

Consolidated Statement of Financial Position as on 31st December 2014

Particulars	Note	2014 Nu.	2013 Nu.
ASSETS			
Non Current Assets			
Intangible Assets (Net block)	4	6,515,723	7,371,401
Property, Plant & Equipment (Net block)	5	8,635,949	10,268,443
Long Investment	6	6,000,000	6,000,000
Term Loan	7	329,337,425	314,500,112
Total Non current Assets:-		350,489,097	338,139,956
Current Assets			
Cash & cash equivalents	8	116,449,313	47,829,429
Short term Investment	9	95,413,090	30,000,000
Loans & Overdraft	10	83,222,354	60,322,011
Advance & other assets	11	58,614,913	40,531,607
Total current Assets:-		353,699,670	178,683,047
TOTAL ASSETS:-		704,188,767	516,823,005
LIABILITIES			
Shareholders' Equity			
Issue,Subscribed & Paid-up capital	12	200,000,000	200,000,000
General Reserves	13	109,486,226	83,399,115
CAT Reserves	13a	6,803,938	5,803,938
Total Shareholders' Equity:-		316,290,164	289,203,053
Non Current Liabilities			
ESP Bond	14	120,000,000	-
Total Non current Liabilities		120,000,000	-
Current Liabilities			
Borrowings & Funds	15	121,381,823	86,943,589
Other Liabilities	16	41,571,736	39,873,071
Provisions	17	104,945,045	100,803,291
Total current Liabilities:-		267,898,604	227,619,951
TOTAL LIABILITIES:-		704,188,767	516,823,005
Note:-			
Contingent Liabilities (Off balance sheet)		29,127,193	83,423,974

The schedules referred to above form an integral part of this consolidated Statement of Financial Position. This is the Consolidated Statement of Financial Position referred to in our report of even date.

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: 16 APR 2015



On Behalf of The Board of Directors

Graulstho

CEO

WMS *Qizun*

Director Chairman




Consolidated Statement of Comprehensive Income as on 31st December 2014

Particulars	Note	2014 Nu.	2013 Nu.
<u>Operating Profit transferred from Revenue A/c.</u>			
General Insurance Department	Revenue A/c.	45,758,560	48,380,700
Financing & Investment Department	Revenue A/c.	21,627,525	13,954,700
Profit before Taxation		67,386,086	62,335,400
Provision for taxation		(20,215,826)	(18,700,620)
Profit after taxation		47,170,260	43,634,780
Prior period adjustment	30	(83,149)	488,484
Profit available for Appropriations		47,087,111	44,123,264
<u>APPROPRIATIONS</u>			
Transfer to Catastrophe Reserve		1,000,000	1,061,632
Transfer to General Reserve		46,087,111	43,061,632
TOTAL APPROPRIATIONS		47,087,111	44,123,264
Earnings per share (Nu.)	31	23.54	22.06

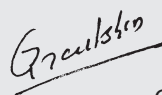
The schedules referred to above form an integral part of this Consolidated Statement of Comprehensive Income. This is the Consolidated Statement of Comprehensive Income Account referred to in our report of even date.

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: 16 APR 2015



On Behalf of The Board of Directors



CEO



Director



Chairman



Notes to the Financial Statements continued
All amounts are stated in Nu. unless otherwise indicated

4 **Intangible Assets**

Acquisition cost

Balance as at 1st January	8,024,687	2013 Nu.	500,000
Additions	409,441		7,524,687

Balance as at 31st December **8,434,128** **8,024,687**

Amortisation

Balance as at 1st January	653,286		51,434
Amortisation charge for the year	1,265,119		601,852

Balance as at 31st December **1,918,405** **653,286**

Net carrying amount as at 31st December **6,515,723** **7,371,401**

Intangible assets represent the cost of acquisition (Nu. 7.524 million) of an Insurance Management System from M/s. Nest Innovative, Kolkata, India in year 2013 and a Loan Management System (Nu.0.5 million) from DPS, Kolkata, India in year 2012. The assets have been amortized during the period as per the Income Tax Act of Bhutan 2001. An insurance Management system has been amortized with prorata basis for the period of six months in 2013 from the date of acquisition.

