

BHUTAN INSURANCE LIMITED
THIMPHU : BHUTAN
Consolidated Statement of Financial Position as of 31st December 2013

Particulars	Schedule	2013 Nu.	2012 Nu.
LIABILITIES			
Share Capital:			
Authorised Capital		500,000,000	500,000,000
Issued, Subscribed and Paid-up Capital	5	200,000,000	200,000,000
Reserve & Surplus	6	69,203,054	45,079,789
<u>Current Liabilities</u>			
Borrowings & Funds	7	86,943,588	71,266,619
Other Current Liabilities	8	39,873,071	75,972,652
Provisions	9	120,803,291	126,830,167
		516,823,005	519,149,227
ASSETS			
Loans & Overdraft	10	374,822,123	364,956,628
Property, Plant & Equipment (Net Block)	18	17,639,845	6,406,052
<u>Current Assets</u>			
Cash & Cash Equivalents	11	77,829,429	72,694,793
Advance & Other Assets	12	46,531,607	75,091,754
		516,823,005	519,149,227
Note:-			
Contingent Liabilities (Off balance sheet)		83,423,974	87,298,642

SIGNIFICANT ACCOUNTING POLICIES 19
NOTES TO ACCOUNTS 20

The schedules referred to above form an integral part of this Balance Sheet. This is the Consolidated Balance Sheet referred to in our report of even date.

On Behalf of The Board of Directors

For Dutta Sarkar & Co.
 Chartered Accountants
 7A, Kiron Sankar Roy Road
 2nd Floor
 Kolkata - 700001



P.S.De
 Partner
 Membership
 Number: 16727
 Place: Kolkata
 Date: 24 March
 2014

CEO

Director

Chairman

BHUTAN INSURANCE LIMITED
THIMPHU : BHUTAN
Consolidated Statement of Comprehensive Income as of 31st December 2013

Particulars	Schedule	2013 Nu.	2012 Nu.
Profit transferred from Respective Revenue A/c.			
General Insurance Department	R. A/c.	48,380,701	47,547,309
Financing & Investment Department	R. A/c.	13,954,700	12,097,765
Total :-		62,335,402	59,645,073
Profit Before Taxation		62,335,402	59,645,073
Less: Provision for taxation	9(iii)	18,700,620	17,893,522
Profit after taxation		43,634,781	41,751,551
Add: Excess provision of taxation previous year		488,484	-
Less: Prior period Adjustment	17	-	1,584,498
Profit available for Appropriations		44,123,265	40,167,053
APPROPRIATIONS			
Proposed Dividend	9(iv)	20,000,000	19,000,000
Transfer to Catastrophe Reserve	6(ii)	1,061,632	1,083,526
Transfer to General Reserve	6(i)	23,061,633	20,083,527
TOTAL APPROPRIATIONS		44,123,265	40,167,053

SIGNIFICANT ACCOUNTING POLICIES 19
NOTES TO ACCOUNTS 20

The schedules referred to above form an integral part of this Profit & Loss Account
This is the Consolidated Profit/Loss Account referred to in our report of even date

On Behalf of The Board of Directors

For Dutta Sarkar & Co.
Chartered Accountants
7A, Kiron Sankar Roy Road
2nd Floor
Kolkata - 700001

P.S.De
Partner
Membership Number: 16727
Place: Kolkata
Date: 24 March 2014



CEO

Director

Chairman



BHUTAN INSURANCE LIMITED
Schedules attached to and forming part of the Accounts as of 31st December 2013

	FIRE INSURANCE		MARINE INSURANCE		MISC. INSURANCE		TOTAL	
	2013	2012	2013	2012	2013	2012	2013	2012
1 PREMIUM EARNED(NET)								
Premium from direct business written	65,026,107	61,316,597	4,143,864	4,148,474	130,624,216	194,922,640	199,794,187	260,387,711
Add: Premium on Reinsurance accepted	-	-	-	-	-	-	-	-
Less: Premium on Reinsurance ceded	47,827,679	45,724,314	3,115,809	2,431,921	35,452,203	68,671,949	86,395,691	116,828,184
Net Premium	17,198,428	15,592,283	1,028,055	1,716,553	95,172,013	126,250,691	113,398,495	143,559,528
Less: Adjustment for change in reserve for unexpired Risk	883,379	3,051,974	(378,674)	269,539	(17,093,273)	(13,659,120)	(16,588,568)	(10,337,607)
Total Premium earned	16,315,049	12,540,309	1,406,729	1,447,014	112,265,286	139,909,811	129,987,063	153,897,135

