.
3. The explanatory notes regarding the rating symbols of Infomerics Nepal for Issuer Rating are given in **Annexure I**.
4. The aforementioned rating will be valid till July 29, 2026. Infomerics Nepal reserves the right to undertake a surveillance/review of the rating from time to time, based on the circumstances warranting such review, subject to at least one such review/surveillance every year.
5. The ratings assigned by Infomerics Nepal are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics Nepal reserves the right to change, reaffirm, suspend or withdraw the credit ratings at any point in time, as a result of periodic review/surveillance, based on any event or information which in the opinion of Infomerics Nepal warrants such action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by Infomerics Nepal so as to enable it to carry out continuous monitoring of the rating of the bank facilities; Infomerics Nepal shall carry out the review on the basis of best available



Infomerics Credit Rating Nepal Limited

Infomerics Rating
Nepal

information throughout the life time of such facilities. Infomerics Nepal shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

6. Users of this rating may kindly refer our website www.infomericsnepal.com for latest update on the outstanding rating.

If in case of any additional clarification required, please feel free to approach us. We are indeed, grateful to you for entrusting Infomerics Nepal.

Thanking You

CA Raunak Mulmi
Associate Analyst



Yours faithfully,

Ms. Ruchata Shrestha
Research Analyst

Encl: As above

Disclaimer: Ratings assigned by Infomerics Nepal are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics Nepal reserves the right to change, suspend or withdraw the credit ratings at any point in time. Ratings assigned by Infomerics Nepal are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics Nepal is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

प्रभु इन्स्योरेन्स लिमिटेड

प्रबन्ध-पत्रको प्रस्तावित संशोधनको तीनमहले विवरण

सि.नं.	हालको व्यवस्था	प्रस्तावित संशोधन	संशोधनको कारण
१.	<p><u>दफा ६ (क)</u> कम्पनीको अधिकृत पूँजी रु. ३,००,००,००,०००/- (तीन अरब) हुने छ। जसलाई प्रति शेयर रु. १००/- (एक सय) का दरले ३,००,००,०००/- (तीन करोड) साधारण शेयरमा विभाजित गरिएको छ।</p> <p>यस कम्पनीको जारी तथा चुक्ता पूँजी रु. २,५०,०४,०५,३००/- (रु. दुई अरब पचास करोड चार लाख पाँच हजार तीन सय) हुने छ। जसलाई प्रति शेयर रु. १००/- (रु. एक सय) का दरले २,५०,०४,०५३ (दुई करोड पचास लाख चार हजार त्रिपन्न) साधारण शेयरमा विभाजित गरिएको छ।</p>	<p><u>दफा ६ (क)</u> कम्पनीको अधिकृत पूँजी रु. ३,००,००,००,०००/- (तीन अरब) हुने छ। जसलाई प्रति शेयर रु. १००/- (एक सय) का दरले ३,००,००,०००/- (तीन करोड) साधारण शेयरमा विभाजित गरिएको छ।</p> <p>यस कम्पनीको जारी तथा चुक्ता पूँजी रु. २,६४,८३,८८,५००/- (रु. दुई अरब चौसठ्ठी करोड त्रियासी लाख अठ्ठासी हजार पाँच सय) हुने छ। जसलाई प्रति शेयर रु. १००/- (रु. एक सय) का दरले २,६४,८३,८८५ (दुई करोड चौसठ्ठी लाख त्रियासी हजार आठ सय पचासी) साधारण शेयरमा विभाजित गरिएको छ।</p>	बोनस शेयर जारी गरी पूँजी वृद्धि गर्नुपर्ने भएकोले।

प्रभु इन्स्योरेन्स लिमिटेड

नियमावलीको प्रस्तावित संशोधनको तीनमहले विवरण

सि.नं.	हालको व्यवस्था	प्रस्तावित संशोधन	संशोधनको कारण
१.	<p><u>नियम २.१ (क)</u> कम्पनीको अधिकृत पूँजी रु. ३,००,००,००,०००/- (तीन अरब) हुने छ। जसलाई प्रति शेयर रु. १००/- (एक सय) का दरले ३,००,००,०००/- (तीन करोड) साधारण शेयरमा विभाजित गरिएको छ।</p> <p>यस कम्पनीको जारी तथा चुक्ता पूँजी रु. २,५०,०४,०५,३००/- (रु. दुई अरब पचास करोड चार लाख पाँच हजार तीन सय) हुने छ। जसलाई प्रति शेयर रु. १००/- (रु. एक सय) का दरले २,५०,०४,०५३ (दुई करोड पचास लाख चार हजार त्रिपन्न) साधारण शेयरमा विभाजित गरिएको छ।</p>	<p><u>नियम २.१ (क)</u> कम्पनीको अधिकृत पूँजी रु. ३,००,००,००,०००/- (तीन अरब) हुने छ। जसलाई प्रति शेयर रु. १००/- (एक सय) का दरले ३,००,००,०००/- (तीन करोड) साधारण शेयरमा विभाजित गरिएको छ।</p> <p>यस कम्पनीको जारी तथा चुक्ता पूँजी रु. २,६४,८३,८८,५००/- (रु. दुई अरब चौसठ्ठी करोड त्रियासी लाख अठ्ठासी हजार पाँच सय) हुने छ। जसलाई प्रति शेयर रु. १००/- (रु. एक सय) का दरले २,६४,८३,८८५ (दुई करोड चौसठ्ठी लाख त्रियासी हजार आठ सय पचासी) साधारण शेयरमा विभाजित गरिएको छ।</p>	बोनस शेयर जारी गरी पूँजी वृद्धि गर्नुपर्ने भएकोले।

OUR NETWORKS

KOSHI PROVINCE

Dharan Branch

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025-531260
dharan@prabhuinsurance.com

Itahari Branch

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Katari Sub-Branch

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Gaighat Sub-Branch

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Damak Sub-Branch

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Dhading Sub-Branch

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Narayangadh Branch

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Kalanki Branch

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Manthali Branch

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Khurkot Sub-Branch

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GANDAKI PROVINCE

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pokhara@prabhuinsurance.com

Mustang Branch

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Myagdi Branch

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Gorkha Sub-Branch

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Parbat Sub-Branch

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Baglung Branch

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Damauli Branch

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damauli@prabhuinsurance.com

Kawasoti Sub-Branch

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kawasoti@prabhuinsurance.com

Syangja Branch

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Lamjung Sub-Branch

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Amarsingh Chowk Branch

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LUMBINI PROVINCE

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Butwal Branch

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Gulmi Branch

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Bhairahawa Branch

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टिपोट



कम्पनीको २५ औं वार्षिक साधारण सभामा आफ्नो मन्तव्य राख्नुहुँदै
शेयरधनी महानुभावहरू



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कम्पनीको २९ औं वार्षिक साधारण सभा



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