5 **PROPERTY, PLANT & EQUIPMENT**

Cost

Balance as at 1st January 2014	1,590,897	Office Equipment	Furniture & Fittings	Computers & Printers	Motor Vehicles	Total
Additions during the year	82,687		1,900,487	4,566,829	7,337,841	15,396,054
Disposals during the year	-		181,623	532,060	-	796,370

Balance as at 31st December 2014 **1,673,584** **2,082,110** **5,098,889** **7,337,841** **16,192,424**

Depreciation

Balance as at 1st January 2014	536,252		737,695	1,910,093	1,943,571	5,127,611
Depreciation charge for the year	251,038		312,317	764,833	1,100,676	2,428,864

Balance as at 31st December 2014 **787,290** **1,050,012** **2,674,926** **3,044,247** **7,556,475**

Carrying Amount

Balance as at 31st December 2014	886,294		1,032,099	2,423,963	4,293,594	8,635,949
Balance as at 31st December 2013	1,054,645		1,162,792	2,656,736	5,394,270	10,268,443

6 **LONG INVESTMENT**

Capital contribution to FIs training Institute	6,000,000		6,000,000
Total:-	6,000,000		6,000,000



	2014 Nu.	2013 Nu.
7 TERM LOANS DUES > 1 YEAR		
Manufacturing/Industry Sector Loan	23,367,716	30,807,988
Service Sector Loan	16,802,429	12,831,911
Trade/Commerce Sector Loan	17,885,759	6,950,673
Housing Sector Loan	20,885,784	4,755,632
Transport Sector Loan	116,761,342	156,167,079
Loans to Purchase Securities	41,917,925	7,268,639
Personal Loan	62,582,917	62,183,454
Staff Loan	18,754,250	21,731,347
Consumer Loan	10,379,303	11,803,389
Total:-	329,337,425	314,500,112
8 CASH & CASH EQUIVALENTS		
Cash on hand & balances with banks (8a+8b)	81,449,313	47,829,429
Fixed Deposit (Maturing >=3 months) (8a+8b)	35,000,000	-
Total:-	116,449,313	47,829,429
8a. General Insurance Dept		
Cash on hand & balance with banks	13,953,141	13,566,458
Total:-	13,953,141	13,566,458
8b. Financing & Investment Department		
Cash & Bank Balance	67,496,172	34,262,971
Fixed Deposit (maturing >= 3months)	35,000,000	-
Total:-	102,496,172	34,262,971
9 SHORT TERM INVESTMENT		
Fixed Deposit (Maturing > 3 months but < or = 1 year)	85,000,000	30,000,000
Equity Investment	10,413,090	-
Total:-	95,413,090	30,000,000
9a. Short term Investment (Gen. Ins.)		
Fixed Deposit (Maturing > 3 months but < or = 1 year)	30,000,000	30,000,000
Equity Investment (BNBL)	10,413,090	-
Investment with FID	338,101,733	241,659,326
Total:-	378,514,823	271,659,326
9b. Short term Investment(FID)		
Fixed Deposit (Maturing > 3 months but < or = 1 year)	55,000,000	-
Total:-	55,000,000	-
10 LOANS & OVERDRAFT DUES < or = 1 YEAR		
Trade/Commerce Sector Loan	75,507,315	58,267,038
Transport Sector Loan	173,248	-
Personal Loan	7,212,088	1,996,904
Late fees	329,702	58,067
Total:-	83,222,354	60,322,011
11 ADVANCE & OTHER ASSETS		
RMA Reserve A/c.	30,000	30,000
Security deposit for office space	130,000	121,000



Interest on Fixed Deposit receivable	4,352,990	388,893
Aviation insurance premium receivable	41,376,825	5,044,568
Pre paid insurance	48,686	29,664
Advance CIT & TDS paid to RRCO	9,698,569	4,687,693
RMA Penalty Deposit A/c.	100,000	100,000
Re-Insurer (receivable)	-	29,607,479
Other advance	628,232	522,310
Aviation RI commission receivable	2,249,610	-
Total:-	58,614,913	40,531,607