	FIRE INSURANCE		MARINE INSURANCE		MISC. INSURANCE		TOTAL	
	2013	2012	2013	2012	2013	2012	2013	2012
2 CLAIMS INCURRED(NET)								
Claims Paid Direct (Including advance)	6,819,630	16,560,980	145,868	444,169	133,786,169	132,913,511	140,751,667	149,918,660
Add: Claims Outstanding at the year end (Net of advance)	575,000	778,628	669,760	1,494,900	20,472,142	35,470,083	21,716,902	37,743,611
Less: Claims Outstanding at the beginning of the year	778,628	3,995,401	1,494,900	240,400	35,470,083	32,935,118	37,743,611	37,170,919
Gross claims	6,616,002	13,344,207	(679,272)	1,698,669	118,788,228	135,448,476	124,724,958	150,491,352
Add: Reinsurance accepted	-	-	-	-	-	-	-	-
Less: Reinsurance ceded	5,446,337	13,187,342	109,401	346,045	30,357,783	33,305,729	35,913,521	46,839,116
Total Net Claims Paid	1,169,665	156,865	(788,673)	1,352,624	88,430,445	102,142,747	88,811,437	103,652,237

	FIRE INSURANCE		MARINE INSURANCE		MISC. INSURANCE		TOTAL	
	2013	2012	2013	2012	2013	2012	2013	2012
3 COMMISSION(NET)								
Commission on Reinsurance Ceded	14,879,821	13,915,817	824,264	792,315	8,605,844	7,021,897	24,309,929	21,730,028
Less: Commission on Reinsurance accepted	-	-	-	-	-	-	-	-
Less: Referral fees	1,272,024	1,120,920	80,894	75,680	2,554,991	3,563,146	3,907,909	4,759,746
Net Commission	13,607,796	12,794,896	743,371	716,635	6,050,853	3,458,751	20,402,021	16,970,283



	2013	2012
4 OPERATING EXPENSES (Gen. Insurance Dept.)		
Employees remuneration and welfare benefit	22,426,408	20,568,106
Travel, Conveyance and vehicle running expenses	2,044,663	3,669,729
Training expenses	2,040,142	2,531,610
Rental charges	1,927,485	1,430,842
Repairs & Maintenance	788,702	227,827
Printing and stationary	661,260	947,296
Communication	962,933	658,941
Legal and Professional Charges	1,376,697	1,259,208
Advertisement and publicity	1,350,540	1,198,381
Interest and bank charges	121,677	49,855
Other expenses	318,383	247,842
Gratuity fund contribution	1,162,568	1,146,829
Depreciation	2,911,260	1,019,989
Total:-	38,092,718	34,956,455
Expenses Allocation:		
Fire Insurance	12,399,180	8,232,245
Marine Insurance	788,519	555,808
Miscellaneous Insurance	24,905,019	26,168,402
Total Expenses allocation	38,092,718	34,956,455
5 CAPITAL FUND		
Authorised capital	500,000,000	500,000,000
(5,000,000 Equity share of Nu.100/- each)	500,000,000	500,000,000
Issued, Subscribed and Paid-up (1,000,000 Equity share at Nu.100/- each)	200,000,000	100,000,000
Right Share issue (1,000,000 Equity share at Nu.100/- each)	-	100,000,000
	200,000,000	200,000,000
6 RESERVES & SURPLUS		
i) General Reserves balance as per last Account	40,337,483	20,253,956
Add: Transferred from Profit/Loss Account	23,061,633	20,083,527
Total (A):-	63,399,116	40,337,483
ii) CAT Reserves as per last Account	4,742,306	3,658,780
Add: Transferred from Profit/Loss Account	1,061,632	1,083,526
Total (B):-	5,803,938	4,742,306
Total Reserve & Surplus (A+B)	69,203,054	45,079,789
6A. General Insurance Dept.		
As per last Account	45,079,789	23,912,736



Add: Transferred from current year Account	48,869,185	45,962,810
Total:-	93,948,974	69,875,546

6B. Financing & Investment Dept.