11a. General Insurance Department

RMA Reserve A/c.	30,000	30,000
Security deposit for office space	130,000	121,000
Interest on Fixed Deposit receivable	352,603	379,726
Interest on Investment fund Receivable (FID)	19,597,898	15,567,602
Aviation/Engg. insurance premium receivable	41,376,825	5,044,568
Pre paid insurance	48,686	29,664
Advance CIT & TDS paid to RRCO	9,676,843	4,687,693
RMA Penalty Deposit A/c.	100,000	100,000
Re-Insurer (receivable)	-	29,607,479
FID Expenses receivable	1,530,162	1,617,122
Other advance	628,232	522,310
Aviation RI commission receivable	2,249,610	-
Counter entry of FID last year Reserve	38,463,473	24,508,773
Total:-	114,184,332	82,215,937

11b. Financing & Investment Department

Interest receivable on Fixed deposit	4,000,387	-
TDS on Fixed Deposit paid to RRCO	21,726	9,167
	4,022,113	9,167

12 CAPITAL FUND

Authorised capital (5000000 Equity share of Nu 100 each)	500,000,000	500,000,000
	500,000,000	500,000,000
Issued, Subscribed and Paid-up (2000000 Equity share of Nu 100 each)	200,000,000	200,000,000
	200,000,000	200,000,000

13 GENERAL RESERVES

General Reserve balance as at 1st January	83,399,115	59,337,483
Profit for the year	47,087,111	44,123,264
Dividend Paid for previous year	(20,000,000)	(19,000,000)
CAT Reserve for the year (13a)	(1,000,000)	(1,061,632)
Balance as at 31st December	109,486,226	83,399,115

13a. CAT RESERVES

CAT Reserve as at 1st January	5,803,938	4,742,306
CAT Reserve for the year	1,000,000	1,061,632
Balance as at 31st December	6,803,938	5,803,938

13b. General Insurance Department

General Reserve balance as at 1st January	69,203,054	45,079,789
Profit for the year	45,758,560	48,869,184
Balance as at 31st December	114,961,614	93,948,973



13c. Financing & Investment Department

General Reserve as at 1st January	38,463,473	24,508,773
Profit for the year	21,544,376	13,954,700
Balance as at 31st December	60,007,849	38,463,473

14 ESP bond Liabilities

ESP bond	120,000,000	-
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15 BORROWING & FUNDS

Borrowings from Druk PNB	-	35,000,000
Funds from PPF Division	67,987,913	48,655,958
Funds from SWF	761,201	636,986
Funds from Staff Gratuity A/c.	52,632,709	2,650,645
Total:-	121,381,823	86,943,589

15a. Financing & Investment Department

Borrowings from Druk PNB	-	35,000,000
Funds from General Insurance Dept.	338,101,733	241,659,326
Funds from PPF Division	67,987,913	48,655,958
Funds from SWF	761,201	636,986
Funds from Staff Gratuity A/c.	52,632,709	2,650,645
Total:-	459,483,555	328,602,915

16 OTHER LIABILITIES

Outstanding expenses	686,542	289,602
Outstanding claim	13,503,530	21,716,902
Referral fees payable	2,202,623	3,036,950
Gratuity fund payable	1,331,079	1,206,901
Stale cheques	344,778	836,321
Unclaim Dividend	3,867,368	2,668,167
RI ceded for avation payable	-	4,770,257
Advance received of insurance premium for 3 years	104,842	186,586
Excess provision for taxation in previous year adjustable	-	2,350
RI ceded payable	6,065,602	-
Excess premium refundable	-	49,474
Interest payable to Druk PNB	-	297,339
Interest payable to PPF Division	4,036,430	2,754,189
Interest payable to SWF	52,387	34,215
Interest in suspense A/c.	3,470,866	1,783,779
Late fee suspense A/c.	310,448	96,026
Interest payable to Staff Gratuity A/c.	328,342	144,013
Interest payable to ESP fund	5,266,899	-
Total:-	41,571,736	39,873,071

16a. General Insurance Department

Outstanding expenses	686,542	289,602
Outstanding claim	13,503,530	21,716,902
Referral fees payable	2,202,623	3,036,950
Gratuity fund payable	1,331,079	1,206,901
Stale cheques	343,395	836,231
Unclaim Dividend	3,867,368	2,668,167
RI ceded for avation payable	-	4,770,257
Advance received of insurance premium for 3 years	104,842	186,586
Rent security TDS deducted & payable to RRCO	-	2,350
RI ceded payable	6,065,602	-



Interest payable to ESP Fund	5,266,899	-
Excess premium refundable	-	49,474
Total:-	33,371,881	34,763,420

16b. Financing & Investment Department

Interest payable to Druk PNB	-	297,339
Interest payable to General Insurance Dept.	19,597,898	15,567,602
Interest payable to PPF Division	4,036,430	2,754,189
Interest payable to SWF	52,387	34,215
Mgt. Expenses payable to Gen. Insurance	1,530,162	1,617,122
Interest in suspense A/c.	3,470,866	1,783,779
Late fee suspense A/c.	310,448	96,026
Interest payable to Staff Gratuity A/c.	328,342	144,013
Stale cheque	1,383	90
Total:-	29,327,915	22,294,375

17 PROVISIONS

Provision for unexpired risk (17a)	59,470,474	62,369,172
Provision for Loan (17b)	25,258,745	19,733,499
Provision for taxation	20,215,826	18,700,620
Total:-	104,945,045	100,803,291

17a. General Insurance Department

Provision for unexpired risk as per last Account	62,369,172	78,957,740
Add: Provision for unexpired risk current year	(2,898,698)	(16,588,568)
Total:-	59,470,474	62,369,172

17b. Financing & Investment Department

i) Provision for standard Loan as per last year A/c.	2,805,536	2,700,456
Add:- Additional Provision for current year	214,479	105,080
Total:-	3,020,015	2,805,536
ii) Provision for Watch Loan as per last year A/c.	933,669	1,155,786
Add:- Additional Provision for current year	123,712	(222,117)
Total:-	1,057,381	933,669
iii) Provision for Sub standard Loan as per last year A/c.	15,994,294	5,682,016
Add:- Additional Provision for current year	5,187,055	10,312,278
Total:-	21,181,349	15,994,294
iv) Dynamic Provision as per last year A/c.	-	1,440,647
Add:- Additional provision for current year	-	(1,440,647)
Total:-	-	-
Total (i + ii + iii + iv):-	25,258,745	19,733,499

17c. Provision against loan charged for the year

i) Provision for standard Loan for the year	214,479	105,080
ii) Provision for Watch Loan for the last year	123,712	(222,117)
iii) Provision for Sub standard Loan for the year	5,187,055	10,312,278
iv) Dynamic provision	-	(1,440,647)
Total:-	5,525,246	8,754,594

Provision on Loan outstanding Principal amount for the Non-Performing Loans is made as per the guidelines issued by Royal Monetary Authority of Bhutan at the following rate revised with effect from 31th. December 2012.

Category	Days	% rate
1. Standard	Upto 30	1%
2. Watch	31 - 90	1.5%
3. Substandard	91 - 180	15% and 30% for highest exposure
4. Doubtful	181 - 18 months	50% and 60% for highest exposure
5. Loss	> 18 months	100%