As per last year Accounts	24,508,773	12,411,008
Add: Transfer from current year Account	13,954,700	12,097,765
Total:-	38,463,473	24,508,773

7 BORROWINGS & FUNDS

Borrowings from Druk PNB	35,000,000	35,000,000
Funds from PPF Division	48,655,958	34,215,563
Funds from SWF	636,986	455,227
Funds from Staff Gratuity A/c.	2,650,645	1,595,829
Total:-	86,943,588	71,266,619

7A. Financing & Investment Dept.

Borrowings from Druk PNB	35,000,000	35,000,000
Funds from General Insurance Dept.	241,659,326	276,774,273
Funds from PPF Division	48,655,958	34,215,563
Funds from SWF	636,986	455,227
Funds from Staff Gratuity A/c.	2,650,645	1,595,829
Total:-	328,602,914	348,040,892

8 CURRENT LIABILITIES

Outstanding expenses	89,602	253,330
Outstanding claim	21,716,902	37,743,611
Referral fees Payable	3,036,950	3,241,984
Stale Cheques	836,321	310,776
Gratuity fund Payable	1,206,901	1,146,829
Advance received of insurance premium for 4 years	186,586	219,323
Excess Premium Refundable	49,474	122,721
RI Ceded for aviation/other insurance payable	4,770,257	28,070,937
Excess Right issue amount Refundable to RICB broker	-	1,000
Audit fees & expenses payable	200,000	200,000
Rent Security TDS deducted & Payable to RRCO	2,350	-
Unclaim dividend	2,668,167	2,126,807
Interest payable for external borrowing (PNB)	297,339	200,651
Interest payable for PPF fund	2,754,189	1,684,494
Interest payable to SWF	34,215	21,758
CIB Charges payable to RMA	-	600
Interest payable to Staff Gratuity Fund	144,013	57,217
Interest in suspenses A/c.	1,783,779	554,467



Late fees income in suspense A/c.	96,026	16,147
Total:-	39,873,071	75,972,652

8A. General Insurance Dept.

Outstanding expenses	89,602	253,330
Outstanding claim	21,716,902	37,743,611
Referral fees payable	3,036,950	3,241,984
Stale cheques	836,231	297,448
Gratuity fund payable	1,206,901	1,146,829
Advance received of insurance premium for 3 years	186,586	219,323
Excess Premium Refundable	49,474	122,721
RI Ceded for aviation/other insurance payable	4,770,257	28,070,937
Excess Right issue amount Refundable RICB broker	-	1,000
Audit fees & expenses payable	200,000	200,000
Rent Security TDS deducted & payable to RRCO	2,350	-
Unclaim dividend	2,668,167	2,126,807
Total:-	34,763,420	73,423,990

8B. Financing & Investment Dept

Interest payable to Druk PNB	297,339	200,651
Interest payable to General Insurance Dept.	15,567,602	10,514,941
Interest payable to PPF Division	2,754,189	1,684,494
Interest payable to SWF	34,215	21,758
CIB Charges payable to RMA	-	600
Mgt. Expenses payable to Gen. Insurance	1,617,122	2,221,486
Interest in suspense A/c.	1,783,779	554,467
Late fees income in suspense A/c.	96,026	16,147
Interest payable to Staff Gratuity A/c.	144,013	57,217
Stale cheque	90	13,328
Total:-	22,294,376	15,285,090

9 PROVISIONS

i) Provision for un expired risk	62,369,172	78,957,740
ii) Provision for Loan	19,733,499	10,978,905
iii) Provision for taxation	18,700,620	17,893,522
iv) Provision for dividend	20,000,000	19,000,000
Total (i + ii + iii + iv):-	120,803,291	126,830,167

9A. General Insurance Dept.

i) Provision for un expired risk as per last Account	78,957,740	89,295,347
Add: Provision for unexpired risk current year	(16,588,568)	(10,337,607)