18	NET EARNED PREMIUM (Direct + Accepted)		
	Fire	84,119,999	65,026,107
	Marine	6,189,466	4,143,864
	Motor	88,509,313	99,421,928
	Misc.	95,842,988	31,202,288
	Gross written premium (18a + 18b)	274,661,767	199,794,187
	Premium ceded to reinsurers (18c)	(166,533,632)	(86,395,691)
	Net written premium	108,128,135	113,398,496
	Net change in reserve for unearned premium (18d)	2,898,698	16,588,568
	Net earned premium	111,026,833	129,987,064
	<u>18a. Premium Direct</u>		
	Fire	74,763,283	65,026,107
	Marine	6,189,466	4,143,864
	Motor	88,509,313	99,421,928
	Misc	45,596,688	31,202,288
	Total:-	215,058,750	199,794,187
	<u>18b. Premium Accepted</u>		
	Fire	9,356,717	-
	Misc	50,246,300	-
	Total:-	59,603,017	-
	<u>18c. Premium Ceded to reinsurers</u>		
	Fire	58,761,393	47,827,679
	Marine	4,733,056	3,115,809
	Motor	10,602,490	1,637,311
	Misc	92,436,693	33,814,892
	Total:-	166,533,632	86,395,691
	<u>18d. Net change in reserve for unearned premium</u>		
	Opening balance as per last account	62,369,172	78,957,740
	Add/Less: Increase/(decrease) during the year	(2,898,698)	(16,588,568)
	Total:-	59,470,474	62,369,172
19	COMMISSION INCOME (Reinsurers ceded)		
	Fire	19,242,089	14,879,821
	Marine	1,228,251	824,264
	Misc.	13,805,299	8,605,844
	Total:-	34,275,638	24,309,929
20	INCOME FROM INVESTMENT		
	Fixed Deposit	1,772,877	2,036,712
	Interest Received from FID (Gen. Insurance Fund)	19,597,898	15,567,602
	Total:-	21,370,774	17,604,314
21	OTHER INCOME		
	Sale of Scraps	3,329,561	7,284,258
	Exchange gain/(loss)	356,407	-
	Mic. Income	-	7,200
	Total:-	3,685,968	7,291,458



22 GROSS CLAIMS		
Claims paid (Including advance) (22a)	130,159,669	140,751,667
Add: Outstanding claims (excluding advance) (22b)	13,503,530	21,716,902
Less: Outstanding claims at the beginning of the year (22c)	21,716,902	37,743,611

Total:- 121,946,297 124,724,958

22a. Total Gross claims

Claims paid (Including advance):-		
Fire	4,515,454	6,819,630
Marine	2,287,155	145,868
Motor	97,983,029	123,139,860
Misc.	25,374,031	10,646,309

Total:- 130,159,669 140,751,667

22b. Outstanding calims (Excluding advance)

Fire	13,150	575,000
Marine	45,000	669,760
Motor	9,921,248	19,858,142
Misc.	3,524,133	614,000

Total :- 13,503,530 21,716,902

22c. Outstanding calims at the beginning of the year

Fire	575,000	778,628
Marine	669,760	1,494,900
Motor	19,858,142	33,789,845
Misc.	614,000	1,680,238

Total:- 21,716,902 37,743,611

23 REINSURERS RECOVERIES ON CLAIMS

Fire	3,423,574	5,446,337
Marine	2,254,210	109,401
Motor	24,473,290	25,613,090
Misc.	19,386,203	4,744,693

Total:- 49,537,276 35,913,521

24 COMMISSION EXPENSES (24a + 24b)

Fire	3,237,944	1,272,024
Marine	80,677	80,894
Motor	1,155,288	1,944,604
Misc.	1,309,758	610,387

Total:- 5,783,667 3,907,909

24a. Commission Expenses (Referral fees)

Fire	1,098,277	1,272,024
Marine	80,677	80,894
Motor	1,155,288	1,944,604
Misc.	1,251,382	610,387

Total:- 3,585,624 3,907,909

24b. Commission Expenses (RI Accepted)

Fire	2,139,667	-
Misc.	58,376	-

Total:- 2,198,043 -



25 OPERATING EXPENSES		
Employees remuneration and welfare benefit (25a)	24,687,188	23,588,976
Communication expenses	4,117,895	2,044,663
Training expenses	1,230,893	3,003,075
Rental charges	2,089,520	1,927,485
Repairs & Maintenance	501,000	788,702
Printing and stationary	417,089	661,260
Legal and Professional Charges	2,032,790	1,376,697
Advertisement and publicity	1,624,125	1,350,540
Other Misc. expenses	365,985	440,060
Depreciation & Amortization (4 & 5)	3,693,983	2,911,260
Total:-	40,760,467	38,092,718
Expenses Allocation:		
Fire Insurance	12,264,825	12,399,180
Marine Insurance	925,263	788,519
Motor Insurance	13,234,924	18,955,211
Miscellaneous Insurance	14,335,456	5,949,809
Total Expenses allocation	40,760,467	38,092,719
25a. Employee remuneration & welfare benefits		
Salaries to staff	14,920,194	14,303,830
PF (BIL Share)	1,404,721	1,275,870
Communication allowance	308,396	318,158
Fuel allowance	435,344	439,068
Cash handling allowance	63,774	71,242
Corporate allowance	4,222,519	3,854,992
Leave Encashment amount	779,919	886,015
Staff Insurance premium	29,753	149,740
Staff Canteen & refreshment expenses	209,679	246,971
LTC	823,814	751,030
Gratuity expenses contribution	1,283,361	1,162,568
Staff incentive expenses	205,714	129,492
Total:-	24,687,188	23,588,976
25b. Other Expenses on ESP bond & Equity Investment		
Interest paid on ESP bond	5,266,899	-
Listing Fees of ESP bond	302,500	-
Brokerage charges on BNBL equity investment	78,098	-
Total:-	5,647,497	-
26 INTEREST INCOME (Net of Suspense)		
Commercial vehicle Loan	15,345,326	19,726,898
Commercial Establishment Loan	1,129,078	773,092
Industrial Manufacturing Loan	3,074,618	2,992,119
Services & Tourism	1,836,625	1,907,901
Housing Loan	2,035,037	738,587
Personal Loan	9,546,697	9,519,728
Staff Loan	1,396,138	1,325,414
Venture Loan	10,307,057	6,965,827
PPF Loan	152,837	90,486
GE/PE Loan	91,499	110,295
Loan against shares	3,897,686	1,314,385
Total:-	48,812,598	45,464,732
Less: Interest in suspense provision	(1,687,087)	(1,229,312)
Net interest received	47,125,511	44,235,420



27	OTHER INCOME		
	Guarantee Commission	1,658,684	1,992,398
	Administration & other Charges	69,527	43,000
	Interest from FD	4,434,908	142,648
	Late fees Income (Net of Suspense)	799,386	353,308
	Total:-	6,962,505	2,531,355
28	INTEREST EXPENSES		
	Interest on borrowing Funds (PNB)	949,559	3,403,823
	Interest on General Insurance Fund	19,597,898	15,567,602
	Interest on PPF Fund	4,036,430	2,754,189
	Interest on SWF	52,387	34,215
	Interest on Staff Gratuity A/c.	328,342	144,013
	Total :-	24,964,615	21,903,843
29	OPERATING EXPENSES (Financing & Inv. Dept)		
	Salary,wages,allowance & PF	818,557	937,741
	Leave Encashment benefit	28,423	10,297
	LTC	41,067	55,537
	Travelling Expenses	18,052	97,777
	Printing & Stationary expenses	198,585	111,329
	Training Expenses	-	220,351
	Postage & Telegram expenses	10,794	3,184
	Legal Charges	392,500	1,890
	Telephone & Fax expenses	144,331	50,311
	Canteen Expenses	84,541	25,322
	Internet expenses	99,403	46,923
	Electricity Charges	34,911	12,127
	Gratuity expenses	47,718	44,333
	CIB annual Membership fees	-	500,000
	Advertisement expenses	51,070	35,312
	Bank charges	678	1,205
	Total:-	1,970,630	2,153,639
30	PRIOR PERIOD ADJUSTMENT		
	Short/Excess of taxation for earlier year	-	488,484
	Short provision of loan loss in previous year	83,149	-
	Total:-	83,149	488,484
31	EARNINGS PER SHARE		
	Profit attributable to ordinary shareholders	47,087,111	44,123,264
	Weighted average No. of ordinary shares	2,000,000	2,000,000
	Earnings per share (Nu.)	23.54	22.06