Total:-	62,369,172	78,957,740
9B. Financing & Investment Dept.		
i) Provision for standard Loan as per last year A/c.	2,700,456	2,053,430
Add:- Additional Provision for current year	105,080	647,026
Total:-	2,805,536	2,700,456
ii) Provision for Watch Loan as per last year A/c.	1,155,786	1,373,835
Add:- Additional Provision for current year	(222,117)	(218,049)
Total:-	933,669	1,155,786
iii) Provision for Non performing Loan as per last year A/c.	5,682,016	1,742,423
Add:- Additional Provision for current year	10,312,278	3,939,593
Total:-	15,994,294	5,682,016
iv) Dynamic Provision as per last year A/c.	1,440,647	-
Less:- Adjusted to General Provision for current year	(1,440,647)	1,440,647
	-	1,440,647
Total (i + ii + iii+iv):-	19,733,499	10,978,905

9C. Financing & Investment Dept.

i) Standard provision for current year	105,080	647,026
ii) Watch Loan provision for current year	(222,117)	(218,049)
iii) Non performing loan for current year	10,312,278	3,939,593
iv) Dynamic provision for current year	(1,440,647)	1,440,647
	8,754,594	5,809,217

10 LOANS & OVERDRAFT

Vehicle Loan (Commercial & Non Commercial)	138,814,515	168,643,449
Commercial Establishment Loan	8,227,643	6,580,708
Industrial Manufacturing Loan	24,002,298	31,322,144
Service & Tourism	16,802,534	12,831,912
Housing Loan	7,426,274	6,415,691
Personal Loan	64,180,358	53,564,526
Venture Loan (Trade & Commerce)	65,061,565	56,213,828
Staff Loan (Vehicle & Establishment)	19,729,904	20,221,463
PPF Loan	1,106,373	524,525
GE/PE Loan	687,168	1,019,470
Loan against Shares	28,680,307	7,596,739
Late fees outstanding	103,184	22,173
Total:-	374,822,123	364,956,628

11 CASH & CASH EQUIVALENTS

Cash & Bank Balance	47,829,429	32,694,793
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Fixed Deposit (Maturing < or = 3 months)	-	10,000,000
Fixed Deposit (Maturing >3 months but < or = 1 year)	30,000,000	30,000,000
Total:-	77,829,429	72,694,793

11A. General Insurance Dept.

Cash & Bank Balance	13,566,458	8,878,447
Fixed Deposit (Maturing >3 months but < or = 1 year)	30,000,000	30,000,000
Total:-	43,566,458	38,878,447

11B. Financing & Investment Dept.

Cash & Bank Balance	34,262,971	23,816,347
Fixed Deposit (Maturing < or = 3 months)	-	10,000,000
Total:-	34,262,971	33,816,347

12 ADVANCE & OTHER ASSETS

RMA Reserve A/c	30,000	30,000
Security deposit for office space	121,000	105,000
Interest on Fixed Deposit receivable	379,726	483,699
Aviation/other insurance premium receivable	5,044,568	28,099,340
Pre paid insurance	29,664	8,760
Advance CIT & TDS Paid	4,696,860	4,489,037
RMA Penalty Deposit A/c.	100,000	100,000
Software advance Paid for General Insurance	-	2,671,920
Re-Insurer (receivable)	29,607,479	30,915,455
Other advance	522,310	688,542
Vechile purchase advance	-	4,500,000
Capital contribution for FI training Institute	6,000,000	3,000,000
Total:-	46,531,607	75,091,754

12A. General Insurance Dept.

RMA Reserve A/c.	30,000	30,000
Security deposit for office space	121,000	105,000
Interest on Fixed Deposit receivable	379,726	443,014
Interest on Investment fund Receivable (FID)	15,567,602	10,514,941
Aviation/other insurance premium receivable	5,044,568	28,099,340
Pre paid insurance	29,664	8,760
Advance CIT & TDS Paid	4,687,693	4,489,037
RMA Penalty Deposit A/c.	100,000	100,000
Softwre advance for General Insurance Dept.	-	2,671,920
Re-Insurer (receivable)	29,607,479	30,915,455
FID Expenses receivable	1,617,122	2,221,486
Investment Fund with FID	241,659,326	276,774,273
Other advance	522,310	688,542



Vechile purchase advance	-	4,500,000
Capital contribution for FI training Institute	6,000,000	3,000,000
Counter entry of FID last year Reserve	24,508,773	12,411,008
Total:-	329,875,263	376,972,777

13 INTEREST & OTHER INCOME

13A. General Insurance Dept.

Fixed Deposit	2,036,712	2,769,529
Interst Received from FID (Gen. Insurance Fund)	15,567,602	10,514,941
Misc. Income	7,200	5,225
Total:-	17,611,515	13,289,695

13B. Financing & Investment Dept.

i) Interest Received (Net of Suspense)

Commercial vehicle Loan	19,726,898	21,147,140
Commercial Establishment Loan	773,092	678,613
Industrial Manufacturing Loan	2,992,119	3,807,543
Services & Tourism	1,907,901	337,359
Housing Loan	738,587	645,107
Personal Loan	9,519,728	4,242,299
Staff Loan	1,325,414	1,475,774
Venture Loan	6,965,827	7,488,299
PPF Loan	90,486	63,626
GE/PE Loan	110,295	135,783
Loan against shares	1,314,385	928,514
Total:-	45,464,732	40,950,057
Less:- Interest Suspense	1,229,312	388,700
	44,235,420	40,561,357

ii) Misc. Income

Gurantee Commission	1,992,398	458,367
Administration & other Charges	43,000	65,300
Interest on Fixed Deposit	142,648	40,685
Late fees Income (Net of suspense)	353,308	246,229
Total:-	2,531,355	810,581

14 INTEREST EXPENSES

Interest on borrowing Funds (PNB)	3,403,823	5,067,174
Interest on borrowing Funds (NPPF)	-	3,385,131
Interest on General Insurance Fund	15,567,602	10,514,941
Interest on PPF Fund	2,754,189	1,696,302
Interest on SWF	34,215	21,758
Interest on Staff Gratuity A/c.	144,013	57,217
Total :-	21,903,843	20,742,524



15	OPERATING EXPENSES (Financing & Inv. Dept)		
	Salary,wages,allowance & PF	937,741	1,030,447
	Leave Encashment benefit	10,297	52,890
	LTC	55,537	55,297
	Travelling Expenses	97,777	25,166
	Printing & Stationary expenses	111,329	218,614
	Training Expenses	220,351	632,902
	Postage & Telegram expenses	3,184	17,748
	Legal Charges	1,890	7,434
	Telephone & Fax expenses	50,311	142,931
	Canteen Expenses	25,322	38,057
	Internet expenses	46,923	-
	Electricity charges	12,127	-
	Gratuity expenses	44,333	-
	CIB annual Membership fees	500,000	500,000
	Advertisement expenses	35,312	-
	Bank charges	1,205	945
	Total:-	2,153,639	2,722,432
16	OTHER ASSETS (FID)		
	Interest on Fixed Deposit receivable	-	40,685
	Advance CIT & TDS paid	9,167	-
		9,167	40,685
17	PRIOR PERIOD ADJUSTMENT		
	Adjustment of additional taxation for earlier year	-	830,195
	Fines & Penalties payment to RRCO	-	112,882
	Short provision of staff incentive in previous year	-	641,421
		-	1,584,498



BHUTAN INSURANCE LIMITED
18. Property, Plant and Equipment as on 31st December 2013

Particular	GROSS BLOCK - AT COST		Addition during the year	Sales Adj.	As at 31/12/2013	DEPRECIATION			NET BLOCK	
	As at 01/01/2013	As at 31/12/2013				As at 01/01/2013	For the year	Adj. Dep.	As at 31/12/2013	As at 31/12/2013
Equipment	1,264,318	1,590,897	326,579	-	297,617	238,635	-	536,252	1,054,646	966,701
Furniture	1,566,778	1,900,487	333,709	-	452,622	285,073	-	737,695	1,162,792	1,114,156
Computer (Hard ware)	4,255,101	4,566,829	311,728	-	1,225,069	685,024	-	1,910,093	2,656,736	3,030,032
Vehicle	1,689,492	7,337,841	5,648,349	-	842,895	1,100,676	-	1,943,571	5,394,270	846,597
Computer (Software)	500,000	8,024,687	7,524,687	-	51,434	601,852	-	653,286	7,371,402	448,566
Total	9,275,689	23,420,742	14,145,053	-	2,869,637	2,911,260	-	5,780,897	17,639,845	6,406,052

